

If you look, as the committee began to do this morning, at the Trident, well, they are not saving money; they are simply shifting it to another accounting column. That is \$11 billion. As a matter of fact, you will find the seven Trident II's cost more now than before.

If you look at the air launched cruise missile, they are not saving money there either. They are putting the program, as the expression goes, "in the black." It is going into a top secret account. We will not know how much money they are spending on that program in the future, but we know they are not going to save money as they change the missile's design and subsystems. That is another \$4 billion.

Something no one pointed out this morning is that the Copperhead shell for the Army was killed by Congress last year, and DOD is claiming a \$900 million or a \$1 billion savings on that. Well, that is not due to DOD action at all. It is due to Congress. In fact, if you look at what the Army or DOD has done, it has stretched the program, and I would assume the reason for that stretch for the remaining buy is they want, in fact, to bring that program back to life.

I predict you will see Copperhead again.

If you add up just these three programs—Trident, ALCM, and Copperhead—the claimed \$18 billion savings reduces to less than \$2 billion.

I then looked at the new SAR in a little bit more detail. I looked at the difference between what DOD is now reporting for fiscal year 1984—in December 1982—versus what they projected last year, 1 year ago, they would be buying this year. I looked at the quantity and the cost figures for the 40 systems which had been in the SAR as of September.

I found that only three of those systems have experienced quantity increases in fiscal year 1984 over what DOD had projected last year they were going to buy in fiscal year 1984. On the other hand, there has been a quantity decrease in 21 programs, DOD has held steady in 13 programs, and in 3 I cannot tell.

So of the 40 programs, 21 are a decreased buy in 1984 over what DOD projected in fiscal year 1983 they were going to buy in fiscal year 1984. Three are increased, thirteen are steady, and three are unknown.

Now if you look at each of these programs in terms of the unit cost—again, what they are actually requesting now to spend on those programs in fiscal year 1984 versus what they had planned a year ago to spend in fiscal year 1984 on those programs—you learn some interesting things.

Taking the three programs where you had the quantity increase, all three of those experience a unit cost decrease. That is fine. That is what we want to see and, indeed, expect to see when quantity increases.

Of the 21 systems where they are showing a decrease in quantity, 16 of those increased in unit cost. Two decreased, and three, I don't know.

Of the 13 systems that are steady in quantity, 5 increased in unit cost over what DOD projected last year; 6 decreased, and 2 of them I am not sure of.