

VF 109-4

1739 Virginia Avenue
Redwood City, California
January 12, 1954

Mr. J. F. Byrne
1114 New York Ave.
Brooklyn 3, N. Y.

Dearest Dad:

Shortly after I arrived here in California Phila introduced me to a young man named Howard Smith, whom she had met while they were both employed by Standard Oil at Livermore.

Phila had discussed the chaocypher with him and, as he expressed interest, she turned further discussions over to me.

During July and August I met Mr. Smith and his associate, Howard Lewis. They expressed the desire to act as promoters of the principle and of the machine, but I told them you would not wish to consider the proposal until some time after the publication of Silent Years.

Yesterday evening I met them again. Here is a tentative outline of the sort of agreement they would like to reach with you. It is hardly necessary to tell you that I have made no committments of any kind; indeed, I believe I have made it perfectly clear that any agreement can be reached only with you.

1. All expenses of promotion and sale, including any necessary traveling expenses, to be borne by the partners Howard Smith and Howard Lewis.
2. You remain sole owner and it remains entirely your prerogative to accept or reject any offers.
3. Exclusive promotion and selling rights for a period of 18 months during which time they would expect their commission if the principle or machine were sold, whether to your contact or theirs. After that period they expect their commission if it is sold to their contact at any time.
4. They have asked for 40% commission.
5. They must be in a position to explain with conviction the claims made for the principle and machine. While they do not necessarily desire to know "the secret" they do want to be convinced of it's validity.

X

(Here "distinguo"...they are already convinced emotionally and are excited about the whole thing but desire an intellectual conviction as well.)

They are willing to conduct demonstrations but do not insist upon being able to.

For promotion they are interested both in Government and Private Industry.

Ideas Include:

1. Rand Research and Development Corp.
2. "Operations Reserach" (higher mathematics and probability statistics) at U. of Pennsylvania under Prof. Churchman.
3. I. T. & T....through Mr. Harridan Pratt who resigned from vice-presidency with that company in order to serve as Communications Consultant for Eisenhower Administration.
4. I. B. M.
5. Stromberg Carlson
6. They have a possible source of large capital. That source might be interested in commercial manufacture and distribution of the machine.
7. Howard Smith is president of a small investment company which could provide small funds -- to approximate \$5,000.
8. They will try to promote publicity through national publications.

Well, Dad, there are several other irons they would like to poke into the fire but you get the general idea and I can, of course, send you more deatils if you are interested.

In closing let me remark only that they impress me, and Phila, as being capable and trustworthy. They are certainly interested in selling it for the most money in the shortest possible time.

Your loving son,

Jack

