

therefore we don't have a requirement for it; therefore it is excess; even the National Inventory Control Point had no requirement for it. But commonsense told you that it was not a good idea to leave it in France to be disposed of at 8 cents on the dollar. So we took it out of the property disposal yard.

AID had a crack at some of this material, too. I might say in their behalf, they were very alert. They were very aggressive and I think they protected the taxpayer's interest very well in recovery. When you saw them in our yards they were after the best stuff; and some of the stuff they got was very good.

Mr. MONAGAN. Could we suspend here? There are a few more questions. I think that the best thing would be to reconvene at about 1:30, if that is convenient.

Mrs. HECKLER. Just one more question?

Mr. MONAGAN. All right.

Mrs. HECKLER. Mr. Zaretsky, you have talked about budgetary savings of \$50 million to \$60 million, by virtue of this relocation. You do not consider the cost of the move, and so forth?

Mr. ZARETSKY. That is right.

Mrs. HECKLER. You do not have that?

Mr. ZARETSKY. Yes, ma'am.

Mrs. HECKLER. This you estimate to be future savings, granted this year which would be reduced by virtue of the relocation costs?

Mr. ZARETSKY. We say annual savings.

Mrs. HECKLER. Not this year?

Mr. ZARETSKY. Right.

Mrs. HECKLER. Then you discussed on page 6 the significant modernization gains. Do you mean that to include any gains by better use of the computer or screening processes, and tighter inventory controls over material; is that what you meant?

Mr. ZARETSKY. Yes, ma'am. Actually we are now going to have in one place a computer system, whereas we had it in two places in France. It is now in Zweibrücken and it is, in fact, on a train, which is a real step forward, and it works well.

Mr. MONAGAN. Thank you, gentlemen. We will suspend, then until 1:30.

(Whereupon, at 11:55 a.m., the subcommittee adjourned to 1:30 p.m. of the same day.)

AFTERNOON SESSION

Mr. MONAGAN. The hearing will come to order.

I believe Mr. Romney has two more questions.

Mr. ROMNEY. Mr. Zaretsky, I would like to return to the utilization of your storage and warehouse facilities that you refer to on page 5 of the statement, and ask this: Do these improvements which you discuss here represent permanent improvements or do you anticipate that you would return to some of the prior methods of storage after the immediate needs of the FRELOC relocation have been met?

Mr. ZARETSKY. I believe—as General Case explained a little while earlier—some of the things that were done here were done because of FRELOC, but they should have been done in the past had we had the time and ability to do it.