MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with [REDACTED] 22 September

The purpose of [REDACTED]'s visit was to gradually work around to a statement that their program, which has been contracted for at the [REDACTED] level, looks as though it will cost more like [REDACTED]. He said he wanted to point this out to us at an early date, because he didn't want to be in the position of allowing people to continue to believe the program could be brought in for the original price. He said that there had been a negotiation of sorts at the beginning, but that [REDACTED] had never come in with a [REDACTED] rather this was a number which the Air Force had chosen in the final stages of negotiation. Dr. [REDACTED] wanted to know whether we felt it would be best to pick up this extra cost now or later through a program stretch-out.

I told him that money was extremely tight and in fact we did not have enough money to cover existing programs by some [REDACTED]. I told him I had my doubts about the conditional wisdom that you had to give every contractor every dollar he asked for in order to keep the program from costing more money. Our experience has been that if you give him more money, it still takes longer.

Dr. [REDACTED] agreed that money is not necessarily the answer to all problems.

John L. McLucas

cc: Colonel Allen
1. Col Alle

2. Dr. Naka

3. [redacted]