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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.

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MAY 15 1958
CENTRAL FILES

MAY 10 1958

MEMORANDUM FOR THE PRESIDENT

Subject: Responsibility for "space" programs

XDF 146-F

In your letters of April 2, 1958, you directed the Secretary of Defense and the Chairman of the National Advisory Committee for Aeronautics to review and report to you which of the "space" programs currently underway or planned by Defense should be placed under the direction of the new civilian space agency proposed in your message to Congress. These instructions specifically stated that "the new Agency will be given responsibility for all programs except those peculiar to or primarily associated with military weapons systems or military operations."

It now appears that the two agencies have reached an agreement contemplating that certain space programs having no clear or immediate military applications would remain the responsibility of the Department of Defense. This agreement would be directly contrary to your instructions and to the concept underlying the legislation the administration has submitted to Congress.

The agreement is primarily the result of the determination of the Defense representatives not to relinquish control of programs in areas which they feel might some day have military significance. The NACA representatives apparently have felt obliged to accept an agreement on the best terms acceptable to Defense.

Specifically, Defense does not wish to turn over to the new agency all projects related to placing "man in space" and certain major component projects such as the proposed million pound thrust engine development. The review by your Scientific Advisory Committee did not see any immediate military applications of these projects.

The effect of the proposed agreement would be to divide responsibility for programs primarily of scientific interest between the two agencies. This would be an undesirable and unnecessary division of responsibility and would be highly impractical. There would not be any clear dividing line, and unnecessary overlap and duplication would be likely. The Bureau of the Budget would have an almost hopeless task in trying to keep the two parts of the program in balance, and problems on specific projects would constantly have to come to you for resolution. The net result of the proposed arrangement would be a less effective program at higher total cost.

CROSS CARD FOR STAFF SECRETARY

On the other hand, it will be relatively simple to work out practical working arrangements under which responsibility and control of the programs in question would clearly be assigned to the new agency as contemplated in your instructions, and the military interest would be recognized by the participation of the Department of Defense in the planning and, where appropriate, the conduct of the programs.

In the circumstances, it is recommended that you direct that the two agencies consult with the Bureau of the Budget and Dr. Killian's office to be sure that any agreement reached is in accordance with the intent of your previous instructions. It is especially important that announcement of the agreement now being proposed be avoided at this stage of the consideration by the Congress of legislation to establish the new space agency.

If you approve this recommendation, there are attached memoranda to the Secretary of Defense and the Chairman of the National Advisory Committee for Aeronautics for your signature. *returned to BOB*

(Handled orally per President's instructions. AJG) 5/13/58

Maurice H. Stans

Director

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5/13/58

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5/14/58

I notified the Secretary of Defense (General Randall) and Dr. Dryden.

AJG