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20 May 1949

My dear Mr. Secretary:

As one of the most important consumers of the communications intelligence produced by the National Military Establishment, I am writing to tell you of changes we are making in the organization of our cryptologic activities, changes which we anticipate will provide more efficient production of this type of intelligence.

In summary, we have on this date established, with the approval of the President and on the advice of the War Council, a unified cryptologic organization — The Armed Forces Security Agency — for the conduct of communications intelligence and communications security activities within the National Military Establishment. This Agency has been established to provide for centralizing the conduct of cryptologic activities under the jurisdiction of the Armed Forces. It will consist of all AME facilities engaged in these activities and will be directed by a Flag or General officer appointed by the Joint Chiefs of Staff, subject to the approval of the Secretary of Defense.

The Joint Chiefs of Staff, subject to the authority and direction of the Secretary of Defense, will exercise general direction, control and authority over the Armed Forces Security Agency. Under the direction of the Joint Chiefs of Staff the Director of the Agency will formulate and implement plans and policies and perform such other functions as the JCS may direct. Within the Agency there will be established the Armed Forces Communication Intelligence Advisory Council which will be authorized to recommend to the Joint Chiefs of Staff policies and operating plans for the production of communications intelligence.

It is anticipated that the consolidation of functions will be initiated in the near future and completed not later than 1 January 1950.

I do not expect and will not permit this reorganization to interfere in any substantial way with the continuity of operations and production of communications intelligence. For this reason we can assure the agencies that consume such intelligence that this action will not affect its flow to, or use by them.

The directive and its implementation will not interfere with the functions of the U. S. Communications Intelligence Board established by National Security Council Intelligence Directive No. 9. It is designed to carry out more efficiently the responsibilities assigned by the National Security Council to the National Military Establishment.

Declassified and approved for release by NSA on 06-13-2012 pursuant to E.O. 13526

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I have written letters to the Director of Central Intelligence and the Executive Secretary of the National Security Council giving them the above information.

Sincerely yours,

/s/ Louis Johnson

The Honorable

The Secretary of State

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