FISCAL '66 & '67 EXPENDITURES: MAJOR SUBCONTRACTORS

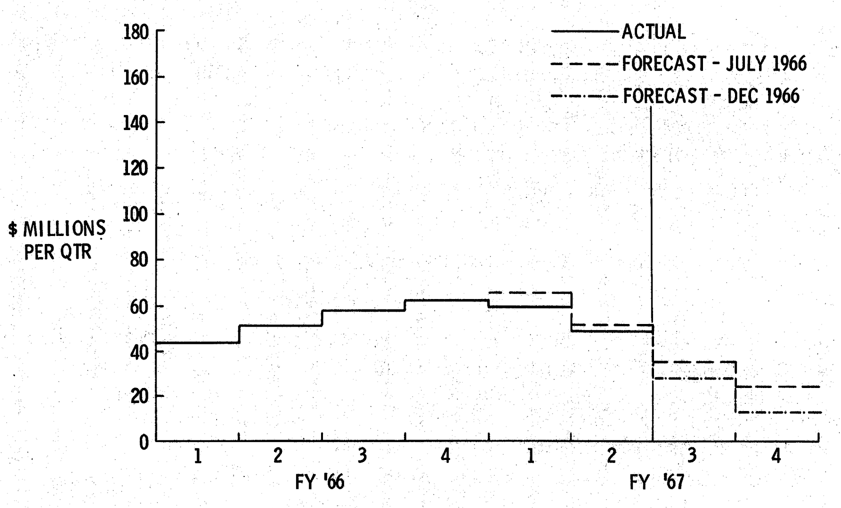

FIGURE 2–3

million a month. By the fourth quarter of this fiscal year, by May and June, they are down to $3 million per month.

What you are looking at there is a quarterly expenditure. In other words, in the fourth quarter of fiscal 1967, which is only 3 to 4 months from now, you are running at a rate of $10 million a quarter.

In other words, the expenditures, if you stopped them today, you would save a few assembly operations. If you stopped them a few months from now, you would have all your hardware.

Mr. EVANS. Let's take a for instance, an inertial platform, and you order 15 of them, and you have reached the point that the production line has stopped and 15 units flown out, you don't fly for a year—you have a very serious problem of maintaining the repair capability of the repair facility, how many men you will need, the overhead applied to it and many other problems, you see.

Now, as far as going back to production, having a year's break, and you come in and order 15 more of them, the whole facility will have to be reborn onto the project. In the meantime, the talent has to be retrained. You will have some of it available, but a good deal of it has generally shifted, if not to another project, even to another organization.

Chairman TEAGUE. Yes; I understand that. Do you have any questions?

Representative WOLFF. What about changes? Have any changes caused you to increase the cost in the vehicle itself?

Mr. GAVIN. Well, I think yes. I will have to explain in some level of degree, because when people say "changes," this covers a lot of ground.

For example, in the LM, as in other parts of the Apollo program, there is an extensive effort to control the configuration of the vehicle