

USCIB: 29.2/4

27 May 1954


~~SECRET~~MEMORANDUM FOR THE MEMBERS OF USCIB:

Subject: Release of AFSAM-7 to NATO Nations.

References: (a) USCIB 29.2/3 dated 21 May 1954.
(b) USCIB 29.2/1 dated 3 May 1954.

1. Reference (a) included a notification of a joint meeting of USCIB and USCSB to be held at 1430, 3 June 1954, for the purpose of considering the implications of the enclosure with reference (b).

2. The enclosure hereto is circulated for information as indicated in paragraph 4 of the enclosure with reference (a).



RUFUS L. TAYLOR
Captain, U. S. Navy
Executive Secretary, USCIB

Enclosure

NSA Serial 00159-S dtd 27 May 1954.

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NATIONAL SECURITY AGENCY
 WASHINGTON 25, D. C.

Serial: 00159-S
 27 May 54

MEMORANDUM FOR THE MEMBERS OF THE UNITED STATES COMMUNICATIONS
 INTELLIGENCE BOARD AND THE MEMBERS OF THE UNITED STATES
 COMMUNICATIONS SECURITY BOARD

SUBJECT: Implications of a Policy Which Would Permit Cryptographic
 Aid to Friendly Foreign Governments for their National
 Purposes

The following statement repeats and expands the remarks made on the subject by the Director, National Security Agency at the 103rd USCIB meeting.

1. Once the U. S. embarks on a program which permits supply of cryptographic material or equipment to one friendly foreign government it will be impossible to prevent extension of the program to all other friendly foreign governments.

a. The U. S. cannot take the position of showing preferential treatment in the cryptographic supply business by providing one friendly nation with cryptographic assistance and denying it to another. Politically, any attempt to do this would be disastrous.

b. There is no way in which provision of such aid to one country could be kept a lasting secret from others. Requests for aid from Brazil, say, favorably considered, would lead to similar requests from Chile, and there would be no way of denying the same aid to Chile.

c. The overlapping network of military and political alliances and assistance pacts in which the U. S. participates results in putting the U. S. in the position of being an expected source of aid to its allies in this field as well as in others.

d. In summary, it could be stated that our cryptographic information and material is kept in a Pandora's Box which once opened can never be closed.

2. It follows that just as there can be no refusal of a request of one nation after approval of another's, there can be no discrimination in the type of aid provided. If, for example, a request for assistance from one country is met by the provision of machine "X", a similar request from another country cannot be filled by anything inferior to machine "X".

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3. In essence, once a start is made, it would become the policy of the U. S. to supply all comers, and there would be many.

a. How much would this amount to? It is difficult to estimate but a fairly good guess can be made. Assuming our friends to be all of the non-Communist countries there are about 55 nations, excluding NATO and the British Commonwealth, who might be expected to come to us for aid. If their requests could be filled by as little as an average of 100 machines, 5500 would be needed, and to this we would have to add at least a minimum of 2000 for NATO nations, beyond those for international military use already planned for. Accordingly, at least 7500 machines would be required. Since cipher machines these days cost a minimum of \$2000 each, some 15 million dollars would be involved, and this is just the initial cost.

b. What additional costs are there? Spare parts, rotors and associated material. In providing U. S. cryptoids NSA estimates a spare parts usage factor of 30% of the initial cost, with a 10% annual expenditure thereafter. For a five year period, then, an additional 12 million dollars would be involved. Rotors and other associated material would amount to another 10 million dollars.

c. What about maintenance and other support? In the cryptographic supply business support does not stop with provision of an amount of material. Cipher machines are delicate instruments and require a considerable amount of maintenance. There would be two ways of supplying this: one would require the use of U. S. maintenance personnel, Service or otherwise, for the purpose of maintaining the material; the other way would be the training of maintenance personnel of other nations by the U. S. Either of these will be costly. Other support is needed also. Nations using the equipment would have to be furnished current procedures, doctrine and, when necessary, instructions on modifications. Then it would have to be seen to that operator training, as well as maintenance training, is properly carried out.

d. What do these two types of training amount to? It would be necessary to establish schools to which nations could send cadres of maintenance men and operators for training. These men would then return to their countries and train others. If we compare this requirement to the method which we currently employ in the U. S. we can estimate that each nation would have to send about six individuals, with the necessary qualifications, for a maintenance training course which, if conducted in English, would take a minimum of eight weeks. If other languages have to be used the course would be longer and infinitely more complicated. Operator training would take less time, probably two weeks.

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e. What are the legal implications? This is difficult to even predict. In some of our crypto-equipments there are patented components. In each case of issue, proper legal agreements would have to be entered into.

f. What would be the effect on COMINT? Under such a program as this the effect is obvious. For all practical purposes COMINT from the non-Communist countries would cease.

g. What further political implications are there? This is a case of something which once done cannot be undone. Suppose that a country now classed as a non-Communist, friendly nation changes "color" after material aid has been supplied. We cannot get the equipment back, and we will have been placed in a position of having helped an enemy or potential enemy.

4. In summation, once the bars are let down, the U. S. becomes the supplier of COMSEC to virtually the whole world. It is a multi-million-dollar supply business and, like any other multi-million-dollar supply business, all the complexities of logistics, legal proceedings and financial arrangements add up to infinitely more than the dollars-and-cents involved.

5. NSA is in no position to undertake such a burden and carry out its primary mission. If such a program were authorized, NSA has neither the plant, personnel, facilities, or space to even consider the task.

6. If the decision is made that the U. S. is to become the world-wide supplier for cryptographic materials, there are probably several workable methods of implementing the decision. One such method might be the establishment of a separate government corporation, with NSA participating on the "board of directors". This corporation would be responsible for all negotiations and the supply of all such material.



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Director