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DEPARTMENT OF THE AIR FORCE
OFFICE OF THE ASSISTANT SECRETARY

Functions:
Functions:

MEMORANDUM

March 31, 1966

THRU [redacted]
TO: Dr. Flax

THIS IS THE SUBJECT
I TALKED TO YOU
ABOUT ON MARCH 20

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I am absolutely shocked at the attached memorandum from Finn Larsen (Tab A). DDR&E does not have any authority whatsoever, unless specifically so directed by Mr. McNamara, to withhold or defer any NRP funds (see Aug 1965 NRP Agreement).

I believe you must straighten this matter out without delay. I suggest you either send a memo to or have a prompt discussion with Mr. Vance along the lines of the attached (Tab B).

I am also mad as hell at Sam Koslov. He was threatening actions like this two weeks ago because DDR&E was not getting the necessary information from the NRO. I was mad then--and am even madder now--because that was the first time anyone in DDR&E has ever said a word about not getting desired information (also, Sam did not call me; I went to see him because I had heard rumors he was unhappy with us).

James T. Stewart
Brig General, USAF
Director, NRO Staff

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~~TOP SECRET~~OFFICE OF THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
WASHINGTON, D. C. 20301

30 MAR 1966

MEMORANDUM FOR The Assistant Secretary of the Air Force
(Research & Development)

SUBJECT: Continuation of Deferral of Special Support Activities Funds

I have continued deferral of \$18 million of Special Support Activities funds with, however, the intent of retaining these funds for your program.

I am concerned about the present planning for expenditures in several areas. The most critical area which has not been resolved to my satisfaction is that of overhead SIGINT. The results of the recent SETTER experiment and the cumulative results of the various P-11 payloads are certainly impressive and indicate the potential value of overhead SIGINT beyond any doubt. My concerns in this area can best be indicated by some representative questions, such as:

- (a) How will the SETTER results impact on the Multi-Group program?
- (b) What are the plans for establishing an adequate long-range research and development program for overhead SIGINT?
- (c) What are the current evaluations and plans for continuation of the POPPY program?
- (d) How will NRO, together with NSA, develop a national plan for overhead SIGINT collection?

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(c) What is the interrelationship of [redacted] with the rest of the overhead SIGINT program (subject of a recent memo)?

Another presently planned commitment, which leaves some room for doubt as to the advisability of an expenditure of the magnitude planned, is the "Readout" program. This appears to be an excellent application of current state-of-the-art to the direct readout problem. However, I have not seen the development of a future requirement sufficiently well presented to warrant the investment indicated in your R&D planning at this time.

I am concerned by indications that there is inadequate funding for the Titan III D development integral to the new program concepts. I would like to receive a detailed explanation of how this funding will be integrated between the "black" and "white" budgets.

A proposal has been received for R&D on the "ISINGLASS" concept. While a requirement is not clearly defined here, nevertheless, the technology concerned is of considerable interest not only for reconnaissance but other strategic applications. This does not as yet appear in your present budget apportionment. In addition, the excellent analysis of the manned and unmanned capability for MOL should not preclude continuing exploration into next generation operational systems of a completely unmanned nature. These studies should be carried on independent of present BoB pressures and should give free rein to the over-all capabilities of the entire optical and space technology community and, presumably, are NRO's direct concern rather than the current MOL separate budget.

Please do not construe these comments as constituting any over-all criticism of the NRO program. I am very impressed by its operational performance, and I am very impressed by the quality and care of the new development work. However, I feel that the representative areas, mentioned here, should be discussed in detail with me before all FY 66 funds are committed.

SIGNED

Finn J. Larsen

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BY 1-5100-6