

SECRET
UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON 25, D. C.

This document contains information of a classified nature
Date 1 9 1953
A

407216

November 18, 1953

The President
The White House

Dear Mr. President:

You may recall that on August 13, 1953, in acknowledging your letter of August 6, we assured you that we would place continuing strong emphasis upon the importance of reduction of our expenditures. One of the expressions of this emphasis is a critical review of all phases of our operations, looking to the fullest accomplishment of the purposes stated in your letter. Our confidence in the efficacy of this review has been reinforced by the results to this time. It comprises, of course, many individual studies of a great variety of problems. One such study, concerning the utilization of our plutonium fabrication facilities, has led to a particularly gratifying result, of which we thought you would like to learn.

Plutonium fabrication facilities are now in operation at our Rocky Flats installation in Colorado, and at Hanford, and a third facility is nearing completion at Savannah River. This situation reflects the principle we have followed of making each plutonium production site (Hanford and Savannah River) capable of fabricating plutonium of its own production, and providing some excess capacity for such refabrication of stockpiled components as might become necessary under emergency conditions. Under previous plans, non-emergency fabrication requirements were to have been distributed among the three sites. Our study has shown, however, that it will be possible so to increase the production rates of the Hanford and Rocky Flats fabrication units, as to enable those two sites to meet all non-emergency requirements, without the necessity of activating the Savannah River unit. Accordingly, we now plan to maintain the Savannah River unit in emergency standby following a dummy run to prove operability of its equipment. We feel that this change involves no significant restriction of the flexibility of operation which might be required under emergency conditions, and from it we anticipate savings of approximately one-half million dollars in Fiscal Year 1955, and about one million dollars annually thereafter.

We shall of course continue similar efforts in the spirit of your letter of August 6.

Respectfully yours,

Lewis L. Strauss

Lewis L. Strauss
Chairman



File

CLASSIFICATION CANCELLED
AUTHORITY OF EO 12958
DATE 10/27/75

~~SECRET~~
~~SECURITY INFORMATION~~

REPOSITORY *Eisenhower Library*
COLLECTION *Ann Whitman Files*
Administration Series
BOX No. *4*
FOLDER *AEC 1953-54 (6)*

REPRODUCED AT THE DWIGHT D. EISENHOWER LIBRARY

BEST COPY AVAILABLE