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Report Made At: SHANGHAI	Date: 14 November 1945.	Period Covered: 3 November 1945.	Made By: IS. BH/219.
Subject: <del>WALTER SCHMALFUSS, CIT: GERMANY</del> <i>D. P. 1945 in Germany, Germany</i>			Status: PENDING.
Classification: SUBVERSIVE ACTIVITIES.			
References: Report dated 23 October 1945, at Shanghai, ENTITLED "GERMAN INFORMATION BUREAU AT SHANGHAI".			

Source: As Stated in Report.

Details:

SYNOPSIS: YEX-41 has submitted a statement from ~~WALTER SCHMALFUSS~~, former employee of the German Information Bureau. According to MR. SCHMALFUSS' statement he was not involved in the activities of the German Information Bureau to any great extent and he took the job only because he was unable to obtain other employment. He also stated that his position was clerical in nature and that he was subordinate to regular staff members and department heads. MRS. IRMGARD ERBMANN, whom the writer has every reason to believe reliable, informed us that SCHMALFUSS was engaged in maintaining liaison between the German Information Bureau and the Japanese Military and Naval Authorities. This has also been substantiated by statements from BARON JECCO VON PUTTKAMER.

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Evaluation: C-3.	Approved By: <i>YKX-436</i>
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SHANGHAI, 14 NOVEMBER, 1945

**SUBJECT:** WALTER SCHMALFUSS

**DETAILS:** The following is the statement of WALTER SCHMALFUSS:

"TO WHOM IT MAY CONCERN"

This statement serves to acquaint all interested parties with my personal history and views.

I, WALTER SCHMALFUSS, of German nationality, was born in Hamburg, Germany, on Feb. 14, 1904. After having completed my education in Germany, I left for the Far East (Japan) in 1923 for a German firm. Every since I have been in business in the Far East with the exception of a stay of 2 years in Germany, (1925/7) and 3 months in 1936.

In early 1932 I left the German firm I had been connected with and joined the (American) Corn Products Refining Co., New York, to act as Sales Manager for their offices in Japan.

In 1937 I was given the choice of a transfer to either Manila or Germany. I preferred to go to Manila owing to business in Germany having come already under the Nazi regimentation which left little room for American trained business men.- I acted as Philippine and Dutch East Indies' representative from April 1937 to July 1941 when New York told me to go back to the Japanese subsidiary owing to their inability to keep Germans any longer on their payroll.

During all these years I had practically no contact with Germans or German associations; all my friends were mostly American and Filipinos. I was not a member of any German Club nor connected in any way with German politics, least was I a member of the Nazi Party. My verbal instructions received in New York in 1940 were to stay away from politics, which I carried out to the letter.

Owing to the failure of the Japanese subsidiary to take me back and owing to my money having been frozen in New York, I finally had to apply to the German Relief organisation here in Shanghai which gave me a job as auxiliary staff member (translator) in the German Information Bureau. Upon termination of the war in Europe I was immediately discharged.

As to my work in the German Information Bureau I trust that all reasonable people will not regard this as a crime because:

1. I had had no connection with the German side up to the outbreak of the Pacific War

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2. There was no other choice for me but to take the job as I had no funds and was unable to get another job
3. My position was of a clerical nature ranking below that of regular staff members and department heads.

Owing to my wife being of Spanish-Filipino blood - a marriage to which the German Consulate in Shanghai objected but which I eventually forced them to register - we were both not regarded as "equals" by the local Nazis. This forced me to live a quiet and secluded life.

I should like to stress that I was never an active supporter of Nazi politics, especially did I object to their racial policy which I had always regarded as blind and stupid. This disagreement of my own views with that of the Nazis became more confirmed after I married my non-German wife against the official ruling of the local German Consulate.

The object of this statement is further to stress that through my ten year's work in an American firm I had been thoroughly "americanized" and felt completely estranged from my home country. Like every other American, I had become broad-minded, liberal and democratic in my political convictions. These clashed violently with the selfish and arrogant ideas of the Nazis. I had occasion enough to experience this when I toured Germany in 1936 in the company of our American President, Mr. H.S.K. IRVIN. For us outsiders it was too obvious that HITLER had simply cast a spell over the people - he had the individual bound and gagged. Already then apprehensions were felt by us foreign tourists that such extreme policies might lead to isolation and eventual catastrophe.

Whenever HITLER had achieved one of his sensational coups I was always reminded of what the late President ROOSEVELT said about HITLER as early as 1937: "Just give the Dictator enough rope to hang himself". I had a greater respect for the political wisdom and skill of the later American President than for HITLER's mad rushes and all this made me very apprehensive about the future of my own country. After all, I was still a German and had an aged mother in Germany. I had gone hungry as a boy in World War I, I lost my father in that war, it impoverished our family - I knew what war meant and I did not want to live through another one.

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The first thing I felt when I came to Shanghai in 1941 was the regimentation of the mind and body by the Nazis. When I had to apply for relief, the local "Arbeitsfront" (compulsory labour organisation) actually wanted to send me to a Nazi camp to Japan where, I was told, "a wonderful spirit prevailed". It was only my married status which saved me from such "enlightenment".

As to the political outlook in the Far East, a situation similar to that in Europe was obtaining out here. For me that war had already started in 1936 when the Japanese Government put pressure on our 10 Million Yen factory in Korea, forcing out all non-Japanese and also forcing a transfer of a certain amount of stocks to Mitsubishi together with the management of this rather important American subsidiary. (This transfer necessitated my shifting to Manila referred to above). The way all this was done was high handed and had the earmarks of Jingoism.

I hardly need to explain, therefore, that my sympathies were always with the Chinese National Government whom Democratic Germany had helped to build a bulwark against Japanese aggression by sending some of her most capable Generals to China as instructors. When Hitler recalled these men I felt a pain in my heart.

I may also add that all these views of mine are shared by my Spanish-Filipino wife who received her education in Manila after American patterns. We were following the events in the Philippines with fears in our hearts. We were afraid that Japanese ruthlessness might strike at our relatives and friends. Today, we are still without news from my sister-in-law and our nieces. But when I learned today that my best Filipino friend in Manila, Enrico Pirovano, manager and owner of the De la Rama Steamship Company was struck down foully by the Japanese in their death march through Manila in February 1945, we are afraid that our relatives met a similar fate.

Is this not testimony enough that my wife and I have lived as Democrats and not as Nazis? Owing to my limited income here in Shanghai I could not entertain lavishly as many other Germans did. I had to live quietly and for this reason may not be able to produce a long list of testimonials but the few friends we have, especially Mr. Spicker and Mr. Guigjaner, both active Spanish Republicans, are ready to underwrite every word I said in this statement.

I hereby declare that the above is a true statement to the best of my knowledge."

Shanghai, November 3, 1945.

(signed) WALTER SCHMALFUSS.

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UNDEVELOPED LEAD:

AT SHANGHAI: Further inquiries will  
be made into the activities  
of MR. SCHMALFUSS.