

MASSACHUSETTS  
INSTITUTE OF TECHNOLOGY



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RECEIVED

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J. H. SALTZER

PROJECT MAC  
M.L. Dertouzos, Director  
J. Moses, Associate Director

Telephone: (617) 253- 2145

September 23, 1975

Mr. Frank McGrory  
E19-759  
M.I.T.

Dear Frank:

In response to your request, I sampled Corby, Saltzer, Moses and myself. We seem to concur\* that it is a risky proposition for the following reasons:

1. New developments in the next seven years could offer dramatic cost/performance improvements over the 168 -- and this includes possible future products of IBM.
2. We might very well outgrow processing capacity under the stimulus of new applications made possible by cheap hardware -- e.g., more number crunching, or applications to education.
3. With most of the "volatile" computer equipment being paid out in two to three year-leases, what important different insights do we have that suggest our being saddled for seven years?

My personal recommendation is that we do not proceed unless we have an equitable default option in the event of significant competitive improvements.

I hope that the above is of help to you.

Best regards,

A handwritten signature in cursive script, appearing to read "M. Dertouzos".

Michael L. Dertouzos

cc: Professor F. J. Corbato  
Professor J. Moses  
Professor J. H. Saltzer ✓

MLD:cpf

\* With the exception of Saltzer, who is more lenient if means are provided to accommodate independently supplied memory, and who has some additional suggestions (attached).