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OXC-0677-67
17 May 1967

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MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with [REDACTED]

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1. Today [REDACTED] and I had a short visit with [REDACTED] to discuss several items. Those which concern OSA were as follows:

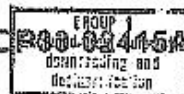
25X1A a. [REDACTED] was thoroughly surprised by the OXCART deployment order. In some respects he obviously doesn't know exactly what to do. He has no specific guidelines with respect to supplemental budgets because he isn't sure of the assumptions. For example, he doesn't know how long we will be deployed. For the time being he asked that we proceed as follows:

(1) For FY 1967 we will submit a supplemental schedule showing how much additional money will be needed for the OXCART deployment, and how much we need for other line items which would have been short whether or not the OXCART deployed. He has not yet reprogrammed the funds which were withdrawn from us, so the money is still available to him. There is no deadline on this, but we should aim for early June.

(2) For FY 1968 we will let the present OXCART budget stand, and provide a supplemental program for the deployment and associated costs. Target date is 10 June, so that he can handle both the basic allocations and the supplemental request at the same time.

(3) We should assume for budget purposes that SAC will assume the OXCART mission on 1 December as stipulated in Mr. Vance's memorandum. John recognizes that this may be overtaken by events, but it is the only guidance he has at the moment.

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(4) John cautioned that we should be careful not to launch any vast spending sprees for spares, etc.

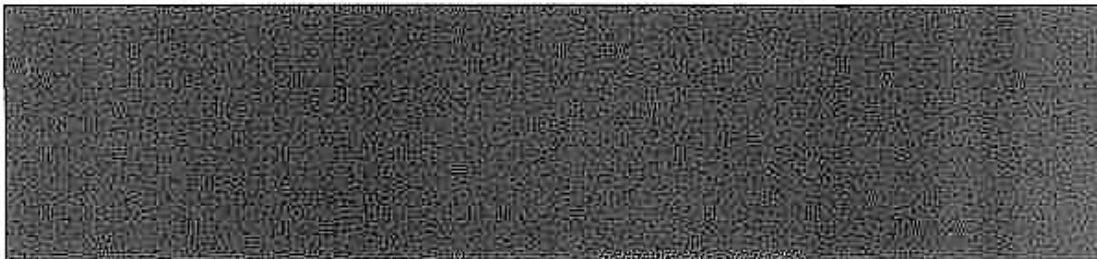
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b. I explained the present situation concerning the F-27 at [REDACTED], and our various options with respect to terminating the lease, recovering our investment, and/or paying the lease cancellation fee. His recommendations were:

(1) Let an Agency component take over the aircraft and the outstanding balance, or

(2) Let EG&G buy it for their account and let them have the equity.

The first alternative will save about \$250,000 if any Agency component needs the plane and has the money. The second will save the \$60,000 cancellation fee. He is not anxious to invest NRO funds in the airplane.



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