

break down into two areas: One is waste, fraud and abuse, something we find not only in your organization but elsewhere; and, second, basic reforms, the way procurement is organized; how weapon decisions are made; how we implement those decisions.

Virtually every Secretary of Defense since the early sixties has tried, and, I think, in good faith, to stop the escalating costs of weapons systems. The history of these efforts reminds me a little bit of playing catch with a wet cake of soap. As soon as you think you have got it in your hands, it manages to slip away.

Today, the General Accounting Office, the watchdog for the Senate, will present some new figures on cost growth which are startling and dismaying. They have found that the typical average cost of all major defense systems increased by 36 percent since last year alone and over 170 percent over the original estimated costs for these programs.

I think part of these costs are because of increased purchases, and that is another matter.

But it is a matter of real concern that the typical average cost of major systems have increased 36 percent.

Mr. Secretary, I think we are going to have to do more with less or we will find that more buys less. Our hearings this year are going to examine how DOD estimates costs for weapons; how it plans what it needs; and whether it uses the most efficient methods to purchase weapons and equipment. The effectiveness of testing procedures used by DOD to evaluate weapons will be the subject of special hearings as will the management structure of the Department itself.

In closing, just let me say that the support of the American people for necessary defense programs cannot be built on fears of attack but must be built on trust and on confidence. Americans must be convinced that we have identified our important defense priorities. They must be shown that we know how to satisfy these priorities efficiently.

[The prepared statement of Senator Roth follows:]

PREPARED STATEMENT OF SENATOR ROTH

Today, the Committee on Governmental Affairs begins a series of hearings to review the management record of the Department of Defense.

I believe these hearings are in the finest traditions of this committee, whose mandate is to examine the "Economy and Efficiency" of all federal programs.

In 1981, we held three days of hearings on the management of the acquisition process in the Defense Department. In many ways, those hearings form the basis for our current investigation of defense management. The committee expects that this in-depth ongoing investigation will last approximately nine months.

Let's not kid ourselves—the consensus for increasing defense spending has been lost. A recent New York Times/CBS news poll found that 63 percent of those surveyed would rather reduce military programs than cut social spending, up from 48 percent only a year earlier. A year ago, 44 percent felt the United States trailed the Soviets in military power; now, only 32 percent feel that way. In my own State of Delaware, I took a recent constituent poll and found fully 65 percent of those who responded wanted defense outlays cut. We're spending billions more on defense—but the public is losing its willingness to support the effort.

The problem is one of trust. I am convinced that the public does not believe that the Pentagon can spend huge sums of new money efficiently.

I also believe that the loss of public support is a self-inflicted wound. The public seems to be saying that the bucket holding billions of dollars of defense money is leaking. They are aware of countless newspaper stories of wasteful defense spending resulting in fewer weapons, more cost overruns and less performance.