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24 February 1965

MEMORANDUM FOR RECORD

SUBJECT: Telephone Conversations with Representatives of the

Itek Corporation

This afternoon, in the absence of General I was seated in his office speaking to General when a telephone call came for me from Mr. Walt Levison, nex Corporation. He asked me first if I would agree to keep silent on the information he was about to relate until such time as he would release me from the agreement. I told Walt that this was a difficult agreement to make "in the blind;" I needed some idea as to the content of what he was going to say and the probable duration of the secrecy to be imposed upon me. Furthermore, I could not agree to silence in any area which might adversely affect the organization of which I am a member. He assured me that the need for silence would not extend beyond several hours or perhaps a day and that it could not possibly harm the (S) NRO. He also advised me that Mr. John Wolfe was monitoring the telephone call. With these assurances, I agreed to preserve the Itek secret.

Walt then made the following remarkable announcement: "For a multitude of reasons, Itek has come to a corporate decision that it cannot accept the follow-on to even if it is offered." He emphasized that this was a corporate decision; he also stated that there were no conditions which would change this attitude. At this point, Dick Philbrick spoke, confirming what Walt had told me.

It was an emotional moment; Levison's voice was shaking throughthe conversation. I told him that it was the most dramatic statement that I had ever heard and intellectually "shocking" from an industrial organization. I reassured him that I would not divulge any part of this information without his specific permission, but I was very much interested in what Itek proposed to do next, now that the decision had been made. Walt stated that the main reason for calling me was to request advice as to the proper scenario for handling the situation. I stated that the first thing Itek had to do was to advise its sponsor - Mr. McCone - of the decision. He said that Mr. Linusay (President of Itek) was trying to get through to Mr. McCone by telephone

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to do just that. I urged him to move very quickly; specifically, I pointed out the danger of waiting several hours or perhaps a day until one could locate or gain access to Mr. McCone. If Mr. McCone were not immediately available it seemed to me Itek should convey its message to General Carter or to whoever was in charge of the Agency at the moment. I pointed out that the Land Committee was in executive session and that it would be most embarrassing to all participants if the Committee were to make a decision and then receive the Itek blockbuster. Levison and Philbrick agreed on the need for quick action. They informed me that they did not know where the Land Committee was meeting and asked if they could rely on me to arrange an assured audience with Dr. McMillan or Mr. Land on short notice. I agreed to do this.

About twenty minutes later Walt called again to say that Mr Lindsay was unable to reach Mr. McCone but had passed the corporate decision to Mr. Bross. Would I now arrange for a meeting with Mr. Land and Dr. McMillan? I promised to have them in telephone conversation with Dr. McMillan within five minutes.

I located Dr. McMillan at the plant, called him to the telephone, and, without divulging the nature of the Itek announcement, urged him to call Walt Levison immediately at Volunteer 2-0419. He did so and seven minutes after Walt's second telephone conversation with me Walt had completed a conversation with Dr. McMillan and was on his way to a meeting at

I consider myself restricted by my agreement with Walt and have not divulged any of the information he has given me as of the close of business today.



