

~~TOP SECRET - U.S. EYES ONLY~~

~~TENTATIVE~~ Final

1-7-54

SUBJECT NUMBER

USCIB: 29.2/65 Item 6 of the Agenda for the 103rd Meeting of USCIB, held on 14 May 1954.

Subject: Release of AFSAM-7 to NATO Nations.

THE ACTING CHAIRMAN (General Cabell) stated that this item had been put on the agenda at the request of the CIA Member.

MR. SHELDON said that consideration at this meeting was requested as a result of a conversation between the Director, National Security Agency and the Director of Central Intelligence to the effect that were NSA "to get into the manufacturing business" it would present rather a problem. He asked if General Canine would comment further on that statement for the benefit of the other members of the Board.

GENERAL CANINE said that he was grateful for this opportunity to inform the members of his views. He recalled that the Board had agreed some time ago to release and furnish to NATO and to lend to the British the AFSAM-7. It was his opinion that it is unreasonable to expect that release of the machine, which is considered good, to NATO members for military use would not soon result in requests for the machine for national use. In such event, he said, it is inevitable that some U.S. organization will have a tremendous job in handling production of machines and spare parts to meet these requirements. He said that his organization is in no way qualified or equipped to handle this volume of business, and added that it would, in fact, be a real burden for NSA even to maintain accounting on the machines and provide spare parts. He said that he had explained to the Chairman that the problem will eventually have to be faced, and added that guidance beyond the competence of USCIB probably would be required in that questions involving national budget and long-range high-level policy will need to be resolved. He stressed to all members the importance of being prepared for requests that will involve such a program once the AFSAM-7 is approved for NATO military use.

ADMIRAL ESPE, referring to the construction of the AFSAM-7, stated that he had been informed that the machine is mechanically unsound from an engineering standpoint and is prone to break down in the middle of a transmission. He mentioned the AFSAM-47B as an improvement and asked if it would not be better to think in terms of it, rather than the AFSAM-7.

GENERAL CANINE replied by stating his opinion that Admiral Espe's source of information is probably not in possession of all the facts, explaining that the AFSAM-7 is not inferior mechanically. He went on to point out that the AFSAM-47B is a different version of the ADONIS crypto-principle and is not intended as an improvement over the AFSAM-7.

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In reply to a question GENERAL CANINE said that the British were accepting AFSAM-7's on loan until they can replace them with an ADONIS-principle machine designed and built in Britain. He stated further that the Canadians are buying the machines being supplied to them, and that machines for all others than the British and Canadians are being financed by the FOA at a cost of some 24 million dollars.

The members discussed briefly the question of USCSB interest in this problem, and accepted General Cabell's suggestion that the whole problem be aired at a joint meeting of USCIB and USCSB. In this connection it was agreed, further, that the Director, NSA, will prepare a suitable paper for consideration by both Boards at a meeting to be held at an early date.

DECISION: (14 May 1954) USCIB considered the subject problem at the request of the CIA Member and agreed that a joint meeting of USCIB and USCSB should be held in the near future to discuss the problem further, based upon a paper to be prepared by the Director, NSA.

This item to be dropped from the agenda.

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