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TENTATIVE DRAFT

REPORT BY THE

COMMITTEE ON SECURITY

TO THE

EXECUTIVE COMMITTEE

OF THE

U.K. - U.S. CONFERENCE ON SECURITY OF FRENCH COMMUNICATIONS

THE PROBLEM

- la. To determine whether the French Government should be approached with a view to improving the security of their communications and to assess the gains and/or losses therefrom to the U.K. and the U.S. Governments;
- b. To develop a specific plan of approach, to include details as to how and when it should be made.

FACTS BEARING ON THE PROBLEM AND DISCUSSION

2. See Enclosure

CONCLUSIONS

- 3. It is concluded that:
- a. The French Government at present is infiltrated with Communists and other disloyal or untrustworthy personnel, is subject to violent internal dissensions, and is careless of its own security to a degree where its classified information is seriously in danger of leakage to unauthorized persons.
- b. Although direct evidence is lacking that Communists in French Government positions have actually passed classified information to the $U_sS_sS_sR_{s,\varphi}$ the passage of such information must be assumed to occur
- c. The following grave risks are involved in any approach to the French on the subject of the insecurity of their communications:

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also be denied these sources

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- (3) Disadvantageous political repercussions.
- (4) Generation of additional pressure from the

 French for collaboration EO 3.3(h)(2)
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- d. All the risks inherent in an approach to the French on the subject of their communications security arise not from the U_*S_*/U_*K_* technical plan for improvement but from the lack of security of French Government departments and agencies.
- e. Despite the foregoing, the urgency of improving the security of French communications is such that a program to this end should be undertaken as early as possible, subject to the conditions set forth in Sections V and VI of the Enclosure.
- f. The facts and discussion contained in the Enclosure may require modification in the light of the report of the Tripartite Group now studying the internal security of the French Government. Any approach to the French on the subject of their communications security should be deferred pending consideration of that report. Nevertheless, it is not considered likely that the report will affect the validity of the above conclusions.
- prospects of obtaining satisfactory assurances of meeting the conditions specified in Section VI of the Enclosure, then the approach to the French Government should be made along the lines indicated in Section VII of the Enclosure.

RECOMMENDATIONS

- 4. It is recommended that:
 - a. The above conclusions be approved.
- b. USCIB and LSIB appoint representatives who will keep this problem under continuous review and make appropriate recommendations for subsequent action.
- c. USCIB and ISIB appoint representatives who should be sent to Paris to brief the U.K. and U.S. Ambassadors prior to their approach to the French Government.

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FACTS BEARING ON THE PROBLEM AND DISCUSSION

I. GENERAL STATEMENT:

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- 1. Intelligence may be derived from crypto-communications by any or all of the following methods:
 - a. By obtaining physical possession of the exact texts or the substance of the communications; (hereafter called Method 1)
 - b. By obtaining physical possession of the means for direct reading of the intercepted traffic (cryptomaterial such as key lists, etc.); (hereafter called Method 2)
 - c. By interception and cryptanalysis of the communications (hereafter called Method 3.)
- 2. With respect to intelligence derivable from present French communications, the USSR is in a position to employ all three methods,
- 3. The U.S. and the U.K. Governments have the technical know-ledge for improving the security of French communications to a degree sufficient and necessary to deny method lc to the USSR. They also have knowledge of security practices which, if enforced, would provide reasonable assurance of denying methods la and lb to the USSR. However, the denial of methods la and lb will depend ultimately upon the reliability and discretion, as well as physical security, of those who are responsible for handling and safeguarding classified information in the French Government, and especially in the French cryptographic Services.

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II. GENERAL CONSIDERATIONS AS TO FRENCH INTERNAL INSECURITY:

that a number of French Government Departments and Agencies are at present, and to varying degrees, infiltrated with French Communists and disloyal or untrustworthy personnel. Although there is no positive evidence of penetration by Soviet agents, the U.K. and the U.S. Governments cannot afford to disregard this probability

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and inter-departmental feuds within and among some French

Government Departments and Agencies have led to the disclosure

of classified information.

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that although the French Government has regulations for the protection of classified information, they are not enforced and that in at least some French Government Departments and Agencies there has been gross carelessness in the storage and handling of classified documents.

- d, A tripartite group (U.K., U.S., and French) is now surveying and studying the internal security of the French Government, especially in regard to the nature and adequacy of French regulations and facilities for the protection of classified information, as compared to those of the U.S., and the U.K. Governments.
- e. Some improvements in French internal security have recently been made and a certain degree of elimination of disloyal elements has been effected. As a result of the work of the tripartite group referred to in d. above, steps toward further improvements in internal security may be expected.
- f. Although neither the U.K. nor the U.S. Government has positive evidence that native Communists or Soviet agents in French Government offices have actually passed classified information to the USSR, the U.K. and the U.S. Governments cannot afford to disregard the valid assumption that it occurs not only sporadically but continuously.
- g. Available evidence suggests that insecurity prevails in the following French Departments and Agencies:
 - (1) Air Ministry. Evidence suggests that this Department is a particularly bad offender, both as regards
 penetration and lack of discipline in the application of
 security procedures.

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- (2) Armed Forces. In the Army and the Air Force, probably less than 5 percent of the officers are Communists, but the percentage in the ranks is considerably higher, possibly 15-20 percent. In the Navy, these percentages are considerably less.
- (3) PTT (Posts and Telegraphs). It is believed that this administration is seriously penetrated by Communists.
- (4) There has been evidence in the past of insecurity in the Ministries of Defense, Armaments, Industrial Production and Labor, in the Atomic Energy Commission, and in various nationalized industries.
- (5) The SDECE (French Secret Service) and the Surete do not meet the security requirements of high-grade intelligence and security services.
- (6) There is little verifiable evidence of insecurity in the Ministry of Foreign Affairs although there are grounds for suspicion.
- III. PERSONNEL AND PHYSICAL SECURITY OF FRENCH CRYPTOGRAPHIC SERVICES.
- 1. Disloyalty on the part of cryptographic personnel or penetration by enemy agents into cryptographic offices is recognized as the greatest hazard to the security of cryptographic communications and the one most difficult to eliminate.
- 2. Both the U.K. and the U.S. Governments have adopted special screening procedures for the selection of cryptographic personnel, and have established special provisions for the physical security of the premises on which cryptographic activities are conducted.
- 3. Neither the U.K. nor the U.S. Government has direct evidence of Communist penetration of the French Cryptographic Services, but they cannot afford to disregard the valid assumption that such penetration exists. (There is some evidence to indicate insecurity arising from carelessness of individual members of these Services and inadequate physical security.)

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- 4. Neither the U.K. nor the U.S. Government has information bearing on the physical security procedures of the French Cryptographic Services or the methods employed for screening their personnel.
- 5. Until there is assurance of personnel and physical security in the French Cryptographic Services to a degree sufficient to meet standards acceptable to the U.K. and the U.S. Governments, there can be no assurance that the USSR would be denied intelligence by means of Methods 1 and 2.
- IV. ADVANTAGES AND DISADVANTAGES INHERENT IN THE U.S./U.K. PROPOSAL FOR THE IMPROVEMENT OF FRENCH COMMUNICATIONS SECURITY.
- 1. If the U.S./U.K. plan for improving French communications security is successful, then, subject to the conditions noted in Sections V and VI below, the following advantages would result:
 - a. Assuming that the Russians are reading a significant proportion of the French diplomatic traffic, the Soviets would be denied (1) their speediest, most reliable, and, possibly, most prolific source of information on French foreign policy; (2) a speedy and reliable source of information on Western policy in all matters calling for effective French participation; and (3) a valuable source on conditions in countries other than France.

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b. Denial to the Soviets of information from COMINT sources would be seriously detrimental to the efficiency of Russian field intelligence organizations and thereby diminish the value of information derived from penetration by means of agents. (The U.K. and the U.S. members agree that an extensive and continuous flow of communications intelligence is a more rapid and a more reliable source of information than are the covert operations of any field organization of agents; it is largely prerequisite to optimum field operations.)

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U.S. and U.K. officials would, ther fore, be able to negotiate more freely in direct dealings with the French. d. The indirect described in Section V, para 2, b is to some degree counterbalanced by denial of the same sources to the Russians The following are disadvantages inherent in any approach EO 3.3(h)(2) to the French: PL 86-36/50 USC 3605 EO 3.3(h)(2) PL 86-36/50 USC 3605

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Political disadvantage through revelation of	
The political impact of the	
disadvantage described in 2b (2) above would be greatly PL 86-36/50 USC 3609	5
compounded if such a revelation were to include the fact	•
e. The creation of a false sense of security on the	
part of U.K. and U.S. officials. The removal of evidence	
of insecurity in French communications may, due to the	
lead to the unwarranted	
assumption that other French security weaknesses have also	
been corrected.	
3. It is felt that, by recognizing certain conditions and establish-	
certain means of obtaining satisfactory assurances with regard to	

3. It is felt that, by recognizing certain conditions and establishing certain means of obtaining satisfactory assurances with regard to them, the likelihood and extent of the risks involved can be so reduced as to permit an approach to the French. The sections which follow deal with these conditions and means.

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- V. CONDITIONS GOVERNING ATTAINMENT OF ADVANTAGES SOUGHT.
- 1. The instability of the French Government at political levels warrants doubts as to the permanence or continuity of remedial measures which may now be applied to French insecurity. However, these doubts are not sufficiently serious to preclude consideration of an approach to the French Government.

consideration of an approach to the French Government.
It is conceivable that this
might even be a condition imposed by the French for their
acceptance of U.K./U.S. standards of security. EO 3.3(h)(2) PL 86-36/50 USC 3605
3. Even if all three methods of obtaining intelligence from
French communications were denied to the U.S.S.R., it is considered
(Section IV, Para. 2b above) would
be sufficiently damaging in their effects on the $U_{\circ}S_{\circ}$ and $U_{\circ}K_{\circ}$ to
constitute a serious risk which must be weighed
in any consideration of conditions governing an approach to the
French. This risk is not inherent in the U.S./U.K. technical
plan proposed for improvement of French communication security,
but rather in the lack of reasonable assurance that the French
will effectively safeguard the information EQ 3.3(h)(2) PL 86-36/50 USC 36

4. It must be emphasized that the advantages enumerated in Section IV are largely contingent upon sufficient improvement in French internal security to deny the U.S.S.R. intelligence derived from Methods 1 and 2. For if a U.K.-U.S. plan for improving the security of French communications is adopted and made effective, thus eliminating the third method by which the U.S.S.R. is obtaining intelligence from French communications without eliminating the second, then the U.S.S.R. will still have the benefit of the first and second method with which to obtain intelligence from French communications. If both the second and third methods are denied the U.S.S.R. there would still be a significant direct

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	leakage of intelligence to the U.S.S.R. through the Soviet field organi-
	zetion and French Communist Party channels.
_	VI. CONDITIONS GOVERNING AN APPROACH TO THE FRENCH
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	1. In order to induce the French to undertake the thoroughgoing
	overhaul required for real improvement in their communications security,
	any U.K./U.S. approach should be calculated to shock them into making a
	major effort. It is considered that the only effective and practicable
	shock would be the revelation of
	2. Revelation of entails such grave risks that it should be sub-
	ject to the following conditions: EO 3.3(h)(2) PL 86-36/50 USC 3609
	a. There must be indications that there is in French Governmental
	Departments and Agencies a serious appreciation of the necessity of
	introducing and maintaining satisfactory security standards. A sine

execute corrective measures of the degree required for significant improvement in the French Cryptographic Services.

b. Unqualified acceptance and promulgation of U.K./U.S. security

standards in each phase and aspect of the program for improvement.

good intent and capacity of the French Government to institute and to

must be a priordemonstration of

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- c. Direct U.K. and/or U.S. participation throughout the program.

 U.S. or U.K. participation should include qualified representatives in the fields of general security and communications security, the latter to include cryptographic, transmission, and special physical and personnel security.
- d. That there is an initial point of contact which is discreet, reliable and at a level of sufficient authority; there are also available appropriate facilities and individuals of discretion and reliability through whom a program for improvement can be undertaken and maintained.

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	3-	As there is at present no adequate	assurance that these condition	ons		
coul	å be	met, the only immediate approach wh	ich could be made to the Fre	nch		
woul	d be	one without	This approach, which would be	2		
restricted to offering the French cryptographic material, including machines,						
is deemed inadvisable for the following reasons:						

- a. The impact on the French is likely to be too feeble to effect the desired result. A complete overhaul of the French Cryptographic Services is needed and this would require the allocation of additional funds which would probably not be forthcoming unless the French receive a major shock.

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- b. Even if the French acquiesced, there would, in the absence of assurances of improved security, remain the possibility of the Soviets acquiring the necessary cryptographic materials through method 1b.
- c. Any halfhearted approach might prejudice a later approach based upon considerations. Any approach by stages might lay the U.K. and the U.S. open to French accusations of insincerity.
- d. Participation by U.K./U.S. experts in the necessary complete overhaul of the French Cryptographic Services would not be likely to follow this approach.
- e. The necessary number of machines for this purpose is not available to meet French needs. Even if they were available, it could be anticipated that other NATO countries would demand similar machines leading to embarrassment of the U.K./U.S. Governments.

VII. MEANS OF APPROACH

- 1. Insecurity in French Government is so widespread that an approach through more than one channel would entail greater hazards than a single approach. The initial approach should, therefore, be confined to the Ministry of Foreign Affairs.
- 2. An approach to the Ministry of Foreign Affairs at a level of sufficient authority offers a choice between the Minister and the Secretary-General. It is considered that the latter would be the more suitable point of approach for the following reasons:

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- a. The Secretary-General is a permanent official, while the Minister is liable to replacement;
- b. As a Departmental official, the Secretary-General is more likely than the Minister to take a comprehensive and continuous view of the problem;
- c. The outstanding personality of the Secretary-General, M.

 Parodi, is believed to be such as to offer good prospect of PL 86-36/50 USC 3605

 effective implementation of U.S./U.K. proposals.
- 3. All subsequent widening of the circle of discussion would require precise definition and prior U.K./U.S. agreement.

 4. The various risks arising from and particularly the revelation of require that

 The logical nominee would be that party concerning whose questivity

 the French may be assume to know most.

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