

## FISCAL '66 &amp; '67 EXPENDITURES: TOTAL

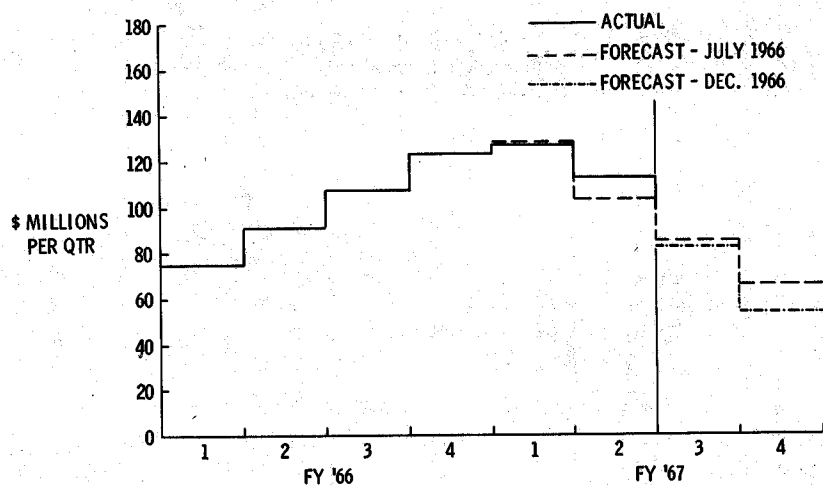


FIGURE 49

the management activity between MSC and ourselves is aimed at doing just this. I think that the MSC project group understands in great detail and very thoroughly what goes on inside the LM program, both at Grumman and its subcontractors. I think we work extremely closely together on this, and I think I can bear witness to the fact that they are continually urging every reasonable measure to decrease the expenditure rate. I am not sure urging is a strong enough term.

Representative WAGGONNER. Talking about money, what is the lapsed funding time between NASA and you for services rendered, the contract that is performed? Are you being funded at regular weekly, monthly intervals or how?

Mr. GAVIN. At various times we have been on different bases. At the close of the fiscal year last year, last June, we were down on a weekly basis, because things were pretty tight. Subsequent to that point, things have improved, and we are now in a position where we are, I think, about a month or two ahead as far as funding.

Mr. TITERTON. Yes, that's about correct.

Representative WAGGONNER. All right. How do you relate this to services performed by your subcontractors? Do you adjust accordingly?

Mr. GAVIN. We reflect virtually instantaneously.

Representative WAGGONNER. That is, your relationship with NASA.

Mr. GAVIN. We reflect virtually instantaneously to our subcontractors our position with respect to NASA.

Representative WAGGONNER. Now, you say you are a month or two ahead. Are you telling me that you are in the unusual position of not having to worry about the high cost of borrowed money?