

~~TOP SECRET~~  
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CENTRAL INTELLIGENCE AGENCY  
WASHINGTON 25, D.C.

14 June 1963

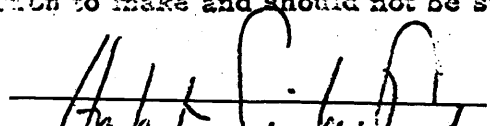
MEMORANDUM FOR: The Deputy Secretary of Defense

SUBJECT : Covert Satellite

REFERENCE : Memorandum for DDNRO from Deputy  
Secretary of Defense, same subject, dated  
1 June 1963 (BYE-6729-63).

1. Your referenced memorandum indicated that I had stated that the 5412 Group had assigned to CIA the responsibility for the development of a covert satellite. I believe your source of this information must have been misinformed for I am sure I have at no time stated that the 5412 Group made this assignment. I know perfectly well that the 5412 Group is not the responsible organization to make such an assignment, and therefore, I am certain that I have been misquoted.

2. In connection with our discussions on the FY '64 NRO budget, I was informed by Mr. McCone that you had reached a decision to place this item in the CIA budget. Since that time the CIA has been conducting preliminary studies and discussions with a few contractors on a no expense, but highly ~~secure~~ basis with a view toward initiating work in this ~~area in the near future...~~ I believe, therefore, that it would be very ~~timely~~ for a ~~joint meeting~~ between DOD, CIA and the NRO in order to ~~make a decision on the assignment~~ of responsibility in this area. Since the ~~major objective~~ of such a program is ~~an~~ ~~only~~ covert activity, I believe that any discussions of the subject should be limited to a ~~strictly~~ ~~EYES ONLY~~ basis to individuals who have a contribution to make and should not be staffed in a normal fashion.

  
HERBERT SGOVILLE, JR.  
Deputy Director  
National Reconnaissance Office

Exclude from automatic  
downgrading and  
declassification

cc: DNRO

BYE-0146-63

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