

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)
(2)(A) Privacy
(2)(B) Methods/Sources
(2)(C) Foreign Relations

FOR COORDINATION WITH *Hatt*

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Date: *2001*

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163 Empresas
Reunidas Comercio Exterior S.A.
9-949
UNITED STATES OF AMERICA
Madrid, Spain, May 9, 1949.

CONFIDENTIAL

No. 229

Subject: Addition of Empresas Reunidas Comercio Exterior, S. A., to List of Undesirable Foreign Trade Contacts.

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J.M.
The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to report that the Embassy is in receipt of several communications from the Office of the Political Adviser for Germany at Frankfurt commenting on evidence received that the firm Empresas Reunidas Comercio Exterior, S. A., Avenida Jose Antonio No. 31, Madrid, sometimes known as ERCESA, is a cover for Johannes BERNHARDT, former S. S. General and operator of the German state holding company, SOFINUS, and on intimations that Bernhardt also has some connection with the firm of H. V. Oswald Company, of whom the principal proprietor is Mr. Victor OSWALD, a Swiss national resident in Madrid. This Embassy has thoroughly investigated this matter, utilizing the facilities of a controlled American source, normal credit agencies, and available files.

It is found that Empresas Reunidas Comercio Exterior, S. A., is unquestionably controlled by or serving in the interests of Johannes Bernhardt. The management has changed hands at least twice in the last two years. All three of the present Spanish directors are known to have been former pro-Nazis. Two of them, Gregorio PEREZ Ruidobro, an officer of the Madrid police department, and Federico CARUNCHO Astray, have long been known to be intimates and employees of Bernhardt. Evidence is available indicating that Bernhardt owns all of the capital of the company.

With regard to any financial or business connections between Bernhardt and Victor Oswald or his firm, the Embassy has been unable to secure any evidence. Oswald is known to be acquainted with Bernhardt and readily admits such acquaintance, but disclaims any connection or dealings with him whatever. From evidence at hand, it is my opinion that Oswald is too intelligent and too well-connected to either wish or need to have any dealings with Bernhardt.

It is recommended that the firm of Empresas Reunidas Comercio Exterior, S. A., be added to the list of undesirable foreign trade contacts to be issued by the Joint Export Import Agency as a supplement to their Operations Memorandum No. 18, provided such action is consistent with present operating policy. The Office of the Political Adviser for Germany reminds us that they can take no action to prevent ERCESA from trading with German firms unless they are added to this list. On the other hand I seriously doubt whether this action will prove more than a minor annoyance to Bernhardt, inasmuch as it is believed that he already has several other front concerns and can create

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SOURCE METHODS EXEMPTION 3B2B
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May 9, 1948
Madrid, Spain

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more at will. Furthermore, unless he should accidentally fall into our lap, there is probably very little that we can hope to accomplish in regard to Bernhardt, since he is most strongly entrenched with the present Spanish Government, which is considerably indebted to him. I certainly do not suggest condoning Bernhardt in any way, but if for any reason the adding of this firm's name to the list, when in the past we have been deleting names as rapidly as possible, appears inconsistent with present policy, I do not feel that any significant accomplishment will be lost by leaving matters as they are.

Respectfully yours,

Paul T. Culbertson
Charge d'Affaires, a. i.

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American Embassy, London
Office of the Political
Adviser, Frankfurt.

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