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OUTGOING AIRGRAM

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DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH
SECRET

AMEmbassy, Madrid

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CIA

A-394 June 7, 1951

Reference Hsag Despatch 2716 dated February 21, Heidelberg Telegram sent Frankfurt 22, Repeated Department as 44, Madrid as 1, Paris as 3.

For your information and such action as may seem appropriate the following is the pertinent extract of a letter dated May 31, 1951 from the World Jewish Congress:

"As Mr. Sulzberger detailed in his report from Paris on 'Fascist Clinging to Hope of Coming Back to Power' (The New York Times, May 22, 1951) some of the better known Fascist leaders of the defunct Axis are not entirely in retirement. Mr. Sulzberger mentions in this connection Otto Skorzeny, Hitler's Commando Chief, who travels around Spain and Spanish Morocco. In this context it might be worth while to refer to a report in the Sozialistische Rundschau (Basel) of Mar. 21, 1951, entitled 'Was Zahlt' ('the Pays'), in which the author alleges that Skorzeny succeeded in smuggling out from Germany over two million marks. This allegation appears to be supported by the fact that Skorzeny is in a position to make extensive trips and that, under his direction, former Nazi journalists and former SS-leaders are able to maintain several bureaus in Spain and to keep in touch with a large number of secret groups, all conducting anti-Semitic and Fascist propaganda.

"It is assumed that the afore-mentioned funds are part of the Nazi Party funds into which were also paid moneys stolen from Jews whom the Nazis had killed in gas chambers. Allegedly, the Nazis were able to hide from the Allies 75 per cent of these assets.

"I would appreciate it very much if the State Department were to investigate these reports and consider that action ought to be taken, if the above allegations were to be proven correct. Such action would appear to be in the interest of all parties concerned."

The Department has replied to the above letter as follows:

"Reference is made to your letter of May 31, 1951 addressed to Mr. L. E. Williams of the Department concerning the activities of Mr. Otto Skorzeny.

"The information contained in your letter has been incorporated in the files of the Department and shall receive appropriate attention. Your interest in this matter is appreciated."

ACTION

EUR:Z:L:Williams:lv
4/6/51

Report to Hsag-Frankfurt SECRET

FOR COORDINATION WITH STATE

- EMPTIONS Section 3(b)
- A) Privacy
- B) Methods/Sources
- G) Foreign Relations

NAZI WAR CRIMES DISCLOSURE ACT

Declassified and Approved for Release by the Central Intelligence Agency Date: 2001, 2005