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TO: FILE			MEMORAN		TE 12/7/8	77	
FROM: <u>A.</u>	Allo						
SUBJECT:							
SITE Mors	e Chen	nical (	<u>^</u> .	ALTERNA	TE	: 	
CITY: <u>CL.</u>	<u>nyo</u>	S.	ТАТЕ:	<u>L</u>			
OWNER(S) Past: <u>Ma</u> Owner contac					ted		
TYPE OF OPERA	IIUN			Facility			
<ul> <li>Pilot S</li> <li>Bench S</li> <li>Theoret</li> </ul>	ion scale cale cale Proce ical Stud: & Analysis	255		Unive Resea Gover	rch Organiza	red Facility	
Production Disposal/S				Chem	ical Co.		
TYPE OF CONTR	ACT						
<pre>Prime  Subcontractor Purchase Order</pre>				Other information (i.e., cost + fixed fee, unit price, time & material, etc)			
Contract/Purc	hase Orde	r #					
CONTRACTING P	ERIOD:	Not un	dy com	hast on	14 Bilon	Thorium Work	
OWNERSHIP:					•		
	AEC/MED	AEC/MED	GOVT <u>OWNED</u>	GOVT LEASED	CONTRACTOR	CONTRACTOR	
LANDS BUILDINGS EQUIPMENT ORE OR RAW MA FINAL PRODUCT WASTE & RESII	r 🖸						
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AECYMED INVOLVEMENT AT SITE
Control AEC/MED managed operations AEC/MED responsible for accountability AEC/MED overviewed operations Contractor had total control unknown
MATERIALS HANDLED:
Type (on basis of records reviewed)
No Radioactive Natural Radioactive from Feed Materials Production Ore Refined Source Material Residue
<ul> <li>Natural Radioactive Material from Non-Nuclear Activities</li> <li>Man-Made</li> <li>Other</li> <li>Comment</li> <li>Did Not Win ; Just B. d on Thorium Work</li> </ul>
Quantities (on the basis of records reviewed)
None     Production Quantities
Comment_N/A - Did Not Win Contract
CommentN/A - Did Not Win Contract
Comment N/A - Did Not Win Contract
Comment N/A - Did Not Win Contract
Comment N/A — D:d Not W.N Gentrect CIHER PERTINENT FACTS: Facility was Licensed During AEC/MED-Related Operations For Similar Activities For Other Activities
Comment N/A - Did Not Win Contract CTHER PERTINENT FACTS: Facility was Licensed During AEC/MED-Related Operations For Similar Activities For Other Activities Comment Comment Commercial Production Involving Radioactive Material during AEC/MED
Comment N/A - D:d Not W.W Contract
Comment <u>N/A - Did Not Wite Contract</u> <u>OTHER PERTINENT FACTS:</u> Facility was Licensed During AEC/MED-Related Operations For Similar Activities For Other Activities Comment Comment Commercial Production Involving Radioactive Material during AEC/MED Operations Facility was Decontaminated and Released
Comment

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ΩU	ANTITY OF	RECORDS A	VAILABLE:						
	Very Lit	le		Some		🗆 Suff	icient		
PR	OBABILITY	OF FINDIN	G ADDITIC	NAL RECORDS	:				
Þ	Low		🛛 Possibl	e	🗆 Hig	Jh		:	
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## MORSE CHEMICAL COMPANY

8 SOUTH MICHIGAN AVENUE CHICAGO, ILLINOIS, U.S.A.

TELEPHONE - ANDOVER 3-3461 CABLE ADDRESS "MORCHEMCO" CHICAGO

TI 0.05-1

June 30, 1954

PROFADOR & DEVELOPMENT - 13 -

Raw Materials Division United States Atomic Energy Commission 1901 Constitution Avenue, N.W. Washington 25, D. C.

Attention: Mr. R. Faulkner, Assistant Director Reference: P:FH

Dear Sir:

We are writing to submit a firm proposal for the processing of monazite now in the stockpile in accordance with the invitation to Morse Chemical Company in your letter of May 20th and your telegram of June 18th, 1954.

The Morse Chemical Company will treat the entire 7,150 tons of monazite to produce therefrom thorium nitrate and sodium rare earth sulfate (double sulfate), both products to meet the specifications enumerated in your letter of May 20. Deliveries will be made in accordance with the terms of your letter, to begin no later than February, 1955 and complete by December 1956 at a regular production rate.

Our price for breaking the monazite sand, that is, production of purified thorium nitrate and rare earths in a form suitable for return to you, would be \$635.00 for each short ton of monazite treated. If the monazite treated contains 6.18% thorium oxide the cost of the thorium nitrate will be \$2.48 per pound. This latter per pound price is equivalent to the per ton of monazite price assuming 6.18% thorium oxide content in the monazite. These prices are based on processing 7,150 tons or more of monazite which is to be delivered f.o.b. our plant in time specified.

Our firm proposal at this time is based on processing only the monazite sands. The reason for this being that Morse Chemical is thoroughly familiar with the technology of processing monasite. Sufficient time has not been available for evaluating the problems involved in processing the various sludges described in your May 20 letter.

As stated previously to members of your staff in conferences in New York and Washington, the process to be employed in this work was developed by The Rohm & Haas Company over a period of years, and was thoroughly tested. The Morse Chemical

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Our price for breaking the monazite sand, that is, production of purified thorium nitrate and rare earths in a form suitable for return to you, would be 635.00 for each short ton of monazite treated. If the monazite treated contains 6.18% thorium oxide the cost of the thorium nitrate will be 2.48 per pound. This latter per pound price is equivalent to the per ton of monazite price assuming 6.1% thorium oxide content in the monazite. These prices are based on processing 7,150 tons or more of monazite which is to be delivered f.o.b. our plant in time specified.

Our firm proposal at this time is based on processing only the monazite sands. The reason for this being that Morse Chemical is thoroughly familiar with the technology of processing monasite. Sufficient time has not been available for evaluating the problems involved in processing the various sludges described in your May 20 letter.

As stated previously to members of your staff in conferences in New York and Washington, the process to be employed in this work was developed by The Cohm & Haas Company over a period of years and was thoroughly tested. The Morse Chemical Company would be the beneficiary of all of Rohm & Haas' experience and continuing consultation of Dr. Loren Hurd, developer of the process, and other apphers of The Rohm & Haas research and production staff. See enclosure #1.

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Morse Chemical Company is now negotiating to engage a number of additional experienced scientists and engineers to assist Dr. Wolnak. We have contracted with the Vern E. Alden Company, engineers, of Chicago for the procurement and installation of the equipment and as consultants on all engineering aspects of the project. See enclosure #2. Our major plant will be in the Chicago area though if necessary we can use some additional facilities which we have at the Spencer Manufacturing Company in Spencer, Ohio, which is a subsidiary of Morse Chemical Company. George Rosseter and Company which is combining with Peat Marwick Mitchell & Company and our accountants. The Continental Illinois Bank and Trust Company is our principle bank. Our general counsel is Baker, McKenzie, Hightower & Brainerd. Directors include:

M. B. Morse, Chairman of the Board

Dr. C. H. Burgess, Bear Creek Mining Company, Subsidiary of Kennecott Copper Corporation
W. LeRoy Haskell, Harris Upham & Company
Christopher G. Janus, president, Morse Chemical Company
Allen Hosmer Morse, vice-president, Morse Chemical Company
J. Albert Roesch, partner, Roesch & Crosby
Dr. Bernard Wolnak, director, Mid-West Laboratories

The financing of this venture will be done principally by The Morse Investment Company which is a holding company owned by a part of the Morse family which founded Fairbanks, Morse and Company. However, it should be pointed out that Morse Chemical Company is completely independent of Fairbanks, Morse and Company.

With respect to your statement that "while proposed unit prices are the prime consideration, we necessarily reserve the right to consider other factors in determining whether an award to your company would be in the best interest of the Government", we should like to point out that an award to The Morse Chemical Company would result in a plant and organization devoted to the treatment of monazite and the extraction of thorium and the other elements therefrom, thus reducing the almost exclusive dependence of the United States Government, of the AEC, and other consumers upon the one principal and two or three small suppliers of thorium in this country. A competitive and progressive thoriumrare earths industry would seem to be more in the interest of the Government and of the Nation's economy than the present situation in which a single concern has occupied so hegemonic a position as to constitute essentially a monopoly.

We understand that these bids submitted may be opened for further discussion. After you have had the opportunity to consider the details of our proposal, we would be glad to meet with you to help provide any supplemental data and for further discussion.

Pursuant to our conversation with you in Washington on June 30, we will submit within a week additional proposals which will be related to but independent of the project described in your letter of May 20 which we feel may be of considerable benefit to your future program.

Sincerely yours,

Christopher C. Jams President +

SSE CHILICAL COLPANY

CGN:vt:may Enclosures