

Colonel REGAN. No, sir. And as of Monday of this week he has delegated this authority to our negotiator. I think it is very important for the man sitting in the negotiations, under guidance from Washington, to have that authority. This is important from a psychological standpoint in negotiating a sale.

Mr. MONAGAN. With reference to the bases that you have told us about and the bases or installations that have been sold, those appear to be the ones the French want the most?

Colonel REGAN. That is correct.

Mr. MONAGAN. So it is quite possible that as you negotiate down the line your returns will not be so good?

Colonel REGAN. That is right, sir. We anticipate increasing difficulty in negotiating sales.

Mr. MONAGAN. As I recall, one of your comparisons of sales price was with the appraisal of present fair market value.

Colonel REGAN. Yes, sir.

Mr. MONAGAN. Who establishes that value and what is the basis for it?

Colonel REGAN. We establish it in MLS and this was done—again I will qualify this. I am not a sales negotiator. It is a computation based on initial cost, depreciation, and what your market is here.

Mr. MONAGAN. In other words, it is initial cost and depreciation?

Colonel REGAN. Yes, sir.

Mr. MONAGAN. And is it also based on recent sales, or are there comparable recent sales?

Colonel REGAN. No, sir. This is the first.

Mr. MONAGAN. Can you answer that, Mr. Sidman?

Mr. SIDMAN. Not adequately. I think they have taken the replacement value.

Colonel REGAN. I would rather not address myself to that.

Mr. MONAGAN. We will get that somewhere else.

Mrs. HECKLER, have you any questions?

Mrs. HECKLER. Yes.

I was wondering, Colonel, if you could tell us who drafted the MLS as a mechanism for the disposal of property in France? How did this come about?

Colonel REGAN. It was decided it was necessary because the component commanders could not take care of the residual matters in France after the 1st of April. The initial guidance came from JCS and DOD and State. They were first prepared by EUCOM at Camp Des Loges outside of Paris and sent to Washington and Washington sent them back to EUCOM and they were the nucleus and they went through the component commanders to EUCOM and were approved in Washington.

Mrs. HECKLER. You suggested that you felt that the duties of MLS could be concluded by July?

Colonel REGAN. No, this is the negotiated sales of MLS and my speculation was they could probably be completed by the 1st of July.

Mrs. HECKLER. This refers to the 41 properties?

Colonel REGAN. Forty-three.

Mrs. HECKLER. Do you have any estimate as to when the other properties can be disposed of?