Administrator's
ANNUAL REPORT

GENERAL SERVICES ADMINISTRATION
Fiscal Year 1967
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, 1967.

Sincerely yours,

Lawson B. Knott, Jr.
Administrator
TABLE OF CONTENTS

The General Services Administration in Fiscal Year 1967 ..... 1
Providing working space ..... 3
Using excess and disposing of surplus real property ..... 7
Supply operations and management ..... 9
Using excess and disposing of surplus personal property ..... 16
Managing and disposing of strategic and critical materials ..... 19
Archives and records management ..... 23
Telecommunications, public utilities and transportation ..... 27
Automatic data processing ..... 31
Counseling businessmen, assisting the public ..... 33
Staff and administrative services ..... 35
Financial statement ..... 40
Summary of operations ..... 41
The General Services Administration, an independent agency of the Federal Government created in 1949, completed its 18th year on June 30, 1967.

As a central property management agency, GSA during the 1967 fiscal year continued to provide a variety of basic services to other executive agencies and to give policy direction and guidance to them in the "general services" area through regulations and other means.

Functions performed by GSA include: providing and maintaining office and related working space; procuring and distributing supplies; transferring excess property among agencies for further Federal use and disposing of property surplus to Government needs; managing stockpiles of materials maintained for use in national emergencies and disposing of excesses; operating centralized telecommunications and motor pool systems; and storing and administering records.

Charged as it is with furnishing basic services to other agencies more efficiently and economically than those agencies could provide these services for themselves on individual bases, GSA continually emphasizes management improvement and cost reduction. These efforts in 1967, spurred by President Johnson's war on waste, resulted in savings within GSA operations of $16.8 million and were responsible for savings and income-producing activities throughout the Government of an estimated $2.1 billion.

There are five GSA operating services: Public Buildings, Federal Supply, Property Management and Disposal, National Archives and Records, and Transportation and Communications. Headquarters of the agency is in Washington, D.C., where there is also a regional headquarters. Other regional offices are in Boston, New York, Atlanta, Chicago, Kansas City (Mo.), Fort Worth, Denver, San Francisco, and Auburn (Wash.).

The pages which follow summarize the activities and achievements of the General Services Administration for the 1967 fiscal year.
Providing Working Space

Heavy structural beams are swung into place to form the frame of a Federal office building in a major city. A foundation is poured for a small building to house all Federal activities in a rural county seat. Workmen point up weathered brickwork on a structure built a generation or even a century ago. A cleaning force buffs a heavily used corridor. Engineers lay out the site for a building addition. Architects turn a concept into detailed working drawings. Appraisers inspect premises offered for lease.

All these activities illustrate a major function of the General Services Administration: providing and maintaining office and related space—working quarters—for the Federal agencies which it serves. GSA provides needed space through construction of new buildings, rehabilitation and extension of existing Federal buildings, through transfer of buildings from other agencies, purchase of privately owned buildings or by lease. Moreover, it assigns space to other agencies for efficient use in many locations and operates and maintains numerous Government buildings.

Space Utilization

About 201.9 million square feet of space were under GSA control, including 79.1 million square feet of office space, 76.8 million square feet of storage space and 46 million square feet of special purpose space such as courts, laboratories, cafeterias, and computer centers. In this total space, 724,000 employees of 67 Federal agencies were at work as compared to 663,000 in the previous year. Improved utilization techniques resulted in a reduction of 3.7 square feet used per person; at the end of fiscal year 1967 the nationwide per person usage of space was 134.6 square feet compared to 138.3 in the previous year.
Managing Buildings

GSA had one or more responsibilities for operating, maintaining, and managing 9,979 federally owned or leased locations and these tasks required the expenditure of more than $341 million and the services of 21,500 employees—54 percent of the agency's total work force of 39,885. Nearly $69 million was obligated during the year for the repair and improvement of buildings to prevent deterioration and obsolescence. An additional $42 million of such work was undertaken for other agencies on a reimbursable basis. The continuing emphasis on safety programs was underscored by the fact that for the fifth consecutive year the number of disabling injuries for GSA employees per million man-hours worked declined over the previous year.

Studies were made and actions taken to reduce air and water pollution from GSA-controlled facilities. And through repairs, cleaning of building exteriors, replantings and intensive care of existing landscaping, buildings and grounds were visually improved.

A design and construction trainee studies blueprints for a Federal building's electrical system.

Construction

The process of providing a new building through Federal construction involves the identification of need, approval of the project, and appropriation of funds by Congress, acquisition of a suitable building site, the architectural design, and finally the construction of the building.

Needs for new public buildings are determined through comprehensive surveys of the communities throughout the country where there are Federal activities; 352 such surveys were conducted during the past year. Based on facts developed in these and prior surveys, 48 new construction projects with an estimated cost of $400 million were recommended to the Bureau of the Budget and the Committees on Public Works of the Congress for approval.

During the year, GSA acquired 246 parcels of land throughout the United States and Puerto Rico to provide sites for new buildings. Twenty-four of the parcels, valued at $1.9 million, were acquired in exchange for surplus Government-owned property. (Rentals received from leasing building sites pending construction returned approximately $1 million to the Treasury.)

During the year, GSA's nationwide construction program included:

- 246 projects valued at approximately $1.2 billion under design or construction in every State including the District of Columbia and Puerto Rico.
- 80 projects completed at a total cost of $161.7 million and adding 4.1 million net assignable square feet.

Among major projects completed were Federal buildings at Baltimore, Md., Fort Worth, Tex., Fresno, Calif., and Jacksonville, Fla.; Internal Revenue Service centers at Andover, Mass., and Covington, Ky.; and final elements of the National Bureau of Standards complex at Gaithersburg, Md.

The Public Advisory Panel on Architectural Services first established by GSA in 1965 proved of such value that it was expanded to include 10 regional panels as well as a national panel. These highly skilled private professionals assist GSA in review and evaluation of proposed public building designs as well as in
the formulation of design criteria and architectural selection standards.

A new centralized scheduling and control system provided current and readily available information on the status of construction projects and an improved basis for program management and analysis. Continued application of the President's planning-programming-budgeting system to GSA's real property facilities program assisted in weighing program alternatives and projecting future space and resources requirements.

**Leasing**

To help meet Federal space needs, 7,374 leases were in effect at the end of the year providing 46.4 million net square feet of assignable space, including 30.3 million square feet of office space, 8.3 million square feet of warehouse space, and 7.8 million square feet of special purpose space. Average rental rate per square foot rose from $3.18 per square foot in fiscal year 1966 to $3.33 per square foot in fiscal year 1967.

**Using Excess and Disposal of Surplus Real Property**

One agency determines that it no longer requires a particular building complex to carry on its programs and another agency, which has a need for the property, moves in. An outmoded defense plant no longer required by the Government is sold to a user-buyer who will operate it for another purpose and retain an important payroll in a community which needs jobs. A surplus missile site is assigned to the Department of Health, Education and Welfare so that the land, from which the military hardware has been removed, can serve as the site for a community high school. These are instances of the means by which GSA provides under law for the highest and best use of real property.

**Utilization**

Every effort is made to use excess Government-owned real property to meet needs rather than acquire new property. During the year, 134 such properties—which originally cost $153 million—were put to further Federal use in lieu of new acquisitions. As a matter of policy, the agency also encourages the exchange of no longer needed Federal property for privately owned property essential for Federal programs. A good example of this method of curtailing new expenditures was the exchange of a 24-acre portion of the former Navy Cyane Housing Project at San Diego, Calif., for 143 acres of privately owned land adjacent to Moffett Field, Calif. The land received by the Government was then transferred to the National Aeronautics and Space Administration for expansion of a hydrosonic aerospace laboratory.
Disposal

If surplus to Federal needs, property may be sold at fair market value or disposed of for certain non-Federal public uses.

Sales of 406 properties realized $45.9 million—117 percent of the appraised fair market value. These sales enabled a cash return to be made to the Treasury, returned property to the civilian economy and local tax rolls, and eliminated maintenance cost. Special efforts were made to find user-buyers in areas of substantial unemployment to provide local payrolls. Among significant disposals was the sale of the former Marietta Air Force Station in Lancaster County, Pa., for $1.9 million to the Industrial Development Co. of Lancaster County, a nonprofit corporation of the Commonwealth of Pennsylvania.

The conveyances for non-Federal public uses—such as education—are at discounts ranging up to 100 percent and are subject to requirements that a property be used for the particular public purpose for which it was conveyed. During the year, the following number of properties were disposed of at discounts for non-Federal public use:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and education assignments</td>
<td>142</td>
</tr>
<tr>
<td>Park and recreation disposals</td>
<td>22</td>
</tr>
<tr>
<td>Federal highway transfers</td>
<td>15</td>
</tr>
<tr>
<td>Airport use</td>
<td>12</td>
</tr>
<tr>
<td>Historic monuments</td>
<td>6</td>
</tr>
<tr>
<td>Wildlife conservation disposals</td>
<td>5</td>
</tr>
</tbody>
</table>

These properties represented an investment by the Federal Government in land and improvements of approximately $242 million.

Supply Operations and Management

A team of specialists working on a detailed specification which will insure that an item of supply to be purchased for Government use will be serviceable and reliable, free of frills and “gold plating,” a specification which will encourage competitive bidding. Another group drafting a Federal procurement regulation that will simplify purchasing procedures. A contract officer opening bids in a crowded bid room. A warehouseman stacking supplies on a towveyor cart in a centrally located depot. A secretary carefully shopping for needed office supplies in a retail-type store that trims administrative costs. An expert in quality control helping a small business with a Government contract to set up a first-rate quality control system which will save the firm and the Government money. All these activities, and many more, are facets of the role that the General Services Administration plays in the Government procurement process.

Jointly with the Department of Defense, the General Services Administration develops and maintains an efficient and economical National Supply System for Federal agencies. On the part of GSA, this means setting forth policies and procedures governing Federal civilian procurement, working out arrangements with DOD and other agencies to avoid duplicative buying. It means operating programs for procurement, distribution, quality control, development of specifications and standards, and automatic data processing equipment management.

In fiscal year 1967, as compared to the previous fiscal year, GSA made these records:

- Total procurement (through GSA) up 13.1 percent.
- Depot sales up 24.6 percent.
- Tonnage shipped up 25.5 percent.
- Export volume up 58.7 percent.
- Dollar volume of inspection coverage up 27.6 percent.
- Quality assurance suppliers up 26.0 percent.

Economies attributable to supply operations, including inter-agency savings in which GSA had a leadership role, approached $654 million.
Procurement

Procurement by GSA and other Federal agencies through Federal Supply Service sources in fiscal year 1967 exceeded $2.04 billion. This was:

- More than 10 times fiscal 1950’s total of $197 million—GSA’s first year.
- More than double 1961’s total—the first billion dollar year.
- Up by 13.1 percent from fiscal 1966’s total of $1.8 billion.

Three programs accounted for this level of procurement:

- Federal supply schedules, GSA-awarded term contracts through which agencies ordered directly from suppliers without contracting costs or delays, resulted in purchases worth $1.1 billion—54 percent of the total.
- Stores stock, which GSA furnishes on demand to agencies through its supply distribution system (depots, annexes, and self-service stores), was replenished by purchases worth $575 million—28 percent.
- Direct delivery represented $365 million worth of goods—18 percent—for which GSA contracted with suppliers to ship directly to agencies.
The margin between the lower prices paid by GSA and commercial wholesale prices accounted for benefits amounting to $365.7 million. The entire spectrum of Government agencies and activities benefited.

A contracting innovation of fiscal year 1967 known as a “floating guarantee” benefits both Government and suppliers. Contractors start with a standby stock and replenish it in keeping with demand. The Government is obligated to buy the initial supply and under certain conditions the additions. The reduced risk to the supplier is an incentive for more competition, the Government is assured maintenance of standby stocks and saves on storage and transportation.

As part of the continuing effort to improve stocking practices, 2,352 stores stock items were reviewed during the year. Of these, 964 were deleted and the others were retained because of a continuing need by ordering agencies.

**Distribution**

Distribution from Federal Supply Service stocks set a new record, rising to nearly $527 million in value for a gain of 24.6 percent over 1966. Tonnage, up 25.5 percent, closely paced value. Fiscal 1967 was the 13th consecutive year in which stores stock sales climbed to new levels.

GSA reduced by 29 cents its cost of handling every $100 worth of merchandise—a stores stock distribution cost avoidance of $1.5 million.

Increases in supply volume, particularly for export, necessitated expanding depot space to over 20 million square feet—a rise of 11 percent over last year. Over half of the additional space was in an Albany, Ga., warehouse obtained from the Marine Corps on a 2-year loan.

At yearend, GSA had 71 supply distribution installations in operation—16 depots, 10 annexes, 43 self-service stores, one fuel yard, and one distribution center for printed materials. Seven regional offices maintained export operations as well.

The number of self-service stores increased from 37 to 43. Similar in concept to retail supermarkets, the stores’ operating costs of $7.70 per $100 of sales were far below the estimated $30 per $100 of issues that it cost to run the stockrooms they replaced. The savings accrue to the agencies.

**Overseas**

GSA also backed the Nation’s effort to win peace in Southeast Asia with a vigorous supply program supporting the Department of Defense and the Agency for International Development.

Overseas supply support to both military and civilian customers reached an alltime high in fiscal 1967. Stores stock sales climbed to $192 million, a 71.4 percent increase above the previous high of $112 million set last year. Total export sales including stores stock reached $326.3 million, 58.4 percent above the 1966 volume of $206 million.

Contributing factors to the rise in exports were: the President’s directive to reduce offshore procurement and thereby curb the drain on U.S. gold, and GSA’s growing role in the national supply system with increased support to the military, and assistance to AID programs. In addition to stores stock items, exports for AID included products valued at $73 million delivered directly from GSA suppliers, including quantities of bridging materials, steel piling, fertilizers, and cement.

*Good packaging delivers undamaged materials.*
GSA operated a supply base for AID at Clearfield, Utah, where supplies were received, assembled, and shipped to Southeast Asia as AID called them forward. In addition, GSA set up the AID Logistic Support and Control Office, (ALSCO). The outcome of an interagency study, the San Francisco office monitored and expedited orders for Vietnam and kept AID informed of their status.

GSA continued to help the Peace Corps assist underdeveloped countries. Books were the chief export and 4,200 booklockers—containers convertible into library shelves—with more than half a million books were shipped during the year.

**Quality Control**

The GSA quality control program assures that the products delivered by GSA contractors fully meet the specifications and are delivered on time.

GSA-inspected procurement increased to a record level of $886 million, up 27.6 percent from 1966. The upturn reflected intensified field contract administration largely aimed at speeding the flow of GSA supplies for DOD and AID in Vietnam. Delinquent contracts dropped to 8.5 percent of those in effect at yearend compared to 16.9 percent 12 months before.

The voluntary quality assurance program saved lot-by-lot inspection costs of $1.9 million by encouraging suppliers with proved performance for quality and testing to accept responsibility for self-inspection of their deliveries.

GSA's chain of regional laboratories remained constant at nine, but test volume rose to 45,000—up 15.4 percent from 1966 and 23.6 percent from 1965. Testing insured that items met specification requirements.

**Standards and Specifications**

Standards and specifications identifying definite requirements spur competition and result in lower prices for supply items. Last year expenditures of $3.04 million reduced costs by $76.6 million—a return of $25 for each dollar invested. Examples of savings achieved through specifications included:

- Hand cleaner costing 20 cents to $2.69 dropped to a range of 18 cents to $1.27—a saving of $84,700 a year.
- Ironing board, once priced at $6.50, was offered at $4.20—a saving of $21,200.
- Plastic liner was procurable at $4.15 instead of $5.18—a saving of $12,800.

Federal standards establishing the type and grade of supply items limit the varieties purchased and free valuable warehouse space. Elimination of little used file-folder items—62 types in all declared nonstandard—yielded annual savings of $436,600 in lower storage and issue costs.

**Supply Management**

Steady progress toward a truly National Supply System was made during fiscal 1967. By yearend, GSA had arranged with the Defense Supply Agency for the transfer to GSA of supply responsibility for 52 Federal Supply classes embracing such diverse items as athletic goods, garden tools, door signs, and construction materials. Earlier, GSA—by agreement—had become the sole source for office supplies, furniture, and equipment as well as paints and handtools. DSA in turn agreed to furnish fuel and electronics to all Government agencies and also to supply perishable subsistence to 46 VA and PHS hospitals. Eight other such hospitals will draw supplies from neighboring military installations.

The Ad Hoc Committee established to carry out the President's directive of September 16, 1966, to save money in procurement and property management reported economies of $180 million. Now permanent, the committee chaired by GSA is composed of the 13 agencies with the largest outlays for supplies.

GSA continued to conduct supply management studies throughout Government. Last year surveys of eight agencies resulted in cost-cutting improvements of $543,000.
Using Excess and Disposing of Surplus Personal Property

A desk worn by long use being refurbished for further Federal use in a small shop in an area of underemployment. A filing cabinet no longer needed by one agency being transferred to another agency with a need for it. A surplus Government truck being sold to the highest bidder.

These are constant activities under GSA programs to extract maximum use from Federal personal property and to dispose of what is no longer required.

Rehabilitation

Further use of 1.2 million items was made possible by repair and rehabilitation. Repair and rehabilitation costs were $15.6 million, as compared to $100 million estimated overall new replacement cost. Administrative costs, approximately 66 cents per $100 of the acquisition cost, were 5 percent less than the year before.

The Federal Prison Industries, the National Industries for the Blind, a few Government shops, and large numbers of small business concerns do a substantial portion of the rehabilitation. A number of contracts for the maintenance, repair, and over-haul of electric typewriters and other office machines were shifted from the manufacturers to small local companies in some large cities. This shift resulted in sufficient savings to warrant use of local contractors for those purposes in other geographic areas.

Utilization

Available excess personal property dropped sharply to $2.3 billion at acquisition cost as compared with $3 billion in fiscal year 1966. Despite this decline, the amount of excess material transferred by GSA for further Federal use reached $643.5 million, an increase of $26 million over fiscal year 1966. This was accomplished even though the property was generally in poorer condition than previous years and quantities of sought-after items were very limited.

The increased demands for property created by the Vietnam war, the increasing pace of the anti-poverty programs, and the President’s Cost Reduction Program contributed to this record.

Donation

Educational and public health institutions, public airports, and civil defense organizations benefited from the donation of surplus personal property during the year. Property having an acquisition cost of $286 million was approved for donation, a decline from the 1966 level of $429 million due to far less surplus property available for donation.

Sales

GSA directs and supervises the sale of surplus property for executive agencies and conducts sales for most civil agencies. Proceeds from personal property sales and scrap totaled $10.1 million.

One of the year’s sales, at the request of the Office of Emergency Planning, enabled the Louisiana victims of Hurricane Betsy to purchase the mobile homes that had been made available to them during the emergency.
Managing and Disposing of Strategic and Critical Materials

Throughout the country—in warehouses, depots and open-air storage—are tons of strategic and critical materials for use of the Nation in times of emergencies. These stockpiles are managed by the General Services Administration under policy guidelines provided by the Office of Emergency Planning.

Disposals

As materials become excess to emergency requirements, sales programs are formulated following intensive consultation with other Federal agencies and industry to avoid the disruption of markets and loss to the Government. Sales commitments made by GSA during the past year totaled $466.9 million—second largest volume in the history of GSA. The decline from fiscal year 1966 was influenced by the depletion of some commodities which had been authorized for disposal and in several instances by excessive inventories held by the industry. Tapering disposal rates for some other materials resulted as world production moved closer to demand.

Stockpile sales, in millions of dollars, are shown for the past year:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Government use</th>
<th>Industrial use</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td></td>
<td>$113.0</td>
<td>$114.9</td>
</tr>
<tr>
<td>Rubber</td>
<td>48.5</td>
<td>18.1</td>
<td>66.6</td>
</tr>
<tr>
<td>Aluminum</td>
<td>31.9</td>
<td>63.0</td>
<td>94.9</td>
</tr>
<tr>
<td>Nickel</td>
<td>41.8</td>
<td>45.3</td>
<td>87.1</td>
</tr>
<tr>
<td>Tin</td>
<td>31.9</td>
<td>40.5</td>
<td>72.4</td>
</tr>
<tr>
<td>Tungsten</td>
<td>22.3</td>
<td>23.3</td>
<td>45.6</td>
</tr>
<tr>
<td>Chromite metallurgical</td>
<td>14.9</td>
<td>14.9</td>
<td>29.8</td>
</tr>
<tr>
<td>Lead</td>
<td>13.5</td>
<td>13.7</td>
<td>27.2</td>
</tr>
<tr>
<td>Columbium</td>
<td>10.5</td>
<td>10.5</td>
<td>21.0</td>
</tr>
<tr>
<td>Cobalt</td>
<td>8.9</td>
<td>8.9</td>
<td>17.8</td>
</tr>
<tr>
<td>Magnesium</td>
<td>8.2</td>
<td>8.9</td>
<td>17.1</td>
</tr>
<tr>
<td>Zinc</td>
<td>3.5</td>
<td>7.8</td>
<td>11.3</td>
</tr>
<tr>
<td>Other</td>
<td>46.3</td>
<td>48.6</td>
<td>95.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71.2</strong></td>
<td><strong>395.7</strong></td>
<td><strong>466.9</strong></td>
</tr>
</tbody>
</table>
The 89th Congress continued its support of the disposal program by passing legislation to authorize the sale of five stockpile materials with an estimated market value of about $135.8 million. During the 2 years of the 89th Congress, 38 disposal bills were enacted involving the release of 44 surplus materials valued at $1.8 billion from the national and supplemental stockpiles.

**Copper Production Expansion Program**

A program to alleviate the domestic shortage of copper was initiated in the spring of 1966 on instructions from the Office of Emergency Planning. Contract negotiations in process were expected to increase domestic copper production beginning late in calendar year 1969, averaging about 65,000 short tons per year.

**Inventory Management**

On June 30, approximately 47.8 million tons of stockpile materials were stored throughout the country:

<table>
<thead>
<tr>
<th>Type of facility</th>
<th>Number of locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military depots</td>
<td>40</td>
</tr>
<tr>
<td>GSA depots</td>
<td>29</td>
</tr>
<tr>
<td>Other Government-owned sites</td>
<td>15</td>
</tr>
<tr>
<td>Leased commercial sites</td>
<td>14</td>
</tr>
<tr>
<td>Industrial plant sites</td>
<td>39</td>
</tr>
<tr>
<td>Commercial warehouses</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>148</strong></td>
</tr>
</tbody>
</table>

Savings of $366,000 in storage costs, on a yearly basis, resulted from the shipment under the disposal program of 1,207,000 tons of materials. Large disposal shipments and the relocation of remaining stocks will permit the deactivation of four GSA activities within the next 2 years, reducing annual storage costs by about $559,000.

**Acquisition and Upgrading**

Jewel bearings produced under contract at the Government-owned plant at Rolla, N. Dak., remained the only stockpile commodity acquired for cash. Rutile and selenium were acquired under the Commodity Credit Corporation barter program and the upgrading of electrolytic copper cathodes to OFHC copper, raw opium to morphine sulfate, and tungsten concentrates to hydrogen-reduced tungsten metal powder will be paid for with stockpile materials excess to the Government's requirements.

**Civil Defense and Disaster Assistance**

As protection for the people in event of national emergencies or disasters, 31 civil defense depots were operated by GSA for the Departments of Defense and Health, Education and Welfare. Inventories valued at $131 million of medical, engineering, and other survival supplies were maintained. As an example of emergency help provided under this program, when droughts and floods affected different sections of the country, equipment such as water pumps, pipe, couplings, and generators were issued to afford relief to communities in the States of Virginia, Illinois, Iowa, Kansas, Arkansas, Oklahoma, and Texas.

**National Industrial Equipment Reserve**

Machine tools and industrial manufacturing equipment, 9,463 items in all, were maintained last year ready for immediate use in time of national emergency. Of this number, 5,067 tools were loaned to schools and 20 were leased to defense-supporting industries. Contracts under the machine tool order program provided for the production of 10,833 tools if needed in an emergency.

During the year, 360 items of machine tools and industrial and construction equipment valued at $1,771,200 were rehabilitated and shipped for the AID program. Defense-supporting industries received 624 items valued at $12,908,364 from the reserve.
Archives and Records Management

Schoolchildren looking at the originals of the Declaration of Independence, Constitution, and Bill of Rights in the National Archives building. Researchers at work in a book-lined room upstairs. Paperwork management experts visiting a Government agency to help devise a new system to speed the flow of reports and reduce the accumulation of unneeded records. A Federal records center in the Midwest providing rapid service on a request for personnel information. Scholars gathering at a presidential library for a seminar. Editors working over copy for the Federal Register, the Weekly Compilation of Presidential Documents, a volume in the series Public Papers of the Presidents. Permanent records being microfilmed. This was GSA at work carrying out its archival and records management functions.

Records Management

Better paperwork practices and techniques are promoted by conducting workshops and symposia and by providing direct technical assistance to agencies requesting it. This activity resulted in benefits which the benefiting agencies report amounted to over $12 million in fiscal year 1967.

Fifty-six workshops were held and three symposia. Direct technical assistance was provided in the form of 62 major surveys and more than 100 other projects. Additionally, paperwork management activities of six agencies were evaluated. The Government’s two newest Departments, Transportation and Housing and Urban Development, were assisted in organizing paperwork management programs, in determining management information requirements, in handling of mail, keeping records, preparing and controlling reports.
Federal Records Centers

Some 5,581,400 reference inquiries were answered by GSA's records centers—a new high. Holdings at the centers climbed to a record 8,946,900 cubic feet.

Regional centers received 806,200 cubic feet of records and destroyed 605,800 cubic feet, also new highs. The large amount of records received resulted principally from records cleanout campaigns ordered by the President; numerous records which had to be retained were transferred out of office space into low cost storage in the records centers.

Transfers of records to the centers saved the Government over $5 million by clearing for reuse:
- 357,400 square feet of office space.
- 95,600 square feet of storage space.
- 66,700 filing cabinets.
- 6,500 transfer cases
- 461,300 linear feet of shelving.

An additional 4 million cubic feet of storage space is available at the new records center in Suitland, Md., and the movement of records into it was well underway at the end of the fiscal year.

The National Archives

At the end of the year the National Archives held 895,807 cubic feet of records including 1,551,000 maps and charts, 34,300 sound recordings, 64,900 reels of motion picture film, 3,620,000 still pictures and hundreds of millions of textual documents. The number of reference services on the records amounted to 566,700, the second highest year since the establishment of the National Archives.

The production of negative microfilm both for preservation and publication again exceeded 6,000 rolls. Nearly 92,000 rolls of microfilm publications, an alltime high and a 17-percent increase over last year, were sold to research institutions, libraries, and individuals. Since 1940, the equivalent of 409,031,000 documentary pages of the most valuable holdings of our Nation have been distributed through the microfilm publication program.

Forty-three record retention plans for identifying the small body of permanently valuable Federal records were prepared.

The Council on Library Resources, Inc., granted $40,000 to the National Archives for a 2-year project to develop and apply a program for computer indexing of archival and manuscript material finding aids. The grant will enable GSA to gather finding aids from a number of Federal and State Government agencies and private institutions, and subject all of them to one computer program. Experiments will also determine if satisfactory original finding aids can be prepared by computer and if the computer can be effectively used as an aid to arranging archival materials.

The National Archives continued to attract Washington's visitors. Major new exhibits included one celebrating the 100th anniversary of the purchase of Alaska and another commemorating the 175th anniversary of the ratification of the Bill of Rights. "The Story of the Bill of Rights," a new publication, contains facsimiles of all versions, documents and imprints of the Bill of Rights from its introduction in the Congress to its ratification.

Presidential Libraries

Copies of Federal records that reflect the policies and programs of the Johnson and succeeding presidential administrations will be gathered under a continuing program initiated during the year for deposit in presidential libraries.

Clearance of the site of the Lyndon Baines Johnson Library on the University of Texas campus was begun. GSA worked closely with the architects, suggesting changes to facilitate library operations.

A large part of the collections of the John Fitzgerald Kennedy Library were moved to the Federal records center in Waltham, Mass., where they will be stored and processed until the library is opened. From the National Broadcasting Co. the library received about 250,000 feet of film relating to John F. Kennedy. The oral history project, financed by the Carnegie Corp. of New York, completed 629 interviews.

Research use of the materials at the Franklin D. Roosevelt Library was greater than in any year in its history. The stack area was filled to capacity and legislation was before Congress to provide two new wings which would also serve as a memorial to Mrs. Roosevelt.
The Dwight D. Eisenhower Museum and the family home, both adjacent to the Dwight D. Eisenhower Library and the new Place of Meditation, are now administered by GSA as a part of the library.

Construction of additional space at the Harry S. Truman Library and a program of research and publication by the privately financed institute affiliated with the library was begun.

**The Federal Register and Other Publication Activity**

Enactment of the Public Information Act (5 U.S.C. 552) resulted in a 40-percent increase over fiscal year 1966 in requests for Federal Register assistance to executive agencies.

Reprint services to executive agencies made possible a saving of over $160,000 in direct printing costs with substantially larger savings expected.

The 1965 volume in the series “Public Papers of the Presidents of the United States,” covering the second year of the Johnson administration, was issued. Coverage of the Truman administration was completed with the publication of the 1952-53 volume.

The first 10-year cumulation of the U.S. Statutes at Large “Tables of Laws Affected” was published. It contains references that tabulate all prior laws and other Federal instruments that were amended, repealed, or otherwise patently affected by the provisions of public laws enacted during 1956-65.

**National Historical Publications Commission**

Recommendations made by the commission resulted in grants and allocations totaling $381,419. The recipients, 26 universities, historical societies, and other nonprofit organizations, will undertake letterpress and microfilm publication projects. Three other grants amounting to $143,235 were made from Ford Foundation funds and will support the publication of the papers of Alexander Hamilton, Thomas Jefferson, and the Adams family. Ford Foundation funds also provided five fellowships in advanced historical editing. Each fellow will work for a year with a letterpress projects editor.

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**Telecommunications, Public Utilities, and Transportation**

A Federal civilian agency employee in Washington directly dials another Government worker on the west coast on a leased telephone network to obtain needed information about an impending sale of land. Statistical information flows teletype to teletype across the country. A GSA lawyer goes into a hearing room to represent the Government as a consumer at a rate hearing. A dispatcher checks out an automobile at a motor pool to a civil service inspector. Transportation specialists survey the shipping practices of a Federal agency and recommend adoption of improved routing techniques. These are GSA responsibilities.

**Telecommunications**

The Federal Telecommunications System (FTS), comprising the Voice Network and the Advanced Record System (ARS), completed its first full year of combined operations. Since the initial activation of 42 areas in the Voice Network in February 1963, and the activation of ARS in February 1966 with 276 stations, the system has been expanded to 428 interconnected areas in the Voice Network and 1,158 individual stations on the Advanced Records System.

These areas and station locations are interconnected by 5.1 million miles of leased circuits which last year transmitted over 44 million long distance telephone calls and 6.1 million minutes of record usage. In addition, 1.7 million miles of circuits were managed for other civil agencies and State governments.
The overall savings to the Government through the use of these systems—as compared to regular commercial costs—amounted to $64 million. An additional $126,000 was saved by consolidating switchboards. GSA, DOD, and the States, by combining circuit requirements, saved $15 million in procuring packages of circuits. The States participating in this program increased from 13 to 27, and mileage procured increased from 33,000 to 94,000 during the year. By negotiating with carriers and representing the interests of the Government as a user and consumer before regulatory bodies, additional savings of $1.1 million were realized.

Other Utility Services

Assistance was rendered to 38 agencies and bureaus in the procurement, management, utilization, and conservation of electric, gas, steam, water, and sewerage services and facilities. Increased savings amounting to $1.5 million were realized.

Area·wide contracts were negotiated with 10 utility suppliers eliminating the need for the preparation of many individual contracts. Thirteen special or long-term contracts obtained cost reductions or more favorable conditions of service.

Transportation

Efforts to improve civilian agency traffic management included providing over 300,000 items of information and technical services concerning rates, routes, and related data. Government-wide regulations for processing loss and damage claims were promulgated for the first time and bulletins notified agencies of the reduced fares and improved travel services negotiated by GSA. Recommendations for more economical practices resulted from three surveys of transportation management activities. During the year, 183 passenger and freight seminars were presented including a series of passenger travel conferences designed to alert Federal employees of new cost-reduction techniques.

An estimated $24 million in freight costs were saved by negotiating with carriers on rates, using more economical shipping methods, consolidating small shipments, and arranging direct deliveries from the suppliers to the using agencies. Freight rates
negotiated by GSA facilitated the sale of strategic and critical materials to private industry.

The prompt delivery of needed supplies to Vietnam was accomplished for AID and advanced automated transportation techniques and simplified freight rate systems were developed to keep abreast of the expanding automated supply system.

**Motor Equipment**

The Interagency Motor Pool System was expanded to 97 pools operating vehicles a total of 543.7 million miles.

Cost per vehicle mile was held to 7.86 cents by: installing additional fuel dispensing and service facilities; initiating cross-service agreements with other Federal agencies to obtain bulk fuel prices; reducing overhead costs; and increasing vehicle utilization. This was accomplished despite the fact that longevity of vehicles in the motor pools was increased temporarily from 6 years or 60,000 miles to 7 years or 70,000 miles. In February 1967, vehicle rental rates were revised to distribute costs more equitably between high- and low-mileage users.

At the request of 10 agencies, motor equipment management studies were conducted at 20 locations. Annual savings of $389,228 were expected to result from the study recommendations. Eleven meetings of the interagency motor equipment advisory committees with representatives from Government and industry were sponsored in 10 cities. Twenty-eight defensive driver training classes were conducted with 1,782 Federal participants, an increase of 820 participants over fiscal year 1966 when the program was initiated.

**Automatic Data Processing**

GSA has a leadership role in managing the Government’s automatic data processing equipment as well as operating its own computer systems.

**Management and Coordination**

An ADP sharing program operating through exchanges in 18 cities to reduce Federal data processing costs was responsible for cost avoidance of about $28 million in fiscal 1967. The sharing exchanges act as information clearinghouses for reporting spare computer time and related equipment and enable the Government to capture real savings by getting full use of its computers, owned or leased. Unused time is assigned to agencies needing it, avoiding leasing or buying new equipment. One computer system saved $300,000 when 300 hours were reassigned over a span of 3 months—a saving of $1,000 an hour. The exchanges have been so beneficial that the establishment of six more was under consideration at the end of the year.

Excess ADP equipment originally valued at $70 million was transferred to new users. This figure is exclusive of about $9.7 million worth of surplus equipment transferred to State agencies under the donation program.

A high potential for further savings through centralized cleaning and reuse of computer magnetic tape has been recognized. A study, which has shown the Government’s stock to be 10 million reels with an investment value of about $200 million, was undertaken and a program to provide for centralized tape cleaning and reuse is under consideration.
Achievements in ADP Equipment Procurement

At the close of the first full year of management leadership involving ADP equipment, achievements in procurements included:

- Increased liquidated damages for delayed deliveries.
- Elimination of rental charges while equipment is being modified.
- Training and maintenance personnel provided for equipment shipped to Southeast Asia.
- Rental of ADP equipment at lower prices from leasing companies instead of manufacturers.

Internal Data Processing

A master plan to provide integrated use of the varied types of equipment now in use by GSA was developed during fiscal year 1967.

Being progressively implemented, the plan provides a programming language which will nullify machine differences. This will enable programers to develop individual systems which are capable of acceptance by computers of different manufacturers, cutting the leadtime required for programming, and facilitating subsequent systems changes and equipment conversions. Significant savings are anticipated from the better utilization of computer programming and operating staff and by reductions in staff training time.

Counseling Businessmen, Assisting the Public

Special efforts are made by GSA’s Business Service Centers which are strategically located in 11 major cities across the country to stimulate competition in the agency’s contracting programs and to counsel businessmen in doing business with the Government.

During the year these centers:

- Serviced 156,118 business inquiries.
- Participated in 69 local business opportunity meetings.
- Distributed 393,794 procurement specifications to firms for bidding and contracting purposes.
- Processed 10,387 bidders mailing list applications.
- Distributed 45,412 bid invitations.
- Received, safeguarded, and arranged for the public opening of 156,118 competitive bids.
An important function of these centers is to identify by market research firms which have capabilities for doing business with GSA, but have not done so, and to encourage them to participate in our contracting programs. During the year, savings of $2.6 million on 764 contracts involving $24 million worth of goods and services needed by Federal agencies were made through this program. The savings represent a 9.8 percent average cost reduction per contract for specific goods and services, compared to the cost which would have been incurred if the competitive sources awarded the contracts had not been developed.

Small Business

Major emphasis is given in GSA's business assistance program to assisting small business firms, as well as companies in labor surplus and redevelopment areas, to obtain Government contracts. The majority of new GSA contractors were small businesses which successfully competed with large firms for contracts. During the year, 50.6 percent of the total value of GSA prime contracts went to small business, despite the fact that increased mergers have removed from this category many contractors who previously qualified as small business.

Federal Information Centers

As part of President Johnson's program to improve communications between Federal agencies and the public, two Federal Information Centers were opened during the year to answer questions about Federal activities or to refer inquirers to the proper Government office for detailed assistance. The first center was established in Atlanta, Ga., in July of 1966 and the second FIC was opened in Kansas City, Mo., in April of 1967. Assistance was given to 42,595 inquirers during the fiscal year by the Atlanta center and to 8,924 persons by the Kansas City center in the first 3 months of its existence. The Federal Information Centers were planned cooperatively by the Civil Service Commission, the Bureau of the Budget, and the General Services Administration and are operated by GSA. The Government Printing Office joined in the program at Kansas City by including a bookstore in the center.

Staff and Administrative Services

Staff offices assist the Administrator, who is appointed by the President with the advice and consent of the Senate and who directs all of the programs of the General Services Administration, in fulfilling his responsibilities. They provide a variety of services including: congressional liaison, legal, budgetary, financial management, and administrative. Among achievements were these:

Accounting Innovations

A system to centralize and automate manpower statistics and payroll was completed and installed in four regional accounting centers. One master record now combines all payroll data and statistics for personnel management and reporting. Ultimately, the system will replace manually kept records and provide employees with significantly more data on leave, deductions, and earnings.

President Johnson presents an award to GSA Administrator Lawson B. Knott, Jr., for GSA's high participation in U.S. bond sales.
The Accounting Interface System, tested and installed in the Washington, D.C., regional office provides the supply distribution activity with consolidated billing for such services as warehouse issues and direct delivery and retail stores purchases.

Cost Reduction Award

A new Administrator's Award was initiated honoring the three GSA employees whose ideas, submitted through the suggestion program, achieved the year's most significant cost reductions. The winning suggestions resulted in:

- $18,317 reduction in the cost of shipping 30,615 packages by eliminating carton intermediate packaging for one grade of plywood.
- $16,870 saved by eliminating public message system stations in two cities where GSA-operated stations could handle the messages at a reduced cost per word.
- $15,300 saved in one region by consolidating daily parcel post shipments to the same customer into single shipments, in lieu of multipackage shipments from supply depots.

Management Investigations and Review

Prevention is emphasized in a new management investigation and review activity. Problems are identified in their early stages, determinations made of causes and effects, and definitive evaluations provided to the Administrator.

Internal and contract audits completed during fiscal 1967 were responsible for dollar savings of $185,000 through recoveries made or pending and $294,000 through specific reductions in future expenditures.

Civil Rights Activities

Programs to promote equal employment resulted in substantial increases. Within GSA, 54 percent more minority group employees were promoted to grades GS-5 through GS-14 and 44 percent more were appointed in these same grades as compared to the previous year. Surveys of 274 GSA contractor facilities showed 15 percent more minority employees than in fiscal year 1966.

Work and Training Opportunities

GSA actively participated in the programs to provide meaningful summer work and training opportunities to young people and adults. More than 1,300 positions were authorized under the President's Youth Opportunity Campaign for 1967. In addition, as of June 30, GSA served as host to 601 enrollees under the Neighborhood Youth Corps, nine Job Corps enrollees, nine under the vocational work-study program, five under the college work-study program, and 28 under the work-experience program.

Printing and Publications Activities

GSA operated 28 centralized reproduction plants in 21 cities and furnished services on a reimbursable basis to some 150 Federal agency field offices.

During the year, these plants produced 619 million printed units resulting in sales of $6.6 million and also procured, for use by GSA and other Federal agencies, $3 million in printed and reproduced material.

Productivity per man-year of employment increased by 140,000 printed units over fiscal year 1966, and the dollar sales per man-year increased by $2,000.

Centralized duplicating facilities were established during the year in St. Louis, Mo., and Oklahoma City, Okla. In Jacksonville, Fla., and Little Rock, Ark., Federal agencies operated their own centralized duplicating facilities under GSA's program. Studies were initiated at 10 locations to determine the economic benefits of establishing other centralized duplicating facilities.

Interagency Training Program

The report of the Presidential Task Force on Career Advancement, released during 1967, cited GSA as one of six agencies providing the major portion of all interagency training. During the year, GSA conducted 271 courses with 6,629 participants. The task force report recognized benefits including lower cost, better quality, and reduced duplication of training effort.
Management Intern Program

Twenty-five management interns were recruited during the year, bringing to 97 the total number of interns appointed in the central and regional offices. Interns, who are being groomed as future managers, are given a year of intensive training throughout the agency. At the end of this time, they are promoted and assigned to specific organizations on the basis of individual aptitudes, interests, and program needs.

Administrative Support for Small Organizations

GSA provides administrative support services to Presidential commissions and other small organizations studying emergent or critical problems. In the past year, 37 such organizations relied on GSA for assistance in whole or in part in budgeting, accounting, payrolling, auditing, personnel, printing, legal, security, and office services in lieu of employing their own administrative staffs.

Board of Contract Appeals

The Board of Contract Appeals received a total of 263 new appeals and rendered decisions which cleared 271 cases from its docket. During the year the Board published an index-digest of its decisions for the years 1953–55. It also completed work on a similar volume for the period 1950–52, and on an index of its calendar 1966 decisions.

Hiring the handicapped has proved a good investment for GSA. Such hirings increased from 340 in fiscal 1966 to 359 in fiscal 1967.
## General Services Administration

### COMPARATIVE STATEMENT OF FINANCIAL CONDITION

[In Millions]

<table>
<thead>
<tr>
<th>June 30, 1967</th>
<th>June 30, 1966</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$806.6</td>
<td>$904.2</td>
</tr>
<tr>
<td>Bonds and securities—private debtors</td>
<td>54.0</td>
<td>58.6</td>
</tr>
<tr>
<td>Accounts receivable—private debtors</td>
<td>180.3</td>
<td>230.2</td>
</tr>
<tr>
<td>Accounts receivable—Government agencies</td>
<td>223.1</td>
<td>182.7</td>
</tr>
<tr>
<td>Prepayments and deferred items</td>
<td>1.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Inventories</td>
<td>7,311.7</td>
<td>7,829.3</td>
</tr>
<tr>
<td>Equipment</td>
<td>163.8</td>
<td>180.4</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>1,858.5</td>
<td>1,698.5</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>1,180.0</td>
<td>1,091.4</td>
</tr>
<tr>
<td>Surplus property</td>
<td>77.6</td>
<td>72.1</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$10,865.5</td>
<td>$12,249.9</td>
</tr>
</tbody>
</table>

| **LIABILITIES** |              |                     |
| Accounts payable | 478.7 | 478.8 | -$0.1 |
| Advance payments to GSA | 200.6 | 147.1 | 53.5 |
| Trust and deposit liabilities | 10.6 | 9.1 | 1.7 |
| Deferred credits | 136.4 | 140.3 | -$3.9 |
| Liabilities for purchase—contract program | 21.8 | 26.7 | -$4.9 |
| Employees leave liability | 23.2 | 22.4 | 0.8 |
| **Total liabilities** | $871.5 | $824.4 | $47.1 |

| **INVESTMENT U.S. GOVERNMENT** |              |                     |
| Investment U.S. Government | 10,994.0 | 11,425.5 | -$431.5 |
| **Total liabilities and investment U.S. Government** | $11,865.5 | $12,249.9 | $-384.4 |

### SUMMARY OF OPERATIONS

<table>
<thead>
<tr>
<th>Federal Supply</th>
<th>Fiscal Year 1967</th>
<th>Fiscal Year 1966</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Store sales (thousands of dollars)</td>
<td>599,063</td>
<td>471,972</td>
</tr>
<tr>
<td>2. Nonstores sales (thousands of dollars)</td>
<td>219,018</td>
<td>194,528</td>
</tr>
<tr>
<td>3. Stores line items shipped (thousands)</td>
<td>8,478.7</td>
<td>8,399.2</td>
</tr>
<tr>
<td>4. Number of supply distribution points</td>
<td>71</td>
<td>63</td>
</tr>
<tr>
<td>5. Total procurement (millions of dollars)</td>
<td>2,046.0</td>
<td>1,808.6</td>
</tr>
</tbody>
</table>

### Property Management and Disposal

1. Personal property (acquisition cost—millions of dollars):
   a. Transfers to other Federal agencies | 643.5 | 617.1 |
   b. Donations | 285.9 | 429.2 |
   c. Sales | 58.9 | 71.7 |
   **Total** | $986.3 | $1,116.0 |

2. Real property (acquisition cost—millions of dollars):
   a. Further utilization of Federal agencies | 153.4 | 335.1 |
   b. Other surplus disposals (donations, etc.) | 297.3 | 405.4 |
   c. Sales | 343.5 | 415.8 |
   **Total** | $794.2 | $1,156.3 |

3. Defense materials:
   a. Strategic and critical materials in inventory (acquisition cost in thousands of dollars) | 6,936,321 | 7,520,495 |
   b. Sales commitments (thousands) | 466,901 | 1,028,172 |

### Public Buildings

1. New construction program:
   a. Design starts (millions of dollars) | 219.5 | 226.2 |
   b. Design completions (millions of dollars) | 126.4 | 297.6 |
   c. Construction awards (millions of dollars) | 186.6 | 190.6 |
   d. Construction completions (millions of dollars) | 161.7 | 198.7 |

2. Buildings management:
   a. Average net square feet managed (millions) | 190.9 | 185.7 |

3. Repair and improvement:
   a. Repair and improvement appropriation:
      (1) Net square feet of R. & I. responsibility (millions) | 177.6 | 173.4 |
      (2) Obligations incurred (millions of dollars) | 68.7 | 88.4 |
   b. Reimbursable costs (millions of dollars) | 42.4 | 43.6 |

### Transportation and Communications

1. Interagency motor pools:
   a. Number of pools in operation | 97 | 94 |
   b. Mileage (thousands) | 543,674 | 473,882 |
   c. Number of vehicles in pools (June 30) | 50,148 | 48,531 |

### National Archives and Records

1. Number of Federal records centers | 14 | 14 |
2. Records in inventory (thousands cubic feet June 30) | 9,945 | 9,288 |
3. Inquiries handled (thousands) | 6,148 | 6,080 |