

We have recognized in examining the overall position of the United States in aeronautics and space and relating it not only to the 1969 operating plan that we will soon make final, but also to the 1970 budget, to the fact that we will then have a new President who will undoubtedly make some changes in the budget that will be submitted in January by President Johnson, as well as to the fact that we will have a new Congress, which will then have to examine both President Johnson's budget and any changes suggested by the new President.

I think perhaps I could add to what Dr. Paine has said, two things. First, in this examination the President and I recognize that over the last 7½ years we have gone through a period in which we were seeking leadership, world leadership, pre-eminence in aeronautics and space, and his budget messages for every year up to 1966 were keyed in that direction.

For instance, in 1965 the President's budget used the words "maintaining world leadership in space," as the objective. In 1966, "securing the benefits of world leadership in space exploration and in scientific knowledge and technology."

Now, as we move from that period into 1967, 1968 and 1969, there was a definite change in the objective stated by the President. The words he used in 1967 were "our task is to use the tools that have been developed wisely, carefully choosing our priorities in space in the context of overall national policy priorities."

For 1968 his words were: "The primary objectives are to extend our ability to operate in space, to use that capability for the benefit of mankind."

In 1969, the budget we are now considering, when he submitted it he spoke of "programs to improve our ability to operate in the space environment, advance man's knowledge of the universe, and use the experience gained for man's benefit."

So, you see, we have had a shift from the stated objective of world leadership and preeminence to the use in these times of the capabilities we have developed. With each passing year, however, we have not been inserting new programs in and we have had developed a capital base of about \$4 billion of which about \$3 billion has been added in the last 6 years or so, and we did build up a personnel competence in NASA with 33,000 people or so to manage a much larger group, ten times that number in industry and in universities.

So, I think it is fair to say in answer to your question about the future that there is a very heavy pressure to hold down expenditures for fiscal year 1970 which, in my opinion, will have to be faced by the President as he considers the budget that he submits. I can see no letup of those pressures in connection with actions to be taken by the new President when he considers modifications he wishes to make in the budget.

PRODUCTION OF SATURN V'S

I think the key issue which is related to your questions is whether or not any new starts, using the capabilities we have built up, can be included, and whether or not the 1970 budget can maintain production of the Saturn V rocket. If we do not in 1970 buy some long leadtime items for Saturn V, then you are going to terminate those production lines, and we will be in regard to the booster stages, the