ESTERN CLASS OF SERVICE SYMBOLS This is a fast message DL=Day Letter unless its deferred char-NL=Night Letter acter is indicated by the ELEGRAM 3 1201 proper symbol. LT=International W. P. MARSHALL, PRESIDENT The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination TCAOTI PDEZG NEWYORK NY 19 1205PME DR DEO SZILARD-QUADRANGLE CLUB UNIV OF CHICAGO= MAYOR AND MACDUFFIE WILL ARRIVE SHORELAND HOTE NIGHT JULY 22 FOR BREAKFAST APPOINTMENT WITH YOU. SUNDAY MORNING= E B MAGNUSON SECY TO B MAYOR= Bn8 3 1366 THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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## UNITRONICS CORPORATION

OLYMPIC RADIO & TELEVISION DAVID BOGEN CO. INC. PRESTO RECORDING CORPORATION

34-01 38th Avenue • Long Island City 1, New York • EXeter 2-5200 SEPTEMBER 28, 1956

Dr. Leo Szilard Quadrangee Club University of Chicago Chicago, 37, Illinois

DEAR LEO:

Your fascinating letter of September 13 has gone unanswered for such a long time because a number of people have been studying it and because I had to go to California for a week.

THE GENERAL CONSENSUS OF OPINION, FOR WHAT IT'S WORTH, IS THAT YOUR IDEA OF LOOSE PUNCH CARDS IN A BOX ASSOCIATED WITH THE PARTICULAR LOT OF MERCHANDISE WOULD NOT WORK BE-CAUSE, THE ESSENCE OF THE SUPER-MARKET SYSTEM IS THE INSPI-RATIONAL SALE WHICH VERY OFTEN GETS CANCELLED OUT BY OTHER ITEMS THAT THE HOUSEWIFE SEES. IN OTHER WORDS, A STUDY OF SHOPPING HABITS IN A SUPER-MARKET SHOWS A CONSIDERABLE AMOUNT OF RETURNED ITEMS. BY THAT, I MEAN THE HOUSEWIFE SEES AN ARTICLE, PUTS IT IN HER BASKET, THEN LATER SEES ANOTHER ARTICLE WHICH SHE PREFERS, SO SHE PUTS THIS IN HER BASKET AND RETURNS THE ONE THAT SHE PICKED OUT PREVIOUSLY. FOR THIS REASON THE CARD SYSTEM MIGHT WORK, HOWEVER IT WOULD HAVE TO BE ATTACHED TO THE ARTICLE ITSELF AND TORN OFF ONLY AT THE LAST MOMENT BEFORE PUTTING IT INTO THE AUTOMATIC ADDING MACHINE. HOW MUCH LABOR WOULD BE INVOLVED IN ATTACH-ING THE SLIPS TO THE ARTICLE ITSELF IS, OF COURSE, A QUES-TION FOR STUDY. ALSO, HOW MUCH TRAINING IS NECESSARY FOR THE HOUSEWIFE TO REMEMBER NOT TO TEAR OFF THE IDENTIFICATION SLIP UNTIL THE LAST MOMENT IS, OF COURSE, ANOTHER MOOT POINT. WHAT TO DO IN CASE OF CHANGE OF THE PRICE OF MER-CHANDISE, WHICH OFTEN OCCURS, IN MORE COMPETITIVE MARKET AREAS IS, OF COURSE, ANOTHER QUESTION FOR STUDY.

TRAFFIC STUDIES IN SUPER-MARKETS SHOW THAT THE BOTTLE-NECK IS CAUSED NOT ALONE BY THE NECESSITY OF ADDING UP THE ITEMS ON A CASH REGISTER, BUT ALSO BY THE NECESSITY OF TAKING THEM OUT OF THE CAGE OR BASKET OR CART AND PACKING THEM IN EITHER PAPER BAGS OR PAPER BOXES. AS SIMPLE AS THIS OPER-ATION MAY SEEM, NEVERTHELESS THE NUMBER OF PEOPLE WHO DO NOT KNOW HOW TO PUT ARTICLES INTO A PAPER BAG IS QUITE SURPRISING. IN OTHER WORDS, THE NECESSITY OF PUTTING CANNED ARTICLES AND UNBREAKABLE ARTICLES ON THE BOTTOM OF THE BAG AND THE FRAGILE AND LIGHTER ARTICLES CLOSER TO THE TOP MAY SEEM LIKE SUCH A SIMPLE NECESSITY THAT IT IS HARDLY WORTH MENTIONING, BUT LEFT TO DO IT THEMSELVES THE AVERAGE SHOPPERS WILL DO IT THE WRONG WAY AROUND AND END UP WITH EITHER CRUSHED FOOD OR BROKEN EGGS AT THE BOTTOM OF THE BAG.

IN SHORT, THE BOTTLE-NECK PROBLEM IN SUPER-MARKETS IS A VERY REAL PROBLEM WHICH, TO SOME DEGREE, CANCELS OUT THE GREAT ADVANTAGE OF SELF SERVICE AND FLEXIBLE PURCHASING, OR RATHER SELECTION PRIOR TO PURCHASING. ACTUALLY, MANY ELECTRONIC SCHEMES HAVE BEEN ATTEMPTED TO SOLVE THIS PRO-BLEM AND SO FAR ALL OF THEM HAVE FAILED. IT MIGHT BE IN-TERESTING TO COLLECT THE LITERATURE ON PREVIOUS ATTEMPTS AND WHY THEY FAILED, AND THIS MIGHT EASILY POINT THE WAY TO SOME SOLUTION WHICH THEY HAVE NOT THOUGHT OF. I BELIEVE HENRY KATZENSTEIN HAS A SUPPLEMENTARY IDEA TO YOURS WHICH HE BELIEVES MAY SOLVE SOME OF THE DIFFICULTY. HOWEVER, I DO NOT KNOW WHAT IT IS.

HENRY, AS YOU KNOW, HAS BECOME INVOLVED IN A CRASH PROGRAM AT LINCOLN LABORATORIES, WHICH WILL DELAY HIS JOINING US FOR ANOTHER MONTH. THUS, ALTHOUGH WE ARE BEGINNING TO WORK TOGETHER ON A PART-TIME BASIS, WE WILL NOT BE ASSOCIA-TED ON A FULL-TIME BASIS UNTIL NOVEMBER 1. THE ACCEPTANCE OF HIS FLOWMETER, HOWEVER, SEEMS MOST ENCOURAGING.

I EXPECT TO BE IN ST. LOUIS IN THE NOT TOO DISTANT FUTURE AND IF SO. I SHALL PLAN TO SPEND A FEW HOURS IN CHICAGO IN HOPES OF SEEING YOU.

ALL THE BEST.

SINCERELY Branty BRANTZ MAYOR

BM:ES

Dear Mr. Mayor:

Many thanks for your very kind letter of Sept. 28th. I shall answer each of the objections which your experts raised in the following:

(1) It is wholly unnecessary to attach the slips to the article itself for the following reason: On the slips is stamped the designation of the article; for instance, "can ned peas". If the housewife wants to change her mind, she just has to find the slip marked canned peas and remove the canned peas from her push-cart. Of course, she must not total her punched cards until she is ready to leave for the exit.

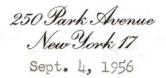
However, if the housewife is too lazy even to do this much, then she will just have to leave through the one exit at which matters are handled in the conventional way and the clerk will total the purchases she has retained in the oldway. It is, of course, easier just to remove the punched cards which belong to the articles the housewife returns to the shelf.

(2) There is no difficulty whatever about changing the price of the merchandise. If the price of the merchandise is raised, then the corresponding punched cards are punched in the "positive" holes!

row, and if the price if reduced, then these punched cards are additionally punched in the "negative" holes' row. The adding machine knows how to read these corrections.

(3) If the housewife herself is supposed to put the purchases into a paper bag, then one would provide special paper bags which do the following: The bag is folded in such a manner that it can be stood up with its mouth gaping open. There will be two bags provided; one for the heavy unbreakable articles and one for the fragile lighter articles. The clerk at the exit will put these two bags, one after the other, into one large bag.

2.



Dr. Leo Szilard University Club University of Chicago Chicago, Illinois

Dear Dr. Szilard:

I returned today from a short vacation, and I thought it appropriate to start my new "after Labor Day" year with this letter to you.

For the formal record, this will confirm the agreement I made with you, whereby, starting August 1, 1956 you would become a consultant to Unitronics Corporation at a fee of six thousand dollars (\$6000) per annum. Since it is our policy to pay monthly I am happy to enclose our check for the month of August.

Our theory is that you will consult with us oh such matters as may interest you (matters on which we are engaged or which you think appropriate for us to investigate) at such times as you may choose and for such length of time as you can give. Following your suggestion, we are engaging Henry Katzenstein as a permanent employee, with the idea that he and any group developing around him would be the principal contacts with you and the primary beneficiaries of your advice and ideas.

We think that the approach that you and our company are adopting is rather unique for a business corporation, and yet one which we hope will be a forerunner for other industries. Most important of all is our pleasure in having associated with us a man of your eminence and originality and versatility-- to say nothing of your sense of humor.

I believe we enter this together with a common spirit of inquiry, with a desire to encourage originality and independence for scientists, and yet with a purpose to obtain practical benefits.

I look upon this arrangement as a beginning stimulus, an experiment in better business-scientific cooperation, a little hopeful and bold spark shot off into an unknown but exciting future.

Let us hope that we will enjoy for a long time the expected intellectual--and practical--conflagration!

Sincerely yours

Brantz Mayor

BM;es enc.