

Serial: 594

22 March 52.

Dr. M. J. Kelly
 President, Bell Telephone
 Laboratories, Inc.
 43 West Street
 New York 14, New York

DEAR Dr. Kelly:

In May 1951 you and your company were most generous in making available to this Agency the services of Dr. Claude E. Shannon as a Consultant on certain problems in which he is eminently qualified to assist us.

It has now become apparent that Dr. Shannon could, if he were made available to this Agency in the immediate future for a month of continuous service, be of considerable aid in our work on an especially vital problem now confronting us. I fully realize that the absence of Dr. Shannon will be a source of inconvenience to your organization, and you may be sure that only the most compelling reasons cause me to make the request.

In your letter of May 11, 1951 to General Walter B. Smith, Director of Central Intelligence, making available Dr. Shannon's participation, you proposed that his services be contributed by the Laboratories, with reimbursement to him by the Government for incidental travel and living expenses. This arrangement has been eminently satisfactory. You mentioned, however, that should the need for Dr. Shannon's continued participation in the program arise, you would like to reconsider the extent and scope of such participation and the basis on which it should be arranged. I might say at the moment that we would be glad to pay Dr. Shannon the usual Consultant's fees of \$50.00 per day in addition to the usual per diem in lieu of subsistence, and incidental travel expense. Should you wish, however, to discuss in more detail these considerations arising from a month-long absence of Dr. Shannon, I shall be most happy to do so either orally by telephone or by correspondence.

Please accept my appreciation for your past co-operation and assure you again that only the most urgent consideration of National Defence causes me to make the request.

promptly

Sincerely,

RALPH J. CANINE
 Major General, US Army
 Director, Armed Forces Security Agency

*Retyped by G.C. with corrections
 as made here.*

W.F. Friedman/Consultant/oby
 24 Mar 52/Rm. 19232B/Ext. 60493