The creation of opportunities for broadened industrial participation may permit the Government to reduce its own reactor research and development after private industrial activity is well established. For the present, in addition to contributing toward the advancement of power reactor technology, the Government will continue to speed progress in the related technology of military propulsion reactors. The present complementary efforts of industry and Government will therefore continue, and industry should be encouraged by the enactment of appropriate legislation to assume a substantially more significant role. To this end, I recommend amendments to the Atomic Energy Act which would:

1. Relax statutory restrictions against ownership or lease of fissionable material and of facilities capable of producing fissionable material.

2. Permit private manufacture, ownership and operation of atomic reactors and related activities, subject to necessary safeguards and under licensing systems administered by the Atomic Energy Commission.

3. Authorize the Commission to establish minimum safety and security regulations to govern the use and possession of fissionable material.

4. Permit the Commission to supply licensees special materials and services needed in the initial stages of the new industry at prices estimated to compensate the Government adequately for the value of the materials and services and the expense to the Government in making them available.

5. Liberalize the patent provisions of the Atomic Energy Act, principally by extending the area in which private patents can be obtained to include the production as well as utilization of fissionable material, while continuing for a limited period the authority to require a patent owner to license others to use an invention essential to the production application of atomic energy.

Until industrial participation in the utilization of atomic energy acquires a broader base, considerations of fairness require some mechanism to ensure that the limited number of companies, which as government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field. I hope that participation in the development of atomic power will have broadened sufficiently in the next five years to remove the need for such provisions.

In order to encourage the greatest possible progress in domestic application of atomic energy, flexibility is necessary in licensing and regulatory provisions of the legislation. Until further experience with this new industry has been gained, it would be unwise to try to anticipate by law all of the many problems that are certain to arise. Just as the basic Atomic Energy Act recognized by its own terms that it was experimental in a number of respects, so these amendments will be subject to continuing future change and refinement.

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The destiny of all nations during the twentieth century will turn to large measure upon the nature and the pace of atomic energy development here and abroad. The revisions to the Atomic Energy Act herein recommended will help make it possible for American atomic energy developments, public and private, to play a full and effective part in leading mankind into a new era of progress and peace.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,

February 17, 1954.