

30 March 1955

Mr. Boris C.W. Hagelin Jr.  
Crypto A.G.  
Weinbergstrasse 10  
Zug, Switzerland

Dear Bo:

In regard to your letter of 10 March 1955, sent me in London, in care of Colonel Pulling, I have discussed the matter of our orders for G-52 and CX-52 with the proper people in Frankfurt and in my home office here and we have agreed as follows:

1. We will cancel the present orders you have (or were about to get) for G-52 and CX-52 machines and associated items.

2. We will replace those orders for G-52 and CX-52 machines and associated items by two new orders drawn up exactly in accordance with your "Proposal A" and "Proposal B" which you sent me as inclosures to your letter of 10 March, and a copy of each of which you sent also to the Headquarters, Signal Procurement Center in Frankfurt.

3. However, Item Number 7 on your "Proposal A," calling for two "Telecryptographers, Type TG-52" will not be included in the new order replacing the old order for G-52 machines. We would prefer to make the telecryptographer the single item on an order altogether separate from that calling for G-52 machines. We would send you right now a firm order for two TG-52 machines except for two circumstances. First, we are a little in doubt as to the correct price of this item. On the existing order the price per unit was given as \$1550 and I assume that is what you quoted in your bid when we were first interested in purchasing this machine. But in your new "Proposal A," Item Number 7, calling for "Telecryptographer, Type TG-52," is quoted at \$2190, instead of \$1550. This is quite an increase over the old price, so that we want to know whether the new price is correct and if so, what causes the considerable increase in price. The second reason for holding up on a new TG-52 order is this: maybe the execution of this order for our special benefit will cause you more inconvenience than the financial return you would get from us. I could well understand that if you have no more of these models on hand from the original lot manufactured and would have to build two especially for us, this might be a lot more trouble to you than you might care to undertake or than we would wish to cause you. If that should be the case and you would prefer not to have our order for two TG-52's, then by all means tell me so. We would then cancel that item entirely and be quite satisfied with a set of detailed drawings which no doubt you would be able to let us have at whatever it would cost for their reproduction. Just as soon as I hear from you we will be in a position to know exactly what to do in connection this item.

Sincerely,