

Administrator's
**Annual
Report**

GENERAL SERVICES ADMINISTRATION

Fiscal Year 1964



**Annual Report of the
Administrator
of General Services**



1964

GENERAL SERVICES ADMINISTRATION

Washington 25, D.C.



October 30, 1964

The Honorable President of the Senate
The Honorable Speaker of the House of Representatives

Dear Sirs:

I am pleased to transmit to the Congress the Annual
Report of the General Services Administration for the
fiscal year which ended June 30, 1964.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Bernard L. Boutin".

Bernard L. Boutin
Administrator of General Services

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FOREWORD

The progress and accomplishments of the General Services Administration for fiscal year 1964 are summarized in this report.

GSA marked its 15th anniversary on June 30, 1964. Its basic mission is to provide a wide variety of property and record management services to other Government agencies. Included among these are:

1. Procurement and supply of personal property and nonpersonal services including contracting, inspection, storage, issue, property identification and classification, development of specifications, and establishment of related policies for use by other Government agencies.
2. Establishment of policies and procedures to bring about optimum utilization of real and personal property excess to the needs of the holding agency; direction of the disposal of property determined to be surplus; and rehabilitation of furniture, office equipment and other equipment used by Federal agencies to minimize new procurement.
3. Provision of space for Federal agencies including leasing of buildings and the purchase of land, design and construction, operation, maintenance, protection, renovation and repair required to provide housing of Federal agencies.
4. Development and operation of a centralized telecommunication system for the civil agencies of the Government, obtainment of reasonable rates for utility services, improvement of traffic management and arrangement of economical routing of shipments, and establishment and operation of motor pool systems for transportation of Government personnel and property.
5. Management of the national stockpile of strategic and critical materials and other inventories in consonance with policies and directives of the Office of Emergency Planning; stockpiling of emergency materials for civil defense in accordance with policy guidance of the Department of Health, Education, and Welfare and the Department of Defense; and maintenance of machine tools in the National Industrial Equipment Reserve, under policy direction of the DOD.
6. Establishment and operation of records centers, preservation of historical and permanently valuable noncurrent records of the Federal Government, administration of Presidential libraries, and improvement of current records management and paperwork practices of Federal agencies.
7. Establishment of Business Service Centers to provide information, counseling and assistance to businessmen, particularly those representing small businesses, thereby stimulating interest and participation in bidding on Government contracts.
8. Provision of surveys and on-site assistance to executive agencies to resolve problems and improve operations in the fields of procurement, property management, records management, transportation management, and property accounting.
9. Provision of services to Presidential Commissions, Boards, Committees, Councils and similar organizations for payroll, budget, accounting, per-

sonnel, administration, and space; and establishment of centralized services, such as printing plants and retail stores, where economically feasible.

10. Provision of supply and logistics support in disaster areas.

The various functions of GSA are assigned to its six Services—Federal Supply, Public Buildings, National Archives and Records, Defense Materials, Transportation and Communications, and Utilization and Disposal. Many of the operations have been decentralized to the 10 regions that provide service to Government agencies and to the public throughout the 50 States. The regional offices are located in Boston, New York, Washington (D.C.), Atlanta, Chicago, Kansas City (Mo.), Dallas, Denver, San Francisco and Auburn (Wash.).

Details of specific progress and accomplishments in the provision of services during fiscal year 1964 are contained in the various parts of this report and highlighted on the next few pages.

SUMMARY OF OPERATIONS

	Fiscal year 1964	Fiscal year 1963	Percent increase or decrease (—)
FEDERAL SUPPLY SERVICE			
1. Stores sales (thousands of dollars) ¹	324,091	292,146	10.9
2. Non-stores sales (thousands of dollars)	168,925	154,828	9.1
3. Stores line items shipped (thousands)	6,590.3	5,889.7	11.9
4. Number of supply distribution points	53	47	12.8
5. Total procurement (millions of dollars)	1,550.9	1,256.7	23.4
UTILIZATION AND DISPOSAL SERVICE			
1. <i>Personal Property</i> —(acquisition cost—millions of dollars):			
a. Transfers to other Federal agencies	623.0	475.1	31.1
b. Donations	392.5	343.8	14.2
c. Sales	65.8	39.5	66.6
Total	1,081.3	858.4	26.0
2. <i>Real Property</i> —(acquisition cost—millions of dollars):			
a. Further utilization of Federal agencies	177.9	144.7	22.9
b. Donations	171.0	122.1	40.0
c. Sales	340.3	360.0	—5.5
Total	689.2	626.8	10.0
PUBLIC BUILDINGS SERVICE			
1. <i>New Construction Program</i> :			
a. Design starts (millions of dollars)	336.7	309.7	8.7
b. Design completions (millions of dollars)	182.9	234.6	—22.0
c. Construction awards (millions of dollars)	161.3	283.3	—43.1
d. Construction completions (millions of dollars)	225.0	70.6	218.7
2. <i>Buildings Management</i> :			
a. Average net square feet managed (millions)	168.5	153.9	9.5
b. Total cost of managing buildings space (millions of dollars)	254.7	229.8	10.8
3. <i>Repair and Improvement</i> :			
a. Repair and Improvement Appropriation:			
1. Net square feet of R&I responsibility (millions)	156.3	144.1	8.5
2. Obligations incurred (millions of dollars)	76.0	64.8	17.3
Reimbursable costs (millions of dollars)	67.2	33.3	101.8
TRANSPORTATION AND COMMUNICATIONS SERVICE			
1. <i>Interagency Motor Pools</i> :			
a. Number of pools in operation	82	75	9.3
b. Sales of motor pool services (thousands of dollars)	28,200	24,469	15.2
c. Mileage (thousands)	346,563	294,438	17.7
d. Number of vehicles in pools (June 30)	33,617	27,487	22.3
2. <i>Communications Services</i> (costs, thousands of dollars)	39,500	33,301	18.6
DEFENSE MATERIALS SERVICE			
1. Strategic and critical materials in inventory (acquisition cost in thousands of dollars)	8,514,476	8,649,510	—1.6
2. Sales commitments (thousands)	167,062	110,453	51.3
NATIONAL ARCHIVES AND RECORDS SERVICE			
1. Number of Federal records centers	16	16	.....
2. Records in inventory (thousand cubic feet June 30)	8,588	8,346	2.9
3. Reference services handled (thousands)	5,281	5,326	—0.8

¹ Includes stores direct delivery sales.

COST REDUCTION HIGHLIGHTS FISCAL YEAR 1964

In establishing the General Services Administration, the Congress visualized an agency which, through effective execution of the mission spelled out in the Federal Property and Administrative Services Act, would make a substantial contribution toward reducing the overall cost of Government. Since its creation in 1949, GSA has been alert to the dynamic developments in the business world and has incorporated in its internal operations and regulatory issuances those improved management techniques, technological developments, and automated business management systems which could be adapted to Government operations. The result of this continuous effort has been gratifying and has had a significant impact on Government outlays. We have reported to the Congress in our hearings before the Joint Economic Committee that GSA has achieved savings for the Government totalling \$5.3 billion for the 14-year period ended June 30, 1963. In fiscal year 1964, savings and cost reductions are estimated in excess of \$1.1 billion.

Some of the items highlighting these achievements are:

Volume Buying of Supplies.—Volume buying for distribution through the GSA supply system and agency direct purchasing from Federal Supply Schedules saved approximately \$261 million.

Property Utilization.—Avoidance of expenditures by transfer of real and personal property to meet new requirements of Federal agencies saved over \$724 million. Proceeds from sales of personal and real property amounted to approximately \$100 million.

Telecommunications and Utilities.—Operation of the Federal Telecommunication System, consolidation of switchboards, and negotiation of areawide contracts accounted for reductions in communication and utility costs approximating \$29.8 million.

Transportation.—Federal agencies benefited from reductions approximating \$13 million resulting primarily from freight rate negotiations and consolidation of shipments. Use of GSA motor pool systems by Government agencies resulted in savings of \$11.1 million.

Federal Records.—The records management program of GSA, by transfer of records to GSA records centers, has enabled Federal agencies to avoid expenditures of approximately \$4.9 million by releasing equipment and valuable office space to meet new requirements.

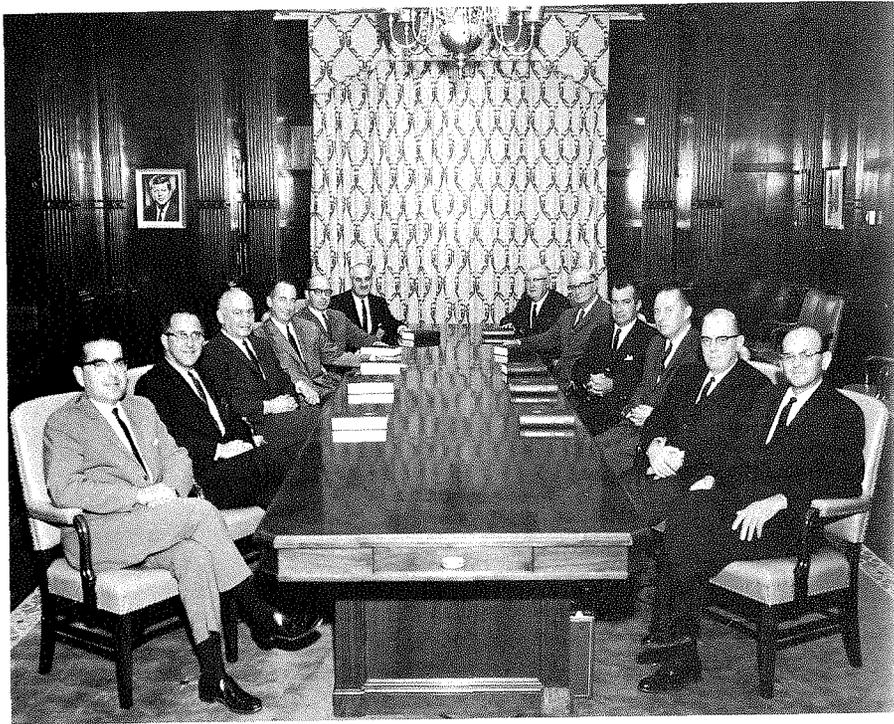
Supply Management.—Surveys of 28 Federal agencies identified potential inventory reductions of \$2.2 million and operating cost reductions in excess of \$700,000.

Reduction of Commercial Storage.—The sale of strategic materials under the disposal program and the relocation of additional quantities of materials to GSA depots reduced annual commercial storage charges approximately \$390,000.

Manpower Utilization.—Seventy-four manpower utilization surveys covering 1,848 positions were conducted. Findings of these surveys enabled program managers to reassign personnel and cancel vacancies on the basis of projected

workloads. An overall surplus capacity of about 18 percent was identified, and contributed significantly to a reduction in the yearend employment level of 422 positions and made possible the return of over \$400,000 to the Treasury in fiscal year 1964. The survey program includes a plan of action to assure successful implementation of survey reports' recommendations. At the end of the fiscal year, there were 60 new surveys covering 1,800 positions in process throughout GSA.

Mechanized Accounting Control System (MAC).—The MAC system was progressively installed in all regions. The results are an estimated saving of \$100,000 for the first year, with projected savings of \$179,000 for each year thereafter. Under the system accounting transactions are standardized to enable maximum utilization of automatic data processing to develop timely reports and reconciliations at a minimum cost.



The Administrator, Deputy Administrator, and Regional Administrators.

Part 1. Supply Operations and Management

The role of the General Services Administration in Government supply operations is to develop and maintain, jointly with the Department of Defense (DOD), an efficient and economical national supply system for Federal agencies. To this end, GSA develops, implements, and monitors, on a continuing basis and in close coordination with DOD, procurement and supply policies and methods governing the procurement and supply operations of executive agencies. An integral part of this mission is the operation of various programs including procurement, distribution, quality control, cataloging, and the development of specifications and standards.

During the past fiscal year, workload and performance in all these operating programs reached a new high. GSA's supply management activities continued to increase the effectiveness and economy of Government-wide supply operations and procedures through valuable on-site technical guidance and assistance to civilian agencies. GSA also collaborated with DOD in special

supply management arrangements, tests, and studies with a view to effecting greater economies within the national supply system.

The following are highlights of activities in fiscal year 1964 as compared with the preceding year:

1. Total procurement increased 23 percent.
2. Items stocked increased 192 percent, primarily due to the take-over from DOD of paint and handtool items.
3. Supply distribution sales (excluding direct deliveries) increased 11 percent. Line items processed and tonnage shipped increased 11.9 and 11.2 percent respectively.
4. Export volume increased 24 percent.
5. Dollar volume of inspection coverage increased 16.5 percent.
6. Specification and Standards actions increased 17 percent.
7. Cataloging actions increased 25 percent.

PROCUREMENT

GSA's total procurement exceeded \$1.5 billion in fiscal year 1964, a 23 percent gain over the fiscal year 1963 volume.

Procurement under the Federal Supply Schedule Program rose by more than \$200 million, or 26 percent, largely as a result of increased rentals

and purchases of automatic data processing equipment which accounted for \$158 million of the increase. Under the schedule program, GSA executes indefinite quantity term contracts which permit using agencies to order directly from the contractors under advantageous terms and conditions with-

out either the delay or administrative expense incurred when making individual purchases in the general market.

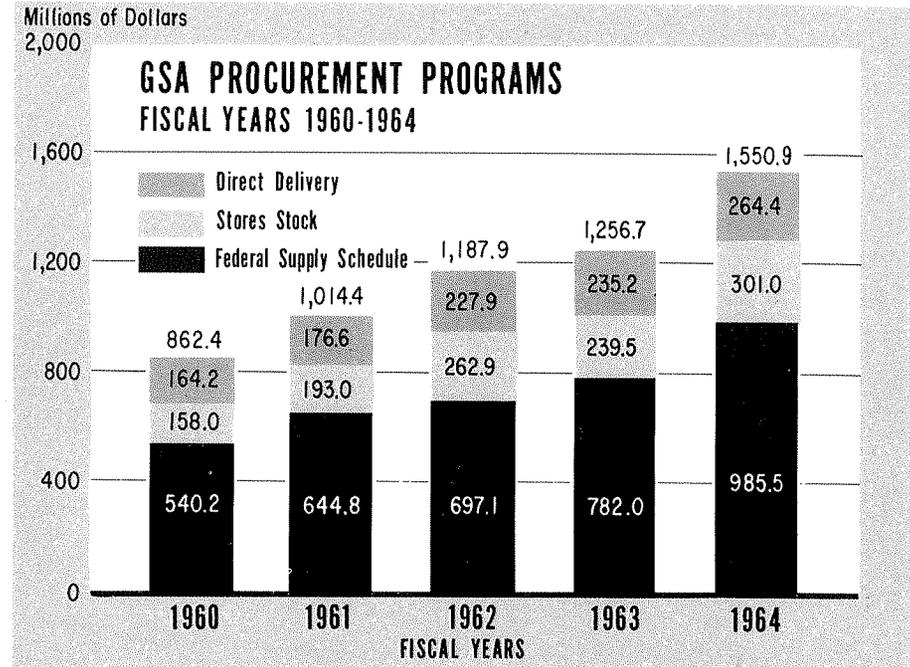
Buying for stock replenishment also increased by 26 percent primarily as a result of the additional supply support furnished DOD on paint and handtool items. The consolidation of agency requirements under this program enables GSA to make high volume procurements at favorable prices, and results in expeditious delivery of high quality merchandise to using agencies through GSA supply depots. In addition, because of the concentration of supply and procurement responsibility for these commodities in one agency, industrial and commercial interests need look to only one Federal agency in their effort to sell to the Government. Volume buying for distribution through the GSA supply system and agency direct purchasing from Federal Supply Schedules saved approximately \$261 million.

Purchases for all direct delivery increased 12.4 percent over fiscal year 1963. Stores Items for direct delivery alone increased 30.5 percent for the same period. As in the preceding fiscal year, most of this increase was the result of increased supply support to overseas activities, particularly, DOD to help alleviate the gold flow problem. Purchases under this program are made for specific agency needs submitted in accordance with existing regulations or agreements. Agency requirements for certain items are also consolidated for purchase under a single contract, thereby securing lower prices by contracting for large production quantities. Typical items procured in this manner include motor vehicles, household and quarters furniture, and appliances.

During fiscal year 1964, GSA continued to adjust and expand its item coverage to meet changing Federal requirements and to conform to technological developments in industry.

Particularly significant was the expansion in the stores-stock item coverage from some 12,000 items to 35,000 items resulting primarily from the transfer of supply support responsibility from DOD to GSA on additional paint and handtool items. The transfer involved the assumption of inventory in excess of \$60 million and required the development of new concepts in inventory management to cope with the tremendous increase in items and to make effective use of transferred inventories. Other specific agency programs continued to expand. Purchases for the Overseas Missions of the Agency for International Development (AID), increased by \$8 million to a new total of \$58 million. Supply support to Army and Air Force overseas activities through port regions also increased substantially. In addition to common items, purchases under these special supply support programs include such items as firefighting equipment, railroad rolling stock, radiological equipment, special purpose vehicles, police equipment, and communications apparatus.

Substantial improvements were made in buying programs as a result of the comprehensive review of contracting techniques and systems aimed at obtaining better prices and lowering operating costs. A comprehensive review of selected Federal Supply Schedules was completed in cooperation with customer agencies. Negotiating procedures were sharpened to include more comprehensive price analysis, and commodity areas were identified where specifications could be developed to provide a basis for improved price competition. Improved small purchase procedures were placed in effect including drastically reduced documentation requirements and streamlined procedures to reduce procurement leadtime, particularly for overseas supply support.



DISTRIBUTION

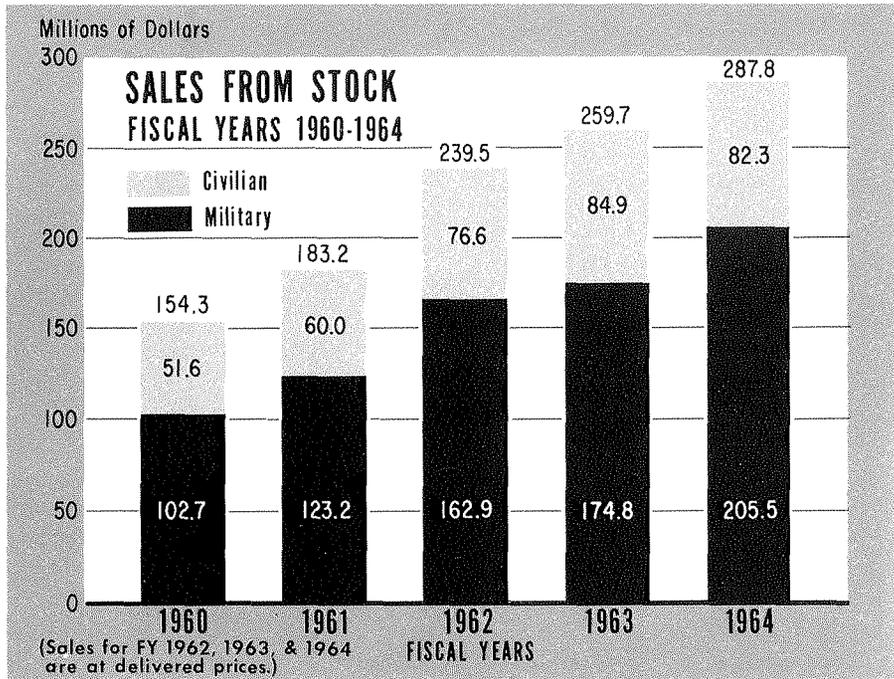
For the 10th consecutive year, sales of commercial-type commodities distributed to other Federal agencies through the GSA supply system continued upward. Sales from GSA supply depots, annexes, self-service stores, and other special supply distribution facilities reached a new peak of \$287.8 million, a gain of \$28.1 million or 10.8 percent from the previous fiscal year.

Substantial workload increases were experienced in line items processed and tonnage shipped. Line items processed rose to 6.6 million, an increase of 11.9 percent. Tonnage shipped increased 11.2 percent to a record total of 562,000 tons.

GSA actively participated with military agencies in their efforts to reduce offshore procurement and thereby reduce the gold flow and improve the balance of payments position. Export volume of stores-stock items and direct-delivery procurement during fiscal year 1964 amounted to \$136.1 million, an increase of \$26.3 million or 24 percent over fiscal year 1963.

Total warehouse space occupied by supply distribution activities as of June 30, 1964, totaled 12.9 million square feet, up 2.1 million from a year ago. All additional space acquired was Government-owned, in line with GSA's continuing emphasis on utilization of excess Government-owned facilities and the release of commercially-owned leased warehouses. Relocation and consolidation of two facilities into one location in Kansas City, Mo., has improved operations and reduced performance costs. Other major changes and actions initiated in supply distribution facilities included the assignment to GSA by the Navy of approximately one million square feet of warehouse space at the Naval Supply Center, Bayonne, N.J.

During fiscal year 1964, plans were developed and approved for relocating certain GSA supply distribution operations from the San Francisco Bay area to a portion of the Stockton Annex of the Naval Supply Center, Stockton, Calif. This relocation will take place



in fiscal year 1965, and will enable GSA to consolidate operations now dispersed in three separate facilities, operate more economically, and allow for future expansion when the volume warrants.

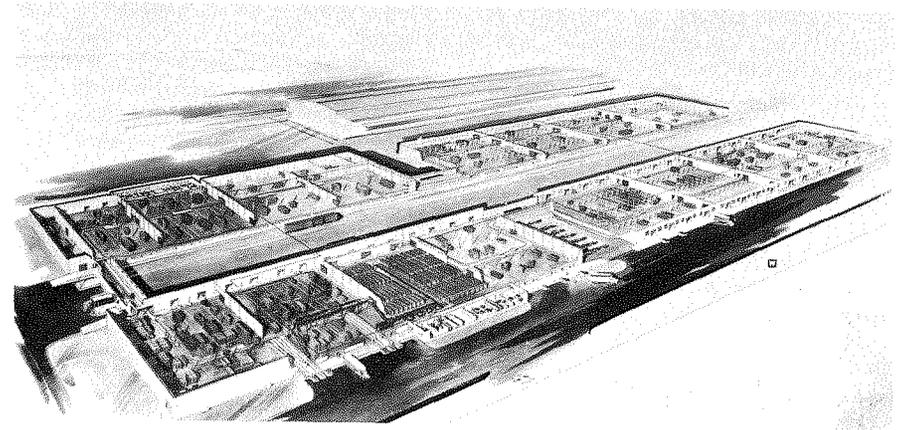
GSA activated a supply center during fiscal year 1964, at the Hickam Air Force Base, Honolulu, Hawaii, in space provided by the Air Force. This operation consists of a large self-service store, a warehouse annex operation, and a procurement assistance and customer service operation. Also, GSA opened a Customer Service Office at the Tachikawa Air Base outside Tokyo, Japan. The GSA staff at this location provides procurement assistance, consulting services, and liaison for all military services and civilian agencies in the Far East area.

The self-service store system of distribution continued to expand. These stores provide a more effective and efficient supply service through immediate availability of supplies, consolidation of common services, visual inspection and selection of merchandise, elimina-

tion of paperwork, and simplified billing techniques. By the end of the fiscal year, there were in operation 23 such self-service stores, located in 15 cities. Four are scheduled for early opening in fiscal year 1965, and plans are underway for 16 additional stores.

The Federal Supply Service (FSS) distribution system, as of June 30, 1964 consisted of 15 major supply depots, 7 supply depot annexes, 4 auxiliary storage facilities, 23 self-service stores, 2 supply centers, a building materials yard, a fuel yard, 2 customer service offices, and 4 export operation facilities.

GSA initiated other actions during the fiscal year to extend its supply services. These included: Reduction of its export packing surcharge rate from 6 percent to 5 percent, effective May 1, 1964, which will provide estimated savings to customer agencies of approximately \$1.5 million during fiscal year 1965; agreements with Army and Air Force to transfer supply support to bases in Korea and Japan from GSA's San Francisco, Calif., region to the Auburn, Wash., region,



GSA Supply Depot, Auburn, Wash.

which is expected to achieve a better balance of export workload and improve services to the Far East; and pro-

viding assistance to the Peace Corps on a number of projects, including (a) the "Booklocker" project, involving



Vans being stacked for shipment to Alaska.

the special packaging, shipping, and distribution of approximately 650,000 books in 3,000 specially designed waterproof containers to overseas Peace Corps volunteers; (b) shipment of 12,500 filmstrips to 35 different overseas destinations in Africa, the Far East, Latin America, and the Near East; (c) packing and shipping of 9,900 Classic Illustrated books to overseas destinations in Asia and Africa; (d) packaging and shipping of 176 encyclopedia sets with 198 supplements and 400 one-volume library encyclopedia sets to Peace Corps representatives in 20 different foreign countries; and (e) shipment of 27,400

maps, 9,000 issues of National Geographic Magazine, and 60,000 color photographs to various Peace Corps foreign posts.

Table 1.—OUTGOING WORKLOAD
FISCAL YEARS 1960-64
[In thousands]

Fiscal year	Line items shipped	Tonnage shipped
1964	6, 590	562
1963	5, 890	505
1962	5, 436	473
1961	4, 667	358
1960	4, 099	290

QUALITY CONTROL

GSA operates a nationwide quality control and contract administration assistance program to assure that procurements for Government agencies meet all specification requirements and

are fulfilled in a timely manner. GSA's inspection program covered \$714.0 million worth of material produced during fiscal year 1964, a 16.5 percent increase over the previous



A Typical GSA Quality Control Laboratory.

year. Quality control coverage was also extended to meet the requirements of DOD in providing supply support for items transferred to GSA by DOD during the fiscal year.

GSA has operated a Quality Assurance Program for the past 8 years with increasing success. This program produces major reductions in the cost of Government inspection through the recognition and utilization of the quality control systems of suppliers. GSA quality control representatives provide technical assistance to suppliers so they may qualify and participate under this program. This assistance is especially beneficial to small businesses requiring technical guidance. Twenty-five percent of all active GSA suppliers, more than 700 suppliers, actively participated in this program during the past fiscal year. A pamphlet titled "Quality Assurance Program" has been published to acquaint existing and potential GSA suppliers with the benefits of this program to industry and Government.

The 29,643 acceptance tests performed by GSA laboratories this year represented a 28.8 percent increase over fiscal year 1963. This expansion

was due largely to the necessity for testing the increased volume of paints to meet GSA's responsibility for supply support to DOD.

GSA's quality control coverage of Federal Supply Schedule contracts in specific commodity areas resulted in improved quality and deliveries. Quality control recommendations based on first-hand experience with schedule suppliers and commodities have also led to many improvements in specifications and methods of supply.

GSA's Quality Control Division continues close coordination with DOD and other civil agencies in inspection and quality control functions. As a member of the Defense Supply Agency Inspection and Quality Control Council, GSA assists in the development of uniform policies, procedures, and standards relating to the quality control of materials procured for Government agencies, both civil and military. This participation in the Council provides the means to eliminate duplication of Government inspection efforts at suppliers' plants through close collaboration between GSA, other civil agencies, and military activities.

STANDARDIZATION

GSA standardization efforts were directed during fiscal year 1964 at providing the supporting specifications, standards, and uniform item identifications needed to expand the base of competitive procurement. This would permit procurement of optimum quality supply items at the lowest competitive cost to the Government. During the year, a total of 1,611 Federal Specifications and Standards actions and 255,132 cataloging actions were performed. The uniform identification and stock numbering of all items procured by civil agencies is now 77 percent complete.

Improved methods, including mechanization and automation, were introduced to accelerate production. The Federal Catalog System card file of

2.5 million descriptive supply items was converted to a new automated microfilm retrieval system. Through the use of this system, substantial reductions have been achieved in the time necessary to process items of supply in the Federal Catalog System and in daily operating costs for retrieving catalog data.

Table 2.—ITEMS CATALOGED, FISCAL YEARS 1960-64

Fiscal year	Total items
1964	121, 823
1963	97, 859
1962	63, 153
1961	46, 337
1960	52, 512

During the year, special emphasis was placed on reducing the number of procurements on a brand name basis. Specifications were developed covering 568 items formerly procured under brand name reference. The replacement of brand names by specifications provided an opportunity for any manufacturer who can produce the product to bid on all proposed purchases by the Government. This not only extends the opportunity to do business with the Government to a larger number of manufacturers but inevitably results in reduced cost to the Government through maximum competitive bidding.

Indoctrination in GSA's standardization and quality control program was provided to the NATO countries and to Israel, India, Turkey, and Jordan. Data for use in establishing a standards organization were furnished to the Governments of Peru and Puerto Rico. Specifications developmental conferences were held to obtain the advice and recommendations of industry on specifications and standards for automobiles, station wagons, light trucks, dry chemical fire extinguishers, ball point pens, and X-ray film.

SUPPLY MANAGEMENT

Particular effort was devoted during the year to supply management arrangements, tests, and studies to improve the efficiency of, and to effect greater economies within, the national supply system. Primary emphasis was devoted to the transfer of paint and handtools from DOD to GSA; GSA/Defense Supply Agency (DSA) commodity management studies; a study of Government-wide support responsibility on electronics, subsistence, petroleum, medical supplies, clothing and textiles; a service test for providing perishable subsistence; and special arrangements for supply support to AID in the Far East, and supply management assistance to civil agencies.

To assure an industry-oriented standardization program and specifications and standards reflecting current technology and Federal requirements, GSA maintained close liaison with industry, professional societies, and industry associations.

Significant specifications and standards developed during the year included Federal Standards for typewriter and teletypewriter ribbons. It is estimated that these standards which reduced the number of fabric typewriter ribbons from 68 to 34 and the number of teletypewriter ribbons from 62 to 2 will result in annual Government savings in excess of \$150,000.

Table 3.—SPECIFICATIONS AND STANDARDS, NEW—REVISED—AMENDED, FISCAL YEARS 1960-64

Fiscal year	Number of actions
1964.....	1, 611
1963.....	1, 375
1962.....	960
1961.....	876
1960.....	782

The assumption of supply support responsibility for paint and handtools for DOD by GSA was completed during the fiscal year, and all regions were processing orders for these items by January 1964. Inventories are used by GSA from DOD storage sites. GSA is concurrently replenishing its own depot stocks to provide effective support for these commodities on a Government-wide basis.

A GSA/DOD study was completed on selected commodities, with a view to establishing practical criteria for assigning future supply support responsibility to either GSA or DOD. Results of this study are now being reviewed. A joint GSA/DSA effort

was also initiated during the year to determine the economic feasibility, within the national supply system, of assumption by DSA of Government-wide support for electronics, subsistence, petroleum, medical supplies, and clothing and textile items. Results of these studies should be made part of specific supply support arrangements within the national supply system during fiscal year 1965. A service test sponsored jointly by GSA, DSA, and the Bureau of the Budget (BOB), with the full cooperation of the Veterans Administration (VA), and the Department of Health, Education, and Welfare (HEW), was initiated during the year on perishable subsistence items. This test involved supply support to the VA and Public Health Service in the Chicago area on a trial basis. Under this test, hospital activities of these civil agencies, along with military requirements, are being supported through the Defense Subsistence Supply Center in Chicago. Evaluation of the test will be made to determine the effectiveness and economy of such a consolidated arrangement and its possible nationwide application within the national supply system.

Negotiations were initiated with AID for GSA to provide supply management assistance to AID Overseas Missions in the Far East. Under such an arrangement, GSA supply management staff personnel will be stationed at the AID Overseas Missions and be responsible for furnishing technical direction and assistance on all supply matters. Arrangements also were initiated to conduct GSA supply management surveys of AID missions and install improvements, where necessary, in supply policies, systems, and operations. Special liaison contacts have been established between GSA and AID in Washington, D.C., to insure prompt and effective response to AID requirements.

To improve the overall management effectiveness of the national supply system, continuing emphasis was placed on GSA supply management

assistance to the civil agency component of the system. Specifically, significant improvements and identifiable savings were realized by GSA supply management surveys of selected civil agencies' supply operations. Inventory investments amounting to more than \$2.2 million were identified as excess to the needs of agencies and provisions were made for better utilization or disposal of such inventories. Potential reductions in agency supply operating costs were identified, amounting to \$728,200. Surveys for the Department of the Interior involved supply operations of the Bonneville Power Administration, Bureau of Mines, Southwestern Power Administration and the National Park Service. Assistance was also provided to the Bureau of Reclamation in establishing a data control center at Denver, Colo., for the cataloging and management of over 100,000 supply items distributed from 61 locations.

Surveys of the procurement operations of the Department of Commerce included six headquarters offices, Coast and Geodetic Survey, Weather Bureau, Census Bureau, Maritime Administration, and the Bureau of Public Roads. The surveys identified procurement functions to be consolidated within the Department or to be transferred to GSA. In order to achieve maximum economies through centralized management, GSA assisted the Department in establishing a procurement management control organization at the departmental level.

Through a joint GSA/Department of State survey of selected American embassies, consulates, and the regional supply center of the Department in Europe, significant improvements were achieved in supply relationships. Supply management assistance was also furnished the Office of the Secretary in the Department of Health, Education, and Welfare, the Department of Labor and the U.S. Courts.

GSA actively pursued its regulatory responsibility in the furtherance of an

effective national supply system. One of the more significant examples of this effort is the Federal Standard Requisition and Issue Procedure (FED-STRIP). This system was prescribed for mandatory use not later than January 1, 1965, by executive civil agencies in ordering supplies from GSA.

Uniform policies and procedures

were further emphasized through handbooks such as "Inventory Management—A Guide for Federal Agencies," and through the development of specific training courses such as "Small Purchases" and "Procurement by Formal Advertising" which were made available to all Federal agency procurement personnel.

Table 4.—TRANSFER OF PAINT AND HANDTOOLS FROM DOD TO GSA

Transferred from	Inventory transferred (millions)	Items supported	Estimated annual sales (millions)
Defense Supply Agency:			
Defense Industrial Supply Center (paint) . . .	\$12.5	1,378	\$30.0
Defense General Supply Center (handtools)	48.8	23,413	30.0
Totals	\$61.3	24,791	\$60.0

NOTE. Supply support responsibility was assumed by GSA on Oct. 1, 1963, for paint, and on Jan. 1, 1964, for handtools. Inventory transferred is as of June 30, 1964.

Part 2. Utilization of Excess and Disposal of Surplus Property

Under its charter in the Federal Property and Administrative Services Act of 1949, as amended, the General Services Administration has made substantial progress in fostering maximum use of excess Government-owned property in lieu of new procurement, and in the economic and efficient disposal of property which is no longer needed by the Federal Government.

The following are highlights of GSA's utilization and disposal activities in fiscal year 1964 as compared with the preceding year:

1. *Increase* in acquisition cost of real and personal property put to fur-

ther Federal use, donated, sold, or rehabilitated—\$316 million or 21 percent.

2. *Increase* in real and personal property sales proceeds—\$14.2 million or 17 percent.
3. *Decrease* in operating costs—\$58 thousand or 1 percent.
4. *Decrease* in cost per \$100 acquisition cost of all property handled—12 cents or 18 percent.
5. *Decrease* in cost per \$100 proceeds from sales of real and personal property—\$1.72 or 15 percent.

REAL PROPERTY

In the fiscal year ended June 30, 1964, reports of excess were received for 814 properties costing \$469 million. The Department of Defense (DOD) continued to be the largest generator of such excess property. As in the past, close liaison was maintained with all executive agencies to insure coordinated action in timely reporting, utilization, and disposal of real property.

To facilitate transfer and reduce expenditures for new property, efforts were concentrated on assuring that Federal agencies, whose functions re-

quire the use of real property, were notified of the availability of specific excess properties. This in turn resulted in considerable savings to the Government. Typical of effective real property utilization was the transfer of the 13,000-acre Atomic Energy Commission Salton Sea Test Base in Imperial County, Calif., to the Department of the Navy for expansion and upgrading of the research, development, and experimental capabilities of the DOD joint parachute test facilities.

Table 5.—REAL PROPERTIES WITH HIGH ACQUISITION COST TRANSFERRED FOR USE BY OTHER GOVERNMENT AGENCIES, FISCAL YEAR 1964

Property	Property reported excess by—	Property transferred to—	Acquisition cost (millions)
Air Force Plant No. 62, Middletown, Conn.	Department of Defense.	Atomic Energy Commission.	\$58.1
Naval Weapons Plant, Washington, D.C.	.....do.....	General Services Administration.	18.2
Gadsden Air Force Station, Gadsden, Ala. ¹	.....do.....	.....do.....	1.9
Pantex Ordnance Plant, Amarillo, Tex.	.....do.....	Atomic Energy Commission.	14.1
Salton Sea Test Base, Imperial County, Calif.	Atomic Energy Commission.	Department of Defense.	4.2

¹ Portion of installation transferred.

In summary, 53 properties with an original acquisition cost of \$101 million were transferred between Federal agencies during the year. An additional 49 properties costing \$77 million were withdrawn from excess by reporting agencies and also put to further Federal use.

In fiscal year 1964, 852 excess real properties having an acquisition cost of \$527 million were determined to be surplus to the needs of the Government. Real property costing \$472 million was subject to disposal by GSA; the balance, or \$55 million, was subject to disposal by holding agencies. The latter primarily involved leases or similar agreements granting the right to use, occupy, or control properties not owned by the Government, and improvements to be disposed of without the underlying land.

Under certain statutory authority, surplus real property no longer needed by the Federal Government is made available to local governmental bodies for public use purposes, such as airports, park and recreation areas, conservation of wildlife, health, and education. Conveyance to public bodies is made with certain restrictions on use at up to 100 percent discount. The Federal Government, therefore, contributes substantially to the civilian economy by reducing costs to local

governments by providing property for such purposes.

Table 6.—DISPOSAL OF SURPLUS REAL PROPERTY BY GSA, FISCAL YEAR 1964

Type of disposals	Number of properties
Sales.....	268
Health and education assignments.....	90
Recalls from surplus.....	61
Park, recreation, and monument use.....	29
Federal highway assignments.....	9
Airport use.....	10
Other (conservation of wildlife; named recipients; grants of easements; abandonment; writeoff; destruction; and donation).....	18
Total.....	485

One of the most significant aspects of the 1964 program was the substantial increase in the dollar return from sales. The 1964 total of \$90 million was up 16 percent over the \$78 million in 1963, up 14 percent from \$79 million in 1962, and up 25 percent from \$72 million in 1961. Disposal by sale places property in the civilian economy, adds property to the tax rolls, reduces the cost to the Federal Government for protection and maintenance, and returns sales

proceeds to the U.S. Treasury. Every beneficial in areas of substantial un-effort is made to sell surplus property employment since such plants employ to user-buyers. This is particularly local workers.

Table 7.—SALES OF HIGH VALUE SURPLUS REAL PROPERTIES, FISCAL YEAR 1964

Property	Appraised fair market value (millions)	Selling price (millions)
Naval Weapons Industrial Reserve Plant, Southington, Conn.	\$21.5	\$22.0
Raritan Arsenal, ¹ Township of Edison, N.J.	2.7	2.9
Naval Industrial Reserve Shipyard, ¹ Kearney, N.J.	3.0	3.6
Naval Ordnance Plant, York, Pa.	10.0	10.0
San Jacinto Ordnance Depot ¹ (Channelview), Houston, Tex.	11.4	11.1
Cactus Ordnance Works, ¹ Dumas, Tex.	5.9	6.0

¹ Portion of installation sold.



Interior view—Building No. 2, Naval Ordnance Plant, York, Pa.

The cost to GSA for maintenance of surplus real property pending disposal amounted to \$1.7 million during the year. However, this is substantially offset by receipts from interim use under lease, permit, or other use agreements pending disposal. The income

from such sources amounted to \$1.3 million during the same period.

Payments in lieu of taxes on real property approximated \$197,000. These payments are made on certain real property under GSA's custody transferred on or after January 1, 1946,

from the Reconstruction Finance Corporation (RFC) in accordance with Title VII of the Federal Property and Administrative Services Act of 1949, 69 Stat. 721, as amended (40 U.S.C. 521).

As of June 30, 1964, one real prop-

erty was in the custody of GSA in the National Industrial Reserve. This was the Turtle Mountain Ordnance Plant at Rolla, N. Dak., which was under lease to a private concern for the production of jewel bearings pursuant to a national stockpile program contract.

PERSONAL PROPERTY

GSA conducts several programs dealing with personal property which is excess or surplus to the needs of the Federal Government. These programs involve the rehabilitation of personal property owned by the Government to extend its useful life, the utilization of available excess personal property by Federal agencies, the donation of surplus personal property for authorized

purposes to the States, and the sale of remaining property items to the public.

The interagency personal property utilization program conducted by GSA reached a new high in 1964 in the amount of excess property transferred for further Federal use—\$623 million of property at acquisition cost was redistributed compared with \$475 million in 1963, a 31 percent increase.



Truck van bodies converted to sea lifts for shipping AEC exhibits of Atoms-at-Work to Central and South America.

All agencies benefited through curtailment of new procurement or upgrading of old property. To accomplish this, a total of \$3.7 billion of property considered to have utilization potential was systematically screened by GSA regional offices. Government-agency generations totaled \$7.1 billion. This included scrap, salvage, and other property without utilization potential.

DOD electronic ordnance and missile support equipment continued to be transferred to a number of Federal agencies in large quantities. Transfer of this type of property was of great value to numerous technical research and development programs. Innovations by adaptation and conversion accounted for increased utilization of this nonstandard-type equipment.

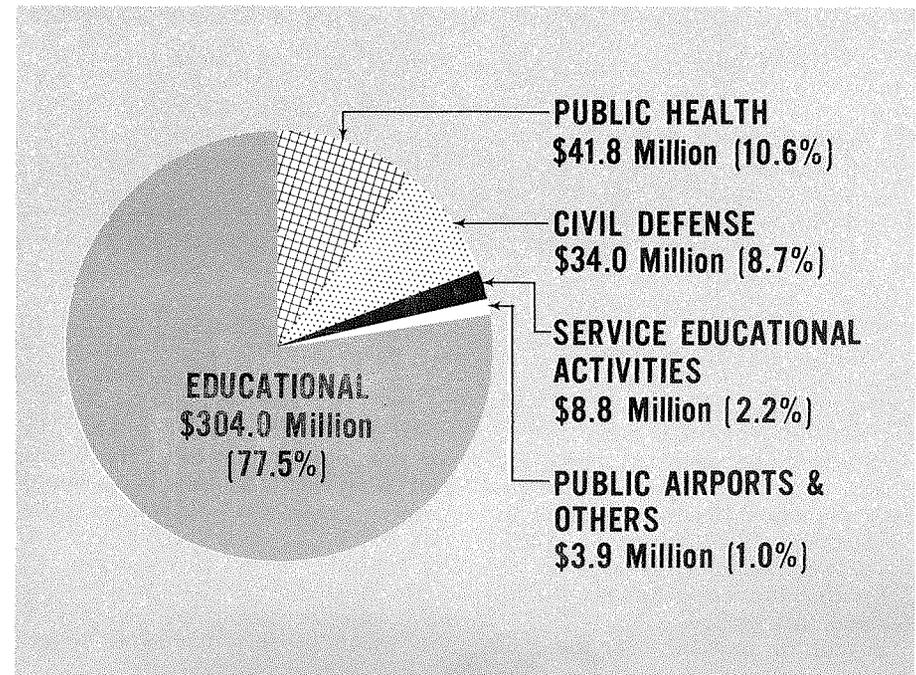
Contractor inventory continued as a major contributing factor to the utilization increase. Transfers of this category increased to \$102 million from \$77 million in the previous fiscal year.

Increased productivity resulted in a 40 cent unit cost per \$100 of property

transferred, a reduction of 12 cents from 1963.

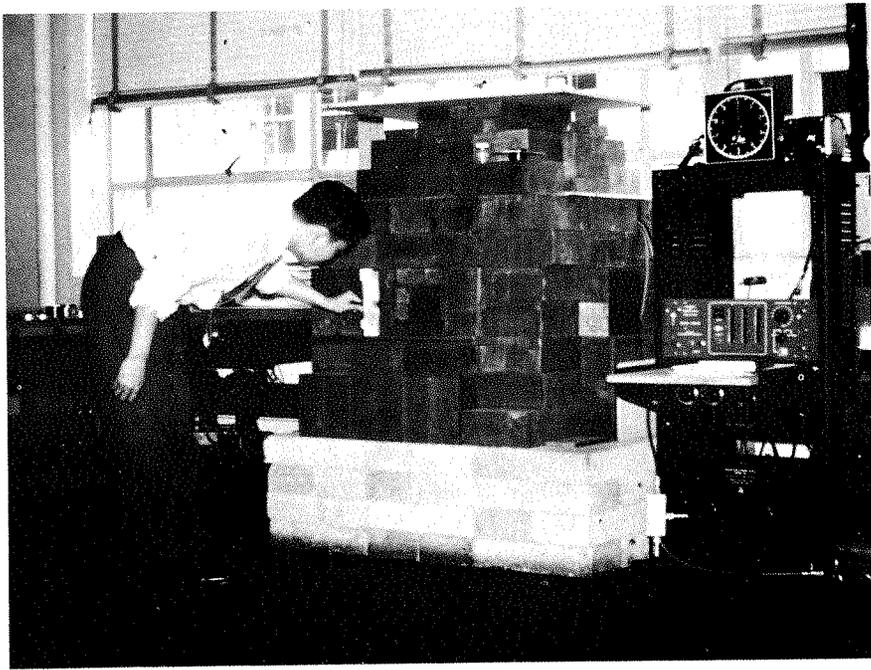
During the year, source data automation was installed in the 10 operating regions. Substantial man-hours savings are being realized. Punched paper tape reports are now being received for DOD excess personal property. Refinement and improvement in programing techniques based upon experience will account for additional savings through a reduction in paperwork and a more efficient operation requiring fewer people. In addition, excess property played an important part in the manpower retraining effort administered by the Department of Labor.

Congress has maintained a consistent policy of obtaining non-Federal utilization of surplus property by donation to the States for educational and other public purposes. Donations in the amount of \$392.5 million at acquisition cost were approved by GSA in fiscal year 1964, an increase of \$48.7 million over last fiscal year. This property was distributed as follows:



During the past 5 years, donations of surplus property have totaled \$1.9 billion. The donation program has been exceedingly helpful to the schools

of this country at a time of rising enrollment and increased need for technical equipment.



This miniature atomic reactor and particle-counting unit was built by university students entirely from donated property.

Of particular significance this fiscal year was the program to expedite donation of surplus property to the counties of eastern Kentucky, in support of the President's program to provide economic assistance to this area. More than \$1 million in vehicles, portable buildings, medical supplies, and other property has thus far been donated to schools, hospitals, and other eligible eastern Kentucky institutions through this continuing program. This project has also supported other Federal agencies in carrying out their programs in eastern Kentucky, particularly the school lunch program of the Department of Agriculture, and the manpower retraining program of the Departments of Labor and Health, Education, and Welfare.

A uniform procedure for the dona-

tion of surplus property for disaster assistance, under the provision of the National Disaster Act, has been developed in collaboration with the Office of Emergency Planning (OEP). This will provide automatic assistance to States which are declared disaster areas by the President.

GSA has an operating responsibility as well as the responsibility for overseeing the sale of personal property no longer needed by the Federal Government or which is being disposed of for replacement purposes. It directs and supervises the sale of personal property conducted by executive agencies, and also conducts sales of property for a number of the civil agencies.

In the sale of personal property for civil agencies during the year, GSA sold usable property having an acqui-

sition cost of \$65.8 million. This represented a 67 percent increase in the volume of property sold in 1963. GSA selling costs declined from \$12.70 to \$11.58 per \$100 of proceeds obtained. Total proceeds from all sales conducted by GSA amounted to \$10.1 million or a 23 percent increase over 1963.

Sales of usable personal property by all Government agencies during the year totaled an estimated \$755 million at acquisition cost. This reversed slightly the trend of the preceding 4 years where sales of such property decreased in volume from \$2.1 billion in 1960 to \$707 million in 1963, expressed in terms of acquisition cost.

The program which GSA initiated in 1961 to progressively assume the responsibility for selling property for

most of the civil agencies continued to progress in 1964. As a result, a regulation was developed providing for the sale by GSA of all personal property under the control of all civil agencies, including their surplus property, contractor inventory, and items designated for disposal for replacement purposes. This regulation is expected to be issued early in 1965 and will supersede provisions of the Regulations of GSA, Title 1, Personal Property Management, thereby rescinding all delegations of authority to civil agencies to conduct sales of such property. Among other things, this development will insure much greater uniformity in Government sales practices and will reduce the number of points buyers must contact for sales information.



Prospective purchasers at GSA sale of motor vehicles.

The comprehensive study by GSA, in collaboration with DOD, to evaluate the feasibility of GSA assuming more control of the personal property sales functions presently being performed by

DOD under delegation of authority, was completed and submitted to the Bureau of the Budget (BOB) for consideration. A final decision with respect to this matter is still pending.

The property rehabilitation program continued to expand into other items of personal property including diversified electrical, mechanical, and electronic equipment as well as a variety of industrial and construction-type equipment and components. In addition, program services were broadened to include maintenance and repair services as well as rehabilitation for such items. GSA also assumed responsibility for providing such services for the Agency for International Development (AID) for excess items being acquired in support of overseas missions and additionally for eligible recipient countries under the non-AID financed program.

During the year, excess and in-use items of personal property having an acquisition cost of \$53.4 million were rehabilitated at a cost of \$10.9 million. This represented an increase in volume attainments over the prior fiscal year of 133 percent and was performed at a unit cost of \$0.94 per \$100 acquisition cost of property rehabilitated, which represented a reduction of 41 percent. Use of commercial contractors to provide these services was increased considerably during the year

and currently number about 5,000. This expansion has been confined almost exclusively to small business firms, several of which were located in surplus labor areas.

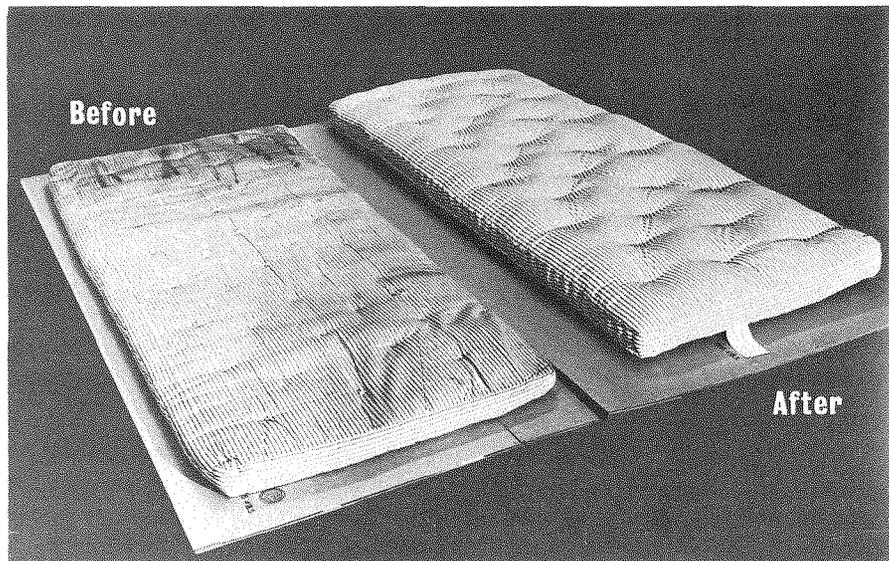
The excess personal property items which were transferred under certain foreign assistance programs had an acquisition cost of \$11.1 million. These were repaired at a cost of \$1.3 million or 11 percent of the acquisition cost. Items repaired included aircraft, vessels, machine tools, trucks, industrial equipment, and other miscellaneous types of personal property.

Negotiations with the National Industries for the Blind (NIB), were completed to utilize six of their mattress renovation facilities. It is expected that this program will increase with GSA participation in promoting use of NIB facilities. Other Federal Government facilities being used include Federal Penal Institutions; Public Health Service Hospital, Fort Worth, Tex.; and the District of Columbia Correctional Institution, Lorton, Va. These are in addition to the GSA-operated repair shops for office machines located in Washington, D.C., and Denver, Colo.

A study has been initiated to explore the benefits that may accrue to the Government by reclaiming, from scrap material, such precious metals as platinum and silver. Currently, these metals are being reclaimed from spark plugs, and are being retained for use within the Government. A Government-wide survey is being made to determine the extent of silver recovery from exhausted photographic solution

with the view to establishing improved recovery methods to attain a greater yield. It is anticipated that additional savings will accrue to the Government from these and other phases of the reclamation program scheduled for future implementation.

GSA is continuing the program for rehabilitation, stocking, and subsequent redistribution of excess items of furniture and office machines.



Mattress renovation by the National Industries for the Blind.

Part 3. Space for Federal Agencies

Real property activities of the General Services Administration administered by the Public Buildings Service (PBS) can be summarized in two general categories: (a) procurement of real property; and (b) management of real property. These activities are performed for the benefit of other Federal agencies, principally to provide space to house their activities.

Procurement of real property includes the acquisition of land and buildings by purchase, construction, lease, transfer from other agencies, or otherwise. Determination of Federal space requirements is, of course, a prerequisite to a sound program.

Management of real property includes overall administration, operation, maintenance, protection, and utilization of general purpose buildings and space; the repair and improvement of buildings; and related miscellaneous activities ranging from the Post Office modernization program to providing furnishings for the U.S. Courts.

In addition to the funds appropriated directly to GSA for the performance of these functions, funds approximating \$217 million were transferred to GSA from other agencies for the performance of special services, the construction of special purpose buildings, and the installation of special facilities.

Progress in various programs may be highlighted by the following:

1. Construction completions were up from 35 projects costing \$70.6 million in 1963 to 59 projects costing \$225.0 million in 1964.
2. Buildings constructed by GSA for

use by executive agencies provided an additional 6.0 million square feet in 1964. This compares with 2.6 million square feet in 1963.

3. Partial fulfillment of program needs was accomplished by acquisition from other Federal agencies of seven properties, with fair market value of \$16.5 million, which were no longer needed by their former users.
4. The average space operated for fiscal year 1964 was 168.5 million square feet or about 9 percent more than fiscal year 1963. The ratio of leased space to total space in use continued to decline from 26.2 percent of total space at the beginning to 25.8 percent at the end of 1964.
5. Productivity in Buildings Management continued to increase so that in spite of wage-rate adjustments and other increased costs, the overall average unit cost per square foot increased less than 2 percent.
6. The average square feet of office space per Federal employee decreased from 146.8 in fiscal year 1963 to 145.0 in fiscal year 1964. When applied to a total of 493,500 employees, this represents a substantial saving.
7. Award of contracts for repair and upkeep of buildings was accelerated to assure more timely completion. This resulted in more than 70 percent of the program being obligated by the end of the 3d quarter.

PROCUREMENT OF REAL PROPERTY

Space requirements are determined by GSA through a system of comprehensive surveys and studies of Federal space needs in the principal cities of the United States. These surveys identify the communities in which there exists the most urgent need for either improvement in existing public buildings or the construction and acquisition of new public buildings. Investigations are made by the regional offices of GSA, and studies are periodically brought up to date in those localities where changes have occurred in Federal Government programs. Detailed studies are made of the adequacy and condition of existing Government-owned and leased facilities housing Federal agencies, current and projected future requirements, availability and cost of leased space, population trends, economic growth, and other factors affecting the need. GSA maintains continual liaison with Federal agencies in order to keep informed of their needs and keeps the agencies advised of the GSA program. Through this continuing process, those requirements for public buildings having the highest priority and justification are identified and tentatively scheduled for the year in which approval would be requested. This schedule covers a period of approximately 5 years.

GSA surveyed space requirements in 339 communities during the fiscal year. Studies were conducted in 113 communities for the first time, bringing to 2,297 the communities investigated at least once since this program began in 1956. In addition, surveys for 226 communities were updated to insure current data in localities where the Federal programs may be changing.

From the construction needs identified through these surveys, 48 construction proposals estimated to cost \$261 million were recommended to the Congressional Committees on Public Works. The proposals included 1 prospectus providing for the construction of 25 small Federal office buildings for the Social Security Administration District Offices in 25 communities. In addition, three building project survey reports were submitted at the request of the Senate Committee on Public Works. These reports set forth the need for additional projects at an estimated cost of \$35.6 million.

The new prospectuses and survey reports and those pending at the start of the year represented project costs estimated at \$439 million.

Committee approvals were accorded 48 prospectuses and reports covering 51 projects, totaling \$284.6 million in estimated costs. The approved prospectuses covered 39 new buildings, 5 major alterations, 5 extensions, and 2 purchases. Fourteen prospectuses and reports were pending at the end of the fiscal year, totaling \$154.3 million in estimated costs.

By the end of fiscal year 1964, nearly 5 years after the Public Buildings Act of 1959 was approved, the Congressional Committees had approved 268 prospectuses and reports, involving 368 projects. Their total cost is estimated at \$1.9 billion.

Construction activities were maintained at a vigorous pace during fiscal year 1964 to provide efficient and economical facilities for the use of Government agencies. The scope of the new building program is presented in the following table and compares fiscal year 1964 with the prior year.

Table 8.—DESIGN AND CONSTRUCTION OF NEW BUILDINGS

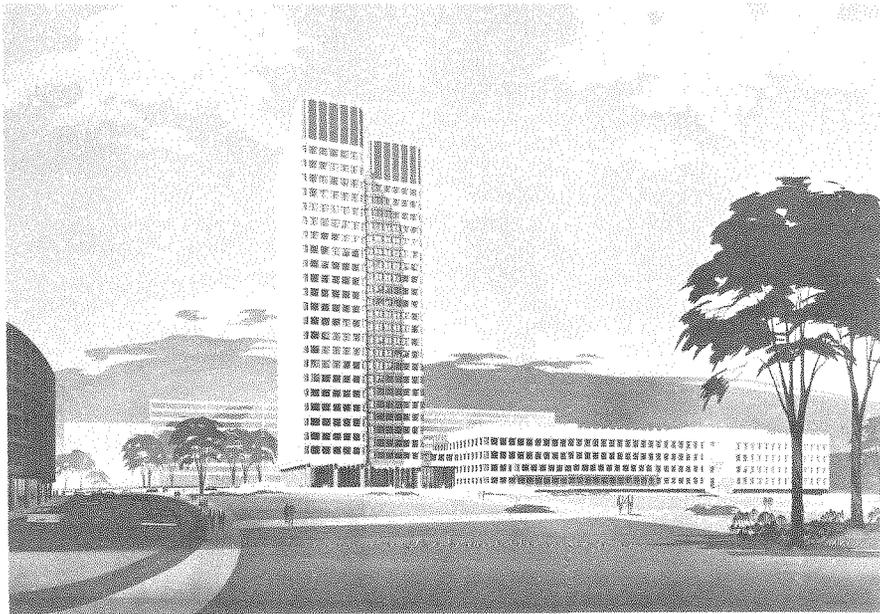
	Actual fiscal year 1963		Actual fiscal year 1964	
	Number	Cost (in millions)	Number	Cost (in millions)
DESIGN				
In progress start of period:				
1. GSA (sites and expenses).....	62	\$339.9	72	\$406.5
2. By other agency transfers.....	24	109.0	32	117.5
Starts:				
1. GSA (sites and expenses).....	50	239.9	170	247.2
2. By other agency transfers.....	34	69.8	28	89.5
Completions:				
1. GSA (sites and expenses).....	40	173.3	63	138.1
2. By other agency transfers.....	26	61.3	18	44.8
In progress end of period:				
1. GSA (sites and expenses).....	72	406.5	179	515.6
2. By other agency transfers.....	32	117.5	42	162.2
CONSTRUCTION				
In progress start of period:				
1. GSA (construction, public buildings).....	31	226.8	56	446.9
2. By other agency transfers.....	32	121.0	38	113.6
Contract awards:				
1. GSA (construction, public buildings).....	38	250.3	33	104.5
2. By other agency transfers.....	28	33.0	11	56.8
Completions:				
1. GSA (construction, public buildings).....	13	30.2	28	151.5
2. By other agency transfers.....	22	40.4	31	73.5
In progress end of period:				
1. GSA (construction, public buildings).....	56	446.9	61	399.9
2. By other agency transfers.....	38	113.6	18	96.9

Space requirements of Federal agencies are being satisfied in efficiently designed and constructed buildings. At the same time, added emphasis is being placed on the esthetic architectural concept of the structure to produce buildings which reflect the dignity, enterprise, vigor, and stability of the U.S. Government.

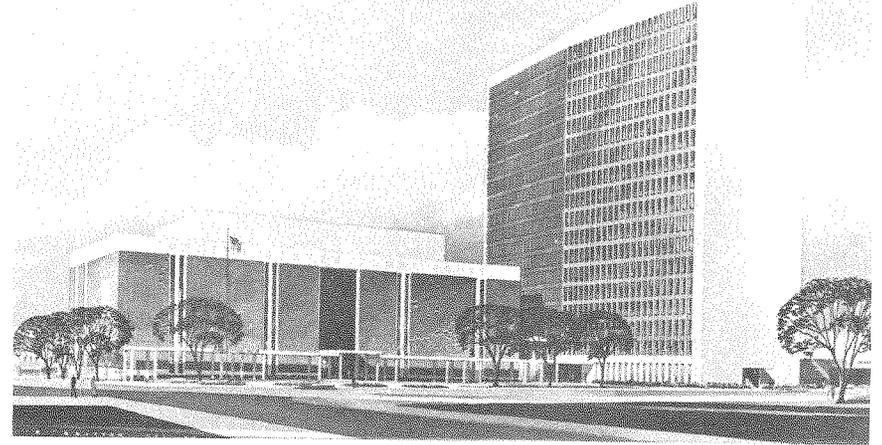
Three exemplary projects for which GSA awards contracts and supervises design and construction are cited. The John F. Kennedy Federal Office Building in Boston is now under construction and when completed its distinctive architectural design will be a highlight

of the Boston redevelopment area. In Denver, Colo., there is under construction a Federal Office Building and U.S. Court House which illustrates the economy of combining two separate functional structures for the best space usage and efficient operation of diverse activities. The buildings in Boston and Denver are funded by direct appropriation to GSA.

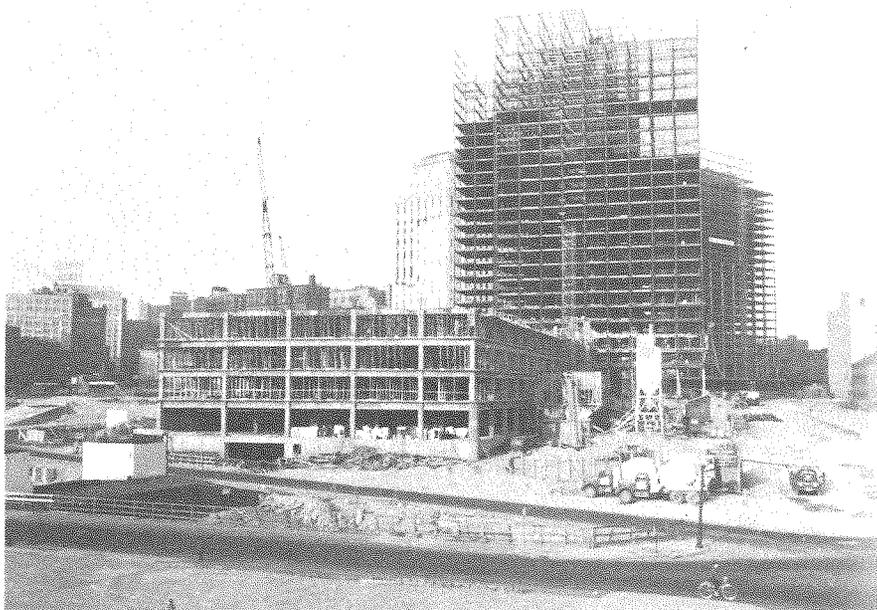
Another type building is a highly specialized soil and water laboratory in Sidney, Mont., designed and to be constructed for the Department of Agriculture.



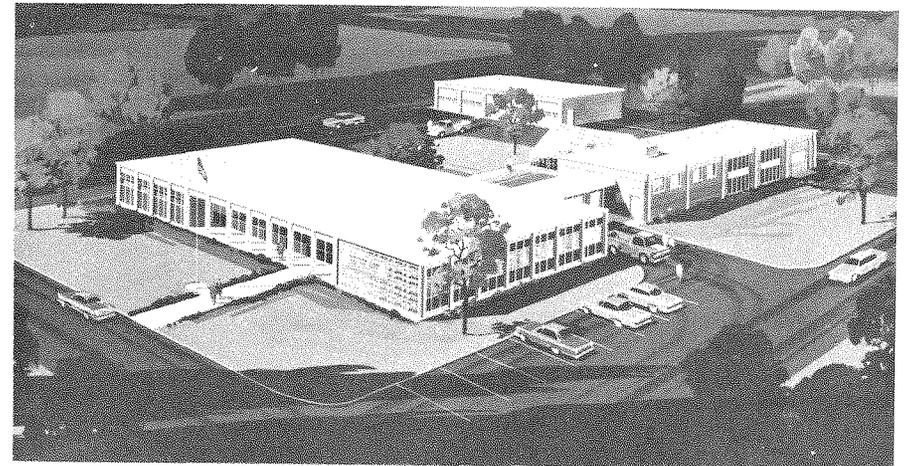
Architect's drawing—John F. Kennedy Federal Office Building—Boston.



U.S. Court House and Federal Office Building—Denver.



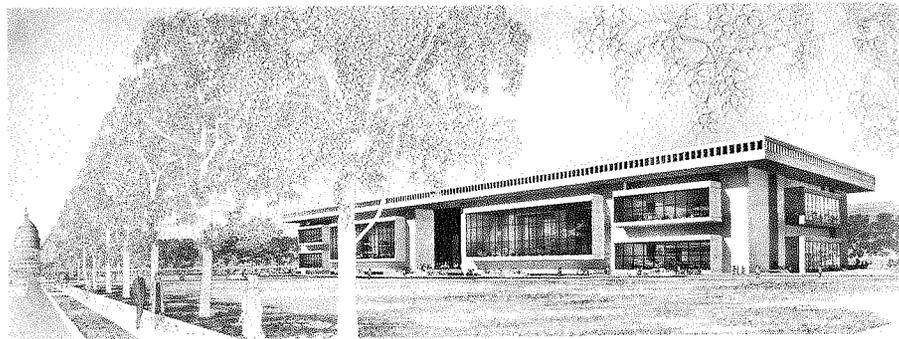
Stage of completion of John F. Kennedy Federal Office Building—June 30, 1964.



Northern Plains Soil and Water Field Station—Sidney, Mont.

One building from among the more than 200 under design deserves special mention. The National Air Museum in Washington, D.C., for the Smithsonian Institution is one of the most interesting designs in which GSA has ever participated. It conveys the spirit of flight and will provide an imposing structure on the Washington Mall. This building, with its air and space flight displays, is expected to be an even

greater tourist attraction than the Museum of History and Technology which was completed and opened to the public this year. The Museum of History and Technology in Washington, D.C., is the first museum building constructed in Washington, D.C., by the Federal Government in 50 years and is already drawing a great many more visitors than originally contemplated.



National Air Museum to be constructed in Washington, D.C.

Buildings for a World's Fair are invariably rushed, having a short lead-time and a deadline for construction completion that necessitates compression of all the time components. This was demonstrated at Seattle in 1962, but more forcefully at the New York World's Fair in fiscal year 1964. There, time was so short that almost immediately after awarding a design contract, a construction contract was awarded and the two proceeded simultaneously to the scheduled completion of the building. This procedure is most unusual, but in this case rewarding, as the building was ready when the fair opened.

Efforts continued in fiscal year 1964 to offset rising building construction costs and the decrease in competitive bids for construction work by maintaining up-to-date methods and procedures for use of manpower and materials. Standards and specifications are being revised to apply new techniques and materials and simplify

wording to increase bidder participation, especially by small business concerns. Further cost reductions are achieved, without sacrifice of quality, by conducting an economic analysis of each building component. For example, type of structural framing used is selected on the basis of satisfying requirements at least expense. The type of fuel and energy used for both heating and cooling must be justified on the basis of first cost coupled with operation and maintenance over the life of the building. Other systems are analyzed using similar criteria.

On all projects estimated to cost \$1 million or over, the Critical Path Method is required for scheduling the completion of construction. This should provide more accurate and timely information regarding the completion of the work and permit better scheduling of moves from leased or substandard space into new Federal buildings.

Standard plans have been developed in the following areas:

1. Floor plans for small buildings which reduce design time by about 6 weeks and also reduce the cost of review of the architect-engineers site adoption by about 1 percent of the construction cost.
2. Movable interchangeable partitions which will lower partition costs and materially cut delivery time. Manufacturers are cooperating with GSA on this project which will revolutionize the industry.

Site planning is essential to the coordinated and economical use of land in Federal campus-type installations. The master plan developed by site planning envisions the ultimate utilization of the property, the location of the various types of buildings, roads and driveways, utilities, and the open spaces and landscaping which establishes the character of the reservation. Deserving special mention were site plans developed for the Social Security Administration, in Woodlawn, Md., and Galaudet College and Howard University, in Washington, D.C.

Acquisition of land, buildings, and other rights of use are a most important part of the real property procurement program. During the fiscal year, GSA continued to improve its land acquisition procedures to obtain more efficiency and to reduce costs. As a result of better techniques, GSA was able to increase the number of parcels of land acquired by 65 percent over the number of parcels acquired in fiscal year 1963 without an increase in personnel. During fiscal year 1964, GSA acquired 512 parcels at a total cost of \$31.3 million. Included were parcels necessary to complete title on 142 sites, as well as parcels involved in sites in process of acquisition. The land was acquired throughout the United States to provide sites for new Federal buildings, sites for the extension and enlargement of existing Federal buildings, and land required by other Fed-

eral agencies for their programs. At the close of the fiscal year, GSA was in process of acquiring 254 sites, involving approximately 588 parcels having an estimated value of \$23.7 million.

Space acquired by lease increased by 3.1 million average square feet, or 7.7 percent, to 43.4 million average square feet. However, the proportion of leased space to total space in GSA's inventory decreased from 26.2 percent in fiscal year 1963 to 25.8 percent in fiscal year 1964. Between fiscal years 1954 and 1964, the proportion of leased space to total space dropped from 37.2 percent to 25.8 percent. The cost of leased space rose during fiscal year 1964 by \$15.8 million, or 13.9 percent, to \$129.1 million. The increase in cost was attributable to the increase in space and the overall increase in rental and operating costs throughout most of the Nation.

GSA management capabilities relating to lease acquisition, which were expanded in fiscal year 1963, were utilized to a greater extent in fiscal year 1964 for overall program improvement and for regional assistance in view of the highly decentralized nature of the leasing function. The GSA Central Office emphasized procedural standardization to promote more program efficiency and economy in leasing operations. A management improvement project designed to assist in determining the cost effectiveness of the leasing program provided for the development of data on the cost of leased space. Under the system developed, costs are reduced to square-foot prices in relation to the type of space acquired and then compared with the fair rental values for the same type of space. It is planned to develop the data more intensively in the future.

During the fiscal year, seven properties were transferred without cost to the GSA inventory from other Federal agencies. These properties, no longer needed for the activities of the holding agency, were continued in Federal use by GSA to meet other require-

ments of the Federal establishment and represent a fair market value of \$16.5 million. Two of these properties will provide sites for the construction program.

The only building purchased during the year was the Federal Building at

62 South Main Street, Rochester, N.H., which was purchased for \$31,000 to satisfy space requirements of the Department of Agriculture. The building was formerly the property of the New England Telephone & Telegraph Co.

MANAGEMENT OF REAL PROPERTY

Operations extended over an average of 168.5 million net square feet of office, storage, and related space in which more than 575,000 employees perform their duties for 65 Federal agencies. The operation, maintenance, and protection of buildings continues to be one of GSA's largest management responsibilities. During the year, 11.5 million average net square feet of federally owned space were added by new construction and by transfer from the Post Office Department,

DOD, and other agencies; and 3.1 million average net square feet were acquired by lease. In addition, about a million square feet of space previously cleaned by contract employees were transferred to GSA force account.

The productivity of buildings management employees continued to improve and GSA was able to absorb this additional workload without a proportionate increase in employment.

Table 9.—SPACE MANAGED BY GSA, FISCAL YEARS 1960-64

[In millions of average net square feet]

Fiscal year	Total	GSA-operated space			Lessor-operated space
		Total	Government owned	Leased	
1964	168.5	138.3	125.1	13.2	30.2
1963	153.9	127.1	113.6	13.5	26.8
1962	141.7	118.9	104.7	14.2	22.8
1961	128.7	106.5	92.8	13.7	22.2
1960	119.8	99.2	83.7	15.5	20.6

The services provided for Federal agencies include cleaning and protection; the operation and maintenance of electrical, heating, airconditioning, ventilating, plumbing and sewerage systems, elevators, and escalators; and maintenance of grounds, special equipment, and other structural features of buildings. The cost of servicing 2,217 federally owned, 354 leased GSA-operated, and 7,010 owner-serviced buildings or parts of buildings was \$254.7 million. In addition, GSA was responsible for maintenance repairs

costing \$5 million in 50.4 million square feet in 3,328 federally owned buildings operated by the Post Office Department and other Federal agencies. Financing of building operations is managed through the Buildings Management Fund. The Fund obtains reimbursement for services rendered by billing against annual appropriations made to GSA and other Federal agencies.

Food and vending services were made available for the occupants of GSA-controlled buildings through 70

cafeterias operated under contract and more than 400 vending stands operated by the blind under the Randolph-Sheppard Act. The number of vending stands has been increased by 100 over the past three years as the result of an expansion program conducted jointly with the Department of Health, Education, and Welfare (HEW). Of the vending machines installed in the buildings, 48 percent were assigned to blind operators of vending stands.

The accomplishment of the operations program and the assumption of the additional workload without a corresponding increase in staffing was made possible by improved utilization of available man-hours through:

1. A program for the nationwide analysis and control of leave, which has resulted in the reduction over the past year of .8 days per person per year in use of unscheduled types of leave. This reduction represents 16,277 additional man-days which were available for scheduling in fiscal year 1964.
2. The reorganization of field offices and program training for all field office managers for more effective control of operations at that level.
3. A thorough review of existing work standards, plus the development of standards in areas not previously covered. These standards provide the basis for the measurement of workload and staffing requirements which are, in turn, the basis for performance type budgeting.
4. A national competition between building operating groups to select the best-operated GSA building group, based upon overall efficiency and effectiveness. The contest has generated keen competition for the annual honor position, the results of which are apparent in improved operations and morale.
5. A national program for the operational evaluation of new build-

ings following the "shakedown" period, to insure that the best operating features are included in future new construction.

6. A national program for the conservation of utilities and the review and analysis of utility costs.

Protection, in terms of frequency rate of disabling injuries per million man-hours worked, achieved a record low of 7.1 as compared to 7.3 for the previous fiscal year. The continued reduction of injuries in GSA since 1950 is significant. For example, the 1950 frequency rate, if applied to the 1964 staffing, would represent 1,568 disabling injuries which might have occurred at an estimated direct cost of \$895,000. The actual record for 1964 was 446 disabling injuries at a direct cost of \$255,000. These direct cost figures for disabling injuries do not include the incidental costs which usually are estimated at four times the direct cost.

In the area of property protection, the emphasis was placed on finding and using additional protection methods to permit greater flexibility and to increase building protection at reduced costs. The major objective is to allow a better adaptation of protection methods to individual building requirements. The methods include increased use of automatic detection devices and systems to augment or replace guards; consideration of closed-circuit television and its application in protection; additional procedures for handling special protection situations, such as bomb threats, demonstrations, vehicle and property inspection, and banking operations; and additional instruction of guards in their various duties and responsibilities, including the establishment of fire patrolling criteria, to emphasize the need and provide guidance for improved manpower utilization. As a result of these efforts, the total number of guards increased by only 71, notwithstanding an increase of approximately 11 million square feet of space.

GSA fire losses rose sharply from \$60,000 in fiscal year 1963 to \$1,400,000 in fiscal year 1964. Almost all of this increase was due to \$1,306,000 lost in a single fire involving stock-piled cordage fibers and metals at a GSA/DMS depot. This fire was a direct aftermath of tornado winds which disrupted the protection systems and set up conditions which ignited the fiber. Another serious incident, involving an explosion and fire, occurred as a result of a leakage of natural gas from an underground main. Efforts to prevent these or similar incidents are constantly being taken through the improvement of firesafety standards.

Procedures were established for the emergency acquisition of property and the maintenance and operation of buildings. Arrangements were completed with the Post Office Department for postmasters to serve as emergency leasing officers. Regional teams were retrained in damage assessment procedures under the resource evaluation program. Advance visual aid equipment was developed and installed at the Central Office relocation site. The program of marking and stocking community shelter areas selected by DOD in GSA-operated buildings showed significant improvement. Of the 430 buildings selected, 394 have been marked and 220 stocked. An additional 121 buildings are partially stocked.

The Federal Fire Council continued its vigorous program for promotion of firesafety awareness among all Federal agencies. Substantial progress was made by the Council as it issued a Fire Safety Training and Speakers Directory, provided speakers at firesafety conferences and seminars, sent personnel to visit with Federal field groups, expanded its reference library, held Council meetings attended by Federal agency representatives, assisted the Federal Supply Service (FSS) in the development of information to stop the purchase of carbon tetrachloride fire extinguishers, and generally expanded its area of influence and assistance.

Upkeep is an important element in property management which provides for repairing, remodeling, improving to overcome obsolescence, and otherwise altering over 4,900 federally owned buildings containing approximately 157.6 million net square feet of space. The estimated replacement cost of these buildings is \$3.5 billion.

In fiscal year 1964, approximately \$143.6 million was obligated to counteract obsolescence of buildings, and perform conversions and modernization as required. Included in the projects scheduled are airconditioning jobs, extensions to buildings, conversions of elevators and heating plants to automatic operation, modernization of mechanical and electrical systems, improved lighting, painting, and the modernization and extension of postal facilities. This work was financed from GSA's appropriation, from funds transferred to GSA by the Post Office Department for modernization of postal facilities, and from reimbursements from other occupant agencies.

Criteria relating expenditures to expected years of occupancy were established to insure that improvements were economically consistent with the benefits expected.

In fiscal year 1964, scheduling of the repair and improvement program was accelerated to the extent that all but 29 percent of the appropriation was obligated in the first three quarters. Shifting of activity out of the fourth quarter resulted in more time for the review and award of contracts and eliminated a yearend rush of awards in June. It also permitted the use of the fourth quarter to prepare for the next fiscal year. As a result, 20 percent of the projects in the fiscal year 1965 program were designed and ready for solicitation of bids prior to the start of the year. Continuation of this practice will improve program accomplishments by putting contracts on the market at times more advantageous to the Government and the construction industry, obtaining more competition

and better prices, and having the benefit of work in place sooner.

Responsibility for the inspection of buildings was transferred to the Repair and Improvement activity. This brings together into one organization the responsibilities for inspecting buildings, determining the work which should be done, and programing the work. This encourages the development of more meaningful programs and related financial requirements than was possible when inspections and programing were separated.

Assignment of space includes the allotment and utilization control of 180.3 million square feet at yearend. In the inventory were 74 million square feet of office-type space, 71.9 million square feet of storage-type space, and 34.4 million square feet of special-type space. The total space, represented by 18,199 active assignments to 65 Federal agencies, was up 10 percent, or an increase of 16.3 million square feet, since the end of fiscal year 1963.

The number of employees housed in office-type space rose from 470,000 to 493,500 during the year. The per capita utilization rate for these employees decreased by 1.8 square feet to a new low of 145 square feet.

Through inspections and surveys of space, 243,017 square feet of office-type space valued at \$937,579 annually were identified as excessive assignments and recaptured for reassignment or release. As a result, 67 leases covering 119,147 square feet of space, having a

total annual rental value of \$365,140 were terminated.

As a part of the continuing effort to effect proper space utilization, six occupancy guides were developed and published during the year. Thus the total, since the occupancy guide program began, was brought to 74, covering more than 69 million square feet of space. In addition, four existing guides were revised, updated, and reissued. A space planning guide for agency mailrooms and a GSA booklet entitled, "Office Arrangement and Layout," were published to provide guidelines in new space assignments. Criteria were also developed to determine and evaluate requirements for auditoriums, assembly rooms, and joint-use conference rooms in new Federal office buildings.

GSA restudied its site management activities in an effort to increase cash rental and other benefits derived by the Government from the interim use of sites and additions to sites for Federal buildings and facilities. Detailed instructions and procedures were provided to all personnel engaged in out-leasing, granting of permits, revocable licenses and easements. Sufficiently broad authority was delegated to the regional offices to provide maximum savings and income through increased utilization of sites pending construction and to provide more efficient site management practices after construction. For fiscal year 1964, the Government realized \$922,425 in rentals for out-leased properties.

Part 4. Transportation, Telecommunications and Other Public Utilities

The management of telecommunications, transportation, motor vehicles, and other public utilities for the Federal agencies, as well as the operation of motor pools and systems for the official transportation of Government personnel and property, are responsibilities assigned to the Transportation and Communications Service (TCS).

Highlighting the activities of this Service in fiscal year 1964 were the following:

1. The intercity telephone network was expanded from 42 to 406 metropolitan areas.
2. Savings of approximately \$1.5 million were effected through elimination, consolidation, and automation of switchboards serving the intercity network.
3. Annual savings from local switchboard consolidations were increased to over \$600,000.
4. Consolidated circuit procurement and coordinated management produced additional annual economies in long distance telephone service estimated at \$23.5 million.
5. High speed data transmission for Federal Supply Service (FSS) order processing was initiated.
6. Approximately \$4 million were saved in message traffic transmitted over the Federal Telecommunications System (FTS).
7. Tangible annual savings of \$250,000 have been obtained through negotiations with the communications common carriers during the year.
8. An increase of 39 percent in technical transportation information service to Federal agencies was achieved.
9. Approximately \$13 million in economies were effected through freight rate negotiations and improved traffic management techniques.
10. A system of freight rate simplification was developed which provided for computer preparation of bills of lading containing both rates and charges.
11. Recoveries of \$395,000 were effected from loss and damage claims.
12. Savings of \$11.1 million were realized by Government agencies using GSA motor pool systems.
13. Seven new interagency motor pools were established and the need determined for establishment of five additional pools early in fiscal year 1965.
14. Motor equipment management studies for 14 agencies resulted in annual savings of \$840,000 to the Federal Government.
15. Management aids developed for vehicle maintenance and warranty of motor equipment resulted in estimated reduction of Government expenditures of \$1.6 million.

TELECOMMUNICATIONS

The General Services Administration provides centralized communications service for the Federal civil agencies in the interest of efficiency and economy; renders assistance, guidance, and direction to agencies in telecommunications matters; and represents the Government as a consumer in negotiations with carriers and in proceedings before regulatory bodies on matters involving telecommunications rates and services.

The full scale extension of the FTS intercity telephone service to more than 400 areas of Government activity provides over 500,000 Government telephones with direct dialing service that is completely independent of commercial public facilities. This service is furnished at 25 percent below equivalent commercial toll rates. Through this system, interconnecting service is also provided for the extension of calls, as required, via the commercial public system to any business or private phone in the country. The expansion of the system, from the original 42 cities interconnected in fiscal year 1963 to the 406 areas now covered, involved extensive engineering studies in 427 cities, the establishment of 151 new telephone switchboards, and 113 unattended (automatic) switching facilities. At the same time, 262 Government-operated switchboards were eliminated by consolidation with new or enlarged switchboards. The elimination, consolidation, and automation of the switchboards serving the intercity network resulted in increasing annual savings to \$1.5 million.

To provide the circuits required for this intercity telephone network, a complex of switching centers and 5,000 exclusive-use circuits (or 2.5 million circuit miles) were leased from the commercial telephone industry. Alternate routing of circuits between switching centers located outside of probable target areas was provided to automatically reroute calls in the event of disruption of facilities. The main

switching centers are equipped with special facilities to insure the essential continuity of operations to meet the initial emergencies.

Development of the expanded system required coordination of the needs of all Federal agencies. Currently, every agency of the Government is participating in the FTS intercity telephone service.

Activation of the expanded system was accomplished on July 6, 1964. Preparatory to the cutover, extensive routing and operating instructions were developed and distributed to all FTS switchboards for use by the operators in handling intercity calls and providing information and assistance to callers. Training of over 1,200 telephone operators and supervisors in the correct operation of the FTS was provided by GSA in cooperation with the local telephone companies at all FTS locations. Over 400,000 copies of a new FTS Telephone Users Guide, and a supplemental index of cities and suburban areas reached through the system, were distributed following an indoctrination in the use of the system. The changeover was not accomplished, however, without some difficulties and inconveniences due primarily to the magnitude of the undertaking and the tight time schedule for its achievement.

During fiscal year 1965, the FTS intercity telephone network will be further refined and extended to include additional locations which prove to be economically feasible, increase emergency capabilities, and provide for specialized agency requirements in conjunction with both the radio program and the Advanced Record System (ARS) currently under development. Briefings have been conducted for staffs of the Senate Sergeant at Arms and the Clerk of the House with a view toward the early inclusion of the Legislative Branch as a whole in the FTS system. Conference connections now available on a limited basis are being investigated to determine the

feasibility of providing such service on a nationwide basis through the FTS.

In the interests of the overall economy and efficiency of the system, increased emphasis was placed on the consolidation of switchboards and the elimination of duplicate facilities for local telephone services. The net result of the combined actions will result in increasing annual savings to over \$600,000 in local telephone service costs.

Engineering specifications for the ARS, which will provide a unified automatic system for teletype data, and other forms of record material, were completed for the record part of the FTS, and a contract for installation was awarded. The ARS is scheduled for activation in fiscal year 1965 and will initially serve about 1,100 stations with 1,600 terminal circuits. Emergency and protection features are similar to those provided by the FTS Voice System; i.e., nontarget switching locations, and multiple and diverse circuit routing.

A major factor in the economies realized by the FTS is the procurement of its circuitry through effective use of communication tariffs. In addition, the circuit management program of GSA coordinates and manages the procurement and use of exclusive-use intercity lines for the civil agencies of Government under bulk rate and other tariff provisions. A total of over 6,000 voice grade circuits and 250 record circuits for FTS and other agencies' systems, constituting approximately 3.5 million miles of circuitry, are currently being provided under this program. Circuit procurement is coordinated, also, with military requirements through joint activity of GSA and the Defense Commercial Communications Office at Scott Field, Ill., to obtain the advantage of even greater savings. Consolidated circuit procurement and coordinated management produced annual economies in long distance telephone service estimated at \$23.5 million.

In the implementation and development of the National Communications System (NCS), GSA actively participated in task groups concerned with the complete analysis of existing Federal communications systems and future requirements, and the establishment of standards and development of a program for emergency restoration priorities. Joint GSA/NCS/Office of Emergency Planning (OEP) surveys and studies have also been undertaken to determine the emergency communications requirements of Federal agencies for hardened survivable communications in the event of disaster or heavy attack upon the United States.

The FTS teletype system consists of over 37,000 circuit miles and continues to serve over 200 locations. Traffic volume for fiscal year 1964 exceeded 65 million words at an estimated savings of \$4.0 million.

Teletype is now being installed in all Office of Civil Defense/OEP Regional Offices, and voice interconnection has been established in about half of these regions, with others scheduled for installation soon.

A six-station intercity facsimile transmission system was activated in September 1963, to expand the experimental project established the previous year for the purpose of exchanging transportation rate and routing information between the GSA Central Office, Washington, D.C., and the GSA Regional Offices in New York, N.Y.; Atlanta, Ga.; Washington, D.C.; and Chicago, Ill.

Initial indications from the operation of the pilot model mobile radio telephone, installed in the Boston area in January 1964, have been encouraging. A study has been initiated to determine the requirements of civil agencies for radio communication preparatory to determining the feasibility of providing common-user radio facilities as a supplemental service to the FTS.

Negotiations for advantageous rates and tariffs and the general surveillance of the communication costs affecting

the Government as a user and consumer have kept pace with the expansion of the FTS. Tangible annual savings of \$250,000 have been obtained through negotiations with the carriers during the year.

Emphasis continues to be placed on improving the financial aspects of the FTS in the area of rate simplification.

TRANSPORTATION

GSA has continued the expansion of its traffic management assistance program with priority attention to those Federal agencies having the greatest transportation expenditures. Technical assistance is provided executive agency transportation personnel in an effort to resolve transportation problems. This program, which has been intensified at both the headquarters and field office levels, covers a broad range of commodity movements in support of the procurement and supply missions of executive agencies requiring assistance.

Traffic management surveys of other Federal agencies are conducted on a selective basis. At the request of the Federal Aviation Agency (FAA), a comprehensive survey was made of its Central Office transportation functions, particularly as they relate to the procurement and distribution cycles. The GSA recommendations, when implemented, will result in reducing transportation costs in agency procurement programs. Regional office surveys and visits were made at 2,010 executive agency field office sites during the year. Improved operating procedures and increased traffic management utilization in agency offices are resulting in greater economies and service benefits in civilian agency programs.

Transportation training courses, sponsored nationwide by GSA for executive agency personnel, included a total of 114 seminar workshops which were attended by 1,840 persons representing some 850 Government offices. Examples of subjects covered are

The previous flat rate per minute zonal system of charging agency offices for FTS intercity telephone service will be rapidly supplanted, wherever practicable, in fiscal year 1965 by a total quarterly flat charge to agencies at the national level on the basis of periodic surveys of their usage in relation to instruments served.

"Proper Preparation of Government Bills of Lading," "Transportation Assistance to Procurement Officers," "Shipping Household Goods," and "Processing Loss and Damage Claims."

GSA is expanding the Freight Classification Guide Program, in cooperation with DOD. This program, through the use of automatic data processing equipment, provides a means for conversion of Federal Stock Catalog nomenclature to freight classification descriptions. These data are provided to the agencies for those items in their supply systems, thereby enabling shipping personnel to describe each shipment in accordance with carriers' freight classifications instead of the more technical descriptions furnished in supply catalogs. Improved billing descriptions enable the carriers to apply applicable rates in lieu of higher rates which frequently result from questionable descriptions.

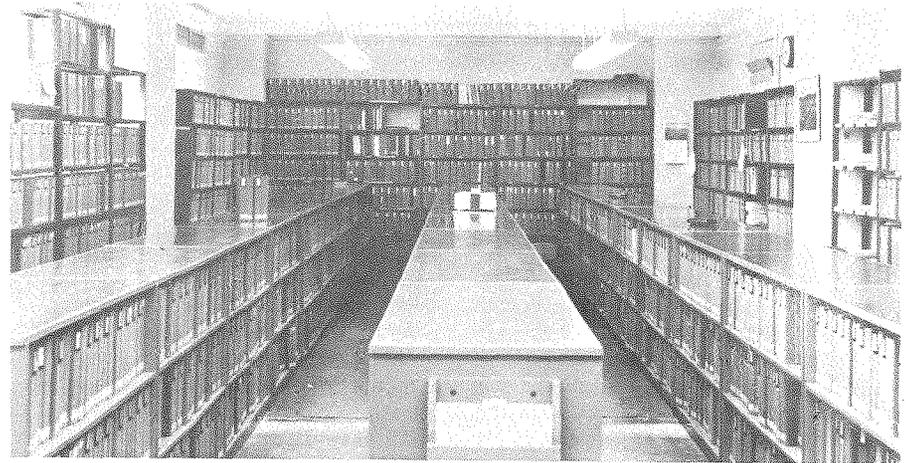
Government-wide transportation and traffic management regulations were developed for inclusion in the Code of Federal Regulations which, for the first time, prescribe uniform policies and regulations requiring that adequate consideration be given to transportation factors in the procurement of personal property, and that the procurement of transportation and related services be effected on the most advantageous basis to the Government. These regulations provide for coordination between contracting officers and transportation officers, and cover such important aspects of procurement as the inclusion of transportation require-

ments in invitations for bids, the consideration of economies to be gained by ordering personal property in quantity and transporting some property in volume lots at lower rates, the use of transit privileges, the classification of new and modified articles, and the method of selecting delivery terms for inclusion in invitations for bids which are most advantageous to the Government.

Traffic management assistance was provided on the traffic management aspects of contract administration for stockpile items and on arrangements for worldwide shipments by all transportation modes under tariff or negotiated rates, ocean or air charters, or in leased equipment. Of the GSA-controlled traffic allocated to ocean carriers, 99.9 percent moved in U.S.-

flag vessels (Public Law 664, Cargo Preference Act), thus conserving U.S. dollars and assisting the balance-of-payments program.

Approximately 262,000 Federal agency requests for technical information services were handled in fiscal year 1964, an increase of 39 percent over fiscal year 1963. These requests were made in connection with Federal agency shipping programs, cost evaluations for use in rate negotiations, routing, and related transportation program needs. Much of the success of this program is attributable to the GSA Central Office Tariff Library containing over 100,000 tariffs. Many of these tariffs contain thousands of rates, one tariff alone containing 940,000 rates.



Tariff Library, GSA Central Office.

A total of 758 rate negotiations, an increase of 43 percent in 1964, were completed, resulting in economies of nearly \$10 million. Highlighting accomplishments in these rate negotiations was the arrangement which, for the first time, afforded through trans-continental rates to Alaska for joint rail-water-rail carload services via Seattle, Wash., and at reduced rates averaging about 50 cents per 100 pounds. Potential traffic under the arrangement is estimated to exceed 10,-

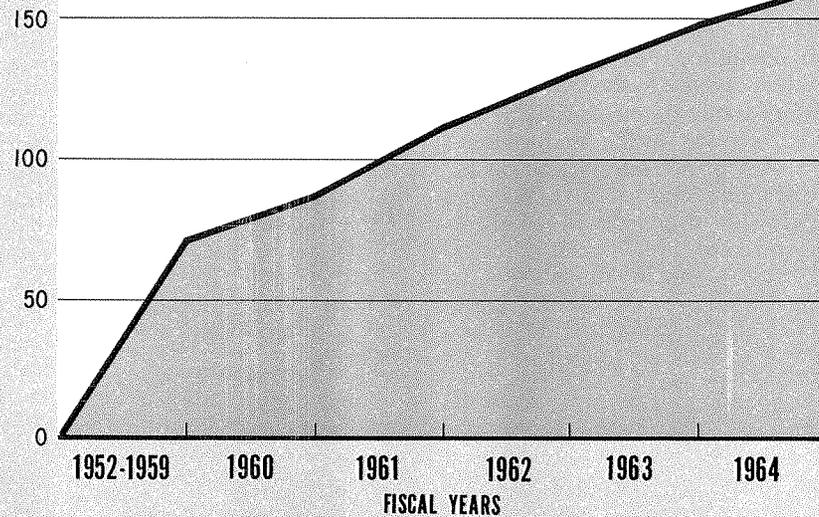
000 tons annually, and should generate savings of \$100,000 each year.

A system of freight rates for automatic data processing application was designed for use by both the carriers and the Government. In cooperation with motor carriers, who approved the requested rates through negotiation procedures, the system was made effective early in the last quarter of the fiscal year. GSA programmed these rates on a computer to automatically prepare bills of lading containing appli-

Millions of Dollars

200

SAVINGS IN TRANSPORTATION CHARGES ACCUMULATIVE



cable freight rates and total freight charges. Millions of pounds of freight moved under this billing from GSA's depot in Hingham, Mass., to practically every city in New England. This is believed to be the first application of a completely automated bill of lading for the Government or any other shipper for day-to-day traffic. In view of the complexity of freight tariffs and the need for technical manpower for their interpretation and use, substantial administrative savings of a clerical, technical, and audit nature will accrue. Economic, technical, and statistical studies are being prepared to support similar negotiations for shipments from other GSA depots.

A stepped-up program for simplified freight rates has been planned on a selective basis. It is designed to reduce the manpower required for manual determination of rates, simplify the verification and application of extensions on carriers' bills for payment, facilitate prompt payment, simplify audit by the General Accounting

Office (GAO), relieve carriers of technical and clerical costs, and thus provide lower cost data upon which to base carrier freight charges.

A total of 3,507 loss and damage claims incident to the movement of Government property to customer agencies were processed, representing a recovery of \$395,528 from the carriers.

As a result of the intensified GSA traffic management assistance programs for civilian executive agencies, the measurable savings achieved by field office activities reached an all-time high. Fiscal year 1964 savings amounted to \$6,243,553, exceeding fiscal year 1963 tangible economies by \$1,142,925. GSA's New York office, for the first time since its establishment, exceeded \$1 million in savings. Another regional office reported savings of \$825,000 in the transportation of 23,582 motor vehicles to Government-use destinations. Transportation savings during the year totaled \$12.5 million.

Table 10.—ESTIMATED REDUCTIONS IN TRANSPORTATION CHARGES (ECONOMIES) BY CATEGORY, FISCAL YEAR 1964

Category	Amount	Percent
Freight rates or charges	\$9,732,857	77.8
Transit arrangements	280,510	2.2
Accessorial service charges	371,492	3.0
Consolidation of small lots	401,905	3.2
Direct-to-consumer deliveries	232,916	1.8
Improved shipping patterns and methods, and modes of transportation	1,433,086	11.5
Miscellaneous	58,554	.5
Total	\$12,511,320	100.0

MOTOR EQUIPMENT

Seven new interagency motor pools were established during the fiscal year in Lexington, Ky.; Trenton, N.J.; Redwood City-San Jose, Calif.; Las Vegas, Nev.; San Diego, Calif.; and Jacksonville and Cape Kennedy, Fla. Determinations have also been issued for the establishment of five additional pools early in fiscal year 1965.

The motor pool complex at Cape Kennedy was established to serve the diversified needs of the space activities and other Government activities in the area. This facility currently operates 825 vehicles, and supports planned programs which will require the use of approximately 2,000 Government vehicles within the next 2 years. Although vehicle requirements fluctuate greatly with each succeeding phase of the spacework program, and between missile launchings, the vehicle support operation thus far, has proceeded smoothly.

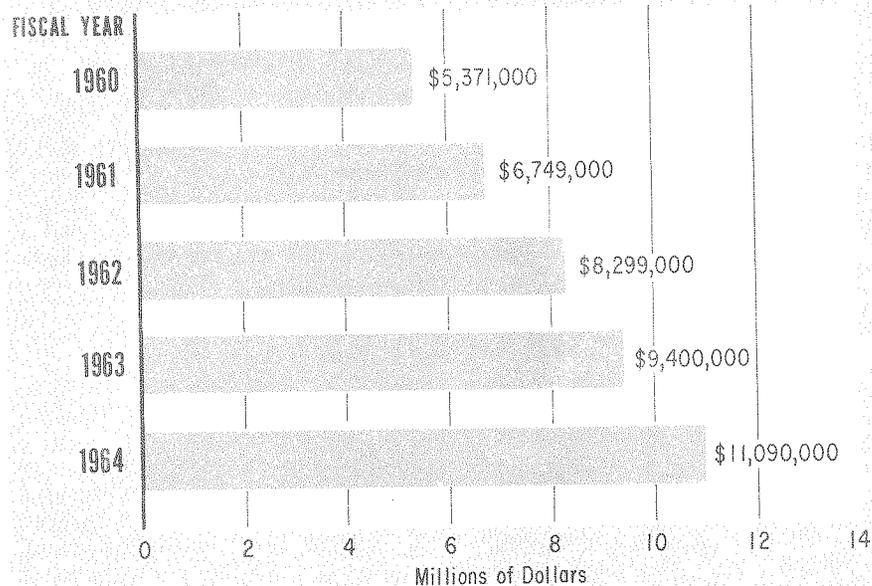
With the addition of 7 new pools, there are now 82 motor pools in operation having a total of 33,617 vehicles. These vehicles traveled a total of 346.6 million miles during the fiscal year at a total cost of \$26 million, or 7½ cents per vehicle mile. This compares favorably with previous years and represents a total savings for fiscal year 1964 in excess of \$11.1 million for those Government agencies which

secure vehicle support from the GSA motor pool system.

The establishment of uniform nationwide vehicle service rates on sedans and station wagons during fiscal year 1964 proved to be highly successful. It has greatly simplified the gathering and compilation of budget data and has stimulated use of these vehicles by Government employees on temporary duty travel with a corresponding decrease in use of commercial car rentals. Reassignment of a larger number of vehicles to dispatch service in the motor pools of larger cities has been required to satisfy increased demands. Studies made by GSA have established the feasibility of placing similar nationwide rates into effect in fiscal year 1965 on light truck-type vehicles, such as panels and pickups, so that operations can be further simplified, made more uniform, and performed more economically.

The total mileage of vehicles furnished as replacements for employee-owned vehicles at an average savings to the Government of approximately 3 cents per mile of operation cannot be accurately determined because of the continual changes in the programs of customer agencies. In the Civil Service Commission (CSC), however, the record shows that its employees drove over 8.5 million miles in Interagency

ANNUAL SAVINGS REPORTED BY THE INTERAGENCY MOTOR POOL SYSTEM FISCAL YEARS 1960 - 64



Motor Pool vehicles with a savings to the agency of \$303,000.

In order to furnish these and other requirements, the Interagency Motor Pool fleet was increased during the

year to 33,617 vehicles. This increase included 3,775 new units. During this same period, mileage increased 18 percent above that of fiscal year 1963.

Table 11.—INTERAGENCY MOTOR POOL SYSTEMS, FISCAL YEARS 1956-64

Fiscal year	Number of pools established (cumulative)	Number of vehicles in pools	Total miles traveled	Miles per vehicle year (average)	Cost per mile
1964	82	33,617	346,563,346	11,787	\$.075
1963	75	27,487	294,437,986	11,801	.074
1962	66	24,359	249,570,964	11,684	.076
1961	60	21,009	222,952,981	11,844	.077
1960	56	18,115	171,487,918	11,691	.075
1959	44	13,847	131,378,518	11,266	.074
1958	33	10,865	87,943,026	10,948	.077
1957	22	6,531	40,272,389	9,519	.081
1956	12	1,926	11,298,863	7,907	.117

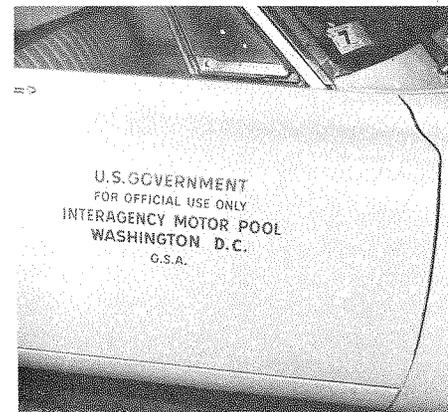
Improvements made in Government-wide policies and procedures contributed to overall efficiency in the operation of Government-owned motor vehicles. By arrangements with the transportation industry, GSA has made

available to all Federal agencies the advice and assistance of motor equipment technicians and other expert personnel from the industry. Their assistance in conducting 14 motor equipment studies and in the development

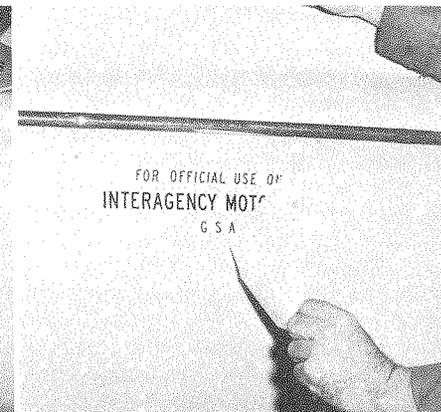
of agencies' managerial and operational policies to improve vehicle selection, balanced utilization, replacement, cost and recordkeeping systems, and maintenance practices, resulted in an annual savings to the Federal Government of over \$840,000.

An important item of savings was developed in fiscal year 1964 through

the use of elastomeric pigmented film decalcomanias for identifying Government-owned vehicles as a substitute for hand- or stencil-lettered identification at a net savings of \$3.75 per vehicle. This process, when applied to all vehicles of the Federal civilian agency fleet in the future, will effect a savings of over \$800,000 in the initial cycle.



Left—Hand or stencil lettered, \$5 per vehicle.



Right—New method (decal), \$1.25 per vehicle.

Common motor equipment problems throughout the Federal agencies' motor equipment fleet prompted the publication of aids for management improvement that have resulted in re-

ducing Government expenditures for motor vehicle maintenance and warranty of motor equipment by \$1.6 million annually.

OTHER PUBLIC UTILITIES

Increased economy, efficiency, and improved service have been accomplished on a national scale in the public utility program area; i.e., electric power, gas, water, steam, and sewerage. These improvements have been accomplished through interagency technical assistance, negotiation of area-wide contracts, seminars covering procurement and management of utilities, Interagency Utilities Committee functions, management studies, and review of the billing practices of utility producers and distributors.

Interagency assistance was furnished to National Aeronautics and Space Administration; Veterans Administration;

Department of Health, Education, and Welfare; Departments of the Army, Navy, and Air Force; Department of the Interior; U.S. Coast Guard; and others in the procurement and utilization of utilities services, resulting in significant tangible savings. Five long-term or special-purpose utility contracts were negotiated on behalf of several Government agencies at an initial annual savings of over \$69,000.

Comprehensive seminars on Public Utility Procurement were held in Washington, D.C.; Chicago, Ill.; Dallas, Texas; Atlanta, Ga.; and Boston, Mass. These seminars, designed to aid Federal agencies in the procure-

ment and management of public utilities service contracts, received highly favorable endorsement from the participants representing 20 executive agencies. A seminar in Public Utilities Service Management, designed for supervisors responsible for the distribution, utilization, and conservation of public utilities service, was presented to representatives of 16 executive agencies in Washington, D.C. The commendations received have justified plans to conduct this seminar in six regional areas in fiscal year 1965.

The GSA program of providing for simplified, timesaving procurement of utility services through areawide public utility service contracts is continuing to show significant progress. Forty-five contracts in 23 States are now available, with 8 others still in active negotiation. It is anticipated that these will be awarded early in fiscal year 1965. Studies are being conducted to determine other areas where contracts of this nature will prove advantageous to the Government.

GSA's review of the larger electric bills rendered to the various Government agencies by the commercial power companies has increased annually recurring savings to over \$400,000. These savings are accomplished by determining errors in billing, eliminating improper rate assignments, timely adjustment of rates due to load changes, selecting proper alternate or optional rate schedules, improving load and power factors, and "peak-sharing" and "off-peak" load scheduling.

GSA represented the consumer interests of the executive agencies in 11 new cases brought before regulatory bodies involving communications, transportation, natural gas and electric service rates. Under the rates subsequently approved by the regulatory commissions, billings to executive agencies for natural gas and electric service will be approximately \$860,000 less per year than they would have been under the rates applied for by the utility companies.

Part 5. Defense Materials

Major objectives of the General Services Administration under the stockpile program are to maintain the Government's inventories of strategic and critical materials in a condition of quality readiness and physical availability to meet essential needs of industry in the event of a national emergency and to manage these inventories effectively, economically, and in accordance with the practices and principles of sound property management.

Inventories of strategic and critical materials on June 30, 1964, consisted of 52 million tons of 97 different commodities with an acquisition cost of \$8.5 billion.

Mobilization plans are continuously reviewed and updated by the Office of Emergency Planning (OEP). This Office recently completed an overall review of stockpile objectives for all materials for conventional warfare. As a result of changing mobilization concepts, changes in emergency requirements and supplies, and other factors, such as the development of new and improved materials, approximately \$5.1 billion of these stockpile materials are now surplus to emergency requirements for conventional warfare.

Highlights of Defense Materials activities in fiscal year 1964 follow:

1. Disposals set a new record of \$167.1 million—up 51 percent over 1963. Of this amount \$36.8 million was for Government use, which also set a new high and represented an increase of 69.6 percent over 1963.
2. Deliveries under Defense Production Act (DPA) materials expansion programs were completed. Two contracts were terminated which avoided a possible expenditure of \$88 million and another was terminated with payment of \$2,175,000 to the Government.
3. Evacuation of 6 commercial warehouses and reductions in inventories in 14 others cut annual commercial storage costs on stockpile materials by \$392,000.
4. The Civil Defense (CD) underground medical depot at Wampum, Pa., became fully operational and the underground medical facility at Boyers, Pa., was activated. These facilities provide an additional 500,000 square feet of underground storage space.
5. Machine tools on loan to schools increased by 811 units, resulting in a total of 2,727 tools on loan to 92 schools in 26 States.

STOCKPILE DISPOSALS

In accordance with the Government's long-range program for the disposal of stockpile excesses, OEP established the Interdepartmental Disposal Committee, on which GSA is represented, to advise OEP on programs and problems relating to the disposal of

excess materials. The Committee conducts preliminary investigations of all aspects of the proposed disposal of excess materials, and makes recommendations concerning factors and criteria to be included in disposal plans for each surplus material as well as other

considerations dealing with the development of long-range disposal plans. This committee was established in line with recommendations of the Executive Stockpile Committee which had made an intensive review of principles and policies to guide the program for

stockpiling strategic materials and the relationship of stockpiling to the Nation's defense strategy.

Disposals in fiscal year 1964 of excess stockpile materials set a new record of \$167.1 million, a 51 percent increase over disposals in fiscal year 1963.

Table 12.—DISPOSAL OF STRATEGIC AND CRITICAL MATERIALS, FISCAL YEAR 1964

[On a sales commitment basis]

	Government use	Industrial use	Total
S&CM			
Brass scrap		\$191,600	\$191,600
Cadmium		4,576,900	4,576,900
Castor oil		1,814,200	1,814,200
Cobalt		100	100
Coconut oil		4,521,300	4,521,300
Feathers and down	\$2,112,200	146,100	2,258,300
Graphite		100	100
Kyanite		27,300	27,300
Magnesium	119,200	2,593,900	2,713,100
Nickel		317,700	317,700
Palm oil		534,900	534,900
Quartz crystal	1,400	123,900	125,300
Quinidine		85,600	85,600
Rubber	16,561,200	28,004,500	44,565,700
Shellac		59,200	59,200
Talc		800	800
Tin	5,725,000	58,067,100	63,792,100
Vegetable tannins	324,700	1,149,400	1,474,100
Zircon concentrates		25,100	25,100
Total S&CM	\$24,843,700	\$102,239,700	\$127,083,400
DPA			
Aluminum		\$25,109,900	\$25,109,900
Copper	\$9,451,900	935,900	10,387,800
Cryolite		1,787,600	1,787,600
Lead	724,900		724,900
Mica		9,300	9,300
Nickel	883,500		883,500
Palladium		178,400	178,400
Titanium	42,300	44,600	86,900
Tungsten	809,800		809,800
Total DPA	\$11,912,400	\$28,065,700	\$39,978,100
Total, all programs	\$36,756,100	\$130,305,400	\$167,061,500

The expanded sales over 1964 covered some 28 materials, but 90 percent of the sales were accounted for by six materials: Tin, rubber, aluminum, copper, cadmium, and coconut oil.

A major contributing factor for the increased sales in fiscal year 1964 was the greater emphasis placed upon the Government-use program. Government use of excess stockpile materials also reached a new high of \$36.8 million during the year, an increase of 69.6 percent over the previous year.

Disposals of excess stockpile materials, including Government use, have increased progressively during recent years.

Table 13.—DISPOSAL ON A SALES COMMITMENT BASIS

[In millions]

Fiscal year	Total disposals	Government use
1964	\$167.1	\$36.8
1963	110.5	21.7
1962	87.5	14.6
1961	69.3	8.7

Although the current disposal program embraces some 30 commodities, only a relatively small number of them are substantial in value, notably tin, rubber, and aluminum. The estimated market value of the 30 materials constituting the presently authorized disposal program is approximately \$648 million.

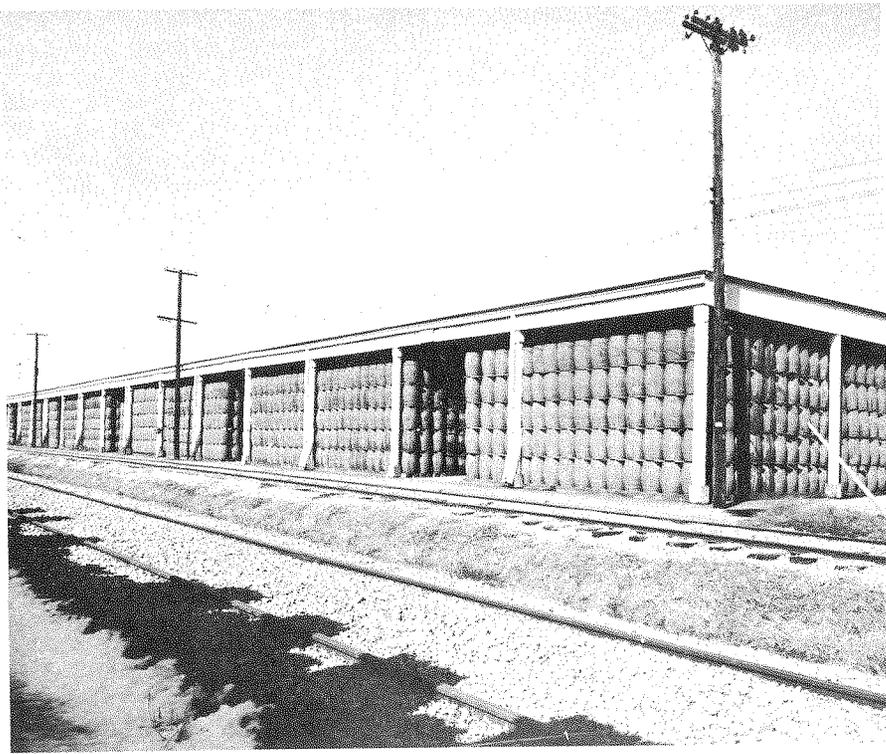
During the report period, the Director, OEP, authorized GSA to prepare disposal plans for 14 materials which had been considered by the Interdepartmental Disposal Committee. GSA developed plans for all of these materials except one, the plan for which was being developed at the close of the year.

The Congress passed and, on June 12, 1964, the President approved Public Law 88-319, authorizing the disposal of a total of 5 million pounds of cadmium from the national and supplemental stockpiles. Legislation was

pending at the end of the report period to authorize the disposal from the national stockpile of 11 million pounds of molybdenum, 75,000 short tons of zinc, and 50,000 short tons of lead. Congressional approval was pending for the proposed disposal of 98,000 long tons of pig tin from the national stockpile.

OEP also authorized the disposal of odd lots of ten subspecification or miscellaneous materials from the national stockpile: Asbestos, crocidolite (soft); copper and copper base alloy; cupronickel ingots; diamond dies (large); lead castings; manganese ore; punch mica; nickel (miscellaneous fabricated forms); tantalum; and zinc (engraving plates). Two such materials from the DPA inventory were also authorized for disposal: mica skimmings and burned titanium sponge; and three such materials from the supplemental stockpile: chromium metal; fluor spar; and silicon carbide. The disposal of the odd lots from the national stockpile requires Congressional approval; the disposal from the supplemental stockpile will require legislation.

Materials were also authorized by OEP for use as payment for upgrading and for use by other Government agencies. These included copper, tungsten concentrates, cobalt metal, ferronickel, and columbite from the DPA inventory for use as payment to cover costs of upgrading stockpile materials. Low-grade chromite from the DPA inventory was made available for direct and indirect use by other Government agencies, for payment for upgrading stockpile materials, and for foreign aid programs. Other OEP authorizations covered specified quantities of tungsten concentrates for the Atomic Energy Commission, low Brinnell hardness titanium sponge for use in research programs conducted by New York University and the U.S. Naval Research Laboratory, sodium reduced titanium sponge for release to a defense contractor under a Navy prime contract, and copper for use by the Bureau of the Mint.



Molybdenum concentrates stored in wood barrels.

OTHER STOCKPILE ACTIVITIES

In August 1963, OEP issued its strategic Stockpile Procurement Directive for fiscal year 1964 which provided for the cash purchase of only one material, jewel bearings. GSA continued its negotiations with the Bulova Watch Co. and completed arrangements with the company to extend the stockpile contract covering the production of jewel bearings through June 30, 1964, at the Government-owned Turtle Mountain jewel plant at Rolla, N. Dak.

This plant is being modernized and expanded with funds provided in the Supplemental Appropriations Act, 1963. A technical review group, consisting of two representatives from GSA and one consultant from the Depart-

ment of Defense (DOD), reviewed jewel bearing equipment manufacturing plants in Switzerland, as well as jewel bearing equipment which will be required to modernize the facility. Design work for the addition to be built at the Rolla site continued, and construction is expected to begin in mid-fiscal year 1965.

Under upgrading programs, materials needed to fill stockpile requirements for higher use forms are obtained by processing Government-owned materials. Payment for processing and other upgrading costs, including transportation and handling costs, is made with excess materials to the maximum extent possible. This approach not only results in acqui-

sition of needed materials with a minimum of cash outlay, but also in disposal of unneeded materials with minimum impact upon the market.

A contract was executed during the year for upgrading 6,000 short tons of electrolytic copper cathodes in the stockpile to the same tonnage of oxygen-free high conductivity copper, as provided by the OEP procurement directive for the year. Payment for the conversion and all transportation costs involved, totaling approximately \$936,000, will be made in electrolytic copper cathodes excess to defense requirements.

Deliveries of columbium and tantalum carbide powders were completed during the year under a previously executed contract for upgrading columbium and tantalum bearing materials in Government inventories. Deliveries also were made of columbium and tantalum metal under another upgrading contract. Payment for such upgrading is being made with excess tungsten concentrates and ferronickel from the DPA inventory. Additional upgrading authorized for fiscal year 1964 for columbium and tantalum was withheld pending a review of the current inventory position as a result of changes in the objectives for these materials and a review of possible changes in the stockpile specifications for capacitor grade tantalum metal powder.

Materials of a perishable nature in the national stockpile must be rotated when their usability for essential emergency requirements becomes impaired. Such materials are kept under close and careful scrutiny to detect the need for rotation.

The cordage fibers, abaca and sisal, are the only materials which have been programmed for rotation in recent years, and reduced stockpile objectives for these materials made it unnecessary to rotate them during the year. Deteriorating quantities of other perishable materials, such as rubber and cas-

tor oil, have been sold in recent years under disposal programs.

Deliveries of aluminum under the DOD contract with Harvey Aluminum, Inc., were completed in the first half of the year.

Contracts with the Cuban American Nickel Company and the Freeport Sulphur Company were terminated by mutual agreement, thus avoiding a possible expenditure of \$88 million for nickel and cobalt. These contracts provided that a maximum of \$248 million worth of these materials could be "put" to the Government if the metals could not be sold to industry. The Cuban Government seized the companies' properties at about the time production was commencing. Actual deliveries of cobalt were limited to 308,000 pounds with a value of \$617,000. No deliveries of nickel were made.

The DPA contract entered into with the Hanna Nickel Smelting Company also was terminated by mutual agreement. Under the settlement, the Hanna company paid a lump sum of \$2,175,000 to the Government in consideration of the cancellation of the delivery of approximately 17 million pounds of nickel which the company was obligated to deliver to the Government.

With these actions, deliveries were completed under DPA Act expansion programs, under which a total of approximately \$2.7 billion of metals, minerals, and ores were delivered to the Government.

The job of storing and maintaining stockpile inventories involves all types of storage facilities including closed warehouse space, outdoor areas for ores and other materials, tank farms for oils, vaults for drugs and precious metals, and other specialized types of storage. Stockpile inventories total some 52 million tons of 97 highly diversified commodities in many forms, grades, types, shapes, and sizes, requiring different methods of storage at 158 locations throughout the United States.

Table 14.—STORAGE LOCATIONS FOR STRATEGIC MATERIALS

Type of facility	Number of locations	
	June 30, 1963	June 30, 1964
GSA facilities	24	24
Military installations	52	52
Commercial warehouses	24	18
Leased commercial	16	16
Industrial plant sites	39	39
Other Government	10	9
Total	165	158

During fiscal year 1964, approximately 427,000 tons of materials were received into storage, the bulk of which was acquired under the Commodity Credit Corporation (CCC) barter program.

Stockpile materials, required to meet emergency objectives are stored at the most economical location possible which will assure proper dispersal and ready availability for industrial use during an emergency. Materials which are excess to established stockpile re-

quirements are stored on a least-cost basis with due consideration to consuming areas and the physical facilities at the storage site.

In line with GSA's continuing program to maintain stockpile inventories at the least cost consistent with security considerations, GSA stores materials in Government-owned space to the maximum extent possible. Continued progress was made during the year in reducing costs of storing strategic materials. A total of 53,214 tons of rubber, cordage fiber, and cryolite was removed from commercial warehouses, of which 45,946 tons were shipped under disposal sales programs and 7,268 tons were relocated to Government depots. These actions, which completely evacuated 6 commercial warehouses and reduced inventories at 14 others, reduced commercial storage costs by \$392,000 annually.

Evacuation of the warehouse at the GSA/DMS Buffalo Depot is continuing and, when completed during fiscal year 1965, will result in a reduction of annual storage costs by \$236,000. In addition, the necessity of major roof rehabilitation at the depot at a cost of \$1,440,000 will be avoided.

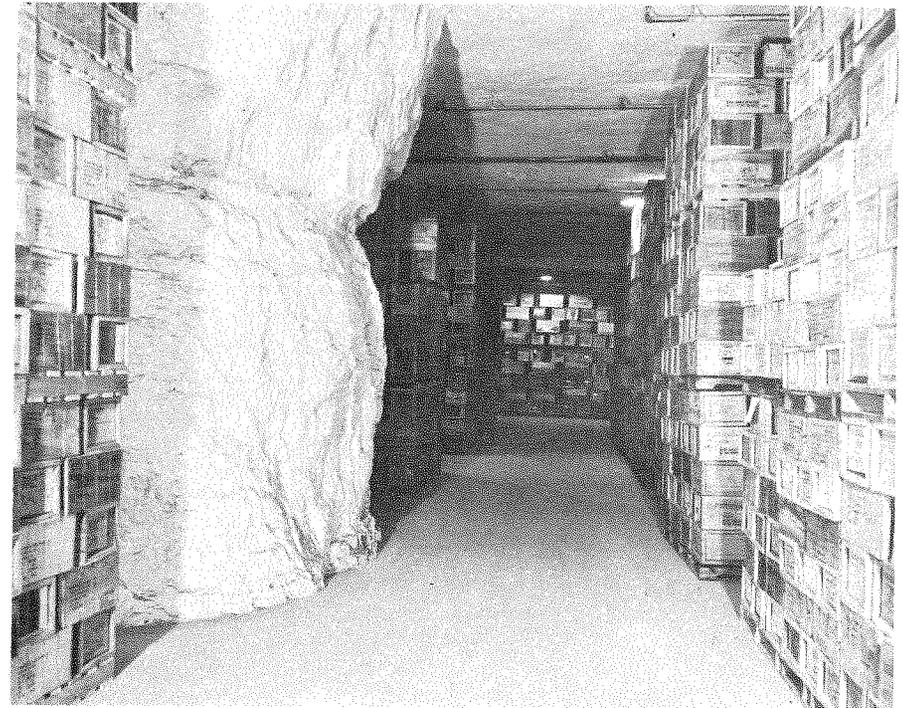
CIVIL DEFENSE AND MACHINE TOOL PROGRAMS

Another major GSA mobilization responsibility is the operation of civil defense depots for the Department of Health, Education, and Welfare (HEW) and DOD and providing other services in the stockpiling of medical, engineering, radiological, chemical, biological, and fallout shelter supplies and equipment. Policy guidance under these programs is furnished GSA by these Departments and, during the year, memorandums of agreement were entered into detailing the respective responsibilities of GSA and the other Departments.

As of June 30, 1964, these programs utilized 52 depots comprising 8.1 mil-

lion gross square feet of space and containing a combined inventory of \$178.4 million in civil defense emergency materials. In addition, there is an inventory of approximately \$38.2 million of medical supplies and equipment included in 1,799 mobile hospitals which have been prepositioned at various State and local sites for use in time of emergency, and which GSA continues to service.

The underground medical depot at Wampum, Pa., became fully operational during the year with relocation of inventories from GSA depots at Lebanon, Shamokin, and Montoursville, Pa., as well as the Naval Supply Depot at Mechanicsburg, Pa.



A typical storage area of bulk medical stockpile material at a GSA/CD underground depot.

A new underground medical facility involving 250,000 gross square feet of space was activated at Boyers, Pa., during the period. Material from the GSA/CD depot at Horseheads, N.Y., and the Veterans' Administration (VA) depot at Somerville, N.J., is being relocated to this site. The activation of this depot, together with the Neosho, Mo., and Wampum, Pa., depots, provides a current total of three underground civil defense facilities operated by GSA.

GSA presently has custodial and maintenance responsibility for 34 of the 45 engineering stockpiles in the DOD national inventory with a value of \$8.2 million. In order to alleviate conditions resulting from floods and water shortages, water pumping and treatment equipment was issued on loan during fiscal year 1964 to the States of California, Illinois, Indiana, Kansas, Kentucky, Missouri, New

York, Ohio, Oklahoma, Pennsylvania, Virginia, and West Virginia.

During the report period, 26,537 radiological instrument sets were shipped to high schools, State and Federal agencies, and shelter locations for which GSA performs repair and return service. In addition, construction of a radiological test facility at the Washington, D.C., Navy Yard was completed. This laboratory is equipped with materials required to perform tests and evaluate capabilities of experimental prototype and production instruments.

As part of the Civil Defense Fallout Shelter Program, GSA depots stock shelter supplies valued at \$25.5 million consisting of food and carbohydrates, water drums and polyethylene liners, sanitation kits, and medical kits, as well as radiological monitoring kits, for subsequent distribution to licensed fallout shelter locations.

GSA also maintains the National Industrial Equipment Reserve of machine tools and other industrial equipment administered in accordance with the provisions of the National Industrial Reserve Act of 1948 and under policy determination of DOD. The major objective of the program is to provide a national reserve of machine tools and industrial manufacturing equipment in readiness for immediate use to supply defense-supporting needs in time of a national emergency. On June 30, 1964, a total of 9,700 items with an acquisition cost of \$90.8 million was in the reserve. These tools were stored at four GSA depots and five DOD facilities, were on loan to schools, and were on loan or lease to Government agencies.

The school loan program plays an increasingly important role under this program. Under Section 7 of the Act, machine tools in the reserve may be loaned to nonprofit educational institutions when the Secretary of Defense

determines that the proposed program for the use of such tools will promote the national defense. Interest in this program has been accelerating throughout the country. During the year, 811 additional tools were loaned to 25 schools, resulting in a total of 2,727 tools on loan to 92 schools. An additional 349 tools to 17 schools were under negotiation. At the end of June 1964, schools involved in the program were located in 26 States.

The school loan program has far-reaching benefits. The tools are being used by more and more communities as a part of area redevelopment programs. This enables the communities to retrain presently dislocated labor in other skills without incurring the capital cost for equipment. It increases the labor resources of this country not only for an emergency, but also for the peacetime economy. In addition, it provides safe, strategic storage for the machine tools at no storage cost to the Government.

Part 6. Federal Records

The General Services Administration is concerned with improving current records management and paperwork practices in Federal agencies and with selecting, preserving, and making available to the Government and the public the permanently valuable non-current records of the Federal Government. Other Federal records activities with which GSA is concerned include the publication of laws, constitutional amendments, Presidential documents, and administrative regulations having general applicability and legal effect, and the administration of historical materials in Presidential libraries.

The following are highlights of activities in fiscal year 1964:

1. Participants in GSA source data automation workshops developed projects in their agencies that resulted in savings of about \$2.6 million.
2. The records clean-out campaign resulted in disposal or transfer to Federal records centers of 23 percent of all GSA files in office space, with savings in space and equipment of \$153,000.
3. The newly designed national bill of lading and related cargo forms accepted by the shipping industry and the Federal Government will result in savings of approximately 50,000 man-days to industry with additional savings to Government through better statistical data and less checking required.

4. Accessions of 770,772 cubic feet of records represent the largest volume of records handled in any one year in the history of the Federal records center system.
5. The two national centers for military and civilian personnel records exceeded all workload estimates, processing 6,470,400 items for a new high.
6. Transfer of records to the Federal records centers enabled agencies to save approximately \$1,139,000 in leased space and to curtail purchase of new equipment in the amount of \$3,740,000.
7. Microfilming of records reached an alltime peak with the production of 6,468 rolls. Sales of microfilm publications amounted to 38,495 rolls, an alltime high and an increase of 15 percent over fiscal year 1963.
8. Reference service, the end product of archival activity, reached an alltime peak, with 537,000 services in the National Archives.
9. The Office of the Federal Register processed a record 139,000 manuscript pages of laws, rules, and related official documents—an increase of more than 10 percent over last year.
10. Three volumes of *Public Papers of the Presidents* were published: the 1947 and the 1948 Truman volumes and the 1963 Kennedy volume.

RECORDS MANAGEMENT ASSISTANCE

The Federal Records Act of 1950, 54 Stat. 583, as amended (44 U.S.C. 392-396, 397-401), requires the Administrator of General Services to issue implementing and interpretative standards and to promote records management practices and techniques. GSA responsibilities along this line are generally met by promulgating regulations, providing training through workshops, and giving requested technical assistance.

During the year, proposed standards for records creation and records maintenance were reviewed by the agencies individually and through the Federal Records Council. The standards are expected to assist the agencies materially in improving their records programs. A new handbook on files operations was prepared to demonstrate how files should be organized, maintained, and used.

A new workshop on files improvement was given 211 times to 3,429 Federal workers. After completing the workshop, each participant undertook a files improvement project and prepared a report explaining how he had applied the standards learned from the workshop. The reports show a large decrease in material filed and in equipment and space used. Many participants also report quality improvements in their subject and case files. The source data automation workshop continued to be a money saver. Participants in this workshop developed some 92 projects, with benefits totaling about \$2.6 million. Other paperwork management workshops covering records disposition, forms improvement, and teletype service reported savings. The records disposition workshop alone, for example, was instrumental in releasing some 2,870 filing cabinets and destroying 42,200 cubic feet of useless records in participating agencies.

GSA continued auditing records management programs in Federal agencies to determine how closely they follow the Federal Records Act of 1950

and its implementing standards. During the year, the Bureau of Reclamation, the Comptroller of the Currency, and GSA were reviewed. As a result of its own evaluation, GSA was able to dispose of or transfer to Federal records centers 23 percent of all its files in office space, with savings in space and equipment of \$153,000.

Agencies with paperwork problems often request GSA assistance. The problems referred are usually of such size or complexity as to require considerable time for gathering facts and making recommendations. During the year, 27 surveys were in progress in the Central Office; 10 surveys were completed. Regional analysts conducted 56 surveys, of which 35 were completed. One study resulting from these requests involved the examination of all phases of paperwork within the President's Committee on Equal Employment Opportunity in order to reduce processing time. Procedures for gathering personnel information at less cost and a control system for reporting this information were prepared for the Agency for International Development (AID). A plan to modernize its directives system was submitted to the Weather Bureau, and guidelines were completed for a forms management program at the Bureau of Mines. Assistance was given to the District of Columbia in preparing a manual of regulations needed for acquisition, management, and right-of-way of property in connection with the Federal highway program.

Several nationwide studies were made for the Post Office Department. The principal ones were on the bidding system used in regional personnel offices and the labor distribution and the scheduling systems used in first-class post offices. Several million dollars have already been saved as a result of these studies.

A newly designed national bill of lading form and other cargo forms were accepted by the Federal Govern-

ment and the shipping associations of the east, gulf, and west coasts. The revised forms will result in savings of approximately 50,000 man-days to industry with additional savings to the Government through better statistical data and less required checking. Some of the Government agencies included are the Bureau of Customs, the Office of Export Control, the Bureau of the Census, and the Maritime Administration.

Of interest to a number of Federal agencies and international organizations is the continued progress in developing Uniform Coded Commodity

Descriptions (UNICODE). The goal is to provide standard codes by which shipping documents can be machine-prepared automatically in any language. The Bureau of the Census, the Maritime Administration, and GSA worked out a method by which the Census inclusions list could be converted into machine language to be used as a base for producing UNICODE and for rewriting the Census import and export schedules. When adopted, UNICODE will be used in conjunction with the Standards International Trade Classification, which is expected to gain worldwide adherence.

RECORDS CENTERS

The holdings of the 16 GSA records centers continued to climb, reaching 7,689,100 cubic feet of records at the end of the year—about 244,000 cubic feet more than in 1963. New records received in 14 regional records centers totaled 770,800 cubic feet, the largest volume yet accessioned in any 1 fiscal year; 541,700 cubic feet on hand were destroyed; and 3,103,500 inquiries for information from the records were received.

The two national centers for military and civilian personnel records exceeded all workload estimates, processing 6,470,400 items and handling 1,640,400 inquiries, chiefly from the Veterans Administration (VA), from veterans themselves, and from agency personnel offices.

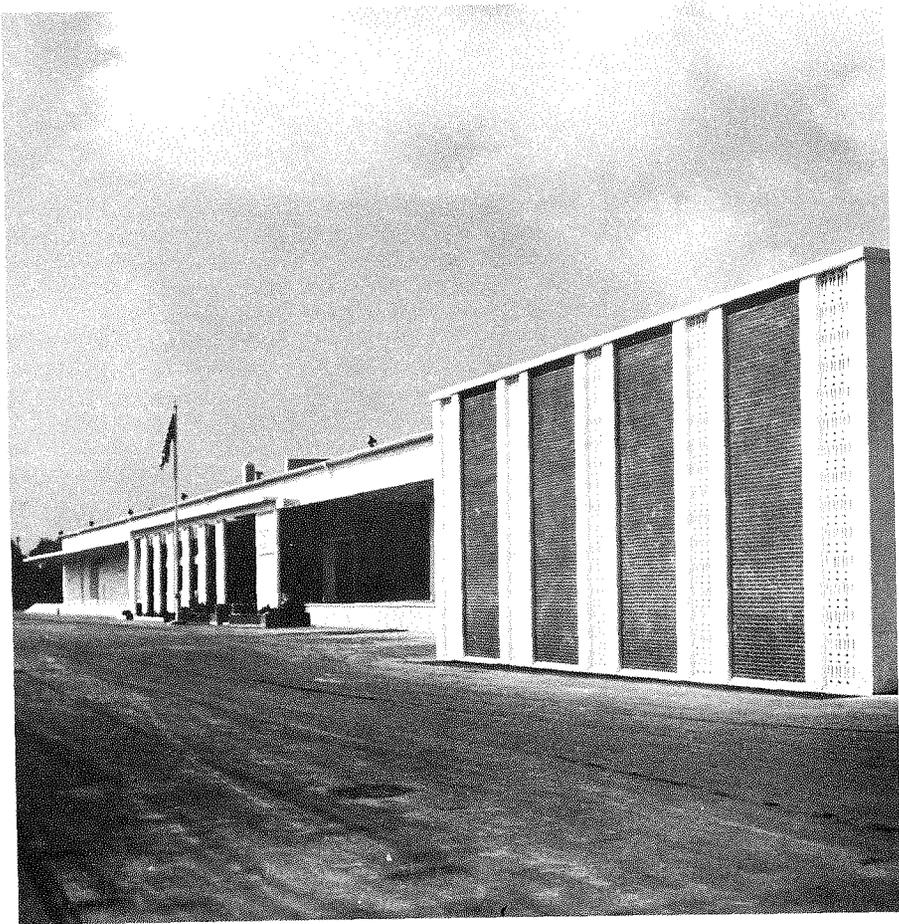
Transfer of records to the centers during the year cleared for reuse 351,200 square feet of office space and 101,000 square feet of storage space. At an average of \$3.00 per square foot for rent and maintenance of office space and \$0.85 for storage space, the cost of leasing the space cleared would have amounted to \$1,139,000. These transfers also cleared 65,600 filing cabinets, 6,500 transfer cases, and 427,700 linear feet of shelving. Agencies were thus enabled to curtail the purchase of

new equipment in the amount of \$3,740,000.

GSA's program to find permanent locations for the centers in suitable Government-owned space advanced considerably. Early in the year, the records center at Seattle completed its relocation to newly renovated warehouse space near the Navy air station. Toward the end of the year, the San Francisco center moved into renovated space formerly occupied by the Marine Corps. Design work for new buildings to house the records centers in Washington and Boston is nearing completion. The buildings are scheduled for completion in fiscal year 1966.

Economies were effected by consolidation of the annex at Honolulu into the center at San Francisco and by the center at New Orleans into the larger centers at Fort Worth and Atlanta. The annex at Clearfield, Utah, was in the process of being liquidated.

Use of mechanized equipment for punched cards, already employed to index x-rays and compile work measurement data in the national centers, was extended to include indexing military personnel records, thereby reducing operating costs the first year by \$24,000. Further extensions of mechanized systems to other operations are under study.



Federal Records Center, Seattle, Wash.

NATIONAL ARCHIVES

The second full year of operation of the functional organization put into effect in the National Archives in January 1962 has made it possible to continue increased emphasis on major archival programs.

One of the most important of these programs concerns the identification of the small core of permanently valuable records from the nearly 24 million cubic feet of Federal records in agencies or in records centers. Section 505 (b) of the Federal Records Act requires GSA to "establish standards for

the selective retention of records of continuing value, and assist Federal agencies in applying such standards to records in their custody." To carry out this provision, records retention plans, by means of which records of enduring value can be recognized, maintained, and preserved, are being developed by GSA's staff from comprehensive appraisals of agency records and functions. Plans were prepared for 29 agencies or major subdivisions including units of the Departments of State, Treasury, Agriculture, Interior, and

Commerce, the National Science Foundation, and the Public Housing Administration. Approximately 2 percent of the total of about 1 million cubic feet of records studied were designated as having sufficient value to merit permanent preservation. Since the program was initiated in 1962, a total of 69 organizations having about 3 million cubic feet of records have been covered by retention plans.

The prime purpose for preparing records retention plans is to safeguard valuable records. But these plans have also enabled agencies, in cooperation with GSA, to set realistic disposal periods for records identified as nonpermanent. Two notable examples were the determination by the VA of disposal dates for certain case files and medical records and the reduction by the General Accounting Office (GAO) of retention periods for contract files. By these and other actions, disposal authorization was obtained for 350,000 cubic feet of obsolete records, which had previously been considered of indefinite or long-term value.

Another program that was stressed during the year was the inventorying and describing of records in the National Archives. Although only 5 inventories of record groups or subgroups were published during the year, 49 other inventories and lists of records were prepared and made available in unpublished form for staff use. This combined total of 54 inventories and lists exceeds the number produced in any 1 year since the founding of the National Archives.

The inventories published covered records of the Department of State, the Chief Signal Officer, the National Bituminous Coal Commission, the Commissioner of Railroads, and of United States Government documents having general legal effect. Also published during the year was a *Guide to Genealogical Records in the National Archives*. Another guide, *Civil War Maps in the National Archives*, was in press, and work continued on the compilation of a guide to the archives of

the Confederate States. Four additional *Guides to German Records Microfilmed at Alexandria, Va.*, were published, bringing the total number of guides issued in the series to 42.

The microfilming of records again reached an alltime peak with the production of 6,468 rolls of negative microfilm. The use of film copies made from these negatives preserves records from deterioration through constant use of the original records, and additional film copies may be made to meet research needs outside of Washington.

Among the records microfilmed were State Department records relating to internal affairs of Argentina, Egypt, France, Italy, Venezuela, and the Papal States, 1910-29; letters of application and recommendation during the administrations of James Monroe and John Quincy Adams; passenger lists of vessels arriving at Philadelphia, 1800-82; Interior Department territorial papers for Alaska, 1869-1910; and indexes to compiled service records of volunteer Union soldiers who served in organizations from most of the Northern States.

Sales of microfilm publications amounted to 38,495 rolls, an increase of 15 percent over the previous year and an alltime high.

Several types of microscopic blemishes have been found on negative microfilm both inside and outside the Government. Almost no instances have been found, however, of the blemishes affecting the legibility of the film images. Moreover, no blemishes whatever have yet been found on any microfilm processed by the National Archives Laboratory and stored in the National Archives Building. Nevertheless, any blemishes on the microfilm of permanent records are a matter of concern. In January 1964, as a precautionary measure, GSA issued a circular to all Government agencies announcing that until further notice GSA would not approve the disposal of any records of permanent value based on the retention of a microfilm copy of the original.

Research to determine the cause and means of prevention of the blemishes has been initiated by the National Bureau of Standards and will be continued in fiscal year 1965 with funds supplied by Government agencies, including GSA, and the microfilm industry. In March 1964, the Bureau issued a handbook on the inspection of microfilm for blemishes and is currently preparing for publication interim recommendations for the processing and storing of permanent microfilm. As soon as definitive recommendations are developed by the Bureau, GSA will make any changes that may be required in its regulations on the reproduction of permanently valuable records by Government agencies.

The microfilming of records for preservation purposes enables the National Archives to retire original records from use and to use film copies in their place. For those records not suitable for microfilming, other repair processes are used. Lamination, for example is restricted to records of high intrinsic value, of maps and other oversize materials, and to records for which color is a factor. During the fiscal year about 122,000 sheets were laminated as compared with 107,000 in fiscal year 1963, and about 1,208,000 sheets were flattened as compared with 1,134,000 in fiscal year 1963.

Reference service, a fundamental obligation of the National Archives and the end product of archival activity, reached an alltime peak during the year. The 537,000 reference services surpassed the previous record set in fiscal year 1963 of 510,000 services.

A number of measures were taken to improve security of records. These included the consolidation of research facilities, the use of additional personnel and guards in research rooms, and more stringent controls over users of records.

During the fiscal year, 6,275 cubic feet of records were transferred to the National Archives Building. Many records of permanent research value were retained in the Federal records

centers because of the shortage of space in the National Archives Building. Among the records transferred were records of the State Department relating to the preparation of World War II history studies; records of the Research and Analysis Branch of the Office of Strategic Services and its successors in the Department of State, 1941-61; records of the Internal Revenue Service (IRS) relating to the collection of the direct tax in certain Southern States, 1864-66; records of the Rubber Reserve Company and its successors relating to the development of synthetic rubber, 1942-55; and records of the National Capital Planning Commission, consisting of maps of the District of Columbia and the surrounding area, site and project plans, architectural and construction drawings, ground and aerial photographs, and artists' sketches containing information dating from 1791 to 1962.

An important accession of the year was the Ford Historical Film Collection, a gift from the Ford Motor Company, consisting of 1.8 million feet of motion picture film. The collection, produced by Ford camera crews, records the growth and development of the United States from 1914 to 1945. Much of the film was used in the Ford Educational Weeklies, several hundred of which were released from 1916 to 1921 for wide distribution to the public and to the schools. Included in the film, which covers a wide variety of subjects, is footage dealing with the training of soldiers and the building of tanks during World War I, the development of highways, parks and recreational facilities, and the mechanization of agriculture.

The total holdings of records in the National Archives amounted to 899,105 cubic feet at the end of the year. In addition to the hundreds of millions of textual documents, these include 3,392,000 still pictures, 1,568,000 maps and charts, 54,000 reels of motion pictures, and 37,000 sound recordings.

For the third successive year the number of visitors to the National

Archives exceeded the million mark. A total of 1,194,000 people, an alltime high, viewed the Declaration of Independence, the Constitution, the Bill of Rights, and other historic documents relating to these charters of freedom. Visitors also viewed exhibits on the

Civil War and on the Emancipation Proclamation. The new exhibits installed were entitled "American Ingenuity—Our Mass Production Story," "Eleanor Roosevelt and Human Rights," and "The National Banking Act of 1863."



Ceremonies at the National Archives in observance of Human Rights Week.

PRESIDENTIAL LIBRARIES

Shortly after President Kennedy entered the White House, he began to make plans for a presidential library to be administered by GSA. GSA cooperated closely with the President and immediately after his death, in cooperation with his family and friends, undertook to carry out these plans. A Government-wide program for microfilming records of Government agencies that reflect the policies, programs, and ideas of the Kennedy Administration was begun. President Kennedy's papers, books, and personal possessions were stored in the National Archives

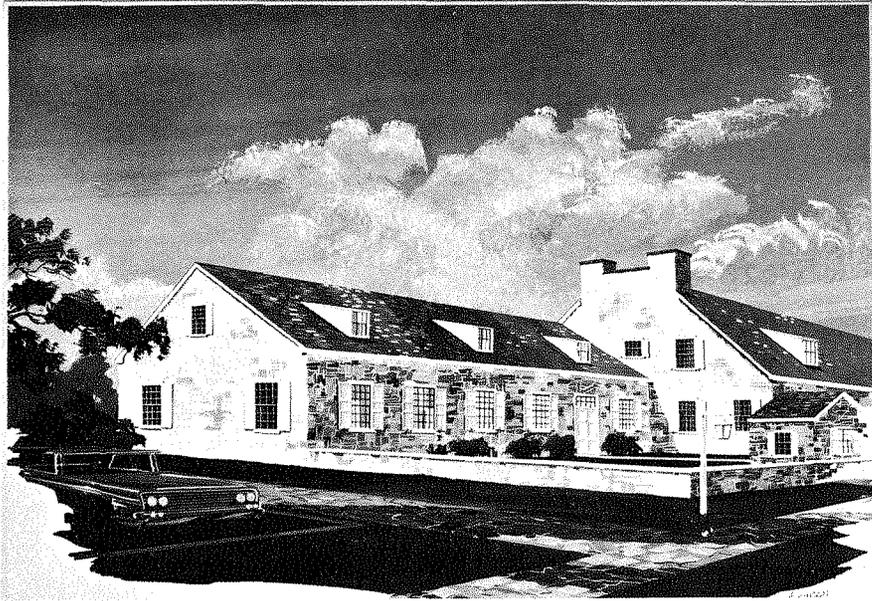
Building. President Kennedy's friends and associates and the leading figures of his administration were asked to place their personal papers, or microfilm copies of them, in the custody of GSA. GSA has also given professional and technical advice and assistance to the Kennedy oral history project and to the architects who have been retained to do the preliminary planning for the library structure.

As a result of these activities, GSA now has microfilm copies of nearly 2 million pages of Government records for the Kennedy period, as well as

about 5.7 million pages of the late President's papers, more than 20,000 still pictures, 6,500 books, and over 8,000 museum objects. This material will be transferred to the library when it is completed.

Architect's drawings and specifications have been virtually completed

for the two wings to be added to the Franklin D. Roosevelt Library in honor of Eleanor Roosevelt. Funds for the construction of the wings are being raised by the Eleanor Roosevelt Memorial Foundation. Ground-breaking ceremonies were held November 7, 1963, 1 year after her death.



Architect's sketch of Eleanor Roosevelt wings to be added to the Franklin D. Roosevelt Library.

Among papers received by the Roosevelt Library were those of Paul H. Appleby, Under Secretary of Agriculture in the Roosevelt administrations; Henry Field, adviser to President Roosevelt on resettlement problems during World War II; Hilda Smith, former director of the Workers' Service Organization of the Works Progress Administration; and George T. Bye, literary agent for President and Mrs. Roosevelt. Research use of the library continues to increase. Permits to use the historical collections were issued to 258 persons who made over 700 visits to the research room. During the year the library acquired 25 books and a number of articles and dissertations based on research in its

collections. Over 161,000 persons visited the library's museum.

The Harry S. Truman Library received gifts of papers from Ralph Block, Robert E. Freer, Michael Galvin, Charter Heslep, Lou Holland, W. John Kenney, David D. Lloyd, William Rigdon, David H. Stowe, Gen. Ralph E. Truman, and Joel Wolfsohn. Records were also received from the Committee for the Marshall Plan and the National Security Committee. In the oral history project, 14 persons were interviewed who were either on the White House staff of President Truman or associated with him in Missouri. Seven oral history transcripts were opened for research. In a special project dealing with the European Re-

covery Program, 28 European leaders in 10 countries were interviewed about their opinions and evaluations of the Marshall Plan and the Greek-Turkish Aid Program. Preparatory to this interview project, the Harry S. Truman Library Institute sponsored a conference of diplomatic historians at the library.

Sixteen grants-in-aid were issued by the Institute for research in the Truman period, and 42 persons worked in the research room of the library. An additional 3,100 square feet was equipped and used for an exhibit relating to the history of the 35th Division, National Guard, and for work space while changing exhibits. More than 155,000 persons visited the museum of the library, a significant increase from the previous year.

The Dwight D. Eisenhower Library staff has been primarily engaged in processing the papers, books, and

other historical material in the library in order to make them available for research use. The holdings now include 12,157,000 pages of manuscripts, 36,000 still pictures, 1,177 sound recordings, and 416,000 feet of motion picture film. Among major accessions were the papers of John Stewart Bragdon, Neil McElroy, James P. Mitchell, and William P. Rogers. Nearly 102,000 visitors toured the public areas of the library during the year.

The construction of an addition to the Herbert Hoover Library, planned and financed by the Herbert Hoover Birthplace Foundation, Inc., was practically completed during the year. When the addition is completed, processing of the papers and books given to the library by former President Hoover will be undertaken. There were 38,000 visitors to the exhibit areas of the library.

FEDERAL REGISTER AND OTHER PUBLICATION ACTIVITY

The Office of the Federal Register processed during the year a record 139,000 manuscript pages of laws, rules, and related official documents—an increase of more than 10 percent over last year. The increase was noted particularly in the daily *Federal Register*, which experienced the largest workload since the final year of World War II.

A new pamphlet entitled "How to Find U.S. Statutes and U.S. Code Citations" was compiled by the Office and published by the House Committee on the Judiciary. The new finding aid simplifies statutory research for those faced with the problem of quickly determining the correct citation of any provision of Federal law.

The program for the publication of *Public Papers of the Presidents* was accelerated during the year. Three volumes were published: the 1947 and 1948 Truman volumes and the 1963 Kennedy volume.

The National Historical Publication Commission implemented its 1963 *Report to the President Containing a Proposal * * * To Meet Existing and Anticipated Needs Over the Next Ten Years Under a National Program for the Collection, Preservation, and Publication, or Dissemination by Other Means, of the Documentary Sources of American History*.

Legislation based upon a recommendation in this *Report* and authorizing a 5-year grant program of a maximum of \$500,000 a year from appropriated funds was passed by the House on October 15, 1963, and at the end of the year was under consideration by the Senate. Under this program, allocations would be made to Federal agencies and grants to nonprofit organizations and institutions "for the collecting, describing, preserving and compiling, and publishing (including microfilming and other forms of reproduction) of documentary sources sig-

nificant to the history of the United States." Such allocations and grants would be made by the Administrator with the advice and recommendations of the Commission. (On July 28, 1964, the measure was enacted, as Public Law 88-383.)

The Commission also has been negotiating with private sources to obtain funds for documentary publication projects it has approved, and its staff has assisted in planning and organizing new projects to create the balanced national program called for by the *Report* and the legislation.

Several of the documentary publication projects with which the Commission cooperates published additional volumes, notably *The Adams Papers*, *The Papers of Benjamin Franklin*, *The Papers of Henry Clay*, and *The Papers of John C. Calhoun*. The first volume of the Commission-sponsored *Documentary History of the Constitution and the First Ten Amendments* reached the stage of final editing. The annual bibliography, *Writings on American History*, was compiled for the year 1959 and sent to the Government Printing Office. The volume of *Writings* for 1956 was published.

Part 7. Business Services and Small Business

During fiscal year 1964, the General Services Administration intensified its efforts to implement more effectively the President's program to alleviate unemployment and to stimulate industrial production and growth by taking actions designed to promote maximum interest and participation in Federal procurement and disposal programs through the operations of its Business Service Centers located in Boston; New

York; Washington, D.C.; Atlanta; Chicago; Kansas City, Mo.; Dallas; Denver; San Francisco; Los Angeles; and Seattle. These Centers provide businessmen with information, assistance, and counseling on doing business with the Government, and major emphasis is provided for the problems and considerations involving small business concerns and firms located in labor surplus and redevelopment areas.



The scope of GSA contract opportunities is indicated in this exhibit which was displayed at locally sponsored business opportunity meetings held throughout the country during fiscal year 1964.

GSA developed and installed a positive, aggressive program for bringing businessmen into the Business Service Centers for counseling, combined with a thorough counseling program and followup system designed to provide maximum benefits to the Government and the business public. Salient features of this special program include:

1. Review of the most recent tabulations of bids received in response to GSA bid invitations for the purpose of identifying specific types of items on which increased bidding competition is needed.
2. Research of various production facilities and business directories for the purpose of identifying firms not currently bidding and which may have potential for supplying the types of items on which increased bidding competition is needed.
3. Examination of various direc-

tories of local, State, and national business organizations, industrial development groups, trade associations, chambers of commerce, trade papers, and other media, for the purpose of identifying those which may provide assistance in locating and stimulating the interest of firms in competing for GSA contracts.

4. Provision of individual firms, business associations, publishers, and news media with procurement and specification data, and such other information, counseling, and assistance as may be needed to stimulate new business interest, and to develop increased competition for GSA contracts.
5. Maintenance of appropriate followup communication with individual firms so as to develop fully their potential for doing business with GSA.



An interested businessman receives personal attention from a trained counselor as he obtains current bid information available in one of GSA's Business Service Centers.

GSA also provided appropriate training for and increased use of, Public Buildings Service Area and Buildings Managers as GSA field representatives in order to assist businessmen further in dealing with GSA. Through this training and resultant use of GSA field representatives, GSA business information, counseling, and assistance is made available to local businessmen in over 200 additional cities throughout the country.

A program was developed for on-the-spot counseling and information visits by Business Service Center personnel to local chambers of commerce, trade organizations, State and local civic organizations, and to individual firms. This is done in conjunction with training and inspection visits to the offices of GSA field representatives. Well in advance of planned visits to cities in their regional areas, Business Service Center personnel research the identity of local firms which may market types of products or services contracted for by GSA and extend to them direct invitations to attend, at specified times and places, conferences designed to develop their potential for doing business with GSA. They also advise the local news media, appropriate business and civic associations, and industrial development groups, of the planned conferences, and solicit their cooperation in disseminating an invitation to attend to their business community.

GSA expanded its advertising, marketing, and public information services for the regional offices.

The following statistical data reflect the scope of and progress achieved by these intensified efforts during the past fiscal year:

1. A total of 128,313 bids were received and publicly opened in

GSA Business Service Centers, an increase of 27.5 percent. These bids represented a significant 17.6 percent increase in competition for GSA contracts in terms of the average number of bids received per procurement action.

2. GSA Business Service Centers provided information, counseling, and assistance on doing business with the Government to 113,489 businessmen, an increase of 174.6 percent; distributed 392,236 copies of specifications to firms for bidding and contracting purposes, an increase of 4.7 percent; processed 11,597 bidders mailing list applications submitted by firms desiring to receive GSA bidding opportunities; distributed 59,891 bid invitations to firms not on bidders lists; processed 556 new product applications submitted by firms desiring to have their products considered for inclusion in the GSA supply system; participated in 77 business opportunity meetings held in various communities throughout the country, at which 3,307 businessmen were counseled on doing business with the Government, an increase of 71.9 percent.

The above activities were coupled with additional vigorous efforts throughout the agency to increase the small business share of GSA contracting by, wherever feasible, making partial or total procurement set-asides for small business concerns. They resulted in the placing of 53.2 percent of the total dollar volume of GSA contracts, or \$451.4 million, with small business firms in fiscal year 1964. This was an increase of 12.7 percent over the 40.5 percent share for fiscal year 1963.

Part 8. Disaster Area Assistance

Under the provisions of Public Law 875, 81st Congress (42 U.S.C. 1855-1855g), the President has broad powers to provide immediate assistance through all departments of the Government when a major natural disaster occurs. During fiscal year 1964, the General Services Administration was directed by the President to provide assistance to State and local governments because of extensive damage by hurricanes, floods, and earthquakes.

At dusk on March 27, 1964, 50,000 square miles of south-central Alaska were severely shaken by one of the most violent earthquakes ever recorded. During the first 24 hours following the earthquake, all units of GSA were organized to provide relief to Alaska. Tractors, bulldozers, generators, trucks, and flood-light equipment were obtained and shipped to the Port of Anchorage to restore dock facilities.

Cots, mattresses, blankets, pillows, and a substantial quantity of feeding equipment were made available for residents of Alaska made homeless by the tidal waves. Trucks and automobiles were made available from the GSA motor pools. Additional telephone circuits were obtained for use by agencies providing relief. Temporary office space was acquired for Alaskan

agencies. Contracts were negotiated to repair Federal buildings in the area. Approximately 70 tons of freight, largely stores stock items, were shipped to Alaska. A new locomotive, mechanical shovels, and other railroad equipment were obtained for the Alaska Railroad. Other actions in the 4 months following the earthquake were numerous and contributed much to the success of the recovery efforts.

During fiscal year 1964, severe storms, floods, hurricanes, and extreme droughts produced extensive damage in Puerto Rico, the Virgin Islands, and 14 States. In those damaged areas, the President authorized Federal assistance.

GSA furnished trucks and automobiles to local officials in some of the damaged areas, and substantial quantities of blankets and cots were made available to the American Red Cross. Pumps and water pipe were also supplied to local communities. Engineers and other personnel participated in surveys. Office and other space was acquired for the relief agencies. These and many other actions were taken to assist in the task of rebuilding what nature had laid waste in the stricken areas.

Part 9. Regulations and Other Legal Publications

During the past year, GSA's Office of General Counsel prepared:

1. A Compilation of Basic Laws and Authorities Relating to Functions of the General Services Administration.
2. A Revised Edition of the Federal Procurement Regulations.
3. A State Gasoline Tax Synopsis.

The Compilation of Basic Laws was the first such compilation ever made by GSA and should prove of considerable value to administrators, lawyers, Congressmen and other persons who have a need to know the laws, Executive orders, and other directives which delineate the programs and responsibilities of GSA. Included in the compilation is a revision, as of June 1, 1964, of GSA's basic law, the Federal Property and Administrative Services Act of 1949.

The Federal Procurement Regulations (FPR), which are applicable generally to all executive agencies, were completely republished in a new edition (June 1964). The republication is a significant step forward in achieving GSA's objective of providing broadened guidance in Government procurement, including related economic aspects, as well as techniques and procedures for the actual contracting process.

The new edition of the FPR continues to devote substantial attention to the needs of small business concerns and the areas of labor surplus. It also includes numerous technical, editorial, and minor substantive changes in var-

ious portions of material previously published in the FPR. In addition, there have been a number of major revisions of, and additions to, the regulations concerning, among other items, noncollusion in bidding; use of jewel bearings produced at a Government-owned plant; debarment; stricter requirements on the use of negotiation in contracting; procedures under the Buy American Act; bonds and insurance; Federal, State, and local taxes; labor statutes and standards; equal employment opportunity; and financing of Government contracts.

Continuing improvement and development of regulations and the overall FPR System, benefiting both industry and Government, is a major GSA program goal. Included is broadened coverage to take advantage of advances in technology and industry, modern merchandising techniques, and industry's ability and desire to supply Government in the most efficient and economical manner.

A synopsis of State gasoline tax laws was prepared and issued as a handbook. This synopsis is designed as a useful guide for operating personnel, providing a synopsis of the gasoline tax laws of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico. The statutory authority for the tax, the tax rate, the type and extent of exemptions and refunds available to the United States, and information concerning the use of tax exemption certificates are provided for each jurisdiction.

Part 10. Board of Contract Appeals

The Board of Contract Appeals is the successor to the Board of Review established by the Administrator on July 1, 1950. The Board is an autonomous body of six members reporting directly to the Administrator with delegated authority to hear, consider, and determine appeals from decisions by contracting officers on disputes arising under contracts containing provisions requiring the determination of appeals by the head of an agency or his duly authorized representative or board, and as otherwise authorized by the Administrator.

The Board functions under established rules of procedure which have been recently revised to reduce paperwork and expedite the disposition of appeals.

At the beginning of the fiscal year, 240 cases were pending, 251 new appeals were filed, and 288 cases disposed of during the year, a 21 percent increase over the number of cases handled during the prior year. The Board holds hearings and prehearing conferences at the earliest possible dates mutually agreeable to all concerned. Hearings involving a total of 102 workdays were held in 79 cases. Prehearing conferences involving 41 workdays were held in connection with 41 appeals. Thus, in fiscal year 1964 a total of 143 days was spent in hearings and/or conferences.

A three-member panel decides appeals unless the parties elect to have

the case decided by a single member, as provided under the Board's Rule 19, in cases where the amount in controversy is under \$5,000.

Of the 288 cases disposed of, opinions were written in 106, and 28 were decided under Rule 19. The remaining 154 completed cases were dismissed without opinion, of which 92 represented cases wherein settlements were made with appellants after the claims had reached the appellate stage. Four dissents were reached; on two there were written opinions. Six preliminary decisions were issued on procedural matters. Relief was granted to appellants in 35 cases as compared to 27 in 1963.

During this fiscal year, it was decided to release Board decisions for publication. This action has met with widespread approval within the Government generally, the legal profession, and the various segments of industry which do business with GSA. The Board also digests and publishes its past decisions. The second volume thereof, covering the years 1956 through 1961, was prepared during fiscal year 1964.

Board decisions are studied carefully within the operating segments of GSA, and, wherever indicated, improvements are effected in contracting procedures to prevent recurrences of the types of disputes which occasioned the Board's review.

Part 11. Finance and Administration

The Office of Finance and Administration is responsible for the planning, implementation, direction, and coordination of all financial management, personnel management, and administrative management services and programs of the General Services Administration and for formulation of GSA-wide program planning policies and objectives, automatic data processing, and for coordination of the manpower utilization program.

Fiscal year 1964 was a year of progress and continuing improvement of financial management methods and emphasis on high standards of quality and dependability. The following are highlights of the progress made during the year:

1. Developed an aggressive forward planning program entitled "Operation Blueprint" that sets short- and long-range goals and action plans covering the major programs of GSA.
2. Initiated quarterly briefings between the Administrator and the head of each Service and Staff Office to evaluate progress toward goals established in "Operation Blueprint."
3. Completed 74 manpower utilization surveys on 1,848 positions identifying an 18 percent surplus capacity.
4. Developed a simplified Annual Motor Vehicle Report which will substantially reduce Government-wide reporting workload, but yet retain coverage of 94 percent of the Federal fleet.
5. Installed a Mechanized Accounting Control (MAC) sys-

tem, which will result in annual savings approximating \$179,000.

6. Developed a flat rate method for billing Government customers for intercity telephone service that eliminated millions of individual call tickets and reduced the number of bills to customers.
7. Recruited 31 interns which put GSA first among all agencies and departments of the Government. Four women and two members of minority groups are included.
8. Completed 22 feasibility studies to determine justification for establishment of centralized printing plants—5 plants were established, with 7 scheduled for opening during 1965.
9. Extended the scope and variety of offerings through the GSA Institute. Agencies sent 8,168 participants to 352 course offerings.
10. GSA audit and compliance activities resulted in recoveries approximating \$1 million and pointed the way to reduction in future expenditures.
11. Improved data processing capability provided increased supply support; eliminated voluminous card files of cataloging activities; provided management with repair and improvement data and a comparison of design and construction costs with standards; and, furnished timely analytical data on tonnage of movements.

PROGRAM PLANNING

During fiscal year 1964, GSA accelerated its effort toward the development of aggressive forward planning through a program entitled "Operation Blueprint." This plan was developed under the basic premise that one of the best ways to cope with the future is to establish, in the present, a set of short- and long-range goals and action plans designed to influence rather than merely accommodate things to come.

One of the first steps GSA took before developing its action plans for the future was to make a searching review of all its basic responsibilities stemming from statute, Executive order, or interagency agreement. These were then defined and translated into definitive missions, objectives, and basic policies covering the major programs of each of GSA's Services and Staff Offices.

The results of this review provided a base for the development of program planning assumptions and related specific policies later used in preparing GSA's 5-year plan for fiscal years 1966 through 1970. The review also formed one of the bases for the development of a set of program charters for GSA. These charters, considered as GSA's blueprint for the future, contain all of GSA's major goals, objectives, and targets and specify, wherever possible, timetables for their accomplishment.

From its program charters and related approved planning assumptions and specific operating policies, GSA then was able to prepare its 5-year plan for fiscal years 1966 through 1970. The projections included in this plan were then used as a base for GSA's spring budget forecast sent to the Bu-

reau of the Budget (BOB) about the first of May.

GSA's attainment of progress towards its approved program targets is systematized in the following manner. Shortly before the beginning of a fiscal year, each GSA Service or Staff Office Head prepares an annual operating schedule for the ensuing year. Base data for these schedules are derived from the approved program charters and the 5-year plans. Quarterly thereafter, each GSA Service or Staff Office prepares a progress report having as its base, the same data shown in the annual operating schedule. These quarterly reports show the annual plan, the segment thereof prescheduled for accomplishment through the current quarter, the actual progress made against the scheduled accomplishment, and the rate of achievement attained. The latter is usually expressed in percentage terms, with 100 percent considered as par.

Quarterly program briefings are held by the Administrator with each Service and Staff Office Head to evaluate progress made toward attainment of planned targets. At these quarterly briefings, each program official interprets the significance of program progress versus established targets in his area. These are sessions at which proof of performance is demonstrated. These briefings are effective communicative media to report on the status of progress towards program targets, identify major problem areas, and provide a basis for management decisions.

GSA is now documenting its forward-planning program in a Program Planning Handbook.

MANPOWER UTILIZATION

The manpower utilization program moved into high gear following a series of training courses conducted through-

out GSA's headquarters and regional offices.

Seventy-four surveys were completed

during fiscal year 1964 covering over 1,800 positions in the Central Office and five regional offices. Surplus capability approximating 18 percent was identified by the completed survey reports. This has permitted program managers to increase significantly their annual production goals; reassign personnel to areas requiring additional manpower; reduce overtime and use of contract labor; and cancel vacant positions for which there was no demonstrable need on the basis of projected workload.

The estimated annual savings generated by these actions approximate \$1.8 million. The resulting increase in productivity contributed significantly to the decision by the Administrator to reduce by 422 positions the fiscal year 1964 yearend employment level and made possible the return of over \$400,000 to the Treasury.

To assure prompt action on the findings and recommendations of each manpower utilization survey, the Administrator established a requirement that his top staff report to him their plans for disposition or utilization of excess personnel and funds.

DATA AND FINANCIAL MANAGEMENT

GSA continued its role of assisting executive agencies in the improvement of property accounting systems as a necessary adjunct to its overall responsibility for the development of effective property management practices. During the past year, these services have been provided to various bureaus and offices of the Departments of Commerce, Labor, and Interior. The reports and recommendations developed from the surveys result in better manpower utilization, strengthening of property accounting and internal control procedures, improved documentation and recordkeeping practices, reduced inventories, and optimum utilization of assets.

A greatly simplified format has been developed for GSA's Annual Motor

In the Buildings Management area of the Public Buildings Service (PBS) eight standards development and verification studies were completed. These studies included custodial, crafts, elevator, and guard positions throughout GSA. The standards developed will be validated through pilot installation tests prior to full-scale implementation in major buildings throughout the Nation.

The manpower utilization program, when fully implemented, will provide GSA with valid data to evaluate employee productivity, determine future budgetary requirements and long-range planning projections. Full implementation is also expected to result in an overall increase in productivity of at least 10 percent, based on program results to date.

Current plans call for the activation of the program in the remaining five regions of GSA no later than January 1965. By the close of fiscal year 1966, it is contemplated that approximately 27,000 employees or 83 percent of total GSA employment will have been covered by the program.

Vehicle Report. The new report will provide essential data on approximately 94 percent of the Federal fleet and at the same time exempt about 80 percent of holding agencies from reporting. Reporting workload of the remaining agencies will be reduced considerably through the elimination of data not considered essential.

The Mechanized Accounting Control system has been installed in all regional offices. Transactions are brought under data processing control permitting mechanized preparation of records, reconciliations, and reports to a much higher degree than heretofore possible. The savings in accounting and reporting for fiscal year 1964 approximated \$100,000. It is expected that annual savings of ap-

proximately \$179,000 will accrue in future years from this nationwide accounting and reporting system. Further savings will result from consolidation of accounting operations into 5 accounting centers during fiscal year 1965, instead of the present 10 locations.

Treasury Department and GSA, in collaboration with BOB and the General Accounting Office (GAO), are engaged in a joint effort to eliminate paperwork involved in the handling of expenditures transferred between the agencies and GSA. Procedures are being developed whereby the GSA billing document will be the basis for an immediate credit to GSA funds and a charge to the funds of the billed agency without requiring maintenance of accounts receivable, thereby eliminating collection action by GSA. Treasury will coordinate these interagency transactions as part of its accounting for cash operations of the Government as a whole and will discontinue the handling of individual documents in its disbursement operations. This procedure will produce substantial savings through the reduction of paperwork, elimination of the need for followup on delinquent receivables, and reduction of GSA's cash requirements to finance interagency procurement.

Statistical sampling techniques were tested for taking physical inventories of stores stock. The tests indicate that error rates for inventory balances can be reduced from 22 percent to 5 percent, warehouse refusal rates can be reduced by 40 to 50 percent, locator accuracy can be improved from 76 to 90 percent, the cost of taking inventory can be reduced by 40 to 80 percent, and service can be improved to customers by elimination of warehouse shutdown for inventory-taking. Formal implementation of these techniques will begin in fiscal year 1965.

A project to automate GSA's motor pool accounting and reporting system was activated. The new system is expected to effect efficiency and economy in the monthly, quarterly, semiannual,

and annual report cycles; more positive control over use of GSA vehicles by customer agencies; and reductions in the volume of manual accounting functions now essential to efficient motor pool operations. The system will provide more comprehensive, timely, and accurate reports for management.

A method was developed for billing customer agencies of the Federal Telecommunications System (FTS) on a flat rate basis for intercity telephone service, thereby eliminating the preparation of millions of individual call tickets as well as materially reducing the number of bills to customers.

Improved data processing capability enabled GSA to provide supply support for approximately 25,000 items under the paint and handtool program; increase GSA's ability to process a growing workload in non-stores items; develop a new system "FED-STRIP", for single-line requisitioning and utilization of punch cards for exchange of data between GSA and civilian agency customers similar to the "MILSTRIP" system previously installed for Department of Defense (DOD) transactions; eliminate voluminous card files by use of magnetic tapes for cataloging activities; furnish timely data on tonnage of movements from and to GSA making it possible to realize transportation savings; maintain data on tapes to aid management responsible for repair and improvement of buildings; provide a system for comparison of design and construction costs against established standards; reduce clerical workload in payroll preparation; and improve cataloging of excess personal property records.

GSA internal audits resulted in a number of recommendations to improve the economy and efficiency of operations. Internal and contract audits performed in fiscal year 1964 were responsible for dollar savings of \$728,000 through recoveries and tangible economies, and identified reductions in future expenditures.

Emphasis on prompt collection from customer agencies for General Supply Fund transactions resulted in payment

of 90 percent of receivables within 30 days of billing by the close of the fiscal year. Receivables totaling \$185 million due from nonfederal entities and including 1,365 mortgages were 99 per-

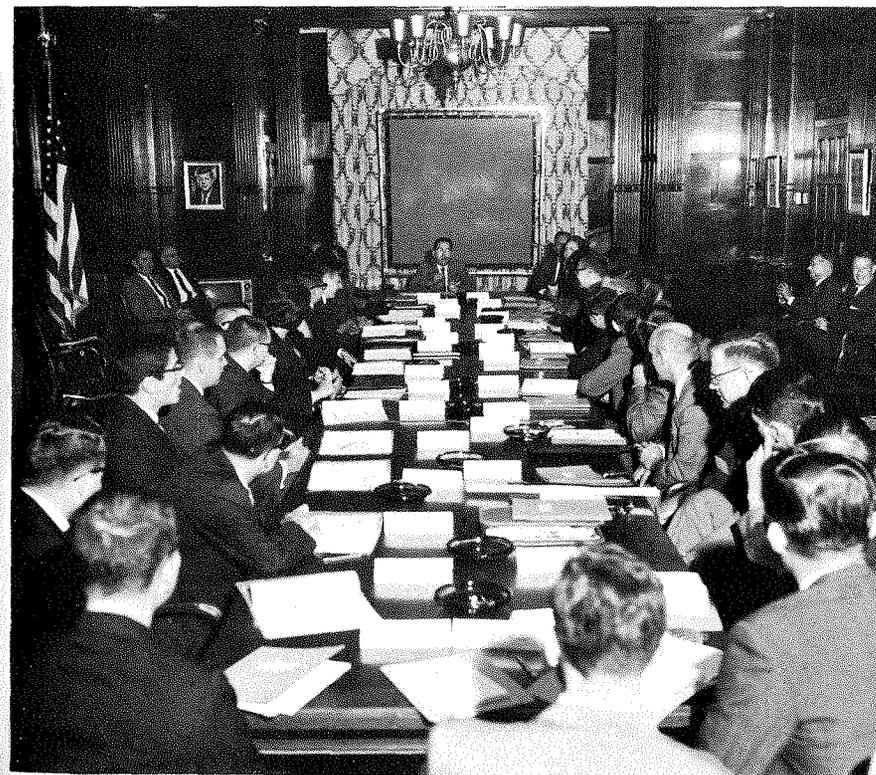
cent current at the end of the fiscal year. During the year prepayments of \$10.6 million were received in liquidation of bonds and mortgages held by GSA.

MANPOWER AND ADMINISTRATION

Plans were completed during the year to double the size of the GSA Management Intern Program and to extend it to the GSA regional offices. The 31 interns recruited by GSA put the agency in first place among all departments and agencies of the Federal Government. Four women and two members of minority groups were included among the interns. In addition, 162 college graduates were recruited for entry into specialized GSA career development programs, includ-

ing 19 women and 22 minority group members.

Centralized field reproduction services to GSA and other Federal agencies were expanded during fiscal year 1964 and now are furnished by 18 plants throughout the United States. During the year, 22 feasibility studies were completed to determine economic justification for establishment of centralized plants. As a result, plants were established in Cincinnati, Salt Lake City, San Francisco,



Management interns meet with the Administrator of GSA.

General Services Administration

COMPARATIVE STATEMENT OF FINANCIAL CONDITION,
FISCAL YEARS 1963-64

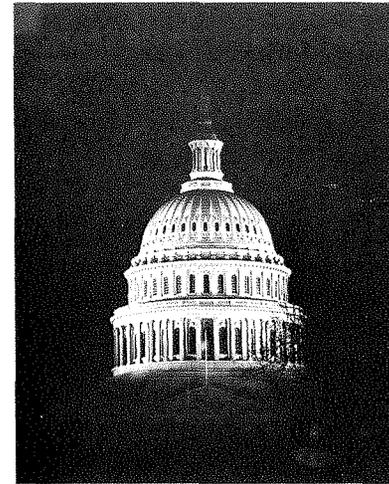
	June 30, 1964	June 30, 1963	Increase or (—decrease)
ASSETS			
Cash.....	\$837,376,368	\$814,385,908	\$22,990,460
Accounts and notes receivable— private debtors.....	130,780,307	131,327,518	—547,211
Accrued interest receivable—private debtors.....	1,586,215	1,608,583	—22,368
Advance payments—private con- tractors.....	3,203,592	3,965,573	—761,981
Bonds and securities.....	59,807,051	61,950,051	—2,143,000
Accounts receivable—Government agencies.....	118,965,527	95,605,638	23,359,889
Advance payments—Government agencies.....	5,074,086	4,407,612	666,474
Prepayments and deferred items.....	2,281,877	1,689,308	592,569
Inventories.....	8,758,287,468	8,766,010,272	—7,722,804
Equipment (net).....	176,019,715	175,686,461	333,254
Land and land rights.....	260,941,778	242,902,902	18,038,876
Buildings and other structures and facilities.....	1,234,169,563	1,131,752,221	102,417,342
Construction in progress.....	766,840,283	660,784,967	106,055,316
Surplus personal property.....	10,907,297	16,098,198	—5,190,901
Surplus real property.....	76,585,934	66,377,699	10,208,235
Total assets.....	\$12,442,827,061	\$12,174,552,911	\$268,274,150
LIABILITIES			
Accounts payable.....	\$295,411,588	\$353,041,822	—\$57,630,234
Advance payments to GSA.....	61,604,415	67,957,500	—6,353,085
Trust and deposit liabilities.....	6,367,918	6,664,949	—297,031
Deferred credits.....	101,187,550	102,728,466	—1,540,916
Liabilities for purchase-contract program.....	35,495,261	40,272,881	—4,777,620
Employees' leave liability, funded...	2,535,255	1,817,782	717,473
Employees' leave liability, unfunded.	17,842,668	17,208,673	633,995
Total liabilities.....	\$520,444,655	\$589,692,073	—\$69,247,418
INVESTMENT U.S. GOVERNMENT			
Investment U.S. Government.....	\$11,922,382,406	\$11,584,860,838	\$337,521,568
Total liabilities and invest- ment U.S. Government.....	\$12,442,827,061	\$12,174,552,911	\$268,274,150

ular significance to the achievement of savings in property management activities, were courses on source data automation orientation, public utilities procurement, public utilities management, Government contract administration, directives improvement, plain letters, and refrigeration and air conditioning. The cost of these courses was borne principally by tuition payments from the using Federal agencies. During the year, the program of the GSA Institute was activated in six regional offices (Boston, New York, Atlanta, Chicago, Dallas, and Auburn) and courses were provided in other areas throughout the country in response to agency demand.

Compliance investigations of fraud, theft, bribery, employee misconduct, and crimes in Federal buildings under GSA control resulted in 60 convictions, 371 disciplinary actions, and recoveries to the Government of \$237,000. Other compliance activities included security clearances of GSA employees, a survey of the GSA relocation sites throughout the country to determine whether all necessary safeguards had been established to insure the physical security of the sites and equipment, physical security surveys of the national stockpile, and investigations to determine compliance with the equal employment opportunity requirements within GSA and by Government contractors.

and Houston. Eight additional plants have been scheduled to be opened as soon as new Federal Office Buildings are completed in Chicago (January 1965), Austin (January 1965), Pittsburgh (September 1964), Albuquerque (February 1965), Denver (March 1965), Juneau (August 1965), Kansas City (September 1965), and Boston (December 1965). Feasibility studies are coordinated with the PBS construction program to assure that space requirements are included in the design of new buildings. The cooperation of the Joint Committee on Printing and affected Federal agencies during this first year of the centralization program is worthy of special mention. Of particular note, also, was the pooling of equipment and personnel by the Department of the Treasury, Internal Revenue Service, and the Department of the Interior, Bureau of Reclamation, to establish centralized printing plants in Cincinnati and Salt Lake City, respectively.

The GSA Institute, founded in fiscal year 1963, extended the scope and variety of its educational efforts in support of improved business management in the Federal service. Federal agencies sent 8,168 participants to the 352 GSA Institute interagency course offerings conducted during the fiscal year. Each of the courses had the major objective of improved economy in the business management operations of the Federal Government. Of partic-



Part 12. Legislation

Statutory Requirement for the Administrator of General Services to Recommend to the Congress Proposed Amendments to the Federal Property and Administrative Services Act of 1949 and to Cite the Laws Becoming Obsolete.

Section 212 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 492), includes the provision that the Administrator of General Services shall submit to the Congress "such recommendations for amendments to this Act as he may deem appropriate as the result of the administration" of his functions under the Act, and "shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this Act."

Accordingly, the Administrator of General Services submits to the Congress from time to time such proposed amendments to the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as he deems necessary or desirable to enable him to carry out his statutory responsibilities of providing for the Federal Government an economical and efficient system for the management of communications, personal and real properties, records, and transportation. Since its original enactment 41 various amendments have been made to the Property Act, 31 of

which were items in annual legislative programs of the General Services Administration.

The Administrator of General Services does not have occasion at this time to recommend to the Congress any additional amendments to the Property Act or to cite any laws becoming obsolete by reason of passage or operation of the provisions of this Act. However, several proposed amendments to the Property Act have been included as items in GSA's Legislative Program for the 89th Congress, 1st Session, and submitted to the Bureau of the Budget for coordination with other interested Federal agencies and advice as to the relationship of the proposals to the program of the President. If approved by the Bureau of the Budget, the proposed amendments will be transmitted by the Administrator of General Services to the President of the Senate and the Speaker of the House of Representatives subsequent to January 1, 1965, for referral to the appropriate Committees of the Congress.

Amendments to the Federal Property and Administrative Services Act of 1949 Which Were Recommended by the Administrator of General Services and Enacted During the 88th Congress, 2d Session.

During fiscal year 1964, the following two amendments, which were rec-

ommended to the Congress by the Administrator of General Services, were made to the Federal Property and Administrative Services Act of 1949:

1. Public Law 88-265, approved February 5, 1964 (78 Stat. 8), amended subsection 506(d) of the Federal Property and Administrative Services Act of 1949 so as to grant authority to certain officials of the Federal Government to authorize the Administrator of General Services to certify to facts and make administrative determinations on the basis of information contained in records transferred from their agencies to GSA. Further, the Administrator of General Services may delegate and authorize the redelegation of this certifying authority under the provisions of section 205(d) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 390; 40 U.S.C. 486(d)). Prior to the enactment of this recommended amendment the Administrator of General Services had no authority to execute certifications and make administrative determinations as contemplated by the amendment, but could only certify as to the literal terms of the original document.

Federal Records Centers are established and maintained by GSA under statutory authority (64 Stat. 585; 44 U.S.C. 395(d)). These centers now hold over one-third of all Federal records. The volume of requests for certifications has increased correspondingly with the growth of the Federal Records Centers. Approximately 3 million inquiries regarding records in the custody of GSA are received at the Federal Records Centers annually. As a consequence, GSA has found it necessary to staff the centers with competent and professionally trained personnel who have developed a knowledge and sense of responsibility comparable to that of the personnel of the agencies which created the records. In many instances, GSA personnel may be more familiar with the records than the currently employed personnel of the record-creating agencies, since record center personnel are continuously serv-

icing these records. Also, as a matter of practice, Federal Records Center personnel are the only individuals who have the necessary certifying knowledge with regard to facts contained in records of defunct agencies which have been transferred to Federal Records Centers. Before the enactment of Public Law 88-265 the method of processing requests for certifications provided that Federal Records Center personnel conduct a search for the records, prepare the legal certification for signature, and transmit the documentation for signature to the designated official in the record-creating agency or in the successor to a defunct agency. This procedure was obviously time consuming and cumbersome. Now, under this enacted amendment, the record-creating agency is permitted to delegate the certifying authority to the Administrator of General Services in those instances where it appears that such action is in the best interest of the United States. This in most cases will relieve Federal agencies of a routine and perfunctory function and eliminate unnecessary duplication of effort.

2. Public Law 88-383, approved July 28, 1964 (78 Stat. 335), amended section 503(d) of the Federal Property and Administrative Services Act of 1949 so as to authorize the Administrator of General Services, within the limits of appropriated and donated funds available therefor, to make allocations to Federal agencies, and grants to State and local agencies and to non-profit organizations and institutions, for the collecting, describing, preserving and compiling, and publishing (including microfilming and other forms of reproduction) of documentary sources significant to the history of the United States. Prior to making such allocations and grants, this law provides that the Administrator of General Services should seek the advice of the National Historical Publications Commission. Section 503 of the Property Act established the present National Historical Publications

Commission and charged it with a dual responsibility: first to "cooperate with and encourage appropriate Federal, State, and local agencies and non-governmental institutions, societies, and individuals in collecting and preserving and, when it deems such action to be desirable, in editing and publishing the papers of outstanding citizens of the United States and such other documents as may be important for an understanding and appreciation of the history of the United States"; and second, to "make plans, estimates, and recommendations for such historical works and collections of sources as it deems appropriate for printing at the public expense." This enacted amendment to section 503(d) of the Property Act authorizes the establishment by the National Historical Publications Commission of special advisory committees for consultation. They will assist in the establishment of priorities among projects proposed for the Commission's consideration. It also authorizes an appropriation to GSA for the fiscal year ending June 30, 1965, and each of the 4 succeeding fiscal years of an amount not to exceed \$500,000 each year for the purposes specified in the amendment. In addition, Public Law 88-383 provides that (1) each recipient of grant assistance shall keep such records as the Administrator of General Services shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grants, the total cost of the project or undertaking in connection with which such funds are given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit; (2) the Administrator and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants; and

(3) the Administrator shall make an annual report to the Congress concerning projects undertaken and carried out pursuant to the provisions of this law, including detailed information concerning the receipt and use of all appropriated and donated funds made available to the Administrator.

Legislative Proposals Other Than Amendments to the Federal Property and Administrative Services Act of 1949 Which Were Recommended by the Administrator of General Services and Enacted During the 88th Congress, 2d Session.

In addition to the above-mentioned enacted amendments to the Federal Property and Administrative Services Act of 1949, the following three other legislative proposals recommended to the Congress by the Administrator of General Services were enacted during fiscal year 1964:

1. Public Law 88-190, approved December 2, 1963 (77 Stat. 343), amended section 11 of the Federal Register Act (44 U.S.C. 311) so as to authorize the Administrative Committee of the Federal Register (the Archivist of the United States, the Public Printer and a representative of the Attorney General of the United States) to adopt modern and improved techniques whereby the Code of Federal Regulations may be produced more quickly, more economically, and in a more usable form. It eliminated the existing out-moded requirements for pocket supplements (involving slow and costly hand operations) and substituted the discretion of the Administrative Committee as to the techniques whereby the books of the Code are updated. This enacted amendment to the Federal Register Act also permits some formal changes based on good draftsmanship. These changes include, among other things, (1) giving the established name "Code of Federal Regulations" a clear statutory basis, and (2) making it clear that the provisions of the amended section 11 of the Federal Register Act are applicable to the existing Code of Federal Regula-

tions as well as to future codifications. The last revision of section 11 of the Federal Register Act was enacted August 5, 1953. The Code of Federal Regulations has grown from 34,000 pages to 45,000 pages since that date. The volume has doubled since the 1949 Edition. There has been a corresponding increase in demand for compact and timely Code books. Coincidentally there have been many improvements in publication techniques. Public Law 88-190 will enable the Administrative Committee of the Federal Register to take full advantage of the improvements available now and in the future in producing the Code of Federal Regulations.

2. Public Law 88-377, approved July 14, 1964 (78 Stat. 324), authorized the Administrator of General Services to dispose of approximately 11 million pounds of molybdenum held in the national stockpile, and to waive the 6-month waiting period prescribed by section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) with respect to the disposal of materials from the stockpile. Under section 2 of the Stock Piling Act (50 U.S.C. 98a), the Director of Office of Emergency Planning (OEP) is authorized and directed to determine which materials are strategic and critical and the quality and quantity of such materials which shall be stockpiled under the provisions of the Act. Section 3(e) of the Stock Piling Act authorizes the Administrator of General Services, at the direction of the Director of OEP, to dispose of any materials held pursuant to the Act which are no longer needed because of any revised determination made pursuant to section 2 of the Act. Notice of any proposed disposition must be published in the Federal Register and transmitted to the Congress and to the Committees on Armed Services of the Senate and House of Representatives. The express approval of the Congress of any proposed disposition is required unless the revised determination is by reason of

obsolescence of the material. Disposition may not begin until 6 months after the date of publication and transmission of the notice of the proposed disposal unless authority is granted for the Administrator of General Services to waive the required waiting period. Prior to the enactment of Public Law 88-377 the Director of OEP made a revised determination of the quantity of molybdenum to be stockpiled and, as a result of that revised determination, the approximately 11 million pounds of molybdenum were no longer needed for stockpile purposes. A notice with respect to the proposed disposal of the approximately 11 million pounds of molybdenum was published in the Federal Register and transmitted to the Congress and the Committees on Armed Services of the Senate and House of Representatives in April of 1964. However, GSA, at the request of OEP, sought legislation waiving the required 6-month waiting period in this case in order that disposal of the material might be commenced as soon as possible so as to meet an increasingly urgent need of domestic industry for molybdenum. In August of 1964, 5 million pounds of the quantity of molybdenum authorized to be disposed of under the provisions of Public Law 88-377 were sold by GSA to 29 bidders for a total of \$8,421,485. In October 1964, 3,047,926 pounds of the remaining 11 million pounds of molybdenum authorized to be disposed of under this law were sold by GSA to 36 bidders for a total of \$5,516,482.

3. Public Law 88-617, approved October 2, 1964 (78 Stat. 994), authorized the Administrator of General Services to dispose of approximately 9.5 million pounds of sisal held in the national stockpile, and to waive the 6-month waiting period prescribed by section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) with respect to the disposal of materials from the stockpile. Prior to the enactment of this law, the Director of OEP made a re-

vised determination pursuant to section 2 of the Stock Piling Act (50 U.S.C. 98a) of the quantity of sisal to be stockpiled and, as a result of this revised determination, the approximately 9.5 million pounds of sisal were no longer needed for stockpile purposes. In accordance with section 3(e) of the Stockpiling Act, the required notice of the proposed disposal of the approximately 9.5 million pounds of sisal was published in the Federal Register July 25, 1964, and transmitted to the Congress and the Committees on Armed Services of the Senate and House of Representatives by the Administrator of General Services under date of July 21, 1964. In view of the seasonable nature of the sisal business and the existing favorable market conditions, GSA, at the request of OEP, sought legislation in this case waiving the required 6-month waiting period in order that disposal of the material might be commenced as soon as possible. The approximately 9.5 million pounds of sisal authorized to be disposed of under the provisions of Public Law 88-617 will be sold by GSA on a competitive basis and the initial offering of this material will consist of approximately 3 million pounds. The quantity of subsequent offerings of the remaining amount of the approximately 9.5 million pounds of sisal will be determined by an evaluation of the results of the first sale.

Legislative Proposals Other Than Amendments to the Federal Property and Administrative Services Act of 1949 Which Were Recommended by the Administrator of General Services but Not Enacted During the 88th Congress, 2d Session.

1. Amend the Act of August 25, 1958 (72 Stat. 838; 3 U.S.C. 102, note), sections 4152 and 4165 of Title 39, United States Code, and the Act of March 7, 1964 (72 Stat. 383), so as to provide an office staff, and necessary services, to wind up the affairs of a President who dies in office, or of a former President after his death.

Under subsection (a) of the Act of August 25, 1958, each former President is entitled "as long as he shall live" to receive a monetary allowance at the rate of \$25,000 per annum, payable monthly by the Secretary of the Treasury. Under subsections (b) and (c) of the 1958 Act, the Administrator of General Services is required, subject to limitations prescribed therein, to provide each former President an office staff and suitable office space appropriately furnished and equipped, and under subsection (d), since revised and codified in sections 4165 through 4167 (b) of Title 39, United States Code, each former President is entitled to send all his mail within the United States and its Territories and possessions as franked mail. Although subsection (a) of the 1958 Act contains the qualifying language "as long as he shall live", it is believed that the Congress, in enacting the statute, did not intend to terminate the staff, office space, and mailing privileges provided by subsections (b), (c) and (d) immediately upon the death of a former President without affording any time for an orderly termination of the affairs of the office provided by the statute. Hence, we believe that the existing law properly may be construed to authorize the continuance of the office of a former President for a reasonable time after his death for the purpose of terminating the affairs of his office in an orderly manner. However, it is, in our view, highly desirable to clarify existing law by legislation expressly establishing a maximum period during which the services shall be provided after the death of a former President, thus removing the need to rely on implied authority and the need to exercise judgment as to what period of time is reasonable. In addition, the 1958 Act does not provide for the orderly termination of the affairs of a President who dies in office. It is believed that recent events clearly indicate a need for such authority. The proposed legislation would amend the 1958 Act so as to authorize the

President or his designee to appoint and supervise an office staff to wind up the affairs of a President who died in office. It would also amend the 1958 Act so as to authorize the Administrator of General Services to provide office staff and space for a period not to exceed 6 months after the death of a President who dies in office, and 60 days after the death of a former President which occurs after his term of office has expired. The proposal would also amend sections 4165 and 4152 of Title 39, United States Code, so as to authorize the office staff of a deceased President or former President to use his postal privileges to send mail while winding up his affairs. Further, it would amend section 4 of the Presidential Transition Act of 1963, approved March 7, 1964, so as to permit the authority which would be granted by sections 1 and 2 of the proposed legislation to take effect immediately upon the death of a President or a former President who died within 6 months after the expiration of his term of office. A draft bill covering the proposed legislation was approved by the Bureau of the Budget and transmitted to the President Pro Tempore of the Senate and the Speaker of the House of Representatives by the Administrator of General Services by letter dated July 6, 1964. The proposal was introduced in the House August 11, 1964, in the form of H.R. 12314 and 12315. These bills were referred to the House Committee on Post Office and Civil Service but were not considered during the 88th Congress, 2d Session. The draft bill was referred to the Senate Committee on Post Office and Civil Service but not introduced in the Senate.

2. A joint resolution which would authorize the Administrator of General Services to dispose of, by negotiation or otherwise, approximately 33,552 pounds of chromium metal, approximately 4,548 short dry tons of acid grade fluorspar, and approximately 56 short tons of silicon carbide now held in the supplemental stockpile. The

proposed disposal of these three lots of material from the supplemental stockpile is designed to clear the inventory of subspecification or contaminated materials. These materials proposed to be disposed of were acquired by the Commodity Credit Corporation through barter of surplus agricultural products and were transferred to the supplemental stockpile pursuant to the authority of section 206 of the Agricultural Act of 1956, as amended (7 U.S.C. 1856). The supplemental stockpile was established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)). This section of the 1954 Act provides that materials in the supplemental stockpile may be released therefrom only under the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b). Section 3 of the Stock Piling Act provides for the disposal of materials which are no longer needed for stockpile purposes because of a revised determination made by the Director of OEP concerning the materials, and the quantity and qualities thereof, to be stockpiled. OEP considers that since these materials in the supplemental stockpile were in excess of stockpile objectives at the time of their acquisition, it is unable to make such a revised determination. Accordingly, OEP has directed GSA to seek Congressional authority in the form of a joint resolution for the disposal of these three lots of material. In addition to authorizing the proposed disposal of these excess materials from the supplemental stockpile, the joint resolution, which was transmitted to the President Pro Tempore of the Senate and the Speaker of the House of Representatives by the Administrator of General Services by letter dated August 5, 1964, would waive the procedural requirements of section 3 of the Strategic and Critical Materials Stock Piling Act, while preserving the substantive requirements of that section with respect to the protection of the United States against avoid-

able loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets. GSA's draft legislation covering the proposed disposal of these materials was introduced in the House of Representatives August 11, 1964, as

H.J. Res. 1155. The joint resolution was referred to the House Committee on Armed Services but no action was taken on the proposal during the 88th Congress, 2d Session. The draft legislation was not introduced in the Senate.