

#13,056

FROM Penrose

ROUTING AND RECORD SHEET

Accession No.

Date Rec'd. SA

To	Room No.	Date		Officer's Initials	Comments
		Rec'd.	Fwd'd.		
1 Mr. Lockwood				<i>KL</i>	
2					
3					
4					
5					
6					
7					
8					
9					
10 <i>Watkins</i>					

Each comment should be numbered to correspond with number in To column.
 A line should be drawn across sheet under each comment.
 Officer Designations should be used in To column.
 Each Officer should initial (check mark insufficient) before further routing.
 Action desired or action taken should be indicated in Comments column.
 Routing sheet should always be returned to registry.
 For Officer Designations see separate sheet.

11

WNO 13056-1

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~~SECRET~~

3 July 1945

MEMORANDUM

TO : Chief, SI
FROM : Stephen B. L. Penrose, Jr.
SUBJECT : Solution of Spanish Imbroglia

1. For sometime, I have been thinking of a way out of the Spanish woods. The following recommendations have been crystallized out of talks with Scott Lockwood, particularly since the meeting with Mr. Butterworth. I submit them as the obvious solution of our difficulties, both from a diplomatic and financial point of view.

2. The recommendations are as follows:

(A) That SI/Spain be completely withdrawn, including all personnel, installations, equipment and good will.

(B) That the best of the personnel and all of the funds be concentrated in Lisbon, from which point as a base SI penetration of Spain may be carried on without possibility of interference on the part of the Madrid Embassy. Since there will be no SI personnel in Spain, the Madrid agreement will no longer be in force.

(C) That chains be established from Portugal into Spain along lines already prepared, and that contacts should be maintained with agents now operating for SI in Spain according to arrangements which will have been made clear to them before the Spanish show is entirely dismantled.

(D) That personnel in Lisbon rendered excess by the importation of people from Spain should

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NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S ©
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AUTH: HR 70-2
DATE: JAN 1981 REVIEWER: 665100

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WD 13056-2

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be returned as quickly as possible to the United States, together with those individuals from Spain whose services are no longer needed.

(E) That Mr. Lockwood be sent at the earliest opportunity to Lisbon and Spain to accomplish the take-down of the Spanish Mission and to explain in detail the present situation as regards plans, funds, etc., as they apply to Iberian/SI. Mr. Lockwood's trip will produce speedier results than could a round trip from Spain on the part of Argus who would here have to absorb the entirely new situation, with which Lockwood is already thoroughly familiar, and who would thereafter have to return to the Iberian Peninsula in order to pass on the explanation there and arrange the take-down of the Spanish Mission. Since every day is important from the standpoint of budget, this recommendation is considered to be of some importance. The cost of Mr. Lockwood's round trip should easily be saved in the number of man days eliminated from the service of excess personnel in the Peninsula. Furthermore, with his experience in the setting up and handling of chains, Mr. Lockwood's assistance would be invaluable in getting the new Spanish operation underway.

(F) That all funds assigned to Spain would be added to those assigned to Portugal, making a fairly respectable total for the operation from one base.

It is my impression that we will have more complete, and at the same time much more efficient SI operations in Spain than we can possibly have under present conditions.

(b)(1)
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(b)(3)

S.B.L.P.

cc: Mr. Lockwood ✓

SBLP:ks

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