

**DEPARTMENT OF THE AIR FORCE  
WASHINGTON**

**OFFICE OF THE ASSISTANT SECRETARY**

**March 1, 1966**

**MEMORANDUM FOR: Director of Reconnaissance Programs, CIA**  
**SUBJECT: Relationship of the Eastman Kodak Company  
to the National Reconnaissance Program**

The Eastman Kodak Company has been associated with the United States exotic photographic reconnaissance programs since the beginning of the U-2 program in 1954. That company has been responsible for the main developments in film and for the processing throughout the programs of the last ten years. Currently it is, among other things, providing many of the photographic inputs for the GAMBIT, G-3, and Manned Orbiting Laboratory. I believe it would be beneficial to the Director and to you if you could spend a half day in the near future looking at some of the hardware at Eastman and meeting their key people. This would be usefully related to the Director's recent visit to the West Coast and highly relevant to his role as a member of the Executive Committee of the NRP. It would also be of value to you as the Director's principal aid in NRP matters. Furthermore, I believe that such a visit would contribute to easing the strained relations which exist between that company and CIA, at least strained from the point of view of EK. Certainly in the long run good relations are desirable quite apart from any future contractual relationship which I am not in a position to predict. At your request I will discuss below some of the possible reasons for these strained relations.

May I suggest that it might also be desirable on the occasion of such a trip to stop briefly at Westover, Massachusetts, to visit an NRP facility, the Special Projects Facility, which participates in the reproduction of photographic materials collected through our exotic reconnaissance programs. Such a trip might involve departure here at about

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339

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GAMBIT

(ICE)

8:45 a.m., arriving at Westover about 10 a.m. After an hour or so touring the facility, you could take off for Rochester, arriving around noon, approximately in time for lunch after which the Director could spend two hours or so touring as suited his desire. My thought is that this briefing would be principally one of observation rather than listening to canned briefings. I would recommend that General Stewart of this office serve as an escort for the Director and yourself.

Comments on the CIA Relations with EK

It seems to me that among the important interfaces that bear upon the success of the NRP is the one between the Government and major contractors. In daily affairs this boils down essentially to the relationship between program directors and contractors with an important, less frequent participation by the Director, NRO and with occasional contacts between the Deputy Secretary of Defense and the Director, CIA with the senior people in these firms. Whereas the profit motivation is and under our system should be always present in the motivations of our contractors, I believe that alone is not enough to insure the achievement of our programs; most of which are highly complicated. From time to time I believe it is important for men such as Admiral Raborn and Mr. Vance to be able to convey to leaders in these firms the importance to national security of the efforts underway. A failure to understand this importance, as may have occurred in the GAMBIT situation recently, accounts for a lack of management energy consistently applied to insure success. In the presence of a failure one cannot readily shift contractors--the task is too big and the delay is unacceptable. Furthermore, on many occasions the problems require breakthroughs in the state of the art and thus a high degree of imagination. Since the problems are frequently wide ranging and not necessarily predictable in the time of their occurrence, the existence of a healthy rapport between the Government entities and major contractors is, I believe, very desirable.

Perhaps in the case of Eastman Kodak and the Agency there will be, within the next several years, no need for dealings--I now speak of this relationship as separate from that of the Director as a member of the ExCom of the NRP.

2

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Special Section

If this is so, then there is no particular need, admittedly, to bother about the strained relations which EK feels vis-a-vis the Agency.

As in most interfaces and particularly those existing over a long period of time, in this case for ten years, it is very difficult for anyone, and particularly a relative newcomer, to analyze all of the past. The thoughts which I have mentioned below I suspect can be refuted by officials in the Agency and I suspect that they have some justifiable unpleasantries vis-a-vis the company which they could relate. I have not made a complete study of this problem and do not believe that it is necessary to do so. I believe rather that it is more profitable to decide whether one cares about the relationship, and if he does, then to give attention to specific ways that improvement can be brought about by using my opening proposal in this paper as a specific starting point.

A layman's explanation of factors which over the years have contributed to the present strained relations are as follows:

a. The understandable preoccupation of Mr. Bissell with the U-2 aircraft as opposed to film and film processing. The same can, I think, be said of the early days of the CORONA. Occasional high level attention to the company during this period would have been helpful.

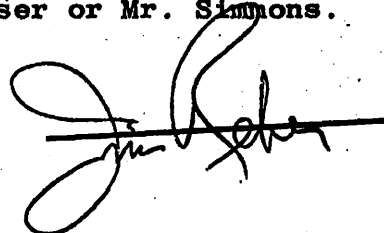
b. In the last several years the Agency's unfavorable attitude toward the GAMBIT program, the camera for which is an EK product, probably is relevant. Once the decision was made by the NRO to have a GAMBIT, obviously EK had nothing to do with the internecine strife between the NRO and the Agency. The decision to have a G-3, the camera for which is being built by EK, is but an extension of this point.

c. There seems to have been a series of unfortunate circumstances surrounding the New Search System. I suspect the affects of certain personalities in this instance are very important.

d. In those cases where the company has had relations with the Agency, there seem to have been difficulties in getting decisions. This situation, if true, may have been related to the Agency's problems with the NRO and the lack of clear lines of working arrangements.

e. In some cases friction has perhaps arisen due to the lack of understanding by components in the Agency of certain basic principles which EK feels are critical to their own company in relation to the Government. It could well be that the converse of this is true, also. Mutual understanding in such circumstances is necessary. I gather that in some cases engineering proposals requested by the Agency were not acknowledged. In my recent visit to EK mention was made of the Agency's desire to hire for a year an EK employee to work on a particular problem. This was considered inappropriate because it was construed that this individual would be able, by virtue of his knowledge in the company, to collect ideas relevant to the task for which he also would be hired. Thus EK felt that the proper method here was to discuss the problem with the company rather than putting it on an individual basis. I suspect that the intention which Eastman ascribed to this move was erroneous but it illustrates perhaps the way in which, lacking the proper rapport, such misconstruction is possible.

I suggest that none of this background be discussed if you and the Director go to Eastman. Nor do I suggest that you on that occasion become involved in any particular problems. Obviously, you would want to address any questions raised by them. You may wish, after your visit and in the light of those contacts, at some future time to enter into discussions with Mr. Wagershauser or Mr. Simmons.



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