

Then, you would have a real question in the mind of user as to whether to obtain used equipment in excess or whether to buy new equipment. So, we found in a practical way, 15 percent has worked out pretty well with our customers. And we have been able to do a good break-even job and pick up more of the administrative cost of the program.

Mrs. HECKLER. Do you have a special group of individuals who have a responsibility for setting these prices or overseeing them?

Mr. WATERS. We run this price worldwide at 15 percent. We do a very careful review and keep monthly reports of our financial transactions that we relate to revolved funds.

If we make a decision to change, it would be a decision probably worldwide. We do feel that the uniformity of price offering so that the person can look at the acquisition value of the equipment and know what he can get it for is better than trying to have an individual price for each item.

Mrs. HECKLER. Well then, does your list state the acquisition value?

Mr. WATERS. That is right.

Mrs. HECKLER. So, this is immediately obvious to any purchaser?

Mr. WATERS. Yes.

Mrs. HECKLER. I have just one final question, Mr. Chairman. Obviously from the statement, the advance acquisition program seems to be the whole strength of the physical integrity of your program.

Mr. WATERS. Yes. For example, this year, out of some \$31 million property moved in this advance acquisition program, we in effect show a profit of about \$71,000. Well, that is trimming it fairly close. But we feel that we are able to break even. We are not trying to make money on the program. We are trying to do the best job we can do in trying to hold it at a break-even point. There will be little dips and little gains. But we are constantly watching the program to see if we can give an effective job within a given price range.

Mrs. HECKLER. You have discussed a few of your onsite screening processes, the excess property utilization officers and so forth. But in relationship to Vietnam, you talk about a special priority or screening procedure. Tell us something about that.

Mr. WATERS. Before we submit the property we have picked up to other missions in the field, before it goes in a general catalog, there is the advance notice of this to Vietnam. They have 1 month to decide whether they want that equipment. They have first crack on any of this equipment. We felt in view of the Government's general priority for meeting our obligations in Vietnam, we thought this was a correct way to proceed with this. However, if they don't ask for it within a month, then, it becomes available to circulate to all of our other missions.

Mrs. HECKLER. This means that they get the list a month early?

Mr. WATERS. Yes.

Mrs. HECKLER. You talked about \$14 million in 1967 for Vietnam. And you said in relation to another question this is mainly for jeeps. Fourteen million dollars worth of jeeps?

Mr. WOLL. \$14 million is the total equipment, and a good part came from the Japan center. Out of France in closing out FRELOC was primarily jeeps.

Mrs. HECKLER. What about the rest?