

There are two areas with which I have been concerned for some time: The first is excessive cost growth. I would like to say that progress has been made in this area under Deputy Secretary Carlucci, your predecessor in office, who initiated the so-called Carlucci initiatives, which I think have been helpful. While some progress has been made, there is still a good deal to be done.

We have the problem, Mr. Chairman, in what the experts call buying in. We buy too many weapons systems, and we buy them because of deliberately low estimates that are submitted to the Pentagon. In order to get initial funding, R&D, and then ultimately procurement, the Pentagon has found itself in the position of also buying in by virtue of being locked into the standard inflationary estimates that are determined by the Office of Management and Budget, which in the past years, at least, have been quite low. Even when inflation was turning at the rate of 14 percent, we were getting inflationary estimates of 7 percent. So we have the contractors buying in, the Pentagon buying in, and then finally, Congress getting bought out. When it comes time for production, we ask, "My God, how can we afford this price tag?" So there have been a number of reasons for cost growth, No. 1 being the inaccurate estimations of the projected costs.

Norman Augustine, chairman of the Defense Science Board, wrote a rather wry piece which discusses the consequences of cost growth. He said that:

In the year 2054, the entire defense budget will purchase just one tactical aircraft. This aircraft will have to be shared by the Air Force and Navy 3½ days a week except for leap year when it will be made available to the Marines for the extra day.

Only he has his tongue in cheek at that particular point, but what he was suggesting was that the cost of an aircraft has escalated by a factor of 4 every 10 years. This is what I think the chairman is suggesting that we are becoming concerned about, everybody is becoming concerned about, that we are spending more and more money and getting fewer and fewer weapons.

We are building a pyramid of sorts.

Eventually, we are going to find out, no matter what the level of technology, that we will not have the numbers to make the difference. That quantity, as one expert has said, has a quality of its own.

Mr. Thayer, who is quite an extraordinary pilot, would probably agree that one on one, our aircraft are clearly superior to any of our enemy's.

One on two, we could probably still prevail. One on three gets a little dicy at that point, but one on four, you know you are in trouble no matter what the level of technology. That is what a number of us are concerned about. We are getting so few weapon systems at such a very high cost. Eventually, that is going to have a severe impact on our fighting capability.

I would also agree with the chairman that we bear not only a very small part of the responsibility, but a large part by keeping systems alive in our own districts, canceling systems only to restart them years later, and stretching them out in order to make it look more fundable in the current year. As a result, however, we have found that we double the costs while delaying the production and