

14 January 1955

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[REDACTED]

Confirming our discussion, it is requested that proposed Regulation [REDACTED] be revised to correct the policy change caused by the addition of the words "except those projects specified in Para. 5 a (3) below" ~~added~~ to para. 4 b.

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In the development of this regulation, there was always the understanding that it was not intended to change the present policy and practice under which the DDI is authorized to approve external research projects under \$25,000. This intent is evidenced by the fact that in one of the later drafts the words "subject to the exceptions listed in Para. 4 above" were inserted at the beginning of Para. 5 to make clear that the provisions of Para. 5 were subject to 4 b as originally worded. The addition by the General Counsel, however, would require that external research projects under \$25,000 be submitted for formal PRC review. Under present practice, after DDI approval the projects are controlled by the PRC Secretariat with copies being referred to the members for their information.

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In concurring in the previous draft, I discussed with [REDACTED] my concern over possible misinterpretation of the relationship between 4 b and 5 (3) but agreed with his request ~~in~~ not making changes in the interest of expediting issuance inasmuch as the intent was clearly understood by him.

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This morning I again talked with Mr. [redacted] External Research Coordinator, who concurs in the above.

Inasmuch as 5 a (1) makes clear that all projects in amounts exceeding \$25,000 are for the original approval of PRC, it is suggested that 5 a (3) be amended by deleting "and all external research projects."

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*done -  
RWS 1/14/54*  
[redacted]  
*advised.*