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W.P.& T.Div., OCSigo, August 6, 1930 - To Research & Development Division.

Approved.

Att:Diagram,

D. M. Crawford, Major, Signal Corps.

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Research & Development Division, OCSigO, August 14, 1930. To: Far Plans & Training Division.

- In forwarding the directive to the Signal Corps Laboratories for the initiation of development work on a cipher machine, it is believed that if possible they should be furnished with a general statement of the military requirements which such a machine should meet. While it is recognized that certain preliminary work can be conducted without a definite idea of what ends may be attained, such a statement of requirements either in the form of a gencral performance specification or a general statement of requirements would be of great assistance to the laboratories and would aid in making active progress on this development.
  - 2. Your commonts and recommendations in this patter are requested.

John H. Gardner, Jr., Ceptain, Signal Corps.

Attached-Seme WAR DEPARTMENT

WASHINGTON

August 5, 1930

MEMORANIAN FOR:

Major Crawford

- l. During the past three years the Chief Signal Officer has upon several occasions expressed the opinion that the production of an efficient, practical cipher machine is a pressing necessity. It goes without saying that such development had to be held up pending the availability of funds for this specific purpose.
- 2. Attached hereto is a diagrammatic representation of a cipher machine conceived in 1925 by the late Louis W. Hvano, George A. Graham, and myself. Believing that the proposed machine presents excellent possibilities for military usage, steps were taken to set up funds for its development. These were successful and on July 1, 1930 there become available to the Research & Engineering Division the sum of \$1500 for the development of cipher machinery.
- 5. Since funds are now available, it is suggested that, if approved, this memorandum be forwarded to the Research and Engineering Division with the recommendation that (a) this project be initiated at the earliest practicable date, and (b) that if actual developmental work on the proposed machine carnot be started by October 1, 1950 at the Signal Corps Laboratories, Fort Monmouth, the work be carried forward by developmental contract awarded on competitive bids, as is done in other cases similar to this.
- 4. It is my belief that it would be preferable to carry on the development at the Laboratories. Mr. Graham is there, has detailed knowledge of the requirements, and has had much experience in this field with somewhat similar apparatus. Furthermore, on account of the very limited field for the use of cipher apparatus in conserce or industry, it is likely that the cost of development by outside contract would be in excess of funds now available.

William F. Priedman, Signal Intelligence Section.

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