

There is certainly some waste, fraud, and abuse in any organization as large as the Department of Defense simply by handling the volumes of dollars that pass through DOD hands everyday. And that is being attacked. I don't know if it is realistic to assume that we will ever completely eliminate it, but we can certainly minimize it to the point where it should not be an unusual problem.

I want to try to present some of the positive aspects of the initiatives that have been taken in the past few years by this administration, and also identify some of the problems that still exist and what we intend to do about them.

I think my very strong feeling is that we do have some very good conscientious people who are managing the affairs of DOD in this acquisition process, as we also did back in the 1970's. But when the cuts became as severe as they were, I think many management initiatives that would have normally existed were compromised because of a very strong desire on the part of the people who were involved to try and cope with an almost impossible situation where the defense budget was actually decreasing in real terms. We eventually did end up with a hollow army. The point is that there were some bad judgments made in those days, and I think you could take either side of the argument in justifying or condemning them.

There were some bad practices that were re-emphasized: programs stretched out; unrealistic budgeting; trying to take advantage of a relatively small number of weapon systems by upgrading them in performance and then unrealistically pushing off the costs into future years.

So it has taken time. It will take time to overcome those problems which, in the 1970's, were actually cemented in many of the management practices of the Department of Defense.

Those were hard times, and I believe these are too. It is difficult to keep your head above water and operate at maximum efficiency when you are trying to do too much with too few dollars.

The Soviets have continued their massive buildup, and I think the number of \$500 billion in excess of what we went through during that 10- or 12-year period is a pretty realistic number.

When the new administration came into office at that time, they were investing about 60 percent more a year than we were. I think that point has been made often, but it is surprising to me that it isn't given a little more credence. The fact that we did start from such a terribly low base has led us to requesting what seems to some to be an exorbitant sum of money to play catchup or to prevent the situation from getting worse in certain areas.

There were many forces operating to push the costs up during the 1970's, and as I said, some are still with us.

Beginning 2 years ago, we did make the commitment nationally to restore our defense posture which had been severely eroded.

I would hope that ultimately the issue gets back to debating the threat, in terms of what it takes to meet the threat, as opposed to how much we can afford.

You mentioned Mr. Spinney earlier and some of his criticisms of the Department of Defense, which based on history, is certainly correct. But I think Mr. Spinney, much to the concern of some of the critics of the Department of Defense, recommended that we actually spend more for defense rather than less.