December 5, 1950.

Dear Max-

Thank you for your letter of the 30th. There are a couple of points which may need some elaboration.

I am grateful to you for the confidence implicit in your suggestion that the budget for the grant might be augmented. Make no mistake about it, I'm not coy about asking for money. However, the X-ray project is not directly one of the main lines of research in the laboratory, but just one phase. At the moment, I would not like to commit the lab. to an extensive pursuit of this phase, as would be implied by accepting a larger grant. If we had the space, I'd be glad to put someone fulltime on it (and ask for a proportionately larger measure of support), but this would not be possible for about another years By that time, I will know whether I want to push this angle, whether it is likely to pan out to something useful, and the AEC will know better whether it will have a special interest from its side in furthering the problem. Until then, I feel that the acceptance of a larger contract might constitute some pressure to emphasize this particular work to an extent that might prejudice our other projects, especially with the space limitations we are enduring now. Another viewpoint has to be considered. If the AFC's position is likely to change in such a way that projects will be frozen during 1951, it might be advantageous to present a more comprehensive plan now. However, unless there is a decisive advantage in favor of this tack, I would prefer to start on a small scale.

There are a few specific procedural questions, your advice on which would be helpful. Firstly, allowing two or three weeks here for red tape, is March 1, 1951 a feasible starting date? The matter is quite flexible, but I would prefer the earliest date possible.

Secondly, can you cite an established overhead rate? Our business office will be most concerned about this. Do you operate on a fixed % of direct labor, like the Army, or can it be put under any other terms?

Thirdly, the formal application will undoubtedly have to be transmitted by our Vice-President for business affairs. To whom should it be addressed?

Finally, will I have to write quarterly reports (as with the Asmy?)
For something on this scale, would it be possible to waive such a requirement, or can it be met in form without much trouble?

Thanks very much for your interest and help, sincerely,