

We are not recommending specifically at this stage what that threshold should be, but we do want to discuss it with you.

We must also report details on multiyear programs with cancellation ceilings in excess of \$20 million. We would like to get this restored back to the \$100 million level that was in the fiscal 1982 act.

All major weapons systems must be specifically listed in the appropriations bill for us to use multiyear procurement. What that means is that after the bill becomes effective, if sometime in the next year we feel that we have a very good candidate for multiyear procurement, it takes a legislative change for us to include it.

So I don't think we are really taking the best advantage of this rather promising approach to save money. We need help from Congress in this area.

I think all of you have listened to the words on economic production rates. It is straightforward. It makes only good sense to program equipment at rates that are most efficient from the manufacturers' capabilities.

In fiscal year 1983, we increased the rate of production in 18 programs, and as a result we saved through the fiscal 1981-87 time period about \$2.3 billion.

We have two more programs that we want to accelerate in 1984. Between fiscal years 1984-88 we expect to get something on the order of \$2.6 billion improvement.

The last one, program stability, is really the common denominator to this whole thing and is the critical initiative. In order to get program stability all of those things that I have mentioned before have to happen. If you have program stability, that means that those other things are part of the action. So all of these, while they contribute to program stability, do require the emphasis that I mentioned earlier and I intend to give it.

To avoid future disruptions, I intend to firmly defend the budget that we have submitted.

I will pledge to you that I will carefully scrutinize all the new starts to assure that they can be accommodated without interfering with ongoing programs. Right along with that, we will be taking steps to isolate those programs of lower priorities that must be stopped if the budget doesn't satisfy our needs.

We are going to avoid continuing the practice of stretching programs unless Congress tells us to do so. We don't want to keep alive weak programs at the expense of stronger ones.

I will say to you, yes, there are some, and we will be examining those very carefully.

Certainly, the way things look now, I think it is fairly safe to say that some of those programs will be dropped over the side.

This all means that we are going to have some tough decisions to make, and some of them are going to be politically unpalatable, but in order to do what needs to be done, we are going to need the support of Congress.

So with that, Mr. Chairman, I would like to try to respond to any further questions you might have.

Chairman ROTH. Thank you, Mr. Secretary.