

## MEMO ROUTING SLIP

REF ID: A67102

FOR THE USE OF THE SECRETARY OF THE ARMY, NAVY, AIR FORCE, AND MARINE CORPS

1	NAME OR TITLE <i>General Canine</i>	INITIALS <i>(C)</i>	CIRCULATE
	ORGANIZATION AND LOCATION	DATE <b>14 APR 1952</b>	COORDINATION
2			FILE
			INFORMATION
3			NECESSARY ACTION
			NOTE AND RETURN
4			SEE ME
			SIGNATURE
REMARKS			
<p>If you'd like to see how a smart cookie gets around telling you he "knows" you've told him a fish story, take a look at the bottom letter, where I've marked the portion of interest. I don't think we got away with this one but we did accomplish our purpose.</p>			
FROM NAME OR TITLE		DATE	
<i>For</i>		<i>14 Apr 52</i>	
ORGANIZATION AND LOCATION		TELEPHONE	

DD FORM 95  
1 FEB 50

Replaces DA AGO Form 896, 1 Apr 48, and AFHQ Form 12, 10 Nov 47, which may be used.

16-49487-4 GPO ★

FORM DS-10  
2-10-47

DEPARTMENT OF  
STATE

DATE  
REG. ID: A67102

REFERENCE SLIP

4/29/52

TO:  
AFSA-OOT- Mr. Friedman

<input type="checkbox"/> ADVISE	<input type="checkbox"/> NOTE & FORWARD
<input type="checkbox"/> APPROVE & RETURN	<input type="checkbox"/> NOTE & RETURN
<input type="checkbox"/> AS YOU REQUESTED	<input type="checkbox"/> PER TELEPHONE TALK
<input type="checkbox"/> ATTACH FILE	<input type="checkbox"/> PREVIOUS CORRESPON.
<input type="checkbox"/> ATTENTION	<input type="checkbox"/> PRIORITY ACTION
<input type="checkbox"/> COMMENT & RETURN	<input type="checkbox"/> RECONSIDER
<input type="checkbox"/> CONSIDER	<input type="checkbox"/> RECOMMEND ACTION
<input type="checkbox"/> COPYING	<input type="checkbox"/> RECORD.
<input type="checkbox"/> CORRECT	<input type="checkbox"/> REPLY
<input type="checkbox"/> FILE	<input type="checkbox"/> RETURN TO SENDER
<input type="checkbox"/> FOLLOW-UP	<input type="checkbox"/> REWRITE
<input type="checkbox"/> FOR YOUR INFORMATION	<input type="checkbox"/> SEE ME
<input type="checkbox"/> HOLD	<input type="checkbox"/> SIGNATURE REQUIRED
<input type="checkbox"/> INITIALS NEEDED	<input type="checkbox"/> TAKE ACTION
<input type="checkbox"/> INSTRUCT	<input type="checkbox"/> TRANSFER
<input type="checkbox"/> INVESTIGATE & REPORT	<input type="checkbox"/> TYPE
<input type="checkbox"/> JUSTIFY	<input type="checkbox"/> VERIFY
<input type="checkbox"/> KEEP ME ADVISED	<input type="checkbox"/> REPLY FOR SIGNATURE OF
<input type="checkbox"/> LEGAL MATTER	
<input type="checkbox"/> MEMO REQUIRED	
<input type="checkbox"/> NOT INTERESTED	
<input type="checkbox"/> NOTE & DESTROY	
<input type="checkbox"/> NOTE & FILE	

REMARKS:

Herewith a copy of the recent  
correspondence from Amb. MacVeagh  
which is enclosed:

- (1) A memorandum to MacVeagh  
from Salazar.
- (2) A letter to MacVeagh from  
Salazar.
- (3) An earlier letter from  
MacVeagh to Salazar.

For your retention.

FROM  
State, R/SPS - R. F. Packard

C  
O  
P  
Y~~TOP SECRET SECURITY INFORMATION~~

American Embassy

Lisbon, February 13, 1952

~~TOP SECRET -- SECURITY INFORMATION~~

My dear Mr. Armstrong:

I enclose herewith a memorandum, in English translation, which Dr. Salazar has just sent me in reply to mine of December 20th. I also enclose a copy of a personal letter to me, in which he explains the delay in his reply, in view of a personal appeal to expedite matters which I made to him on January 22nd (copy also enclosed).

You will note that Dr. Salazar saw Ambassador Ulrich shortly after my demarche last month, and both satisfied himself that our complaint was justified and gave orders that the offense be not repeated.

You will also note that, contrary to the statement attributed to Ulrich, the Portuguese authorities have no complaint to make about the NATO code machines, and are aware of their various advantages; likewise that they feel competent to handle them, though they will be glad of our technical assistance if the need arises.

Very sincerely yours,

/s/ Lincoln MacVeagh  
American Ambassador

Park Armstrong, Esq.,

Special Assistant, Intelligence,

Department of State

Washington, D. C.

~~TOP SECRET SECURITY INFORMATION~~COPY

~~TOP SECRET SECURITY INFORMATION~~

Enclosures:

- (1) Translation of memorandum from Dr. Salazar.
- (2) Translation of letter from Dr. Salazar.
- (3) Copy of personal letter from the Ambassador to Dr. Salazar.

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~~TOP SECRET SECURITY INFORMATION~~

COPY~~TOP SECRET~~

ENCLOSURE No. 1

(Translation)

## MEMORANDUM

With reference to the top secret communication of His Excellency Ambassador Lincoln MacVeagh addressed to the Prime Minister under date of December 20, 1951, the following clarifications are submitted:

(a) The Portuguese Ambassador in London did not disclose to anyone that he had transmitted to his government any information which in his opinion should not have had such a destination.

(b) The Ambassador in effect did communicate to the government a report regarding the admission of Greece and Turkey to the Atlantic Pact, which was made by the representative of the United States before the Council of Deputies with the indication that it was so confidential that it should not be transmitted to the respective governments. The Ambassador transmitted this information because, unless known to his government, it had no practical value, and he considered that the purpose of the recommendation was simply to accentuate the extremely confidential nature of the information given; which in fact was the manner in which he communicated it.

(c) It having been verified, however, that the intention of the recommendation was different, instructions have been given to observe strictly and literally, within the NATO, the requests for secrecy which any of the members may make in connection with their statements.

~~TOP SECRET SECURITY INFORMATION~~

(d) The Portuguese authorities not only have no complaint to make about the NATO code machines, but they are also aware that the machines in question may be used to transmit messages of common interest to the member nations as well as messages in private code language. It is not believed that there is any necessity for special technical assistance for the utilization of these machines, but the government has taken due note and is grateful for the offer and will promptly request such assistance if the occasion should arise.

February 11, 1952

~~TOP SECRET~~

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~~TOP SECRET SECURITY INFORMATION~~  
~~TOP SECRET SECURITY INFORMATION~~

COPY

~~TOP SECRET~~~~TOP SECRET SECURITY INFORMATION~~ ENCLOSURE No.2

(translation)

Mr. Ambassador:

I have to acknowledge the receipt of your Excellency's letter of January 22, and greatly apologize for only now replying to the memorandum which you personally left with me at the Sao Bento Palace on December 20. The delay in furnishing you the information, which is contained in the attached memorandum, is due exclusively to the multiplicity of affairs which have confronted me and not because I postponed or delayed any necessary investigation.

Just after the receipt of Your Excellency's communication, by taking advantage of the presence in Lisbon of our Ambassador, it was possible completely to clarify the matter, including the means whereby it may have been possible to have knowledge of the leak. The explanation was so clearly fixed in my mind that I immediately saw there was nothing disturbing or exceptionally serious in the matter or which could not henceforth be avoided. This set me at ease and is the reason for the delay in sending you this communication, without prejudice however to my immediately having taken all the necessary measures. It is my belief that we may rest at ease for the future.

I take advantage of this opportunity to congratulate Your Excellency upon your appointment to Madrid. I do so in the knowledge that you are going to perform outstanding services toward drawing closer and perhaps even integrating Spain in the cause of the Western

~~TOP SECRET SECURITY INFORMATION~~

~~TOP SECRET SECURITY INFORMATION~~

Powers, as is necessary and just, although saddened because we are losing the excellent collaboration which you have given here in rendering closer the political and economic relations between Portugal and the United States, a collaboration for which on my part I am deeply grateful. You have my best wishes for the success of the efforts which you most certainly will undertake in the neighboring country and from which the entire Peninsula as well as the cause of the West will assuredly benefit.

I present to Your Excellency the expression of my highest consideration.

Signed: Antonio de Oliveira Salazar

February 11, 1952

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ENCLOSURE No. 3

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(Copy)

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~~TOP SECRET~~~~Personal and Top Secret~~

January 22, 1952

Dear Dr. Salazar:

As you know, I hate to bother you except when I can't help it; and I hate to do so now. However, they are wondering in Washington whether you have had time yet to consider the very secret matter I brought up with you, under instructions, on December 20th.

It seems now that, at the approaching NATO meeting here in Lisbon, the Council of Deputies will be abolished, so that a repetition of any mistake which may have been made by anybody in that group need no longer be feared. But if, as also seems likely, a new and higher Permanent Council is to be formed to take its place, the second matter I spoke of, about the machine and our willingness to demonstrate it, if you think desirable, becomes perhaps even more urgent than ever.

With my apologies for referring again to this subject, since I know how fully occupied you always are with important matters, I am

Sincerely and respectfully yours,

Signed: Lincoln MacVeagh

~~TOP SECRET~~COPY