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Serial: N1136

6 April 1961

EO 3.3(h)(2)  
PL 86-36/50 USC 3605~~SECRET~~

MEMORANDUM FOR THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

SUBJECT: NSA Evaluation of the Proposed [redacted] with  
GCHQ (U)

1. As in the past two agreements, [redacted] the requirements for U. S. support as outlined in the proposed [redacted] agreement have received a critical review by NSA R/D. The technical aspects of the program have been evaluated in light of their relationship to the NSA RDT&E program for the same period (FY-62-63-64) in order to evaluate the prospective benefits likely to accrue to the combined U. S./U. K. cryptologic programs. The current [redacted]

2. The NSA deliberations concentrated on those areas where it appeared that GCHQ was better equipped due to superior skills and experience to do a specific job than the U. S. cryptologic community. The proposed program will enhance the skills GCHQ should possess by the conclusion of the period covered in this agreement to enable a quick response in times of emergency with a major machine program.

3. The National Security Agency placed primary emphasis on the research and development activities inherent in the proposed GCHQ program, procurement of equipment as a betterment of capability being a secondary consideration. The preceding agreements, [redacted] and [redacted] stressed more the supplying of items of badly needed equipment rather than the longer term aspects of a U. S./U. K. integrated research and development program. Now that these necessary items of equipment are at hand, it is believed that the present and future agreements should place emphasis on using funds in the U. K. primarily for R/D and to a lesser degree for the procurement of equipments to improve the U. K.'s facilities.

4. In consonance with the above philosophy, the details of the current [redacted] were discussed with GCHQ officials. Minor revisions of the proposal were negotiated and have already been executed by the GCHQ officials. NSA concurs in the program

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as outlined in the agreement. In fact, if it were possible to increase the funds allocated to some of the areas, without depreciating the effort allocated to the others, NSA would concur in added support for the [redacted] area and the analytic modular techniques development area.

5. The [redacted] when presented to the Advisory Group, chaired by Dr. W. G. Baker, to DDIR&E on 27 January 1961, also received unqualified endorsement of this group. Only in a combined effort of both the National Security Agency and its sister agency, GCHQ, is there hope to continue significant progress in common objectives against target nations. The interworking and exchange between NSA and GCHQ throughout the past years have greatly enriched the amount and value of information available to the respective intelligence communities. Many specific instances are directly attributable to the close working relationship existing between personnel of NSA and GCHQ in the attack on specific problems. NSA strongly urges the allocation of U. S. funds consistent with the requirements as outlined in the [redacted]

L. R. FROST  
Vice Admiral, USN  
Director

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cc: DIR ←  
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M/R: Self-explanatory.

*Alfred W. Rose*

*for* R. G. Brondor, R/D-02, 4620, 5 Apr 61, 1ms

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