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

OCT 8 1957

MEMORANDUM FOR THE PRESIDENT

Subject: United States scientific satellite program

~~SECRET~~

The United States satellite program was originally outlined to the National Security Council on May 20, 1955. At that time, cost of the program was estimated at \$15 to \$20 million. This program was approved by you on May 27, 1955, and public announcement was made on July 29, 1955.

Initial financing of the project was authorized from the Emergency Fund of the Department of Defense with additional support from other sources available to the Department although the Department has consistently maintained that the project has little military value. As the estimated cost of the project was revised upward several different times, further presentations were made to the NSC, and the Bureau of the Budget continued to approve use of the Emergency Fund as necessary. We never refused to approve the use of available funds, although in February 1957 we did not approve a request by the Secretary of Defense to reimburse the Emergency Fund for amounts used for the project since at that time \$57 million remained in the Emergency Fund after needs of the project had been met.

In addition to the use of regularly available funds, two supplemental appropriation requests have been submitted to the Congress. An amount of \$18.3 million for the satellite project was included in a larger fiscal year 1956 supplemental to the National Science Foundation for support of the International Geophysical Year. A supplemental request of \$34.2 million for the Department of Defense in fiscal year 1957 was made necessary by the reluctance of the Department to continue to use its available funds to meet increasing costs. In acting on the latter request the Congress approved the transfer of available funds to the project rather than the appropriation of additional obligational authority.

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At the time of the justification of the fiscal year 1957 supplemental to the Congress during July and August of this year, total estimated cost of the project was \$110 million. With congressional approval of the supplemental, the entire amount estimated has been authorized, and we have not been advised of any further cost increases. As of August 31, 1957, the Department of Defense reports that \$67.9 million had been obligated for the project and \$50.7 million had been expended.

*Perand Brundage*  
Director

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