MEMORANDUM FOR MAJOR CURTISS:

The following information is to be taken by you to Colonel Carter Clarke and he is to be cautioned about not disseminating it in order to protect the safety of the source. Particularly, it should not go to State Department.

This office has no way of evaluating the information and it is sent to Special Branch with the view it might tie in with some they have. It has been made available from a source that plays around with Manuel Onos Plandolit, the Spanish Minister to Panama. The information is as follows:

"Spanish Diplomatic Codes: They are in groups of five numerals -- those that come from Madrid and double transposition is used. Each day the code is different according to the date. Each country has a different code with which to communicate to Madrid. In case the code of one country is captured the others are untouched. For inter-communication between separate Latin American countries there is a different code for each country. Decoding is by addition, subtraction, and multiplication. Madrid has a very clever expert in their 'Black Chamber' and they have broken all the American diplomatic codes, also the German and Turkish. They know everything as soon as it happens."

JOHN W. NAYLOR,
Colonel, G.S.C.,
Chief, Special Intelligence Branch.