

The original documents are located in Box 43, folder “1975/03/27 - Lin Holton and Jerry Komes” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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5:30 PM - Meeting with Lynn

Holton and Jerry Comess

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Thursday, March 27, 1975

Thursday at → 5:30

THE WHITE HOUSE
WASHINGTON

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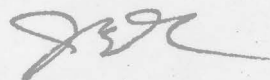


THE WHITE HOUSE

WASHINGTON

April 9, 1975

MEMORANDUM FOR: JIM CANNON

FROM: JIM CONNOR 

SUBJECT: URANIUM ENRICHMENT ISSUE

After our conversation a week or so ago with Jerry Komes and Linwood Holton, you asked me to send you a note on the uranium enrichment problem which might be used to bring the issue to the Vice President's attention. The subject is complex, and accordingly I have just put down a few points which seem to be important.

As I see it, the issue comes down to whether we want to see a situation develop sometime during the next decade in which the U. S. electric utilities depend on a Government monopoly for their primary fuel source. This situation is quite likely to occur if utilities continue to develop nuclear capacity and if we don't take steps shortly to insure that the next increment of enrichment capacity is developed by the private sector.

Without going into detail, the issue has substantial budget implications on the order of tens of billions of dollars of Federal outlays over the next 15 years. It also has foreign policy implications. We are the primary world supplier of enriched uranium for civilian power purposes. It has considerable implications insofar as the relationship between the public and the private sector is concerned. By maintaining this activity in the public sector as it grows we will be contributing to the growth of that sector, and it will be at the expense of the private sector. There are legal (anti-trust) implications; questions of the proper relationship between Government and business; and strong value disagreements involved in the issue. Because of the complexity of the technology, the magnitude of the investment and the enormity of the physical construction required to build enrichment plants, we are also



engaged in a problem that is essentially a long range one. Between the time a decision is made to build an enrichment plant to the time at which the plant actually starts producing material it is estimated that roughly 8 to 10 years are involved.

For all of the above reasons, I think that you may wish to bring this issue to the Vice President's attention. If you would like to discuss it further, feel free to call on me.

