FOURTEENTH SESSION OF THE COUNCIL

Geneva - 2 December, 1959

TERMS OFFERED BY IBM
Dear Professor Bakker,

With reference to the questions which Dr. Y. Goldschmidt-Clermont asked Mr. P.A. Bobillier, concerning certain clauses of the draft contract relating to the IBM 704 computer which was submitted to you on Friday 30 October, we have pleasure in confirming the following:

Clause No. 2 of the contract - Duration of contract
We would terminate the contract as specified under clause No. 2, only on the following grounds:

- Use of the computer for a purpose for which it was not designed for instance: tests destroying all or part of the machines, installation of the machines in a site unsuitable for the satisfactory operation and maintenance of the equipment.

- Non-payment of monthly rentals due under the terms of the contract.

Except on the above grounds, which would constitute a violation of the contract on the part of CERN, it should be clearly understood that we shall never terminate the said contract.

Clause No. 6 of the contract - Maintenance and travelling expenses
This general clause is not applicable in Switzerland in the punched card machine and computer service, in view of the small distances to be covered by our technical staff. Moreover, one or two representatives of our technical service will be permanently at CERN for the maintenance of the 704 computer.
Clause No. 6 of the contract - Return transport charges

This clause should be interpreted as follows:

- In the event of the machine being exported, CERN would have to pay the transport charges to the frontier and, in the event of the computer remaining in Switzerland, to a place in Switzerland specified by IBM.

As regards the special clause in the contract whereby IBM undertakes to contribute 40% of the total rental, it must be stressed that this clause is valid only in so far as the conditions laid down are fulfilled by CERN (use of the computer for research and for educational purposes). In any case, this is specified in the contract.

We hope that this information will clarify the points which seemed obscure to you and remain at your disposal for any additional information you may require.

Yours sincerely,

INTERNATIONAL BUSINESS MACHINES
Swiss Branch
Signed: Rothenbuhler
INTERNATIONAL BUSINESS MACHINES
Swiss Branch

Geneva, 12 November, 1959

Dear Professor Bakker,

With reference to our conversation of 30 October 1959, we have pleasure in answering the two questions you asked us:

1) **Research work done on behalf of universities**

   In the event of CERN deciding to carry out research work on behalf of universities, we would agree to CERN charging the said universities for the operating time of the IBM 704 computer, at an hourly rate corresponding to the actual price paid by CERN (taking our contribution into account).

2) **Conventional ancillary equipment**

   Conventional ancillary equipment necessary for the operation of the IBM 704 computer will be let on the same terms as the computer itself, which means that our contribution will apply to all machines required for operating the computer.

   By this procedure, we wish to encourage and further scientific research in the various European universities by making the 704 computer available to them on terms comparable to those offered under our educational contribution programme for universities, without involving any additional expenses for CERN.

   We remain at your disposal for any additional information you may require.

Yours sincerely,

INTERNATIONAL BUSINESS MACHINES
Swiss Branch

Signed : Rothenbuhler