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Item 3

THIRD PARTY ARRANGEMENT WITH [REDACTED]BACKGROUND

1. In May 1954 BUSLO, London, reported that the [REDACTED] was soon to approach [REDACTED] requesting authorization to [REDACTED] (located in the Northern part of [REDACTED] and subsequently to reinforce it if the results justified the expense. Director, GCHQ, indicated he would appreciate our awaiting the outcome of this approach before making any proposals to UK at Board level regarding a similar United States approach.
2. BUSLO reported later that a preliminary approach was made to the [REDACTED] in late May and was received sympathetically. It was to be considered officially by the [REDACTED] authorities on 10 June.
3. In August 1954 we informed BUSLO that the [REDACTED] had approached the U.S. seeking assistance in the establishment of a [REDACTED] BUSLO was cautioned not to arouse UK suspicions that such an approach had been made to U.S. but was asked to try to determine the status of the UK approach to [REDACTED] for an [REDACTED] and also to try to learn whether the [REDACTED] had also approached UK for help in [REDACTED]. It was pointed out that the matter was to be put before USCIB on 10 September.
4. BUSLO, London replied that a change in [REDACTED] Defense Secretaries in the midst of this approach had allowed the receipt of an official reply to the British, consequently no further details are as yet available.
5. BUSLO, London, points out that from the British standpoint this whole relationship is a very delicate one. It is essential to understand that a ruling factor is the bad relations between [REDACTED]. The British believe that a major portion of present [REDACTED] are used against one another. Assistance to either country probably will be interpreted as activity against the other. The chance of getting [REDACTED] cooperation on any [REDACTED] is considered remote.
6. In this instance also, LSIB must consult closely with the [REDACTED]. Neither GCHQ nor LSIB can take a position [REDACTED]

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markedly at variance with [redacted]
 For example, [redacted] strongly advised against
 the plan once held for the Royal Air Force to try for intercept units
 in both [redacted]

7. In informal talks with SUSLO, a GCHQ representative indicates
 optimism about eventual permission for [redacted] survey but he is equally
 certain, knowing the [redacted] and the [redacted]
 [redacted], that permission for and implementation of the project will
 take a long time. This individual reads the newspapers too and knows
 that the [redacted] and American Governments are getting closer together
 on military and political matters and needs no lead from U.S. to realize
 that U.S. COMINT officials may discover excellent opportunities to exploit
 [redacted]

8. Both [redacted] already have COMINT
 organizations. The British say these organizations are small and have
 few qualified personnel. Wartime relationships COMINT-wise with [redacted]
 [redacted] did not lead to any confidence in their ability. The
 [redacted] have repeatedly approached the British to recommend qualified
 cryptanalysts for COMINT activity but the British have stalled, partly
 because no qualified personnel want the job. So far as SUSLO can learn,
 no [redacted] approach has been made but he would not consider this answer
 definitive.

9. SUSLO has followed our admonition not to reveal the fact that
 [redacted] have approached U.S. for assistance. However, he points out
 that many people in British Government are aware of previous pattern in
 contacts made between U.S. and other nations who have been associated
 with U.S. in defense arrangements and he doubts if British are so dull
 as not to suspect that matter would raise its head with [redacted]. Our
 continued and insistent interest in this matter cannot fail to arouse
 suspicion. British contacts with [redacted] are probably a lot closer
 than U.S. sometimes suspects and SUSLO's guess is that we will gain nothing
 by trying to keep this particular secret. In accordance with paragraphs
 6 and 7 of basic UKUSA Agreement, no relations can be established with
 any [redacted]

10. The whole problem of British [redacted] and U.S. [redacted]
 COMINT relations was to be considered again informally within the British
 Government in late August. SUSLO had been promised a reply suitable for

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presentation to USCIB prior to the 10 September meeting. He thinks it likely that GCHQ soon will agree to having USCIB put this request formally to LSIB. SUSLO strongly recommends frankness on our part in order to assure the complete cooperation of GCHQ. With frankness SUSLO is optimistic that a favorable answer can be shepherded through LSIB and the tortuous maze of Commonwealth policy.

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11. SUSLO will advise soon as further information becomes available and again suggests that bringing British into our confidence now will both speed and aid solution of this problem.

12. On 1 September SUSLO, London, reported that Eric Jones had taken up with the LSIB members directly concerned the U.S. desire to negotiate with [redacted] [redacted] is consulting with the [redacted] Jones and [redacted] trying to get agreement for U.S. to go ahead with its approach to [redacted] is without the further requirement of waiting to make formal USCIB request to LSIB. Jones has high hopes of getting a green light within two weeks.

CURRENT CONSIDERATION

13. In USCIB 29.19/1 the CIA member has reviewed the [redacted] approach to CIA for COMINT assistance in the form of D/F and intercept equipment, guidance in installing this equipment, and training in intercept. The [redacted] offered to allocate approximately half of their intercept resources to targets desired by the U.S. It is understood that they will eventually have [redacted] in operation, divided among four installations.

14. The CIA letter points out that this request has several modifications:

a. While that portion of the effort directed by the U.S. would be placed on Communist targets, the remaining resources will be tasked with [redacted] military targets. This latter material would be of little appreciable value to the U.S. Furthermore, if [redacted] learned of U.S. assistance to [redacted] in mounting a COMINT effort against her communications, the U.S. could be placed in a difficult and embarrassing position.

b. In that the U.K. has already approached [redacted] to secure approval of a site survey in the [redacted] area, any action on our part which might be detrimental to [redacted] approval of this survey may meet with strong opposition from GCHQ.

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e. Because of this U.K. approach, NSA has agreed to defer any U.S. action toward obtaining approval for a site survey in [redacted]. Any assistance provided the [redacted] under a third party arrangement will effect our bargaining power at a later date if the U.S. wishes to obtain base rights for an [redacted].

15. The CIA member proposes that USCIB approve the following recommendations for a third party arrangement between the U.S. and [redacted] to be negotiated and conducted by the CIA as the Executive Agent of USCIB:

a. U.S. to furnish limited assistance in the form of cash, D/F and "releasable" intercept equipment, guidance in station design, equipment installation and maintenance, location of intercept stations, organization, and training (including language training if necessary). All materials will fall within the provisions of para. 5, UKUSA Appendix P.

b. [redacted] to furnish U.S. with copies of all their [redacted] [redacted] will not be requested but will be accepted if offered). The U.S. will furnish [redacted] except on [redacted].

c. U.S. assistance will be limited to the minimum required to obtain [redacted] agreement to provide their [redacted] and to insure that the material obtained is of suitable quality. This limitation is taken with a view to possible later requirement for technical "quid pro quo" for [redacted] rights.

d. Approval of LSIB for this proposed arrangement should be obtained prior to any further discussion with [redacted] officials, in accordance with paras. 6 and 7 of basic UKUSA Agreement.

16. CIA states that its paper has been coordinated with representatives of NSA who supplied information concerning the potential value of [redacted] and the details of current attempts to secure base rights for UKUSA [redacted].

17. Even though SUSELO, London, has indicated that the Director, SCBR, may give us the green light to commence negotiations with [redacted] for an [redacted] base right, Pentagon officials have indicated that the U.S. position is to proceed very slowly in the matter of obtaining any base rights in [redacted]. Consequently, we should not attempt now to tie our desire for an [redacted] base right to the current proposal of CIA for a Third Party arrangement. The NSA position, therefore, should be a straight forward support of the CIA recommendations.

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18. It should be made abundantly clear to the members, however, that in supporting the CIA recommendations the Director, NSA, does not contemplate any [redacted] Under this Third Party arrangement, [redacted]

[redacted] It may also include straight forward language instruction in service schools, so long as no attempt is made to extend this language training to include [redacted]

19. In addition, the Director, NSA, has certain reservations as to just how much [redacted] should be provided on [redacted] received from the [redacted] It is considered that only very generalized evaluations should be given.

RECOMMENDATIONS

21. It is recommended that the Director, NSA, support the CIA proposals for a Third Party COMINT arrangement between the U.S. and [redacted] to be negotiated and conducted by the CIA as Executive Agent of USCIB, provided the members agree on the limitations of the Director's concept of the terms "training" and "evaluations" as set forth in paras. 18 and 19 above.

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Para 4: Normally, either party may, without prior consent of the other
 subject only to prompt notification, arrange with any

the exchange of "releasable" equipment or money
 for the purposes stated in paragraph 3 above. In this connection the
 possible security compromise involved in merely presenting requirements
 should be considered.

Para 5: Either party may conclude an agreement which involves the supply
 to a Third Party of

(a) selected in accordance with identification
 criteria established by the Third Party, (such selection not being
 retrospective), or taken on circuits using

provided only that before implementing such an agreement, the other party
 is consulted on the technical problems involved, such as the sterilization
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