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Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director.

FROM : Chief, Legislative Liaison Division.

SUBJECT: CIG Enabling Act.

DATE: 11 March 1947.

1. In comments dated 10 February 1947, addressed to the proposed CIG Enabling Act, Mr. Allen Dulles indicated that study and eventual legislation would be necessary in connection with cryptography.

2. The undersigned requested comments on this possibility from Chief, Communications Division, Executive for Personnel and Administration, a copy of which is attached herewith.

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3. Because of the extreme delicacy of the subject and its implications, guidance is requested as to the extent it is felt proper to include this matter in the proposed Enabling Act.

4. For the reasons set forth in Paragraph 3, it may be best to include merely a short reference, as indicated in Paragraph 1 of the attached memorandum.

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WALTER L. PFORZHEIMER.**CONFIDENTIAL**

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Approved For Release 2006/10/20 : CIA-RDP90-00610R000100030006-4

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Walter Pforzheimer

FROM : Chief, Communications Division

SUBJECT: CIG Enabling Act

DATE: 7 March 1947

First & Last
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1. I believe that the act as written can be interpreted to include foreign intelligence derived from cryptanalytic effort. However, it would probably be better if it were spelled out to give CIG this specific authority. This could be accomplished by merely adding words so that the proper portion of the act would read "Foreign intelligence including that derived from cryptanalytic effort, etc."
2. There are many arguments in favor of centralizing cryptanalytic work. A few non-technical reasons are the following.
 - a. Centralized effort is more economical since it avoids all duplication and overlap.
 - b. It makes the best cryptanalytic personnel in the country available at one place to attack all problems regardless of responsibilities.
 - c. It accomplishes centralization of an extremely valuable source of intelligence in CIG, thereby greatly furthering the basic purpose of establishing CIG.
 - d. It is a major step in overall coordination of U.S. foreign intelligence.
 - e. It will enable the various sections of CIG to work with greater effect by pooling intelligence requirements and targets.
 - f. The centralizing of cryptanalytic work and combining it with all other intelligence sources will do more to prevent another Pearl Harbor than any other single thing that the U.S. Government can accomplish by permitting all foreign intelligence to meet at a common point where an accurate evaluation of the meaning of the intelligence can be drawn and a quick dissemination made to responsible Government agencies.
3. There are a number of technical reasons favoring centralized cryptanalytic work. Without going into too much detail or being too specific, a few of these are roughly as follows: (Note, however, that specific exceptions can be made to nearly every statement that follows.)

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7 March 1947

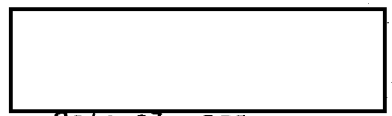
5. Connected with this overall problem are two others which should be considered, both bearing on security.

a. Cryptographic security of U.S. agencies should become a function of CIG. This is essential to afford agencies the advice and experience of the cryptographic personnel of CIG, the one point where the best qualified personnel in the U.S. are concentrated. This is further essential to avoid errors and poor judgment by non-qualified personnel.

(1) Should extend to making CIG responsible for development, production, etc. of all U.S. cryptographic means, etc.

(2) However, the prerogative of commands, etc. cannot be ignored. Hence, in special cases CIG action should take the line of advising dangers, limitations, etc. with proper recommendations to commands. But final decision rests with the commander. Exception - transmittal of CIG intelligence by other agencies will be restricted to specific cipher and means authorized by CIG. Also, CIG can prohibit the transmission of Secret and Top Secret material over certain ciphers.

b. As a desirable feature to insure maximum security of intelligence and sources, although not essential, would be the establishment of a network of CIG personnel for the purpose of handling intelligence material, acting as liaison officer, and CIG channels to and from U.S. field agencies to serve the double purpose of forwarding material to CIG and disseminating CIG high level intelligence to field agencies. For example - CIG liaison officer would be established with major U.S. Army or combined headquarters and like offices. His function is that of CIG advisor to the commander and channel for the flow of CIG intelligence reports. He would maintain his own cipher facilities, which may extend to operating his own communications facilities.



Colonel, GSC
Chief, Communications Division

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CENTRAL INTELLIGENCE GROUP
INTER-OFFICE ROUTING SLIP
(Revised 10 Sept 1946)

FROM	TO	INITIALS	DATE
DIRECTOR OF CENTRAL INTELLIGENCE			
EXECUTIVE TO THE DIRECTOR			
SECRETARY TO THE DIRECTOR			
EXECUTIVE OFFICE: ASST. EXECUTIVE DIRECTOR			
ADVISORY COUNCIL			
<i>all: Mr. Fogelbacher</i> EXECUTIVE FOR PERSONNEL & ADMINISTRATION			
CENTRAL RECORDS			
SECRETARY, NIA			
CHIEF, INTERDEPARTMENTAL STAFF			
ASST. DIRECTOR, SPECIAL OPERATIONS			
ASST. DIRECTOR, RESEARCH & EVALUATION			
ASST. DIRECTOR, COLLECTION & DISSEMINATION			
CHIEF, SECURITY BRANCH			

- APPROVAL
- ACTION
- RECOMMENDATION
- SIGNATURE
- INFORMATION
- RETURN
- PREPARATION OF REPLY
- CONCURRENCE
- DIRECT REPLY
- COMMENT
- FILE
- DISPATCH

REMARKS: Director feels we should generalize everywhere possible. That this particular matter should be "inferred" only in the overall Nat. Intell project.

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