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AEC 597/24

October 6, 1953

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ATOMIC ENERGY COMMISSION

FUNDS TO BE COMMITTED TO OPERATION CASTLE

Note by the Secretary

1. At Meeting 893 on July 23, 1953, the Commission requested a report on funds that will be committed to Operation CASTLE, prior to approval of the final program by the Commission in September.

2. On October 2, 1953, the Division of Military Application forwarded to the Office of the Secretary the attached memorandum to the Chairman, advising that inadvertently a copy had not been provided sooner for circulation to the other Commissioners.

3. AEC 597/23, a report by the Director of Military Application recommending Commission approval of the program for Operation CASTLE, is scheduled for consideration by the Commission at the 2:15 p.m. meeting on Wednesday, October 7, 1953.

ROY B. SNAPP

Secretary

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UNITED STATES
ATOMIC ENERGY COMMISSION
Washington, D.C.

August 3, 1953

MEMORANDUM for Mr. Strauss

Subject: CASTLE OPERATION COSTS

In response to your recent request the following information is submitted relative to the cost of developing, testing, and emergency capability production of thermonuclear weapons:

For the eighteen month period starting January 1, 1953, and ending June 30, 1954, the direct operating costs for this program will approximate \$90 million, excluding the cost of fissionable materials and of capital investment in permanent facilities. These costs are summarized in the following table indicating expenditures to July 31 of \$31 million, with \$14 million to be expended in August and September and \$50 million during the period October to June.

	<u>Estimated Cost in Millions of Dollars</u>			
	<u>To July 31</u>	<u>Aug & Sept</u>	<u>Oct-June</u>	<u>Total</u>
Operation CASTLE	13.2	7.8	21.8	42.8
Operation UPSHOT	7.1	-0-	-0-	7.1
Development & Emerg. Capability Product.	10.9	6.3	23.1	40.3
	<u>31.2</u>	<u>14.1</u>	<u>44.9</u>	<u>90.2</u>

With specific reference to August-September expenditures of \$14 million, the estimates are comprised of the following:

<u>Operation CASTLE</u>	
Scientific Operations:	
Los Alamos	1.0
Berkeley9
Cambridge Corp.2
All Other1
	<u>2.2</u>
Expendable Facilities (Holmes & Narver)	
	3.7
Maintenance & Operation of Proving Ground (H&N)	1.9
	<u>7.8</u>
	Total

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S E C R E T

Development and Emergency Capability Production

Los Alamos	1.0
Cambridge Corp.	1.3
American Car & Foundry	2.0
Berkeley7
Sandia7
Oak Ridge4
All Other2
Total	<u>6.3</u>

I realize that the foregoing rough estimates are not completely responsive to your question. To evaluate the possible savings which would result from a decision now to modify the program vs. such a decision late in September would require specific assumptions as to the nature of such changes and an analysis of the current status of each contractor involved to determine his outstanding commitments and probable cancellation costs. It should be noted, however, that the major savings would be in expendable facility construction and it would appear reasonable to expect that cancellation of two representative shots immediately would result in a savings of some \$1,500,000 in this item which otherwise would be expended during August and September.

Marcus F. Cooper
Colonel, USAF

Acting Director of
Military Application

