

PROCUREMENT FUNCTION OF THE GENERAL SERVICES ADMINISTRATION

13 January 1954

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INDUSTRIAL COLLEGE OF THE ARMED FORCES

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Honorable Edmund F. Mansure, Administrator of the General Services Administration, was born in Chicago, Illinois, 14 March 1901. He was educated at Dartmouth College where he was graduated in 1924. He received an LL.B. degree from the Kent College of Law and attended the Northwestern University Graduate School. He was admitted to practice before the Illinois Bar in 1927. Much of his business experience has been with E. L. Mansure Company, a textile and drapery manufacturing firm. He resigned as chairman of the board of directors of the firm to accept appointment as General Services Administrator. Mr. Mansure was sworn in on 2 May 1953 as Administrator of General Services. From 29 May 1953 to 15 August 1953 he also served as administrator of the Defense Materials Procurement Agency. This is his first lecture at the Industrial College.

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MR. MUNCY: Admiral Hague and Gentlemen: Thus far in our Procurement course we have heard two of the three areas we would like to call to your attention; namely, the policies and problems of procurement in the three military departments and the Department of Defense. We have also had the procurement of large-scale industry. This morning our speaker will bring you the procurement activities of the General Services Administration (GSA).

I want to call your attention specifically to the fact that General Services performs practically all of the procurement for the civilian agencies of Government, it buys for the national stockpile, and it buys the common-use, civilian-type items for the three military departments.

Our speaker this morning is Mr. Edward F. Mansure, Administrator of the General Services Administration. He comes to this post from many years as head of a textile manufacturing firm in the Middle West. It is a pleasure for me to introduce our speaker and to announce his topic, "Procurement Activities of the General Services Administration."

Mr. Mansure, it is a pleasure to welcome you to this platform.

MR. MANSURE: It is indeed a pleasure to be here. I appreciate greatly the opportunity I have to talk with you all.

Now, just because some of my remarks in the beginning are extemporaneous, I don't want you to feel that I haven't given a great deal of thought to the opportunity of being here and to tell you some of our operations. But we are pretty well versed in them. I would like to keep this as informal as possible, because I appreciate that the question and answer period is of major importance. Then I have a few remarks that I want to make specifically regarding some of the things we do in relationship to other agencies and the various branches of the services.

First of all, let me give you a little background of GSA. As many of you know, it is one of the newest major divisions of our Government. It is an outgrowth of the Hoover Commission. It was started in 1949. It was made up of five different going agencies or departments of Government--Public Buildings, Federal Supply, War Assets, Archives, and Public Roads. About five months after GSA was organized, Public Roads was taken out and put in the Department of Commerce. Later in place of Public Roads

we were given the procurement of defense materials under the Defense Materials Procurement Agency (DMPA). That agency was charged at the time of the Korean difficulty with the obtaining of various types of material, with which you are all familiar, for our stockpiling program and for the programs of defense.

In August of this year the President by directive merged DMPA with GSA. We, in turn, placed it in the Emergency Procurement Service (EPS). EPS is now charged with the procurement of all these very important materials for our defense program, through the Materials Division of EPS, which in turn is a service under GSA.

Now, I give you that little background so that you can understand a bit about the ramifications of our operations, and how these various activities came into GSA.

First of all, I am going to just refer to our Public Buildings Service, because, even though that doesn't have a direct effect upon our defense program, it does have a very vital part in the use of the services in various parts of the country.

We have 5,441 buildings under GSA, or approximately 120 million square feet of floor space. Of this floor space, an area of approximately 45 million square feet is rented space. Our objective this year is to reduce our rented space around the country by approximately 17 percent, which will give us a saving of about 18 million dollars a year.

Now, of course, GSA handles requirements for space for defense purposes for various branches of the services and civilian agencies. For example, in one of our major cities there is a move now on by the Army to get out of a large building and declare it surplus, and turn it back into some type of civilian use.

Then from there we go into the Archives, which many of you think of as a beautiful building down on Constitution Avenue. But actually the activities of that place of our operation include the control and the keeping of all Federal records around the country.

When I came to Washington last May, I was confronted with a very sizable cubic footage of figures of the amount of records that we have around the country. It meant very little to me; so I asked them to translate them into buildings. I thought one building would be sufficient to cover these records. About two or three days later they came back and informed me that it was seven and a half Pentagon buildings full of Federal records that we have around the country. So you can see what a sizable operation we have in that field, and why it is

so important in some way to get control over this terrific flow of paper work which we are confronted with in Government.

In 1952, if I recall correctly, we purchased over 97,000 metal filing cabinets of the 4-drawer type. We paid something like 50 or 60 dollars per cabinet. This year we will purchase between 8,000 and 9,000 cabinets. In the mere reduction in number of these cabinets you can see a big saving. But you can also appreciate the tremendous amount of work that is required to handle, not only the preparation of the material that goes into these files, but the placing them in the files, taking them out, and so forth. So we are doing everything we possibly can to gain control over that phase of our operations.

Now, generally, GSA divides into two distinct entities the size of departments within the organization. First, in our regular operation, we spend each year more than the combined expenditures of Defense, Justice, Labor, and Interior. We spend almost twice as much as the Postoffice Department, and almost four times as much as State. We are really the housekeeper of Government.

The other day they gave me the balance sheet of our net worth. It comes out to more than twice that of the American Tel and Tel, or approximately 8.5 billion dollars. That gives you just an approximate idea of the amount of Federal property all over the country.

Now, how does this apply to your immediate problems? First of all, we are trying to simplify the common-use items that the Government uses. As you know, we have nothing to do with any type of military equipment--guns, tanks, ships, planes, munitions, or whatever may be included in that category--uniforms, blankets, and things of that kind. But basically the things that Defense needs, that Postoffice needs, Interior, Commerce, whatever division of government--just items to carry on your daily operations, are no different than those which we may buy for Health and Welfare, the Veterans Administration, or some other division of Government.

For instance, what are we referring to? Everything from typewriter ribbons to scrub buckets. A great variety of things that we buy, which can be purchased for all parts or divisions of Government through one central agency.

Why is that important? First of all, the economies which are obtained. Second, we eliminate one division of Government competing against another division of Government in the purchase of equipment.

What do I mean by that? You know that one of the important operations in industry, particularly in the manufacturing field, is to

eliminate the peaks and valleys of production. The moment you have a great production curve going up, say, for the fall season or prior to the Christmas rush, or drop in the summertime, then you have, of course, unemployment. You have periods when things go up or down. You have a great demand and pressure on the people during the period when there is a peak of production. What we are trying to do is to balance these purchases by Government, so that we can have a leveling out of this curve of production. In our various supply fields we are trying to level that out as much as we can, so that we will have, first of all, good quality of merchandise, items made without pressure of a peak production or a rapid demand for delivery. And then, of course, equally as important, stabilization of employment among our civilian people throughout the country. Those are two very important things in control of the overall, common-use items purchase program of Government.

Now, anything that I say this morning, even though there may be some misunderstanding, I want you to appreciate that in no way do I have reference to equipment which would go into the defense categories or under the heading of armament. I am only referring to what we call common-use items of supply.

I would like to just refer to a few of these items. Then we can move along and there are many other things I am going to cover in our question and answer period, because I am not just sure what is of principal interest to you in our activities. I hope to be able to have the information for the questions that you may ask about things that are of particular help or interest to you. If I am unable to answer the question, I will tell you very frankly that I don't know, because I do not want to give you any misinformation.

Now, let me be specific for about seven or eight minutes about what GSA's supply operations are now. I have tried to highlight for you our general responsibility in the fields of buildings and records management.

These are closely related to supply itself; and for that very reason, the functions were incorporated into Public Law 152, which is our basic charter. You probably have heard a lot about Public Law 152. That is the law under which General Services operates, and from which it derives its vast power--some people say we have it in our agency.

At the outset, and to avoid confusion of terms, let me say that when we in GSA talk about supply or supply operations, we are covering a series of various items and operations. Procurement--the act of buying--is one of these. The others include the distinct, but related, functions of standardization, traffic, utilization and disposal, warehousing, and issue. We have all of these in mind when we term our activities as being "supply."

Therefore, when I refer to that, when I use that word, you must bear in mind that I am talking about the overall program and the overall problem, and not any division or unit of it.

Another point which I want to make clear is that the majority of our supply activity is not done for GSA. It is for other agencies of Government and not only GSA, which includes over 60 civilian agencies and the military. I believe recognition of this fact is important, because it sets forth very well a problem of control understandable to anyone initiated in this phase of our Government.

GSA has two fundamental supply missions. The first is to perform supply operations for all civilian agencies. The second is to perform similar operations on behalf of the military where the facts indicate that the experience and organization of GSA can be utilized profitably. That is very important.

In the first case--serving civilian agencies--we provide what has been called a complete "package" service. I think I can best illustrate it in this way: Supply is a science. An entity not dedicated to studying and pursuing this science cannot get effective results on a part-time basis. Therefore, if an agency has a fundamental mission of doing something else, it cannot of itself do the best supply job. For example, if an agency's prime function is to regulate the airways, or guard the national forests, or enforce Federal laws, it should be left free to do those jobs. Its supply requirements, which may be very important, should be left in other hands.

For these agencies--the 60-odd I mentioned a moment ago--GSA does the complete supply job. This begins when we go in and survey what they have been using and what they need. It then progresses, in stages, through the machinery of writing specifications for their equipment and supplies, and then actually procuring those things. It involves warehousing them and issuing them as needed. It involves repairing and, rehabilitating them and establishing systems for their inventory. It involves receiving control of them when they are excess and selling them when they are surplus.

As this type of service is developed for a great number of civilian agencies, certain facts common to all begin to emerge. The dominant one is that the types of things needed and the techniques required to produce and manage those needs, all fall into an almost precisely identical pattern. In other words, handling supply requirements for the Department of Labor is not in any sense peculiar or unusual to handling supply requirements for the Department of Commerce or any other civilian agency.

It is because of this fact that GSA is now engaged so vigorously in campaigns to standardize technique and materials. Not because of any

given reason, but for many reasons, the years have tended to multiply systems and ways of doing things. Personal prejudices and individual whims have given rise to making various types, sizes, and qualities of goods available.

The fact are that such events have resulted in gross inefficiencies, both as to method and dollars wasted. We are cutting into that continuously, by standardizing procurement documents; by educating traffic personnel in civilian agencies; by employing faster, more streamlined, buying methods. We are teaching civilian agencies the availability of excess property. We are urging them to consolidate storerooms. We are doing innumerable things which, each taken from context, seem unimportant. The result of the whole endeavor, however, brings about results which we already calculate to be saving millions of dollars.

Parallel to these administrative activities, we have tackled materials standardization as well. We have, just for the sake of example, stopped agencies from buying 40 different kinds of wastebaskets and cut them down to 7. You might say, Why do you pick on wastebaskets? There are so many of those used. Furthermore, wastebaskets are a great security risk. We have found that the ordinary, solid type of wastebasket is the best form for the planting of a small recording device. You can appreciate the importance of something like that, and the tremendous amount of time wasted checking every wastebasket in our Department of Defense and our Department of State, where security is a very vital operation. Therefore we say that we cannot only simplify the purchasing of these things, but we can eliminate also the security risks at the same time.

We have cut the availability, in point of types and sizes, of steel clothing lockers, that people put their clothing in when they come to work, in the various operations of Government, from 136 different sizes and kinds of clothing lockers down to 10. We have cut steel office desks from 54 to 8, and then ordinary blotting paper from 24 different kinds down to 5, and paper towels from 18 to 7. These are just a few of many examples.

I want to make one thing clear here, that is, by reducing the number of various kinds and sizes and types of things that we are buying, it doesn't mean that we are eliminating sources of supply. Rather, we are diversifying our sources of supply. In other words, we are giving little business, medium-sized business, and big business a fair opportunity in dealing directly with Government.

If we eliminate all these special types of items, if we standardize on simplicity and efficient types of construction of whatever the item may be, it means that a great many people can make these various things, and we can buy them locally; and that will eliminate

all these special types of items, if we standardize on simplicity and efficient types of construction of whatever the item may be, it means that a great many people can make these various things, and we can buy them locally; and that will eliminate all the cross-country shipping charges and expense for handling. We can supply items locally in Washington, Dallas, Denver, Seattle, or wherever it may be. Therefore, tremendous savings, besides the actual cost of the particular item, are involved; and principally transportation and handling costs and storage costs.

Also, of course, there is the important item of service--in having these things available when they are needed, where they are needed, in order to make immediate delivery, which you know is vitally important in many, many places.

Let me assure you that none of these cutbacks was taken without thorough study or without sympathetic attention to the needs of the using agencies. We are not being arbitrary about any of these decisions. If we make a mistake, we admit it quickly and we make the change. We listen to all the recommendations that are given to us by the using agencies. There is no such thing as a closed door in this procurement program.

If there is not quite as much room for choice, well, there isn't quite as much money available either. So we have the problem of not having the funds to buy all these things that we buy.

Summarizing our service for the civilian agencies, which involves warehousing over 10,000 different items and providing Federal Supply Schedule Contracts for the purchase of over 50,000 others, let me repeat that we also render to them a supply service which goes into all the other aspects, such as traffic, utilization, standards, storage, and many other things that are involved.

We have deployed our own operating staff and responsibilities to the field areas, to be close to our agency customers. We have retained a central policy control, and are directing our field units with a minimum pressure on the reins. By that I mean we have delegated our authority out of Washington into our 10 regions throughout the United States and our 4 districts. In that way, in our 14 locations, and in our 12 stores-depots--as we call them now, instead of warehouses--we can give immediate service to any of the various divisions of Government.

We let people in the individual locality explore the situation. We let them find the answer and apply it--of course we assist and help them in these operations--unless such answer is in direct conflict with the overall goal. Then they have authority to act locally.

A good question may by now be arising in your minds: What has all this to do with the military? Earlier I said that one of our two fundamental supply missions was to perform supply operations for the military whenever the facts indicated that GSA's experience and organization could be utilized profitably. I think it stands as a matter of reason that GSA's dominant attention, day in and day out, to the supply problems involved in common-use items has brought us to the point where we can bring to bear a considerable knowledge in this field. And it is precisely in this field where GSA and the Armed Forces can work together to the greatest advantage of both.

In any area of supply where the items involved are of a strictly military nature, we have neither the equipment, nor the information, nor the know-how to take part in the supply activity. But in the range of the over 60,000 items of common use--administrative supplies, furniture, and a host of other material--the single-service purchase assignment idea single service meaning the whole Government, comes into its own in the very best light.

Imagine the economies available when the purchasing power of both military and civilian agencies for a given item is combined or brought to bear on the market. Try to foresee the multiple advantages in being able to shift such types of property, to better utilize it, among both military and civilian agencies.

This makes sense. It makes sense to me as a businessman. It makes sense to Government comptrollers who have to parcel out funds. It makes sense to administrators and Cabinet officers who have to tell Congress why we want money. And you know that is really a job--to convince the appropriation committees why these funds should be made available. And it makes sense to Congressmen, who have to vote that money.

In the field of common-use procurement I think we have only begun to scratch the surface of what we can do in the future by continuing the close and friendly relationships which have been established between our departments. And when you add the potential savings which are available through cooperation in the various other areas--traffic, standards, specifications, utilization, disposal--the idea becomes impressive, indeed.

It is a pleasure to tell you that when representatives of GSA and the military services meet to work out common action on these things, disagreements which arise are secondary to our fundamental purpose. On this we are in agreement: Where the end item needed is common to both the civilian and military services, it is most sensible to let one entity handle at least the procurement operation, to avoid meeting each other in the market--by that I mean the military competing in the purchasing of an item against a civilian agency.

While the military is the biggest buyer, and while the military doesn't have to worry about competing with itself, there are a number of small Government departments that do have to worry. Take one of the little agencies of Government, when it has to go in and buy the same kind of item that the military is placing a tremendous order for, there isn't a source of supply for it, or else the price goes up because of the demand. Then the small agency is at a disadvantage. And, after all, even though it may be but a small part of our Government, it is a part of our Government. It is the same funds that are being voted by Congress. And the people of this country are supplying that money. Therefore it is our position that we should not let any Government agency or department compete against another department if it can possibly be prevented, because the funds all come from the same source.

As for the question of extending this single action to the warehousing and traffic activities, that must be discussed in the case of each item or class of items. You cannot generalize on a thing like that. There are technical problems involved in such an operation, but they are not insurmountable. There is always an answer to the technical problem. It is just a question of analyzing it, breaking it down into big problems and little problems. Then you can solve the little problems, and then you have the big problems solved.

As a measure of the degree to which we are now cooperating, I can report that our procurement activity now gives supply support to the Air Force for about 10,000 items. The Navy will, after 1 February 1954, secure its needs for 200 administrative items for GSA. The Army is procuring a considerable volume of common items from our issue points, that is, our stores-depots; and the Marine Corps has made several of its supply classes mandatory for procurement from GSA.

Procurement assignments issued to GSA by the Department of Defense now include responsibilities for office furniture, office machines, and office supplies.

The Federal standards--reductions in grades and varieties, which I mentioned a while ago--are mandatory on all civilian agencies and were issued with the full cooperation and approval of the Department of Defense. Cooperation on Federal specifications is growing. More and more they are being used in military procurement, with military specifications cited only where there are overriding considerations.

Our mutual inspection standards are under study, with a view to bringing them into line with the Government's guarantees of getting what it pays for; and, no matter where the goods are delivered, they must come up to our specifications.

In the more complex fields of traffic and utilities management, we are actually bringing into existence, for day-to-day use, areas of understanding agreements which have been in force for some time.

One of the best examples of how we work together harmoniously is seen in a program conducted by GSA for the main benefit of the military--the procurement, transportation, and warehousing of the stockpile of strategic and critical materials. As you know, the requirements for this program are set initially after a top-level projection of wartime needs. The Office of Defense Mobilization (ODM) then issues policy directives, and we in GSA begin purchase operations.

The stockpile program today embraces more than 70 materials. Its physical size and the wealth invested in the stockpile both are substantial, even in military terms.

Already we have procured metals, minerals, and fibers having a current value of more than 4.25 billion dollars. We are well along the way to our goal. Of course, the goal fluctuates from time to time; but, as you know, it will amount to a minimum of over 7 billion dollars.

Strategic and technical changes are never frozen. Therefore, neither are the stockpile goals. That is why I can't tell you what these goals are. We don't know what they are. They change as the things that the military need change. I can tell you this: That right now we won't be caught again with a lack of material, like we have in the past. I think that should be a great source of assurance to you folks who are working on many of these critical operations or will be working on them.

In addition to housing vast tonnages of these materials in more than 300 zone of interior locations, we have opened up additional resources of many metals, such as nickel and many other items that you are familiar with, which I will not itemize, in friendly countries in the Western Hemisphere. Of course many of you know about our very successful nickel operations now in Cuba, in complete cooperation with the Cuban Government. That is growing each month and is going to be an excellent source of supply for a much-needed metal.

We have conducted special domestic operations to increase supplies of manganese, tungsten, mica, zinc, copper, and other metals. We have made a vigorous and concentrated attempt, over a span of 18 months, to bring the stockpile supply of crude rubber to a safe level. That supply today is, I am glad to report, at a safe level.

Throughout this whole program--purchase, specifications review and modification, modernization, and storage of material, some actually at military installations, security, and all the other aspects--cooperation

between the military personnel involved and GSA has been of the highest, most wholehearted order.

One of the reasons may be--I think it is--the sense of urgency which pervades us all when we deal with the task of getting materials for our defense. We minimize our individual objectives. We work together for a goal which we know is a good goal.

I am sure we can transmit this same feeling of urgency, perhaps to a somewhat lesser degree, to our mutual obligations in the field of administrative supplies and common-use items. For there the goal is also good. It is economy and efficiency in our overall Government operations.

This has been only a highlight review and it has been upon positive things. I do not pretend that there are no differences of opinion between GSA and the various departments of Defense. Some of them may be even serious. But I look upon these differences of opinion in this way: Today, many of the highly efficient realities of cooperation which are now in force between GSA and the Department of Defense were not too long ago stalemated by serious differences of opinion. We reconciled those differences.

The same thing is happening to those we now have. I am sure that, with a better understanding and a spirit of cooperation, and a realization that, after all, our objective and our goal is the same, any differences there may be between the department and GSA can be worked out if we are just reasonably objective in our approach.

I thank you very much for your splendid attention.

MR. MUNCY: Gentlemen, Mr. Mansure is ready for your questions.

QUESTION: We are very much interested in standardization work, but we think that standardization and cataloging are Siamese twins. Public Law 152 gives you people authority to develop, establish, and maintain a Federal catalog program. The cataloging agency, as I recall it, used to have a representative from the Army, Navy, Air Force, and GSA. I believe it was last year that your funds were cut and something happened to your cataloging people. At least, we lost your GSA representative. I don't know about the cataloging of these items in the 60 agencies that you are talking about. Can you tell us what you are planning to do in the cataloging of these items for the civil agencies?

MR. MANSURE: Yes. Your statement is correct. What happened was that the money that we had for this purpose was not included in the last budget. The first thing we are going to do is try to get the funds, so

we will have the funds available in this coming year. It is a "must" program; and without the combining of efforts and functions together, we cannot possibly accomplish the end result which it was the original idea to do.

I can't answer your question, because I don't know what we are going to have as far as funds are concerned. That is another good example of what happens when one part of the Government, or one division of the Government, has funds to go ahead with an operation and another division doesn't.

Now, I don't want to get off the subject at all, but I would like to tie this together. It is the same problem that we have in our excess, which eventually becomes surplus. Defense hasn't an inventory on that. It is a very important problem between the two departments, because under the law GSA is charged with that. We have delegated a great deal of our authority to Defense on the excess and surplus disposal program. But it is confronted with exactly the same thing that bears on your question; and, until we appear before the appropriation committee--I think GSA will be one of the first to appear--I cannot answer your question, because it depends on the money we get. But I am in complete accord with the objective on that. It is our desire that in some way or other we continue with the program which we started on, and have representation on the overall committee.

QUESTION: Procurement by a single service or by any such agency as GSA seems to presuppose that the bigger the procurement, the better. A good many people differ with that approach to the problem and feel that there is an optimum size or extent in any particular procurement beyond which the gains actually become losses. Would you care to touch on that?

MR. MANSURE: Yes. That is a very good question.

We have an advisory board in our office. On it we have the vice president of one of the biggest national or international corporations. We are meeting a week from next Monday.

The theory of this company is that decentralization of its purchasing is best. They have come to that conclusion after the expenditure of a considerable amount of money and a great deal of time, and also consultation with companies of comparable size. It is a very large organization.

Now, as far as the Government is concerned and GSA, that is what I alluded to when I talked about the delegation of authority and the decentralization of our purchasing program into our 10 regions and our 4 additional districts, making a total of 14.

There is the other side to that problem, and that is this: We do not want to have competition between the various departments of Government with one another in the procurement of common-use items. I come back again to this: Even though one department, such as possibly Defense, or any division of Defense--Army, Navy, or Air Force--would be more than sufficient in size for the purchase of these items; at the same time we have other very small departments of Government which, if they were out on their own, or if just GSA was going to make the purchase in competition with two or three of the major buyers in the market, would be in an unfavorable position.

So, therefore, the specific answer to your question is decentralization in purchasing authority and responsibility, yes; but overall policy on common-use items for all departments of Government under control of a decentralized purchasing program, so that we have people who are experts.

Say you are buying paper. There is rough paper and there is fine paper. There is paper for writing purposes and paper for wrapping purposes. The problem for the Department of Defense would be the same as that for any other agency of Government:

Decentralize as far as possible the actual mechanical operations of the purchasing, but have overall correlation of the purchasing program.

QUESTION: I would like to go back to this area of standardization. You mentioned desks and coat racks and wastebaskets. Do you get into the problem under common-use items like typewriters? What are your views on, for instance, standardizing on some specific make?

MR. MANSURE: That is an excellent question. Let me give you an example of how you can carry standardization too far. But I don't want to mention the particular locality, because I don't want to cast any reflections on the supply of office machinery.

But in an important area of the country, in one of our regions, there was a certain type of office machine that had been selected for use all over the territory. When I went into this region several months ago, I was confronted with this question: Yes, that machine is an excellent machine. It does a splendid job. But they have no servicing of that equipment in this area. So where are you going to service them? Are you going to send them to the company, which is a thousand miles away? Or are you going to establish a service organization out there?

I think you have to have this multisupply in equipment of that type, for that reason; and for this other very important reason, that is, the psychological. You know that, whether the operators be male or female, they like a certain type of typewriter or a certain kind of billing machine.

They become used to it. They become more proficient in it. Therefore I think that we have to make available various types and makes of equipment in that field, providing it comes up to a standard of operation and it doesn't go beyond a certain price range. It is the same policy as in the purchase of automobiles. It would be impossible to say that we would buy just one make of car or two makes of cars because they are the lowest-priced cars. We might not be able to get the service we need on that equipment.

So the servicing and the psychological approach, particularly in the business machine field, is very important. I think that in private industry sometimes a secretary will not use a typewriter of a certain make. She might say she just can't do a good job on that machine. You might argue that that is ridiculous, but it still is a fact.

QUESTION: Mr. Mansure, in connection with the procurement of supplies for the military, I would like to have you comment on the development of sources of supply for an emergency mobilization.

MR. MANSURE: We are talking about common-use items now. First of all, we are going to try to have our source of supply one that will not break down on deliveries in the case of an emergency. We will not have a lot of outmoded or antiquated equipment. What I mean by that is that we would develop and maintain a working partnership with industry to assure an adequate supply of these commercial-type, common-use items to take care not only of ordinary but also extraordinary demands in event of an emergency.

Take the example of a very simple one, like a pencil, a scratch pad, a paper clip, or something like that, something which is readily available. If we can keep the long-delivery-time items in supply, and keep the equipment in proper repair and proper modernization, we won't get again into the situation we ran into before. It happened in the past, for instance, when war came along and we had made no preparation for an increased demand immediately by either industry or by the military, we were caught between a double set of forces.

The best example of that can be found in our stockpiling program. Rubber is a very specific case. Of course there may be a consumer rush, which would deplete the supply as far as consumers are concerned; but it would have no effect on the overall security of the country. It might cut down on our general possibility of going down and always being able to pick up the kind we might want to get. But as far as the overall effect is concerned, it wouldn't have any influence on that at all.

I believe that would apply to many of the basic materials. And, if we can have the basic materials available, we will be able to manufacture enough of the things we need to take care of the situation. But I might

not be qualified to talk about that, because I don't know too much about it.

QUESTION: My memory is a little vague, but it is my recollection that GSA presented a bill to Congress in one of the recent sessions whereby it would take over the operation of administrative motor vehicles, passenger and cargo, at central points around the country for all Federal agencies. What is the status or prospect of that bill?

MR. MANSURE: You are referring to the motor vehicle pool bill. That bill is now pending. Many people think it will be voted on in this session.

Let me explain what that is, so there will be no misunderstanding. This legislation has no effect whatsoever on actual vehicles for military use. It is only in the--and again I can't seem to find a term that will refer to it, but for lack of a better term I will say--ordinary operations of the business day; for example, transportation for a military officer who is performing the same function as a man in a civilian agency.

GSA will never, at least as long as I have anything to do with it, get in any way whatsoever into anything that relates directly or indirectly to the operations of the defense program of this country. That is not our function. Our function is purely the civilian operation.

I want to give you an example of that. Right at home in our own shop last May we had 38 automobiles just for our own operations here at our Washington office. Today we have 6 and we are getting better service. In some of that equipment we have placed radiophones, like they have in taxicabs, so they can take a person here and bring another back, and not be waiting during the entire period of time.

Let me give you another example. At the Denver Federal Center they had about 700 cars in operations out there. In the last three months we have been able to reduce the number of cars by over 100, and we are getting better service than they ever had before.

I don't want to get into the details of that operation, but these problems are of definite interest to you in an overall way. We have people who are fairly versed in the technical operation, which I would be very happy to make available to either the various breakdowns of your overall group or the class, who can give you the entire basis of the operation of the motor vehicle pool.

One more example. One of the major payroll departments got into a terrible mixup on the purchase of a certain type of office machine.

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Some of its people came to us and asked if we could help them. We ran a survey and we found that one of the machines that they were not going to take would actually do the job in a shorter length of time and would cost less money. We didn't interfere with this department's purchasing by saying "You have to take this machine," but by pooling our resources we came up with the answer to that problem.

That is the real function of GSA. We are strictly a service organization. We do not say that you may do this or that you can't do that. We have to be able to show you that we can do a better job and save you money, which is very important for our reduction of the budget appropriations.

We may have under the law the right and the power--but I am not going to assume it--to do certain things, to insist on certain things. But that is not the way we are going to operate. We are going to try to cooperate. We are going to try to sell our services to the various departments.

The motor vehicle pool bill has the support of the Administration.

MR. MUNCY: Mr. Mansure, we are indebted to you for a very helpful lecture this morning. On behalf of the college I thank you.

MR. MANSURE: I appreciate it very much. I am sorry that I haven't been maybe as technical or as specific as you would like me to be. But I am not an expert on many of these subjects.

We do have people who have the information. If you want to get down and really get into individual problems of our program, which I have sort of run over today, it will be more than a pleasure to supply very competent personnel who can be very helpful to you. Thank you again.

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