

footnote p 31

How general Marshall's letter came to contain the paragraph damning OSS is revealed in large part in a little clutch of documents in the OSS archive. They indicate that towards the end of 1942 the OSS in Lisbon recruited two Portuguese nationals one a messenger in the office of the Japanese ~~navy~~ naval attaché, one an interpreter-stenographer in the office of the air attaché. By April of 1943 one or the other had collected ^{a dozen or more} scraps of information at least four of which - ~~quarters. Four scraps~~ were retrieved from the naval attaché's waste basket. There ^(scrapping or) he had cast them after tearing them into a few large-sized bits. ^{four} All of the documents carried text written (These scraps went to S! in) in Japanese characters ~~in~~ Washington

where they were referred to Burton
 Fahs, the senior Japanese expert in the
 Research and Analysis Branch. Mr Fahs
 speedily disposed of three of the four,
 readily identifying them as an
 "elementary work diary" or sort of
 day book where ^{the bits of business} the officer noted
 with which ^{he} ~~the officer~~ had dealt, ^{on} ~~off~~ for example
 "March 15, Monday; March 16th" etc. The
 fourth document was something else
 again. It comprised two sheets containing
 (presumably some sort of coded message)
 numbers and Japanese characters (which
 Fahs was nonetheless able to read in
 large part. He made out that it dealt
 with the matter of sending some microfilm
 from Tokyo, ^{to Lisbon with} and various aspects of British
 and American propaganda. Fahs
 speedily reported his findings to the chief

of the SI Branch, Whitney Shepartson,
 who instantly sensed the possible
 importance of the fourth document and
 informed the director's office. Donovan's
 deputy for intelligence, ^{general} John Magruder,
 straightway forwarded the document to
 (among whose duties was crypt-analysis,
 the army's chief signal office), telling
 of its provenance and asking for an
 evaluation. In short order Magruder
 received his chilling reply: "The
 coded message which you have trans-
 mitted is in a cryptographic system
 upon which we are not working at
 present. The system is used by the
 Japanese for material of low intelligence
 value. While information of this type is
 useful to us, we do not believe it is of
 sufficient importance to warrant the

risk involved on the part of the agent....
with an information copy to the G-2 of the army
 This letter put two courses in train.

OSS, duly warned that the risks were out of line with possible gains, told Lisbon post to lay off that particular operation.

The G-2, then general George ^V Strong, no friend of Donovan and his agency began making look on what harm OSS

activities in Portugal might be causing.

Six weeks later (6 July 1943) he wrote ^{a memo} to

his chief of staff, general Marshall,

subject: "Possible compromise of cryptographic intercept system". He cited 4 messages

(presumably intercepts of Japanese encoded traffic) "which indicate that the

Japanese are very much concerned over

certain reports --- with regard to an American

espionage source in Lisbon knows all

details of the Japanese ministry [sic] there and also having access to Japanese code books". It went on "... The ill-advised and amateurish efforts of OSS representatives in Lisbon have so alarmed the Japanese that it is an even money bet that the codes employed by the Japanese are in imminent danger of being changed. If so for months we will face a blank wall as far as ~~the~~ military and naval intelligence from Japanese sources is concerned - - -" (emphasis added). He ended with a recommendation that the Joint Chiefs investigate, and pending the investigation, OSS be told to stop these activities forthwith.

The record would indicate that OSS

(probably via the JCS for)
 received its copy of the above. Colonel
 Buxton, the Deputy Director of OSS
 addressed his reply to the executive
 secretary of the chiefs ^(23 July 1943). He told how
 (from a lowly agent who had taken it)
 OSS had acquired the document (from
 a waste basket), how OSS had handled it
 (Lisbon to headquarters to the army's
 chief signal officer) and ^{how} the operation
 in Lisbon had been ^{stopped} with receipt
 of the signal officer's warning about
 risk and value. There, as far as the
 OSS record is concerned, the matter
 rested until the publication of the
 Marshall letter more than two years
 later.

But what about the ^{Marshall} letter; it was
written only a bit more than a year

after Colonel Buxton's reply and it

course neither Buxton nor anyone else in
OSS knew of its existence. Apparently

Marshall wrote it in a context of
worry ^{over other} ~~about~~ leaks, ^{about which} his new G-2, general
Clayton Bissell had told him, ~~about~~.

David Kahn says that Marshall dictated
the letter himself; ^{*} There is reason to think
however that he had the help of Bissell
and perhaps that of Colonel Carter Clarke,
as the chief of G-2's Special Branch
(which handled communications

intelligence). It is easier to ascribe ~~to~~
(with its damning inaccuracies)

the OSS paragraph ^{to} Bissell who
inherited general ~~Strom~~ Strong's

animus to OSS than to Marshall,
and a great deal easier to impute to
him the charge from Strong's "an

* The Codebreakers p. 604

even money bet that the codes employed
by the Japanese are in imminent danger
of being changed" to "The entire
 military attaché Japanese code all over
 The world was changed" and lost for more
 than a year. The indisputable fact is
 that whether changed or not for the alleged
 reason or some other, these Japanese
 systems were being read ^{more than 50% during the first three quarters of 1943} ~~100%~~ from
 about September 1943 to the end of the
 war. If general Marshall did not
 know this certainly Colonel Clarke did
 and almost certainly so did general
 Bissell.

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AREA OR COUNTRY(S)	ORGANIZATIONS	FUNCTIONS & TOPICS	PERSONALITIES	DOCUMENT
HQ	OSS	Book Review, Codes letters	Kent, Sherman Smith, R. Harris	DATE: 1972-1973
				CLASS.: S
IDENTIFICATION OF DOCUMENT (author, form, addressee, title & length)				NO.:
Book review by Sherman Kent on "OSS: The Secret History of America's First Central Intelligence Agency by R[ichard] Harris Smith (draft and final version. Copies of letters from General George C. Marshall addressed to Governor Thomas Dewey dated 27 Sep 44. The subject of these letters are mentioned in				LOCATION: HS/HC 895 ✓
ABSTRACT				book.

Book review cites Mr. Kent's objections to the above stated book covered under four headings: general approach, approach to sourcing and the sourcing itself, errors, and omissions.

The Marshall-Dewey letters revealed that Army cryptographers had broken the Japanese "ultra" code.

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