

lot purchases to avoid line stoppages at subcontractors and eliminate the need to renegotiate contracts annually, it offers DoD significant economies. For our defense industries it offers much needed stability and provides incentives to make capital improvements. Of course we will need Congress' continued support to realize these savings and advantages.

Another initiative that will continue to receive my wholehearted attention is the enhancing of competition. Since DoD is most interested in alternative ideas and alternative design approaches to our military needs, competition is vital in the early stages of our programs. Even after a single development prime contractor is chosen, significant competition still takes place at the subsystem and vendor levels. To increase competition during the production phase of programs, the Defense Department is now placing special emphasis on second sourcing where it is feasible and economical. From beginning to end, from initial design studies and proposals through prototyping, full scale development, production and support, I intend to continue encouraging competition because we know it provides cost benefits in most cases.

Another area that will receive my close attention is the provision of adequate readiness and support for our procurement programs. The desire to reduce cost and acquisition time of new equipment must be balanced by a concern for designing and funding for future readiness and support for that equipment. Ignoring factors such as the provision of spare parts, as has sometimes been done in the past, is unwise false economy. Six