"(g) As to the organization above the AFSA level, the above-mentioned Presidential Memorandum should designate the Department of Defense as the executive agent of the Government (under a Special Committee of the National Security Council --- consisting of the Secretary of Defense and the Secretary of State, and the President, as circumstances may require,) to manage for the six interested departments and agencies the production, security and distribution of communications intelligence, and to manufacture, safeguard and distribute the nation's own cryptographic systems. We are advised that there is precedent for this type of organization in the existing structure of the Atomic Energy Commission."

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"Cryptography

There is another aspect of the present communications intelligence organization which has not been hitherto mentioned in this part of the Report, namely, cryptographic activities. These are confined to the construction, the checking, and the distribution of the Nation's own code and cipher systems. While cryptography is of itself an advanced, complicated, and important science, it has not been beset by rivalry and strife to nearly the same degree as has the cryptanalytic effort; for this reason, the cryptographic picture is a relatively serene one. The inevitable relationship between cryptography and cryptanalysis (for the combination of which two activities the special all-embracing synthetic word "cryptology" has been coined) has long been recognized. The security and
the efficiency of our own ciphers are to a large extent revealed by the insecurity of the ciphers of other governments. Any insufficiencies or breaches in our own cryptographic systems might well become known first through cryptanalytic activities, and the testing of our own systems, which is carried on continuously, is so closely related in nature to the basic principles of cryptanalysis per se as to make it advisable that cryptographers have access at all times to cryptanalysts and the results of their work.

When AFSA was created, the cryptographic activities of both Army and Navy were transferred by the Services to AFSA. At the time, the Air Force had no independent cryptographic unit of its own, and no such unit has since been created. The State Department and other government agencies had already adopted the practice of relying upon the Military Services for cryptographic service and they have continued to rely upon AFSA. As a result, true unification and centralization of this Government's cryptographic activities was achieved by the creation of AFSA. So far as the Committee has been able to determine, our cryptographic activities have been performed efficiently by AFSA without significant jurisdictional conflict, and without any of the various unfortunate consequences which the Services have often predicted would follow from a unification of other phases of our COMINT operations."

"We have concluded that the problem should be resolved by the issuance of a Presidential memorandum designating the Department of Defense as the executive agent of the Government for the production and dissemination of COMINT for the benefit of the Services and the civilian agencies and
departments and for the production, security and distribution of our own codes and cipher systems. This memorandum should further provide that the Department of Defense as such executive agent will be directly under and responsible to a Special Committee of the National Security Council for COMINT, which Special Committee should consist of the Secretary of Defense and the Secretary of State, and the President as circumstances may require."

* We are informed that in connection with matters pertaining to atomic energy, the National Security Council operates through a similar Special Committee consisting only of those members of the NSC who have primary interest in that particular subject. It would seem that this precedent can be satisfactorily followed in this case.