

that it is both a sellers' and a buyers' market. GSA's domestic personnel are as interested in customer relations as their customers are in seller relations. And if one must disappoint a customer, the best way to do it is to avoid his even becoming aware of the disappointment. If an item is transferred without cataloging, those who never learn that the item was available will not be disgruntled at its loss. The next-best way to disappoint a customer is to play a passive role, whereby blame for the loss bounces back upon the customer himself; that is, to indicate that the system operates on a "first come, first served" basis.

In view of the GSA "first come, first served" practice, the domestic EPRO's deserve commendation for achieving the volume of 608 acquisitions that they have recorded. Their personal relations with GSA, so critical to them, appear to be good to excellent.

b. *The GSA Southeast Asia Priority.*—On 25 March 1966, the Commissioner of the GSA's Utilization and Disposal Service wrote the AA/MR, promising "special treatment" to requests for domestic excess for Southeast Asia (Saigon, Bangkok, and Vietnam). Except for a prior request from another federal agency constituting a "national defense requirement or a domestic emergency need," he wrote, such an AID request for Southeast Asia would be approved "in those cases where the property is available upon receipt of the request." One month later, the Commissioner formally instructed the ten regional GSA offices to honor this priority, adding that it would apply both to the Direct Acquisition and the Advance Acquisition programs which the EPRO's identified as requirements of those three missions.

Initially, the EPRO's used their own discretion as their basis for invoking priority. But almost immediately a problem developed: GSA discovered and protested the shipment to a Latin American Mission of an item that an EPRO had claimed under the Southeast Asia priority. MR/GPR/W was obliged to respond. ~~Only in connection with the importance and extent of the relationship between the~~ relations with their GSA counterparts is certainly not misplaced.

2. MR/GPR Inputs

a. *Background.*—The dollar data presented in Section D of this Part of the Report (particularly those data presented in Exhibits V and VI), argue that the Bureau of the Far East is, perhaps, MR/GPR's single largest customer of excess property. As such, the Bureau of the Far East has a major interest in the vicissitudes of MR/GPR operations, since it is the single Bureau most affected by these operations. This Section of the Report presents an in-depth examination of MR/GPR operations as they affect the Bureau of the Far East, in response to this interest.

b. *Enabling Legislation.*—The Material Resources/Government Property Resources Division (MR/GPR) organization administers all excess property for the Agency for International Development. It carries on its work under legislation found in the Federal Property and Administrative Services Act of 1949 (under which the Direct Acquisition program of the Agency is operated), and the Foreign Assistance Act of 1961, as amended. Three sections of the Foreign Assistance Act affect most of MR/GPR's excess property efforts. These sections are: