

Even more importantly, the public only rarely hears anything but excuses from defense officials when things go wrong.

I hope the Defense Department realizes the consensus for increasing defense spending is disappearing and that it is not just the support of the public which has eroded. Experts from across the political spectrum, from organizations like the Brookings Institution, the Center for National Policy and the Heritage Foundation, agree that we must do something about the way we set priorities and manage the Defense Department. A broad, bipartisan feeling exists, among the experts and among our constituents, that we can't just throw money at defense programs any more than we can social programs.

In the face of this, the Defense Department is asking each family to invest over \$750 out of its average \$25,000 annual income in the fiscal year 1984 defense budget—an increase of \$90 from last year. Somehow we have to reassure the taxpayers that their dollars will be spent wisely and effectively.

I want to emphasize that I am fully aware of the serious management and cost growth problems we face in defense programs are not solely the fault of DOD. Weapons programs are often expensive because they are on the cutting edge of technology. Congress itself is often responsible for adding to weapons costs by making changes in programs and stretching them out. The record of Congress in managing its own projects, such as the Hart Building which cost 180 percent more to build than originally forecast, is not enviable.

Further, I don't believe that the consensus for increased defense spending is irretrievably lost. I also seriously question, however, whether the Congress will go along with the 10-percent-plus increase in defense outlays the administration is asking for this year.

What I am asking today, Mr. Thayer, is that the Department of Defense work with us, not around us, or over us, or against us, to help build the consensus once again. We haven't lost the support of the public for defense programs because of big spending but rather because of what they view as irresponsible spending. I don't care what DOD says the facts are the perception is the most important thing in this case.

The first step we must take to rebuild the consensus is to acknowledge that we have a problem. No more stonewalling or suggesting that all of the defense budget is sacrosanct.

Second, we must candidly identify the problems we face and begin to discuss how they can be solved. For example, cost overruns in major weapons systems are undoubtedly one of the most stubborn problems we face in reducing waste in DOD. Beginning in the early 1960's, virtually every secretary of defense has tried to stop the escalating costs of weapons systems. Yet, the history of these sincere efforts reminds me of playing catch with a wet cake of soap—as soon as you think you've got it in your hands, it manages to slip away.

A recent TV commercial notes that "you can pay me now or pay me later." When it comes to weapons programs, it seems the "or" has been replaced by an "and". No matter what level of defense spending we as a nation desire, we cannot continue to accept a system which produces excessive cost overruns, is susceptible to fraud and often buys weapons which don't work.

The General Accounting Office will present today some new figures on cost growth which are startling and dismaying. They found that the total average costs of all major DOD systems have increased by 36 percent since last year alone and over 170 percent over the originally estimated costs for these programs. In fact, only 28 programs out of 133 major systems reported by the Department of Defense to GAO did not experience cost increases over the last year.

Despite the seriousness of the problem, cost overruns are only symptomatic of the many serious management problems we face in defense programs. We are not going to solve all our problems by whittling a program here and chopping a weapon there. We simply have to set priorities and establish what we absolutely must have to satisfy necessary defense missions.

It is becoming increasingly clear that we can't run efficient defense programs with a weak defense management structure. Our real challenge must be to reform the way the military spends its billions and decides what it needs.

We've got to do more with less or we'll find that more buys less. Our hearings this year will 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 hearings as will the management structure at the top levels of DOD.

The support of the American people for necessary defense programs can't be built on fears of attack. It must be built on trust and confidence. Americans must be con-