

MR. MORRIS: I'm not sure I understand this question too well. I believe you asked two questions. It's true, we've been plagued with underestimating program costs on major systems, with the result that the end cost has often been three to ten times what the initial estimate has been. The major attack that has been made on this is through the more analytical steps taken in a program definition phase that might run for a matter of months to a year, to the application of the PERT cost and time analytical techniques and the very close control, as we saw, on Titan III, by weekly reporting on many thousands of events.

These things are beginning to contribute to more realistic initial estimates and closer control over current performance of programs. And we hope that less and less will we end up with three to ten times escalation.

Now, the second part of your question I didn't quite grasp.

QUESTION: I'm referring specifically to the materiel annex, where you look at this year's program in comparison to 1969. There is a drop; I don't want to mention how much, but there is a considerable drop. And with the high R&D expenditures it would occur to me that this program should remain relatively level, or we'll be forced to raise the procurement program as we come toward the year of execution.

MR. MORRIS: Well, I think everybody realizes that in this five-year process you have what is called the "bow-wave effect;" it's a sort of peaking and tailing off, the tailing off being unrealistic. And this occurs each year as you update the program and project it forward, the fourth and fifth