SUBJECT: Conference with Representatives of Lockheed Aircraft Corporation on the XJ37 Turbo-Jet Engine

OFFICE: TSEPP

DATE: 24 September 1947

A. PURPOSE:

1. To report on conference held at Wright Field to discuss disposition of the XJ37 turbo-jet engine.

B. FACTUAL DATA:

1. A conference was held at Wright Field on 9 September 1947 between representatives of Lockheed Aircraft Corporation and Air Materiel Command personnel to discuss disposition of the XJ37 turbo-jet engine.

2. Personnel attending the conference were:

   - Mr. Courtland Gross
   - Mr. Max Short
   - Major General Chidlaw
   - Brig. General Brentsall
   - Brig. General Crawford
   - Colonel R. J. Minty
   - Colonel R. J. O’Keefe
   - Lt. Colonel J.H. Martin
   - Major D. G. Lasbeart
   - Major O. H. Scott
   - Mr. O. Chenoweth
   - Mr. W. North
   - Mr. J. W. Hobbs
   - Mr. H. O. Simpson
   - Mr. R. A. Wolfe

   Lockheed Aircraft Corp.
   Air Materiel Command
   Air Materiel Command
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3. For detailed account of action taken at the conference see Appendix 1.
C. CONCLUSIONS:
   1. None. Data merely submitted.

D. RECOMMENDATIONS:
   1. None. Data merely submitted.
APPENDIX I

1. At the request of Air Material Command personnel, Mr. Courtland Gross outlined Lockheed's probable position with respect to future development of the XJ37 engine. Mr. Gross stated that Lockheed must consider two problems when considering the XJ37, viz:
   a. The airframe side of the problem
   b. The Engine or XJ37

A. The Airframe Side of the Problem

1. Mr. Gross stated that as a matter of policy Lockheed is principally an airframe manufacturer and must of necessity emphasize the airframe side of their business. With respect to this policy two points were made:
   a. Would the airframe part of the business be interfered with by an engine project?
   b. Lockheed would not want anyone to get the impression that their company had "run out" on the engine project, which would reflect on Lockheed's integrity, or a feeling on the part of the Army Air Forces that if Lockheed moves out completely they had let the Army Air Forces down.

B. The Engine or XJ37

1. Mr. Gross outlined three possible means of attacking this problem:
   a. That Menasco continue on as at present.
   b. That the Army Air Forces might feel that Lockheed was obligated to step in and assume responsibility for the XJ37 project.
   c. That the project might be more effectively carried on by people having a greater background of engine experience, capabilities, and facilities.

2. With respect to the second possibility (b), Mr. Gross stated that in the event this was given serious consideration Lockheed would perform to the best of their ability but that that ability would be limited in some respects as follows:
   a. Financial requirements with respect to facilities will be larger than for similar installations in the past and Lockheed's present financial position is not strong since post war commercial developments have proven costly; therefore, obtaining substantial sums of
money for facilities would be quite a problem and a solution is not readily available.

b. The time factor should be seriously considered.

c. There would be some question as to whether Lockheed would be able to give the Army Air Forces the best run for its money since Mr. Gross pointed out that by tradition Lockheed is not experienced in engine work and, therefore, from a management and experience standpoint other people might do better.

d. With respect to the third possibility (c) - Mr. Gross stated that while, if the project should become a valuable piece of property, Lockheed would have certain rights which they could not afford to neglect, they wanted to emphatically dispel any feeling that they might resist someone else assuming the development or the engine and that Lockheed did not intend to maintain a "dog in the manger" attitude with respect to their rights in the engine, but acknowledged that the ability to interest others might be advanced or retarded by arrangements with Lockheed but they felt that they could discharge their responsibilities by facilitating such arrangements. Mr. Gross further stated that he wanted to assure everyone that rights acquired under Lockheed's original contract would not be used to obstruct the future of the engine.

3. Colonel Minty summarized Lockheed's position to mean that regardless of which option was considered a considerable time delay would be encountered, (a) and (b) because of lack of facilities, and (c) because of the necessary transfer of personnel and engine parts to the new contractor.

4. In response to a question by General Chidlaw as to whether Lockheed could be considered a parent company of Menasco, Mr. Gross stated that Lockheed was not and had no connection with Menasco other than the common membership of Mr. Bob Gross on both boards. In reply to a question from General Crawford as to whether there was any place on the West Coast where engine manufacturing facilities might be procured, it was stated that there was nothing except the ability to produce pieces here and there, with no facilities for producing parts such as large forgings and large machine parts, even to the extent of producing ten (10) engines.

5. As a closing remark Mr. Gross stated that it was his personal recommendation that a solution be worked out where the engine move would be final and to the best interest of the final production of the engine so as to prevent continued or recurring delays.