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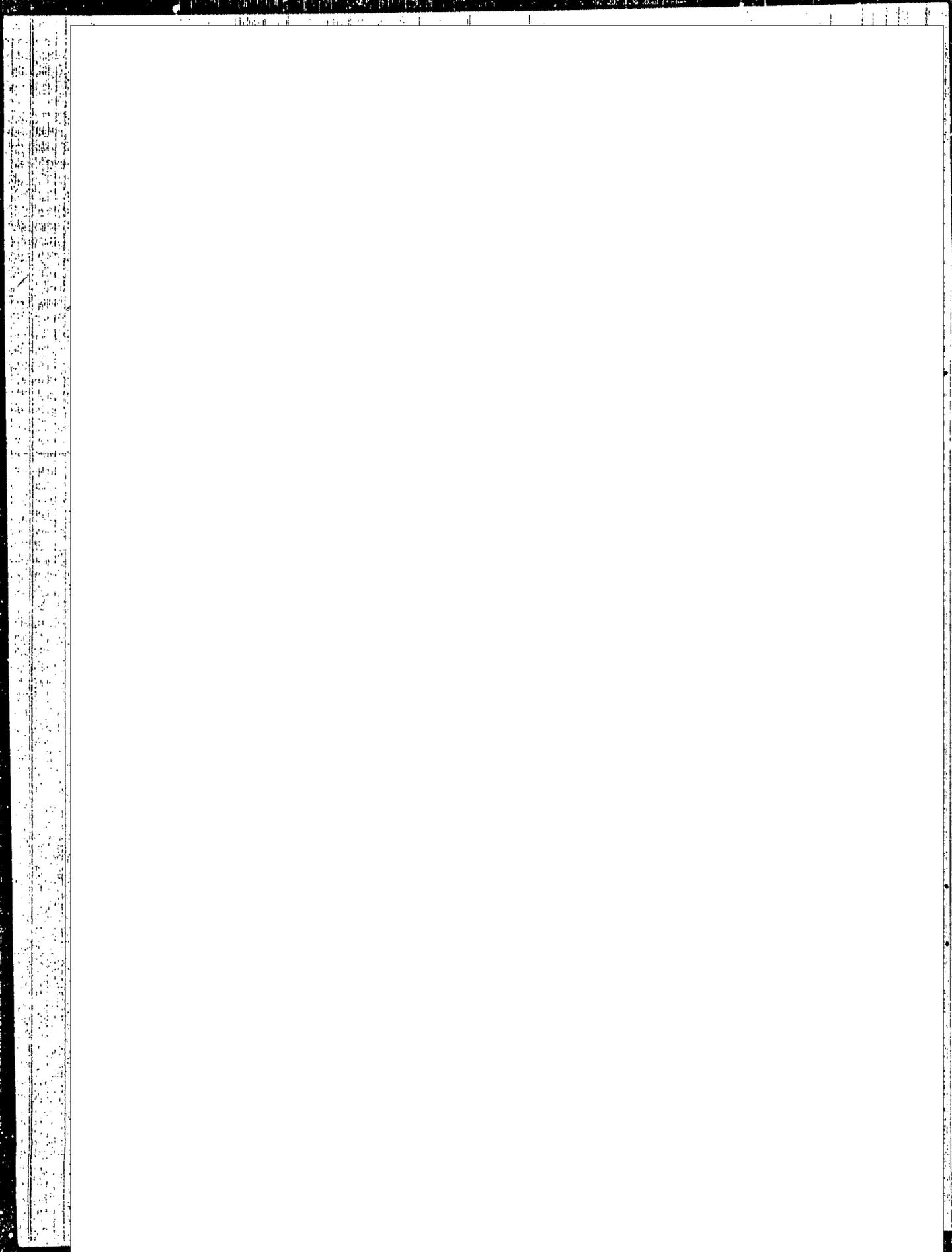
STRATEGIC RESEARCH MONTHLY REVIEW

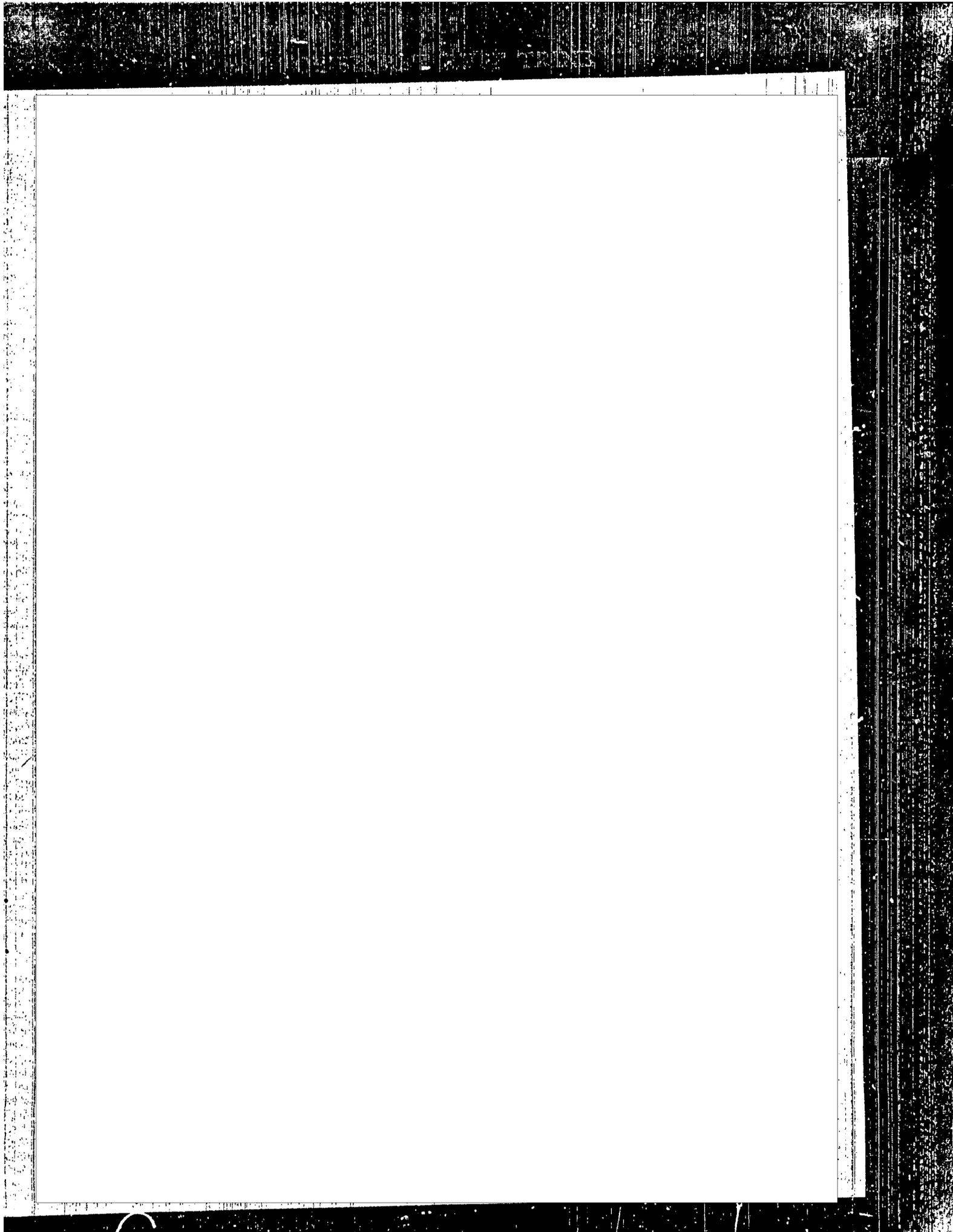
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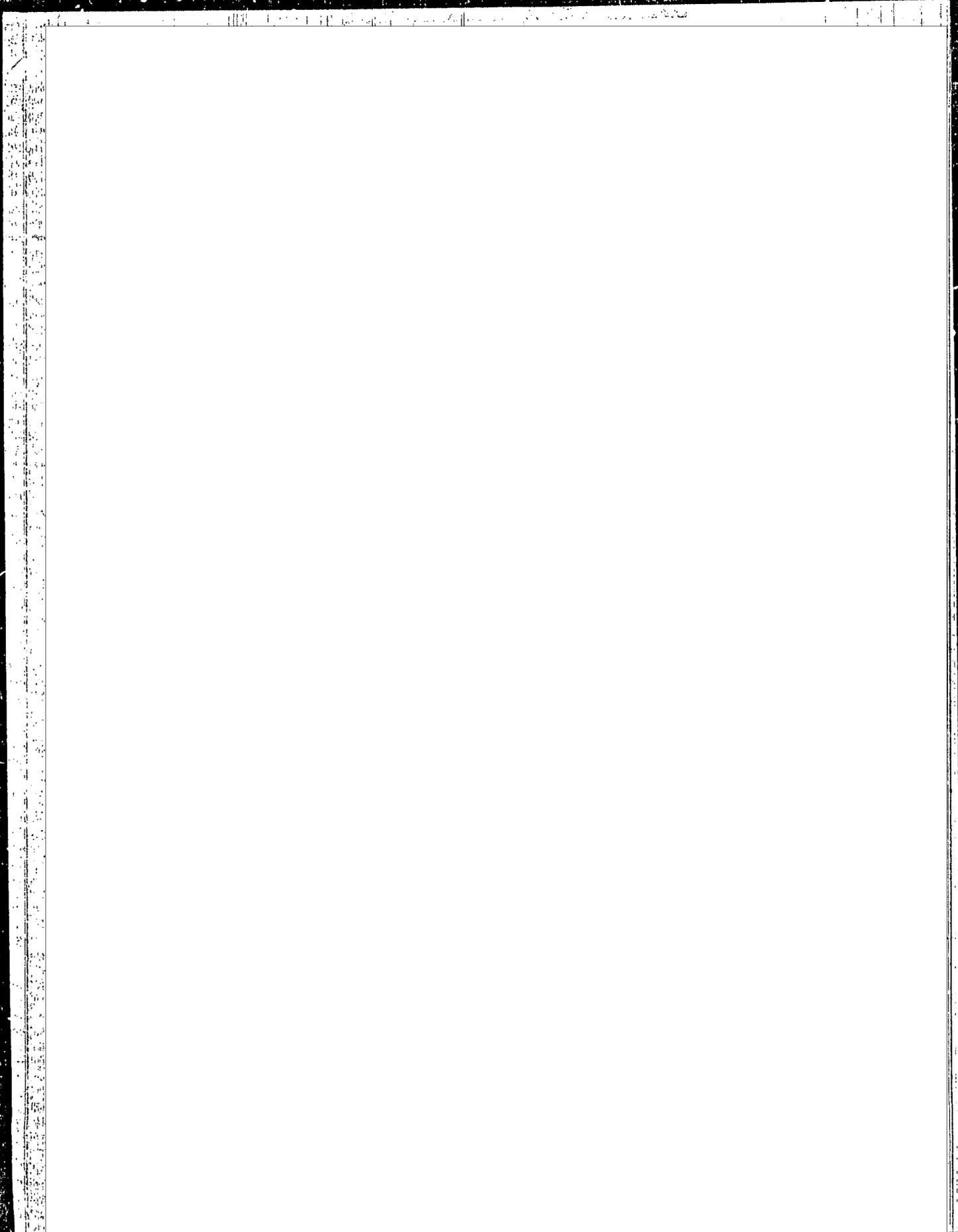
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Free World Countries

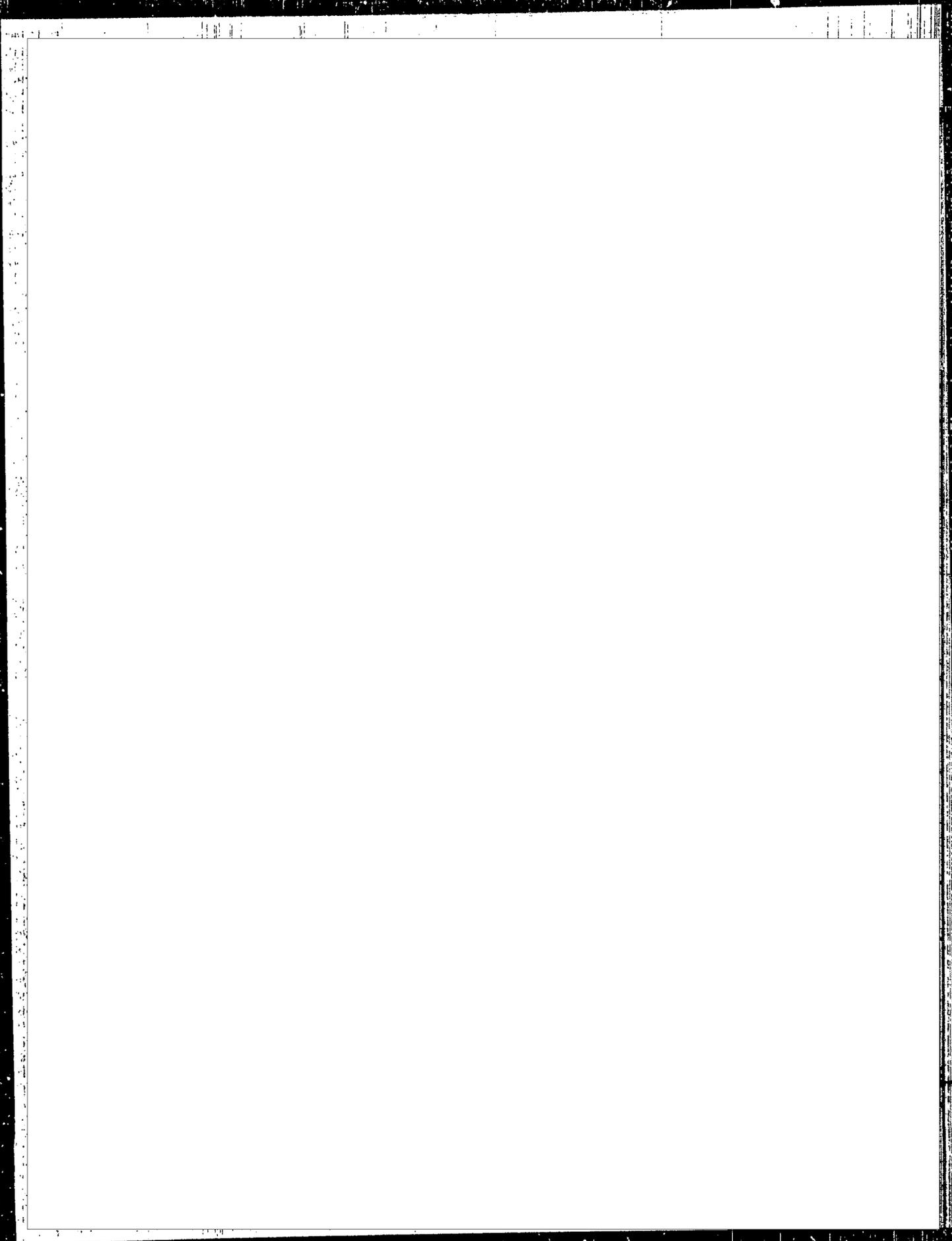
Financial Screws Tighten on French
Space Program

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An austerity cutback by the European space organization has forced France to absorb certain costs in its national space budget, which is already feeling the pinch of higher wages and other costs brought about by this year's domestic unrest. In the long run the French will probably have to accept more extensive US assistance.

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FREE WORLD COUNTRIES

Financial Screws Tighten on French Space Program

The French space program, already on a stretched budget, now faces additional financial constraints. The austerity program adopted in August by the European Launcher Development Organization (ELDO) will force the French civilian space organization (CNES) to absorb greater costs for two major space projects. Moreover, the recent unrest in France led to increases in wages and costs which have had the effect of nullifying the small increase over last year recently voted into the 1969 CNES budget. A restructuring of the space budget will provide short-term relief for these problems, but for the longer range the French are being forced to consider more extensive US assistance.

ELDO has canceled the four Diamant B suborbital launches planned for 1969 and 1970 as well as the final development launch (F-13) of the Europe-II launch vehicle and test spacecraft. An immediate effect of the cancellation of the Diamant contract will be the loss of \$4 million by CNES. Furthermore, the French will have to procure additional launch vehicles to provide the test data the national space program was to have derived from the multilateral launches.

Cancellation of the F-13 ELDO launch, which would have tested the spacecraft for the French-German Symphonie communications satellite, will put an additional burden on the CNES budget. The French and Germans will now have to assume the full costs of the ELDO vehicles required for their project.

To stay within its 1969 budget, CNES has had to slow down some of its other programs. Hardest hit will be the joint Franco-Soviet satellite project ROSEAU, which will be delayed at least a year. Construction at the French Guiana space center may have to be slowed. The French are already considering new approaches to the US for technical assistance in order to reduce R&D costs, particularly of launch vehicles. To this end they may renew efforts to get NASA to build a launch complex at the Guiana space center and carry out some launches there.

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