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Subject: Report of Conference Appointed to Study Allocation of Cryptanalysis.

In accordance with your directive, a conference of representatives of the War Department, the Navy Department, and the Federal Bureau of Investigation was held on June 30, 1942, at which time the conference was advised of your directive which was as follows:

"That a committee be designated composed of one representative from each service to consider the entire field of cryptanalysis to assure themselves that the three services can cover the entire field, and having assured themselves that they could cover the entire field, to avoid duplication of effort by allocation of the cryptanalysis, among the services, of those types which the respective services are best qualified to undertake. Provision should be made for pooling of effort aside from this allocation whenever circumstances require. Consideration should be given to the formation of a standing committee to pass upon any questions of allocation or pooling of efforts which may arise from time to time."

A study was made of the entire field of cryptanalytical work for the purpose of determining whether the three designated agencies, i.e., the Army, the Navy, and the FBI, were able to handle all such work.

The survey of this field reflected that this work fell generally into the following classes:

1. Diplomatic
2. Enemy Naval Operations
3. Enemy Military Operations
4. (a) Western Hemisphere-Clandestine
(b) International Clandestine other than Western Hemisphere
5. Trade Codes
6. (a) Army Weather
(b) Navy Weather

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7. Domestic Criminal
8. Voice Broadcast
9. Cover Text Communications
10. Miscellaneous

After surveying this field, it was the unanimous opinion of this conference that all of this work could be adequately handled by the cryptanalytical sections of the three interested agencies.

A study was made by the conference with reference to the question of the allocation of this work, and the conference agreed on the following allocation:

1. Diplomatic: Army.
2. Enemy Naval Operations: Navy.
3. Enemy Military Operations: Army.
- *4. (a) Western Hemisphere Clandestine: FBI-Navy.
(b) International Clandestine other than Western Hemisphere: Navy.
- **5. Trade Codes: To be assigned by committee.
6. (a) Army Weather: Army.
(b) Navy Weather: Navy.
7. Domestic Criminal: FBI.
8. Voice Broadcast: FBI.
9. Cover Text Communications: FBI.
10. Miscellaneous: To be assigned by committee.

*The conference felt that there was sufficient material to occupy both FBI and Navy with reference to the handling of Western Hemisphere Clandestine work inasmuch as both are presently engaged in it and have a vital interest in the results. It was suggested that the duplication in this field be eliminated by agreement among the members of the committee to be appointed.

**Inasmuch as this work involves the question of which agency possesses the proper library material applicable to the particular code, it was believed that these cases should be assigned by a standing committee, which committee should have in its possession the complete list of the code book material possessed by all three agencies.

The conference recommended that a standing committee composed of one representative from each of the three agencies (Army, Navy, FBI) be appointed, and it was recommended that the committee should be made up as follows:

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1. Officer in Charge, Signal Intelligence Service of the Army.
2. Officer in Charge of the Radio Intelligence Section, Office of Vice Chief of Naval Operations.
3. Officer in Charge of the Technical Laboratory, Federal Bureau of Investigation.

This committee is to meet at frequent intervals for an exchange of information and for the purpose of eliminating any duplication and for the purpose of passing upon any questions of allocation or pooling of efforts which might arise from time to time.

FOR THE WAR DEPARTMENT

Col. Carter Clarke
 Col. Frank W. Bullock
 Mr. William Friedman

FOR THE NAVY DEPT.

Comdr. John R. Redman
 Comdr. J. N. Wenger
 Lt. Cdr. A. D. Kramer
 Lt. Cdr. L. T. Jones

FOR THE FBI

Mr. E. P. Coffey
 Mr. D. M. Ladd

This was a war-time agreement made purely for the purpose of eliminating FCC, OSS, and others from the cryptanalytic field and of restructuring the activities of FBI. Further details are contained in the Op 202 FBI folder. This agreement recognized the status quo resulting from the Army-Navy agreement of 25 June 1942. See para 5 of Op 206 memo of 1 June 1943 (in this folder)