

the United States is an enormous country. The last I heard, we had 230 million people and a \$3 trillion economy. We have got a lot of resources, and yet we are thinking now, because of this cost growth problem, of reaching out to our friends in NATO for what amounts to economic assistance. We may soon say, "Please help us and we will help you—because they are faced with the same problem over there—get over this cost problem. We cannot afford enough production."

In my opinion, the problem is clearly one of cost growth. The question ultimately hinges on whether we need the kinds of complex systems at the expense that the various departments are, in fact, buying them.

Chairman ROTH. On that point, concerning the question of cost, does it not, however, also make sense for the allies, the alliance, to have common weapons and common systems and common communications?

Mr. KUHN. Sure. Militarily speaking, it makes a great deal of sense. I have no doubt about that, and I do not question that. But I suspect the reason for this inquiry into the possibility of coproduction of common weapons systems is driven much more by the difficulties of cost that we all face in our own individual national procurements than by the need for interoperable weapons.

I mean, people have spoken about the need for interoperable capabilities for 30 years in NATO. I think the problem right now is that cost is driving us, it seems, to a much more serious contemplation of buying common weapons because that is the only way we can afford to buy them. I suggest to you that if things continue to go the way they are going—that is, if costs continue to increase so steeply—it will be only another 10 or 15 years, when NATO itself could not afford to buy enough weapons.

Chairman ROTH. I must say that I think the viability of NATO depends upon the capability of our getting together because of the great cost.

Mr. KUHN. That may well be. I would respond, however, by saying that it should therefore be the clear interest of all NATO members, to attack the problem of cost. That gets us right back to the character of weapons. On the one hand, should they cost as much as they now cost? Second, do we need the particular kinds of weapons in the mixes that are now being proposed? As I said at the outset, the question largely boils down to what the mix should be of complex, costly systems versus simpler, less expensive systems. I agree with these who say that we can put the same advanced technology to work in different weapons—some of complex design, others simple—and be better off than we are today by far.

As to what to do about cost growth, I have made a couple of recommendations in my prepared statement. On the front end, as I noted just a moment ago, I think that the Congress needs to know—in fact, DOD itself needs to be apprised of—what the cost growth experience of weapons systems of similar technical and functional character has been in the past; say, in a contemporaneous period of time over the last 5 or 10 years. They need to have that information when they make their decisions on the front end about proceeding along with a new program.