

today is attempting to maintain readiness, and at the same time to reduce the costs of that combat readiness.

As one of the means of doing this, they have reorganized their structure. As you know, they have combined the 7th Army and the U.S. Army, Europe Command, maintaining each of the headquarters separately in terms of an ability to react to contingencies.

In addition, in the logistics area, which I would like to talk directly to, and may I ask a question concerning classification. Are we getting into the classification area?

Colonel TUMLINSON. Not yet.

General HEISER. OK.

We are today consolidating the 7th Army Inventory Control Center with the supply and maintenance agency of the communications zone, which in reality was the inventory control center in the terms we are talking for the communications zone.

Today we are consolidating these and making one inventory control center out of it. We have further taken action to draw down stocks in the general support level, meaning what we would call, sir, field Army depots. We are going to exhaust these field Army depots and use communication zone depots directly.

Mr. ROBACK. You are going to attrite them out?

General HEISER. Attrite out the field Army depot.

Sir, I think we should recognize that part of this is possible only because we had to draw up our line of communication, move out of France, for example, into Germany, and as a result the depots we now have in the communications zone are now in Germany, and it just does not make sense at the present moment to have a communications zone depot and across the street from this depot have a field depot of the 7th U.S. Army. And so it just does not make sense and so this is what is happening today.

In addition to this, we have established at a lower level a capability, I should say we will establish at a lower level a capability to perform management of inventory at each of the corps levels. In other words, the two corps over there will have a capability, a computer that will go along with this capability for management purposes. They will not receive requisitions, et cetera. They will be primarily there to assist in management, but not interfere in the processing of requisitions et cetera.

Now, sir, I must say that this is a necessary thing, and considered acceptable by the Department of Defense under the present circumstances. [Deleted.]

We have had, as you already know, certain problems in improving management of our three depots in Vietnam. One of the reasons for these problems is that the three depots in Vietnam were doing a high degree of retail work as well as wholesale work. They were dealing with individual customers to the extent, for example, that Saigon at one time was dealing directly with 700 individual customers, which means that they were doing retail distribution as opposed to wholesale distribution for which a depot is designed. [Deleted.]

However, sir, this is what I need to point out:

We had rather fixed installations in the field Army in Europe, because we were too fixed in position in our peacetime posture over there.