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BYE-3394-64
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26 October 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Authority to Spend Approximately an Additional \$400,000 in the Perkin-Elmer FULCRUM Effort

1. On 7 October Mr. Sheldon, Mr. Maxey, and the undersigned met with General Carter to ask authority to spend approximately \$400,000 additional funds presently available in the FULCRUM Program on the Perkin-Elmer effort. Mr. Maxey related to General Carter how several weeks ago we became concerned when we realized that the Itek Corporation had not staffed sufficiently to satisfy the tasks which we had levied on them within the limited time frame available to us. We then moved rapidly to force Itek into placing more personnel on board, but as a back-up turned to Perkin-Elmer for a follow-up on the FULCRUM efforts to determine what type of program they could produce along the FULCRUM lines. Mr. Maxey went on to advise General Carter that, fortunately, Itek was able to respond promptly and efficiently to our urging and also was able to place considerable numbers of experienced personnel on the FULCRUM Program, and our confidence in that company to do the FULCRUM job was increased immeasurably. On the other hand, we were titillated by P-E's response and came to the conclusion that they could assist us greatly in providing an independent source for demonstrating the technical feasibility of FULCRUM by producing analyses and data derived separate and apart from the Itek efforts.

2. General Carter registered some concern that Itek was not able to do the job, and we readily assured him that Itek was not in hot water, that we felt assured that they could build the Twin 60's, but that we wished to turn to P-E at this time just to acquire more data and to put more jurors in our side of the box come the day of reckoning in February. We explained to General Carter that P-E is getting in with too little and too late to be competitive with the Itek effort, but we

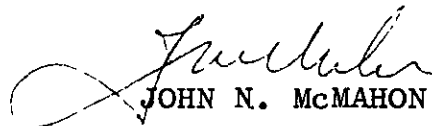
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Simply wished to follow the P-E cause as a confidence factor back-up to the Itek effort. At the suggestion of Mr. Sheldon, General Carter agreed that we should prepare a paper explaining the situation and our intent and prove to him that what we desire to do is within the spirit of the FULCRUM program. Such a memorandum was prepared and was being held for presentation to Dr. Wheelon upon his return to Headquarters on 12 October. This was obviated, however, when General Carter discussed FULCRUM with Mr. McCone on 10 October and following the meeting General Carter advised us that it was alright for us to reprogram the monies.

3. An item worthy of note for the historians is the fact that when we asked General Carter for authority to reprogram the \$400,000, we did so, not because we lacked permissibility to do so, but because of possible political ramifications it was felt prudent that we seek General Carter's guidance on the reprogramming. He did not dispute the fact that this authority was vested in us in the memorandum governing the "Conduct of FULCRUM" (BYE-0169-64, 31 August 1964) which he approved in writing and Mr. McCone agreed to orally.


JOHN N. McMAHON

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