This chart shows our obligation plan for Marshall's total program in fiscal 1967 and our actual progress against this plan. We are pretty well on target, as you can see. We are right now at this point here. I think we can state flatly that we shall achieve our planned obligation level by the end of the fiscal year with the possible exception of a small number of technology tasks involving only a few thousand dollars. Our problems with obligations in this particular field usually are with research institutes or universities, because they don't have the professional administrative staffs for contract handling you will find in industry. But then the amounts of money are quite small so it doesn't affect the big picture.

My next chart shows our cost plan for Marshall's total program in fiscal 1967 and progress to date. I don't know how familiar you are with these obligation and cost figures. "Obligations" means, essentially, we have firmly committed this money to the contractor. He has the green light to spend it. "Cost" means, in essence, we have paid the bill. So actual expenditures always trail obligations timewise. If we have obligated every penny in a given fiscal year, the difference between cost and obligations is the carryover into the next fiscal year. Some carryover is necessary for the continuity of the operation, of course, just like a man should have a little carryover on his checking account between two successive paychecks. But in our Apollo program there is little left for comfortable carryovers. The outlook for Marshall's meeting cost targets is uncomfortably good. I think

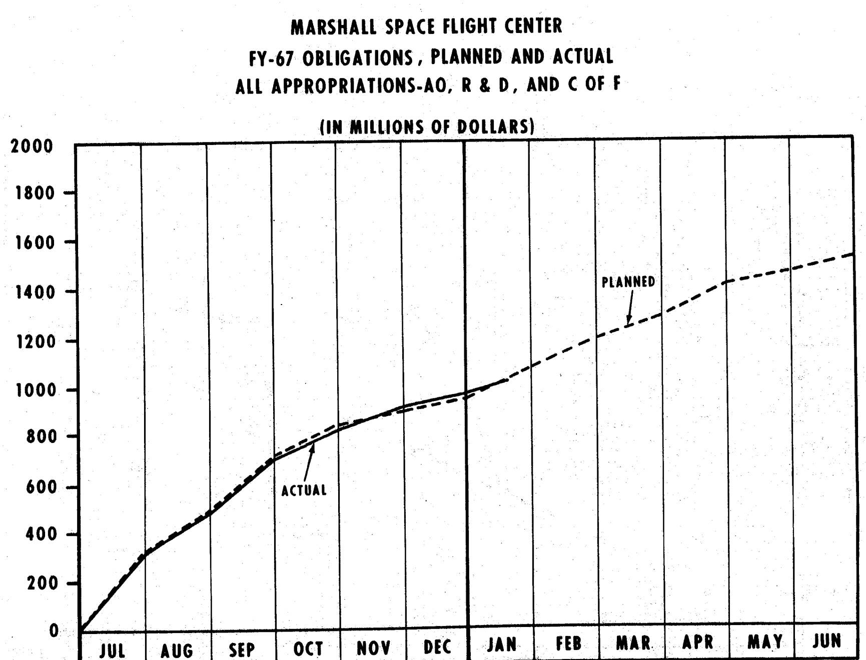

CHART 11