IN MESSAGE

D.4784/9.50—C.9003

Precedence	DSB File	Cy. Ser. No.
ROUTINE		

TO		FROM	. Circuit
DSB		GCHQ.	

Classification   ~~SECRET~~

BURROUGH FROM MORGAN.

YOUR 190500/01/54.

MOST GRATEFUL FOR YOUR PROMPT AND USEFUL REPLY.
I ASSUME BROWN IS TAKING ADMINISTRATIVE ACTION OVER
WATSON'S EXTENSION. NO NOTIFICATION TO WATSON HAS
YET COME THROUGH AUSTRALIA HOUSE. I ASSUME ALSO
THAT BROWN WILL NOT OVERLOOK THE CONNECTION BETWEEN
WATSON'S EXTENDED DATE AND THE TIMING OF HIS OWN
VISIT.

2. I REGRET THE LONG DELAY IN FURNISHING YOU WITH
MORE PARTICULARS ABOUT THE FINANCE OF COLOROB. THIS
HAS ARISEN BECAUSE OF OUR WISH TO MAKE A CERTAIN
PROPOSAL TO YOU AND ITS HAVING TO GET PAST SEVERAL
APPROVALS BEFORE IT COULD BE MADE. WE APPRECIATED
YOUR CONCERN LEST A COST ONCE AGREED AND BUDGETED
FOR SHOULD PROVE TO BE INSUFFICIENT, AND INVOLVE YOU
IN THE DIFFICULTIES OF ASKING SUPPLEMENTARIES.
WE ALONE ARE IN A POSITION TO ESTIMATE THE COST, WHICH
WE DID WITH CARE. WE STILL FEEL PREPARED TO ABIDE
BY THE FIGURES GIVEN LAST AUGUST, AND AMPLIFIED IN
THE NEXT PARAGRAPH. I COME TO OUR PROPOSAL IN PARA 5.

DIR	ML	MLD	MH	MHR	MS	MSC	MSO	MSS	MQ	MT	MZ	SUKO			SIG	SIG 1	SIG 2
			✓														
X			X								X						

DTG	Typed by	Time Typed	System Indicator
131544z/2/54	N.E.	180130z.	
162230z.			

Decrypted By   Checked By   Registered By   File

If this message has to be re-encrypted, attention is called to the
instructions in BSG/01/1A and B with particular reference
to the possible necessity for paraphrasing

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TO	FROM	Circuit

Classification

~~SECRET~~   -2-

3. THE ANSWERS TO YOUR ENQUIRIES IN 210649 OCT.
ARE GIVEN UNDER YOUR HEADINGS

(A) (I) OUR FIGURE OF 27,000 POUNDS IS THE "MAXIMUM"
PROBABLE COST" INCLUSIVE OF THE FERRANTI CONTRACT.

(II) THIS FIGURE ASSUMES G.C.H.Q. CONSTRUCTION AT
THE BARE COST OF MATERIALS AND LABOUR. THE SENSE
OF PARA 48. IS THAT IF FERRANTI BUILD THE INPUT/
OUTPUT AND SWITCHING CIRCUITRY THEN THE COST WOULD
BE SOME 37,000 POUNDS.

(III) THE 10,000 POUNDS OF OUR PARA 44. (B) IS
FOR THE MATERIALS AND COMPONENTS, IT IS NOT THE
SAME AS THE 10,000 POUNDS OF PARA 48. FOR FERRANTI
"ØBERHEADS". *OVERHEADS.*

(B) HAND PERFORATOR POST OFFICE *No. 44*

NUMBER (44)	54	15
REPERFORATOR (2)	66	5
TRANSMITTER (1B)	57	0
FERRANTI HIGH SPEED READER	280	0
ELECTROMATIC TYPEWRITER (AT 1950 PRICE)	211	15
HOLLERITH PUNCH, ETC.	RENTAL	*369- 15*

DIR	ML	MLD	MH	MHR	MS	MSC	MSO	MSS	MQ	MT	MZ	SUKO				SIG	SIG I	SIG 2

DTG	Typed by	Time Typed	System Indicator
	N.E.		

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TO		FROM	Circuit

Classification ~~SECRET~~ - 3 -

8/0
9.15 pm

(c) TEST EQUIPMENT AT A MINIMUM:

   COSSOR OSCILLOSCOPE & TROLLEY   142

   AVOMETER   20

   SIGNAL GENERATOR   90

   .SPECIAL TEST EQUIPMENT MAY HAVE TO BE BUILT:

E.G. FOR ROUTINE TESTING OF CHASSIS AND TESTING

DRUM, SAY UP TO 2000. WE RECOMMEND THAT ALL COSTS

FOR SPECIAL TEST EQUIPMENT SHOULD BE CHARGED TO

THE ANNUAL BUDGET OF THE DEVELOPMENT UNIT WHOSE

EARLY TASKS SHOULD INCLUDE THE DESIGN AND PRODUCTION

OF SUITABLE TEST EQUIPMENT, AND THE INSTALLATION OF

THE ANCILLARY EQUIPMENT IN (B).

(D) WE CAN ONLY GUESS AT POWER CONSUMPTION AT THIS

STAGE: SAY 30 AMPS/PHASE, 230/240 VOLTS A.C., 3 PHASE

BUT 60 AMPS/PHASE SUPPLY BE INSTALLED.

4. WE STILL HOPE TO ADHERE TO THE TIME TABLE OF

OUR PARA 47., IN THAT IT STILL APPEARS POSSIBLE

TO BEGIN PRODUCTION IN G.C.H.Q. AT JULY 1954.

WE WOULD HOPE THEREFORE TO HAVE HAD SOME OPERATIONAL

TESTING OF THE EQUIPMENT BY JUNE 1955. IT WOULD

NOT BE REALISTIC TO THINK OF D.S.B. RECEIVING ANY

DIR	ML	MLD	MH	MHR	MS	MSC	MSO	MSS	MQ	MT	MZ	SUKO			SIG	SIG 1	SIG 2

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TO	FROM	Circuit

Classification

~~SECRET~~ - 4 -

EQUIPMENT BY THAT DATE, ALTHOUGH WE SHOULD AIM
TO GET IT DELIVERED IN THE NEXT QUARTER.
5. WE INTERPRET YOUR THOUGHTS AS RUNNING IN THE
DIRECTION OF G.C.H.Q. ACCEPTING RESPONSIBILITY FOR
THE WHOLE MACHINE (BUT SEE PARA 6. BELOW). WE WOULD
PROPOSE UNDERTAKING A FIXED PRICE CONTRACT, THAT IS
WE EXPRESS SUFFICIENT CONFIDENCE IN OUR ESTIMATES TO
OFFER TO SELL D.S.B EQUIPMENT ADEQUATE FOR ITS KNOWN
REQUIREMENTS FOR (ENGLISH 28,400. THE CONSTITUTION
OF THE TOTAL IS AS SET OUT IN OUR PARA. 44 AND
FURTHER EXPLAINED HERE, AN EXTRA 900 FOR THE STANDARD
AUXILIARY EQUIPMENT PRICED IN (B) AND (C) ABOVE, AND
500 FOR PACKING AND FREIGHT.
IT WILL NOT BE NECESSARY FOR THE WHOLE PAYMENT TO
FALL IN ONE FINANCIAL YEAR, BUT THE BULK OF IT SHOULD
COME WITHIN 1954/5 WITH US OR 1955/6 WITH YOU. THIS
WILL BE A MATTER FOR B DEPARTMENT TO SETTLE WITH YOU.
6. WE HAVE HAD IT IN MIND THAT THE FIRST EQUIPMENT
SHOULD BE THE MINIMUM WHICH IS OPERATIONALLY ADEQUATE.
TIME IS SO SAVED, AND THE COST OF LATER EXTENSION CAN
BE CHARGED TO THE DEVELOPMENT UNIT.

DIR	ML	MLD	MH	MHR	MS	MSC	MSO	MSS	MQ	MT	MZ	SUKO			SIG	SIG I	SIG 2

DTG	Typed by	Time Typed	System Indicator
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Classification

~~SECRET~~ -5-

SUCH EXTENSIONS, MOREOVER, CAN BE THE SUBSEQUENT
CONCERN OF ROBINSON AND WATSON WHEN THEY ARE BACK
IN AUSTRALIA. REFERRING BACK TO PARA 4. WE
REGARD IT AS VERY IMPORTANT THAT THEY SHOULD
REMAIN WITH US UNTIL THE EQUIPMENT HAS BEEN
TESTED OPERATIONALLY, THAT IS, ON PRESENT
ESTIMATE, UNTIL JUNE 1955

DIR	ML	MLD	MH	MHR	MS	MSC	MSO	MSS	MQ	MT	MZ	SUKO				SIG	SIG I	SIG 2

DTG	Typed by	Time Typed	System Indicator
		N.E.	

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