

HOTEL BAUR AU LAC ZURICH
Adresse Telegr.: Baurlac . Telephone: (051) 23 16 50
Propr. H. Kracht's Erben

EO 3.3(h)(2)
PL 86-36/50 USC 3605

May 26

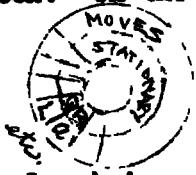
Dear Bill

Saw Elizabeth for a few moments today. She looks marvelous.

Also saw Boris. His [redacted] has negotiated with [redacted]

[redacted] claimed

an invention which he had worked on years ago, but held out on. He signed an agreement giving Hagelin all foreign rights. It was to cost Hagelin \$10,000. Then Hagelin discovered that the first patent was in [redacted] so Hagelin has not yet closed the deal. The device they showed looks like a small alarm clock. On the face are two circles for alphabets, each with 26 equal divisions.



Either alphabet can be used on the clear text, and the other on the cypher. The innards of the clock are a group of pin wheels, being a separate and different number of teeth on their inner surface. A three wheeler has 29, 27, and 25 teeth. The rear pin wheel moves when the outer alphabet is turned. It's gear moves two other gears which act on the other 2 wheels, but each as a different ratio. Each pin wheel has notches in the outer edge irregularly placed. ^{it} It works like a safe tumbler. When each wheel has a notch in adjacent position to a notch in the other two, a cam falls into the notch openings, and the free turning of the outer alphabet wheel stops, so you read off the corresponding letter (to the one you are cyphering) on the other alphabet, and that is your cypher. Then you press the "stem" of the clock, the cam is released and you can turn until another set of notches come adjacent. Hagelin says the 3 wheeler is not too hot, but that with six wheels it has high security. It is cheap to make, and with a plastic surface the alphabets can be

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written on in pencil and rubbed out at will. It also has the possibility of being hooked to a motor, for speed. It's relative slowness is its only drawback, Hagelin says.

The same group told Hagelin of an electric machine on a principle embodying the above but a lot more. I think this is the machine your boys saw. They [redacted] offered to include world rights [redacted] to this also, for an addition(al) \$3500!!! plus 10% royalty. Then they suddenly withdrew it. I guess that this is when we began to talk thousands and not hundreds. My guess is that if we lay off and withdraw all interest, it will fall in Hagelin's lap. [redacted]

(1) Are the above the entire [redacted] group, and if not who else is involved?

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(2) Do your people [redacted]

The above group have told Hagelin they intend to go back into the game for [redacted] You will therefore get nothing out of them, except as you can get it anyway from [redacted]

Have a lot of dope for you, but it will hold.

Best,

/s/ Stu

OGA

Can buy a 3 wheeler clock device described above for 750 Sw. fr.

~~TOP SECRET~~

MEMO ROUTING SLIP

NEVER USE FOR APPROVALS, DISAPPROVALS,
CONCURRENCES, OR SIMILAR ACTIONS

1	NAME OR TITLE Col. Sears	INITIALS	CIRCULATE
	ORGANIZATION AND LOCATION	DATE	COORDINATION
2	Dr. Kullback		FILE
			<input checked="" type="checkbox"/> INFORMATION
3	Capt. Harper		NECESSARY ACTION
			NOTE AND RETURN
4			SEE ME
			SIGNATURE
REMARKS (Carbon copies sent to 02, 03 & 04 for information - letter from S. Hedden to Mr. Friedman, dtd 26 May.)			
FROM NAME OR TITLE		DATE 2 June 52	
ORGANIZATION AND LOCATION WILLIAM F. FRIEDMAN CONSULTANT		TELEPHONE	