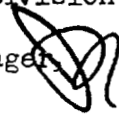


Office Memorandum • UNITED STATES GOVERNMENT

TO : Howard C. Brown, Executive Officer, Division of DATE: March 21, 1951
 Biology and Medicine, Washington

FROM : J. J. Flaherty, Assistant to the Manager, 
 Chicago Operations Office

SUBJECT: TOXICITY LABORATORY CONTRACT

In accordance with our telephone conversation of March 20, 1951, I have discussed the status of the Toxicity Laboratory with Mr. W. B. Harrell, Business Manager of The University of Chicago.

I told Mr. Harrell that it was our intention to communicate with the Air Force, asking a definite expression of interest in taking over operation of the Toxicity Laboratory and assuming title to the real property of the laboratory. Mr. Harrell said that he is currently in a very preliminary stage of negotiation with the Air Force and felt our direct intervention at this moment might muddy this situation slightly. I told Mr. Harrell that I would be very happy to hold off for a week or two until his discussions with the Air Force were on a more definite basis. I will keep in close touch with this situation and will write the appropriate Air Force representatives when things have jelled a little further.

One point I wish to explain to you concerns the somewhat mixed financial interests in this laboratory and its equipment as between the Chemical Warfare Service and the Atomic Energy Commission. From the standpoint of capital investment, CWS has by far the largest interest, although the work has been financed with AEC funds for the last two or three years and consequently title to some of the equipment would rest with AEC. You will recall that the CWS has indicated a willingness to transfer its interest in the laboratory to us without reimbursement.

In view of the Commission's interest in the program that the Air Force will undertake at this laboratory, it is our intention to offer to transfer equipment to which we might have title to the Air Force without asking reimbursement. We would, of course, require that the Air Force assume the obligation to restore the premises which we have inherited from CWS.

I will keep you advised as things develop.

US DOE ARCHIVES	
326 US ATOMIC ENERGY COMMISSION	
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*Country copy sent to
 Col. Butman - DMA.*

MEDICINE, HEALTH & SAFETY *2/2/51*
Chicago
(Signature)