

USCIB: 29.18/2

~~APPENDED DOCUMENT CONTAINS
CODEWORD MATERIAL~~

12 May 1954

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

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MEMORANDUM FOR THE MEMBERS OF USCIB:

Subject: UKUSA Conference on

References: (a) USCIB 29.18/1 dated 27 April 1954.
(b) USCIB 29.17/9 dated 28 April 1954.

Further to the references, the enclosures hereto are forwarded for consideration in connection with Item 2 of the Agenda of the 103rd Meeting of USCIB scheduled for 14 May 1954.


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

Enclosure
Report of Chmn. WG for UKUSA
Con. on COMINT Relations with

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11 May 1954

MEMORANDUM FOR THE CHAIRMAN, USCIB

SUBJECT: Report of the Working Committee on UKUSA Conference on

[Redacted]

1. The Working Committee met on 7 May 1954 to consider the preparation of U.S. position papers for the forthcoming UKUSA Conference on [Redacted]

2. The NSA representative tabled for consideration by the Working Committee the two papers inclosed with a letter from the Director, NSA, published as attachments with USCIB 29.18/1, dated 27 April 1954. These two papers are attached hereto as Inclosures 1 and 2.

3. The CIA representative tabled a paper entitled "U.S. Policy for COMINT Arrangements with [Redacted] This document is attached hereto as Inclosure 3.

4. Detailed discussion of these papers revealed basic points of difference which require resolution by USCIB. A statement of these basic dissimilarities between the NSA and CIA positions is attached as Inclosure 4.

5. The members of the Working Committee asked for more facts which would substantiate the positions assumed by NSA on the one hand and by CIA on the other. Attached as Inclosures 5 and 6 are the supporting papers prepared by the two Agencies.

6. It is recommended that the Members of USCIB consider the attached documents and provide policy guidance to this Working Committee.

William F. Friedman

WILLIAM F. FRIEDMAN
Chairman, Working Committee

6 Incls:
a/s

NSA CIA Withheld
NSA CIA Army
FBI NAVY State
AF
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BASIS OF PROPOSED US COMINT RELATIONS WITH
[REDACTED]

1. In order to improve the quality and quantity of COMINT available to the US, the ultimate objective of US policy is to establish COMINT collaboration with [REDACTED] designed to exploit exhaustively their COMINT potential. Such collaboration should be negotiated with Third Party Governments or their COMINT authorities negotiating on an official basis. Such collaboration should be conducted directly between the national COMINT organizations concerned but is not to exceed the then existing capability of each nation, and must not operate to the detriment of current US COMINT relations with other governments.

2. The arrangements which may ultimately be concluded with these countries, either individually or collectively, will probably extend beyond the limitations of paragraphs 4 and 5 of Appendix P to the UKUSA Agreement, but would not be as extensive as those provided for between the UK and US.

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TERMS OF REFERENCE FOR U.S. DELEGATION
TO UKUSA CONFERENCE ON [REDACTED]

1. The U.S. considers that, in the event it is agreed that tripartite discussions with [REDACTED] are of advantage to the U.K./U.S. COMINT effort, it should be permissible to reveal to these countries the existence of the technical COMINT exchange between the U.K. and U.S.

2. U.S. COMINT collaboration with the [REDACTED] should be conducted directly between the national COMINT organizations concerned, but is not to exceed the then existing technical capability of each nation, and must not operate to the detriment of current U.S. COMINT relations with the U.K. and Canada.

3. The U.S. considers it desirable, in order to develop COMINT relationships with the [REDACTED] to provide [REDACTED] in order to exploit exhaustively their COMINT potential. Such collaboration should be negotiated with the [REDACTED] or COMINT authorities negotiating on an official basis.

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~~TOP SECRET~~~~TOP SECRET U.S. OFFICIALS ONLY~~EO 3.3(h) (2)
PL 86-36/50 USC 3605U.S. POLICY FOR COMINT ARRANGEMENTS WITH
[REDACTED]

1. In order to insure that the U.S. has access to the fullest possible coverage of important COMINT targets, the objective of U.S. policy vis-a-vis [REDACTED] is to exploit insofar as is profitable the COMINT efforts of those countries.

2. The basic principle underlying the development of COMINT arrangements with [REDACTED] is that maximum utilization should be made of cash, equipment and non-COMINT information which shall be supplied those countries in exchange for their COMINT products. However, when USCIB deems it necessary in order to effect the maximum profitable exploitation of the COMINT potential of those countries a minimum amount of technical COMINT information as determined by USCIB may be released.

3. Due to the highly sensitive nature of NSA and the existence of established channels for the conduct of secret intelligence operations and negotiations, USCIB deems it essential that negotiations and liaison with foreign intelligence organizations except in the case of the U.K. Canada and Australia, be conducted by another U.S. intelligence agency acting as the executive agent for USCIB. Normally, this executive agent will be the CIA, but in cases where USCIB considers it to be definitely to the advantage of the U.S. Government, the State Department, the Army, the Navy, or the Air Force may be selected to act in such a capacity. The Director, NSA, will provide such technical support, advice, and assistance as may be required for the development of these arrangements.

4. In order to maintain the maximum amount of autonomy and the fullest freedom of action USCIB feels it necessary that all such U.S. negotiations be conducted between the U.S. and the country concerned without direct participation of a third nation.

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Incl 3

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PL 86-36/50 USC 3605STATEMENT OF DISSIMILARITIES

1. NSA: "...objective of U.S. policy is to establish COMINT collaboration . . . designed to exploit exhaustively their COMINT potential."
- CIA: "...objective of U.S. policy . . . is to exploit insofar as profitable the COMINT efforts of those countries."
2. NSA: "The U.S. considers it desirable . . . to provide technical assistance . . . not to exceed the then existing technical capability of each nation, and (it) must not operate to the detriment of current U.S. COMINT relations with other governments . . . The arrangements which may ultimately be concluded. . . will probably extend beyond the limitations of paragraphs 4 and 5 of Appendix P to the UKUSA agreement, but would not be as extensive as those provided for between the U.K. and the U.S."
- CIA: "When USCIB deems it necessary in order to effect the maximum profitable exploitation of the COMINT potential of these countries a minimum appropriate amount of technical COMINT information as determined by USCIB may be released."
3. NSA: "...in the event it is agreed that tripartite discussions with [redacted] countries are of advantage to the UK/US COMINT effort, . . ."
- CIA: "...feels it necessary that all such U.S. negotiations be conducted between the U.S. and the country concerned without direct participation of a third nation."
4. NSA: "U.S. COMINT collaboration with the [redacted] should be conducted directly between the national COMINT organizations concerned. . ."
- CIA: "...negotiations and liaison with foreign intelligence organizations except in the case of the U.K., Canada, and Australia, be conducted by another (other than NSA) U.S. intelligence agency acting as the executive agent for USCIB . . . The Director, NSA, will provide such technical support, advice, and assistance as may be required for the development of these arrangements."

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Incl 4

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5. NSA: "Such collaboration should be negotiated with third party governments or their COMINT authorities negotiating on an official basis."
- CIA: (No direct statement).
6. NSA: (No direct statement).
- CIA: "The basic principle underlying the development of COMINT arrangements . . . is that maximum utilization should be made of cash, equipment, and non-COMINT information. . . in exchange for . . . COMINT products."

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~~TOP SECRET FROTH~~EO 3.3(h)(2)
PL 86-36/50 USC 3605~~TOP SECRET FROTH~~NSA CONCEPT OF THIRD PARTY ARRANGEMENTS

1. Appendix P to UKUSA established principles governing US and UK COMINT relations with Third Parties. Essentially, two distinct type of formal Third Party arrangements are described:

a. An arrangement whereby cash, equipment and a minimum amount of rudimentary technical information may be furnished by a member of USCIB in return for COMINT materials provided by the third party. This arrangement need not be of a permanent nature, but should not be confused with covert arrangements under which the material obtained is treated as collateral. In such arrangements the US must be assured of a fair return on its investment. Paragraphs 4 and 5 of Appendix P apply; the [redacted] arrangement is an example of this type. Normally, NSA should not conduct such arrangements directly; rather, NSA would provide target lists of desired materials in priority order for guidance and would indicate the monetary or equipment value of desired COMINT materials.

b. An arrangement which entails the exchange between US or UK and [redacted]

[redacted] as described in paragraph 6 of Appendix P. The exchange is limited only by the technical level of competence manifested by the Third Party. Within the limits of established policy, these arrangements should be conducted between the COMINT agencies concerned, as discussed in paragraph 10, below. A measure of permanency is essential in such arrangements, and it is desirable that wherever possible, official governmental agreements be negotiated. The objective of such arrangements is the exhaustive exploitation of the Third Party's COMINT capability on those problems on which collaboration is entered into.

2. The US necessarily proceeds from a selfish basis in its dealings with Third Parties. Any arrangement entered into must provide definite advantages to this country. The principal factors which make a Third Party arrangement attractive are ordinarily geographical location and technical competence. The basic COMINT association between the US and UK is mutually beneficial as a result of the pooling of intercept from various sources, and the complementary skills of their COMINT personnel. An examination of other countries engaged in the COMINT business indicates that [redacted]

[redacted] have demonstrated considerable COMINT competence and in some cases are in a position to obtain [redacted] not otherwise available to the US or UK.

3. It must be recognized that those countries possessing a considerable COMINT competence will not, at least after initial satisfaction

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of their equipment needs, be willing to make available all of their COMINT results desired by the US or to continue to provide COMINT material without some exchange in kind. [redacted] have indicated (to the UK) their individual dissatisfaction with arrangements by which they are limited to cash and equipment in return for the materials they furnish. [redacted] has indicated its desire to enter into tripartite COMINT collaboration with the US and UK. Similar demands upon the US for payment in kind are overdue and USCIB policy should anticipate them.

4. The possibility of extending COMINT relations with Third Parties suggests that a review is necessary of the complex and probably expanding inter-relationships among such nations in the COMINT field. For example, it is known that [redacted] has at various times engaged in some form of COMINT association with the US, UK, [redacted]

[redacted] It is known that [redacted] are closely allied in their COMINT efforts. The extent of the [redacted] relationship is not known; but it exists.

5. Obviously, a major factor in any decision to extend COMINT relations with any Third Party is the state of security of that country. It must be realized, however, that US national secrets in the COMINT field are not truly secrets if other countries are able to produce identical COMINT by their own efforts. The technical level of competence achieved by [redacted] collectively is known to be fairly high. Their representatives have deliberately demonstrated their COMINT success to UK representatives to support their requests for technical assistance. The material now received from the [redacted] by the UK and US does not reflect their true potential in the COMINT field, because of the limitations placed by the US and UK on the return quid pro quo. The philosophy underlying past US policy in regard to Third Party relations was to obtain as much as possible for as little as possible. This principle would still be satisfactory if the US were assured of getting what it needs by this method, but the reluctance of the [redacted] to operate on this principle, as manifested in discussions with the UK, forces the US to examine the other policy: A full exchange of COMINT materials between the US and selected Third Parties on specified problems, at a level not to exceed the Third Parties' known technical competence. The qualifying clause regarding technical competence would thus differentiate such agreements from the CANUSA agreement. The level of technical ability can be established on a continuing basis from products provided by these Third Parties after evaluation by qualified US or UK technicians.

6. Considerable difficulty has been encountered in obtaining possession of Third Party COMINT materials at the same time that comparable US and UK material is received. This complicates its processing,

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makes its use annoying and expensive, and greatly reduces the value of the product. Maximum assistance may be expected in solution of these delivery problems when payment in kind is made since the Third Party nation involved will also be interested in expediting the reciprocal flow of COMINT material needed in preparation of its product. In addition, the provision to [redacted], for example, of keys and trinomes of type B Call Signs used within the system would further improve the quality of its valuable early warning reports. These placements are within the demonstrated technical competence of [redacted] to derive and use, but are not made in their volumes because they were derived by UKUSA collaboration from analysis of material from other areas at other times of similar usage.

7. It is recognized that some nations with only primitive COMINT organizations by virtue of their geographic location possess limited but unique COMINT collection capabilities which should be exploited and that this can be arranged satisfactorily by payment in cash and equipment or, at most, limited raw material. It is also recognized that in some cases, all desired COMINT materials may be obtained from a nation in return for payment in cash and equipment only. Full advantage, of course, must be taken of such opportunities.

8. It should also be noted that most US-collected [redacted] does not compare favorably in quality with that of Third Parties in general. Where US [redacted] has been provided to a Third Party ([redacted]), acute dissatisfaction has been the result in several instances. A similar reaction may be anticipated from other nations to whom our [redacted] may be delivered. Our problems in this respect are made more difficult by the further reduction of the value of US material resulting from the prohibition against retention of UKUSA case numbers on [redacted] handed over to Third Parties. This latter prohibition stems directly from established policy designed to safeguard knowledge of the existence of UKUSA COMINT collaboration.

6. II H

9. It is felt, in view of the discussion above, that Third Party arrangements cannot be conducted satisfactorily on a variety of bases established by USCIB in each instance and continuously modified to reflect changing situations. It is believed that such an approach will lead to unmanageable complexities and difficulties and is unsound in that no sufficiently firm terms of reference will exist at any given time to enable maintenance of a satisfactory relationship with each Third Party involved. It is suggested, instead, that USCIB should, in light of all the facts then available, decide as necessary in which of these two ways it wishes to deal with each Third Party:

a. purchase of maximum COMINT material in return for minimum payment in cash, equipment and rudimentary COMINT material as specified under paragraphs 4 and 5 of Appendix P, or

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b. technical collaboration up to the Third Party's level of competence on selected problems.

10. The technical nature of an arrangement permitting the exchange of COMINT data between COMINT agencies supports the view that NSA must conduct such collaboration. In the past, other members of USCIB have acted as executive agents in order to provide an "insulation" between Third Party COMINT authorities and NSA. In the case of arrangements where no exchange of COMINT is involved, this "insulation" should continue to exist. In the second type of arrangement, an "insulation" would, in fact, impede the timeliness and effectiveness of technical collaboration. The contacts and correspondence necessary for successful technical exchange may, however, be conducted under suitable cover when necessary or, with the understanding that surveillance of technical collaboration must, of necessity, be a function of NSA. Frequent use of a military officer, diplomatic official or CIA employee as the established means of contact is foreseen, especially when this will preserve or enhance other non-COMINT international relationships particularly in the intelligence field. Utilization of existing communication channels maintained by USCIB members is contemplated also. From a realistic viewpoint, the fiction of NSA anonymity should be dispelled. DIRNSA is the US contact on SHAPE "Y" matters; [redacted] are members of NATO and will soon become familiar with this fact, as [redacted] now is.

11. The mechanics of carrying on COMINT collaboration on an exchange-in-kind basis must be developed after USCIB has formulated policy governing the exchange. Details of communications, of liaison, of sanitization, of the many items which will have to be covered will eventually be mutually agreed on, as in the case of UKUSA, CANUSA, and SHAPE "Y". In partial clarification of NSA views, however, it may be stated that:

a. The exchange with Third Parties of liaison personnel is not contemplated.

b. Face to face technical discussions are not contemplated, except during initial negotiations and, possibly, during infrequent subsequent technical conferences for purposes approved in each instance by USCIB.

c. The Director, NSA, will accept full and unique responsibility for monitoring technical relations to assure conformity with established USCIB policy governing such Third Party collaboration.

d. No arbitrary upper limit of collaboration should be set in terms of crypt system or classification level. To Nation X, for example,

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which has achieved solution of a major Soviet military system and which provides full technical details and end-products, NSA would provide any complementary technical material and end-products on this particular system. NSA would not provide data on another Soviet system falling within the area of collaboration which Nation X had not demonstrated its ability to exploit. Within a problem worked on a collaborative basis, NSA would, however, provide to Nation X decryption information on a system of comparable or lower grade not solved by Nation X if this would materially improve Nation X's unique take of material or production of information on the major military system above.

Point III A,
III 2.

12. It may be necessary to accept the possibility of combined UK/US arrangements with Third Parties, in order to prevent deterioration of US relations with the UK. In this connection it is noted that what requires to be guarded as a secret is not the existence, but the extent of UKUSA COMINT collaboration. It is noted that initial UKUSA contacts with [redacted] were conducted by the UK, under limitations imposed by USCIB. Subsequently, direct US negotiations with these two countries were opened by the US. As a result, the UK has lost the fruit of its original efforts in this direction, and is dependent on the US for material it used to furnish the US. The desire of the US to exercise independence in its COMINT relations, except for restrictions imposed by Appendix P, may be shared by the UK. This may particularly be the case insofar as [redacted] is concerned.

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**CIA MEMBER'S COMMENTS ON PROPOSALS FOR COMINT
RELATIONS WITH INTELLIGENCE SERVICES
OF [REDACTED]**

1. Attached hereto are the comments of the CIA member of the Ad Hoc Committee regarding the differences between the two policy proposals which are being submitted to USCIB. It should be noted that the CIA member's proposal represents no radical departure from Board practice or stated policy, although the current methods upon which it is based provide the necessary flexibility for extension of COMINT arrangements with [REDACTED] to any degree desired by USCIB.

2. The attached discussion, set forth under the six major differences between the two proposed policies, elaborates the more important aspects of the CIA position.

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POINT NO. I:

NSA: ".....objective of U.S. policy is to establish COMINT collaboration....designed to exploit exhaustively their COMINT potential."

CIA: ".....objective of U.S. policy.....is to exploit insofar as profitable the COMINT efforts of those countries."

* * * *

A. "Collaboration" implies a degree of exchange which is incongruous when the COMINT assets of each of the three countries are compared with UKUSA resources. The present personal strength of the entire [] COMINT Service is 100; that of the [] COMINT Service, 120. No matter how "exhaustively" these small organizations were exploited, the U.S. would be at a disadvantage in "collaboration" since it has so much more to contribute.

Cf. paras 1b, 5, 1d and NSA point I below.

B. Benefit to the U.S. must be the sole criterion which regulates the degree of cooperation with third parties. USCIB should assess the merits of cooperation with each country individually authorizing the exchange of technical information in order to meet U.S. requirements in specific fields only when definite, profitable quid-pro-quo results can be demonstrated.

*4. 2
difficult to do with all day*

POINT NO. II:

NSA: "The U.S. considers it desirable.....to provide technical assistance.....not to exceed the then existing technical capability of each nation, and (it) must not operate to the detriment of current U.S. COMINT relations with the U.K. and Canada.....The arrangements which may ultimately be concluded will probably extend beyond the limitations of paragraphs 4 and 5 of Appendix P to the UKUSA Agreement, but would not be as extensive as those provided for between the U.K. and the U.S."

CIA: "When USCIB deems it necessary in order to effect the maximum profitable exploitation of the COMINT potential of these countries a minimum appropriate amount of technical COMINT information as determined by USCIB may be released."

* * * *

A. The decision as to the amount of technical assistance, information and end-product to be provided to any of these countries should be made on the merits of each individual case rather than through blanket authority for collaboration with these countries as a group.) It was on this basis that, on 13 February 1953, USCIB approved the provision of information and technical guidance to [] beyond the limitations set by paragraphs 4 and 5 of Appendix P to the UKUSA Agreement. (USCIB: 14/280).

*Cf. paras. 1b, 9.
Who asked for blanket authority?
no difference in point I view*

B. CI concurs that no third party agreement should operate to the detriment of current U.S. COMINT relations with the U.K. or Canada.

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POINT NO. III:

NSA: ".....in the event it is agreed that tripartite discussions with [redacted] are of advantage to the UK/US COMINT effort....."

CIA: ".....feels it necessary that all such U.S. negotiations be conducted between the U.S. and the country concerned without direct participation of a third nation."

* * * *

A. The U.S. should not become inextricably tied to the U.K. in dealing with any one of these countries. The present provisions of Appendix P are adequate to protect the areas of mutual US/UK interests without unduly tying U.S. hands. Any further restrictions requiring coordination with the U.K. would hamstring the U.S. in many ways; for example, in making preliminary unilateral explorations; in utilizing our superior economic bargaining power; and in conducting any sensitive purely clandestine operations for procurement of COMINT materials.

B. Joint US/UK negotiations with any one or more of these countries will tend to bring the level of negotiating success down to the present level of success of the weaker of the two. In [redacted] for example, the U.K. position is at present extremely weak. Therefore, the U.S. position with [redacted] could be lowered to the U.K. level if we insisted on bringing the U.K. back in on an equal basis. In [redacted], the U.K. is already in an excellent position which apparently would not improve if they brought the U.S. into the picture, although the U.S. might profit by keeping the door open for unilateral negotiations.

C. For a great many reasons, it still appears unwise to reveal to Third-Party governments the full scope of UKUSA COMINT arrangements. No tripartite discussions could be carried out without making such revelations, with consequent threats of revelations of COMINT success and with possible diplomatic embarrassment.

D. CIA experience with the Intelligence Services of these three countries indicates that they would be unwilling to have tripartite

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S. para 12
Appendix P
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discussions in this field. Tripartite agreements in certain covert fields have already proved to be embarrassing to all concerned. The national interests of these countries has lead to a desire to deal unilaterally with the U.K. and the U.S., rather than to deal on a tripartite or multipartite basis.

POINT NO.IV:

NSA: "U.S. COMINT collaboration with the [redacted] should be conducted directly between the national COMINT organisations concerned....."

CIA: ".....negotiations and liaison with foreign intelligence organisations except in the case of the U.K., Canada, and Australia, be conducted by another U.S. intelligence agency acting as the executive agent for USCIB.....The Director NSA will provide such technical support, advice and assistance as may be required for the development of these arrangements."

* * * *

*G. para 10,
sentences 5+6*

*Imp. point
workload*

A. The long-range U.S. intelligence potential, outside the COMINT field, could be materially reduced by the NSA proposal. The bases for COMINT arrangements in [redacted] were laid in the close working relationships which CIA had developed over a period of years through liaison on all types of intelligence, of which COMINT procurement was only one aspect. To divide this liaison now between CIA and NSA would disrupt these working relationships and militate against the achievement of U.S. intelligence objectives in these countries and adjacent Iron Curtain areas. The possible damage could outweigh any of the COMINT gains which NSA predicts might result from working-level technical rapport.

C. para. 10, 11.

*Excep. for transmittal
sentences, these statements
are so est*

B. There is no assurance that the timeliness, quantity, or quality of COMINT from [redacted] can be improved more quickly under NSA stewardship than under present arrangements. Timeliness depends upon the establishment of secure electrical communications; inter-Agency efforts are already underway to provide these for "early warning" material. Regardless of which Agency controls these arrangements, any available secure U.S. electrical or courier facilities could be used for the transmittal of desired materials, or any Agency could be requested to establish new ones if such were deemed necessary by USCIB. (It is believed that the U.S. is already receiving the entire "take" of [redacted] and will continue to do so under present arrangements.) The

*G. Note 2,
para 2*

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quality of the [] output is expected to improve upon provision of technical assistance already authorized by USCIB; the [] output could be similarly improved when USCIB considered it desirable to provide such assistance.

*Cf. para 10
Newtons 5+6*

C. Considerable difficulty and misunderstanding would result from transferring these contacts from one U.S. Agency to another. In each country, CIA deals with the head of the intelligence service, one of whose subordinates is the head of the COMINT service. To suggest to the intelligence chief that the U.S. now desires to deal with this subordinate would raise many questions and difficulties, and increase the dangers noted in "A" above.

Cf. paras 10+11

D. The suggested transfer would require establishment of liaison facilities and assets in duplication of those now operated by CIA. NSA now has no facilities (communications, physical facilities, cover, etc.) for assuming these responsibilities, whereas CIA facilities are already in being.

*Cf. para 10, last
two sentences*

E. COMINT organizations are prime targets of hostile and neutral intelligence services, and should be insulated by intermediary organizations. Intelligence agencies in [] know that they are not continuously dealing directly with the ultimate U.S. producer of COMINT. NSA has given direct and indirect technical assistance to CIA without unduly exposing NSA operations to scrutiny or questioning.

*Cf. paras 10+11,
particularly 11b*

F. NSA technical personnel under CIA cover participated in negotiating the present arrangements with [] When deemed necessary, NSA personnel could be provided with CIA cover for participation in technical discussions with members of these COMINT services. In the past, this method has allowed direct participation of technical experts without the concomitant security risk of exposing the work of the National Security Agency, as such, to a foreign intelligence service.

POINT NO.V:

NSA: "Such collaboration should be negotiated with third party governments or their COMINT authorities negotiating on an official basis."

CIA: (No direct statement)

Agreed

A. The present arrangements with [] now fall into the category prescribed by paragraph 1 or appendix P of the

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UKUSA Agreement for third party arrangements as "negotiated with COMINT authorities on an official basis." Of course, these agreements are between intelligence services, rather than formal executive agreements binding the heads of states.

*G. para 14
last two sentences*

B. More formal agreements, as envisaged by NSA, would be politically difficult, if not impossible, from the U.S. point of view. It is understood that NATO members are enjoined not to make bilateral arrangements among themselves; therefore, concurrence of the U.S. Joint Chiefs of Staff would doubtless be a prerequisite to undertaking any more formal agreements with [redacted] the political opinion of the Department of State must be considered; and the approval of the National Security Council might be required.

signed agreement?

C. There is no indication that the intelligence chiefs of [redacted] would entertain proposals for more formal agreements. The [redacted] chief declined to sign the present agreement; he is apparently reluctant to discuss COMINT matters with his own countrymen; and he would undoubtedly resent any attempt to formalize any of the arrangements. The situation is somewhat similar in [redacted], intelligence officials have informed the U.S. Army of their unwillingness to undertake anything but a personal arrangement.

G. para 5, last two sentences

D. In a formal, official arrangement, these countries could bring pressure to bear for a continuous increase in the amount of material, including end-products, provided to them. It would be difficult if not impossible to limit the technical exchange to a profitable quid-pro-quo. This trend has been apparent in all the U.S. dealing with Canada under an arrangement which was originally based on a "limited" agreement.

7

E. Formal agreements would be more difficult to terminate or alter than the present arrangements. If security or other considerations so required, the present arrangements could be terminated without political difficulty or diplomatic embarrassment. If the arrangements were more formal, this would not be possible.

POINT NO. VI:

NSA: (No direct statement)

CIA: "The basic principle underlying the development of COMINT arrangements....is that maximum utilization should be made of

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cash, equipment, and non-COMINT information....in exchange for COMINT products."

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4. para 5
A. This basic principle is consonant with the desire to procure the greatest possible benefits for the U.S. COMINT effort at the least possible threat to security. Current USCIB policy, and the instant CIA proposal, make security considerations a principal factor in deciding to go beyond this basic principle and release specific categories of COMINT information to a Third-Party service. The NSA proposal makes no reference to security factors, and proposes collaboration on a broadened base, rather than exchange of specific categories of information.