

**STATEMENT OF HON. CHARLES J. HITCH, ASSISTANT SECRETARY  
OF DEFENSE (COMPTROLLER)**

Secretary HITCH. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before your committee today to clarify my position with respect to Secretary McNamara's March 6th memorandum assigning responsibility for the development of military space systems.

It has been suggested in a recent newspaper article that I opposed not only this particular action, but that, on the basis of the views expressed in a book of which I was joint author, "The Economics of Defense in the Nuclear Age," I oppose, in general, attempts to eliminate duplication and inter-Service competition in weapons development.

First, let me say that with respect to Secretary McNamara's memorandum and directive of March 6th, I had offered the Secretary no opinion, either pro or con. In fact, my office, while I was absent and sick with pneumonia, concurred in the directive. The implication, therefore, that I actively opposed issuance of the order is clearly in error.

The CHAIRMAN. Does that mean you did not approve it?

Secretary HITCH. My office concurred.

The CHAIRMAN. Did you approve it?

Secretary HITCH. The opinion of my office was asked. My personal opinion was not solicited and I did not volunteer it.

The CHAIRMAN. And you have not approved it?

Secretary HITCH. I have not approved it, no, sir.

The CHAIRMAN. All right, sir, proceed.

Secretary HITCH. The concurrence of my office was signed in my absence by my deputy, Mr. Hoover.

Second, as to the more general views expressed in our book, it is perhaps inevitable that the very brief reference quoted in the newspaper accounts should lead to some misinterpretations; a more complete quotation would perhaps have avoided this. I was quoted as having written in praise of the virtues of inter-Service rivalry. But, immediately following the passage mentioned in Sunday's Washington Post we went on in our book to say—

But there is also no doubt regarding the undesirable consequences of some aspects of inter-Service rivalry. Perhaps the least desirable consequence for research and development is the use of exaggerated claims, on paper, for future weapon systems in the struggles for budget, roles, and missions.

I would take it that it was to avoid just such undesirable consequences that Department of Defense Directive No. 5160.32 was issued.

Obviously there cannot be a simple yes or no answer to the question of permitting competition in weapons development. There are no clearly divided black and white issues. We stated in our book that, granting the desirability of some diversification, no one knows enough to give precise, quantitative answers to the questions of how much diversification is useful, and where. This has to be a matter of judgment. Some theoretical studies indicate that in many circumstances there are great gains to be made from pursuing two or some small number of paths to a research objective, but that greater duplication provides rapidly diminishing returns.