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DEPARTMENT OF THE AIR FORCE

WASHINGTON 20330



OFFICE OF THE SECRETARY

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APR 28 1969

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General Ferguson:

Let me bring you up to date on MOL via this note.

As you recall, in early April, at about the same time Mr. Laird was announcing a second cut in MOL (to \$525 million in FY 70) to the House Armed Services Committee, Mr. Mayo and the Administration's economic advisors were meeting with the President re the financial health of the nation and the need for further reductions in the Federal Budget. . . . As a result of that meeting, BoB advised OSD that the "President had decided to reduce MOL to \$360 million in FY 70".

Then, as you know, after several days of confusion, the following version of that meeting came out. Mr. Mayo proposed to terminate MOL. The President declined; decided to leave MOL at \$525 million in the FY 70 Budget; stated a desire to fund the program at a lower level, if practicable, and use any difference as future "hip pocket" savings. . . . Apparently, after the meeting, Mr. Mayo had recalled \$360 million as a minimum FY 70 sustaining level for MOL, and that figure was somehow relayed to OSD by Dr. Schlesinger as the "President's decision".

In any event, because the President had expressed a desire to fund MOL at less than \$525 million in FY 70, OSD reconsidered the various MOL alternatives over the next 10 days:

1. The previous manned/unmanned MOL Program;
2. The present manned-only MOL Program at both the \$525 million and higher levels in FY 70;
3. Terminate MOL except for the camera system, and fund the camera at the \$150-200 million level in FY 70 toward a future combination with the HEXAGON spacecraft as an unmanned system.

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4. Terminate all of MOL, including the camera system.

Also considered, but rejected as much too expensive in the long term were: 1. development of only the unmanned MOL configuration (retaining the option for later development of the manned system); and 2. sustaining the present MOL Program at about the \$350 million level in FY 70.

By April 16, a draft memo from SecDef to the President recommending cancellation of MOL except for the camera system (toward a MOL camera/HEXAGON spacecraft unmanned system) was in work. . . . After an April 18 meeting between Mr. Packard, Dr. Tucker, and Dr. McLucas, one version was discussed with Dr. DuBridge.

Following an April 21 meeting between Dr. DuBridge and the President, Dr. DuBridge advised that the President wanted the opinion of Dr. Land's PSAC Panel (re NRP) on the MOL matter. . . . At the April 24 meeting with them, I briefed on the overall status of the program, as well as the critical items in the camera development, and briefly on the LMSC studies re the MOL camera/HEXAGON spacecraft combination. Most of the 2½ hour session was devoted to the camera and the HEXAGON possibility. . . . Also, as expected, the Land Panel was somewhat annoyed that the unmanned MOL configuration had been deferred (you will recall that this was their "invention").

This afternoon, I have a session with Dr. Foster on MOL. Apparently, Mr. Packard has asked him about the practicality of going directly to an unmanned system, using the MOL camera and probably the HEXAGON spacecraft.

There is no question about the feasibility/practicality of combining the MOL camera and the HEXAGON spacecraft. Further, this would clearly be a less costly approach than completing the unmanned MOL design now deferred. There also is general agreement that it will take longer to achieve a reliable operational unmanned system than with the manned MOL.

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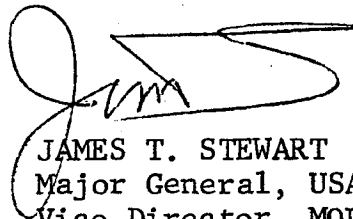
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Therefore, unless we are willing and able to pay considerably more over the next five years (perhaps, \$700-800 million), and each year thereafter in recurring costs (perhaps, \$140 million more), for higher confidence in achieving the [redacted] resolution goal and a useful intelligence product at the outset; for the unique recce capabilities of MOL [redacted] etc.); for what should be learned about man in space for military purposes; for whatever intrinsic value there is in a military manned space project -- then, terminating MOL and continuing only the camera toward an unmanned application is a logical choice.

It all adds up to the fact that the MOL Program is on shakier ground than it ever has been before. Dr. Seamans clearly does not want MOL terminated, but recognizes it may become a dollar casualty. Generals' McConnell, Ryan, and Crow are aware of the situation. . . . I have advised Joe B. only that I feel MOL will either be funded at the \$525 million level or else abandoned.

I also gather from a Thursday PM discussion with Joe that you have him working toward an early-May session with the Policy Committee and a subsequent memo to (or meeting with) Mr. Packard. . . .

I will keep you posted.



JAMES T. STEWART  
Major General, USAF  
Vice Director, MOL Program

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