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SENATE

{ REPORT
No 526

MAUDE P GRESHAM

MAY 10, 1937 — Ordered to be printed

Mr. WALSH, from the Committee on Naval Affairs, submitted the following

REPORT

[To accompany S. 1453]

The Committee on Naval Affairs, to whom was referred the bill (S 1453) for the relief of Maude P Gresham, having considered the same, report favorably thereon, with amendment, and, as amended, recommend that the bill do pass

Amend the bill as follows

Page 1, lines 6 to 8 inclusive, strike out the following

Navy, out of any money in the Treasury not otherwise appropriated, the sum of \$15,000 in full settlement for the late Commander William F Gresham's invention which has.

And insert in lieu thereof the following:

Navy, the sum of \$8,750 and to Agnes M Driscoll the sum of \$6,250, out of any money in the Treasury not otherwise appropriated, said sums to be in full and complete settlement of all claims by said parties against the United States arising from the invention of the late Commander William F Gresham which said invention has.

Amend the title of the bill so as to read

A bill for the relief of Maude P Gresham, and for other purposes.

The purpose of the bill is to pay to the widow of the late Commander William F Gresham, United States Navy, the sum of \$8,750 and to Agnes M Driscoll the sum of \$6,250 in full and complete settlement of all claims by said parties against the United States arising from the invention of the late Commander William F Gresham which has been accepted by the Navy Department for use in connection with naval communication facilities

The bill was introduced at the request of the Navy Department. The Department states that the bill is in accord with the program of the President and involves an additional cost to the Government of \$15,000

Commander Gresham invented a device that greatly increased the efficiency of an important part of the naval communication service

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This device was of such a secret and confidential nature, and of such importance to the National defense, that the Navy Department confiscated it for the exclusive use of the Navy and prevented Commander Gresham from obtaining a patent thereon. If this invention had been patented its usefulness would have been destroyed, as it would then have been open to public inspection.

Prior to his death, Commander Gresham requested that he be compensated for his invention in the amount of \$30,000. Upon receipt of his request the Secretary of the Navy convened a board of three officers to recommend the amount of compensation to be paid to Commander Gresham. The board found, after careful comparison of Commander Gresham's invention with earlier and similar devices, that it greatly increased the efficiency of an important component part of the naval communication service and that \$15,000 would be a fair compensation therefor.

The Navy Department has recently conducted a further investigation into the matter and is of the opinion that Commander Gresham was the sole inventor of the device, but that the fundamental cryptographic principles which the machine was designed to employ probably was conceived by Mrs. Driscoll and disclosed by her to Commander Gresham. The committee is therefore of the opinion that Mrs. Driscoll's rights and interests in the invention are substantially equal to those of Commander Gresham and that she is entitled to a fair percentage of any compensation which may be granted to Mrs. Gresham. The committee, therefore, recommends an amendment granting Mrs. Gresham the sum of \$8,750 and Mrs. Driscoll the sum of \$6,250.

Payment of compensation in like amount to Capt. Russell Wilson, United States Navy, for an invention which during the World War was the basis of the Navy's system of secret communications, was authorized and directed by the act of June 13, 1935.

The committee has inspected this invention and believes that it is of great value to the Government in connection with the secret communication facilities of the Navy and is of the opinion that, although the value of this invention to the Government cannot be measured in dollars and cents, \$15,000 is a fair compensation therefor.

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