

NEWS RELEASE

One of the Navy's most closely guarded secrets is a project that had priority over the atomic bomb during the war. It is still considered so secret that we cannot disclose what it is.

However, we can reveal that the Navy entrusted this vital project, involving complex engineering and construction to an inexperienced company. Later the same Navy officers who had made the deal turned up as highly salaried vice presidents of the company.

The outfit that wangled this highly secret, multimillion-dollar contract was the Northwest Aeronautic Corporation, later reorganized as Engineering Research Associates of St. Paul, Minnesota. Founded during World War II, this company was given an unfavorable report by Booz, Allen and Hamilton of Washington, D. C., management consultants.

Despite this and the fact that at least twelve established companies were better qualified to do the work, the Navy awarded its secret contract, No. 28476, to ERA in February, 1946.

The Navy officers who arranged for ERA to get this juicy contract were Capt. Ralph Meader, wartime commander of the Navy Computing Machine Laboratory at Dayton, Ohio; Capt. Howard Engstrom, former research director for Naval communications; and Comdr. William C. Norris of the same office. All three later joined ERA as vice presidents.

Last week Meader sold out his "interest" in ERA for \$30,000. However, his contract contained a mysterious clause that he could not bring charges against the company after his resignation. Neither Meader nor ERA's attorney, James Clifford, could explain what ERA had to hide that such a clause should be inserted.

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From Drew Pearson Column