

Let me go back for a moment to the release issued yesterday by the Pentagon with respect to the last quarter, because I think Senator Cohen has outlined very well some of the problems.

Let me again express my concern that it is not enough to have all the facts in there buried somewhere in the body of the report.

One of my concerns, for example, is that in your own statement, in the opening remarks, you say that in the "December 31 selected acquisition reports submitted last week to the Congress, there is reported a net decrease in 53 SAR programs of \$18.4 billion. The first time in 10 years, so we must be doing something right."

I gather from the information I have that there has been an improvement. But my concern, Mr. Secretary, is that that statement is, in the broadest sense, misleading, because even though it is required by Congress, much of the savings come from two points: One is inflation, which you mentioned, but the other is from a change in the Trident and some of the other weapons systems.

But those programs are not really cancelled out. As a matter of fact, what concerns me is that, to read in the New York Times, "Rear Admiral Kelso, the officer in charge of the strategic submarine program, later told reporters that there was no new program and no design change adding."

It seems to be an accounting change and that is all it is.

You may be required, I understand, by Congress to report on weapons costs, but I think it is critically important that in taking credit you be clearcut in exactly what you are talking about.

Even at this stage, I am a little confused as to what the report means.

It goes back to what Senator Cohen said in his opening statement: We do not have realistic figures. You, Mr. Thayer, Mr. Secretary, as a former businessman, in judging the efficiency or effectiveness of your company, really want to know what the cost is of producing a particular product. Just because you cancel certain products and do not make certain purchases does not have a direct bearing on the cost of item produced.

We have got some figures here from GAO that point out that the cost, the program cost, has grown substantially for most weapons. I do not know whether you can see it or not, but it says the cost of the F-16 has grown 128 percent over the original estimate; F-15 advanced tactical fighter, 255 percent; F-14 Tomcat 223 percent.

It seems what we need to know here and what the public needs to know if it is going to have confidence in what is being done, is how are your figures comparing with your original estimate? I do not see where the public relations statement issued yesterday bears on that problem. It is really pretty difficult to know what kind of increased cost effectiveness has been made over the last 3 months.

What figures would you say really are significant in the release yesterday from the point of view of cost effectiveness?

Mr. THAYER. Mr. Chairman, I would like to show you the release, which goes into great detail on what makes up the difference. Starting here, it takes it item by item and goes through several pages indicating category by category, whether there is an increase or a decrease.

It does not handle the Trident issue as well as it should, and we admit that. However, there was no attempt to hide anything, be-