

~~SECRET~~

USCIB 13/3

As corrected at  
by 51 USCICC mlt  
283

16 March 1948

MEMORANDUM FOR MEMBERS OF USCICC:

SUBJECT: Proposed Security Measure

1. A representative of the Teletype Corporation of Chicago, Illinois has advised the Army Security Agency that a former member of the Army Security Agency who has had considerable practical experience with U.S. communication security equipment had very recently proposed to the Teletype Corporation the development of a new cryptographic machine. This is probably only one or the first of numerous additional instances which may be anticipated, wherein former members of the Armed Services will offer ideas for new crypto-devices, including literal, ciphony, and cifax equipments, to commercial firms or laboratories.

2. In addition to the foregoing sources of new ideas in the field of communication security apparatus, it should be noted also that there are a number of former ASA, NCA, or service personnel who are now employed in commercial research laboratories or with manufacturing concerns and who might also contribute new ideas for such apparatus for development by their employers. Such cases might well soon arise in the ciphony and cifax fields which are now of deep interest to a number of concerns.

3. In view of the hazards to Communication Intelligence sources which such offerings and their potential or actual development present, it is suggested that a letter substantially along the lines of the inclosed draft (Inclosure 1) be submitted, through USCIB-USCICC channels, to the Secretary of Defense for his consideration for signature and circularization to the relatively small list of firms cited in Inclosure 2.

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D R A F T

Gentlemen:

As a result of their participation in the communication security activities and operations of the Armed Services during the last war, thousands of persons came into possession of classified information concerning the security equipments used by the Army, the Navy, and the Air Force. Most of that information still is and must obviously remain in a classified status for reasons of national security.

The great majority of the persons mentioned above are no longer members of those services nor connected in any way with the Government. Some of them may have inventive types of mind and may conceive ideas for improved or new security equipments which they may propose for possible development by commercial firms, such as your firm, in the hope that their exploitation would be of commercial interest and value. In a few cases some of these former members of the Armed Services are now employed in commercial research laboratories or in manufacturing firms, and it may be part of their assigned duties to suggest new ideas for security devices or to make inventions in this field. The great majority of such persons would be entirely innocent of any intent to injure national security and would vehemently reject any thought of such intent. Nevertheless, even without intent to injure national security, it is possible that serious harm might result if technically sound communication security devices, employing principles based upon or derived from a knowledge of U.S. classified equipment, became public property, ultimately reaching foreign powers.

INCLOSURE 1

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4. This item will be placed on the agenda for the Fifty-first meeting of USCICC.

2 Incls

1. Proposed ltr to be signed by Sec'y of Defense.
2. List of communications companies.

*Harold G. Hayes*  
HAROLD G. HAYES

Colonel, Signal Corps  
Chief, Army Security Agency

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The Departments of the National Military Establishment have, of course, no desire to stifle technical progress in any field of knowledge, but where such progress clearly affects national security, certain minimum controls are desirable. They have been established in the field of atomic energy, for example, but not as yet in the field of crypto-communication, which also presents special problems and hazards to national security requiring special treatment.

It would, therefore, be much appreciated if your firm would inform me of any proposals for new cryptographic apparatus that may be submitted for possible development. <sup>X</sup> Steps could then be taken by competent authorities to look into these ideas and to make such arrangements with all concerned as will not only take cognizance of whatever private interests are involved but will also be conducive to the protection of the national defense.]

Y [Acknowledgement of receipt of this letter would be appreciated.

JAMES V. FORRESTAL  
Secretary of Defense

X = Delete

Y = Reword as directed by G-C MANSON, STATE DEPT.

LIST OF COMPANIES

The Bristol Company  
117 Bristol Road  
Waterbury, Connecticut  
ATTENTION: Mr. G. T. Evans

Burroughs Adding Machine Co.  
Detroit, Michigan  
ATTENTION: Mr. R. G. Bower  
Vice-President  
Engineering

DeVry Corporation  
1111 Armitage Avenue  
Chicago 14, Illinois  
ATTENTION: Mr. E. W. D'Arcy  
Chief Engineer

Gray Research & Development Co.  
Elmsford, New York  
ATTENTION: Mr. Arthur H. Jones  
Vice-President

Guardian Electric Manufacturing Co.  
100 North Loomis Street  
Chicago, Illinois  
ATTENTION: Mr. F. F. Rowell, Sr.  
President

Kellogg Switchboard & Supply Co.  
6650 South Cicero Avenue  
Chicago, Illinois  
ATTENTION: Mr. W. L. Jones  
Government & Industrial  
Sales Dept.

Melpar, Incorporated  
452 Swan Avenue  
Alexandria, Virginia  
ATTENTION: Mr. Thomas Meloy

National Cash Register Co.  
Dayton, Ohio  
ATTENTION: Mr. H. M. Williams

Teletype Corporation  
1400 Wrightwood Avenue  
Chicago, Illinois

Stromberg-Carlson Co.  
100 Carlson Road  
Rochester, New York

Veeder-Root, Incorporated  
25 Sargeant Street  
Hartford, Connecticut  
ATTENTION: Mr. John H. Chaplin  
President

Victor Adding Machine Co.  
3900 North Rockwell Street  
Chicago 18, Illinois  
ATTENTION: Mr. A. C. Bushler  
President

Underwood Elliot Fisher  
1 Park Avenue  
New York, New York  
ATTENTION: Mr. Lantz

Remington Rand, Incorporated  
1 Atlantic Street  
Stamford, Connecticut  
ATTENTION: Mr. A. M. Ross

Western Electric Co.  
Hawthorne Station  
Chicago, Illinois

Western Union Telegraph Co.  
50 Hudson Street  
New York, New York  
ATTENTION: Mr. Joseph L. Egan  
President

International Telephone &  
Telegraph Co.  
New York, New York

R.C.A. Laboratories  
66 Broad Street  
New York 4, New York

Automatic Electric Sales Co.  
1031 W. Van Buren Street  
Chicago, Illinois  
ATTENTION: Mr. H.S. Williams  
Vice-President

INCLOSURE 2

International Business  
Machines Corp.  
590 Madison Avenue  
New York 22, N. Y.

Times Facsimile Corp.  
229 W. 43rd Street  
New York 18, New York

General Electric Company  
Syracuse, New York

L.C. SMITH  
TYPEWRITER Co.  
GROTON, NEW YORK.

Radio Inventions, Inc.  
155 Perry Street  
New York 14, New York

Bell Telephone Laboratories, Inc.  
463 West Street  
New York 14, New York

Hazeltine Service Corp.  
5825 Little Neck Parkway  
Little Neck, New York

WALLACE & TIERNAN  
BELLEVILLE,  
NEW JERSEY