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Cover Sheet for Memorandum to the President on Readout Satellites

The attached memorandum gives our views on the issue of how to go about getting a readout capability for our satellite photographic systems.

It was our intention that this memorandum would be signed by all three members of our Executive Committee. However, Dick Helms has some trouble with the recommendations of this memorandum and with some of the other contents of the paper. Therefore, we have agreed to submit two memoranda to you, one signed by the two of us and another signed by Dick Helms.

David Packard Chairman Edward David Member





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MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Readout Satellites

As you know, at the April ExCom meeting, we decided to develop the FROG as an interim system to be available in 1974, with EOI to follow about two and a half years later in 1976.

After that decision, we ran into demands on the Hill to scale back our overall intelligence programs by up to Senator Ellender has asked that we find some way to avoid developing two readout systems.

We believe that either FROG or EOI would satisfy most of our requirements for coverage of crisis situations, but EOI certainly has more capability as presently conceived and even more growth capability as technology advances. Unfortunately, it is more expensive. Because of its growth potential, we believe that we ought to begin to develop it soon and proceed on a reasonable schedule. All of the ExCom members agree with this broad statement. However, in addition to the cost problem there is the question of when it can be made available. There is the feeling on the part of some of the users, including the





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State Department, that we ought to get a readout capability as soon as possible. George Schultz has written me a letter (dated April 4, 1971) stating that the President would like a readout system "within his term of office."

During the past year, we have looked at a number of proposed systems for crisis capability. Only a few were of significant merit and of these we chose FROG. It can be available as soon as any of the others, will produce a much better product, and is based on a current system which it can partially replace. Therefore, if we are to have an early capability, T believe that FROG is the best way to get it. If we can wait for EOI, then we believe that an orderly development can be conducted for to produce EOI by 1976. Our April decision, if followed through, would have produced FROG in 1974 and EOI in 1976. The budgetary issue has brought us to the two options shown in our proposed memo to the President. Option 1 - develop EOI only: IOC 1976. Option 2 - develop FROGUTIOC A 1974 develop EOI later UTOC 1978. We feel it is important to solicit the President's views because we are not sure how critical he thinks it is to achieve earlier availability. Taking George Schultz's letter at face value, we must develop





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FROG. But taking account of the budget and our own desires to develop EOI eventually, we propose to modify the EOI development program so that after FROG development is behind us, we initiate EOI system development.

Ed David and I feel that the proposed memo fairly states the case and that it correctly leaves to the President the choice between Option 1 and Option 2.

Dick Helms feels the memo does not fairly state the case and does not give proper insight to the options. He believes that we should recommend Option 1. Failing agreement to recommend Option 1, he believes our proposed memo should state both his views and any differing views. I have decided in view of Ed Davidand my belief that the proposed memo is a fair statement of the case, that we will submit this memo over Ed's and my signatures and Dick can submit his own memo. Attached are the two memoranda.

In view of the provisions of the ExCom charter (signed by the Secretary of Defense and Directer, CIA in 1965) which call for referring disagreements to the Secretary of Defense for decision, we are soliciting your advice before going to the President.



David Packard,	Cha:	irman
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