NASA Calls on Lockheed
For 'Preliminary' SST Study

By Stephen M. Ang
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Lockheed-California Co., a subsidiary of the Lockheed Corp., has received a small government contract to study the possibility of developing a liquid hydrogen-fueled aircraft capable of carrying 200 passengers at 4,000 miles an hour, Lockheed Chairman Roy A. Anderson said today.

Anderson told newsmen that the contract from the National Aeronautics and Space Administration is worth only $270,000, and remarked that "these are very preliminary studies."

He emphasized that there is no U.S. supersonic plane immediately around the corner, "but there's no reason why we shouldn't look at that airplane as well as the conventional SST... I think downstream something like that (a U.S.-built supersonic plane) will come — but very far downstream."

Anderson suggested that any U.S. SST would be unlikely until after the 1980s — and even then it would require government funds to be developed, as did the SST project that Congress killed about six years ago.

Anderson also suggested that he sees no entirely new commercial aircraft for the foreseeable future. New commercial planes, he said, would simply be adaptations of existing aircrafts.

Lockheed's principal commercial plane is the L1011, a wide-bodied jet that carries about 290 passengers. Prospects for future sales of the L1011, he said, appear bright. Lockheed is selling about 12 of the $30 million planes a year.

The company, he said, is looking at a modified version, L1011-400, which would have a very short fuselage, but nine-abreast seating might carry 230 passengers. The company manufactures four versions of the L1011, including the basic model. One of them, the 500, carries 245 passengers and is being examined as a replacement for the nation's aging fleet of Boeing 707 aircraft.

Anderson said he expects Lockheed's 1977 profits to look "pretty good by comparison" with last year. He added that the shipbuilding subsidiary, which has been piling up losses for years, is expected to show a profit.

As for 1978, he said, Lockheed is faced with a declining volume of C-130 aircraft which it has been selling for nearly 20 years. About 1,500 C-130s have been sold, he said. They sell for $8 million and up.

Lockheed produced a high of 70 such planes in 1976, but expects the figure to decline to 36 next year and thereafter. Still, he said, there may be a market worldwide for more than 300 C-130s.

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SHUTTLE OFFSHOOTS

Space 'Hospital,' Solar Power Plant Envisioned

Palm Springs CA—The nation's space shuttle, now being tested, could someday be used in the development of a "space hospital" or a solar electricity generator, former astronaut Donald (Deke) Slayton said Saturday.

Slayton, shuttle test director at Edwards Air Force Base, was a speaker at the Associated Press Publishers Assn. of California, Arizona, Hawaii and Nevada.

He told the newspaper publishers that the first orbital space flight of the shuttle should be in March, 1979. A system could be built with existing technology to generate electricity from the sun and relay it to the earth five years after the initial flight, he said.

But, he cautioned, "It's going to cost a lot of money—a hell of a lot of money. And I don't see anybody giving us this kind of money in the near future."

Another possible use for the shuttle would be the development of a hospital, Slayton said, describing the weightless environment as ideal for burn patients who should not move. Also speaking to the publishers was Los Angeles Police Chief Edward M. Davis.

Asked if he considered himself the front-runner for the GOP nomination, Davis replied, "We did well in a poll in the spring. I showed me No. 2. I feel we're still No. 2 or perhaps No. 1. My feeling is we haven't slipped any."

Lockheed recently gave up a federal loan guarantee which it had had for about seven years. Anderson pointed out that the company still owes $350 million to a consortium of banks, and has reduced its revolving credit to $30 million.

HE SAID HE WAS pleased with the company's financial performance over the past couple of years and that if it continues, Lockheed's bankers may agree to relax a prohibition on the payment of dividends. He would not, however, predict when dividends would be paid. Lockheed shareholders have received no dividends since 1969.

Asked about the possibility of mergers, Anderson said Lockheed officials now are examining what they believe the company should be doing in 1985. As needs arise, he said, the company will begin building its own capabilities and in some areas—such as its current program for undersea mining of manganese—or it may seek acquisitions if it is in a position to do so.