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THE SECRETARY OF THE NAVY
WASHINGTON

~~TOP SECRET~~

13 May 1949

MEMORANDUM FOR: THE SECRETARY OF THE NAVY.
THE CHIEF OF NAVAL OPERATIONS.

1. There is attached a copy of the Agenda for the War Council meeting to be held at 1000, Tuesday, 17 May 1949.

2. Briefing responsibility has been assigned as follows:

Item 2 - Chief of Naval Operations (Op-20)

3. An oral briefing for the Secretary of the Navy and the Chief of Naval Operations will take place in the Secretary's office at 0915, Tuesday, 17 May 1949.

Very respectfully,

A. C. Murdaugh

A. C. MURDAUGH
Captain, U.S.N.
War Council Liaison Representative (Navy)

Copy to:
Under SecNav
Assistant SecNav
Assistant SecNav for Air
Op-01
Op-02
Op-03
Op-04
Op-05
Op-20 (for briefing)
Op-23
Op-30
Op-32
Op-35
Op-001
Op-007

~~TOP SECRET~~

Declassified and approved for release by NSA on 07-03-2012 pursuant to E.O. 13526

DOCID: 3984118

OFFICE OF THE SECRETARY OF DEFENSE
Washington

13 May 1949

WAR COUNCIL

AGENDA for Meeting of the War Council at 10:00 AM

in Room 3E 912 on 17 May

1. Reports by the Departments of the Army, Navy and Air Force, and the Chairmen of the Munitions Board, Research and Development Board and Personnel Policy Board on important matters of interest to the National Military Establishment.

2. Unified Armed Forces Security Agency -- Organization of cryptologic activities within the National Military Establishment ~~(Top Secret)~~

Attachment A is a proposed memorandum for the three Secretaries from the Secretary of Defense which comments on the report of the Committee on the Creation of a Unified Armed Forces Security Agency (organized pursuant to action taken in the meeting of the War Council, as reported in item 3 of the Significant Actions of the War Council on 3 August 1948) and which concludes that the communications intelligence and communications security activities of the armed forces, with certain exceptions, should be consolidated.

Attachment B is a proposed memorandum for the Joint Chiefs of Staff on the same subject.

Attachment C is a proposed directive which sets forth the manner in which the consolidation would be effected.

Action Required

Agreement should be sought as to the desirability of the consolidation of these activities in accordance with the terms of the proposed directive (Attachment C).

/s/ John Sherman
Secretary to the War Council

ATTACHMENT A

OFFICE OF THE SECRETARY OF DEFENSE
Washington

MEMORANDUM FOR: The Secretary of the Army
The Secretary of the Navy
The Secretary of the Air Force

Subject: Organization of Cryptologic Activities within the National Military Establishment.

In accordance with the War Council decision of 3 August 1948, there was established a Committee on the Creation of a Unified Armed Forces Security Agency with two representatives from each of the three Service departments. The general mandate of this committee was to consider two broad questions:

a. Should there be created a joint or unified Armed Forces agency for the production of communications intelligence and, if so, what form should it take?

b. Should there be joint of unified cryptographic security activities of the Army, Navy and Air Force and, if so, what form should they take?

The report of this committee, of which Rear Admiral E. E. Stone, Chief of Naval Communications, was Chairman, was submitted on 30 December 1948.

All members of the committee agreed in principle that there should be full integration of the over-all communications intelligence effort to obtain maximum coverage, minimum duplication, and complete availability of end-products to the three Services and to certain other Governmental agencies as necessary. They further agreed that all three Services should participate in this work under the coordination of an Armed Forces Communications Intelligence Board (AFCIB) and a Director of Joint Operations (DJO) which should be created. All members of the committee did not, however, agree as to

a. The number of and composition of agencies or organizations to be engaged in communications intelligence work;

b. The principle upon which the communications intelligence effort is to be divided among them; or

c. The extent of control versus coordination to be exercised by the Joint authority (AFCIB and DJO)

I have concluded that, in the interests of efficiency and economy, the communication intelligence and communication security activities

ATTACHMENT A

of the Armed Forces with certain exceptions should be consolidated. Accordingly, I have approved the attached directive which constitutes the basis upon which such a consolidation will be effected. The full support of your Department should result in reducing transitional problems of consolidation to the minimum.

COPY TO JCS

DOCID: 3984118

ATTACHMENT B

OFFICE OF THE SECRETARY OF DEFENSE
Washington

MEMORANDUM FOR THE JOINT CHIEFS OF STAFF

SUBJECT: Organization of Cryptologic Activities within the National Military Establishment

1. The attached directive establishes a unified cryptologic organization - the Armed Forces Security Agency - for the conduct of communications intelligence and communications security activities within the National Military Establishment.

2. It is desired that the common activities of AFSA be conducted in not more than two major establishments. Efficiency and economy are to be stressed.

3. Responsibilities of the Joint Chiefs of Staff are as indicated in the attached directive.

COPY TO: Secretary - Army
- Navy
- Air Force

ATTACHMENT C

DIRECTIVE

ARMED FORCES SECURITY AGENCY (AFSA)

Pursuant to the authority vested in me by the National Security Act of 1947 (Public Law 253, 80th Congress), and in the interest of greater efficiency and economy, there is hereby established within the National Military Establishment, under the direction and control of the Joint Chiefs of Staff, a unified cryptologic organization to be known as the Armed Forces Security Agency (hereinafter referred to as "AFSA") which shall have the purpose, composition, authority and responsibilities hereinafter described.

1. Purpose

The Armed Forces Security Agency is established in order to provide for the placing under one authority the conduct of communication intelligence and communication security activities (hereinafter referred to as cryptologic activities) within the National Military Establishment, except those which are to be conducted individually by the Departments of the Army, Navy, and Air Force.

2. Composition

a. The AFSA shall consist of such facilities, units and military and civilian personnel of the armed forces which are or may be used for, or engaged in communication intelligence or communication security activities, (excluding those which each Service requires for own essential needs) ~~including the Headquarters, Army Security Agency (ASA), Arlington, Virginia, the Communications Supplementary Activity (CSAW), Washington, and any comparable organizations of the Air Force, and such other facilities, units and personnel~~ as the Joint Chiefs of Staff may determine as necessary to fulfill the functions herein assigned.

b. A Flag or General Officer of the Army, Navy or Air Force will be appointed by the Joint Chiefs of Staff, subject to the approval of the Secretary of Defense, as Director of the AFSA. His normal tour of duty shall be two years. The directorship shall be rotated among the Services.

c. An Armed Forces Communications Intelligence Advisory Council (AFCIAC) shall be established within the Armed Forces Security Agency. The Council shall consist of the Director of the Armed Forces Security Agency, who shall be chairman thereof, the Army, Navy, and Air Force members of the United States Communications Intelligence Board, and not to exceed one additional member from each of the services to be nominated by the respective Department Secretaries.

ATTACHMENT C

3. Responsibilities and Functions

a. Subject to the authority and direction of the Secretary of Defense, the Joint Chiefs of Staff will exercise direction, authority and control over the Armed Forces Security Agency.

b. The Armed Forces Communications Intelligence Advisory Council will:

(1) Recommend to the Joint Chiefs of Staff policies and operating plans for the production of communications intelligence, which will insure the provision of:

(a) Authentic information for planners and policy makers within the National Military Establishment and other Governmental Agencies having membership on the United States Communication Intelligence Board; to apprise them of the realities of the international situation, warmaking capabilities, vulnerabilities and intentions of foreign countries, and to eliminate the element of surprise from an act of agression by another country.

(b) The unique information essential to the several services for the successful prosecution of war and vital to a shortening of the period of hostilities.

(2) Recommend to the Joint Chiefs of Staff the facilities, personnel, and fiscal and logistic support to be provided by the services to AFSA; such recommendations to be based on requirements as determined by the Director, AFSA.

(3) Determine and coordinate joint cryptologic military requirements.

(4) When unanimity cannot be reached, substantive matters shall be referred to the Joint Chiefs of Staff for resolution. ~~Procedural matters shall be determined by the chairman.~~

c. Subject to the authority and direction of the Joint Chiefs of Staff, the Director, Armed Forces Security Agency, will ~~formulate and~~ implement plans, policies, and doctrines relating to communication intelligence and communication security for the Armed Forces, and perform such other functions as the Joint Chiefs of Staff may direct, including the following:

(1) Operational control of all AFSA facilities, units and ~~military~~ personnel and operational and administrative control of all AFSA civilian personnel.

(2) Production of communication intelligence in accordance with approved plans and policies and conduct of all operations necessary to the production of such intelligence except those operations which, pursuant to paragraph 3d of this directive, are to be conducted individually by the Army, Navy, or Air Force.

(3) Accounting for, and preparation, production, storage and distribution of, all crypto-material for the Armed Forces, together with formulation of policies and publication of instructions necessary for the use, handling, maintenance, and safeguarding of such material, except in such cases where these duties are otherwise specifically assigned.

(4) Formulation of policies for: (i) transmission security and communications cover and deception; (ii) cryptographic security; (iii) physical security of cryptologic material; (iiii) cryptologic countermeasures.

(5) Evaluation of violations of cryptologic security; determination of extent of compromise; and remedial action through appropriate channels.

(6) Investigation of the means employed for clandestine communications; and preparation, detection, and processing of secret inks, microphotographs, and open codes and ciphers.

(7) Liaison with appropriate departments and agencies, for the purpose of coordinating cryptologic equipment and procedures.

(8) Preparation, ~~for review and approval by the Research and Development Board~~, of coordinated programs for research and development of cryptologic equipment under the cognizance of AFSA and, when approved, action to implement those programs.

(9) Preparation, ~~for review and approval by the Munitions Board~~, of coordinated programs, including industrial mobilization planning, for the procurement of cryptologic equipment under the cognizance of AFSA and, when approved, action to implement those programs.

(10) Preparation of technical publications pertaining to subjects peculiar to AFSA.

(11) Preparation of technical training programs and establishment of training standards for AFSA personnel; provision of certain specialized training of personnel to meet the respective needs of the Army, Navy, and Air Force.

(12) Establishment for units of the Armed Forces of a basis of issue of special items of crypto-equipment for which provision is not made in standard distribution lists.

(13) Technical supervision of all communication security activities of the armed forces.

(14) Provision of technical support to the Army, Navy, and Air Force in their conduct of cryptologic activities.

(15) Preparation of budgetary and other fiscal requirements of AFSA, coordination of such requirements with the participating services, and the presentation of such requirements to the Joint Chiefs of Staff through the AFCIAC. Such requirements for AFSA as may be approved by the Joint Chiefs of Staff will be included in the recommendation made by the Joint Chiefs of Staff to the Secretary of Defense on budgetary matters.

d. The Departments of Army, Navy, and Air Force will:

(1) Take necessary action to facilitate the efficient and economical operation of AFSA, such action to include assignment of personnel and furnishing of facilities, equipment, and fiscal and logistic support. The respective Secretaries are hereby authorized to issue such orders as may be necessary to effectuate the purposes of this directive.

(2) ~~Fixed intercept~~ Installations as authorized by the Joint Chiefs of Staff will be provided by the Army, Navy, and Air Force. Such installations will be manned and administered by the service providing them, but will be operationally directed by AFSA.

(3) ~~Mobile intercept~~ Facilities required by the Army, Navy, and Air Force will be manned, administered, and operationally controlled by the individual service. They may also be used to perform special missions for AFSA as ~~determined~~ requested by the Director thereof.

(4) The Army, Navy, and Air Force will provide communication facilities required for ~~joint use~~ by AFSA. The crypto-material utilized in such facilities will be furnished by AFSA and will be operated and maintained by the individual service.

(5) The Army, Navy, and Air Force will assign military personnel to AFSA for a period of not less than thirty months, reserving the right to add, withdraw, or substitute personnel, within limitations of personnel authorized

Correct intra-service needs

strength ~~requirements~~ of AFSA, ~~and subject to agreement by the Director, AFSA.~~ In accordance with existing law, the administration of ~~military~~ personnel of the Army, Navy, and Air Force assigned to AFSA will be a responsibility of the Army, Navy, and Air Force, respectively.

(6) The Army, Navy, and Air Force will continue to be responsible for all such cryptologic activities as are required by intra-service ~~or joint~~ [illegible] ~~(e.g., communication intelligence field processing, intercept, research and development, training, etc.), and are determined by the Joint Chiefs of Staff not to be the sole responsibility of AFSA.~~ They will at all times keep the Director, AFSA, fully informed concerning all such activities.

(7) Cryptologic activities which are determined by the Joint Chiefs of Staff to be the sole responsibility of AFSA will not be undertaken or continued by the Army, Navy, or Air Force individually.

4. Implementation

a. The consolidation of those parts of several service agencies which will constitute the AFSA will be effected under the direction and control of the Joint Chiefs of Staff, with the minimum loss of continuity of operations. It shall be initiated not later than 1 July 1949 and completed not later than 1 January 1950. When the consolidation has been completed the Joint Chiefs of Staff will so inform the Secretary of Defense.

(5) Each provide such and administer processing installations as may be required by AFSA and the individual services to meet ~~[illegible]~~ approved production in the cryptologic field.