

REPOSITORY 11/11/55 - College Park  
 COLLECTION RG 326  
 BOX No. 12.3  
 FOLDER Meetings 112.3-1159



411290

~~CONFIDENTIAL~~  
~~SECRET~~

DECLASSIFIED  
 E.O. 12958, APR. 8, 83

ATOMIC ENERGY COMMISSION

NND 982627  
 By ST/illum Date 3 MAR 88

MEETING NO. 1143

2:15 p.m., Wednesday, October, 26, 1955

\*\*\*\*\*

Present

Lewis L. Strauss  
 Thomas E. Murray  
 W. F. Libby  
 John von Neumann

K. E. Fields  
 R. W. Cook  
 William Mitchell

W. B. McGool  
 John H. Stumpf

CLASSIFICATION ~~CANCELLED~~  
 OR CHANGED TO Confidential/RO  
 BY AUTHORITY OF Classification  
 BY Wm Lynch DATE 2-25-60

Also Present

David F. Shaw  
 Jesse C. Johnson  
 R. L. Faulkner  
 Col. Alfred D. Starbird  
 E. J. Bloch  
 Carroll A. Towne  
 Oscar S. Smith  
 Edwin E. Spingarn  
 Don. S. Burrows  
 Ulysses M. Staebler  
 Shelby Thompson  
 Robert Lowenstein

Richard J. Hallinan  
 John Mackenzie, Jr.  
 Manuel Dupkin II  
 Richard V. Willit

\*Allan C. Brown  
 \*John A. Anderson  
 \*Frank K. Pittman  
 \*Ross Shearer  
 \*J. A. Derry  
 \*Marvin M. Mann

\*These members of the staff were present only for the awarding of Community Chest Certificates.

1. Presentation of Certificates for Community Chest Contribution

Mr. Libby presented to the General Manager and to representatives of the Division of Military Application, Civilian Application,

1ST REVIEW DATE: <u>1/22/92</u>	2ND REVIEW DATE: <u>12-28-95</u>
AUTHORITY: <u>EO 12958</u>	AUTHORITY: <u>EO 12958</u>
NAME: <u>DC/illum</u>	NAME: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE: <u>12-28-95</u>	DATE: <u>12-28-95</u>
BY: <u>DC/illum</u>	BY: <u>DC/illum</u>
APPROVED: <u>DC/illum</u>	APPROVED: <u>DC/illum</u>
REVIEWED: <u>DC/illum</u>	REVIEWED: <u>DC/illum</u>
DATE	

~~CONFIDENTIAL~~  
~~SECRET~~

The Commissioners then considered revisions in the draft report, including those revisions recommended in a memorandum by Mr. Murray dated October 21, 1955.\*

**The Commission:**

Approved as revised, in accordance with the discussion at the meeting, the memorandum report by the Chairman to the National Security Council (Appendix "A" to AEC 655/39), based largely on a report by the Director of Reactor Development (Appendix "B" to AEC 655/39).

**12. AEC 20/50 - Selection of Lessees**

Mr. Johnson reviewed and commented upon the recommendations of AEC 20/50. He pointed out that the award of leases to the highest bidders as proposed by the staff would be contrary to the recommendations of most of the persons who had given their views at a hearing held in Grand Junction earlier in the year. He discussed with the Commissioners the practical difficulties of selection by lottery or of continuing to select lessees on the basis of competence only.

Mr. Libby suggested that further consideration of AEC 20/50 should be deferred. It was agreed that the paper would be scheduled again on the Commission's agenda for the week of November 28.

**13. AEC 840/7 - One-Point Detonation Tests**

The Commissioners discussed with Colonel Starbird revisions in the original schedule of the one-point detonation tests as proposed by the staff. Mr. Libby suggested and the other Commissioners agreed that in acting upon AEC 840/7 the Commission should provide flexibility in the test schedules.

---

\*A copy of the memorandum is on file in the Office of the Secretary.

~~SECRET~~

**The Commission:**

- a. Approved the shot schedule given in paragraph (3), of AEC 840/7, with the understanding that changes in specific dates for these shots may be made;
- b. Noted that the execution of the program will be the responsibility of the Manager, Santa Fe Operations; and
- c. Noted that the Director, DMA will be kept advised of the current status of the tests, and will be in a position to exercise expeditiously such further control as the General Manager or the Commission may direct.

Mr. Strauss said that at the OCB meeting earlier in the day, objections to an early announcement of the REDWING test had been raised. Colonel Starbird said that the staff did not now propose to make an announcement before January 1956.

**14. AEC 194/27 - Proposed Mallinckrodt Chemical Works Fee**

Mr. Fields observed that this paper had been scheduled for discussion at Mr. Murray's request. Mr. Murray said that his concern arose from the fact that, as AEC 194/27 acknowledged, the total of \$ 337,000 which would be paid to the company as an overhead allowance included \$ 146,000 which would, according to normal AEC practices, have been covered by the company out of fee payments. Therefore, he wished to suggest a course of action which he indicated by reading the following paragraph to be substituted for paragraph 8, page 6, of AEC 194/27:

"It is agreed between the AEC and Mallinckrodt that by November 1, 1956, the overhead allowance will be renegotiated in order to determine what items should be charged to direct costs and what items should be included in the fee. The agreed purpose