

Green

AFGANISTAN

of

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO: General Donovan
through Director, SI

FROM: Colonel O'Connor *jc*

SUBJECT: Plan for Afghanistan

DATE: September 4, 1943

We have endeavored to promote a mining enterprise and an oil exploration party in Afghanistan to provide cover for OSS personnel. The recently-arrived Afghan Minister has expressed interest in such projects. However, the outlay involved and the unlikelihood of early returns on such investment have deterred any of the various companies interviewed from going ahead at this time. Subsequently, the Carnegie Institution and the Smithsonian Institute were approached with the intention of fostering a survey party for geologic, archaeological, or geographical purposes. These overtures are continuing. After my talk with you it appears feasible to organize a mining survey party who could initiate explorations for strategic minerals, the whole expense being under \$100,000 per year. This will enable four parties in different parts of the country, three to the north along the Russian border and one in the south along the Iran or Indian borders, with headquarters in Kabul.

If the Afghan Minister will issue approval for this survey mission, with advantages accruing to the Afghans in the shape of technical data as acquired, an agreed export tax on any minerals shipped, and with no exploration nor development expense to be borne by the Afghans, such an enterprise could be inaugurated at once.

It may be advisable to obtain sponsorship of an established mining company in order to use their name and to initiate arrangements with the Afghans; this also being possible through the friendship of Clapp or Hart who are well known to the present Minister. Personnel with mining qualifications have been interviewed and can be organized at once, preferably as soon as the project is written up and approved. The outlay should not total more than \$150/200,000 over a 2-year period.

Afghanistan 7641

COORDINATOR OF INFORMATION

WASHINGTON, D. C.

*Representative
William J. Donovan*

SECRET

March 6, 1942

File

MEMORANDUM

To: Colonel William J. Donovan

From: G. T. Robinson and J. A. Morrison

Subject: Establishing Diplomatic Relations with
Afghanistan

We wish to call your attention to a matter bearing directly on the supply of Russia from the south.

You may recall that before he left Washington for the Near East, Mr. Bullitt had a conference in Mr. Wiley's office with certain members of C.O.I. who are concerned with the countries he planned to visit. On that occasion Mr. Wright and Mr. Morrison urged the view that this country should establish direct diplomatic relations with Afghanistan as soon as possible. It was pointed out that the shipment of supplies to Russia through Afghanistan, under American supervision, would be greatly expedited if there were an American diplomatic mission in Kabul. It was also suggested that in view of the Axis propaganda in Afghanistan and the Afghans' deep-rooted suspicion of both Russia and England, the desire of the Afghans for direct diplomatic relations with this country -- a desire attested by a number of reliable sources -- should be met by the appointment of a suitably qualified American Minister Plenipotentiary.

Mr. Bullitt appeared to be impressed with this suggestion and asked for a memorandum on the subject. Since that time, there have been some indications that the matter has been taken under advisement, but direct diplomatic relations with this strategically very important Asiatic country are not yet a reality.

A cable from Minister Dreyfus in Tehran, dated March 2nd and received in paraphrased form by our Central Information Division, indicates an appalling lack, on our

SECRET

Colonel William J. Donovan - 2

March 6, 1942

part, of appreciation of Oriental psychology and Afghan sensibilities -- a deficiency that may have serious consequences. The paraphrase of this cable reads as follows:

"In a note dated February 28, the Afghan Ambassador informs me that his government does not agree to the sending of a Third Secretary and Vice Consul to Kabul before the appointment of an Envoy Extraordinary and Minister Plenipotentiary and that it is also preferable that the Legation be opened by the same Envoy Extraordinary and Minister Plenipotentiary."

To the Afghans, very sensitive in matters of "face", it must have come as almost an insult to be told -- in effect -- that we would send a junior official to open a legation and that he would be followed at some indefinite later date by a Minister Plenipotentiary. We can be sure that the Axis diplomats at Kabul have made the most of our somewhat disdainful treatment of the Afghan nation.

It may already be too late to repair the damage; but unless we wish to lose all our remaining influence in Afghanistan, at a time when the good will of a country of such great strategic importance is a vital necessity to us, our Government should cease quibbling and meet the Afghan desires in this matter immediately.

G. T. Robinson

G. T. Robinson

J. A. Morrison

J. A. Morrison

10 10 1942

COORDINATOR OF INFORMATION
INTEROFFICE MEMO

File

SECRET

DATE March 10, 1942

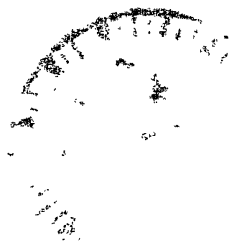
FROM: David Bruce
TO: Colonel Donovan
SUBJECT: Afghanistan

It would seem to be questionable policy for COI to suggest a course of action to the State Department in a realm that is peculiarly the business of that Department. If a United States Minister is not appointed to Afghanistan, there must be a good reason for this omission.

What COI can do, and is in the process of doing, is to facilitate the appointment of American teachers to the college in Kabul. By this means our information service will be able to keep as close a check as necessary on developments in Afghanistan.

David Bruce

David Bruce.



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COORDINATOR OF INFORMATION

WASHINGTON, D. C.

March 4, 1942

Colonel William J. Donovan
Washington, D. C.

My dear Colonel Donovan:

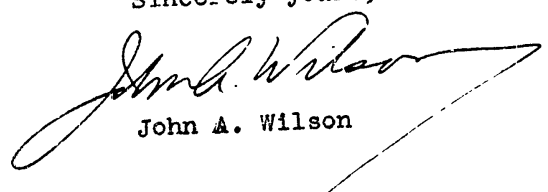
Between Russia, Persia, and India lies the mountainous country of Afghanistan in a position which may become critical. Afghanistan has its reasons to hold aloof from Russia and from Great Britain. At the minimum it has no reason to be suspicious of the United States; at the maximum it has had reasons for being well disposed toward us. What may happen to India or to the Caucasus and Persia will affect Afghanistan very vitally. The United States has an opportunity to exert good offices at a needed point.

We have been represented in Afghanistan by remote control. Just as our Minister to Egypt was also accredited to Saudi Arabia, so our Minister to Iran (Persia) is also accredited to Afghanistan. Pressure of duties in Teheran makes such representation rather intermittent, to say the least.

It has been proposed that our representation at the Afghan capital, Kabul, be enlarged. But this must be done with the enlarged courtesy and significance demanded by the situation. I have just seen a wire from Teheran stating that Afghanistan cannot agree that a Third Secretary and a Vice Consul should be despatched to Kabul before the appointment of an Envoy Extraordinary and Minister Plenipotentiary, who should be the representative of the United States to open the new legation.

This is something more than fuss and feathers. We have an opportunity in Afghanistan beyond that of other nations. An affront to the dignity of a small nation that realizes its strategic importance would be a blunder. I hope that it will be possible to revise our plans of representation and start more cordial relations with Afghanistan on an initially cordial footing.

Sincerely yours,



John A. Wilson

JAW: jr

CC: Dr. Langer
Mr. John Morrison

ARGENTINE
1941

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Argentine
Sull 2260

COORDINATOR OF INFORMATION

INTEROFFICE MEMO

FROM: John Fox

DATE December 20, 1941.

TO: Dr. Preston James

SUBJECT: Possibilities of the Argentine situation.

The state of siege instituted in Argentina by Castillo is one of a series of events which raise the suspicion that he is putting into effect the program of the nationalist military officers. That program was summarized in Special Memorandum No. 12 of December 3, 1941. A Despatch from Mr. Armour just received concerning "Argentine Nationalism" concludes as follows:

"In the event of a successful nationalist comp d'etat, German, isolationist and anti-American sentiment in the nationalist ranks would swing Argentina toward the totalitarian powers as far as circumstances would permit."

It would be prudent therefore for us to prepare a possible program of action in the event that proof is forthcoming that Castillo is following the nationalist program. This does not necessarily mean that he is motivated by anything else than a desire to keep himself in power, because it is generally conceded that his government is very weak.

The forces upon which we can rely in a critical situation can muster a preponderance of popular support. These elements include the Radical Party, the General Confederation of Workers, Acción Argentina, and certain military officials, chief of whom is Justo. If no other strong leader can be found acceptable, these friendly forces should in some way be assisted to accept Justo as their leader. From certain indications we know that

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the Radicals would agree to such a coalition, although with reluctance.

Another possibility is for Justo to subordinate himself, at least until the next presidential election, to Ortiz. Despite the undoubted physical handicap of his impaired eyesight, Ortiz could return to office and form a strong national cabinet with Justo's support. This move would have the most wide-spread popular acceptance.

It would be feasible to bring pressure upon Castillo and his relatively weak government to effect one of the moves outlined above.

G. G. B. ...
fill

MEMORANDUM
Latin American Section

December 17th, 1941

TO: Preston E. James
FROM: John S. Fox

In Special Memorandum No. 12, dated December 3rd, 1941, it was pointed out that political tension in Argentina was increasing to the point of threatening the present form of government; and that pressure was being exerted on Castillo to effect a coup which would establish a dictatorship. This pressure is being exerted partly by certain military officers with personal political ambitions. On the other hand the opposing forces represented by the Radical Party, the General Confederation of Workers, and Acción Argentina are weakened by internal schisms and lack of strong leadership.

These conclusions were substantially repeated in a dispatch of "Q", Number 64, of December 5th, 1941, which said that a coup was expected after December 7th, that it would be backed by General Muñoz and his Nationalists, and that the ministers of Justice and of Education were also said to be implicated.

Yesterday Castillo instituted a "State of Siege" which suspends all constitutional guarantees including habeas

Franklin E. James

- Page Two -

12/17/41

corpus, inviolability from search of the home, of the mails and of private papers, and freedom of press, of assembly and of speech.

Although newspaper accounts repeat Castillo's announced purpose, that the government assumed these powers "to fulfill its international pledges", to maintain order, and to suppress "tendentious propaganda", the measures taken seem too severe for the requirements of the domestic situation. This may in all likelihood be the coup that has been expected.

The repercussions of this movement on relations with the United States may be answered if we have the following information:

What army groups, especially the officers, are backing Castillo in maintaining this state of seige?

White House
Folder

Argentina 24413

December 17, 1941.
6:00 P.M.

MEMORANDUM for The President:

The attached is a memorandum sent
to me by the British who are in charge of
South American activities.

NOTE ON ARGENTINA

- A. CASTILLO has declared a state of siege, thus acquiring dictatorial powers at a convenient moment before the forthcoming election. There is no time limit set for the assumption of these powers, which include the suspension of all Constitutional guarantees, such as the right of free meeting and free speech.
- B. The backing of public opinion for the recent Parliamentary investigation into Axis activities in the Argentina makes it clear that no such step as outlined in "A" was necessary to take action against these activities by usual legal means.
- C. It is certain that CASTILLO gave as an excuse to take over personal control, and in his own words, to suppress "tendentious propaganda."
- This creation of a dictatorship in Argentina is a grave warning of things to come, and the result can only benefit our enemies and harm our friends.

TOP ↑

Dec 12, 1961

Dear Colonel Donovan,
John Carter asked
me to forward this to you -

Henry Field

Exposure is 1/25 @ f.6.3

For Colonel Donovan

COPY

ARGENTINA

INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION (SUD AMERICA)
Defense 143
Buenos Aires

12 12 11

November 28, 1941

AIRMAIL

Mr. Frank C. Page, Vice President
International Tel. & Tel. Corporation
87 Broad Street
New York City

My dear Frank:

The fifth report of the Congressional Committee investigating anti-Argentine activities appeared in this morning's newspapers. It contains revelations of the organization and activities of the German labor groups which, according to the findings, are a continuation of those organizations that were outlawed several years ago. This is to say, the same old dog with a new collar. The connections with the Nazi party in Germany and the line of contact through the German Embassy are fully brought out, and the recommendations ask for prosecution of the violators of the law and dissolution of the respective entities.

That President Roosevelt was far more correct in his reference to a new Nazi map of Latin America than was Hitler in his denial of any such plan, is strongly suggested in the peculiar turn which the Goebbels Spanish language press here is giving to recent news events. That those newspapers would loudly protest Mr. Roosevelt's Navy Day speech was to be assumed,

as well as that they would follow the Berlin lead in denying the authenticity of his information.

It was also to be expected that they would howl against the decision to send a U.S. military detachment to the mine fields of Dutch Guiana, but while raising the usual cry of Yankee imperialism, the Nazis in this case seem to base their argument rather on the fact that Brazil seems to have been consulted before the Argentine, the reasoning employed being that since this is the Latin American republic which has demonstrated the least disposition to play ball with the others, its approval should have been considered as the first necessary preliminary step. Though heretofore the Nazis have pretended to disregard the seriousness or validity of the Havana agreement, they now demand that the Argentine should combat the sending of troops to Guiana as a violation of that agreement. They add that this is not a matter that directly affects the Argentine, as it might Brazil, being entirely too remote from any possible frontier question of immediate importance to this country.

The recent visit of Dr. Osvaldo Aranha afforded the Nazi propaganda press an opportunity to declare that the question of the defense of the River Plate, including its entrance, is Argentina's job and nobody else's, say these oracles of Dr. Goebbels, and as far as Uruguay is concerned this country and Brazil will look out for her if, when and how they may find it necessary.

- 3 -

The death of President Aguirre Cerda caused them to remark that Chile in its period of independence had greatly extended its territory at the expense of its neighbors, while the Argentine had not. This, explain the Nazis, is due to the fact that this country has been governed by politicians representing first one party and then another, instead of by real patriots, with the deplorable consequence that although the Argentine has invariably won all of her wars, she has never expanded at the expense of her weaker and vanquished neighbors, as she might and should have done. There has been, if I interpret these articles correctly, entirely too much democracy in the Argentine.

So it goes. While denying the existence of any new map of South America made in Germany, in their recent handling of South American news it is not at all difficult to see such a map in the background of the articles which they publish. Obviously there is an attempt to make the Argentines, "frontier-conscious" and to implant the suggestion that they got short changed in the designing of the present map of this continent. They say they don't hold anything against the Chileans for getting theirs while the getting was good, and if the various guesses at what the Nazi map is like are at all correct, this fits in perfectly with the product of the Berlin cartographers. Apparently the long North and South Andes frontier is one of the few existing ones that the heel-clickers decided not to disturb.

- 4 -

Along with the clippings referring to what I have been saying I am sending a few others. Especially I want to draw your attention to the talk given yesterday by Professor John Griffiths before the University Women's Club, as reported in this morning's Herald. I think he waid a very large and useful mouthful. It is quite true that too many Yankees have been discovering South America on week-end excursions, but it is equally true that entirely too many of those who take up residence here never get to know the country or its people very well and form their opinions too largely upon personal experiences with cooks and taxi drivers and the sort of impressions that one picks up on a golf course. If "a little knowledge is a dangerous thing", there are just as many dangerous experts on Latin America among our fellow country men living south of the Equator as those living north of the Rio Grande.

With kindest regards,

Very sincerely yours,

Kenneth McKim
Assistant Vice President

For Colonel Lonovan

COPY

INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION (INTL AMERICA)
Defense 143
Buenos Aires

November 28, 1941

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International Tel. & Tel. Corporation
67 Broad Street
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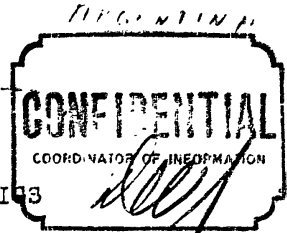
With kindest regards,

Very sincerely yours,

Kenneth McKim
Assistant Vice President

COPY

Handwritten signature



DEPARTMENT OF STATE
DIVISION OF THE AMERICAN REPUBLICS

November 8, 1941

STRICTLY CONFIDENTIAL

CI - Mr. Pell:

In response to the request contained in your memorandum of November 7, 1941, there is attached hereto Despatch no. 2047, dated February 28, 1941 from the American Embassy at Buenos Aires. There is, of course, no objection to Captain Roosevelt's reading this despatch. I do not suppose that it should be circulated outside the Department; but, on that point, you may have instructions. The despatch, of course, is strictly confidential.

Paul C. Daniels

RA:PCD:GMB

COPY

DEPARTMENT OF STATE
DIVISION OF THE AMERICAN REPUBLICS
MEMORANDUM

March 19, 1941

Mr. Notter:
Mr. Donovan:
Mr. Finley:
Mr. Bonsai:
FC - Mr. Warren:

The attached despatch no. 2047 from Buenos Aires was elicited by the Department's recent instruction transmitting a study on The Pattern of Nazi Activities to the field. It states that the situation in Argentina is in general accord with the Department's study, and makes the following observations on the local Nazi set up:

The Embassy feels that the Nazi goal is to implant Nazi ideology with a view to bringing Argentina into the German-dominated system. Their means are a display of confidence in complete victory, an attempt to allay suspicion of the Axis and to discredit democracy, and to utilize local prejudices, territorial disputes, and ostensibly Argentine movements as "fronts".

The Embassy perceives some apparent difference of opinion among the Nazis concerning their long range program. Some evidence points towards the goal of enlarging some South American countries friendly to Germany at the expense of smaller ones. It is thought such a plan would involve giving Argentina, for instance, Paraguay, Uruguay, and Bolivia. There is also reason to believe that influential Nazi groups in Argentina especially in Misiones and Patagonia, desire those regions to join the Reich as separate colonies.

The Embassy calls attention to the consensus of opinion that once Germany has access to the seas, its first move will be to undertake an economic offensive as a prelude to final political and, if necessary, military domination.

RA:King:GLW

COPY

DEPARTMENT OF STATE
DIVISION OF THE AMERICAN REPUBLICS
MEMORANDUM

November 3, 1941

Miss Bauer:

Please obtain from DCR despatch
no. 2047, dated February 29, 1941, from the
American Embassy at Buenos Aires, referred
to in the attached memorandum from Mr. Peli.

Paul C. Daniels

RA:PCD:GMB

COPY

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2047

Bueanos Aires, February 28, 1941

Subject: NAZI-FASCIST PLANS WITH RESPECT TO ARGENTINA.

1. Summary of objectives.
2. Proposed establishment of "new order" in South America.
3. Apparent divergence of views with respect to long range program.
4. New economic measures.

STRICTLY CONFIDENTIAL

The Honorable

The Secretary of State,
Washington.

Sir:

With reference to the Department's strictly confidential mimeographed circular instruction of February 6, 1941 regarding the pattern of Nazi organizations in the other American republics, I have the honor to submit information recently received from confidential sources, which confirms much that has already been reported but indicates on the other hand certain new developments of interest, and to comment on the general subject of the immediate and ultimate objectives of the German program in Argentina. It is obvious that the powerful, well organized force that has been built up with infinite pains in this country under the supervision of the German Government is functioning effectively and represents an ever present danger to the interests of the United States. Nazi-Fascists activity reached a maximum intensity about the middle of last year, but Italian military reverses, together with the in-

- 2 -

investigation of subversive movements in Misiones and Uruguay caused the local leadership to proceed with greater caution. It is believed however that any important German successes would give rise to renewed Nazi agitation which might lead to an attempt to place in power a Government favorable to totalitarian institutions and frankly friendly to Germany.

1. Summary of Objectives. Broadly speaking, the objectives of the Nazis here coincide with those set forth in the Department's instruction as typical in this continent; they are to implant Nazi ideology with a view to effecting the adoption in Argentina of the German system so as to add this country to the group of nations under German domination. To begin with the Nazi forces display an impressive confidence in complete victory, which has a profound effect on the Argentine people; and they are very active at present in an endeavor to allay suspicion of Germany and the totalitarian powers in general and to increase good-will toward them, while at the same time they seek to discredit by every means possible democracy and the democratic countries, particularly Great Britain and the United States. In carrying out their program they overlook no local prejudice, territorial dispute or other question representing an opportunity to create confusion and increase their influence. They are working through a considerable number of ostensibly Argentine movements, and are encouraging at the present time an already existing tendency in this country toward extreme nationalism and isolationism. In the economic field they are fighting to maintain their already important position and keep ever to the fore the vital importance of German good-will to Argentina if the

- 3 -

latter is to market its large agricultural surpluses in a Europe under German domination.

Whereas their immediate objectives seem well defined, their ideas with regard to a long range program appear to differ from one another in important respects. Judging from some of the information set forth below official Nazidom has thought in terms of enlarging the more important South American countries friendly to Germany at the expense of the smaller ones, thus benefiting incidentally by all and sundry territorial disputes while at the same time simplifying ultimately the organization of this area. German suplicity would no doubt be equal to keeping the weaker countries pacified with false assurances of protection and even aggrandizement until such time as the major moves are to be taken. On the other hand, there has been abundant evidence that influential sections of the German population in Argentina, notably in Misiones and Patagonia, are exceedingly ambitious to see the regions in which they live join the Third Reich as colonies.

2. Plans to Establish "New Order" in South America.

Nazi organizations in Argentina continue to prepare for what they are confident will be a complete German victory. On the whole the Argentine authorities have shown themselves somewhat reluctant to take strong measures against German subversive activities and have been prone to ignore or condone facts brought to their attention. The lenient treatment of the Graf Spee crew and the failure to make public any adequate report on the situation in Misiones(1) are cited as examples. In fact about the only appreciable effect

Note (1): Despatch no. 1673 of December 13, 1940.

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of the investigation of Nazi activities has been to cause the Germans to proceed a little less openly. A source with influential German contacts states that emphasis is now being placed on the need to avoid action that will induce restrictive measures, and all are advised to proceed carefully, build up confidence in Germany's good intentions, and in general use this interlude to eradicate the bad impression of the several exposures of Nazi subversive activities.

The official character and detailed structure of the German organization in Argentina is confirmed by what purports to be a close summary of official papers on file in the offices of the head of the Nazi movement at 25 de Mayo 145 and Leandro N. Alem 166, Buenos Aires (the addresses of the building housing the Chancery and other offices of the German Embassy). They are described as bearing a stamp reading "Deutsche National Sozialistische Arbeiter Partei-Auslands Organization" and as being dated "Berlin" October 3, 1936. Their content consists of detailed instructions for the formation of the Deutscher Bund Front, which briefly provide for the organization (1) of cells of from three to five persons with a leader, (2) of districts, contact being through leaders only, (3) of zones of leaders, (4) of regions consisting of the leaders of two or three adjoining zones, (5) of local commands comprising groups of regions, and (6) of a divisional command to include an entire nation. Representatives of the divisional commands make up (7) high commands, of which there are to be three; and there is to be a (8) central consulting board appointed with the Fuhrer's approval to have absolute authority and to have its headquarters in Rio de Janeiro. It is provided further that important groups up to "regions" will be

- 5 -

autonomous and that all members are to have their proper rank. The Embassy is now preparing a report on the details of the Nazi organization in Buenos Aires. (2)

According to the documents in question Argentina is a "divisional command" comprising twenty-six "local commands", one for each of fourteen provinces, one for each of nine territories, and one ~~for~~ each for Uruguay, Paraguay and southern Bolivia making the remaining three. It is interesting to note that the local command for Misiones is grouped with the Brazilian divisional command, that that Uruguay, Paraguay and southern Bolivia form a part of the Argentine organization. All South America is divided into three "high commands", (1) that of the South, comprising Argentina and "annexed territories", (2) that of the Atlantic, made up of Brazil and Venezuela and their "annexed territories", and (3) that of Panama, which includes Chile, Peru and Colombia with added territories. The "Central Consulting Board" is to be the supreme authority in South America and is to be made up of representatives of various branches of the organization such as the Gestapo, the Storm Troopers, etc. It is reported that Hitler himself has named General Gunther Niedenfuhr (3) as the head of the Board.

3. Apparent Divergence of Views. The foregoing would indicate that official Nazi thought is in the direction of eliminating the small countries of South America and tempting the larger countries with offers of territory belonging to their weaker neighbors. This

Note (2): Despatch no. 1622 of December 4, 1940.

Note (3): Formerly head of German Military Mission in Argentina and now German Military Attache in Brazil and Argentina.

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view would seem to be confirmed by maps reported to be in the headquarters of the Nazi movement in Argentina which show South America divided in accordance with the plans of the Third Reich. According to one such map Uruguay, Paraguay, the southern part of Bolivia and the Falkland Islands would be incorporated in the national territory of Argentina; to Brazil would be added the Argentine Territory of Misiones, French Guiana, Dutch Guiana and the northern half of Bolivia, i.e. the territory north of a line running roughly east and west passing south of Corocoro but north of Cochabamba, Santa Cruz and San Ignacio; Venezuela would be given British Guiana, Trinidad, Barbados, Aruba and Curacao; Panama would be returned to Colombia, and Ecuador would be divided between Colombia and Peru. Thus Uruguay, Paraguay, Bolivia, Ecuador, Panama and the Guianas would disappear as separate entities.

This would seem however to run counter to the ambitions of Nazi groups in Patagonia, Misiones and certain other localities where Germans form an important part of the population. As evidence of such a feeling, the following excerpt is quoted from what purports to be a translation of a stenographic transcript of an address made by a member of the Nazi movement in Argentina at a party meeting that must have taken place some time after the fall of France:

"I am quite pleased with the proposals of our Fuhrer and Pe, but I do not find a point mentioned which I certainly should have liked to have found, namely, that concerning 'Patagonia'. I have not been able to find a hint of it anywhere and I can not believe that the omission was accidental. You all know that we have invested much work and money in this country and also that we place large hopes in it. You know about its inexhaustible riches, and that no government could change the situation here even if

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it wished to. Hence this country must become completely German, a German colony, protectorate or anything else; something must happen.

"It would be very nice if we were to have two colonies in America, one in the northern part of North America and the other in the southern part of South America. There must be a third in the middle, the former Dutch and French colonies. Such bases would be of enormous importance to us. Apart from their military value they could be the centers of Germanism for the whole American continent. From these bases we would be able to conquer the continent without military action. You know that even today the North Americans, both people and government, are beside themselves with funk. What will they do when we start working from these points? I do not think we shall have to do much before they will suffocate themselves from pure fright. What do you think about it, my friends? The plans are practical but we should deal with facts. Patagonia is in the realm of real facts. The French and Dutch possessions will become German without our being able to help it. The only thing we can do anything about is Patagonia.

"If we give the Argentines anything we should give them the Falkland Islands, but in such a manner that we can take them away if they do not conform to our ideas. It is proposed ther fore that we agree to give these islands to the Argentines on condition that a permanent German garrison, naval base and air base are to be established thereon, which would be the only guarantee on which we could rely."

The views or desires of the rank and file will however have little to do in all probability with the ultimate plans adopted. As a matter of fact no less an authority than General Neidenfuhr himself is quoted as saying that it is now the policy of the German Government to encourage the return to Europe of German settlers in South America, as they are needed to "Germanize" conquered territory. Apparently it is the plan to leave key men, such as bankers, the heads of firms, professional men and others in a position to wield influence, but to seek the return of as many others as possible.

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It goes without saying that the establishment of the "new order" in South America would mean that German technical, political and military advisors would be in strategic positions everywhere with the usual imminent threat of force to give weight to their counsels. Germany would no doubt regard it as the height of foolishness for any of the South American countries in their orbit of influence to recognize, service or repay any external indebtedness, and it is an optimist indeed who thinks that domestic and foreign business here would continue under conditions which would permit foreign enterprise other than German to prosper. The uncertainty bred of insecurity alone would be enough to place a blight on the American industrial and commercial establishments in this country and it is only necessary to consider the state of our interests in other areas dominated by the totalitarian powers to foresee the fate that would befall them here.

4. Proposed Economic Measures. It has been learned from a reliable source ⁽⁴⁾ that the Germans contemplate the concentration of their economic planning, which comprises in this connection technical studies, propaganda activities, coordination of resources and effort, etc., in one corporate organization, preferably a highly regarded, well established engineering firm headed if possible by a prominent Argentine not generally known to have Nazi connections. A proposition along the foregoing lines was actually

Note (4): Mr. R. D. Spradling, President of the Chamber of Commerce of the United States of America in the Argentine Republic.

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actually made to an Argentine of Uruguayan origin, selected because of his standing, business connections and influence. It is significant that he is a close friend of General Marquez, former Minister of War, and President Ortiz, both known to be anti-totalitarian in their sentiments, which would indicate a desire on the part of the Germans and particularly their business interests, to have a foot in both political camps in this country. With such a person as a front, the Nazi organization would have had a most effective instrument for carrying out their project to concentrate all research, investigation and planning for this part of South America.

It is understood that the person approached declined the offer, but that the plan has not been abandoned. As a matter of fact it is the consensus of opinion that once the Germans have access to the seas their first move will be to carry out an offensive on the economic front as a prelude to eventual political and if necessary military domination. There would in all probability be little or no effective opposition to the earlier stages of German economic penetration, for as frequently reported in the past Argentina is disposed to go far to insure a market in Europe for its cereals and meat, and an influential section of public opinion, by no means confined to pro-Nazi circles, insists that it would be contrary to vital Argentine interests to do anything that might prejudice their chance of doing business with Europe in the event of a German victory. This factor coupled with the
important

important place already occupied by the highly organized German commercial interests here would make likely the success of the first part of the economic problem.

Respectfully yours,

Norman Armour

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the aryan as well the israelite. Many of them are coming to the States on secret mission for Germany, especially the poor jews from Hitler has taken away everything. I know dozens of so-called German American, who are nothing else as spies. They have been telling me, that they are admirers of Hitler, some of them are wishing that Lindbergh would soon become president of the States. Another man I met he was working secretly for the Chicago German Consulate, as American he received secret missions to get informations in some manufacturing business and he was paid well, very well, Another American was working for the "Reichspropagandaabteilung", foreign ministry in Berlin. He had his headquarters in San Francisco and was travelling all over the U.S. It was a very smart man. I know a lawyer who is not working in the interest of the States. Also a large proportion of the Russian Americans are dangerous. They think that Hitler will save them from Bolshevism. Have you heard something about the Russian paper in New York, editor Mr. Rybakoff. He writes what Hitler is dictating him. I know a Russian in New Jersey, he is a clever artist, painting Hitler portraits for 5-25 dollars a piece and he is making money. I asked him, who are buying these pictures and he was telling me good Americans. I told him to stop that, but I do not know whether he stopped it or not. I know another Russian-American he has a good job in a government institution and he is a great admirer of Hitler. A Russian aristocrat lady with Jewish blood, leaving in New Jersey with an American passport is still writing us what fine man Hitler is. In my opinion all these German or Russian born Americans are a

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very big danger of the security of the American independency, a far bigger danger as most of the Americans are thinking, But how will you stop that? All Americans with a German passport from 1914 must be put in a concentration camp. It is hard, but otherwise it is useless to spent billions for defense work.

How is it possible that a new invention cannot be kept a secret, no matter whether the invention is made in a government institution or in a private factory the German government get all the facts in a very short time.

Now something about South America. Some of the principal raw materials for the war are prohibited to export to Japan from the U.S. This is in order. But many of these essential war materials are allowed to be exported to South America. From here these materials are re-exported to Japan. It is a splendid business and the exporters here are making good money and all these raw materials are shipped to Japan via the Panama Canal. Recently I received a letter from a Bolivian businessman. He is shipping all kind of metals to Japan and getting far higher prices than from the U.S. Certainly his interest is to do more business with Japan and has no interest to make shipments to the U.S. Why such things are not stopped? At least 50% of the U.S. interests are placed throughout South America in German Nazi hands, most of the U.S. Manufacturers are represented here by Germans. One of the biggest electrical companies are represented here by Germans, is employing a Brazilian German born 100% Nazi known all over Rio as a fanatic Nazi. He made with this American company a fortune during the last 10 or fifteen years and I am absolutely sure that the American company knows these facts. How is

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this possible? In case you come in touch with Brazilian government officials, they say, we are neutral. In case you know them better, they say; certainly we are neutral, but we are doing anything to be on good terms with the German government. If Germany is winning the war, we do not lose anything, on the contrary, we will win much. But in case Germany is losing the war, it will be easy for us to be on good terms with England. Many of the Brazilian newspapers are pro-German. Practically all the war news about Russia are in favor of Germany. The government does not want that good news from Russia are penetrating in the Brazilian papers. Fear of Bolshevism in this country. All the South American countries are financially and also commercially depending from the U.S. It would be easy for the U.S. to put some pressures upon these countries. Why they are not doing this here? The German funds in the U.S. are blocked. Why they are not blocked here? Big financial transactions are going on with Germany. The South American countries cannot make opposition in their politics against the interest of the U.S., this is my opinion and also in the interest of these countries. All this must be stopped at once otherwise the U.S. will be always in danger. Do not forget that any of the South American countries Hitler can take by telephone, as many people are saying here and why? The same German born South American citizen is a pure Nazi and there are millions of them here. The difference between the German born U.S. citizen and the German born South American citizen is the German South American is in some ways better organized. He has a better education and also morally standing higher as the average native, he is trained as a soldier, he knows what to do when Hitler calls him to do his duty.

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their leaders are well trained in Germany at the expenses of the German government and besides he is well equip ed with all war materials. I never could get proofs of that, but many Braziliens convinced me that these are facts. I travelled once with a rich German born Uruguay citizen. He was for 8 months in Germany and trained there as leader for the Germans in Uruguay. He got instructions how to train all the Germans in Uruguay. All this is financed through the rich German firms in South America. Every German firm and every German born South American citizen must pay his share, he cannot pay how much he wants. The German organizations are telling him how much he must pay. Many German firms have head offices in Hamburg or Bremen. The German government is telling them that they have to give instructions to their branch offices abroad to pay a certain amount to the German Embassy. Nobody can refuse it, otherwise he is not a German. In Rio is living a U.S. citizen, born in Washington, his parents came from Belgium and he is a 100% Nazi. He knows many people and he speaks to everybody that he is an admirer of Hitler. I know he is a very good friend of a pure German Nazi and I believe he is working here for the fifth column. He is agent for a U.S. manufacturing concern here in Rio. I cannot believe that the U.S. Consulate or Embassy is not informed about these facts.

My English is not good enough to print this letter in a weekly news magazine, but may be that some of the reporters would be interested to make an article out of my letter. Some of the Government officials

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in Washington would be also interested to know some facts about South America. But please do not mention my name, this at all events I want to prevent.

We had no news from Mrs. Proctor Brady for a long time. My wife will write her shortly.

Very sincerely

Letter sent in by a "Spy" of Russell Burke's- Manager of Lenthric*) 5th Ave. and 58th N.Y.C.

*with Donovan
Publications
and Co. Inc.
Argentina*

COPY

August 15, 1941.

Mr. Eugene J. McCormick,
Calle Belgrano 452,
Buenos Aires, Argentina.

Dear Mr. McCormick:

This will acknowledge receipt of
your letter of August 2 addressed to Colonel
William J. Donovan.

Colonel Donovan has asked me to
say that he appreciates your willingness to
serve and cooperate in the work which we have
undertaken.

We should be very glad to have
copies of "Democracy in Action", and I am sure
that when this office has completed its organi-
zation, you will receive material which will be
made available for the use of publishers and
friends in South America.

We shall be glad to keep in touch
with you.

Yours very truly,

James R. Murphy,
Secretary to Colonel Donovan

Rio de Janeiro, July 10, 1941
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Mr. Russel Burke,
c/o Lentheric
Fifth Avenue & 58th St.,
New York City.

Dear Mr. Burke:- Thanks for your letter of the 20th June. I hope you have received in the meantime my letter dated March 24th. I would like to make the acquaintance of Mr. Piazza. I hope the U.S. Embassy will be able to give me his address. Very interesting are the printed matters about National Defense you have sent me with your letter.

Here you have some of mine view points. I had always a strange feeling, when I met Americans born in Germany or Russia. In society with Americans born in America you will not see any difference, their manners are the same, their pronunciation of the English language is also the same. They will never dare to say that they left some feeling for Germany. Every American is believing such a man is O.K. But this is absolutely wrong. I have been many times in the U.S., I met very many people and out of ten such Americans born in Germany are admirers of Hitler and in the old days of the Kaiser. These people are far more frank with a foreigner, they begin to be sentimental and will tell you a lot of nice things about Germany. They say to you America is a fine country to make money, some of them are also saying they would never like again to live in Germany, but all of them are helping for their old Vaterland in one or the other way. In my opinion all of them are fifth columnists with the exception of these people who lived one year or two in Germany. They are absolutely cured and are not more dangerous. But dangerous are as well the German immigrants,

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