

Mr. George J. Gould
 Director, Security Division
 Office of the Secretary of Defense
 Washington 25, D. C.

26 April 52
28 April 52

Dear Mr. Gould:

I have reviewed the enclosed correspondence from Mr. Wilton Lloyd and find the same no different than before. It is obviously impossible for the Department to deal with Mr. Lloyd on the terms he proposes.

For your information, if I did not already indicate it to you on the occasion of my visit to your office, invulnerability to solution is by no means the sole requirement of a system suitable for practical usage. Our inability to solve test messages would be of no over-riding significance in connection with Mr. Lloyd's system. It is possible to devise a system so complex as to baffle attempts to solve a few messages enciphered by it - but such a system would hardly lend itself to easy handling by our cryptographic personnel, would be much susceptible to error, and very slow. It is highly probable that Mr. Lloyd's system falls in such a category. Moreover, there is nothing to justify his contentions as to the invulnerability or security of his system, since so far as we are aware, he has never had any experience in any organization specializing in cryptanalysis. Finally, his condition requiring an advance retainer fee of \$10,000, payable as a preliminary to disclosure of the details of his system, is unreasonable and unwarranted by all Departmental precedent.

I therefore suggest a brief reply to his letter, substantially as follows:

"In response to your letter of 15 April 1952, in regard to your cryptographic system, I have the necessary authority to state that the Department of Defense is not interested in examining or acquiring your system under the conditions set forth in your letter."

A categorical reply such as the foregoing would ordinarily be sufficient to discourage further correspondence on the part of a reasonable individual. However, Mr. Lloyd is not such a person and I have little doubt that he will continue his efforts. Unless you can figure out some formula or wording which will shut him off for good, at least so far as the Department of Defense is concerned, I imagine that upon receipt of a letter such as I suggest, he will attempt to get in personal touch with the Secretary of Defense or other high-level personage in the Government.

Sincerely,

WILLIAM F. FRIEDMAN
 Consultant

1 Incl.

W.F. Friedman/oby/25 Apr 52
 Consultant/Ext. 60493

Letter to Mr. George J. Gould:

MEMO FOR RECORD: This is in reply to a letter from Mr. Gould to Mr. Friedman asking for suggestions for a reply to a letter from Mr. Wildon Lloyd.