

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

JUN 6 1963

Honorable Glenn T. Seaborg
Chairman
Atomic Energy Commission
Washington 25, D. C.

Attention: Mr. Thomas O. Fleming

Dear Mr. Chairman:

I am writing in reply to Mr. Ink's letters of November 26, 1962, and May 7, 1963, which propose altogether two amendments to the Atomic Energy Act of 1954 and two amendments to the Euratom Cooperation Act of 1958 and which request our advice as to the relationship of these proposals to the legislative program of the President.

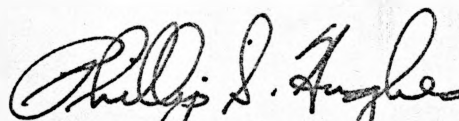
With respect to your proposal to amend section 161 of the Atomic Energy Act of 1954 concerning the official travel of military personnel, we recognize the underlying problem of unequal treatment of military personnel on parking fees, but we question your proposed method of solving this particular problem. As you are aware, the Department of Defense feels that the solution should be achieved through Defense action, now being studied, applicable to all military personnel rather than through legislation for one of the many non-Defense agencies to which military personnel are temporarily assigned. We are aware from Mr. Ink's letter of May 23, 1963, that the parking fees may be only the most evident of several differences between military and civilian treatment in travel reimbursements; however, these travel differences are only a few among many when one considers the whole field of military and civilian compensation. It is, therefore, our conclusion that the Defense view is correct and that this portion of the legislative proposal should not be sent to the Congress.

With respect to your proposals for increasing the authority for transfer of plutonium and enriched uranium to Euratom, these appear to be desirable moves in the direction of increasing United States exports. In view of the current difficulties of the present United States balance-of-payments problem, we are glad to note the Commission's expectation to sell (rather than lease) the additional amount of plutonium to Euratom, and we hope and expect that the Atomic Energy Commission will make every effort to require outright sale rather than lease of enriched uranium whenever possible in order to increase the in-flow of gold dollars in the short term.

In connection with the legislative proposal on uranium-235, we suggest that it would be desirable to defer actual transmission of the proposal to the Congress until the President has taken action on your pending request for an increase in the overall authorization for export of uranium-235.

With the exception of the proposal on military travel referred to above, you are advised that there is no objection to the presentation of your draft bills to the Congress and their enactment would be consistent with the Administration's program.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Philip S. Hughes". The signature is fluid and cursive, with the first name "Philip" being more prominent.

Philip S. Hughes
Assistant Director for
Legislative Reference