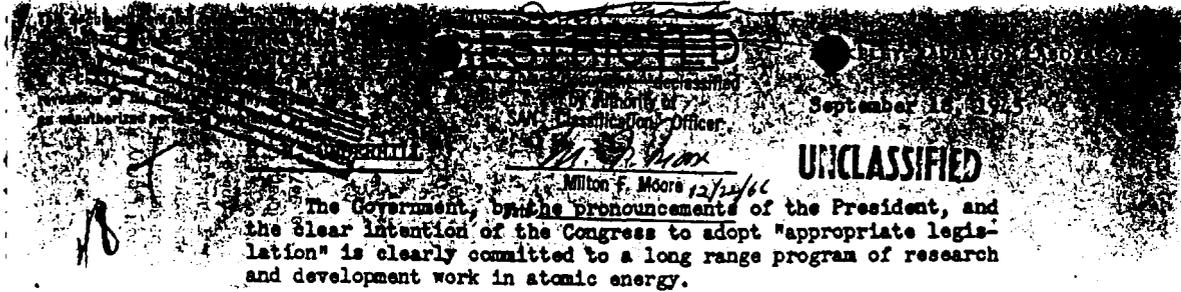


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The Government, by the pronouncements of the President, and the clear intention of the Congress to adopt "appropriate legislation" is clearly committed to a long range program of research and development work in atomic energy.

The University of California is committed by contract to continue work on the electromagnetic process for the duration and 6 months. While the University commitment is now purely contractual, there can be no doubt that this institution, having been a key participant in the Manhattan District Project, has an obligation even though only implied, to continue the work.

I do not know what the contract obligations of Columbia University and the University of Chicago may be, but I judge they are substantially similar to those of this university. Whatever the contract commitments are, certainly those universities share with this institution an obligation to continue scientific work pointing toward the harnessing of atomic energy. The responsibilities of a state university are possibly clearer cut than are those of the privately endowed institution, but fundamentally there is no difference.

Scientists will pursue research concerned with atomic energy, regardless of the source of support.

If you are willing to grant the validity of the above propositions, then two questions must immediately be considered, both by the Government and by the universities: (1) The form of contract or other means by which the Government will support research in the field of atomic energy; (2) the scope of the work to be undertaken by academic institutions.

Most of the important objections to continuation of the work on the basis of a standard Government contract may be overcome substantially by the development of some form of grant-in-aid. The University performs varied work for the Federal Government on such grants. These are mingled with other funds available for general University or departmental purposes. Many of the arguments listed below in objection to the standard Government contract as the basis for support of academic research, can be reversed to become arguments in favor of the grant-in-aid. It is clear that costs of administration, accounting, property control, and the like, would be much less under a grant. So far as the Radiation Laboratory is concerned, it could function as a unit without the compartmentation required by a mixture of contract and non-contract work.

A grant-in-aid could be administered by the University as it would administer any other funds. Its reports to the Government would be as full and complete as any others now furnished the Government in connection with the use of other funds. Its reports of research results would be no different from what they would be under a tightly drawn contract, but the work would be

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accomplished unimpeded by the inevitable conflicts and confusions created by endeavoring to mix University and Federal regulations.

The grant-in-aid type of support would still, however, require an answer to most of the questions listed in paragraph B below, concerning patents, security, and the general nature and scope of the work to be undertaken.

On a grant-in-aid basis, it has been estimated that the work in the Laboratory could be carried forward on an annual expenditure of about \$1,250,000 of which approximately \$800,000 would be expended for payroll and the balance for expense and equipment. Such a program would entail an annual provision of about a quarter million dollars from University and other sources and one million dollars from the Federal Government. It could be accomplished satisfactorily only if the general program were to be carried on for a sustained period, say five years.

The cost of the same program on a closely-drawn contract would be in the neighborhood of \$1,600,000.

The following outline lists points which immediately come to mind in connection with the two general questions of contract form and scope of work:

A. Form of Contract

1. In the absence of Congressional action, it is entirely conjectural what type of contract the Government may wish to negotiate.

2. While the tendency of the government during the war has been to draw tighter and tighter contracts, Dr. Bush, in his admirably stated report to the President of the United States, has made it clear that the average American university cannot operate under the fiscal controls required of a Government department or agency. Recently, however, the War and Navy departments have been severely criticized by the Justice department for allegedly "loose" contract procedures.

3. Experience under Contract W-7405-Eng-48 indicates clearly that regardless of the form of contract — that is, whether it is tightly drawn or not — the constant tendency and endeavor of the contracting agency for the Government, actuated by what sometimes appears to be an unreasoning fear of the General Accounting Office, will attempt to follow the Government manuals to the letter. It will be their effort to resolve any questions which are not clearly defined in the contract in favor of the G.A.O. method of business. Dr. Bush, in his report, advocates a relaxation of Government vouchering requirements. He has practised this theory in the administration of the O.S.R.D. — thus far; the G.A.O. has not yet closed the books on O.S.R.D.

4. The University's experience in the administration of the much-disputed Article XI, Paragraph (a), which specifies that the contractor's records and accounts will be kept in

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accordance with the system "usually utilized by the contractor in the regular course of its business" has been consistently by-passed by directives and regulations issued by the contracting agency. In this respect the Manhattan District is probably no different from what any other Government contracting agency would be under similar conditions.

5. Operation under a full-blown Government contract would impose on a University department such as the Radiation Laboratory a heavy administrative load. For example, continued operation of the Laboratory on its present contract basis would require an expenditure of not less than 20 cents on the dollar for administration.

6. While a contract might be written on the "no loss, no gain" basis of the present Contract 48, the cost of the work to the Government would necessarily entail an outlay of funds to the contractor for overhead expense.

7. The performance of a certain portion of the work of the Radiation Laboratory under a tightly drawn Federal contract, and the balance on funds from other sources, would serve to perpetuate the artificial barriers across the department which have been drawn during war time. The Radiation Laboratory is a prime example wherein such barriers have been created by divisions between the Army and O.S.R.D. contracts and the University departmental work undertaken by the 60" cyclotron group. These barriers are required to meet Government vouchering and property requirements. In a peace-time University program, they create waste of equipment, supplies, materials, administration and services, since there can be no mingling or pooling of these, as between Government and non-Government work.

8. Two other questions which are of concern are the nature of "hold harmless" and welfare fund provisions to be made by such a contract, since there is no doubt that health and life hazards will exist in certain phases of the work.

9. What will be the period of time for which the Government and universities will be willing to make contract commitments? During the war, for practical reasons, these contracts have been for relatively short terms, but if a university is to undertake long range research, it is desirable that it attract and retain the best of the scientists who are being released from work on strictly war-time research and development contracts. To do this, universities must be in a position to offer a reasonable degree of tenure, and to do this on a scale contemplated by a greatly expanded program in nuclear physics, the University must in turn be assured of a reasonable continuation of Government support. Contracts like Contract 48, which are subject to cancellation at any time, hardly form a satisfactory basis for such a University program in peacetime.

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Scope of the Work

1. Will the Government be interested in or disposed to support pure research in the field of nuclear physics?
2. Will University science departments be interested in any Government contracts which do not sponsor pure research? (That is, research that does not add to the sum of human knowledge?)
3. Will University departments or universities be interested in performing, for security or other reasons, development work of the type which normally would be undertaken by an industrial laboratory?
4. Will University science departments be willing to do a certain amount of development work as a "bread and butter" side line in order to gain the support and facilities required for fundamental research?
5. Will the Government expect the universities to perform research and development work directed toward the military application of results, or will the Government establish a separate military laboratory for such work?
6. What would be the disposition of patent and other rights under such a contract? This may be a difficulty in the grant-in-aid type of support, which would involve a mixture of support for the program.
7. What rights of publication will scientists have? This is the same as asking what security regulations will be applied and what effect they will have on the normal practices and interests of scientists. Under war-time conditions scientists have willingly foregone, in the interest of national security, the right to publish the results of their research. It is a serious question whether secrecy of this kind can indefinitely contribute to the progress of science. The advancement of knowledge is the goal of universities and scientists; inhibited by close security regulations, they would be unable to benefit by interchange of information with scientists of other universities, or for that matter, other nations.

The above is a somewhat random summary of various points which have come up in discussions which I have had with Mr. Reynolds and other members of the Laboratory staff concerning means by which the Government could carry forward in a manner acceptable to the University as an educational institution, the work begun in war-time on atomic energy. While the nation was at war, the University was in no position to refuse to participate; its position now, and that of other universities, is that it can afford to negotiate and to endeavor to influence the basis on which future work in this field is to be done. Physicists of the world, including those of this University, naturally will continue research in nuclear

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physics, whether it is Government-supported or not. The question thus becomes one entirely of how rapidly the inquiry is to be pushed and to what extent the Government of this country will endeavor to control it.

The University, as a publicly-supported, non-profit corporation, is in a position, since no profit motive is involved, to insist on a type of contract or grant which will permit and encourage the accomplishment of scientific results by methods and along lines which have traditionally characterized university scientific departments.


Kenneth Priestley
Business Manager
Radiation Laboratory

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