DOCID: 3978322

EXHIBIT 3-A

24 July 1948

MEMORANDUM FOR MR. FORRESTAL:

SUBJECT: Unified Armed Forces Security Agency

Army and Air Force agreements provide for the transfer of certain communications intelligence and security functions from the Army to the Air Force. As these now stand, the Air Force would assume authority for the performance of such functions in its own behalf with the understanding that selected common services, primarily those pertaining to cryptoanalysis, would be provided to both Departments by the headquarters of the Army Security Agency. Responsibility for matters pertaining to the research and development, procurement, storage, distribution, and utilization of cryptographic equipment required or employed by the Air Force would be assumed by the Air Force. This would result in the establishment of three cryptographic systems and three sets of codes within the Armed Forces.

The aforementioned agreements are believed to be in consonance with paragraph 9A, section VI of your directive, dated 21 April 1948, fixing the functions of the Armed Forces and the Joint Chiefs of Staff, wherein you directed the Air Force to "provide an organization capable of furnishing adequate, timely, and reliable intelligence for the Air Force."

There are certain practical cost and possible savings considerations which should be weighed by you prior to your approving implementation of the aforementioned agreements. In this connection there is appended for your information a statement of estimated costs as prepared by the Army Director of Intelligence.

In my opinion, the only way to avoid increased costs is to establish some form of unified or joint security agency capable of serving the Armed Forces as a whole at the Washington level. Field communications intelligence and security functions could continue, and probably should continue, to be assigned to and be performed by the separate Departments. I recommend that you initiate a study to this effect.

Guidance is requested as to the course of action you desire to be followed.

/s/ KENNETH C. ROYALL

Kenneth C. Royall
Secretary of the Army

Incl
DF fr OI to
Chief, UCO,
dtd 23 Jul 48

Approved for Release by NSA on 06-12-2012 pursuant to E.O. 13526