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MOUND LABORATORY-MONSANTO
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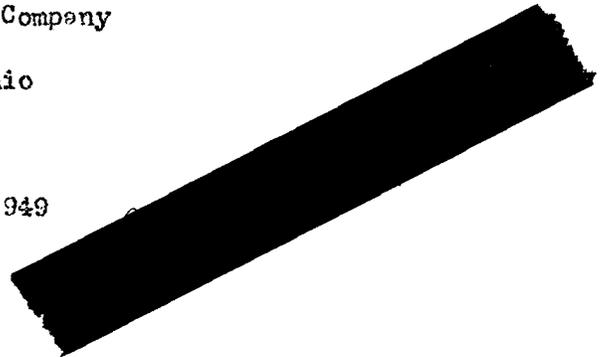
MOUND LABORATORY

Operated By

Monsanto Chemical Company

Miamisburg, Ohio

December 23, 1949



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MOUND LSDR PROJECT
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Record Copy held at Mound Facility

Mr. E. A. Walker
Assistant Area Manager
United States Atomic Energy Commission
Mound Laboratory
Miamisburg, Ohio

Dear Mr. Walker:

In accordance with your request of November 30, 1949, (MDA:RER), I submit herewith our best estimate of the financial situation through the balance of the fiscal year 1950.

(See accompanying tabulation)

Discussion

The fixed fee has been distributed in the ratio of budget figures. Expected pay increases have been handled in the same fashion. All expenditures to 11/30/49 have been multiplied by 2.4 to give the estimated value for the fiscal year, except demolition of Units 3 and 4. This was multiplied by 1.4, since it is expected to be complete in January.

GROUP 1
Excluded from automatic
downgrading and
declassification

MOUND DECLASSIFICATION REVIEW	
1ST REVIEW DATE: <u>9/17/97</u>	DETERMINATION (CIRCLE NUMBER(S))
AUTHORITY: <input type="checkbox"/> AOC <input checked="" type="checkbox"/> ADC <input type="checkbox"/> ADD	1. CLASSIFICATION RETAINED
NAME: <u>TIM FLANNAGAN</u>	2. CLASSIFICATION CHANGED TO _____
2ND REVIEW DATE: <u>9/23/97</u>	3. CONTAINS NO DOE CLASSIFIED INFO
AUTHORITY: <u>ADP</u>	4. COORDINATE WITH _____
NAME: <u>Bob Atay</u>	5. CLASSIFICATION CANCELLED
	6. CLASSIFIED INFO BRACKETED
	7. OTHER (SPECIFY): _____

Caution

This document contains information affecting the National Defense of the United States, its transmission or the disclosure of its contents in any manner to an unauthorized person is prohibited, and may result in severe criminal penalties under applicable laws.

Restricted Data

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The P-1 (Operations) cost per month has been remarkably constant since June. Therefore the projected figure is believed to be accurate. An underrun of about \$500,000 is indicated.

The P-2 (Research) cost per month has been reasonably constant for the same period. An overrun of about \$20,000 is indicated, - 2.5%, - but we expect to effect savings of about this much.

Since July, when the new cost accounting system became reasonably accurate, P-3 (Biological Research) has shown a slow monthly increase. The projected figure exceeds the budget by over \$44,000. However, an effective cut of over 19% was not called to our attention until about December 1st. This cut is figured as follows: reduction of the budgetary figure of \$350,000 to \$300,000 and necessity of charging \$16,540 of the fixed fee against the latter sum. In those five months of the fiscal year we overspent unwittingly \$16,150. We cannot make this up, nor do we feel it is fair to require it. Of the remaining overrun of \$28,233, we hope to save about \$4,300 in the salary of one man and the appropriate fraction of charges which should be made against Scioto Laboratory. However, this leaves an overrun of about \$23,900. We will, of course, do everything possible to reduce this. In view of the fact that Biological Research has all along been understaffed, - a conclusion with which the A.E.C. medical representatives are in complete agreement, - and we cannot add the necessary additional scientists, let alone drop any now with us, we request the Commission to find ways to allow an increase in the P-3 budget of \$50,000 for the fiscal year 1950. This would cover the expected overrun, plus the overrun experienced before there was any notice of budget reduction, plus the new men. Since we dare not cut our staff, failure to grant this would hamstring our Biological Research. The overhead chargeable to it is a matter of the whole plant and not of this department. In other words, the whole of this cut would fall on the scientific staff, which is even now carrying on only a modest program.

Waste Disposal Research, - P-4, - showed a doubling in the monthly rate in September but has been dropping sharply ever since. Although there appears to be an underrun of about \$17,000, it is believed this will actually be almost zero by June 1950. (Twelve times the November costs give \$163,000.)

Our estimate on "Capital Additions" for the balance of this fiscal year is \$50,000. Our estimate on "Special Maintenance and Replacement" for the same period is \$20,000. Finally, we anticipate construction in the same period of about \$160,000.

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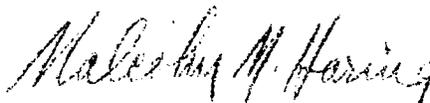
-3-

This is broken down as follows:

Urgently needed facilities for handling experimental animals	\$10,000
Penthouse on "H" Building	5,000
Addition to guardhouse, etc.	35,000
Perimeter road	10,000
Waste Disposal Research construction	100,000

Since Scioto Laboratory was under construction and installation until about mid-November, and since the cost accounting system had not been fully developed for it, no really good "experience" figures are available. However, a fair estimate can now be made based on the number of employees, etc. It appears we are now spending in the neighborhood of \$175,000 per half year, including fee.

Very truly yours,



Malcolm M. Haring,
Laboratory Director.

MMH:jdb

Distribution:

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