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# GERMAN NATIONALIST AND NEO-NAZI ACTIVITIES IN ARGENTINA

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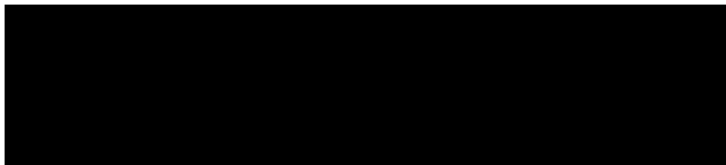


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GERMAN NATIONALIST AND NEO-NAZI ACTIVITIES IN ARGENTINA



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GERMAN NATIONALIST AND NEO-NAZI ACTIVITIES IN ARGENTINA

SUMMARY

Evidence of intention to carry on Nazi activities, and of belief in eventual resurgence of Nazism, has been apparent among Germans in Argentina since 1946. Shadow organizations left behind by officials of the Nazi Party and Third Reich upon the break in diplomatic relations between Argentina and Germany, in 1944, have continued to function. Communications have not been interrupted between nuclei of hard-core Nazis in Argentina, Europe, and the Middle East. Since 1945, selected immigration has been fostered by German organizations with the help of the Argentine Government. The Government itself and the Armed Forces have employed Nazi economists and military experts as technical advisers. German scientists are retained for research in nuclear physics, jet propulsion and guided missiles.

In order to improve and regulate communications between the homeland and Germans abroad, nationalist and neo-Nazi leaders in Germany have discussed the possibility of establishing a new entity like the Foreign Organization of the Nazi Party, Auslandsorganisation (AO), NSDAP. Through that agency the rulers of the Third Reich regimented Germanic populations in foreign countries, accomplished Nazi political and economic aims abroad, collected intelligence and carried out covert operations; the success of this instrumentality was outstanding in Argentina. The proposed new "AO" would serve a similar fourfold purpose: to act as spokesman for Germans abroad, to represent their interests in German politics and the home government, to facilitate emigration, and to obtain intelligence through Germans living or traveling outside the borders of Germany. 1/

It was the large Gesamtdeutscher Block rightist refugee party of Germany, better known as BHE\*, which sponsored this proposal. Refugee problems and irredentist sentiment in Germany will continue to provide substance for agitation and organizational efforts by extremists. The rightist and nationalist groups can be expected to keep alive, in some form, the idea of a reconstituted Foreign Organization.

The situation in Argentina is peculiarly favorable for such a revival. A well-entrenched stay-behind organization was established before the recall or expulsion of German officials and known Nazi agents. President PERON is politically obligated to leaders of the German colony and in a recent speech publicly reaffirmed his friendship for his "old comrades of the Wehrmacht" and "the eternal and glorious Germany of all times." 2/ There is little ideological difference between Peronism and Nazi-Fascism. It would be entirely possible, in favorable circumstances, for the Peronist government party to turn to open collaboration with neo-Nazi-Fascism. A minority of the German colony in Argentina today is involved in neo-Nazi activity. However, "in the event of a strong resurgence of Nazi-Fascism as a power factor in Europe, the local pro-Fascist groups could quickly achieve an importance out of proportion to their present small number." 3/

Both the neo-Nazi movement in Argentina and the radical nationalist organizations in Germany lack unity and dominant leadership. They are generally guided, however, by a single basic aim, which is to destroy or invalidate democratic

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\* Originally called Block der Heimatsvertriebenen und Entrechteten (Bloc of the Homeless and Disenfranchised); the name was changed to Gesamtdeutscher Block (Pan German Bloc) but the initials BHE continue in use.

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capitalism and establish planned economy on a global scale, through the agency of strong, totalitarian governments. The scattered neo-Nazis also have in common a certain optimism as to the future, and appear to have ample financial backing. They receive support from such industrialists and financiers as Ludwig FREUDE, and possibly, Fritz MANDL in Argentina and Johannes BERNHARDT in Spain. Nazi war veterans like Otto SKORZENY and air ace Col. Hans-Ulrich RUDEL serve or are used by unknown leaders to stimulate interest in and coordinate organizational efforts. During the past five years Skorzeny and Rudel have traveled in an orbit touching Buenos Aires, Madrid, Cairo, Munich, Vienna, Dublin, and Paris.

Since the end of World War II, about 7000 Germans have entered Argentina. This immigration was facilitated by the Argentine Government, which permitted its consular offices abroad to supply documentation and created posts for Nazi officials and Argentine neo-Nazis in which they could screen immigrants according to the political history and ideological leanings of the applicants.

There is substantial evidence of communications and coordinated planning since that time which link neo-Nazi groups in Argentina with: (1) various nuclei of radical nationalist activity in Germany, particularly the Bruderschaft and Freikorps Deutschland; and (2) the leaders of the international neo-Fascist "Association of European Nationalist Movements," through its permanent office in Spain.

Argentine nationalists and neo-Nazis generally are hostile to the US and to the USSR. Some neo-Nazi leaders in both Argentina and Germany, however, advocate collaboration with the Communists. They have been in communication with former Wehrmacht and Waffen-SS officers in the Soviet Zone of Germany and with members of the so-called Naumann Circle, recently arrested by the British Zone authorities for conspiracy to overthrow the West German Republic. Members of the Naumann Circle, with whom neo-Nazis from Argentina had contact, were negotiating with Soviet representatives.

The Government of the USSR has shown marked interest in Peronist Argentina in recent months. The new Argentine ambassador was received with flattering attention. A Soviet trade mission headed by a high official has been sent to Argentina. The Soviet Union indirectly supports and apparently plans to capitalize on Peron's anti-US propaganda and intrigues. Soviet diplomacy in the future may pay attention to courting the Peronists and conceivably may follow the line laid down by German policy twenty years ago; namely, to encourage Argentina's long-standing ambition to dominate a bloc of South American nations. This would satisfy both Communist and neo-Nazi-Fascist desires, if it tended to separate the area from US influence and obstructed US efforts to preserve hemispheric unity and alliances within the Organization of American States.

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GERMAN NATIONALIST AND NEO-NAZI ACTIVITIES IN ARGENTINA

THE PROBLEM

To prepare a review of background information bearing on possible revival in Argentina of the former Nazi Foreign Organization (Auslandsorganisation, NSDAP) together with a brief summary of the basic structure and tenets of the Auslandsorganisation [REDACTED]

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SCOPE AND LIMITATIONS

The review includes a discussion of:

1. The organizational, financial and personnel resources for possible Nazi resurgence in Argentina, left behind by the Auslandsorganisation on withdrawal of Germany's Third Reich agencies;
2. The pattern of Nazi "survival" operations in the early post-war period, during which escape routes were established from Germany through Madrid and Rome to Argentina and the Middle East;
3. Recent indications of Nazi resurgence in Argentina;
4. Links connecting the Argentine neo-Nazi movement with Nazi resurgence in Germany;
5. Liaison between the neo-Nazi movement in Argentina and the international neo-Fascist movement; and
6. Attitudes of Argentine neo-Nazi leaders toward the USSR and indications of Soviet intention to capitalize on the anti-US, anti-capitalist designs of Argentine nationalists and neo-Nazis.

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GERMAN NATIONALIST AND NEO-NAZI ACTIVITIES IN ARGENTINA

I. INTRODUCTION

Evidence of intention to carry on Nazi activities, and of belief in Nazi resurgence in Germany and other parts of the world, has been apparent among Germans in Argentina since 1946. A substantial stream of German immigration, including Wehrmacht and SS veterans, Nazi economists, propagandists, intelligence agents, scientists, and military specialists, has flowed into Argentina since 1945. Communications have been maintained without a break between nuclei of hard-core Nazi leaders in Argentina and Europe. By December 1952, it was reported that the nationalistic leaders of refugee groups in Germany were talking of establishing a new "Foreign Organization" which would closely resemble the agency of the former German National Socialist Party known as the Auslandsorganisation.\* 4/ The purpose of the new agency, like that of its predecessor, would be to act as spokesman for Germans abroad and represent their interests in German home government and politics. "Officially, the organization would be concerned with facilitating emigration of Germans to foreign nations and resettlement of refugees abroad. It would expect, also, to receive reports from these Germans." 5/

A "Joint Committee of Western and Overseas Expellees" (Arbeitsgemeinschaft der West und Uebersseevertriebenen)\*\* about a year previously had asked consideration for a program of economic action which also was suggestive of the Auslandsorganisation, for through the operations of the "AO" the business houses and industries established by Germans abroad were converted into the spearhead of Nazi penetration. And in the case of Argentina, some of them became the guardians of the "stay-behind" intelligence organization and the repositories of money and instructions for an anticipated future resurgence of Nazism. The Joint Committee of Expellees, in its 1951 appeal, demanded: a survey and appraisal of German foreign wealth; no further liquidation of German foreign assets; restitution of confiscated German private property abroad or comparable compensation; equality for Germans abroad; an end to immigration restrictions; renewal of former commercial relations; and special benefits for emigrants. 7/

Continuing pressure will be felt in Germany for action along these lines. Expellees, refugees and the stateless in the German Federal Republic number more than 9,700,000 persons, and constitute 20.5 percent of the population. The expellees accounted for 7,875,143 out of this total in 1951. 8/ They are the special class of German citizens or ethnic Germans whose home was beyond the German borders and who, as a result of World War II, lost that home due to expulsion, deportation or resettlement. The majority are from German areas east of the Oder-Neisse line. The remainder were expelled as enemy aliens from foreign countries by or on demand of the Western powers. Many of them have affiliated with the rightist refugee party called Gesamtdeutscher Bloc (BHE) which is reported to have sponsored the 1952 proposal to establish a new Auslandsorganisation.

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\* See Annex A, The Auslandsorganisation of the NSDAP

\*\* "Overseas expellees" are Germans who, after World War II, were forcibly repatriated from areas under control of the Western Allies. These "expellees" are particularly anxious to emigrate, as they cannot make use of their previous "colonial" experience in Germany. 6/

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The dissatisfied and the unassimilated among the refugees, expellees, Wehrmacht and SS veterans all tend to harbor and propagate ideas of irredentism and hostility toward the Western Allies. They desire restoration of the German boundaries of 1919, and reestablishment of a German army under independent command. Restoration of former colonial opportunities and restitution of property formerly held abroad are corollaries of the basic demands of the refugee groups. Many are contemptuous of democracy and advocate a new "authoritarian European nationalism" along lines scarcely distinguishable from the Nazi philosophy of Statism.

By 1951, the expellees and refugees in Germany were fairly well organized in two principal supra-party organizations and two principal political parties, of which the BHE, above-mentioned, became the largest and most aggressive. 9/ In the same period, the Wehrmacht and SS veterans also formed two supra-party groups, Die Bruderschaft and Freikorps Deutschland. Both have been banned but are believed to operate clandestinely; 10/ both have members in Argentina.

Various crosslines link the numerous rightist, nationalist and latent Nazi organizations now established in Germany. At present there appears to be no leadership capable of coordinating the various groups into a cohesive or even a centralized movement, although they have common interests, certain common objectives, and all have connections with Germans abroad. Establishment of something closely akin to the former Auslandsorganisation would be a logical aspiration for one or more of these entities. The objectives would be to: reunite persons of German descent living in foreign countries; maintain contact with and protect the interests of German war veterans and expellees; organize and indoctrinate overseas Germans in irredentist concepts, and ultimately use this unified force to influence political developments in Germany, and, where feasible, to advance the cause in other countries.

The situation in Argentina is peculiarly favorable for such broad projects. The shadow of a new Axis already lies across the map; at present it seems to take the shape of a gigantic pincers, with one side extending from Germany to Argentina and the other from Germany to the Middle East, suggesting the hope of one day separating the Anglo-Saxon powers from allies and strategic resources. Far-fetched as this may seem to some, it is not too far-fetched a concept for the neo-Nazis, today active in Europe and Argentina. They are at present weak and scattered, but they have as yet scarcely begun to test their potential power. The Nazis in Argentina did not consider Nazism dead in 1946, and probably are still hopeful of what they expected then -- "a split between the US and UK on one hand, and Russia on the other, within the next twenty years," 11/ with a world war following. They believed that in World War III Germany would be built up by whichever side she supported, and after receiving this assistance, could eventually rise to the lead, and then, after a victorious war, proceed with her plans for world domination. One prominent Nazi in Buenos Aires was quoted as saying, in 1946, that the task of advancing Nazism was much easier then than it was in 1930, "for then Germany had but a handful of Nazis, while now practically all Germans, and particularly the younger Germans, are Nazis for life . . . When Germany starts to rise again she will be united." 12/

Should a new Foreign Organization be created, it would find a strong base in Argentina. Important remnants of the original Auslandsorganisation still exist there. A large part of the assets taken from the major German firms at the end of the war have been recovered. The pre-war German colony is almost intact, and is little changed in its mentality or feeling. Many of the old colony members have Argentine citizenship, and their children, being born in the country, are eligible to public office or employment; nevertheless, they still feel racially and emotionally identified with the German Fatherland. Since the end of World War II

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they have been joined in Argentina by some of the most prominent Nazi agents who worked there during the war, who were repatriated at Allied demand, only to return to South America within a year or two. This was the case with Siegfried BECKER, listed in 1945 as Argentina's No. 1 spy, and Walter WILKENING, who headed another of the principal Nazi espionage nets. The colony has grown, moreover, by the addition of outstanding Nazi veterans and politicians from Europe. Hitler's Commando Chief, Otto SKORZENY, was there temporarily as a military adviser. Among the many more or less permanent residents are: air ace Colonel Hans-Ulrich RUDEL; General Adolf GALLAND; Erich SCHROEDER, former Gestapo chief of Portugal; and Brigadier-General Eckhardt Richard KRAMER, Nazi war criminal who organized Werewolf units while hiding in Spain in 1946.

The German National Socialist Party (NSDAP) was founded in Argentina in 1933 by two political experts from the Reich, who were sent out for that express purpose.\* 13/ The Auslandsorganisation soon followed, to assert control over all German nationals in the area. Hitler had established the philosophical base for its program with his pronouncement: "I want to make it quite clear that I make no distinction between German nationals and Germans by birth who are citizens of a foreign country." 14/ Most members of the German colony in Argentina, especially the more influential financiers and industrialists, were in accord with this position. Thus, the Auslandsorganisation encountered little resistance as it undertook the Nazification of all Germans and German firms. Circumstances indeed were ideal for their purposes as the Nazis began to penetrate the entire area of South America. "A wide variety of instruments were available to them for forging into one powerful machine: there were the solid German settlements, the existing German organizations, and most important of all, a strongly established economic position with its roots in the Reich." 15/

By 1942, the Argentine police estimated that there were more than 12,000 Germans in that country actively participating in various foreign entities for the benefit of the Third Reich. 16/ Approximately 267 German clubs and organizations, existing throughout the Argentine Republic, were utilized. 17/ The German Chamber of Commerce, of which all major German business enterprises were members, played an outstanding part in the organizational work of the Auslandsorganisation (AO) and the intelligence operations sponsored by or directed through it. A close second in value for the AO's purposes was the Committee to Organize the Collective German Benevolent Society, under the presidency of financier Ludwig FREUDE.\*\* The known membership of the Federation of German Benevolent and Cultural Societies was 64,319 in 1942. 18/

Two attempts to curtail the power of the Nazis were made by the Argentine Government. The NSDAP was banned by decree on 15 May 1939. Reorganization was promptly accomplished and the activities of the Party were carried on by the Federation of German Benevolent and Cultural Societies. On 16 September 1942, dissolution of the Federation was ordered by a new Government decree. After that time, the activities of the NSDAP went forward under the name of the UNION GERMANICA (also sometimes called the Liga Germánica). This was the oldest of the German associations in Argentina, founded in 1916 and recognized officially as a central agency by the German community until 1933, when it became subject to control of the Auslandsorganisation. It had 7,000 members and 112 branches in the interior of Argentina in 1943. 19/

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\* Felix SCHMIDT and Otto TRUDEL. They returned to Germany and in 1941 were attached to the South American Division of Auslandsorganisation.

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It was foreseen in that year that diplomatic relations between Argentina and Germany might be broken, and preparations were made to establish a group of leading Germans in the country who could continue the functions of the AO. The group was headed by Richard STAUDT, wealthy president of Staudt y Cía. and board member of many other German firms; it also included individuals who were known as the most important Nazi collaborators in the country, although not all were Party members.\*20/

During the following year, when the break between Argentina and Germany became unavoidable, an authorized "stay-behind" Nazi intelligence organization was established and entrusted to Ludwig Freude. 21/ Apparently it was well financed. Like the Auslandsorganisation it was dually based on deep and thorough penetration of German financial and commercial circles and on complete Nazification of the interlocking system of German welfare, social and cultural societies.

Under the Nazi plan, as we have seen, primary reliance was on development of key men in commerce and politics who could dictate to the German colony and who also could influence the direction of Argentine national affairs. The development of mass support, though not neglected, was, by comparison, unimportant. Moreover, while using for operations the facilities of the long-established German institutions, the Auslandsorganisation provided its own front men. Sent out from headquarters in Germany, they could be relied upon as fully indoctrinated and instructed. While they were present, the AO could conceal, legalistically at least, the close identification with its operations of prominent German business and cultural leaders. The AO men from headquarters were expendable and after Argentina was at last forced to break relations with the Hitler Government, 26 January 1944, these front men were sacrificed to Allied pressure, while the local bases of organization were left intact. Avowed Nazi officials and exposed agents were repatriated or put under restraint, but the key men in the German colony, such as Ludwig Freude and Richard Staudt, together with other financiers, industrialists, propagandists and cultural leaders, who had been fully involved but had assumed no titular responsibility, remained in Argentina and carried on about as they had previously. They possessed or controlled ample money, as well as influence in high Argentine army and government circles, with which to protect the stay-behind remnant of the Auslandsorganisation and to defend their large private interests.

The German commercial and social-cultural institutions were affected only superficially by the Argentine Government's intervention and seizure of German property at the end of World War II. These actions were greatly delayed and in the end were largely pro forma. Some of the firms and agencies which had been most notorious for their services to the Nazis were left untouched.

Since consolidation of President Juan Domingo Peron's political power in the 1946 election, German interests have had abundant opportunity for growth and profit. Principal personages in the German colony, especially Ludwig Freude, have been in close touch with many officials at high levels in the Argentine Government and armed forces and also directly with President Peron. He employed Freude's son Rodolfo from the early post-war period to 1951, as one of his private secretaries, with the title of Chief of Investigations, Division of the Presidency. As such, Rodolfo directed Peron's domestic intelligence service. 22/

Peron is deeply obligated to Freude and other members of the Nazi group for major support which aided his rise to power. His personal involvement with Nazi agents was documented in a search of German archives captured by Allied forces at the end of World War II. In the course of the Hellmuth affair, mentioned in

\* See Annex C

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another section of this report, Peron, when Minister of War, appeared to be in close touch with the SD agents concerned. 23/

From 1931 to 1938 Peron was Argentine Military Attache in Italy and Germany. He became a frank admirer of the Fascist and Nazi systems and from that time seems to have remained in close contact with the German community and Nazi representatives in Argentina. An incident illustrating this relationship was described in the National University paper La Renovación 24/ in connection with the popular demonstrations of 17 October 1945, demanding Peron's release from prison and reinstatement in the government. On the night of 16 October, according to La Renovación, Ludwig Freude called a meeting for the next morning at the German Riding Club in Belgrano. About thirty Nazi agents, labor, cultural and religious leaders attended. "A little before nine," the report continues, "the Argentine Lieutenant GROSSO,\* liaison officer between Lt. Col. MERCANTE and the leaders of the German Federation of Trade Unions, arrived.

"An hour later they left . . . At noon it was known what they were going to do. They were mobilizing the German Nazi laborers and employees . . . trucks and automobiles of the German firms BAYER, THYSSEN-LAMETAL, MANNESMANN, SIEMENS, 'GEOPE,' BROMBERG, BERGER y Cia., 'IMPA,' AFA-TUDOR, KLOECHNER, STAUDT y Cia., SCHERING,\*\* and not a few private automobiles were sent to bring people from the capital and surrounding towns. The workers from THYSSEN-LAMETAL in Avellaneda were obliged, under pain of dismissal, to march in a closed column toward the capital, cheering Peron. The same thing happened to the workers of the KLOECHNER factory. The offices of the German Nazi firms were closed and the employees were obliged to take part in the street manifestations, carrying large pictures of Peron. Black-jacks and firearms were also distributed to the members of SA and to ex-members of the crew of the Graf-Spee in the BAYER factory.

"Later it was observed that in the patio of the Goethe School of Belgrano 500 German Nazis, men and women, had gathered by order of Dr. ARNOLD,\*\*\* of Transocean, and went in small groups to the nearby Military Hospital, joining a Peronista claque which was shouting for the presence of Peron in front of the building . . .

"Anyway," the report concluded editorially, "Who [else] can furnish Peron with the five or six million pesos that he needs for his electoral campaign? No one doubts it; these funds will be obtained from the Nazi capital in Argentina." 25/

The October 1945 crisis was a pivotal point in Peron's career; his fortunes turned on the events of that day. He has not forgot that Germans supported him at that time and also later in his electoral campaign. The US Embassy in Buenos Aires reported in early 1947 that he would not be likely to take vigorous action against German interests despite continued Allied requests that he do so. 26/ 27/ Events bore out this prediction. Peron has repeatedly shown his friendship and sense of obligation to the German colony. He specifically expressed his regard for the defenders of the Hitler regime on receiving the first Ambassador of the German Federal Republic, Dr. TERDENGE, in 1952. Wearing the uniform of a General, Peron said, "We who have the honor to wear this uniform will never forget nor can we ever repay the huge debt of gratitude which we owe to our old comrades of the German Wehrmacht." 28/ The Neue Zuericher Zeitung (Switzerland), which reported

\* Possibly a misprint for Lt. Col. GRASSI

\*\* See Annex C list of pro-Nazi business firms in Argentina

\*\*\* Karl ARNOLD, former SD Chief in Madrid

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these remarks, found them singularly inappropriate for greeting a diplomat "who had come as the representative of a government which had no wish to identify itself . . . with the Third Reich," the more so as these words "were no mere slip of the tongue." 29/

President Peron made a similar statement on 14 February 1953, when, through the new ambassador, he personally returned to the German community the clubhouse and grounds of the German Physical Cultural Association confiscated in 1944. Many persons of rank were present, among them Admiral TEISAIRE and the Ministers of Air, Navy and Education. "We do not forget," said Peron, "nor will we ever forget this friendship, whatever may be the contingencies of time and life. Our old German comrades know our affection and our memories of good times and bad . . . We have wanted also to turn over to the President of this Association two cups, one in the name of Mrs. Peron and one in my own name . . . May this be a symbol of our affection . . . and of our memories of the eternal and glorious Germany of all times . . ." 30/

The Germans say among themselves that Peron's sentiments go further than this; that he declared at the beginning of 1950 that "the fourth German Republic will be born in Argentina." 31/

A new board of officers and directors of the historic German Club of Argentina was designated, in 1951, and it is said that the members were selected by Ludwig Freude in consultation with a Junta of former officers of the German army now living in Argentina. If the list\* is accurate, twelve out of the twenty members of the directors of the German Club can be identified as key men in war-time pro-Nazi operations.

The situation, in other words, has not changed. As estimated by US Military Intelligence in 1946, by the end of the war Allied countermeasures were effective in blocking Latin America as a source of information valuable to the enemy, but these countermeasures by no means succeeded either in eliminating all espionage or propaganda, or in crippling the Nazi organizations to a degree from which they could not recover if restrictive measures were slackened. "Should a center for the direction of German espionage be established," the 1946 estimate concluded, "there will be available in Latin America within the next few years a substantial number of trained agents and many other former ardent Nazis." 32/ The reported proposals in Germany to recreate the Auslandsorganisation indicate the probability that efforts to establish such a center have started and will continue.

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## II. PATTERN OF POST-WAR NAZI "SURVIVAL" OPERATIONS

Preparations for the future resurgence of Nazism were made before defeat of the German armies was certain. The authorization of Ludwig FREUDE to carry on for the Auslandsorganisation in Argentina has been noted. In Portugal, Gestapo agent Erich SCHROEDER made plans as early as 1943 for a post-war "Black Organization" to be directed against the Western Powers. 33/ In Germany, plans for an "International Waffen-SS," composed of Nazi veterans scattered throughout the world, presumably were outlined before the last days of the war. Out of them came Die Bruderschaft and "Officers' Bunds." Otto SKORZENY, with Gauleiters KAUFMAN, KREES, and LAUTERBACH, was involved in the first of these manifestations in Germany. There they formed a group called the "Neue Ordnung" (New Order), 34/ a predecessor of the Bruderschaft.

In Spain before the end of the war, Clarita STAUFFER, an ardent Nazi who had close relationships with Falange leaders, was given special permission by the German Embassy to acquire Spanish nationality "for the express purpose of carrying out post-defeat operations." 35/ During the next four years she worked intensively on operation of clandestine escape routes through Spain. Her cover was a supposititious Winterhilfverein (Winter Help charity fund),\* and she was assisted by the Falange Women's Section and other Falange entities. The ostensible aims of the Stauffer organization were to receive and administer relief funds for Germans residing in Spain and obtain release of Germans detained in Spanish prisons; actually the organization engaged in running escape routes, arranging for reception, accommodation, employment, documentation and protection of Germans in Spain. 36/ It worked with considerable success to prevent repatriation of Germans wanted by the Allies.

Among those protected and concealed by the Stauffer organization were Leon DEGRELLE, Belgian Rexist leader, and Ante PAVELIC, Croatian "Fuehrer." 39/ Degrelle "escaped" from detention by the Spanish authorities and his whereabouts are unknown. According to one report, VON PAULUS communicated with Degrelle while the latter was in Spain and urged him to move to Russia. 40/ Pavelic is now in Argentina. After arranging for the passage to that country of a large number of her fellow Nazis, Clarita Stauffer went there herself in 1949. 41/\*\*

Passports for the escaping Nazis were obtained primarily through Argentine Consulates in Europe, with some Swiss collaboration. 42/ Further assistance by special immigration agents was authorized and supported by the Argentine Government. A section was established within the Argentine Secretariat of Labor and Welfare, under the direction of the National Economic Council, to facilitate travel to Argentina of technicians and ex-industrial workers, with preference given to Germans. 43/

Many Wehrmacht and SS veterans went from a center in Munich through Innsbruck, Bern and Rome, to Beirut and Damascus. Some of those going to Spain and South America also passed through Rome. A transit and recruiting center existed there

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\* Charity funds, particularly the Winter Help Fund, apparently were used from the start, in the post-war period, as cover for Nazi collections and disbursements. It is interesting to note that Leo SCHULZE of Hamburg, former SS Sturmabfuhrer, who in 1946 served the Bruderschaft as an expert on foreign affairs, at the same time was an official of the Evangelische Hilfswerk. 37/ In Argentina at the same period, Walter WILKENING, well-known Gestapo official, was very active in soliciting for such funds. 38/

\*\* Clarita Stauffer was reported in 1951 as disillusioned with her Nazi friends, having been betrayed by them both in love and financial affairs. 46/

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under the protection of German Bishop Alois HUDAL, 44/ who was known as the "Brown Bishop" because of his marked sympathy for the Nazi movement. Monsignor Hudal was reported as fully informed about the objectives of the "international Waffen-SS" and as helping SS people abroad. 45/ Bruderschaft leader Alfred FRANKE-GRIEGSCH, traveling disguised as a monk, visited Hudal (and also met with British Fascist Sir Oswald MOSLEY) in Rome in 1950. He reported in Germany afterward that Bishop Hudal had promised his support in the Bruderschaft work. 47/ In the same year, the Bishop was a contributor to the Argentine neo-Nazi publication Der Weg. "Total destruction of the German armies in 1945 was a crime against the peace of Europe to the same degree as it was an act of deplorable naivete," he wrote. "After a few years have passed by, history will be rewritten. That which has now overcome us is not a Nazi catastrophe, but the errors and mistakes of all nations and powers. The Western Allies won the war merely because they possessed a majority of arms. A long time has passed since they lost the peace, however." 48/

By 1946, the German Werewolf organization had begun operations in Spain. Brigadier General Eckhardt Richard KRAMER escaped from Germany and crossed the Pyrenees to become the No. 1 Nazi war criminal known to be free in Spain. There he at once commenced organizing the Werewolves (Kampfgemeinschaft Adolph Hitler). 49/ Erich Schroeder, repatriated from Portugal in 1945, also escaped from Germany and entered Spain. Both Kramer and Schroeder subsequently entered Argentina in 1948. 50/ 51/

Argentine cooperation with clandestine Nazi operations in Spain was reported as early as 1946. An informant who claimed that he was present at a secret meeting in Zaragoza, declared that a message had been received there from Argentine financier Ludwig Freude, "close friend of President PERON." The meeting was told that Hitler's Deputy, Martin BORMANN, was with Freude in Argentina;\* that subsequent orders would come from Freude which the Nazis in Spain must obey without question. Complementary instructions from Germany confirmed Freude's authority and stated that he was financing the movement. 53/

Further reports, during 1947 and 1948, showed continuing growth in Spain of a secret international Nazi-Fascist movement. Information conveyed through a reliable source in Brussels told that the movement was to be called "The New Socialist Europe"; 54/ for the moment, however, it was more realistically designated the "Shelter for the Downcast" (Hogar de los Desesperados).

The Brussels report mentioned three leaders of this movement: Guido BECK, alias Ramon PAREDES, and two Germans "named BERNHARDT and KORPING (sic), who controlled considerable financial means." The essential source of finances was said to be German capital evacuated from Switzerland before 1944, as well as sums owed by the Spanish Government for German war materiel furnished by Hitler to General FRANCO. In the light of our later knowledge, the Brussels report seems to have been in good part accurate although at the time most of its content seemed too confused and extravagant for credence. The first of the leaders named appears definitely to be Guido Beck, a Czech physicist, who has been in Argentina since 1948. He was established there in a laboratory near Córdoba "with almost unlimited funds made available by Peron as 'a secret military expenditure.'" 55/

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\* Martin Bormann has not been seen, to the certain knowledge of any Allied agency, since he disappeared on the night of 1 May 1945, after the last meeting with Hitler in the Fuehrerbunker in Berlin. He has repeatedly been reported as alive, in Argentina, Spain, Italy, Bavaria, and most recently, in Bolivia, where he is known by the alias of "Don HILARIO." 52/ If he survived, he may have undergone plastic surgery which successfully changed his appearance. If he died, neo-Nazi leaders may have manufactured the reports that he is still living, with the object of using his name to fire their cohorts with ambition to revive Nazism.

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The second leader named can be clearly identified as Johannes G. F. BERNHARDT. Bernhardt, since 1936, has occupied a position of peculiar advantage in Spain and commands a large private fortune. He was the principal agent for the German Government in its transactions with the Spanish Nationalists regarding delivery of war supplies during the Spanish Civil War, and was consulted by the German Embassy regarding the charges and payments.\*

The third member of the trio of leaders named in the Brussels report perhaps was none other than Otto Skorzeny; KORPI/NG may be a garble of S/CORBI/A, one of Skorzeny's known aliases.

"The New Socialist Europe" organization, according to the Brussels report, envisaged the destruction of the democratic system in the world and "the installation of strong and authoritarian governments capable of . . . preventing return of economic crises . . . by the establishment of planned economy on a global scale." The South American branch, centering in Argentina, would combat the influence of the US throughout that continent. With the complicity of certain great international financiers, as well as through allocations of certain credits judiciously placed, "a large part of the commerce and industry of South America, principally in Argentina, Brazil, Honduras, and Paraguay, representing about a billion dollars," was said already to be "in the hands of the promoters of this new movement." Its agents, in the guise of commercial representatives, already "were surveying the Western countries and communicating information to centers in Madrid and Buenos Aires." 56/

With reference to the USSR, the report continued, the organization would combat the anti-Communists /sic/, their object being to allow the Communist parties a freer hand, the more to discredit themselves in the eyes of the democratic governments. The plan, in other words, was "to press their adversaries until they would destroy each other, and thus to profit, in the long run, from the disorder so created, in order to impose their new system." With this end in mind, the leaders of the movement considered subsidizing and using certain "Bolshevik" elements to foment strikes and carry out attacks against political personalities. The movement, it was said finally, had the "sympathy and material aid of powerful trust financiers in Belgium, France, Spain, Argentina, and of German-Americans in the US." 59/

Veterans of the Wehrmacht and the Waffen-SS were recruited for the armies of the Near East through a center at Munich, where one Heinz BERTHOLD, a "Colonial expert" was in charge. Another "headquarters," known as the "German Committee," existed at Beirut, under direction of Count Elmar von HARDENBERG. 60/ The three-man committee he headed was supposed to screen German refugees entering Lebanon in order to prevent admission of Jewish agents. 61/ Count von Hardenberg, it was reported, went into Lebanon with a letter of recommendation from the Grand Mufti of Jerusalem. 62/ In this connection it may be of interest to recall that the cultivation of good relations with the Grand Mufti was a special policy of von RIBBENTROP. The latter had assigned to the task an agent, Wilhelm KEPPLER, who was a member of the WIFO (Wissenschaftliche Forschungs G.m.b.H. -- Scientific Research, Inc.) a state corporation set up to cloak deals with Jewish property and exploitation of occupied countries. The WIFO was tied in with the Hermann-Goering-Werke through the person of the Austrian collaborator, Guido SCHMIDT,

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\* A 1937 memorandum of the Director of Economic Policy Division in the German Foreign Office shows that Hermann Goering intended "to appoint Herr Bernhardt as his special representative for economic questions in Nationalist Spain." 57/ Subsequent memoranda noted that Bernhardt had instructions to devote his attention to all questions concerning future reciprocal economic relations between Germany and Spain. Spain's war debt to Germany was estimated at 400 million RM. Part of the settlement was to be made through Spanish Government investments in the SOFINDUS (Sociedad Financiera e Industrial) headed by Bernhardt. 58/

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alleged former "lieutenant and friend" of Fritz MANDL. 63/ (Schmidt's reported post-war conference with President Peron, on economic planning, is mentioned elsewhere in this paper.)

The number of former German officers steered by Count von Hardenberg into military posts or other assignments in the Middle East is unknown. Various reports indicate that these expatriates formed an "Officers' Bund" or "Verein," perhaps affiliated with Die Bruderschaft, or later on with the Freikorps. They have maintained communications with Germany as have the German officers in Argentina. Otto Skorzeny's frequent travel to the Middle East, especially to Cairo, can be taken as a confirmation of this assumption. Skorzeny now comes on the scene again, at present in connection with training of Egyptian commando units. He was in Cairo, 13-29 January 1953, and it was reported that Prime Minister NAGUIB invited him to establish an Egyptian "Military Academy for Air" and/or to direct the formation of commando forces. Both requests were refused, it is believed. 64/ Skorzeny nevertheless may well be acting as a consultant on this general program. Two training centers for Egyptian commandos already exist, it is said, where recruits are being instructed by German officers, for possible guerrilla warfare against the British. 65/ 66/

Skorzeny is best known for his part in the rescue of Mussolini, in the summer of 1943, from the Italian mountain retreat where Il Duce was held after being deposed from the dictatorship. Skorzeny dropped from the sky with paratroopers, overcame the guard, and carried Mussolini triumphantly off to Berlin. He subsequently was the author of the audacious stratagem which opened the way for the break-out of German forces against the Allied lines in Ardennes Forest, in December 1944. For that action Skorzeny mobilized and trained German commandos who could speak English, with British or American accent as appropriate, schooled them thoroughly on details of speech and mannerisms. Then, equipped with British or American uniforms and jeeps, they penetrated the Allied lines in guise of intelligence officers and Military Police, gave false directions and commands, and sowed confusion which helped the German forces to gain an immense advantage in the Battle of the Bulge, before the Allies could recover balance and reform their lines.

These and other incidents of his spectacular career show Skorzeny to be an exceptionally bold operator, who makes daring use of the elements of deception and surprise. He also is skilled in the art of persuasiveness, which in his case is based on unbounded self-confidence and nerve, and coupled with consummate and continuous theatricality. Skorzeny's unorthodox fighting methods were eyed with reserve by the German field commanders and his projects were authorized only after he went directly to Hitler and obtained personal orders from the Fuehrer. While the Ardennes operation fell short of Skorzeny's full plan, it was a spectacular success from the German point of view. It enhanced his prestige with the Nazi fighting forces and even won reluctant approval from the conservative Wehrmacht professionals. The accomplishment doubtless helped him to command the confidence of some of the latter in his post-war activities, while on the strength of his old reputation he has made himself a rallying point for an unknown number of former Nazis and SS men.

The Egyptian Ministry of War has taken steps to develop facilities, under the direction of German and Czech advisers and technicians, for production of military supplies and equipment difficult to obtain from outside sources. 67/ Their plans extend to manufacture of aircraft, desert "combat cars," rockets, and parachutes. German technicians have been advising on this program for some time; Prime Minister Naguib in 1952 expressed satisfaction with their accomplishments and said he was looking for more German personnel. 68/ The Chief German

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Military Adviser in Egypt, Dr. Fritz Wilhelm VOSS, formerly was Chairman of the Board of the Hermann-Goering-Werke in Germany; President and Chairman of the Board of the Skoda Munitions Works, Prague; War Economy Leader (Wehrwirtschafts-fuehrer) under Hitler; and a member of the Nazi Party from 1937. 69/ At Voss' invitation, Ernst HEINKEL, the well-known German aircraft manufacturer, visited Egypt in February 1953, and reportedly gave advice on requirements for the manufacture of jet planes. 70/

Considering the parallel pattern of coordinated activity by German economists, scientists and ex-Wehrmacht or SS officers in Egypt and Argentina, and Otto Skorzeny's known connection with both, it is of more than passing interest to note that on 27 May 1953 President Peron conferred the high Argentine decoration, Order of the Liberator Gen. Jose de San Martin, upon General Mohammed Naguib, Egypt's Prime Minister. 71/ Spokesmen for Naguib have indicated his interest in Peron's "Third Position" and Peron's plans for supporting his "national liberation" program, as Naguib considers Argentina and Egypt to be engaged in "the same battle with imperialism." 72/ In this same connection, it may be appropriate to note the travels, since his release from prison for complicity in war crimes, of Dr. Hjalmar SCHACHT, chief architect of the economic and financial policies of the Third Reich. Dr. Schacht during the past year has visited Egypt, Syria, Iran, and Lebanon, as an economic consultant. In May 1952, he visited Spain, asserting that the trip was made as a tourist only. There have been several reports of a prospective visit to Argentina by Dr. Schacht, although the journey has not been made so far. In January 1953, Dr. Schacht opened an export-import bank in Duesseldorf, Germany. 73/

The activities of ex-Nazis in Egypt have become a cause of acute alarm to the Ambassador of the German Federal Republic. "If we don't get busy we may have here another Operation Cicero," he declared recently to the American Ambassador. 74/ Moreover, he suspects some of the former Nazi officers of collaboration with the USSR. Specifically, the Ambassador believes that two among the German military experts are maintaining communications with Russian agents; namely, Major Gerhardt MERTINS and Colonel Kurt FERCHL. Mertins was the leader in Bremen of an association of former paratroopers and reportedly was connected with the Socialistische Reichs Partei of General Otto REMER. 75/ Remer's party recently was outlawed by the West German Federal Republic. Remer fled the country and has been reported as in Cairo since then; some reports also indicate that he may be in Soviet Zone service. 76/

Colonel Ferchl was a General Staff Corps officer in 1941, was captured by the Russians, and, contrary to the usual treatment given high-ranking German officers, was liberated in 1950. In such cases, there is room for suspicion that some pledges of cooperation may be involved in obtaining release. 77/

The German Ambassador also believes that economic specialist Dr. Voss, although the authorized representative of the Bonn Government, has been "playing a double game" and that Voss, Skorzeny and Voss' associate, Joachim HERTSLET, are in touch with former SS officers in Syria, Saudi Arabia and Pakistan. Judging by the accumulating reports on the spread of the "International Waffen-SS" and the general neo-Nazi-Fascist movement with which Skorzeny is identified, the latter statement may be true. The German Ambassador's concern over information that Dr. Voss plans to hire former SS and Gestapo members for service in Egypt is probably well founded. The background of Herr Hertslet reveals him as a German agent in the US and Mexico prior to 1941, where he attempted to arrange for the shipment of strategic materials, especially petroleum, to Germany. He was a member of the Nazi Party and under the Nazi regime was a member of the government-controlled export-import trade organization (Wirtschaftsgruppe Gross-Ein-und Ausfuhrhandel). 78/

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### III. THE NAZI STAY-BEHIND ORGANIZATION IN ARGENTINA

When the Argentine branch of the Auslandsorganisation was established in 1933 under Dr. Gottfried BRANDT, it was with the announced purpose of fostering closer commercial relations between Argentina, Brazil, and Germany. The Argentine police soon became aware that its operations were not confined to commercial affairs, and placed it under surveillance. It was finally ordered closed by Executive Decree of 15 May 1939. <sup>79/</sup> This decree was directed against totalitarian infiltration of Argentina. Three months later, however, on 8 August 1939, the Auslandsorganisation resumed operations under cover of the Federation of German Benevolent and Cultural Societies (Federación de los Círculos Alemanes de Beneficencia y Cultura), also referred to as the German Mutual Aid Society. Ludwig FREUDE was President of the Federation. The chief of Auslandsorganisation operations under its cover was Alfred MUELLER, already known to Argentine intelligence services "for his ability to inculcate Nazi aims and methods in the country to which he was assigned."<sup>80/</sup> Mueller was a civil attache of the German Embassy. Dr. Brandt, who took the lead in reorganizing the NSDAP after the suppression in 1939, was a partner in a local chemical firm, Brandt y Cia. In 1936 he had become Nazi Komissar for South America.

Argentine police continued to watch the activities of German organizations until the overthrow of the Castillo Government in 1943. As previously mentioned, the AO was forced to go under new cover, that of the Unión Germánica, in 1942. After the Colonels' Revolt of 1943 and establishment of the new government under General Pedro P. RAMIREZ, the German organizations and the Argentine nationalist groups, which were pro-Nazi in sympathy, were no longer curtailed in their activities or subject to surveillance. This freedom terminated when Argentina severed relations with Germany on 26 January 1944. Intervention of the German clubs was promptly ordered. The Mutual Aid Society and the Union Germanica were spared; however, Alfred Mueller was removed at that time and replaced by Gualterio BENDFELDT.

The Department of State was well aware of the possibility that these groups, particularly the German charity organizations, might serve as vehicles for recrudescence of Nazism. In 1947, the Obra de Ayuda de la Iglesia Evangélica en Alemania (Relief Work in Germany of the Evangelical Church), with headquarters in Stuttgart, was mentioned as an object of special concern in this regard. <sup>81/</sup> Carlos SCHMIDT (or SCHMETS), President of the German Evangelical Congregation in Argentina and President of the German Chamber of Commerce, was a known Nazi leader. <sup>82/</sup> The Vice-President, Ludwig FINSTERBUSCH, a wealthy businessman, was a Party supporter. His son, Armin FINSTERBUSCH, is a leader in the current Argentine neo-Nazi movement. The many efforts and official demarches by the US before the Argentine Government under President Peron, urging measures of effective curtailment against the Argentine Nazis, were met with alternating delays and promises, and in the long run were largely unavailing.

Nazification of German firms in Latin American countries, as has been stated, was the most effective penetration measure taken by German National Socialism through the Auslandsorganisation. By this measure the Party obtained almost complete control of trade to and from Germany. German firms were forced to contribute toward financing propaganda, and lent their facilities for printing and distribution. They assisted in smuggling strategic materials from Latin America to Europe and in disposing of looted currency and securities. They collected commercial information and furnished cover employment and letter-drops to agents. The assistance given by these firms to German espionage was of incalculable value. If the leading German firms could have been effectively removed from German control soon after the outbreak of war, the operations of the professional German intelligence services "would have been greatly if not decisively impaired." <sup>83/</sup>

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Some firms acceded to Nazi demands only under pressure, some out of opportunism. Some of the German businessmen made "the fundamental error of confusing Nazism with conservatism and Monarchism." 84/ Many of the major German enterprises, however, were willing and enthusiastic collaborators in the plan to utilize South America as a base of operations to support the German drive for world domination. The hope was to convert these countries into German satellites by obtaining control first of their trade and then of their governments. 85/

The German commercial and political penetration in Argentina went so deep that it was disturbed only slightly by Germany's military defeat. Neither domestic nor foreign anti-Axis forces were able to induce the Argentine Government to take effective action against the principal German business houses which had provided funds and cover for Nazi operations. The men who headed these firms continued to exert great influence on high-ranking officials in the Argentine Government and armed forces. The main German businesses suffered no major interference and the repatriation or extradition of a large number of the Nazi leaders on Allied "wanted" lists was prevented. 86/

German enterprises in Argentina, which collaborated with the Nazis and remained free of controls throughout the war, included Ludwig Freude's Cía. General de Construcciones; Staudt y Cía.; Cía. Argentina de Electricidad, S.A.; A.E.G.; Anilinas Alemanas, S.A.; "Deutz Otto" Legítimo, S.A.; Nevss y Freytag, S.A.\*

Ludwig Freude, the leader of the German Colony in Argentina, was also the foremost Nazi collaborator of the business community. Richard Staudt, of Staudt y Cía., was the No. 2 Argentine Nazi. Freude is an old friend of Fritz MANDL, the Austrian munitions maker, who has taken Argentine citizenship and reportedly gave financial support to aid the rise of pro-Nazi factions in Argentina. Through Mandl, Freude allegedly multiplied his own fortune six-fold. The firm of A.M. Delfino y Cía., headed by Antonio DELFINO, gave conspicuous assistance to Germany, both during World War I and World War II. The German Railways Bureau, with which Delfino was connected, was used as a rendezvous for German agents and as a receiving and storage office for propaganda material. Delfino, a member of the Steering Committee of the German Chamber of Commerce, was consulted when German Embassy funds were to be used for political purposes. Under cover provided by Delfino y Cía., Wilhelm LANGE recruited and trained German sabotage agents from 1939 to 1941. 87/

Hans Rudolph Leo HARNISCH, General Manager of the Boker y Cía., steel concern, was reputed to have been Hitler's personal representative. He visited Germany in 1941 and returned to Argentina to organize a semi-independent SD \*\* information group.

Thilo MARTENS, President of Martens y Cía., "Lloyd Argentina," made the North German Lloyd offices a clearing house of maritime information useful to the German Government. Direct evidence in this case showed the use of Argentina as a center for sabotage activity. Martens was a leading member of the Unión Germánica. 88/ He is currently a member of the Board of Directors of the German Club in Buenos Aires.

Subsidiaries of the I.G. Farben Industry, including Química Bayer and Química Schering, were active in the service of the Nazis to the point that mere employment by these firms came to be accepted as possible evidence of intelligence activity. Branches of the Siemens Trust were notable for employment of technical experts who supervised establishment of clandestine radios. 89/

\* See Annex C for full list of Nazi firms

\*\* Sicherheitsdienst, Security Service, part of the Nazi SS (Schutzstaffeln) elite guard

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German banks such as Banco Alemán Transatlántico and Banco Germánico de la América del Sud, were integral parts of the Nazi commercial empire and a primary medium for direct payment of espionage agents. The Hamburg-American Line furnished cover for sabotage leaders and for one of the principal smuggling networks in Argentina. The North German Lloyd in Chile provided cover for the largest espionage network on the west coast of South America. Its operations were directed from Argentina. Hans KRUSE and Alfredo HERMANN, directors of the Banco Aleman Transatlantico, currently are members of the Board of Directors of the German Club.

The success of the coup d'etat which brought the Farrell-Peron officers' group\* into power, on 4 June 1943, gave the Germans a reprieve in Argentina at a time when the tide of opinion and the course of war were turning against them. Before the end of that year, however, compromising documents were found in the possession of Osmar Alberto HELLMUTH, an agent who served both the German SD and the Argentine Government. This exposure by British Intelligence definitely revealed the infiltration of the Argentine Government by agents of the Third Reich and was a major factor in causing severance of relations with Germany by Argentina as a face-saving gesture.

"The main facts of the Hellmuth case are that the highest officials of the Argentine Government were dealing with SD agents and employed a man whom they knew, or reasonably should have known, was an SD agent, gave him a position as an auxiliary consul, a diplomatic passport, and a mission to achieve in Germany with superior representatives of the German Government, Walter SCHELLENBERG, Chief of Amt VI of the RSHA, Heinrich Himmler, and possibly Hitler." 90/

Hellmuth was connected with the SD through Harnisch. He was commissioned to go to Germany as a representative of the Argentine Government. His instructions were: to obtain a safe conduct from the German Government for the Argentine tanker Buenos Aires, in port in Gothenberg, Sweden; secure precision tools for the Argentine rearmament program; purchase arms; arrange to bring certain German technicians to Argentina; arrange for exchange of information between the German and Argentine Governments, apparently through the SD; and to assure the German Government that there was no intention on the part of the Argentine Government to sever diplomatic relations with Germany and that if such a break did occur, it should not be taken at face value. 91/ This mission failed when Hellmuth was arrested by British authorities at Trinidad and charged with espionage.

The subsequent investigations revealed, among other things, that shortly before his departure Hellmuth was informed that Ludwig Freude, "who claimed to be an intimate personal friend of Adolf Hitler, had offered to have the affair of the tanker solved through his own resources through the offices of Colonel VELEZ, Argentine Military Attache to Spain. Hans Harnisch dismissed this offer as officious meddling. Hellmuth was informed that arrangements were being made by Colonel Peron for collection of the details of the arms transaction at Madrid.

A series of clandestine radio messages in connection with this case clearly showed the extent of German-Argentine cooperation. Transmitted by a clandestine radio network of Harnisch's "special" SD group, they revealed that SD agents Harnisch and Becker were at odds with the German Embassy, that Freude cooperated with the Embassy, and that Freude was opposed to the appointment of Hellmuth, who had once worked for an English firm and whom Freude apparently suspected as a double agent. One of the most interesting of the messages states that Colonel Peron reported the news of Hellmuth's arrest at Trinidad, although it is not clear

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\* Grupo de Oficiales Unidos (GOU)

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whether Peron gave the report directly to the SD. The SD, however, had this information on 7 November, but the German Embassy in Buenos Aires apparently had no knowledge of the arrest as late as 20 November.

On 26 January 1944, the Argentine Government severed diplomatic relations with the German government, announced the dismissal of Hellmuth from the Argentine Consular Service and began a drive on Axis espionage agents in Argentina. However, "far from providing for inter-American coordination and exchange of information concerning . . . espionage and related activities, the Argentine Government engaged . . . in efforts to prevent Allied authorities . . . from obtaining information about Axis espionage, sabotage and subversive activities in Argentina. Between December 1943 and 6 December 1944, at least fifty individuals were arrested by Argentine police authorities charged with the 'crime' of furnishing information to Allied diplomatic missions in Argentina concerning Axis espionage in Argentina." 92/ Because of the secrecy on the part of the Argentine Government and its persistent refusal to furnish information, it was impossible to obtain an accurate list of Nazi agents who had been arrested or released. A US tabulation indicated that 257 Axis agents were working in Argentina, of whom 174 were arrested, 83 never arrested, and 81 released after being arrested.

Before departing from Argentina, the German Embassy Chargé d'Affaires, Colonel Friedrich WOLF, who was the Abwehr representative in Buenos Aires, established a "stay-behind" intelligence group. It was customary in German intelligence circles to provide for such stay-behind groups to operate in the event it became impossible for the regular intelligence officers to function in a given country. The one established in Argentina is an excellent illustration of this device.

Col. Wolf had foreseen the necessity of taking such action some months before the severance of relations between Argentina and Germany. He selected as chief operations officer one Ernesto SCHLEUTER, a German espionage agent formerly in Chile, with Horst Hermann Antonio BUSSE, alias NORDEN, as an assistant and liaison with Gustav UTZINGER, SD agent in charge of all clandestine radio communications between Argentina and Germany. 93/ Wolf entrusted to Ludwig Freude, Hans LEUTERS, who was President of Hugo Stinnes, Ltd., and Friedrich FROHWEIN of the I.G. Farben concerns, a reserve fund with which to finance operations. Col. Wolf also turned over a considerable sum of money, ostensibly for charity purposes, to Wilhelm WIELAND, who was one of the Gestapo representatives on the Directorate of the Auslandsorganisation and the last Nazi Party Landesleiter in Argentina. Wieland was deported, but it is probable that he had transferred portions of the fund to other Nazi officials before his arrest. 94/

Some of the money left behind by the German Embassy probably was distributed to charitable institutions, as the German relief agencies, churches, clubs, and schools served as a last stronghold of Nazi activities. Nazi influence persisted in these groups, especially in the schools, and some German pastors, notably those of the Evangelical Church, were outspoken advocates of National Socialism.

The German clandestine radio stations were all permanently broken up by August 1944, one month after the departure of Col. Wolf. This left only couriers on Spanish ships available to the stay-behind group for communication with Germany. It is doubtful that much valuable information reached the Germans through their efforts. The importance of Wolf's action lay rather in the framework of organization and the nucleus of authorized personnel to which he transmitted authority and funds.

The few agents who were convicted of espionage received short sentences. No leaders of SD espionage were deported, probably because Argentine officials feared

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that statements by these agents would further implicate the Argentine Government in Nazi plots and anti-Allied operations. Literally hundreds of Germans, Argentines, and Spaniards worked for or collaborated with the Nazi intelligence system; few were arrested or put under restraint. Many trained, experienced German agents, including both SD and Abwehr personnel, were thus left at liberty, and supplied with funds.

Since 1946 many of the agents convicted by the Argentine courts, or who were held under arrest awaiting trial, have been released, and deported Nazis have returned to the country. Among them are Alfred Mueller, the former Secretary General of the Auslandsorganisation in Argentina, and Wilhelm Weiland, the last Landesleiter. 95

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#### IV. RECENT INDICATIONS OF NEO-NAZISM IN ARGENTINA

The post-war immigration into Argentina from Germany, legal and illegal, is estimated at 7,000; about two percent is Nazi. 96/ In 1946, the estimated total number of persons of German descent in Argentina was 236,755. Of these, 43,626 retained German citizenship. About 2,400 Germans immigrated annually from 1921 to 1939. 97/

At present, there are several centers of neo-Nazi activity among the Germanic population. Communications are maintained with similar nuclei in Germany and with European leaders of the kindred international movement now known as the "Association of European Nationalist Movements." The Wehrmacht and SS veterans also have direct liaison with leaders of various rightist parties and war veterans' organizations in Germany. However, only a minority of the German colony is actively involved in the resurgence of Nazism; this minority is not noticeably influential within the colony as a whole. Some positive anti-Nazi sentiment exists among both the old German residents and the post-war immigrants; presumably there are many who avoid aggressive neo-Nazis, although they probably could offer little resistance to a determined neo-Nazi drive, should such a thing develop. 98/

Obviously, there is very little ideological difference between Peronism and Nazi-Fascism and, under promising circumstances, a favorable Peronist reception to open Nazi-Fascist collaboration and influence would be entirely possible. "In the event of a strong resurgence of Nazi-Fascism as a power factor in Europe, the local groups could quickly achieve an importance out of proportion to their present small number." 99/

It has been reported that, since the beginning of 1952, active representations of neo-Nazi thought in Argentina have been trying to determine which circles in the German colony are receptive to their ideas, preparatory to organizing them, presumably along the lines of the former NSDAP Foreign Organization. 100/ Readers of the German language newspaper Freie Presse and the magazine Der Weg have been requested through advertisements to send aid packages to Germany through an agency called Kameradenwerk. They have also been asked to sign petitions for the release of prisoners of war and convicted war criminals. The true purpose of Kameradenwerk, it is said, is to collect the names and addresses of possible neo-Nazi sympathizers. Kameradenwerk officially is directed by Constantin /sic/ Freiherr von NEURATH, "son of the former German Foreign Minister." \* In June 1952, von Neurath reportedly greeted affiliates of Kameradenwerk from other countries, "among whom were Dutch, Belgian, French, and Scandinavian Nazi-Fascists, as well as several emigrants from the East European satellites." 101/

The real management of Kameradenwerk is purported to be in the hands of a former colleague of Dr. Goebbels, a Dr. CHRISTMANN, and Col. Hans-Ulrich RUDEL, one of the most famous German flyers of World War II. Rudel lived in Argentina from 1946 to the fall of 1952 and is now traveling in Europe on an Argentine passport. He was employed by the Argentine Air Force as a test pilot and technical adviser on jet plane production. Rudel reportedly has written or lent his name to inflammatory pamphlets with such titles as Dolchstoß! \*\* which were sent through the

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\* Probably mistakenly written for Nicolas von Neurath, who is living in Argentina, in charge of the Thyssen properties. 102/ Relationship to the former Minister is unverified.

\*\* The word Dolchstoß, meaning "stab of a dagger," refers to the post-World War I stab-in-the-back legend, whereby some German army veterans explained away their defeat, claiming that it was the result of treachery, not military failure.

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facilities of Kameradenwerk to sympathizers in Germany. 103/ The Minister of Interior of North Rhine-Westphalia recently stated that his government has confiscated a quantity of subversive literature sent to Germany by former Nazis living in Argentina. 104/ Another of Rudel's alleged propaganda connections in Germany is with Die Deutsche Zukunft (German Future), organ of the rightist Free Democratic Party, through its editor-in-chief Siegfried ZOGLMANN and party leader Wolfgang DIEWERGE. 105/

Deportees and new German immigrants have been aided in getting to Argentina by former Nazis who work for or are in close contact with the Argentine Government. As previously stated, President Peron employed Ludwig FREUDE's son, Rodolfo, as one of his private secretaries from about 1946 to 1951 (See page 8). Rodolfo received Nazi indoctrination as a boy and has been regarded for some time as a leader in a fanatical neo-Nazi youth clique. 106/ During the early post-war period, one HARDKOPF or HARTKOPF, Rodolfo's cousin and a nephew of Mrs. Ludwig Freude, reportedly was secretary of Col. Enrique P. GONZALEZ of the Control del Estado, the Presidential intelligence agency. Col. Gonzalez was National Director of Migrations and Technical Investigations in 1949. He was formerly a member of the Argentine General Staff and at one time was assigned to the German Army. He was a member of the pro-German GOU (Grupo de Oficiales Unidos) officers' lodge, which supported the Farrell-Peron coup d'etat, and he was deeply involved in the Hellmuth affair. 107/ (See page 18.)

An Argentine-born SS leader named FULTNER (aka FULDNER or FUSTER), was reported to be Col. Gonzalez' liaison with the Argentine Office of Immigration. In 1948, Fultner was made a member of the Argentine Immigration Delegation for Europe, and was stationed in Genoa. From this key position he was able to help many Wehrmacht, Gestapo, and Waffen-SS veterans to enter Argentina. With funds allegedly provided by Ludwig Freude, as well as the Argentine Government, he made a trip to Spain for the same purpose. He now is business manager for a group of industrial designers composed largely of former Wehrmacht and Nazi technicians, who have organized in Argentina the Compania Argentina para Proyectos y Realizaciones Industriales (CAPRI). Among its employees are Karl Freiherr von MERCK, one of the most important German intelligence agents now in Latin America, former Volkischer Beobachter correspondent and former German intelligence agent in Spain; and Guenther SASSEN, alias Steven WEIL, who was a leader in the SS "Niederlande" Division. 108/

Dr. Branko BENSON, the former Croatian Ambassador to Berlin, who arrived in Argentina about 1947, also worked in the Argentine Immigration Office. His assistant in political screening of German immigrants was former SS Colonel-Judge Dr. Walter PAULMANN of Kassel, alias Dr. SCHOOF. 109/ Fultner, Benson and Paulmann are said to have discredited themselves by abusing their authority for personal gain. Paulmann, or Schoof, is said to have sold Argentine entry permits in blank. He left Argentina for Chile in 1950. 110/ Dr. Josef Schoof, believed to be currently in Spain, appears to have no connection with Paulmann; he may be a channel of information for the Bonn Government.

Rodolfo Freude either resigned or was dismissed from Peron's office in 1951, after an investigation was begun regarding his activities outside the country, especially in Paraguay. 111/ Nevertheless, he continues active in affairs linking him with Nazi immigrants and with resurgent Nazi activities in the German colony.

According to a report from a German now residing in Chile, the leaders of the Foreign Branch of the Supreme Command of the Wehrmacht are still functioning, "as are the old agents of Department VI of the SS security service, whose ranks have been reinforced and strengthened, particularly in South America, by high officials of that body who were forced to flee Europe and other parts of the world." 112/

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This assertion finds some support in a report that Walter SCHELLENBERG, wartime chief of Amt VI of the RSHA,\* was associated with SKORZENY's operations in Madrid in 1951. 113/ Schellenberg was close to Himmler and was one of the high officials in Germany whom Osmar Hellmuth was to have contacted had his mission succeeded.

It also is said, although without supporting evidence, that a German intelligence network, closely patterned on those previously existing in South America, is headed by a General Otto WIEDEMAYER or WIEDEMANN, who operates from Buenos Aires and transmits instructions to agents in Uruguay and Chile. 114/ The cover organization in Chile for the alleged "Wiedemann" network is said to be the Instituto de Cultura Chileno-Argentina. 115/

A combined Argentine-German intelligence service is said to be directed by Dr. Heinrich THEISS, who during World War II was technical adviser to the Gestapo, and is said now to be an adviser to the Argentine police. He had been deported but returned to Argentina in 1947 or 1948, and seems to have been employed by the Government agency IAPI (Instituto Argentino para la Promoción del Intercambio). His immediate assistants in wartime Gestapo work, Dr. Fritz ADAMS, Heinrich RICHNER, and Dr. Joachim RIEHLE, also have returned to Argentina. 116/ Theiss, together with Rodolfo Freude, is said to have directed smuggling of arms and ammunition into Bolivia and made other preparations to support PAZ ESTENSSORO in his successful bid for control of the Bolivian Government in 1951. 117/

The author of the report from Chile, above cited, believes that remnants of the Hitler Youth Organization are even more active than the intelligence agents and that they are being directed and used by former SS officers. In Chile and Argentina, he states, the youth organizations are commanded by young men who can claim citizenship in those countries and thus are eligible for public office or employment and in numerous cases belong to families of great wealth. "These youths are devotees of a cult of Hitlerism and serve the cause of neo-Nazism with fanatical fervor." 118/

Rodolfo Freude is one of the three principal figures in the reactivated Hitler Youth Group in Argentina. The others are Armin FINSTERBUSCH, son of another German-Argentine millionaire, and Eberhard FRITSCH, former Gauleiter, who devoted his early life to Hitler youth activities and is now said to be propaganda chief for the "Bund" of former German officers in Argentina, also known as the "Weg Circle." 119/

Finsterbusch reportedly heads a secret Wewolf organization. It is said that he finances an individual named Guido SCHWARZ, the founder of a children's group intended to perpetuate youth activities of the Auslandsorganisation. It is alleged that this organization uses the name "Young Falcons," title of a German Socialist youth affiliate. Finsterbusch also is said to be the owner of the Club del Recreo at Punta Chica, a Buenos Aires suburb on the shores of Río de la Plata, where newly arrived Germans, who have no other point of contact with fellow Germans, spend Sunday afternoons. The old Teutonia Rowing Club in Tigre performs a similar function. 120/ The Teutonia club boasted 1300 members in 1941 and was well-known as a center of Nazi activity during World War II. 121/ Both clubs in their current operations apparently follow the pattern established by the Auslandsorganisation in using cultural and recreational facilities to indoctrinate and bring people of Germanic background under Nazi regimentation.

Fritsch, who is said to be subsidized by Ludwig Freude, is the publisher of the magazine Der Weg (The Way) and the German language daily newspaper Die Freie

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\* Reichsicherheitshauptamt, administrative office over the SD, KRIPO and Gestapo, principal secret German police organizations.

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Presse. He also directs the Duerer-Haus bookstore and publishing company; this institution came out of the library of the Nazi youth organization in Buenos Aires, which Fritsch salvaged when the Nazi organizations began to break up at the time of the military defeat of Germany. Together with the library, Fritsch retained possession of a valuable collection of old files and mailing lists of contributors to the Nazi youth program. He reportedly receives communications from Germany through August HAUSSLEITER, head of the extreme rightist Deutsche Gemeinschaft refugee party. 122/

The magazine Der Weg first appeared in July 1947. 123/ It is the mouthpiece of neo-Nazism and for that reason has been banned from Western Germany. 124/ Its monthly circulation is said to be 3,000. At the present time, Der Weg's influence in Argentina is not considered significant, but it may serve to bring former Argentine Nazis and German newcomers into contact with the secret neo-Nazi movement. 125/ The magazine also is distributed in Chile and Brazil. Free copies have been included in food parcels sent to Germany by a local service known as "McMillan." This firm is reported to have circulated to Latin American countries Cominform literature which had previously been translated into Spanish in Russia. 126/

Die Freie Presse, successor to the former Deutsche La Plata Zeitung, is widely read in the German colony of Argentina. It is staffed almost entirely with former employees of Emil TJARKS, propaganda chief of the former Auslandsorganisation in Argentina. Its present editor is Wilfred von OVEN, one-time Wehrmacht adjutant to Dr. Goebbels. Von Oven entered Argentina in 1951. In the 'thirties he was Spanish Civil War correspondent for the German Propaganda Ministry, and an outstanding contributor to the Nazi press. 127/ Another frequent contributor to Fritsch's publications is Dr. Johannes von LEERS, former Hitler Youth director, and author of extreme nationalist and anti-Semitic books. Duerer-Haus has been publishing works of this type since 1949. Rudel's "Dolchstoß!" pamphlet has been mentioned. His book And Yet, and one entitled Too Late by Colonel Werner BAUMBACH, also were on the Duerer-Haus list. 128/ Both of these books dealt with reasons for the Luftwaffe's defeat.

The neo-Nazi advisers on post-war immigration have been able to identify themselves and their proteges with established local circles. Fuldner reportedly attached himself to the Finsterbusch and Freude group; von Merck, von Oven, and von Leers work with Eberhard Fritsch. Rudel was reported present with Fritsch and Arturo PONS Bedoya, press officer of the Argentine Foreign Ministry, at a secret conference on Bolivian affairs prior to the accession of power as Bolivian President by Victor Paz Estenssoro. 129/ (See page 23.)

German scientists and engineers who have emigrated to Argentina since 1946 constitute a special group whose motives and intentions require individual analysis.\* Some of them would work for Nazi resurgence. Others wish to have no political involvement. They are in Argentina because they expected to find suitable work under the Peron Government's much-advertised plans for industrialization. Many have suffered disappointment and economic hardship as these plans have failed to materialize. Some are said to have been subjected to pressure by neo-Nazis who have sought to take advantage of the difficulties of their situation. Many of these scientists and engineers are dissatisfied in Argentina and would like to leave as they feel frustrated because their talents are being wasted there.

Neo-Nazi intrigue in Argentina at present is limited to rather narrow circles, involving a relatively small number of individuals. The interested groups are not coordinated under a single recognized leader or directing body. Doubtless there are disputes and rivalries for precedence between members of the old German colony, Wehrmacht and SS veterans, and other recent immigrants. Jealousy and competition

\* See Annex B and Annex C, p. 84, for names of some German scientists in Argentina.

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play their part; the element of homosexuality has also been reported. 130/ Among the leaders and lesser adherents, many can be characterized as frustrated dreamers, psychotic war veterans and mere opportunists. There is, on the other hand, a latent power in the cohesiveness and persistence shown by the known international leaders. There is also a potential of great importance in the apparent existence of strong financial backing from hidden sources. Available information regarding the scope and details of localized neo-Nazi and neo-Fascist activities is scattered and not always reliable. This is also true of data regarding the related international movement. The evidence is sufficient, however, to show a consistent and purposeful pattern, both within given areas and where lines of communication cross international boundaries.

In this latter connection, it is of interest to consider current Argentine actions seeking economic union with other Latin American countries in the light of the probable continuity of attention given these matters by Peron's Nazi friends, who always encouraged the Argentine ambition to create a "Southern Bloc." Because of the present neo-Nazi entrenchment and aspirations in Argentina, the involvement of Nazi agents in the wartime advancement of Argentine plans for a pro-Axis, anti-US bloc is of more than historical significance. Intercepts of clandestine radio communications between Nazi SD agents in Argentina and their superiors in Germany at that time showed that these agents had access to the Argentine General Staff, which meant the Government itself, usually through Colonel BRINKMANN, Secretary of the GOU, Argentine "Colonels' Lodge," of which Colonel Peron was President. The messages show conferences between the SD agents and members of the General Staff, joint plans of operation, joint use of agents, and similar aspirations. They show, especially, the great interest of Colonel Peron and the Government in revolutionary developments in neighboring countries. A report sent by the SD agents to Germany on 14 July 1943 advised of the arrival in Buenos Aires of Victor Faz Estenssoro and his connections with Argentine nationalists, and concluded with the assertion that support for a revolution in Bolivia by Chile and Argentina was assured. A report of 7 September 1943 declared that "Chilean-Argentine agreements concerning customs union mean further step in the development of the plan of the Ramirez Argentine Government toward building a South American Bloc of States for the purpose of eliminating US influence . . . Furtherance of revolutionary movement in Bolivia by Argentina has same basis . . ." 131/ On 1 November 1943 the SD agents reported to Germany that they had brought certain Brazilian Integralistas together with the Argentine General Staff and help was offered the Integralistas "with the forming of a South American Bloc against the USA . . ." 132/ In another message the SD agents said that "Peron characterized the Argentine Revolution as Continental. First result is Bolivia. Movement is developing satisfactorily in Chile, Paraguay, Peru, and even Uruguay." 133/ On 5 December 1943 the SD reported "Chilean Nazis under GOMEZ MILLAS and GONZALEZ VON MAREES . . . making preparations . . ." A message of 21 December 1943 said that an agreement had been reached by the Argentines with General IBANEZ del Campo. "The Nationalists Gomez Millas and Gonzalez Von Marees are providing 5,000 well-trained and well-armed partisans . . . Peron has promised one million dollars to the movement with agreement of the Argentine Government." 134/

A previous series of messages told of a secret meeting of higher officers and functionaries of the Argentine General Staff and Government to discuss the international situation. "The final goal is formation of a bloc of southern Latin-American countries which will stand up for its own interests without tutelage of others . . . Bolivia must not only be freed from the influence of the US but must also introduce social justice . . . Chile's economic difficulties must be removed with the help of Argentina or else its complete transformation to (status of) a US colony is to be expected . . . The following post-war problems exist: first, in case the Allies win and could stop the Soviets, it must be prevented that South America be added to the common spoils of war; second, Russia, if it is left in the lurch by the Allies, will augment the

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outlay for Communist propaganda in South America; third, the control of South America through an Allied victory could only be retarded through a policy of social justice and collective military alliances; fourth, in case the Axis is victorious, South America must not become a victim of post-war sanctions of the US -- as for Spain, the door must be left open for collaboration in the framework of the new order; and fifth, in case the war ends with a compromise, utilize the situation in order to insure complete independence." 135/

Peron at present appears to be interested in nothing more than economic agreements with neighboring countries. The fact that President Ibañez del Campo of Chile completely revised his Cabinet after Peron's recent visit to that country may be no more than coincidental. However, in the light of Peron's statement of friendship for the old German comrades (see page 9), made the day prior to his departure for Chile, it is interesting to note that five of those selected by President Ibañez, as the list was announced on 2 April 1953, had pro-Nazi records, and one of the five was mentioned in the foregoing SD wireless messages. In addition to the well-known Juan Bautista ROSSETTI, Minister of Finance, the appointments were: Osvaldo KOCH, the President's son-in-law, Minister of Interior; Alejandro HALES, Minister of Agriculture; Orlando LATORRE Gonzalez, Minister of Public Works; and Juan Gomez Millas, Minister of Education.

Osvaldo Koch was named in 1943 as one whose known activities on behalf of the Axis warranted his apprehension by the Chilean authorities. Koch was an attorney for several large German corporations: the I. G. Farben affiliate Cía. General de Anilinas; Bayer; Merck Química Chilena; and Sociedad Tubos Mannesmann. All of these firms collaborated with the Nazis and gave cover to Nazi agents. When, in 1944, the major Nazi intelligence network in Chile was exposed by the Chilean police, Koch undertook the defense of the spy ring director, Bernardo TIMMERMANN. 136/ The case was not vigorously prosecuted by the Chilean authorities, and several of the ringleaders escaped to Argentina, headquarters of the network. 137/

Latorre Gonzalez was trained in the law offices of the Nazi leader José Gonzalez Von Marees, mentioned in the foregoing SD wireless messages, and was active in Nazi youth movements. Latorre is known to be pro-Peron and anti-US. Gomez Millas, named with Von Marees in the SD reports to Germany as directing operations of Chilean Nazis, is a professional educator with Nazi background. His business office in Santiago was a cover for Nazi propaganda activities in 1943.

Another former pro-Axis friend and recent visitor to President Ibañez is ex-President Higinio MORINIGO of Paraguay. 138/\* General Morinigo now lives in Argentina. He is manager of the Buenos Aires branch of MSI, the Italian neo-Fascist movement, led in Argentina by Vittorio MUSSOLINI.

Liaison is maintained between the German neo-Nazis and the Italian-Argentine neo-Fascists, although the two groups operate separately. Former Nazi-Fascist leaders collaborate with agents of other rightist national groups: Ante PAVELIC, former head of the Nazi-sponsored state of Croatia, now living in Argentina, has ties with the Argentine MSI. 139/ According to recent report, Dr. Mile LEFTER, an influential member of the Rumanian Iron Guard, "teaches Argentine youth nationalistic ideals and systems based on the experience of European Fascists" and writes for the Iron Guard periodical Insemnari, published in Buenos Aires. Lefter is an honorary member of the Alianza Libertadora Nacionalista (ALN), well-known Argentine reactionary organization which was conspicuously pro-German during World War II. Lefter is visited regularly by Radu GHENEA, chief of the Horia Sima faction of the Iron Guard in Latin America, who has taken Bolivian citizenship and has been appointed Director of the Bolivian Office of Migrations. 140/

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\*Col. Hans-Ulrich RUDEL, currently on a "study tour of Chile," also has visited President Ibañez. According to official Santiago broadcast he was received by the President and the Commander-in-Chief of the Air Force on 1 June, 1953.

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#### V. RELATIONSHIP OF ARGENTINE AND GERMAN NATIONALISTS AND NEO-NAZIS

Neo-Nazi activities in Argentina apparently connect at several different points with the German rightist movements. Both the Freikorps Deutschland and Die Bruderschaft have definite ties with Argentina, and it is among these veterans' groups, with their irredentist philosophy and expellee sympathizers, that the real dangers of a National Socialist revival lie. "After the collapse in 1945, most of the leading Party men who escaped execution and did not commit suicide were imprisoned, or escaped to Italy, Spain, Argentina, or Brazil. When they were released, or emerged from their hide-outs, they did not openly join or form political parties. Their activities have been carried on inside small private circles that have maintained contact with the overseas Nazi groups, and with the Waffen-SS." 141/

Die Bruderschaft, for example, grew out of discussions in prisoner-of-war camps during 1945 and 1946. From these discussions arose the plan of a Europe-wide social movement, sponsored principally by former German officers who would band together to combat Communism and work for a powerful, independent, unified Europe, of which Germany would be the hub. The vehicle for this achievement was to be an "elite" which would develop desired policies by systematic infiltration into other groups and institutions. Before 1949, two loose agglomerations of militarist groups existed. In both, the leaders, and a large part of the general membership, were young Nazis, SS and Hitler Youth members, and former professional officers.

As early as 1947, former members of Panzer Division (later Corps) "Grossdeutschland," including some former general staff officers, joined in a group called the "Neue Feuerwehr," led by Generals von NATZMER and von MANTEUFFEL. Former Nazi leaders at about the same time formed a group called the "Neue Ordnung." These leaders were reported to include: Otto SKORZENY, Joachim von OSTAU and Fritz DORIS; Gauleiters Karl KAUFMANN, KREBS, and Hermann LAUTERBACH; Prince Hubertus von LOEWENSTEIN; Prince REUSS; Karl MEISSNER and Richard ETZEL. 142/ The two groups subsequently merged. Somewhere in this loose association, a small special "directoriate" was formed by Generals GUDERIAN and Manteuffel, SS Generals STEINER and HAUSSER, and Admiral KRANSBUEHLER. General Guderian is perhaps the most reactionary high-ranking former German military officer. 143/

In the background there was also a Hamburg group, led by Professor Hans HESKE, who fostered the idea of a federated Europe with Germany as an important component. Alfred FRANKE-GRIEKSCH, ex-SS Sturmbannfuhrer, formerly of the Personalamt of the RSHA, was a member of this group. 144/

"The confused origin and two-fold ancestry -- former Nazis and former professional soldiers -- were apparent in the Bruderschaft's early activities and interests. A major role envisioned was the remilitarization of Germany as a bulwark against Communism, but there was considerable difference of opinion as to its timing and nature, and whether it should be integrated with the West or integrated with Europe as a Third Force." 145/ The possibility of joining with Eastern European forces, as a temporary expedient, was also advanced by some Bruderschaft leaders, later on. From the start, however, there was considerable general agreement in one area of operations, namely, developing the Bruderschaft as a sort of holding company or roof organization for controlling a mass political movement. Great efforts were made to attract former Wehrmacht officers into the fold; they were selectively invited and plied with the concept of elite leadership.

In July 1949, the Bruderschaft came into the open with a meeting at Hamburg. It was attended by "former Nazi leaders, ex-SS and HJ (Hitler Jugend)\* officers,

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\* Hitler Youth Organization

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and former generals and field-grade officers of the Wehrmacht. They met to pool their resources, establish a roof organization and lay plans to infiltrate or take over control of some mass voting groups." 146/ The meeting opened with acknowledgment of their acceptance of the principles of the NSDAP. Among those present and of interest in connection with the present discussion were Alfred FRANKE-GRIEGSCH and Helmut BECK-BROICHSITTER, ex-Major of the German General Staff Corps. 147/

The covert objectives of Die Bruderschaft were set forth in a confidential memorandum issued in February 1950, and it was reported that the author was castigated by the group leaders for "saying too much" in it. The following extract illustrates the basic outlook represented:

"We hope that the era of the masses has passed, and that the moment for the development of the elite has come . . . On May 8, 1945, the German Army, under the command of Admiral Doenitz who was then German Chief of Staff, surrendered unconditionally. Specialists in international law say this surrender was purely military and involved no renunciation of governmental power. Under these circumstances the German State must be considered as still in existence . . . The words of Ulrich von Hutten have again been confirmed: 'Germany exists wherever strong souls are found. I am convinced that these strong souls are within us. Let us gather for common action.'" 148/

The theme of European Union -- a Europe united against Bolshevism -- was the part of the Bruderschaft program most consistently and loudly emphasized at the outset, and connections with other countries were at once established. The first important foreign association was with British Fascists, through a former British Army officer named Patrick MILLER, who was close to Sir Oswald MOSLEY. Miller and Francke-Griegsch jointly sought the support of Ruhr industrialists for the Bruderschaft. The main financial supporter in Sweden was said to be Swedish Countess HAMILTON, a German by birth. The support of Bishop HUDAL, head of the Collegium Germanicum in Rome, has been mentioned. There also were ties with Austrian neo-Fascists. "Die Braune Spinne" (Brown Spider) was said to be a replica of the Bruderschaft in Austria. 149/ Contact with former officers who found asylum in Argentina was established. It was reported in 1950 that Hans-Ulrich RUDEL made a clandestine journey to Germany, conferred with Helmut Beck-Broichsitter, and was authorized to organize the Bruderschaft in Argentina. 150/

The activities of the Bruderschaft were exposed in the press in February 1950. Alfred Francke-Griegsch was reported to be receiving financial support from Soviet Russia. A year later the organization split on the question of collaboration with the Communists. 151/ This issue is still very much alive, and one on which the veterans continue divided.\*

A second major veterans' organization, the Freikorps Deutschland, was sponsored by Bruderschaft members and was founded 20 July 1951, the anniversary of the 1944 attempt on Hitler's life. The Freikorps also aspires to be an "elite unit" at the service of the next Fuehrer. 152/ Air ace Hans-Ulrich Rudel, former bodyguard and confidant of Hitler, is the chosen hero. He is reported to have accepted the title of "patron" of the corps when he returned to Germany from Argentina in the fall of 1952. 153/ Rudel also has been claimed by Die Bruderschaft and by the outlawed Sozialistische Reichs Partei (SRP), led by Major General Otto REMER and Dr. Fritz Doris. 154/ Since leaving Argentina, Rudel has been traveling between centers of neo-Fascist activity. 155/ 156/ Recently he was reported as principal agent of a Werwolf organization, identified as the Bund Deutscher Ex-Offiziere. 157/ The "Bund"

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\* See Section VII, Attitude of Argentine Neo-Nazis Toward The USSR.

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is said to be directed from La Paz, Bolivia, by Martin BORMANN, whose aide is one Hans FRIEDRICH. Rudel's Argentine associates in the alleged Werwolf group, according to this report, include a person identified as "FRIEDE." This may be Rodolfo FREUDE, who was reported as member of an Argentine Werwolf organization in 1951. General Adolf GALLAND also is mentioned. In the past, Rudel has claimed the General as an associate; Galland has denied this claim publicly.

Waffen-SS officers undoubtedly are active in secret organizations having some relationship with Die Bruderschaft, the Freikorps, and/or the so-called Bund Deutscher Ex-Offiziere. They are said to have established cells in many countries, including Argentina, Spain, Portugal, France, Belgium, The Netherlands, and Egypt. 158/ 159/ A Waffen-SS mutual aid organization known as HIAG (Hilsgemeinschaft auf Gegenseitigkeit), headed by Rudolf GOERRES, has for some time been bent upon forming a Europe-wide association of former SS members. 160/

Awakening to the danger from irredentist and extreme right agitators, the Bonn government banned the Freikorps in February 1953, as a "secret society pledged to overthrow democracy in Germany." 161/ At about the same time, the British Zone authorities considered it necessary to break up the so-called Naumann Circle. Seven prominent former Nazis were arrested on charges of conspiracy to overthrow the West German Federal Republic, and later were turned over to the German Federal Government. This circle, also called the Gauleiter Circle, was headed by Werner NAUMANN and Dr. Gustav SCHEEL. Naumann formerly was under-secretary in Dr. Goebbels' Propaganda Ministry. Dr. Scheel was a German student leader, and Gauleiter of Salzburg. The Naumann Circle leaders had contacts with many radical rightist elements in Germany. Specifically mentioned among them was the BHE refugee party, reported as having sponsored the proposal to reestablish the Auslandsorganisation as previously mentioned. 162/ The Freikorps Deutschland has been called the "shock troop" of the Naumann-Scheel conspiracy. Rudel, the Freikorps hero, is known to have stayed at Scheel's home in 1952, where he met other members of the Naumann Circle. Leaders of the Waffen-SS organization HIAG were also involved. Specifically named were Paul HAUSSER, highest-ranking SS officer at liberty, and Herbert GILLE, formerly associated with Die Bruderschaft and now connected with the Freikorps and with circles of the extreme right in Europe and Argentina.

The Naumann-Scheel connections extended beyond Germany. In addition to Rudel, the British listed Professor Johannes von LEERS, former theoretician of the Hitler Youth who now resides in Argentina, and Otto SKORZENY in Spain. Dr. Franz MEYERS, Land Minister of Interior of North Rhine-Westphalia, has stated that there is no doubt the Naumann group had a close relationship with other Nazi fugitives in Spain besides Skorzeny. Dr. Meyers considers Sir Oswald MOSLEY, the British Fascist, as "one of the most important individuals participating in Naumann Circle activities." According to Meyers, Naumann saw Mosley in France in December 1952, and while there also conferred with the French Minister for Colonial Affairs, M. LE TOURNEAU, a deGaulleist. 163/

Professor Maurice BARDECHE, head of the French branch of the international neo-Fascist Association of European Nationalist Organizations, also appears to be a Naumann Circle contact. Bardeche allegedly controls a capital fund of 300 million French francs "in collaboration with Mosley" and a person named ALBERTINI, who is identified as Mosley's representative in France. 164/

Before his arrest, Werner Naumann was business manager of the export-import firm "H. S. LUCHT A.G." of Buederich. According to Dr. Meyers, the firm is owned by a Nazi-minded woman named Frau LUCHT, a cousin of the Belgian Leon DEGRELLE, who is believed to be living now in either Spain or Argentina. 165/ Skorzeny is said to

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be an agent for this company.\* The firm of Ketelhohn Hermanos, SRL, Buenos Aires, is supposedly a partner or affiliate of the Lucht company. The Ketelhohn firm has a history of Nazi collaboration and recently has exported hides and wool to Eastern Europe. 166/

According to a source of unknown reliability, the Rudel group received part of its financing from Hans SIEPEN, owner of the Punktal Works of Solingen. Siepen was arrested by the British with Naumann, 15 January 1953. 167/ Other financial backers of the Naumann Circle are not known definitely. The Land Minister of Interior of North Rhine-Westphalia fears that they will be able to remain undiscovered, despite the arrest of the Naumann Circle principals. He believes that, since this group has been exposed, the secret backers will merely swing their support to some other neo-Nazi nucleus and keep the movement going.

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\* Naumann and Skorzeny, according to a recent report, have been negotiating for contracts whereby fifteen large German construction firms would build US military airfields in Spain. It is alleged that some of the profits gained would be used indirectly to finance the neo-Nazi ring in West Germany. 168/

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## VI. ARGENTINE LINKS WITH INTERNATIONAL NEO-FASCISM

The leaders of Die Bruderschaft, as we have seen, were in contact with broader, international neo-Fascist organization from the inception of both movements. The latter has gained definition and momentum since it first attracted attention in 1949 and 1950, and its recognized leaders are established in most countries of Western Europe, in the Middle East and Africa, and in Latin America, particularly Argentina and Chile.

No master mind capable of dominating the movement has as yet appeared, and the local nuclei seem to be composed of many small Fuehrers with few potentially big ones among them. There is lack of unified policy in the international movement and in the local centers; but optimism and money are not lacking. Semi-secrecy is easily maintained because the leaders of this movement do not seek or desire mass support. Their program is based on the "Fuehrer Prinzip," or Leader Principle. From the beginning the organizers of the Bruderschaft sought to make contact with selected young conservatives, in England and France as well as Germany. They sought to capture only the elite, but the elite of "every party, group and ideology." 169/

Although the general aims of the persons concerned are more or less uniform, the motivation of the leaders, both petty and important, is varied. Many are opportunists, some are inspired by longing to bring back the past, others by a determination to achieve ambitions frustrated by the Axis defeat, and a few individuals are driven by a fanatical sense of mission. Some are not yet sure which side they will finally support in the contest between the Communist and non-Communist powers -- that of the Western nations or of the USSR. From the neo-Nazi's point of view it is merely a question of expediency: they are united in their contempt for democracy and their advocacy of their own kind of totalitarianism, and in their hatred and resentment toward the US and the UK.

Communications are maintained with some regularity between the numerous centers of nationalist and neo-Nazi-Fascist activity. Certain travel bureaus have been reported as links in the chain of international neo-Nazi-Fascist communications, with Argentina in particular. A German military source reported in 1951 that such a system of cells had been planned since 1950, and that Alfred FRANKE-GRIEKSCHE of the Bruderschaft participated in working out the plan. 170/ The travel bureaus were to be used for intelligence collection as well as operations. Jean BAUVERD, radio propagandist who lost his Swiss citizenship because of service to the Nazis, was the reputed principal organizer and director of this undertaking. Col RUDEL and other German officers in Argentina were identified as his primary contacts in that country. 171/ Among the travel agencies said to be involved are: the GERMANIA agency,\* in Buenos Aires, managed by Walter WILKENING, leader of the so-called former "German Front Fighters" in Argentina; the VIANORD travel agency in Buenos Aires, managed by Hans KRUEGER, identified as a relative of the former Swedish match king; and the NORDISKA bureau in Santiago, Chile, managed by a Dane, Dr. BRUCKA-Christensen. Krueger allegedly lived in Eberhard FRITSCH's home for a time, and through him Fritsch was said to be in contact with the so-called "Germanic" group of SS veterans in Sweden. 172/

It appears certain that "whenever one of the efforts at Nazi-Fascist resurgence is traced to its origins, it seems to develop a geographical tie with someone living in either Spain or Argentina." 173/ Since this statement was written, a permanent

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\* Reported also as a cover for operations of a combined Argentine-German secret intelligence service directed by Dr. Heinrich THEISS. 174/

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office for the international neo-Fascist movement has been established in Madrid, with official tolerance if not participation. To recapitulate regarding Argentina: Ante PAVELIC, the Croatian Fuehrer, is there; also Edda and Vittorio MUSSOLINI; Belgium's Leon DEGRELLE may be there; Sir Oswald MOSLEY traveled to Argentina in 1950, ostensibly on business for a publishing house; the Indian Government has had reason to believe that the Hindu Mahasabha, right-wing party involved in Ghandi's assassination, received financial aid from Argentina and Spain, via Tangier. 175/ Otto SKORZENY has used Spain as a base since 1947; in 1951-1952 he was employed by the Argentine armed forces as instructor in paratroop technique and espionage. 176/ He now lives in Spain most of the time, under the name of Rolf STEINBAUR, with the Countess Ilsa FINCKENSTEIN. The Countess is a well-known international agent in her own right, and is a niece of Hjalmar SCHACHT. 177/ Skorzeny presents her as his wife, but does not appear to be legally separated from a former spouse living in Austria. 178/

Skorzeny is the most prominent figure in the international neo-Nazi-Fascist movement today, and perhaps is even a dominant force in it; however, he is not "the brain." He may rather be a high-level agent for unknown persons, who use him as a negotiator and a channel for transmission of money and directives. He engages in a variety of business ventures, which are believed to include among other things, traffic in arms and munitions. He travels throughout Europe and the Middle East, and, as noted, was in Cairo in early 1953 to advise the Egyptian Government regarding military defense and training.

Skorzeny's probable connection in Spain with Johannes BERNHARDT also has been noted. Bernhardt, former Nazi agent, helped General FRANCO directly in his bid for control of the Spanish State by obtaining Hitler's aid at the outset of the Nationalist Uprising. 179/ Since 1936, Bernhardt has built up a network of industrial investments in Spain. 180/ During the Spanish Civil War and World War II, he headed the official German trading agency there and laid the foundations for his present large holding company, called SCOFINDUS (Sociedad Financiera e Industrial, SA). He is believed to have commercial connections with Argentina, linking him with neo-Nazi-Fascist activities.

Skorzeny definitely has been associated since 1950 with the prime movers of the European Social Movement, now called the Association of European Nationalist Organizations. These activists are: Karl Heinz PRIESTER of Germany; Per ENGDahl of Sweden; and Professor Maurice BARDECHE of France. Their stated aim is to unite former Fascist and Nazi groups in a pan-European nationalist movement. 181/ Engdahl, while not regarded as the biggest dynamo in the undertaking, has worked with energy and consistency to weld the many affiliates and parallel movements together and to define objectives and policy. His latest statements offer the conclusion that the corporative state is the best remedy for capitalism and Communism alike. He would like to see the rise of a new European Reich based on the principles of corporativism, extending from "Dublin to Vladivostok." 182/

A series of international meetings held in 1950 and 1951 was organized nominally, at least, under the direction of Engdahl, Bardeche, and Jean Bauverd. Priester was consulted but played a relatively unimportant part. The first of these meetings, held in Rome on 21-24 October 1950, was a "constituent convention," to devise a common political platform and statutes. At the second, in Malmoe, Sweden, on 12-15 May 1951, it was decided to form a pan-European organization; hence the name "Malmoe Movement," by which the organization has been known. The third meeting, in Milan on 15-16 July 1951, sought to obtain the active cooperation of the Movimento Sociale Italiano (MSI), but was only partially successful. The fourth congress, held in Madrid and Toledo, Spain, on 24-29 September 1951, sought the open support of the Falange, Spain's Fascist-type government party. It failed in this objective because the Spanish

\* See Annex A

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leaders feared a US reaction adverse to Spain's efforts to obtain US aid. It became possible, however, to set up a permanent central office in Madrid. 183/ It has since been reported, in January 1953, that the Spanish Falange intends to cooperate to the extent of establishing a cultural section, separate from but paralleling the Association of European Nationalist Organizations. 184/

In another phase of the neo-Fascist movement during 1951, Pierre PASCAL, propaganda expert and former collaborator with Pierre LAVAL, attempted to form a confederation of French and Italian nationalist elements and to set up centers in France through neo-Nazi French connections. 185/ Pascal affiliates allegedly had centers in Alexandria, Cairo, Madrid, and São Paulo. Reportedly they were in contact with Prince Hubertus zu LOEWENSTEIN, who heads a minor German group called German Action. (Deutsche Aktion), standing for revisionism and national restoration of Germany. Nothing further has been reported linking Loewenstein with the international neo-Fascist movement. His support in Germany comes from intellectual and aristocratic circles, and he also is said to receive financial aid from Argentina and the US. 186/

In the summer of 1951, Jean BAUVERD appeared on the scene as an associate of the expanding international neo-Fascist movement. Bauverd fled to Cairo when sentenced to a year and a half in prison for Nazi activities. "There he made contact with former SS officers associated with the Arab League and established contact for them with Die Bruderschaft. This contact was made possible for him by the Italian MSI, with which, in turn, he had originally been associated as a representative of Sir Oswald Mosley." 187/ Bauverd was said at that time also to have close contact with the Grand Mufti of Jerusalem. He maintained contact in Madrid with Otto Skorzeny and Walter SCHELLENBERG, former administrative chief over the Nazi Gestapo and SD. 188/ He subsequently participated in organizing a news agency, AGARTHUS, which was to be an outlet for neo-Nazi ideas, and was to transmit news to and from South America, as well as the Middle East. 189/ Bauverd had good contacts with Falange leaders, and assisted in arranging for the general meeting held at Madrid. 190/

At that time, the chiefs of the international movement conferred with Falange and Spanish Government officials. These included: General Agustin MUÑOZ Grande, Minister of War and former Commander of the Blue Division; and the Conde de MAYALDE, former aide to Ramon SERRANO Suñer. Mayalde is now Mayor of Madrid. General Gastone GIAMBARA, former chief of the Italian volunteers who fought with Nationalist forces in the Spanish Civil War, now a Franco military adviser, had interviews with General Franco on the question of obtaining open cooperation of the Falange. 191/ 192/ Official approval was withheld. The principal accomplishment of the Madrid-Toledo meetings was the decision to establish a permanent office in Madrid. Jean Bauverd was put in charge, with instructions to maintain liaison with the Falange and with nationalist circles in South America, Africa, and Asia. 193/ Others, reported as members of the permanent liaison staff in 1952, were: Otto Skorzeny, in charge of military problems; Dr. Josef SCHOOF, economic and social matters; fnu DELFS, social questions; Baron DE GRENE, press and propaganda; fnu JASINSCHI and fnu MARIC, anti-Communist affairs; J. L. DUMONTIER-BEROULET, former Vichy youth leader, in charge of youth affairs; and Conde de MONTARCO, a founder of the Spanish Falange and former deputy of Ramon Serrano Suner, with no special assignment. 194/

There is some evidence of secret connections between Austria and the international neo-Fascist group. Rudel traveled there early in 1953, 195/ Skorzeny was reported there about the same time, 196/ and Per Engdahl was scheduled for a meeting with Austrian and Hungarian Fascists in Munich on 16 January 1953. When news of the Naumann-Scheel arrests reached him, however, he cancelled the meeting and left Germany for Paris. 197/

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The secretary-general of the Italian neo-Fascist MSI, Augusto de MARSANICH, did not commit his organization, in any definite way, to cooperate with the Association of European Nationalist Organizations. One Dr. Fulvio /sic/ ABELLI is said to be the man of trust in Italy for the neo-Nazi forces, specifically the Sozialistische Reichspartei of General REMER. Abelli is in contact with MSI leaders and lends assistance to Arturo MICHELINI, chief of the MSI foreign relations office. 198/ This Dr. Abelli appears to be identical with Argentine citizen Tulio ABELLI, who was mentioned in 1946 as an ex-Fascist officer and a leader of neo-Fascists in Turin. He was said to be a member of the Rome Central Committee of MSI in 1948, when about to leave for Argentina to contact Peronista officials and obtain funds for the MSI. 199/ By 1951 he was working for the Argentine newspaper Democracia, and had established close relations with Eva PERON and Raúl APOLD, head of the Secretariat of Information and Press, and with Juan DUARTE, brother of Eva Peron. He became a member of the Control del Estado, and, at last report, was in training for Inspector of Argentine Embassies and Consulates. 200/ Tulio Abelli was described at that time as nationalist, anti-US and anti-British; he was identified with Italian Fascists, and supported the theory of a South American bloc unified under Argentine hegemony. 201/ 202/

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## VII. ATTITUDE OF ARGENTINE NEO-NAZIS TOWARD THE USSR

The Soviet strategists of the present era, like the Nazi geopoliticians of twenty years ago, see in vigorous Argentine nationalism, which has suffered no serious disillusionment in recent years, a tool for their use against US interests in Latin America. They also evidently appreciate the fact that in order to utilize this tool, consideration must be given to the strong role still played by Germans in Argentine nationalism. Communists in Chile and Argentina, as early as 1951, allegedly were ordered to make friends with the Germans in those countries, by any means possible. 203/ In the recent Chilean election, the rightist, formerly pro-Nazi General IBANEZ del Campo was swept into office on a tide of Communist votes.

The flattering attention paid in Moscow to the new Argentine Ambassador, Leopoldo BRAVO, when he presented credentials on 7 February 1953, and Stalin's pointedly friendly interview with the Ambassador contrasted sharply with the previous Moscow denunciation of "dictator Peron" as having capitulated to "Yankee imperialism." 204/ Even that denunciation, however, may have been part of a Kremlin plan to capitalize, by means of alternate needling and wheedling, on the anti-US, pro-totalitarian leanings of Peron. The Argentine President presumably was the subject of indoctrination in these attitudes by Nazi associates, it will be recalled, when he was a young Military Attache in Germany and Italy. Nazi counsel in those years, as well as later, doubtless helped to stimulate his ambition to secure Argentine leadership in Latin America through creation of a South American bloc capable of offsetting US strength. The Kremlin's current attitude indicates at least an interest in encouraging Peron's "Third Position" and anti-US propaganda, and in providing him with useful material for negotiating with the US. The motive is believed to be primarily political, but has definite commercial overtones. The USSR now has sent a strong commercial mission to Argentina, and probably will offer trade opportunities on terms attractive to the Argentine Government. 205/ Nicolai CHEKLIN, director of Soviet Foreign Trade, believed to be a specialist in Latin American affairs, has been chosen to lead the trade delegation, which arrived about 21 June 1953. 206/ The groundwork for the economic talks with Argentina was laid some months ago in Buenos Aires, primarily through the Minister of Foreign Affairs, Jerónimo REMORINO. ~~\_\_\_\_\_~~ In September 1952, Soviet Ambassador G. T. RESANOV gave a banquet in Remorino's honor. Immediately afterward the Soviet Ambassador departed for Moscow, supposedly taking with him a list of Argentine products proposed for trade. The following February, Stalin's interview with Argentine Ambassador Leopoldo BRAVO climaxed the exchange of friendly gestures. 207/

The Argentine nationalists, unregenerated Nazis of the old German colony, and post-war German immigrants are anti-US and also anti-USSR. As Russia is remote, they easily can be led to put greater emphasis and venom into their propaganda of dislike for the less distant US. They recognize the ideological similarities between Nazism and Communism, and they see no danger in capitalizing, if they can, on the parallelism of their respective tactical objectives. In both Argentina and Germany, some neo-Nazi leaders believe in carrying this parallelism to its logical conclusion, and advocate outright collaboration with the Soviet Union.

As early as 1947, the elusive Martin BORMANN was reported as leader of a group seeking rapprochement with the USSR. 208/ Nazis who supported the idea could imagine "a union with Russia which would harness German industry and technical skill to Soviet resources and manpower, for the domination of the 'world-island.'" 209/ Russian propaganda was already dinning in German ears the necessity for a return to Bismarck's policy of friendship with Russia. If any German industrialists were interested, it was believed that they would not subscribe to such a scheme "unless they felt sure of advantages for their side." 210/

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Eberhard FRITSCH and other members of the "Weg Circle" have been reported in contact with officials in East Zone ministries and administrative offices. 211/ Karl Freiherr Von MERCK, who collaborates with Fritsch, is reported to be a member of the "German pro-Russian Movement" (Movimiento Alemán pro-Ruso) of Argentina. 212/

The Alianza Libertadora Nacional (ALN), Argentine organization of extreme nationalists, has played a relatively inconspicuous role in national affairs since the war period. At that time it supported the "Colonels' Revolt" and was pro-German in the extreme. It continues in existence, with unchanged outlook, and demonstrated the extent of its continuing support for President Peron at the time of his sensational speech of 15 April 1953. It has been established that ALN agents prepared and placed the bombs which exploded during the speech, leading to incitement of riots and attacks on buildings occupied by opposition forces. 213/ Despite the professed anti-Communism of the ALN, the headquarters of the Communist Party went unscathed during these assaults. A scattering of Communists in the Provinces was arrested subsequently, as though to rectify this oversight, but the incident remains a matter of some significance. The ALN also appears to be collaborating with the new Peronist Confederation of Latin American Syndicalist Workers (ATLAS). Since the parallel-Communist line of ATLAS is well established and contact between its leaders and the Argentine Communist Party has been reported, another link between the Communists and the ALN is perceptible. 214/ All three of these organizations have a common hostility toward the US.

A source in Paraguay, reporting as of May 1953, states that a large number of Germans in that area are leaning more and more towards the side of the Communists, not because of pro-Communist sympathy but because of the belief that Germany can best achieve its national objectives through alliance with the Soviets. This attitude has been inculcated by propaganda efforts on the part of post-war German colonists who continue to arrive in the area; there has been a consequent increase of anti-US sentiment. 215/

Open nationalist collaboration with Communism has been demonstrated in Chile by neo-Fascist Col. Alfredo D'AMESTI, "retired officer leader of the neo-Fascist, Peronista, and anti-US Unión por la Patria." 216/ He was a principal speaker at a Communist demonstration in Santiago on 5 February 1953, in honor of the delegates returning from the Vienna and Peiping Peace Congresses, which he attended. Since then, D'Amesti has been influential in persuading President Ibanez del Campo to send an unofficial observer to Moscow to study the question of Chilean-Soviet Bloc trade. 217/

Some German officers went over to the Soviets voluntarily after Germany's defeat; others who were captured by the Russians have gained their freedom by pledging cooperation. There can be no doubt that communications pass between Soviet Zone German officers and neo-Nazis elsewhere, regarding their plans for the restoration of a unified Germany. According to one report, although of untested reliability, there are several German intelligence lines operating in South America which have contacts with or work out of the Soviet Zone. 218/ One is operated by the Communist-sponsored German National Council (Deutscher Nationalrat). A second pertains to the East German Ministry for State Security. Lt. General Rudolf (or Walter) BAMLER, who has done much propaganda writing for the Soviets, may be involved in this network. He was reported as a director of paramilitary training in the Soviet Zone HVA police force in 1952. 219/ Another secret organization having contacts with Germans in Argentina allegedly is directed from Austria by one SS Brigadefuehrer Roman RATTENHUBER (possibly identical with Hans Rattenhuber). 220/ There is no confirmation of this report. Rattenhuber was in command of the SS bodyguard at Hitler's general headquarters.

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Lt. Colonel Walter von BIERBACH, formerly a member of the von Paulus Army, entered Argentina in 1950 and is said to supply information to the alleged intelligence network operated from Buenos Aires by one Colonel Otto WIEDEMANN (or WIEDEMAYER).<sup>221/</sup> Information regarding former Air Force Colonel Werner BAUMBACH is more strongly supported than the foregoing. Former Hitler Youth leader, holder of the Iron Cross with diamonds, the Third Reich's highest decoration, specialist in air gunnery, and former Inspector General of German Secret Weapons, Baumbach went to Argentina as a technical adviser to the air force in 1947 or 1948. He is known as an associate of Eberhard Fritsch and the "Weg Circle." Baumbach was reported to be involved in Russian efforts to recruit German veterans to aid Greek guerrillas in 1949. In the same year he was the subject of investigation in connection with an organization of former German Air Force officers called the "Offiziersverein," which allegedly sought to undermine US Occupation Forces by selling cocaine to US troops and by selling information on US Air Force technical developments to the Soviet Union. <sup>222/</sup>

Hans-Ulrich RUDEL has been conflictingly reported as pro-USSR and anti-Communist. He is definitely anti-US and calls the Adenauer Government a "satellite of the US." In support of this charge, he declared that in order to enter West Germany he had to use a falsified Argentine passport. <sup>223/</sup> Such a passport was supplied him under the name of Emilio MEYER. <sup>224/</sup> He now has a German passport, but, while in Austria in November 1952, he claimed that he was "wanted by the Americans, who had directed German border officials to let him in but not out again." <sup>225/</sup>

Rudel fancies that he has been able to see the world picture with great clarity from the vantage point of Argentina. "He is convinced that Russia has what it takes politically and militarily, and that the US, which he mistrusts completely, has no potentialities. He believes that America is interested only in profiting from Germany and from Argentina and will leave Germany in the lurch when she no longer needs her . . ." <sup>226/</sup>

"Concerning his experiences in East and West Germany, in 1952, Rudel allegedly told his friends that all leaders of the nationalist organizations unanimously acclaimed the Soviet proposition about a unified neutral Germany and a unified German army . . . [he said that] it is an identical German-Soviet interest that there should be no war at all, and that Germany should remain intact in men as well as materials. . ." <sup>227/</sup>

When he left Argentina in the fall of 1952, Rudel's return to Europe was said to be in connection with the old Soviet plan for the East German Volkspolizei to be developed into a "German Army of Liberation," with remnants of Field Marshal von Paulus' Stalingrad forces to be used against the West. Rudel, it was said, was to help organize the underground formations of the outlawed Sozialistische Reichspartei of Major General Otto REMER, the Freikorps, and the cells of the "First Legion" in West Germany, into a clandestine force. <sup>228/</sup>

In 1952, British sources reported that Major General Remer and former Nazi leader Fritz ROESSLER (alias Franz RICHTER) were receiving money from the Russians. <sup>229/</sup> In March 1953, six months after Remer's party had been outlawed, Remer fled the country. He reportedly has been in Cairo. British sources, however, said he might have crossed into the Soviet Zone of Germany. He had previously declared that proscription of his party by the Federal Republic left him no choice but to vote Communist in the future. "As an efficient officer Remer will easily find a good job waiting for him in the new East German Army. Nor will it be in any way incongruous if an unrepentant ex-Nazi joins the Communist ranks. The Socialist

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Reich Party maintained secret connections with the East German Government and with the Soviet Control Commission . . . In the East German Army, Remer will find many old comrades-in-arms who have done their courses in political indoctrination and matriculated from the old German General Staff to the new "Democratic People's Army." 230/

As for Rudel's relations with Remer, after returning to Europe from Argentina, he allegedly worked with Skorzeny to discredit Remer. 231/ He was approached by August HAUSSLEITER, head of the refugee party, Deutsche Gemeinschaft, a rival of the BHE, and one of the listed affiliates of the Naumann Circle. Rudel reportedly avoided any commitment to the Naumann-Scheel group, however. 232/ It may be tentatively concluded: (1) that Rudel is primarily interested in the reconstitution of an independent Germany with its own army separate from a Western European army, and hopes or is led to believe that this can be accomplished by German action with international Fascist support; (2) that he admires the USSR for its efficient totalitarian organization; and (3) that he despises the US and will resist and undermine, if he can, its proposals for a democratic alliance of Western European countries. To this extent, Rudel's position and that of his associates in neo-Nazi circles, fosters the policies of the USSR whether their cooperation is deliberate or unwitting.

In a singular approach to the American Consulate General in Marseille, 27 February 1953, a German war veteran made statements lending support to the reports previously cited. He affirmed the existence of a widespread, secret, international organization of former Waffen-SS officers, partially financed by the Soviets, and also described the divided opinion regarding collaboration with Russia. 233/

Using the name of KLUF, the visitor claimed that he was a former Waffen-SS officer who had lived in Argentina since the war. He said he was a member of "H.I.A.S.S." /i.e. HIAG/ and declared that former Waffen-SS officers who fled Germany after the war are now organized in many countries, specifically Argentina, Spain, Portugal, France, Germany, Egypt, and Belgium. The organization, he said, was engaged, at the time of his report, in returning former SS officers to Germany.\* Once there, these former officers were supposed to work for a "new Germany" which would be under the protection of Soviet Russia. He said that he had received orders to return to Germany via Spain, and that 180 persons had left Argentina in response to like orders. He went to Madrid where he reported to former Waffen-SS officer VIY /sic/, reputed to be an associate of Skorzeny. Kluf said that he told Skorzeny he was not in favor of working with the Russians, and that Skorzeny promised that he could return to Germany to work independently, not for Russia nor for America, but for Germany. But Viy, nevertheless, instructed him to go to Germany by way of the Russian Zone.

Kluf declared that he was in sympathy neither with the Americans nor with the Adenauer Government, because the latter is not "Prussian" in its ideas. He approached the American Consulate General, he said, because he was disgruntled and wished to spoil the plans of any group working for the Russians. He added that he intended to return to Argentina.

In further remarks about HIAG, Kluf correctly identified former Waffen-SS officer GILLE as its head. He said that HIAG has received Russian support since

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\* At the HIAG meeting at Verden, October 1952, reference was made to "men who are about to return to Germany from Spain or South America to 'take things in hand.'" 234/

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1951, and also receives funds from German industry. He also named the Princess ISENBERG and the Countess FABER CASTELL as contributors.

Among the neo-Nazis in Argentina, as in Germany, the idea of collaboration with the USSR appeals mainly to those in the thirty to forty-five age group. They belong to a generation nurtured on the false glories of the Hitler era. Integration of this age group into a different form of society has been most difficult; many cling stubbornly to the dream of establishing a totalitarian world order. 235/ In Germany they have been unwilling to face the post-war years of hardship and the arduous tasks of reconstruction, and, because of their dis-orientation and restlessness, they do not possess the power to originate anything constructive. These failings apply equally to the German-Argentines such as Rodolfo FREUDE and Eberhard FRITSCHE, who expected to rise to important posts in the Nazi organization. The frustrated members of this generation blame the Western Allies for their predicament, to which they are unreconciled. They want to reestablish the system under which they were hopeful, and more fortunate. In their impotence and their dislike of the US, some can rationalize the desirability of accepting Russian help in order to advance their dream of revindicating the Nazi design for German supremacy. Obviously, the USSR can be counted on to attempt further exploitation of these attitudes.

A final example of perpetuated Nazi influence within the Argentine Government, which might strengthen the trend toward economic collaboration with the USSR, may be cited in relation to Peron's celebrated "Five-Year Plan" of economic control, and his planned "Latin American Federation." The chain of associations that is implied may be coincidental; if not, it could become significant. It starts with the reported visit to Argentina of Guido SCHMIDT, former pro-Nazi Austrian Minister of Foreign Affairs, and the alleged fact that Schmidt was honored at an intimate dinner given by the Perons. 236/ At that dinner, according to a well-rated source, the economic foundations of the proposed South American bloc were discussed with German economic experts.

Guido Schmidt was described in 1945 as a former "lieutenant and friend" in Austria of Fritz MANDL. 237/ Schmidt sent cables to Mandl in Argentina as late as 1942. Before and after Anschluss, Schmidt collaborated with the Nazis. He became a close friend of Hermann Goering and was made a director of the Hermann-Goering-Werke and general manager of its plant at Linz. 238/ Mandl, it now is said, will play an important role in Peron's second Five-Year Plan, according to an Argentine businessman, reporting in May 1953.

The Austrian munitions tycoon has been established in Argentina since 1938. He has conducted his affairs discreetly, but some evidence points to him as possibly the equal, if not the superior, of Ludwig FREUDE as an "eminence gris" standing behind Peron. Indeed Freude, as previously stated, may owe some of his wealth and consequent power directly to Mandl. The latter is said by an Argentine observer to have been the secret financial angel of the Grupo de Oficiales Unidos, semi-secret "Colonels' Lodge" through which Peron started his rise to the Presidency of the Argentine Republic. 239/ At a later time, Mandl unquestionably made himself valued by Peron when he supported Eva Peron's schemes and entertained lavishly for her at a time when Argentine society was aloof.

Mandl is arrogant, boastful, capable of employing deception, and likely to harbor resentment over any obstruction to his will. It is reported that he was embittered by US wartime confiscation of his investment properties in this country, under the Alien Properties Act, and it is said that he has engendered much anti-US and anti-British feeling in high government circles of Argentina. 240/ Mandl employs German military specialists and scientists in his Argentine defense

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factory, IMPA, S.A. 241/ Whether he advocates economic rapprochement with the USSR is not presently apparent. Nor is it confirmed that he was associated with the reported meetings between Peron and Guido Schmidt. However, to continue the chain of possible associations which might point Eastward, it may be noted that Schmidt seemed to be protected by Russian influence when arrested at the end of the war. His brother-in-law, Dr. Hubert BREITENFELD, whom Schmidt protected during the Nazi period, by then occupied a high position in the Russian-sponsored Department of Commerce in the Soviet Zone, Berlin. 242/

Schmidt in the past is said to have received correspondence via the Argentine diplomatic pouch from Dr. Karl HUDECZEK, now Austrian Minister to Chile, Peru, Bolivia and Ecuador. 243/ An economist, Dr. Hudeczek went to Argentina in 1949 as chief of an Austrian trade delegation. He is said to have established liaison with secret pro-Nazi German organizations immediately on arrival. After Anschluss, Dr. Hudeczek was a right-hand man to Dr. Karl CLODIUS, architect of Hitler's economic policy in the Balkans. Clodius was captured by the Russians and soon turned collaborator. In 1950, he was believed to be the designer of the Soviet Zone "Council for Reciprocal Economic Aid," established as a counterbalance to the Marshall Plan, which the German Democratic Republic (East Zone Germany) joined in 1950. It is not assumed that Dr. Hudeczek necessarily subscribes to the policies of his former chief, but before Hudeczek's appointment to Argentina, when he was Chief of the Economic Division of the Austrian Foreign Office, competent US observers said that his thinking "apparently was oriented toward economic collaboration with Eastern Europe." 244/

Among the German economic experts consulted by Peron together with Dr. Guido Schmidt, according to the report cited, 245/ was Karl von RITTER, former Nazi Ambassador to Brazil, who has returned to South America since World War II. Before his mission to Brazil, von Ritter was Director of the Economic Division of the German Foreign Office. 246/ Dr. Clodius served then under his direction. The coincidence of this former association does not imply that von Ritter endorses Dr. Clodius' present views, but could indicate a channel of communication for the presentation of those views. 247/

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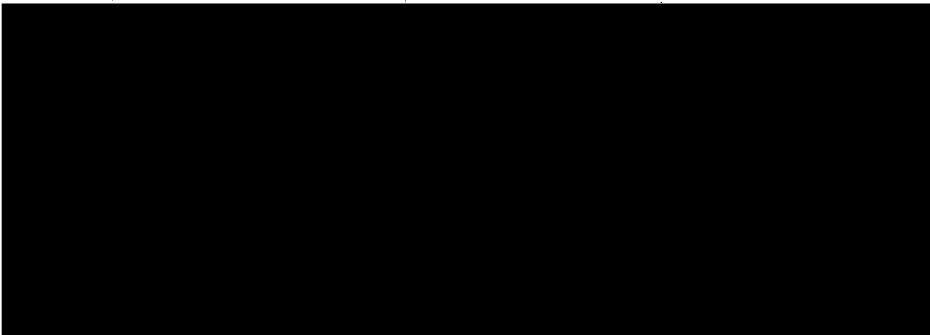
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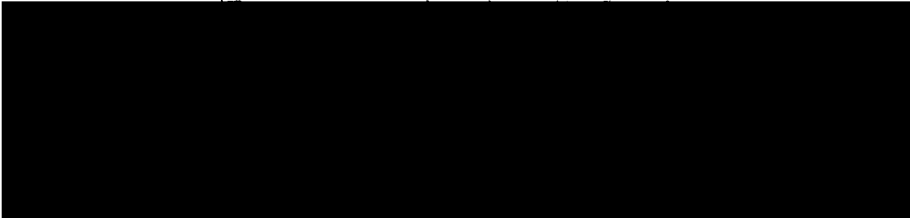
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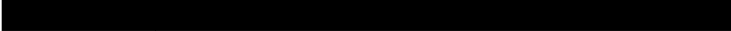
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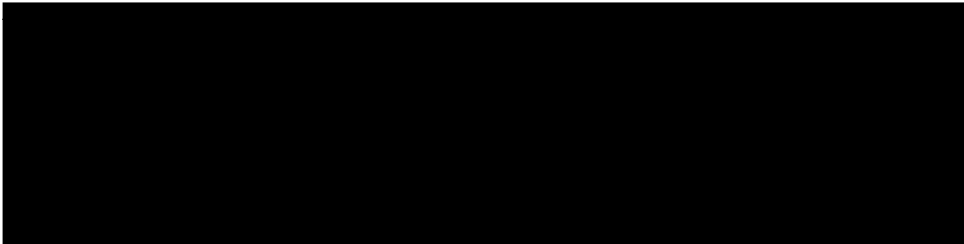
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ANNEX A

THE FOREIGN ORGANIZATION OF THE GERMAN NATIONAL SOCIALIST PARTY

The Foreign Organization of the German National Socialist Party (Auslandsorganisation NSDAP) was a central agency for control of all activities promoting German nationalism in foreign countries. Its chief, Ernst Wilhelm BOHLE, reported directly to Hitler's deputy, Rudolf HESS at the beginning and subsequently Martin BORMANN. This agency was given extraordinary powers for control over all Germans living abroad. Its authority superseded that of the Ministry of Foreign Affairs and, in all party matters, German diplomats became subordinates of Gauleiter Bohle. The Office for General Supervision of Foreign Countries, (Ueberwachungstelle Ausland) under Heinrich Himmler, was the only international organization of the Third Reich which remained beyond the control of the Foreign Organization.

The policy of organizing and utilizing Germans living abroad, as implements for attainment of the objectives of the Third Reich, was one of the most important innovations introduced by the Nazis into German foreign policy. This policy was applied to all the large colonies of Germans throughout the world. The potential usefulness of these colonies was early recognized by the men in Hitler's immediate entourage, several of whom were Auslandsdeutsche who had spent many years abroad. Of particular importance in the group were Rudolf Hess, and his protege, Ernst Wilhelm Bohle. Hess was primarily responsible for developing policy; Bohle became chief of the Auslandsorganisation. The latter was born of German parents in England, in 1903, was educated there and in Germany, and entered the Foreign Section of the NSDAP as an honorary collaborator in 1931.

Hess established the designation "Foreign Organization of the NSDAP", (Die Auslandsorganisation der NSDAP, familiarly "AO") by an order of 17 February, 1934, although the agency had been in process of development since 1930. In that year, an office was located in Hamburg as headquarters for dealing with problems of Party activity among Germans living abroad; and on 1 May 1931, it was designated as the "Foreign Section of the Reich's Directorate of the NSDAP", under the direction of Dr. Hans NIELAND. According to the order of 17 February 1934, every party member abroad, including permanent residents, was placed under the supervision of the Foreign Section of the Nazi Party.

Immediately after the Nazis came into power, on 30 January 1933, steps were taken to absorb into the Party all German individuals, institutions, and cultural societies located in foreign countries. The old Deutsches Ausland-Institut (DAI), had been formed in 1917 for the purpose of advancing German interests by maintaining contact with persons of German extraction abroad. In 1933, this organization was put under direct Nazi control. By taking over the DAI files, the Nazis gained possession of comprehensive data on all Germandom throughout the world. Attention was given simultaneously to bringing all established German organizations into the unified NSDAP framework within specific countries. The first country-wide Nazi Party organization outside Germany was effected in PARAGUAY in 1931.

Industrial and business firms belonging to Germans also were brought under Nazi control. They were taxed for the political propaganda fund of the Nazi Party, and their offices became propaganda centers.

Bohle became chief of the Foreign Section on 8 May, 1933. On 3 October of that year, the Section was placed directly under Hess, as the Fuehrer's Deputy, and Bohle was given the rank of Gauleiter. Headquarters of the Auslandsorganisation was transferred from Hamburg to Berlin in March 1936, and, by decree of 30 January, 1937, the organization was incorporated into the Ministry of Foreign Affairs.

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The Foreign Organization thus had a typical double status in the complicated arrangement of the Nazi Party-State. As chief of the Foreign Organization within the Ministry of Foreign Affairs, Bohle was theoretically responsible to the Minister of Foreign Affairs; but, as Gauleiter of the Foreign Organization of the Nazi Party, he was at the same time directly responsible to the Fuehrer's deputy. Bohle, together with his personal staff, moved into the Ministry of Foreign Affairs. But the Foreign Organization remained a separate unit, with its principal offices now located in Stuttgart.

The authority of the Foreign Organization then was extended to include supervision of all German citizens abroad. The Party's grip on the Ministry of Foreign Affairs was progressively tightened. During 1937, the officials of the Ministry and all members of the Foreign Service throughout the world were organized into a Party group (Ortsgruppe) under Bohle. The leader, (Ortsgruppenleiter) was a Dr. RESENBERG, and his deputy was a Herr KRUGER. On 22 December 1937, Bohle received the rank of Secretary of State in the Foreign Office, and it was announced that orders over his signature would have the force of instructions from the Minister of Foreign Affairs. It was understood that this enhanced authority would enable him to compel members of the regular Foreign Service to promote the work of the Foreign Organization. The use of diplomatic communication facilities also was made available to the AO at this time.

The independence of this new office and its influence on German foreign policy became evident, even before its incorporation into the Ministry of Foreign Affairs, at the outbreak of the Spanish Civil War, on 17 July 1936. Concrete German support for General FRANCO was delivered within two weeks after the Nationalist uprising as the result of direct appeal to Hitler and Goering by the Ortsgruppenleiter in Spain, Adolf LANGENHEIM, and Johannes BERNHARDT, a German businessman in Morocco. 1/ Without reference to the German Minister to Spain, or to the Ministry of Foreign Affairs in Berlin, these two Nazi agents flew to Berlin on 22 July, carrying a letter of appeal for aid from Franco to Hitler. Through the agency of the Auslandsorganisation they were given immediate access to Gauleiter Bohle and Rudolf Hess. The latter directed that the letter be delivered to Hitler immediately, and the two men from Spain were flown that afternoon to Bayreuth for an interview with Hitler, which took place later the same evening. Hitler summoned Goering and arrangements were made forthwith to supply planes and other war material to Franco. By 2 August, acting through a commercial organization set up by Bernhardt, the Germans began transporting Franco's troops by air from Morocco to Spain.\*

#### Regimentation of Germans and German Institutions Abroad

As defined by Bohle and his personal adviser, Dr. Emil EHRICH, the Foreign Organization had the task of winning to the National Socialist world outlook all German citizens living abroad or engaged in navigation; and of "keeping alive in every German abroad the principle of the racial community which transcends all classes and religious denominations". 2/ The purpose was to propagate Nazi doctrine among Germans abroad, and to control their economic, political, and cultural activities. The Auslandsorganisation estimated that there were about a hundred million Germans in the world, of whom ten to twelve million were in the United States and 800,000 in South and Central America.

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\* HISMA, Ltd. (Cía. Hispano-Marroquí de Transportes). With Goering's assistance ROWAK (Rohstoffe-und-Waren Einkaufsgesellschaft) was organized to handle economic assistance at the German end. Bernhardt later unified his expanding commercial interests in SOFINDUS (Sociedad Financiera Industrial Ltd.) Bernhardt still heads a considerable "financial empire" in Spain. 1/

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Bohle set an especially high value on utilization of firmly established German societies within their respective countries. The fiction was repeatedly emphasized, that Germans living abroad would never be given any command which could not be reconciled with the laws of the country in which they resided. Bohle stated publicly that the Reich's interest in Germans of foreign citizenship was not political but cultural; yet in the same speech he declared that since the Nazi Party possessed "the exclusive right to determine the philosophical and political views of the entire people, the Foreign Organization has logically been established for the leadership of all German citizens abroad". 3/ Farther on he added, "When we speak in general of foreign Germandom we understand thereby not only German nationals abroad but also persons of German origin". 4/

In the AO's definition of principles it was made clear that, under the Nazi concept, organization of Germans abroad meant conversion of the individual to National Socialist doctrine, followed by his enlistment and employment for the German community over and above everything else. "No power in the world can withdraw from a German abroad the obligation which he bears to his people and his Reich. The legality of the Auslandsorganisation is based on the innermost law of the National Socialist philosophy, which exists only for the German people." 5/ "The German everywhere is a German", said Bohle. ". . . every German national abroad is a wholly equal and fully obligated servant of his nation and his Fuehrer." 6/

Once the regimentation of Germans abroad had been accomplished, service for the Nazi goal of political domination was taken for granted. Subsidiary organizations under the Auslandsorganisation were fully integrated into the program for boring from within; for undermining established governmental authority; weakening public morale; forwarding vital information to the German military authorities, and, in general, preparing the way for German military conquest and Gestapo control.

"Nazi fifth columnism is a three-ring circus, built one ring inside the next," it was said of the Auslandsorganisation. "The innermost ring is represented by the normal espionage and intelligence service of the military establishment common to all governments. The middle ring is the Nazi Party organization with its affiliated agencies operating on foreign soil. And the outermost ring is the socio-economic situation of the workers and businessmen in the country where the Nazi spies and fifth columnists are at work." 7/

In Latin America, the Auslandsorganisation operated through propaganda developed to a level of intensity hitherto unknown. It utilized the labor groups, employing anti-capitalist and anti-imperialist slogans and systematically whipping up strikes. In Buenos Aires, the General Federation of Labor was overthrown in certain trades through the action of agitators, among whom were members of the German Labor Front.

Still more effective, because of their greater political influence, were the Nazi efforts to infiltrate, organize, or sponsor native political parties of totalitarian or extreme nationalist inclination. Among these were the Conservative Party of Colombia, the Integralistas of Brazil, the Sinarquistas in Mexico, and various nationalist factions in Argentina. The Legión Cívica Argentina, the Asociación Argentina de Grémios, Alianza de la Juventud Nacionalista, and the Argentine Social (not Socialist) Party were used to develop propaganda and agitation against the democracies and in favor of totalitarianism.

Nazi strategy called for creation of a group of totalitarian states, including Argentina, Chile, Bolivia, Paraguay, and Brazil, all to be controlled under German guidance, from Uruguay. Indigenous nationalistic movements were to be used in furtherance of this aim and to serve as the local fifth column when the Nazis would take over the hemisphere. They were to become bulwarks for the political protection of German interests.

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Buenos Aires was selected as Nazi headquarters for South America. Groups of German colonists were either attracted by propaganda, or forced by Gestapo methods into the Nazi organization. Immigrants from the Ukraine were also brought in as "belonging to the German race".

The Argentine Republic was organized into a Special Group District; Buenos Aires was divided into five subsidiary districts. In 1941, there were 30,000 members of the German National Socialist Party in Buenos Aires.

#### Organization

Like the Nazi Party, the Foreign Organization was arranged in interdependent units, country groups (Landesgruppen), regional sections (Landeskreise), local groups (Ortsgruppen), and branches (Stuetzpunkte). This hierarchic arrangement was built up in accordance with the Fuehrer principle, which conferred supreme authority upon the Party leader in each country. Party leaders abroad were called "Bearers of Sovereignty" (Hoheitstraeger). The world was divided into eight geographic divisions (Laenderaemte) with a regional department for each, as follows:

Regional Department I,	Northeastern Europe
"	" II, Western Europe
"	" III, Southeastern Europe, Austria and Near East
"	" IV, Italy, Switzerland and Hungary
"	" V, Africa
"	" VI, North America
"	" VII, Latin America
"	" VIII, Far East, Australia, Great Britain, Ireland

The designation "country group" (Landesgruppe) was applied only to countries of special significance for Germandom abroad. The designation "regional section" (Landeskreis) was applied to all other countries.

The "Bearers of Sovereignty" of the Auslandsorganisation were: 1) the Director, with rank of Gauleiter; 2) Deputy Director, with rank of deputy Gauleiter; 3) the country group leader, with rank of Gau office chief; 4) regional section leaders; 5) section leaders; 6) local group leaders; 7) branch leaders.

The affiliated organizations covered every phase of German life. Among the more important were:

1. The German Labor Front (Deutsche Arbeitsfront or DAF), one of the most useful and widespread Nazi organizations. (Membership was usually obligatory and a prerequisite for obtaining employment in a German firm. The DAF endeavored to place workers in all vital and strategic enterprises and public utilities.)

2. Youth, women's, welfare, charitable, and relief societies. (By threat of withholding relief funds from relatives in Germany, welfare activities were in a position to exercise great influence over the German colony, besides serving as cover for Nazi intelligence activities.)

3. Associations of German schools, school teachers, German students, lawyers, and professors abroad.

4. Social, cultural, and sports clubs.

5. Associations of German war veterans.

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6. German churches, especially the Evangelical Church. (While not Nazi organizations as such, nor entirely under Party domination, the churches were used extensively as fronts.)

7. Cultural societies composed of Latin-Americans and Germans.

8. German chambers of commerce and business firms.

Functional offices in the Auslandsorganisation were: 1) Office for Foreign Trade; 2) Department for Culture; 3) Legal Department; 4) Press Office, servicing the Reich press and the German press abroad; 5) Speakers' Department, which supervised the organization of festivals, handled film and radio work; 6) Department for Returning Germans, which arranged for employment of Germans returning to live in the Reich, and also prevented the reintegration into German society of those who, from the National Socialist point of view, would be undesirable citizens.

The Nazi high command for South and Central America was established in Buenos Aires under Parteileiter Gottfried BRANDT. All district leaders (Landeskreisleiter) and directorates for the republics of Latin America were under his personal control, as well as special representatives of the SA, SS, Labor Front, Propaganda, Gestapo, and auxiliary organizations.

There were six Territorial Directorates controlling the various zones of Nazi organization in South America, with headquarters at Buenos Aires, Santiago, Lima, Bogotá, Rio de Janeiro, and Havana. District Sections for each country were under the directorate composed of the following parts:

- 1) The Directorate, which was composed of a) Secretary-General; b) representative of the German Labor Front; c) secretary for propaganda; d) secretary for the SA and SS, and e) a member of the local Gestapo;
- 2) Geographical sections under zone chiefs, block chiefs, and cell chiefs;
- 3) The diplomatic organization, which received instructions from Berlin but worked under the vigilance of Gestapo agents;
- 4) Secretariat for Internal Affairs, charged with national problems;
- 5) Secretariat for Military Affairs, governing SS and SA operations and military and depot administration;
- 6) Secretariat for Special Police Matters (Gestapo);
- 7) Secretariat for Judicial Matters;
- 8) Secretariat of the Treasury, which directed the Party's economic campaigns, supervised the commercial organization attached to the diplomatic service, saw to it that German chambers of commerce complied with the special laws governing their activities, levied and collected the taxes which Germany imposed on all Germans regardless of where they lived;
- 9) Secretariat for Propaganda;
- 10) Secretariat for Culture.

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The following schematic listing shows the chain of command and principal members of the Foreign Organization in Argentina, as of 1941: 8/

Martin BORMANN (in BERLIN)  
Deputy to the Fuehrer

Ernst Wilhelm BOHLE (in BERLIN)  
Gauleiter of Auslandsorganisation

Dr. Gottfried BRANDT (in BUENOS AIRES)  
Gauleiter for South America

Prinz Stephan von und zu SCHAUMBURG-LIPPE  
Vice-Gauleiter  
Military and Police Chief

Hugo Wend von RADOWITZ  
Secretary General of Political,  
Diplomatic and Propaganda Affairs

Heinrich VOLBERG, Buenos Aires  
Landesleiter for Argentina

I - Directorate for Argentina

Alfred MUELLER, Secretary General  
Alfred BECHLER, Delegate National Labor Front  
Johann SANDKUHL, Director of Propaganda  
Heinz FROELICH, Chief, Storm Troops and Elite Guard  
Wilhelm WEILAND and  
Hans FORSTER, representing the Gestapo  
George C. SCHMIDT, Secretariat of Internal Affairs  
Erwin WALD, Administration  
Walter S. STOCKER, Commerce and Industry  
Martin WEINSCHENCK and  
Leo MULLER, Export and Import

Operations

The Auslandsorganisation brought together individuals and groups of German origin or extraction wherever found abroad, and kept track of them through its network of social, cultural, and Party organizations. At that point the Gestapo moved in and applied its measures for bending all Germans to the Nazi will and control.

Simultaneously, the SD, (Sicherheitsdienst) or security service\*, operated within the same area to gain influence over the indigenous government. This was accomplished by infiltration and by "capturing" and developing potential leaders who, at a given time, would assume control of the police and military forces and the public administration, and guide national policy in ways favorable to Nazi designs.

The third arm of the Nazi organization for foreign conquest was the vast propaganda network which served to indoctrinate Germans and to blanket the target countries with barrages of words against democracy, in favor of nationalist extremism and totalitarianism. A principal objective was to undermine

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\*The SD was a political intelligence organization within the Schutz Staffel (SS), the elite guard of the Nazi Party. When the Party had penetrated the apparatus of the German State, the SD was decreed to be the intelligence organization of the State as well as of the Party, with the official task of supporting the criminal police (Kripo) and secret police (Sipo), of which the Secret State Police, the Gestapp, was part. The Abwehr, Intelligence Service of the German High Command, usually confined itself to normal military intelligence operations. It gradually lost prestige and at last became subordinate to the SD.

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public confidence in established leaders and popular institutions, and build up sentiment sympathetic to Nazi ideology, and thus to prepare the way for imposition of new leaders who would be friendly or submissive to Nazi Germany and unfriendly to the UK, France and the U.S.

The schematic listing of Auslandsorganisation officials in Argentina, given in the preceding section, shows how each major component of the Nazi plan for domination was represented in the Central Directorate. The program was comprehensive and grandly conceived. Its implementation required money and entrenchment under cover, which would be more secure than that provided by the German diplomatic service or the cultural societies. Clandestine operations would also be less subject to the scrutiny of indigenous government agencies or parliaments. Both money and cover were forthcoming from the great German commercial firms throughout the world. These firms had already established multiple, deep-rooted liaisons with government and commercial circles, with indigenous families, and with social and political leaders. Yet, within the vast framework of the cartel system, they remained closely linked to the Fatherland.

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Annex (A)

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- 2/ Department of State, National Socialism. U. S. Government Printing Office, Washington, 1943, p. 96.
- 3/ Ibid, p. 105
- 4/ " p. 107
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- 6/ " p. 355
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