

there are at least two technical breakthroughs required for successful completion of this project and that General Electric has available for all of their Navy and marine turbine design work only 10 engineers experienced in propulsion turbines. The letter also lists the present Navy turbine work which General Electric has under contract.

*May 23, 1967.*—Representatives of General Electric, Electric Boat, Department of Commerce, NAVSHIPS, and the Joint Committee on Atomic Energy staff meet at the General Electric plant in Lynn, Mass., to discuss the technical requirements for the main propulsion equipment for [classified material deleted] SSN. Mr. Hill (GE, M.S.T.G. & G. manager) states that General Electric does not question and never have intended to question the basic technical feasibility of the job. General Electric representatives reiterate that they will not have qualified people available to begin design work until approximately April 1968. Mr. Hill states that he has been unable to recruit or otherwise obtain additional personnel. General Electric representatives state that it will take about 5½ years to provide this equipment unless a higher priority is assigned and other Navy work deferred. This estimate reflects a 4½-year-work-cycle time plus the approximate 1-year delay in starting work.

*May 24, 1967.*—Admiral Howard (Deputy CNM, Procurement) meets with Mr. Craig (GE, vice president); Mr. Berkely Davis, vice president and general manager, General Electric Defense Programs Division; and Mr. Hill (GE, M.S.T.G. & G. manager). Mr. Craig states that General Electric would do the work to design and manufacture this equipment, however, they cannot start feasibility studies leading to a firm proposal until April 1968, and it will take 4½ years to produce the equipment after a firm proposal. Mr. Craig agrees to do all possible to start sooner but is not optimistic on this point.

*May 26, 1967.*—Secretary of the Navy Nitze, in a memorandum for the Secretary of Defense, recommends signature of attached letters to Senator Pastore and Acting Secretary of Commerce Trowbridge. The letter to Secretary Trowbridge requests him to direct General Electric to accept and perform the Electric Boat order for [classified material deleted] SSN main propulsion equipment. (This memorandum was withdrawn by Secretary Nitze to revise the wording of the letter to Secretary Trowbridge to indicate that subsequent to the preparation of this memorandum, Mr. Craig (GE vice president) had agreed that General Electric would do this work but the schedule was not acceptable.)

*May 31, 1967.*—A proposed memorandum for the Secretary of Defense from Secretary of the Navy Nitze recommending signature of revised letters to Senator Pastore and Secretary of Commerce Trowbridge is sent forward to Secretary Nitze by the Assistant Secretary of the Navy (Installations and Logistics), Mr. Graeme C. Bannerman. The proposed letter to Mr. Trowbridge requests that the Department of Commerce direct General Electric to accept and perform the Electric Boat order for [classified material deleted] SSN main propulsion equipment to avoid an unacceptable delay in the delivery of this equipment.

*June 7, 1967.*—Secretary of the Navy Nitze signs the proposed memorandum for the Secretary of Defense requesting signature of letters to Senator Pastore and Secretary of Commerce Trowbridge.

*June 9, 1967.*—Secretary of Defense McNamara discusses the procurement of [classified material deleted] SSN main propulsion equipment with Mr. F. J. Borch, president of General Electric.

*June 9, 1967.*—Secretary of Defense McNamara calls Secretary of the Navy Nitze and asks that Secretary Nitze take this matter up with the president of General Electric.

*June 9, 1967.*—Secretary of the Navy Nitze, Admiral Galantin (CNM), Maj. Gen. A. T. Stanwix-Hay, Deputy Assistant Secretary of Defense (Material), and Mr. Borch, president of General Electric, meet and discuss the current problems in procuring [classified material deleted] SSN main propulsion equipment. Mr. Borch and Secretary Nitze agree that General Electric and the Navy should meet the following week to discuss this matter. Mr. Borch says that General Electric was also to build the [classified material deleted] at Lynn and asks the Navy to specify which job should get the priority. Admiral Galantin tells Mr. Borch that both jobs should be done within the time required by the Navy.

*June 10, 1967.*—Rear Adm. F. C. Jones, vice commander, NAVSHIPS, phones Admiral Rickover and advises him that Secretary of the Navy Nitze had met with an official of General Electric and following this discussion Secretary Nitze had turned the problem over to the Assistant Secretary of the Navy (Research and