

advanced forging technology and skills. The original plant designed by Wyman-Gordon was designed solely for the production of *aluminum and magnesium airframe structural forgings*. Today, the range of materials forged covers aluminum, magnesium, steel, titanium and nickel base alloys with additional capability to forge beryllium, copper, columbium and other less common materials. Products forged serve airframe, missile, land and aviation gas turbine and nuclear weapons and power applications, ordnance and commercial markets to a limited degree. This product and market diversification has been achieved through both Air Force and Wyman-Gordon investment in facilities and Wyman-Gordon investment in research and development, technology improvement and forging skills. Currently, Air Force Plant No. 63 supplies major components for most Aircraft and other DOD programs.

Those of us who participated in the various discussions preliminary to the inception of the heavy press program believe that the basic mission of the heavy presses was to produce vital components to support the Government defense posture. It was to provide a sustaining industrial base, with strong capabilities, so that important defense needs could be met with less cost and in less time. These purposes have all been accomplished and are continuing to be accomplished.

It was recognized by the Government and by Industry at the inception of the heavy press program that a return on investment was not a substantial or controlling factor in the financing and establishing of these facilities but it was, as stated, to insure a production capability for defense purposes. The savings in the end products produced by the heavy presses have been substantial and have more than offset the original cost of the facilities provided.

It has been stated that the Government should have a better return on their investment and we would emphasize that this statement has been made without thorough consideration being given to the heavy press performance and is inconsistent with the philosophies and Air Force objectives at the time of the inception of the heavy press program. It was never intended that rental income, per se, be or constitute a measure of return on investment with respect to the heavy presses. At the risk of being redundant we would repeat that the prime objectives were: (1) to provide defense capability, (2) to reduce the cost of defense hardware, and (3) to improve performance of defense hardware. These objectives were reached many years ago, in fact, the payback to the Government through reduced costs of military aircraft was achieved in a decade of the '50's.

A large number and variety of Defense Programs have benefited from the heavy presses at Air Force Plant No. 63. Accurate ultimate cost reduction in supplying this hardware from the large presses is not susceptible to definitive determination but we estimate total savings to the Government at this point in time to be in excess of \$500,000,000. This estimate is predicated on an analysis of a 10% sample of the total dies involved and this 10% sampling produced savings to the Government approximating \$57,000,000. Additional savings of \$40,000,000 accrued to the Government in classified programs thus producing a savings approximating \$97,000,000 and this on only a portion of the production from the heavy presses. To further corroborate our statements we would refer you to a written statement prepared by the Air Force and submitted to the Subcommittee on Military Operations, House Committee on Government Operations on Development and Procurement of SATS at a hearing held March 11, 1964. We are attaching a copy of this written statement by the Air Force as we believe it pertinent to our mutual understanding.

We would take liberty and quote from the report as follows: "The implications were far-reaching. If forgings and extrusions large enough to comprise key aircraft structural elements could be produced in this country, not only would fabrication time be reduced greatly, but costs would be lowered. In addition, such a technique held the promise of producing these components with greater strength-weight ratios, an extremely desirable attribute from the standpoint of aircraft design." . . . "All in all, however, it should be understood that our major reason for undertaking the heavy press program was not so much to increase the flow of revenues to the Government in the form of rentals but to provide a self-sustaining industrial base, with strong capabilities, so that important defense needs could be met with less cost and in less time."

Again we quote from the statement prepared by Air Force and submitted to the Subcommittee on Military Operations on March 11, 1964: "To catalogue the significant accomplishments of the heavy press program is almost to relate the history of our modern advanced aircraft. A case in point is the "wet wing"