

Office Memorandum • UNITED STATES GOVERNMENT

TO : Files
THRU: R. W. Kirk and F. M. Belmore

DATE: June 7, 1954

FROM : ~~C. E. Dunlap~~ Chief, Metallurgical Development Branch, Production Division

SUBJECT: MEETINGS WITH SUPERIOR STEEL CORPORATION ON MAY 12 AND MAY 26, 1954 -
CONTRACT AF(30-1)-1412

SYMBOL: MI:GEO

Representatives of NYCO and Superior Steel Corporation met at New York May 12 and May 26, 1954 to discuss details of Superior Steel's proposal dated January 5, 1954 (expired), and the information which is contained in Mr. W. J. Beardon's letter of May 25, 1954 (copy attached).

Background

At a Flat Plate Steering Committee Meeting at NYCO on May 13, 1954, representatives of duPont and SPDO expressed an interest in continuing the present contract with Superior Steel Corporation. This continuation, however, was to be on a development basis only for the immediate future. The proposal of January 5, 1954 from Superior Steel was aimed not at development but rather pre-supposed production size quantities being demanded in flat plates. It was therefore necessary to request Superior Steel to continue with development quantities for the time being and determine their willingness to do this as well as to answer certain questions which had been raised in a prior meeting with Superior Steel representatives on January 13 at NYCO (report attached). The answers to these latter questions would bring the January 5 proposal up to date for the files and for any future possibility of production quantity requirements in flat plates.

Results of Meeting

1. Superior Steel Corporation wants to continue to produce development quantities to meet Savannah River requirements. They, of course, would like still better to be called upon to produce production quantities but will wait the development of such a demand, meanwhile making efforts to perfect their processes on development size lots.
2. Superior Steel Corporation was informed that no assurance of any production quantities could be given at this time but that the Commission was interested in continuing with development lots.

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Superior Steel was also requested not to proceed with equipment expenditures until otherwise advised. This confirmed earlier telephone conversations between Mr. G. E. Dunlap and Mr. E. J. Reardon.

3. Mr. Reardon submitted a letter dated May 25, 1954 which further amplifies their proposal of January 5 (copy attached). For development quantities, such as we have ordered from them in the past, the price continues at 80¢ per pound of metal charged for conversion. Some adjustment in this can be made downward in accordance with the price schedule shown in Superior Steel's letter of May 13, 1954 (copy attached).
4. Further to the questions raised in the meeting of January 13, Superior Steel will not include amortization and taxes as a part of their costs for profit calculation and will show data to substantiate their price structures when and if production quantities are ordered by the Commission.

This report is made for the purpose of bringing the records up to date as of May 26, the date of Mr. Reardon's visit as above recorded. No discussion of renewal of the contract or negotiation of any financial matters has been discussed. This subject along with renewal of the contract which runs out June 30, 1954, still remain to be accomplished.

Enclosures:

1. "Proposal for Production of Uranium Strip" from SSC.
2. Supplemental Proposal from SSC dtd 1/5/54.
3. Memo to Files from R.D. Delagi dtd 1/18/54.
4. Ltr from E.J. Reardon, SSC dtd 5/13/54.
5. Ltr from E.J. Reardon, SSC dtd 5/25/54.

cc: F. R. Bowling, ORSO, Oak Ridge, w/cys of all encls.
T. P. Carberry, Production Div. w/cys of all encls. except Encl. #1.
F. Chrestie, Budget & Finance Div. w/cys of all encls. except Encl. #1.
E. Dodge, Production Div. w/cys of all encls.

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