

Senator LEVIN. You claim some successes in controlling the growth of cost. Is that right, and \$11 billion of the \$18 billion saved is an accounting change; is that correct, for the Trident?

Mr. THAYER. Yes.

Senator LEVIN. Whether you call them savings or controlling cost growths, you do use a figure here, a net decrease in the SAR program of \$18 billion, and just to put this to rest, I gather \$11 billion of the \$18 billion results from the accounting change on Trident.

Mr. THAYER. That is correct.

Senator LEVIN. In your statement, you start by telling—

Mr. THAYER. Also, I might say, Senator, just to put all this in perspective, about \$13 billion is the result of taking advantage of a reduction in inflation. So if you add all of this up and you take out these things that we have been criticized for, which are debatable—because we certainly were criticized for adding them last year—but the explanation was not provided as to what made up for the cost growth last year of \$114 billion.

So, if you take out the Trident and also the inflation, you are left with a plus \$7.5 billion or thereabouts compared with \$114 billion.

That is what we are saying then, that it is a very indicative number, even though it is based on different ground rules than the preceding years. It says that for the first time since 1975, it is as low as any year in total dollars and is lower in percentage than any SAR comparison since 1973.

Senator LEVIN. Thank you, Mr. Secretary.

You stated on page 2 of your statement that U.S. forces are outnumbered 2 to 1 in military personnel.

Does that include our allies?

Mr. THAYER. If we are just talking about our forces versus their forces, it is considerably more.

Senator LEVIN. Does that include our allies?

Mr. THAYER. Yes; it says that U.S. forces are outnumbered 2 to 1.

Senator LEVIN. Are you including our allies in that figure?

Mr. THAYER. No.

Senator LEVIN. Isn't that kind of misleading?

Mr. THAYER. I don't think so. I don't think the Russian forces include the Warsaw Pact nations.

Senator LEVIN. If we go to war in Europe, would we be fighting alone?

Mr. THAYER. No; we wouldn't expect to, but neither would they.

Senator LEVIN. Well, adding Warsaw Pact to their forces and NATO forces to ours, what is the ratio?

Mr. THAYER. I don't know.

Senator LEVIN. Well, it is a lot more than that, but that impression is a very misleading statement.

Let me quote your statement: "Because U.S. forces are outnumbered 2 to 1 in military personnel and by greater ratios in most categories of military hardware, most categories in military hardware * * *." How many categories in military hardware are there?

Mr. THAYER. There are many.

Senator LEVIN. How many?

Mr. THAYER. Tanks, aircraft, ships.

Senator LEVIN. Can you give us the total number of categories? I mean, you have made a statement here very similar to one the