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MEMORANDUM FOR THE DIRECTOR, UNITED STATES GOVERNMENT

TO : Chief, Scientific Branch
FROM : Chief, [redacted] Office

SUBJECT: Case [redacted] - Contract with Dr. [redacted]

1. Attached are the original and three copies of subject contract forwarded to us with Headquarters memorandum of 6 December 1956. The expiration date was changed to 30 June 1957 as per teletype of 10 January 1957. Dr. [redacted] initialed the changes and signed all four counterparts today, and they were witnessed and also initialed by [redacted] of this office.

2. When we approached Dr. [redacted] on the contract, his reactions were approximately the same as the objections we raised in TRR [redacted] 2100, principally because all purchase orders for experimental animals, etc., are issued by [redacted] state penitentiary. To the best of our knowledge, Dr. [redacted] is a full time employee of [redacted] and has no other office or laboratory than at the [redacted], with all of his assistants [redacted] employees also. After some discussion, it was finally decided that Dr. [redacted] would report the \$500.00 on his 1957 income tax return simply as a donation from the U.S. Government for research purposes, and he will in turn make a personal donation of 10% of the [redacted] (without disclosing the source), thereby incurring no tax liability.

3. This raises a problem if the purchase orders, transportation and other expenses are all to be borne by [redacted] inasmuch as the project cannot be completed without all funds available, and the contract as written stipulates that \$300.00 of the \$500.00 are payable upon satisfactory completion and submission of the report. In spite of this, and to save time, Dr. [redacted] went on and signed the contract, figuring that this could be ironed out while the experiments are in progress. Therefore, when the attached contract is completed, please have it modified so that \$200.00 can be paid forthwith in order to get the project underway; and the remaining \$300.00 after the project is under way but before the \$200.00 are exhausted in expenses.

4. Paragraph two of the contract was ignored because the only property interests involved are the scientific [redacted] which [redacted] probably does not want to take [redacted].

5. Dr. [redacted] has a form of release which sets his own terms [redacted] and which has in all probability been approved by attorneys for [redacted] [redacted] in [redacted] with him the [redacted] [redacted] in the [redacted] memorandum.

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[Redacted]

Special Division
[Redacted]

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21 January 1951

6. For No. [Redacted] [Redacted], Dr. [Redacted] that [Redacted] could be readily available from any good drug store, through any large hospital, or certainly from March & Co., Inc., Rahway, New Jersey.

1/21/51

[Redacted]

[Redacted]

Attachments

[Redacted]

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