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Authority NND57S 27
By NP NARA Date 910
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RG 84
Entry BUENOS AIRES
File 851.5
Box 53

Swiss francs/ German gold

TELEGRAM RECEIVED

FROM: DEPARTMENT
104 words
DATE: August 17, 3 p. m., 1944
NO: 1299
CODE: SECRET (PARAPHRASE)
RECEIVED: August 18, 8 a. m.

AMEMBASSY

BUENOS AIRES

1299--August 17, 3 p. m.

A confidential source has informed us that the Institute de Moneda Extranjera has been offered by Credit Suisse, Zurich, gold which is located in Buenos Aires worth up to 20 million Swiss francs against payment in Swiss francs. (This message is from the Treasury Department, the Foreign Economic Administration, and the Department of State.) On this matter or on any similar gold transactions we should appreciate receiving information particularly concerning the extent to which such arrangements have been or may be employed by German interests to transfer their looted gold into gold now on deposit in the Western Hemisphere.

This message, which is being sent to Madrid, is being repeated to the Embassies at London, Bern, and Buenos Aires.

HULL

Decoded: rmm/mph
Original and 5 paraphrases typed: mph
Original and paraphrase to Mr. Reed
Action paraphrase to Mr. Bohan (2)
Paraphrases to: Files
Chronological file

851.5

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*Telegram to Dept
Aug. 26*
WV 7-110

ACTION COPY
TELEGRAM RECEIVED

FROM: DEPARTMENT C | DATE: August 25, 5 p.m., 1944
201 words | NUMBER: 1335
CODE: SECRET PARAPHRASE | RECEIVED: August 26, 9 a.m., 1944

An official of the Pan American Airways has informed the Department that under arrangements effected by the Federal Reserve Bank shipments of gold consigned to the Bank of Uruguay have been going forward for some time past via Balboa and the West Coast to Santiago thence via Buenos Aires to Montevideo. Of the total proposed shipment of 200 kegs averaging 100,000 dollars per keg the official states that 54 kegs have arrived Montevideo and 26 kegs are now enroute.

A somewhat cryptic message has just been received by Panair from their Buenos Aires representative stating that the Argentine authorities have refused transit permit for further gold. Representative requests that further shipments be stopped. The Panair Office here is not aware whether any of this gold is now in Argentina. Will you please consult the Panair representative in Buenos Aires, George Smith, and cable any available information.

The above message has been repeated to Montevideo -- sent to Buenos Aires.

HULL

Decoded:ldc
Original and 5 paraphrases typed:ldc
Original and paraphrase to:
Action paraphrase to:
Paraphrases to:

Mr. Reed
Mr. Bohan (2)
Files *Dist. & Chronological*

851.5 / 7110 Arg. - Uruguay

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Entry BUEENOS AIRES
EMBASSY 41
File 851.5
Box 5B

Wickham
ACTION COPY
OUR
Call

TELEGRAM RECEIVED

FROM: MADRID DATE: September 8, 8 p. m., 1944
118 words NO: 3089 (Madrid to Dept.)
CODE: SECRET (PARAPHRASE) RECEIVED: Sept. 11, 8 a. m.

AMEMBASSY

BUENOS AIRES

The following telegram has been sent to the Department:
3089--September 8, 8 p. m.

The following telegram has been repeated to Bern,
to London as No. 76, and to Buenos Aires:

Last year, as Spain was short of pesos for wheat purchases, the Institute, when negotiating with the Swiss, discussed the feasibility of Switzerland's making available the gold it had on deposit in Argentina. Because of Swiss objections, however, no agreement was reached. There is not at the present time being contemplated any transaction similar to that mentioned in the Department's telegram No. 2281 of August 17. There is not any evidence that Germany is now channelling through Spain any transfers of gold or credits to the Western Hemisphere countries; our investigation will be continued, however. We have been given informal assurance that there will be brought to our attention any imports of United States currency into Spain from the enemy.

851.5 / 861.317

HAYES

Decoded: mph
Original and 5 paraphrases typed: mph
Original and paraphrase to Mr. Reed
Action paraphrase to Mr. Bohan (2)
Paraphrases to: Files
Chronological file

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BY IRASSY 4/1
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6

FILE COPY

TELEGRAM SENT

TO: DEPARTMENT DATE: August 26, 2 p.m., 1944

CODE: SECRET (PARAPHRASE) No.: 2221--PRIORITY

SECSTATE

WASHINGTON

PRIORITY--2221--Aug. 26, 2 p.m.

This message is repeated to Montevideo.

In regard to the question of gold shipments so far as can yet be known, there is only one detail of general effort of Panair to secure permission to handle commercial traffic between Buenos Aires and Montevideo and is not, as the Department seems to have been informed, a matter of a refusal on the part of the Argentine authorities for transit permits for shipments. (Reference Department's telegram 1335, August 25, 5 p.m.) As previously reported in Embassy's 1577 of June 21, 5 p.m., Pan American north and southbound planes stop in Montevideo but permission for commercial traffic has not been given by Argentine government. Despite this, Panagra signed a contract for shipment of Uruguayan gold via Buenos Aires. Following the negotiation of the contract, the local Panair office was successful in securing general permission to carry gold, but only on the basis of a special authorization for each trip. Several special trips have been made under this arrangement, but as yet permission for the trip scheduled this week has not been extended. However, permission has not (repeat not) been refused and the matter has been referred for final decision to the Ministry of War, under which the Bureau of Civil Aeronautics operates. Eighteen kegs of gold are in Buenos Aires now. As above stated, the question of transit permits has not arisen, and if necessary shipment could be arranged via Dodero boats by Panair at considerable expense to them, naturally. This matter has not previously been reported by the Embassy because it could not be and still cannot be sure that it should receive emphasis as any-

851.5

134025

thing

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6
TELEGRAM UNIT

-2-

thing other than a detail of Panair's negotiations for permission to handle commercial traffic. The Embassy will continue to observe developments closely as it is aware of the possible significance.

REED
elr

Drafted: CRB
Encoded: mph:rmw:jf
Original and 4 paraphrases typed: jf
Paraphrases to: Mr. Reed
Mr. Bohan
Files
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still cannot be sure that it should receive applications for

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TELEGRAM RECEIVED

ACTION COPY

FROM: DEPARTMENT DATE: October 11, 7 p.m., 1944
244 words NUMBER: 1552
CODE: SECRET PARAPHRASE RECEIVED: October 12, 9 a.m., 1944

NR

FC

SECTION ONE . We have sent the following telegram to the American Mission Paris and repeated in substance to the American Delegation Rome, and it is repeated for your information.

SECTION TWO. Our Embassy in Buenos Aires has informed us that quantities of 1,000 Banco d' Italia lire notes and of 5,000 franc French notes are being sold by exchange houses in Buenos Aires. The decree of September 22, '43 and August 10, '43, authorized the issuance of the lire notes. It is believed by the American Embassy in Buenos Aires that both classes of these notes are looted currency.

Kindly bring this information to the attention of the French and discuss with them the general question of preventing realization on such notes. Some legislation, it is believed, which would make realization and redemption of the notes in France impossible already exists, but the information of the Department on this subject is not specific. Transmit any relevant legislation and the views of the French on this problem. The question of looted French currency, it is recognized, is of peculiar interest to the French, but our interest in all Axis assets, and especially flight capital, would seem to make it appropriate for us to inquire of the French as to their attitude and to raise this question with them.

851.5

Decoded:ldc HULL
Original and 5 paraphrases typed:Ldc
Original and paraphrase to: Mr. Reed
Action paraphrase to: Mr. Berger (2)
Paraphrase to: Files
Chronological

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Entry BUELOS ARIES
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TELEGRAM RECEIVED

Handwritten initials and a large diagonal slash.

117 words
FROM: AmEmbassy, Montevideo DATE: November 22, 5 p.m., 1944
NO: 1102 (Monte No. to Dept.)
CODE: Confidential (Paraphrase) RECEIVED: November 22, 9 pm, 1944

The following telegram has been sent to the Department:
1102 - November 22, 5 p.m.

Handwritten initials.

The Bank of Republic reports that the local Bank of London has informally applied for a permit to import monthly remittances of 150 kilograms of fine gold bar from the Chilean Caja Minera for immediate reexportation to the Argentine destined "to pay remitter's commercial obligations." No further details are presently available. The duration is not specified, but the Bank of Republic would not grant a permit for longer than trimester terms and can discretionarily deny the permit if the Embassy wishes. Please advise in this connection.

Handwritten number 851.5

This message has been repeated to Santiago and Buenos Aires.

DAWSON

Decoded: mlc
Original and 4 paraphrases typed: bw
Original and paraphrase to Mr. Reed
Action paraphrase to Mr. Berger
Paraphrases to: Files
Chrono

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Entry BOELLOS AIRES
TRASSY 41
File 851.5
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6

FILE COPY

TELEGRAM SENT

To: DEPARTMENT Date: December 1, 11 a.m., 1944
No.: 2898
Code: SECRET (PARAPHRASE)

SECSTATE

WASHINGTON

2898--December 1, 11 a.m.

This message is repeated to Montevideo.

863.5/851

Reference Montevideo's telegram number 1102 of November 22, 5 p.m., the importation of gold into Montevideo may have connection with the imports of gold into Argentina, which was discussed in this Embassy's Airgram number A1446⁸⁵¹ of June 2, 10 a.m. Embassy is advised that the Chilean Caja de Credito Minero is arranging for cancellation of Alain de Trenqualye Farganel and Saul Raichberg contracts as of December 15th. The Department's telegram number 1148^{851.6} of July 17, 8 p.m. disapproved the American bank extending credit to the above persons for the purchase of Chilean gold here.

851.5/851.6/

REED

dcb

Drafted: CAW
Encoded: bw
Original and 3 paraphrases typed: jf
Paraphrases to: Mr. Reed
Files
Chronological

194030

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Box 53

6

FILE COPY

TELEGRAM SENT

To: DEPARTMENT Date: December 1, 11 a.m., 1944
No.: 2898
Code: SECRET (PARAPHRASE)

SECSTATE

WASHINGTON

2898--December 1, 11 a.m.

This message is repeated to Montevideo. ^{863.5/251}
Reference Montevideo's telegram number 1102 of
November 22, 5 p.m., the importation of gold into
Montevideo may have connection with the imports of gold
into Argentina, which was discussed in this Embassy's
Airgram number A1446²⁵¹ of June 2, 10 a.m. Embassy is
advised that the Chilean Caja de Credito Minero
is arranging for cancellation of Alain de Trenquallye
Farganel and Saul Raichberg contracts as of December 15th.
The Department's telegram number 1148⁸⁵¹⁶ of July 17, 8 p.m.
disapproved the American bank extending credit to the
above persons for the purchase of Chilean gold here.

851.5/8511.6/

REED
dcb

Drafted: CAW
Encoded: bw
Original and 3 paraphrases typed: jf
Paraphrases to: Mr. Reed
Files
Chronological

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Enclosure 3

Enclosure No. 2 to despatch No. 6569
of February 23, 1942, from American
Embassy, Rio de Janeiro, Brazil.

(TRANSLATION)

DECREE-LAW NO. 3911

To regulate the application of this decree, we
can now set forth the following details:

The spirit of the decree was to prevent foreigners, especially nationals of the countries which attacked the Americas - Japan, Germany and Italy -, from effecting financial transactions and moving funds of a dubious nature for propaganda and other purposes which might threaten the safety of the continent.

Besides the nationals of those countries, the provisions of this decree also affect the nationals of other countries siding with the aggressor nations, and those of the occupied countries who are sympathetic to the invaders. The decree, therefore, is not applicable to native Brazilians, the nationals of any American countries, those of countries not engaged in war, and those of countries at war on the side of the American cause. To all of these, however, including Brazilians, the provisions of the decree may be applied when it is suspected that their relations with entities of the aggressor nations, or their allies, particularly banks, are dangerous or detrimental to American interests.

For the proper application of the provisions of this decree and passing judgment on the nationality of an individual, the utmost carefulness should be given to factual circumstances, that is, the fact should be considered that there are many nationals of the aggressor nations who are deeply radicated in Brazil, with no political interests whatsoever in their countries of origin, and, above all, with no possibilities or desire for harmful activities. The terms of the law, therefore, shall not be applied to such individuals. On the other hand, there are many concerns which, even though they are legally Brazilian, have foreign members or foreign dependents who are in a position to put into practise the very same activities which we desire to restrain. The provisions of the law will be applied to the latter. No fast rules can be established for such cases, but we trust to your discretion.

In a general way, we consider as suspicious operations those which, when effected by the individuals affected by the provisions of decree-law 3911, according to these instructions, result in the movement of funds or values in amounts considered large for such individuals, for purposes not duly proved. This means that even those individuals affected by the provisions of this decree and these instructions, are not prevented

/from

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- 2 -

from moving their bank or custody accounts, and effecting other banking transactions, when a plausible reason can be produced for such transactions.

Another purpose of the decree is the protection of banking establishments, savings banks and depositors. The following procedure should thus be followed in the case of Axis banks established in Brazil or those connected with the Axis countries:

Such banks should be prevented from using their cash resources for preferential treatment of the requirements of their nationals, their allies, or suspects, to the detriment of the interests of other parties, that is, discrimination should be restrained.

To avoid excessive withdrawals from those banks, you may graduate them, by apportioning the possibilities of the bank's resources to the legitimate necessities of depositors.

As to savings banks and other Brazilian friendly banks, you will observe that there are several instances in which the decree cannot be applied, such as when they refer to transactions between such banks and individuals not affected by the decree. You may even tell such banks that operations effected between them and the firms mentioned are not the object of any control or restriction. However, Brazilian banks and those of countries which defend the American cause, as well as savings banks, must observe the fact that depositors affected by this decree may wish to exceed the limit of withdrawals, which should be avoided, not only for the convenience of the depository bank, but also to prevent such funds from remaining in undesirable hands and out of control. Under such conditions, the law will be applied in common agreement with the payee, withdrawals only being permitted for entirely justifiable purposes.

There is no doubt but that in small towns, where the population consists mostly of Brazilians or foreigners who have lived in Brazil for many years and no important recent foreign nucleus exists, there will be little opportunity for the application of this decree.

By the terms of decree-law 3911, the supervision of this decree has been entrusted to the Banking Fiscalization Department of the Bank of Brazil. This department will exercise such supervision by means of its agents, and in case the work should require it, other employees of the bank may be used.

In savings banks and other Brazilian banks, or those originating in American countries or countries siding with the American cause, the supervision may be exercised "a posteriori", in good faith, the information submitted

/being 104033

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Enclosure 2

Enclosure 4 to despatch No. 6003
of December 10, 1941, from American
Embassy, Rio de Janeiro, Brazil.

TRANSLATION

Circular Telegram to the Agencies - CONFIDENTIAL

NATIONAL - URGENT

December 9, 1941

"BANKING FISCALIZATION:- The Government has just issued a decree-law blocking all payments of firms or to firms originating in non-American countries and which are involving in the war.

Please advise all banks under your jurisdiction that all payments must have the approval of the Banking Fiscalization, which will only grant such payments in small proportion in cases where their necessity is proved, your Agency consulting this General Administration in doubtful cases.

This blocking refers not only to current accounts, but also to payment orders, discounts, loans, exchange operations, and, finally, to all and any operation involving the movement of funds.

These provisions must be applied to all Banks, however, special control must be exercised over the banks mentioned below and others existing in your trade center under identical conditions:

- The Yokohama Specie Bank Ltd.
- Banco Alamao Transatlantico
- Banco Francês e Italiano para a America do Sul
- Banco Germanico da America do sul,

to whom the visa measure will be applied, also, protecting them from bank runs, as their payments will depend on the approval of the Banking Fiscalization.

The above mentioned Banks are subject to depositing at the Bank of Brazil their surplus funds.

To each of these Banks there must be appointed the number of inspectors required for efficient supervision, the Chief of the Banking Fiscalization being authorized to request employees of other sections, as the case involves measures pertaining to the national defense.

At the Brazilian banks, savings banks, state and federal and of other nationalities, the control may be effected posteriori, being allowed prior consultation in cases of doubt. Any abuse being verified on the part of any of these banks, the measures applicable to the first group must be taken.

In cities where the Bank of Brazil has no branch, the disqualifying function will, temporarily, be delegated to the local managers of bank agencies, if they are native-born Brazilians, the nearest Banking Fiscalization officer paying periodic visits.

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In cases where, in the city, there exists only a foreign bank, the Banking Fiscalization will nominate an employee, especially as an inspector, for the purposes in view.

Compensations of checks are also subject to the approval of the Banking Fiscalization."

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ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

February 10, 1944

AIR MAIL

AMERICAN
MISSION
BUENOS AIRES
FEB 11 1944
851.6

CONFIDENTIAL

No. **5499**

To the
Officer in Charge of the American Mission,
Buenos Aires.

The Secretary of State refers to the Embassy's telegram no. 255 of January 28, 1944 and the Department's telegram no. 185 of February 1, 1944 concerning the action taken by the Governments of the other American Republics in order to control the activities of German banks, with particular reference to any proceedings leading toward the liquidation of the German banks and any new information indicating financing of subversive activities by the banks.

There is enclosed herewith a memorandum summarizing information available to the Department concerning these matters. This information is supplementary to that contained in the above-mentioned telegram.

Enclosure:
Memorandum, with enclosures.

840.51 Frozen Credits 35/296

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MEMORANDUM

Action taken in the Other American Republics,
Except Argentina, Against German Banks

This memorandum contains information supplementing that forwarded to the Embassy at Buenos Aires by telegram with regard to the action taken by the Governments of the other American Republics against German Banks and any new information obtained which would indicate implication by German Banks in the financing of subversive activities.

BRAZIL

Control by the Brazilian Government over enemy banks in Brazil had its inception in the promulgation of decree law no. 3911 of December 9, 1941 (enclosure no. 1). The administrative regulations and interpretation issued by the Bank of Brazil pursuant to that law are attached as enclosures nos. 2 and 3.

On August 24, 1942, two days after declaring war on the Axis, the Brazilian Government published officially decree law no. 4612 (enclosure no. 4) ordering the immediate closing of the enemy banks. Under the provisions of that decree, licenses of enemy banks were revoked and interventors appointed to proceed with liquidation. In pursuance of article 2 of decree law no. 4612, the Minister of Finance issued instruction no. 128 (enclosure no. 5) outlining the powers and duties of the interventors appointed to effect the liquidation of the enemy banks.

A general summary of the administrative problems which arose from the liquidation of Axis banks in Brazil and a summary of the actions taken by the Brazilian Government and the Embassy at Rio de Janeiro to solve those problems are contained in despatch no. 9822 of January 22, 1943 from the Embassy at Rio de Janeiro (enclosure no. 6).

An examination of the books and records of the German Banks in Brazil indicates that they exercised an influence over the financial activities of German interests in Brazil. However, owing to the control of the banks' activities exercised by the Brazilian fiscal authorities, beginning with the promulgation of decree law no. 3911, and owing to the fact that the Germans were thoroughly prepared for government action and had destroyed many confidential or political documents, few examples have been found of direct financing of subversive activities by the banks. The records of both the Banco Allemão Transatlantico and the Banco Germanico establish that after the severance of relations between Brazil and Germany, the Rio and São Paulo branches of these banks received from Berlin via Argentina coded messages containing orders and instructions for the payment of funds. Replies to Berlin were transmitted by these banks through the same channels. In the files of the Banco Allemão Transatlantico were found detailed records of movements

of

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of Allied ships far exceeding in meticulousness anything of this nature normally maintained by commercial banking institutions. There were also found originals of letters from Germany addressed to employees of the bank, authorizing them to assume Brazilian citizenship, presumably without the risk of loss of German citizenship. Both German banks maintained drawing accounts for the German Embassy at Rio de Janeiro which were periodically replenished by cash deposits and from which monthly withdrawals were made by bearer checks. These accounts far exceeded in the aggregate the normal expenses of a diplomatic mission. The liquidator of the Banco Allemão Transatlantico has found at least two instances where that bank, after 1940, greatly increased the available line of credit to Germans subsequently imprisoned for espionage activities.

CHILE

A law authorizing the Chilean authorities to establish financial and commercial controls in Chile went into effect December 23, 1943. One of the first actions of the Chilean authorities under this law was the issuance of a decree on January 19, 1944 declaring the Chilean offices of the Banco Aleman Transatlantico and the Banco Germanico de la America del Sud in liquidation as of December 31, 1943. The decree provided that liquidation should be carried out by the Superintendency of Banks pursuant to appropriate provisions of the general banking law, special reference being made to title five of that law. Altogether six offices of the banks mentioned will be affected. Even though the decree had been prepared for some time, intensive efforts were made by the banks during the last few days preceding its promulgation to secure the continued operation of the banks under the supervision of an interventor. These efforts were successfully forestalled by the excellent work of two cooperative Chilean officials.

COLOMBIA

There is attached to this memorandum (enclosure no. 7) a copy of the recommendation for deletion of the Banco Alemán Antioqueño from the Proclaimed List for Colombia. This enclosure contains full information concerning the reorganization of this bank, now known as the Banco Comercial Antioqueño. Banco Alemán Antioqueño was deleted from the Proclaimed List on February 28, 1942.

MEXICO

The enclosures to the Department's circular instruction of December 17, 1942 outlined in considerable detail the vesting procedure of the Mexican Government established under the decree law of June 11, 1942. In the case of the Banco Germánico de la América del Sud this procedure did not run its normal course in as much as the bank ceased to exist upon the expiration of its

franchise,

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franchise, and formal vesting consisted merely in the blocking of its remaining assets. The Department has no new information concerning the former subversive activities of Banco Germánico in addition to that contained in despatch no. 11,950 of August 12, 1943 from the American Embassy at México, D. F., transmitted to the Embassy at Buenos Aires with instruction no. 4827 of September 1, 1943.

PARAGUAY

The intervention of the Banco Germanico de la America del Sud occurred on October 2, 1943. Prior to this date the Paraguayan Government had been reluctant to take such action although it had suggested several times that the Banco Germanico be taken over outright, preferably through purchase by an American bank. One of the chief reasons for this reluctance was the fact that the German bank in Asunción had made a loan to the Paraguayan Government in August 1928. This loan was carried in the Debt Service Schedule of the 1942 budget and at that time was set down at 273,999 gold pesos. The interest and amortization allowance in the 1942 budget on this loan was set at 15,000,000 paper pesos. This loan had been renewed regularly on a quarterly basis and as of the conclusion of March 1943 the debt stood at 219,043.45 gold pesos and 9,117,220.90 paper pesos. Another reason was because the Banco Germanico for some years ranked in Paraguay as the principal commercial bank in the sense that it devoted a large part of its funds and resources to loans made to agriculturists throughout the country.

During the latter part of September 1943, however, it became evident that the Paraguayan Government officials were becoming more favorably disposed toward the control of the Banco Germanico. Paraguay was at that time one of the very few nations which had broken relations with the Axis powers (decree law no. 10793 of January 28, 1942 and decree law no. 11068 dated February 16, 1942) but which had not in one form or another established supervision over German banking interests.

There is attached to this memorandum a copy of despatch no. 1715 of January 10, 1944 from the American Embassy at Asunción (enclosure no. 8) which contains the text of the Final Report of the Interventor of the Asunción branch of the Banco Germanico. This report presents the clearest picture available of the results of the intervention of the Banco Germanico by the Paraguayan Government.

PERU

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PERU

The Banco Alemán Transatlántico in Peru was placed under the administration of the Superintendency of Banks by decree dated September 5, 1942. The Superintendency of Banks was charged in the decree to effect the transfer of the bank in the form to be established by the Finance Ministry, or failing that, to liquidate the same. From September 19, 1942 to October 20, 1942 its activities were confined to the paying off of depositors and to other routine matters. Its doors were closed to the public at the close of business on October 20, 1942, except for the settlement of obligations. Unfrozen deposits and securities held for safe-keeping have been transferred to the Central Reserve Bank and the owners have been notified to call at the Central Reserve Bank for their funds and property. After the unfrozen deposits were transferred to the Central Reserve Bank there remained approximately one million soles in frozen deposits. Most of the bank's staff including all of the Germans have been given an indefinite paid furlough.

The bank has not been expropriated and still owns property and assets. This means that it still exists as a legal personality ready for the war's termination. No amount of suggestion on the part of our Embassy in Lima has thus far persuaded the Peruvian Government to extinguish this institution. A new bank is presently being organized in Peru. The organizers of this new venture would very much like to have certain of the properties and assets of the Banco Aleman Transatlántico and it may be that they can induce the Peruvian Government to expropriate the German bank and sell its assets.

URUGUAY

Article IV of the decree law of December 12, 1941 provides: "The Bank of the Republic until further order will exercise a strict control of a permanent character over the Banco Aleman Transatlántico and the Banco Frances e Italiano para la America del Sud with a view to preventing the transfer of assets abroad and the application of their assets and deposits to operations which may affect this country or those countries with whose international situation this country has proclaimed its solidarity."

Decree of October 17, 1942 (based on the investigations conducted by the Uruguayan "Commission Investigation Anti-National Activities") provides:

"Article 1. The intervention in the Banco Aleman Transatlántico, conferred upon the Bank of the Republic by the decree of the Executive Power dated December 12, 1941, Article IV, is implemented and must be carried out with the purposes of limiting the operations of the said bank to the following:

a) To

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"a) To receive funds in payment of credits, loans and advances that it may have granted, as well as of any other sums that may be due it.

"b) To pay when due unblocked deposits, the withdrawal of which may be requested by the respective depositors.

"c) To liquidate the other pending transactions which the Interventor authorizes.

"d) To pay its budget of salaries and the expenses strictly necessary for its operation.

"Article 2. The Banco Aleman Transatlantico may not carry out any operation other than those specified in the preceding Article, except with the special authorization granted by the Bank of the Republic.

"Article 3. All funds pertaining to the Banco Aleman Transatlantico which are not necessary to effect the operations specified in Article 1 shall be deposited in custody in the Bank of the Republic as blocked funds. These funds can be utilized only with the authorization of the Bank of the Oriental Republic of Uruguay."

The control of the Banco Aleman Transatlantico as it now exists under the decree of October 17, 1942 is effective and the bank's activities are now in the process of being liquidated. The savings account deposits in the Banco Aleman now total only \$130,000 as of August 1943 and since the Banco Aleman is permitted to pay only 2% interest, it would appear that this account will soon be liquidated since higher interest rates can be obtained elsewhere. The deposits in checking accounts total only 440,000 Uruguayan pesos owned by its correspondents abroad and by local Proclaimed List nationals.

The main reason for the rigorous control of the operations of the Banco Aleman in Uruguay is the findings of the "Commission on Anti-National Activities" presented in a pamphlet entitled "Movement of Nazi Funds in Uruguay". It is assumed that a copy of this pamphlet has been directed to the Embassy by the Embassy at Montevideo.

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Enclosures:

1. Decree law no. 3911 of December 9, 1941 (Brazil).
2. Administrative regulations of December 9, 1941 issued by the Bank of Brazil.
3. Bank of Brazil's interpretation of decree law no. 3911 of December 9, 1941.
4. Decree law no. 4612 of August 24, 1942 (Brazil).
5. Instruction no. 128 issued by the Minister of Finance (Brazil).
6. Despatch no. 9822 of January 22, 1943 from the Embassy at Rio de Janeiro.
7. Recommendation for deletion of Banco Alemán Antioqueño from the Proclaimed List (Colombia).
8. Despatch no. 1715 of January 10, 1944 from the Embassy at Asunción.

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Enclosure 1

Enclosure No. 2 to Despatch No. 6003
of December 10, 1941, from American
Embassy, Rio de Janeiro, Brazil.

TRANSLATION

M. F. Office of the Minister

**"Establishes protection measures to
safeguard the interests of foreigners
during the present emergency**

.....
using the powers conferred upon him by virtue of article
No. 180 of the Constitution,
and

Taking into consideration the situation created
by latest international developments, and the necessity of
establishing a regime of protection and financial security
to safeguard legitimate foreign interests, decrees:

Article 1 - All operations involving persons natural
or juridical of countries not belonging to the American
Continent and which are in state of war, will require a
previous license from the Banking Fiscalization Department
of the Bank of Brazil.

Article 2 - The Minister of Finance is hereby authorized
to issue instructions for the execution of this decree-law.

Article 3 - This decree-law will be effective on the
date of its publication, all dispositions to the contrary
being hereby revoked.

Rio de Janeiro, December 9, 1941.

120th year of Independence and 53rd of Republic.

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818 words

Mr. E. H. ...

PARAPHRASE OF TELEGRAM RECEIVED FROM DEPARTMENT
Received February 2, 1944, 9 a.m.

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ACTION COPY

AMEMBASSY

BUENOS AIRES

W

US URGENT - 185 - February 1, 5 p.m.

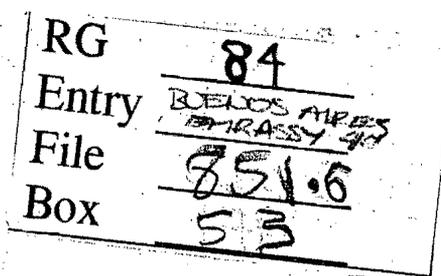
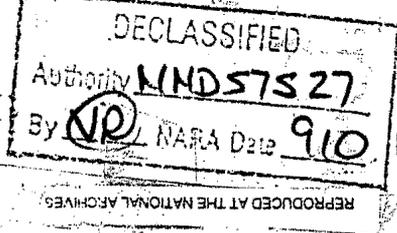
In answer to your recent telegram on German banks
we have the following information:

The Banco Germánico de La América del Sud was sub-
jected by the Mexican Government to the provisions of the
decree law which governs enemy properties issued June 13,
1943. On that date control of its properties was taken by
temporary agents in order to prevent dissipation of assets
before the institution of a permanent plan of custodianship.
When the bank's franchise expired the assets were frozen in
blocked accounts in the Banco de Mexico and the Banco Ger-
mánico ceased to exist.

The Colomiban Government reorganized the Banco Aleman
Antioqueno early in 1942. About one-third of the share-
holding of this bank was German. The Caja de Credito which
is a government institution was appointed trustee of the
blocked German holdings, except for a small portion which
was owned by Germans in Colombia, the shares to be returned
to the German owners after the war. The trustee was given
about 40% representation on the board by this arrangement,
and in addition it was stipulated that the trustee must be
satisfied with the directors, personnel and all operation.
Other features of the reorganization were a change in name
to the Banco Commercial Antioqueno; the dismissal of un-
desirable personnel; and the restriction of transactions
with blocked firms by requiring the approval thereof by
the trustee.

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the trustee.

In October 1942 the Uruguayan Government subjected the Banco Aleman Transatlántico to intervention on the basis of investigations which were conducted by the Uruguayan "Commission Investigating anti-National Activities." The bank was placed under the complete control of the Uruguayan Banco de la República. The report of the Commission dated August 1942 established the bank's connection with the financing of subversive activities and we assume that you have, or can obtain, a copy of this report.

In October 1943 the Paraguayan Government intervened the Banco Germánico de la América del Sud. The report of the interventor of December 27, 1943 indicates that the profits over a period of years were immediately removed to the Banco Germánico at Buenos Aires. It is believed that the bank's records were either destroyed or forwarded to Buenos Aires prior to intervention. Most of the Proclaimed List accounts were transferred from the Banco Germánico to Asunción branch of the Banco de la Nación.

The Banco Alemao Transatlantico and the Banco Germanico da America do Sul were ordered immediately closed by the Brazilian Government on August 24, 1942. Licenses were revoked and interventors were appointed to proceed with the liquidation. The Axis personnel was summarily dismissed and barred from entering the premises. To replace the dismissed employees personnel was provided by the government-owned Bank of Brazil. By further decree provision was made for the re-employment by other banks of the officials who had not acted against national security. This re-employment applied indiscriminately to all the ex-officials regardless of their nationality and created an excellent impression by saving innocuous foreign employees from serious economic hardship. Some former financing of subversive activities is revealed

by a

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by a recent examination of the bank files.

By a decree of the Chilean Government dated January 19, 1943 the Banco Aleman Transatlántico and the Banco Germánico declared in liquidation as of December 31, 1943; this liquidation to be carried out by the Superintendency of Banks. The intensive efforts by the banks to secure continued operations under the supervision of an interventor were unsuccessful.

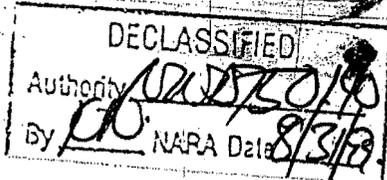
The Banco Aleman Transatlántico was placed under the administration of the Peruvian Superintendency of Banks in September 1942. Since October 20, 1942 the doors have been closed to the public except for the settlement of obligations. The unfrozen deposits and the securities for safe-keeping were transferred to the Central Reserve Bank. Approximately one million soles in frozen deposits remained after this transfer.

We are airmailing further details.

HULL

Decoded: ldc

Original and 4 paraphrases typed: mrh
Original and paraphrase to: The Ambassador
Action paraphrase to: Mr. Bohan
paraphrase to: Files
Chronological



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XC11366
 28 June 1945

Comments on FEA Preliminary Report on Looted Art in Occupied Territories, Neutral Countries and Latin America, 5 May 1945.

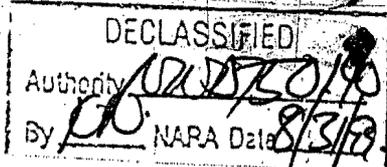
This report is a good general summary of German operations in the above-mentioned territories in the acquisition and/or looting of works of art and in outlying possible evidences of the use of such works of art for safehaven purposes. Its principal weakness is that it draws conclusions on the basis of unevaluated material and material of low evaluation. It has the limitations of any intelligence summary written today, in that a considerable amount of the material is already outdated and could now be replaced by more concrete evidence from current interrogations of German POWs and other individuals connected with the enemy art world.

Considerable material is now available to supplement in detail the account given here of the operations of the Task Force Rosenberg and the individual agents buying for the Nazi Party members. It would also be possible from the material available to us, to supplement and in some cases to confirm or deny information on individual agents and transactions mentioned in this report. Detailed list of such comments is appended to the report.

A revised addition, to be downgraded for wider distribution is contemplated by FEA. If this is done, OSS will have, through the Roberts Commission, an opportunity to check the material and to provide evaluation and additional information.

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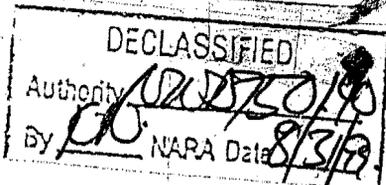
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28 June 45

Notes on FEA Report

- P. 3, l. 5-9 From Vaucher report. Remains to be established?
- P. 3, par. 5 No confirmation on these reports about Goering and Goebbels.
- P. 4, l. 1 Goering is probably more of an art connoisseur than Ribentrop.
- P. 4, l. 3 Later reports would seem to contradict this, as many of the important looted French collections were of modern art.
- P. 4, par. 9 The Vallard pictures are now said to be in Ottawa.
- P. 5, par 9 The connection between the Kunstschutz and looting seems to have been confined to individual cases; on the whole, the integrity of the organization was reasonable.
- P. 5, last par. The removal of the Bruges "Madonna" appears rather to have been a case of individual theft by military personnel rather than by official state order.
- P. 6, par. 8 Objects from Monte Cassino have been found in northern Italy.
- P. 8, l. 3-4 Although one source described Prof. Curtius as "assisting" Prince Philip, others describe him as an honest, reliable scholar. There is no real indication of his participation in looting.
- P. 8, par 11 According to an NFAAA report (source probably Muhlman), the sale of the Malingues arranged by Haber, with Mussolini's permission.
- P. 9. Considerable evidence against Lohse and critical comments on Hinder is available. Muhlmann is not known to have been an agent of Goering, but was head of the art section of the Reichskommisariat at The Hague. Evidence of looting by Dr. Kurt Martin and Dr. Fosse not established.
Haber, according to CIC interrogation, does not appear to have been Goering's official buyer, but a sub-agent.
Rochitz reported to have dealt with the enemy, but question the word "malicious."
- P. 10, l. 1 No confirmation that Yong offered part of Jaffe Collection for sale.
- P. 10, par 2³ No confirmation on activities of Weber and Hard-Weinappfel.
- P. 11, l. 4 Wiedebach is a lawyer, not a dealer.

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- P. 11 there were actually comparatively few cases of wanton destruction in Italy, and most of the missing objects have now been found in repositories.
- P. 12, par. 5 of no value.
- P. 13, par. 6 Schenker files gradually being made available for processing.
- P. 15, par. 3 latest interrogations indicate von Mohren's name is Wilhelm Jakob.
- P. 16, par. 3 Collection is that of Edward Jonas, currently in the U.S.
- P. 16, par. 7 Paul Rosenberg was in NY during occupation; Edmond in Paris
- P. 17, par. 1 Roger Dequoy seems to be on the best of terms with the Wildenstein family and is in constant touch with Georges, in N.Y., regarding current business transactions.
- P. 17, par. 6 Alfred Linden seems to be the same as Alfred Lindenbaum, English Jewish collector.
- P. 18, par 1. No confirmation that de Hauke was a "willing collaborator." Information from Vaucher sources should be checked.
- P. 21, par. 2 Goudstikker correspondence indicates that Dik acted under duress, not as a "collaborator." Pictures in Spain number 25, not 200.
- P. 23 See comments on PP. 5 and 6. Dr. Evers is reported to have behaved very correctly, contrary to this implication; Heydenreich also.
- P. 27-30 Miedl report needs revision in view of recent evidence. Note that "Kminak" should be Kminack.
- PP 31-38 Primarily from Cooper Report and Safehaven transmissions.
- P. 32, Par. 5 Pictures held by Wiedekehr have seals of the German Legation at Bern.
- P. 33, Par. 6 Andreas Huter now under interrogation.
- P. 34, Par. 5 Probably not true; see note on P. 18, line 1.
- P. 35, Par. 2 Alphonse HEBE

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Copy No. 149 *XL11366*

FOREIGN ECONOMIC ADMINISTRATION
Enemy Branch
External Economic Security Staff

ON YOUR RECEIPT
DUPLICATE OF MATERIAL
FILED IN 210

XL11366

LOOTED ART IN OCCUPIED TERRITORIES,
NEUTRAL COUNTRIES AND LATIN AMERICA

Preliminary Report

May 5, 1945

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In the preparation of this report, the generous assistance rendered by Mr. John H. Scarff, Special Assistant to the Secretary-Treasurer of the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas is gratefully acknowledged.

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II. GERMAN POLICY IN REGARD TO ART IN OCCUPIED TERRITORIES

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State Supported Acts

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Individual Agents and Buyers

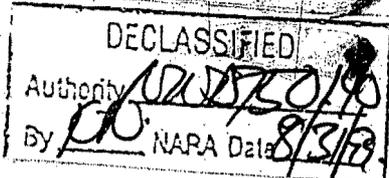
Individual Looting

III. LOOTING OF ART IN OCCUPIED TERRITORIES AND ITALY

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IV. LOOTED ART IN NEUTRAL COUNTRIES AND LATIN AMERICA

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INTRODUCTION

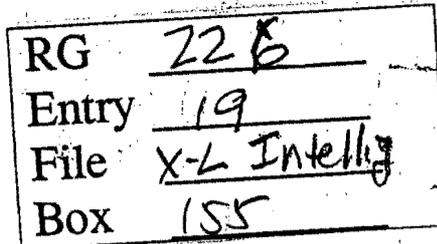
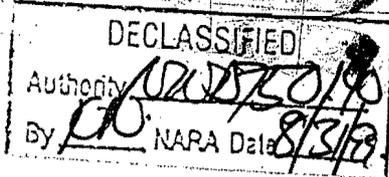
The salvage of European art treasures is an urgent problem, presenting two main aspects. The first deals with the actual preservation of such treasures for their intrinsic cultural and artistic value. The second deals with their recovery and restitution to their legitimate owners, since they constitute a financial asset in the hands of the enemy.

Allied committees were set up for the protection and sheltering of monuments and objects of art in liberated areas. They worked in close cooperation with the armed and air forces to spare and salvage art treasures in battle areas, or near military objectives in occupied territories. Among such committees are "The British Committee on the Preservation and Restitution of Works of Art, Archives and other Materials in Enemy Hands," "The American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas," "The Vaucher Sub-Committee of the Conference of Allied Ministers of Education," and G-5 SHAEP. It is also understood that governments of the liberated countries are setting up machinery to aid in the task of salvaging art treasures. Furthermore, the American Embassy in London indicated on December 7, 1944, that preliminary steps were being taken for the formation of an "Inter-Allied Committee on Restitution."

Foreign Economic Administration is concerned with the other phase of the problem: recovery and restitution of looted art treasures which are of economic value to the enemy, who is known to have attempted to dispose of them in neutral countries, in order to accumulate foreign funds and securities which might escape Allied control.

Most experts agree that it is difficult to estimate the value of the art treasures looted by the Nazis, since the value of art is extremely fluid. The Ministry of Economic Warfare is said to have set the figure at £36,000,000 (\$144,000,000), while Francis H. Taylor, Director of the Metropolitan Museum of Art, reported that the Nazis had stolen European art treasures valued at \$2,000,000,000 to \$2,500,000,000, more than the total value of all the works of art in the United States. The amount of looted art, however, actually exported to neutral countries and the Western Hemisphere by Nazi officials is probably a fraction of these total estimates.

The financial value to the enemy of looted property, including objects of art, was recognized by the 44 nations assembled at the United Nations Monetary and Financial Conference at Bretton Woods, July 1944. The delegates of the 44 nations adopted a resolution, known as resolution VI, in regard to enemy assets and looted property, and further recommended "that all Governments of countries represented at this conference take action

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consistent with their relations with the countries at war to call upon the Governments of neutral countries to take immediate measures to prevent any disposition or transfer within territories subject to their jurisdiction of any...looted gold, currency, art object, securities...and other assets looted by the enemy; as well as to uncover, segregate and hold at the disposition of the post-liberation authorities in the appropriate country any such assets within territory subject to their jurisdiction."

This resolution was in accord with the Declaration of London of January 5, 1943 with respect to looted property, and was circulated among American diplomatic missions in September 1944.

Each of the signatory nations in turn requested the Governments of Eire, Portugal, Spain, Sweden, Switzerland and Turkey, as well as the Argentine Republic to cooperate with the United Nations in the safeguarding of property looted by the enemy, including objects of art.

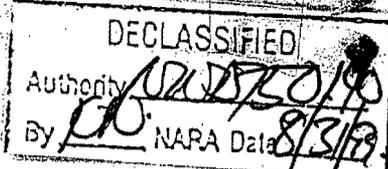
The task which the United Nations have taken upon themselves is manifold. It involves:

1. Identification upon recovery of art treasures looted by the Nazis.
2. Establishing of claims by the rightful owners, with positive proof of previous ownership.
3. Settlement of litigation arising from the fact that intermediary owners may have purchased looted property from cloaks, unaware that such dealers were fences for the Nazis.

Art treasures in national collections are on record, and it will be comparatively easy to establish a descriptive list of masterpieces missing from museums, art galleries, and churches. These cannot readily be put on the market, and nations' rights to claim back the works stolen from them are unquestionable. This is also true of some of the more renowned private collections, often as important and valuable as the national ones. The Rothschild collections in France, for instance, were estimated, before the war, at several tens of million dollars.

Works of art from small private collections, and works by less famous artists, or less well known creations by great masters may find a more ready market. Even more difficult to trace will be single but relatively valuable objects of art, privately-owned and not part of a catalogued collection: small statuary, tapestries, rare pieces of furniture, modern paintings, and innumerable other objects of interest to art dealers and art collectors.

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It must be noted that the Nazi policy in regard to the looting of art pieces was a long-range one, and part of the plan envisaged in case of defeat. They realized the importance of securing for themselves stable foreign currency, and the greatest possible financial power abroad. But, alarmed by economic crises throughout the world, they must have felt that works of art are negotiable assets, that they represent stable international value, and are a safe investment. This long-range planning will make more difficult the task of identification and the eventual recovery of looted art.

It is said that the "securing of works of art was executed with the assistance of the most adequate Nazi laws, from 1936 on in Germany itself, and then all over occupied Europe. Jewish collections provided the first easy objectives. They were followed by the collections belonging to political enemies or... to all persons and even nations conveniently labeled as unfriendly to the master race. The legal protection of the loot was assured in many ways... The Nazis knew that abolition of their laws by the victorious allies would automatically deprive them of the right to their booty. Thus no art collection or single work of art was seized, requisitioned or robbed by them without their 'legalizing' these crimes by some sort of sales certificate or exchange paper duly signed by their victims through force. Moreover, during the temporary conquest of Europe by the Nazis, most of the looted works of art were made the object of a series of successive transactions designed to disguise their origin."

There has been considerable difference in the German policy with regard to art in eastern and western occupied territories of Europe. In the eastern part, particularly Poland, the Germans apparently made a clean sweep of collections, both public and private. In the western countries, France, Belgium, Holland, national museums were left comparatively intact while private collections owned by Jewish dealers and art collectors were confiscated outright. Such was the task, for instance, of the notorious Einsatzstab Rosenberg in Paris.

Art treasures thus looted were to benefit the German nation as a whole by being taken to national museums in the Reich, in particular Hitler's own museum at Linz, Austria, or else were acquired by high-ranking Nazi officers and officials as a financial safeguard for the future.

During the occupation of France, Goering and Goebbels were said to have bought pictures on the Paris art market in dollars, arranging for their transport to Switzerland afterwards. In 1943 Goebbels is said to have paid as much as \$90,000 for a Greco, while Goering is reputed to have given his agent "carte blanche" in buying up works by Picasso. Similarly Himmler, Funk, Abetz, Ley, von Behr and von Ribbentrop used their official positions to lay their hands on valuable works of art.

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Von Ribbentrop is reported to have been more of an art connoisseur than his colleagues, though the services of German art experts were used to select works for export to Germany. The Nazis on the whole sought works by German, Dutch and Flemish masters, and had no taste for modern French art except for its market value. This led dealers and private collectors in France to import second-rate "Germanic" paintings from Switzerland, and to export French paintings which had a far greater financial value by normal market rating. This may complicate the problem of recovery of looted art in neutral countries, as these deals were not necessarily made by Nazis, and in some cases may have been tacitly approved by the legitimate owners.

It should also be noted that in 1940 and 1941, before our entry into the war, attempts were made to transport works of art through Spain and Portugal, for sale in the United States and the Latin American countries.

The most famous incident was that of the United States ship S.S. EXCALIBUR, out of Lisbon, which was stopped by the Contraband Control, and which had aboard a collection of 500 pictures and a case of rare books which were said to have come from the estate of the late Ambroise Vollard. Among these paintings were 270 by Renoir, 30 by Gezanne, 12 by Gauguin, 7 by Degas, and others by Manet, Monet and Picasso. It is not known, of course, how successful may have been later attempts to smuggle looted art across the Atlantic.

This preliminary survey was made to determine the German policy with regard to art treasures in occupied territories, the scope of the looting, and the extent to which suspect or looted art objects appeared for sale in neutral countries, or were being held for their Nazi owners in banks, private galleries, and warehouses.

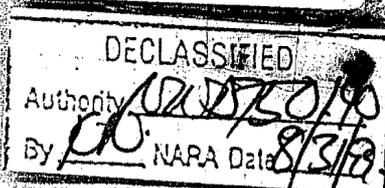
To date, aside from the Goudstikker paintings discovered in Spain, the largest amount of looted treasure seems to be held in Switzerland, where steps have been taken to have it identified and "frozen" pending further demarches by the interested Governments.

GERMAN POLICY IN REGARD TO ART IN OCCUPIED TERRITORIES

The general German policy in regard to Monuments, Fine Arts and Archives in the occupied countries seems to have been based on two principles:

1. Moral and material enrichment of the German nation.
2. Material enrichment of individual Nazis, predominantly Party bosses.

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A special body was created in May 1940 to deal with matters related to Fine Arts in occupied countries. The organization of this Kunstschutz was entrusted to Count Metternich. The staff consisted on the whole of serious and reputable German museum personnel, or others connected with the teaching or administration of the Fine Arts. This commission was concerned with the protection and preservation of historic monuments, works of art, archives and libraries. Its staff was also to serve in an advisory capacity, by selecting treasures which should be "acquired" for national museums and libraries in Germany.

There is evidence indicating that Count Metternich performed his duties with some degree of honesty and restraint, and even raised a protest against the ruthless pilfering of valuable Jewish collections in France.

Unfortunately, Nazi organizations concerned with systematic looting soon made use of the Kunstschutz, which had been established in Norway, Holland, Belgium, France, Italy, Greece and Serbia. Such groups were little more than personal agents of high-ranking Nazis: they were permeated with the ideology of the Herren Volk, stole wantonly from the Jews, interfered with any attempts made to keep records of their plunder, and were often extremely careless in their handling of priceless art pieces.

Methods of Looting

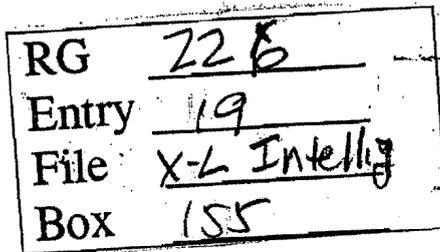
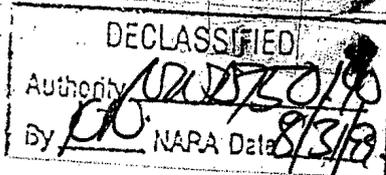
1. Acts of State

The following are examples of this type of looting:

- a. Removal of all objects of Germanic origin from the "Musée de l'Armée" in Paris.
- b. Removal from France of a group of archives previously taken from Spain by Napoleon; these were presented by the Nazis to General Franco.
- c. Removal from France of certain books and archives previously removed from Germany and Austria by Napoleon, and now returned to Reich collections.
- d. At the demand of Hitler valuable art pieces were removed from their repository at Pau, France, where they had been placed in safekeeping by the Belgian Government in 1940. These were the Dirck Bouts Altarpiece from Louvain, and "The Adoration of the Lamb," by the brothers Van Eyck. These removals were obviously designed as a reversal of clauses contained in the Versailles Treaty.
- e. Removal in 1944, a few hours before the arrival of the Allies, from a church in Bruges, Belgium, of Michelangelo's "Madonna and Child."

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- f. Libraries of the German Archaeological Institute and the Biblioteca Hertziana in Rome were removed to Germany in February 1944, though it was agreed that they were to be taken into protective custody by Swedish and Vatican authorities.
- g. Late in 1943 it was agreed between the German Kunstschutz representatives in Rome and the Italian Administration of Fine Arts that 187 cases containing works of art from the museums of Naples should be transferred for safety from Monte Cassino to the Vatican. Transport was provided through the Hermann Goering Division. Fifteen of these cases never reached the Vatican; among the missing treasures were gold objects from Pompei and Herculaneum, and paintings by Titian, Claude Lorraine, Raphael, Tiepolo, Palma Vecchio.

2. State Supported Acts

These looting activities were largely connected with the Nazi persecution of the Jews, or of individuals opposed to Nazi ideology. Moreover, there is no doubt that by robbing individuals in the occupied countries rather than the States themselves, the Germans were deliberately attempting to defeat any Allied policy of restitution.

a. Role of the Task Force Rosenberg

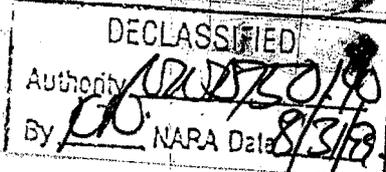
Alfred Rosenberg was Trustee for the whole Spiritual and Ideological Education of the Nazi Party. Since 1937 he had full authority to bring the art world of Germany into line: Jewish paintings, so-called "Bolshevist" art, and non-Nordic paintings disappeared from German museums, from private collections, and from dealers' galleries.

Confiscated collections became the property of the German State, which disposed of this plunder. Sales of looted art objects on the international market are believed to have been quite common in the years preceding the outbreak of the war, a fact which further complicates the problem of recovery.

Behind the conquering German armies in 1940 there came the Task Force of this Reichsleiter Rosenberg, the "Einsatzstab Rosenberg." It was charged primarily with the location, confiscation and removal to Germany of collections owned by Jews. But with the official support of Hitler and Goering, Rosenberg's Task Force was empowered to take into custody and remove all collections of works of art in France, Belgium and Holland whose owners were absent. Chief of Staff of the Task Force in France, directly responsible to Rosenberg, was Major von Behr, high official of the German Red Cross.

The whole organization was self-contained and administratively independent of the German armed forces.

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At the end of 1941, Rosenberg proposed wholesale confiscation of Jewish household effects in the occupied territories of Western Europe. By that time the Nazis were making little effort to "legalize" such acts of confiscation; they were explained verbally as being measures of reprisals.

b. Individual Agents and Buyers

All high Nazi Party members had their teams of agents whose duty it was to look out for important works of art either in dealers' galleries or in private collections.

The various agents competed against one another, and were as a rule played off one against the other by art dealers and collectors when they sought to make ostensibly legitimate purchases. It should also be noted that the wiser dealers and collectors avoided giving any bill of sale or receipt for purchases of art objects to German customers, and many owners frankly stated that they expected to get their artistic possessions back after the war.

A German official in France stated that big buyers were relatively few, and that there was little individual purchasing except for men like Goering, Goebbels and Ribbentrop. German bankers and industrialists could not compete with them because of monetary restrictions.

Apart from the State and Party officials, many private and semi-private galleries, as well as the more important German museums, all had their purchasing agents. To a large extent these were German art dealers, who were given every encouragement to go to Paris, Brussels and Amsterdam, and every assistance in paying for and exporting the works they had acquired, the more often by duress.

Reich Marshall Goering was no doubt the heaviest buyer of paintings and tapestries. Many of the art objects "purchased" in his name were destined for his castle of Karin Hall; others were forwarded to neutral countries, Spain and Switzerland in particular, where attempts were made to sell them or to store them with cloaks. Agents of Goering were generally on the lookout for German paintings by Cranach, Dürer and Holbein, and other artists ideologically acceptable, or for lush Renaissance art.

Hitler, whose artistic taste was considered mediocre, was largely interested in Viennese masters of lesser talent and in German romantics. His acquisitions were forwarded to the Führer Museum at Linz, where they constitute -- with a few exceptions -- a rather third-rate collection.

Major von Behr, ^(suicide) Red Cross official and film industry magnate, took advantage of his position on the Rosenberg Task Force to carry on a campaign of looting and intimidation in the acquisition of art objects in France for his own account. He stole chiefly from Jewish collectors,

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and is responsible for the theft of the valuable Wildenstein collection.

Many purchases made in Rome were for Prince Philip of Hesse, who was advised by Professor Curtius and Dr. Hans Posse, and assisted by Dr. Hofer and Count von Bismarck. It was said that the Prince of Hesse was "cloaking" for Hitler, but the Italians believed that many Germans were anxious to exchange the Italian currency in their hands for valuable and marketable works of art.

The following were among the better known agents, buyers, and advisers of high placed Nazis. Any art deal in which their names appear may be considered rather conclusively to involve art objects looted from occupied countries:

Ferruccio Asta, an Italian art dealer living in Ascona, Switzerland. He worked actively with Benno Geiger, and made huge profits through his dealings with war profiteers. He has paintings valued at more than \$75,000 blocked in the United States.

I-4 A certain Miss Begeer, Voorschoten, Holland, helped the Nazis and Quisling dealers acquire private art treasures in the Netherlands.

Herr Bruschwiler, was said to be a personal agent of Hitler. This former Munich art dealer became a high Gestapo official and was reported to have supervised the removal of wagon loads of art objects from France every three months during the German occupation.

Carl Blümming, antique dealer from Darmstadt, is said to have been engaged in selling looted works of art on the Swiss market. He has been blacklisted.

A certain Bunietz, German Fine Arts Director, is believed to have acted as Goering's personal agent in France.

I-4 Frau Maria Dietrich, special buyer for Hitler.

I-4 Dr. Otto Förster, Director of the Wallraf-Richartz museum in Cologne, was involved in the traffic of looted art in Switzerland.

Benno Geiger, a German national residing in Venice, was also an art dealer and expert of some repute. He is reported to be implicated in the forced sale of the famous painting by Memling from the Corsini Collection in Florence, for which 7,000,000 lire were paid. There is some uncertainty as to whether Goering or Hitler was the ultimate purchaser.

Dr. Goepel, on the staff of the Einsatzstab Rosenberg.

x-4 Dr. Haberstock, Berlin art dealer. He was particularly interested in Dutch primitives and French tapestries, and was involved in the traffic of looted art in Switzerland.

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Professor Herbst operated from Paris but his principal is not named.

I-4 Dr. Andreas Hofer, agent of Goering's. He brought pictures from France and other occupied countries into Switzerland through the diplomatic pouch of the German Legation, and exchanged them for German and Dutch masters.

I-4 Professor H. Hoffmann, special buyer for Hitler.

I-4 Dr. Lohse, on the staff of the Einsatzstab Rosenberg.

I-4 Dr. Kurt Martin, Director of the Karlsruhe Museum, and also appointed Director of all the museums of Alsace. He was involved in the traffic of looted art in Switzerland.

I-4 Alois Miedl was the most notorious of Goering's agents. He negotiated the forced sale of the well known Goudstikker collection in Amsterdam, and arranged for the transfer of part of the paintings it contained to Spain, where they were intercepted. He also transferred to Switzerland 6 paintings looted from French and Dutch collections, and valued at approximately 800,000 Swiss francs; these also have been located and

I-4 Dr. Muhlmann, agent of Goering's. frozen.

I-4 A certain Dr. Pinder, personal art adviser to Goering.

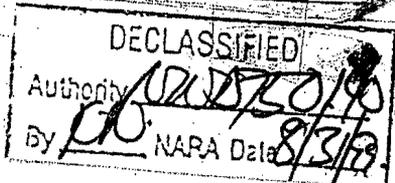
I-4 Professor Posse, Director of the Führer Museum at Linz. He was, until his death, engaged in the traffic of looted art in Switzerland.

I-4 Dr. G. F. Reber was appointed by Goering official buyer of works of art. He is said to have acquired valuable tapestries for Goering in Italy, and also a famous Memling painting in Florence for either Goering or Hitler. Deprived of German citizenship for being a Freemason, he passed through the Allied lines, and is now at Albergo Gargano, Sant' Angelo dei Lombardi, Prov. Avellino. It was suggested that he be transferred to England for questioning.

I-4 Gustav Rochlitz was a German art dealer who had been living in Paris for some years before the war. One of the most ubiquitous and malodorous of the Nazi art agents. His looting was officially sanctioned as certificates were issued to him stating that: "Herr Rochlitz is employed by arrangement with the Office for the Protection of Works of Art on the H.Q. of the Supreme Military Commander in France, for the purchase of important works of art for German museums, as well as for high officials of the State and Party. All authorities are requested to offer him the maximum of assistance in the carrying out of his mission." He was also involved in the traffic of looted art in Switzerland.

I-4 Dr. R. Scholz, on the staff of the Einsatzstab Rosenberg.

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24 Dr. Voss was a buyer for the Fuhrer Museum at Linz, and offered part of the looted Jaffe collection for sale in Switzerland.

24 Ward-Holzappel, a German-American residing in Paris, made large purchases for the Reich. He is reportedly the brother of Ward, English collector of still-life paintings.

F. Weber, Bristol Hotel, Paris, who was an exchanged diplomatic representative from America, became an art buyer for the Reich.

24 Dr. Hans Wendland, German art dealer and collector, resident of Switzerland. He bought and imported into Switzerland between 1940-1943 looted works of art from Germany, Italy and France. He worked in close cooperation with Dr. Andreas Hofer of Berlin, and with the German Legation in Berne. He has been blacklisted.

24 Adolf Wuster, a German who had lived in Paris for many years and was well known as a collector dealer. He became Artistic Adviser to the German Legation, and was charged with keeping official circles in Germany informed of all works of art which were for sale in Paris. It is known that he handled sales for the Foreign Office as well as for other Government and Party agencies, and that he was von Ribbentrop's personal agent. He was also involved in the traffic of looted art in Switzerland.

24 No details were given concerning the following, also reputed to be involved in looted art deals: Apfelstaedt, Bahmann, Buchner, Gurlitt, Emil Zaunkeller.

The case of a few of the Nazi art agents mentioned above will be discussed more specifically under the country in which they operated.

3. Individual Looting

Individual looting by German officers and men though amounting to a very considerable matter in the aggregate, did not reach exaggerated proportions compared with the authorized looting.

LOOTING OF ART IN OCCUPIED TERRITORIES AND ITALY

Information in regard to the scope of the looting of art objects in occupied territories is still incomplete, but the pattern appears to be similar for countries of Western Europe. National collections were spared, while private Jewish collections were systematically looted and shipped to Nazi Party officials in Germany.

Fortunately, a number of these collections have been located in Spain and Switzerland, and neutral Governments concerned have agreed to "freeze" looted art treasures held by their nationals, until such time as identification can be made by experts, and their owners traced.

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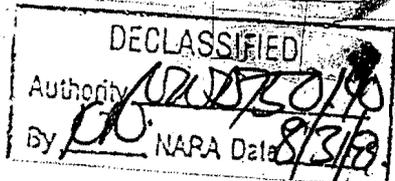
It should also be noted that publication of the Bretton Woods Resolution in regard to looted art objects is causing some uneasiness among neutral art dealers, who are now anxious to clear themselves with the British and American authorities. Such is the case of Arthur Wiederkehr, the Swiss dealer who is holding six stolen paintings for Alois Miedl, Goering's agent.

Italy, on the whole, appears to have fared badly at the hands of her German ally. A great many cases of wanton destruction of churches, libraries and collections have already been reported from the region of Naples and Florence: such was the fate of the Royal Society's Library in the University of Naples.

With regard to Italian treasures of art taken by the Germans, the views of the Italians expressed a few months ago were that if the stolen treasures were ever to be retrieved, threats of punishment might be hazardous, and might lead the Germans to destroy looted objects.

It is expected that the conclusion of the war in Europe will bring about a clearer political situation in all liberated countries, which will permit Allied Governments to formulate a coordinated policy for the restitution and recovery of looted treasure, to implement Bretton Woods Resolution VI bearing on enemy assets and looted property.

It is understood, however, that details of procedure will on the whole be left in the hands of the interested country.



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BELGIUM

National collections appear to have been left undisturbed by the Nazis, but very little information has been received concerning private collections.

It is known, however, that the following Belgian treasures were taken by the Nazis:

1. At the demand of Hitler the Vichy Government surrendered valuable art pieces from the repository at Pau, where they had been placed in safekeeping by the Belgian Government in 1940. These were the Dirck Bouts Altarpiece from Louvain, and "The Adoration of the Lamb," by the brothers Van Eyck. It is believed these removals were designed as a reversal of clauses contained in the Treaty of Versailles.
2. Michelangelo's "Madonna and Child" was removed from a church in Bruges shortly before the arrival of the Allied liberating forces. A number of unidentified paintings were said to have been taken at the same time.

A few communications have been received from an individual in Brussels, who is offering for sale paintings by 17th and 19th century French artists. The pictures involved are being checked up with the Roberts Commission in Washington, but it is not believed that they are part of a looted collection.

The Belgian Government has taken steps to establish a Commission for the recovery and restitution of art treasures comparable to those organized in Washington, London, and Paris.

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FRANCE

The German Art Commission in France, the Kunstschutz, was headed by Count Metternich who seems to have performed his duties without antagonizing French museum authorities and other fine arts personnel.

I-4 Unfortunately he was requested to offer the services of his staff to the odious Task Force Rosenberg, whose sole duty was to remove to Germany selected art treasures purchased under duress, and all private art collections whose owners were Jews. At first, written certificates were made out when art collections were thus handed over to the Nazis, but the plunder was so rich in France that Rosenberg finally decreed that acts of confiscation were to be explained verbally, as being measures of reprisal. The Chief of Staff of this Task Force, directly responsible to Rosenberg, was Major Von Behr, high official of the German Red Cross.

Selected works of art, valuable pieces of furniture and other looted objects were brought to a central clearing house, the "Musée du Jeu de Paume" in Paris, where they were sorted by qualified experts. These experts were chosen for their taste and knowledge, without regard for their political sympathies.

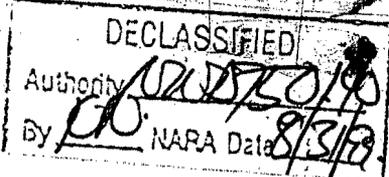
The French authorities attempted to have inventories made of the objects brought to the Jeu de Paume but they were rarely allowed to complete them. In spite of regulations, there was much fraud at the central clearing-house. Members of the Task Force were after personal profit and encouraged shady deals. Dealers and private collectors produced Dutch, Flemish, and German pictures in exchange for French paintings not to the Nazi taste, but with a far greater financial value by normal market rating. These "Germanic" paintings were often imported from Switzerland, while French dealers exported the confiscated modern French paintings, without a permit from the French Government.

There is no means of ascertaining yet the number of works of art removed by the Task Force from Paris up to June 1944 and despatched for "safekeeping" to repositories in Germany. There is reason to believe that the quantity is enormous and the quality high.

I-4 The German firm of Schenker did most of the packing and shipping of loot for the Germans; an examination of their files may lead to the recovery of missing art pieces.

It was the policy of the Germans not to touch national collections in Western Europe, and on the whole the French personnel of museums and libraries were able to resist pressure from the Germans, and to maintain intact the collections for which they were responsible. The curator of the Louvre paintings even attempted to save the Wildenstein Collection by claiming it was left in the custody of the museum.

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This policy was not followed in the case of the "Musée de l'Homme," where several members of the staff were shot by the Nazis when they refused to collaborate.

In November 1940 Goering inspected the Jewish art-collections seized by the Task Force Rosenberg and decided that those which would constitute an enrichment of German museums and collections and those which had emanated from Germany were to be inventoried, valued by French experts, paid for (the money to be placed at the disposal of French people bereaved through the war--later described as a "blocked account"), and then taken to Germany. In February 1941 he supplied photographs of some of the works of art which he and the Führer wanted for their collections. The next day he gave orders that these objects were to be despatched to Germany immediately by his personal train, being paid for like the others. These facts were stated in papers left by Dr. Bunjes, Kunstschutz representative in the Paris area during the first year of the occupation.

Jewish collections in France represented an investment of several million dollars, and included the fabulous collections of the Rothschild family, which alone are worth millions. These are the works of art which have been dispersed throughout Germany or taken into neutral countries for sale or storage. Many items of the Paul Rosenberg art gallery, for instance, have been located in Switzerland.

The following are among the private collections missing in France:

Rothschild Collections, belonging to Edmond, Alexandrine, and James Armand de Rothschild and stored in 5 vaults in the Banque de France and Crédit Lyonnais. There was no time to compile a catalogue of these art objects before turning them over to the Task Force, owing to the extent of the collection and the quality of the packing.

Wassermann Collection, stored in the Banque de l'Union Parisienne: 75 paintings, many by 17th century artists.

Hamburger Collection, stored in Chase Bank, Paris: 39 paintings and engravings whose owners had been residents of Holland; mostly Dutch art of the 17th and 18th centuries.

Flavian Collection, stored at the Westminster Bank, Paris: 25 paintings and several miscellaneous drawings by Courbet, Monet, Millet, and Utrillo, and others.

Kronig Collection, stored at the Crédit Lyonnais: 30 paintings by French and Italian artists. The owner was a Dutch subject residing in Monaco.

Rosenstein Collection, stored at the Société Générale: 12 modern paintings belonging to Sara Rosenstein, believed to have fled to Nice.

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Hamperzounian Collection, whose owner was a Greek or an Armenian: 3 paintings by Van Dyck, Canaletto, Antonio Puga.

Erlanger-Rosenfeld Collection, containing 3 paintings. They were sent from Stuttgart in June 1939 to Dr. Erlanger of Paris. In August 1939 the latter ordered them shipped to a certain Dr. Rosenfeld in New York.

Thierry Collection, property of Madame Thierry, née Rothschild, wife of the French Ambassador to the Argentine.

Sauerbach Collection, property of Madame Sauerbach, formerly of Paris.

According to a letter of May 5, 1941 from the Currency Protection authorities, the above collections were handed over to the Task Force Rosenberg at Goering's orders.

An additional Rothschild Collection was accidentally discovered at the Rothschild house, Avenue de Longchamp. It consisted of Dutch and French 18th and 19th century paintings. The German admiralty was notified so that it might select some of the best paintings and other items, paying for them from its entertainment grant.

Collections belonging to the following were stored at the Château de Chambord and were seized by the Germans in July 1941: Jacobsen, Leveu, Loeuvel, Bernard Reichenbach and Madame Reichenbach, Léon Reinach, Roger-Lévy, and Rouff.

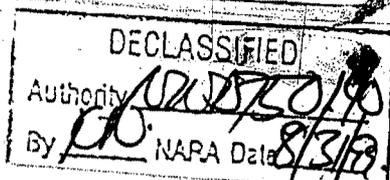
A German diplomat, Ernst von Mohnen, bought the famous Bouchers of the boudoir of Marie-Antoinette from the Comte de Paris on behalf of Goering.

Other notable collections seized during the occupation of France are noted below:

Bernheim Jeune Collection: this Jewish art concern was seized by the Nazis and offered for sale in Switzerland for 1,000,000 French francs. The offer was made to Herr Tanner of the Galerie Tanner, Bahnhofst. 39, Zurich. Among those involved in the deal were Charles Montag, a Swiss, Etienne Bignou, a Parisian art dealer, and Adolf Wüster who was made Artistic Adviser to the German Legation in Paris. Four Corots from this collection have been located in Zurich; it is claimed they were acquired in Holland in 1941.

Federer Collection: the only information received concerns a missing portrait by Monet.

Heilbronn Collection: owned by Madame Heilbronn and stored at the Crédit Commercial, Mont-de-Marsan. Among the 9 paintings missing are works by Renoir and Monet, and an oval pastel by Boucher.



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Hirsch Collection, property of Madamé Hirsch and stored at the Banque de France where it was seized in 1941: 30 paintings, drawings and pastels, statuary, and the original score of Richard Strauss compositions.

Jaffe Collection: owned by a British Jew who resided in Nice, seized under the Vichy Government anti-Jewish laws and auctioned in 1942. Pictures from this collection have been reported for sale in Switzerland. Both the Louvre Museum in Paris and the National Gallery in London are interested in the recovery of these treasures.

Jonas Collection: no details are given concerning this collection whose owner was deprived of French nationality.

Paul Léon Library: No details given.

Meyer Collection: owned by Madame Raoul Meyer and stored at the Crédit Commercial, Mont-de-Marsan, and probably seized in 1941 at the same time as the Heilbronn Collection. Among the 13 paintings missing are works by Renoir, Utrillo, Pissarro, Dearin, Bonnard.

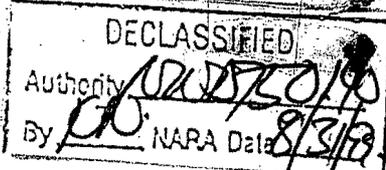
Julian Reinach Collection: no details given.

Paul Rosenberg Collection: 162 paintings and drawings deposited in Libourne, in a branch of the Banque Nationale pour le Commerce et l'Industrie. In May 1941 the total estimate of this collection was given as 7,171,000 French francs by M. Roganeau, Director "de l'École des Beaux-Arts," Bordeaux. Pictures from this collection have turned up in Switzerland; they are valued at 300,000 Swiss francs. The Rosenbergs are now in New York where they have an art gallery.

Schloss Collection: requisitioned by Dr. Lohse after the occupation of the Côte d'Azur by German troops. Dr. Lohse was an SS officer, von Behr's right-hand man on questions of art, and a personal envoy of Goering.

Seligman Collection: property of a Jewish art dealer and of American citizens, non-Jewish, who had left art objects in his keeping when they fled from France. A French lawyer reported that soon after the entry of the German troops into Paris, German lorries drove up to the premises of Mr. Seligman, loaded art objects indiscriminately, and carted them off.

David Weill Collection: in April 1941, Dr. Bunjes, Kunstschutz representative, accompanied the Task Force Rosenberg to the Château de Sourches (Sarthe) to supervise the transfer of this art collection to the Musée du Jeu de Paume in Paris; 130 cases marked "D.W.O." were removed. Items looted are not listed, but David Weill was known to have a valuable collection of Chinese art. The Château de Sourches was one of the 80 national repositories of France and contained art treasures from the Louvre Museum and also art pieces from famous collections.



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Wildenstein Collection: property of a well-known Paris art dealer and seized by the Germans at the Château de Souches for removal to Germany in spite of protests from the Kunstschutz in Paris. Von Behr and the Frenchman Roger Dequoy were implicated in this act of confiscation. Dequoy was a representative of Wildenstein, but it was apparently at his instigation that German officers went to the repository of Souches. Von Behr's share of the loot included at least 2 Watteaus, a Dürer and 6 Fragonards. The Wildensteins are now in New York where they have an art gallery.

The "Commissariat aux Questions Juives" and the "Administration des Domaines" had been entrusted by the Vichy Government with the task of sequestering Jewish and other property, which was to be sold in the open market for the benefit of the "Secours National." The national galleries were given the right to acquire works to enrich their collections. A law was also promulgated, June 1941, vesting powers in the Secretariat-General of the Beaux-Arts to prevent these treasures from leaving the country. This law remained inoperative because of German pressure.

The German tactics in regard to private collections called forth many protests from French officials. Their method was to seize and remove these art treasures before the arrival of the provisional administrators appointed by the "Commissariat aux Questions Juives," or before there had been time to make an inventory.

In October 1940, repeated protests caused the Germans to deposit some of these collections, including the Rothschild art treasures, in the Louvre, so that the French museum officials might catalogue them. On October 26, 1940, however, these officials were forbidden to continue with their work and the collections deposited in the Louvre were transferred by the Germans to the Jeu de Paume.

There is little doubt that in the case of the treasure of the Strasbourg Cathedral, hidden in the Dordogne and discovered by the Germans, the latter believed they had a legitimate claim to it, since they considered Alsace as part of the Reich.

Less information has been received in regard to confiscation of collections owned by others than Jews. One communication was received recently concerning a collection of 60 paintings and engravings belonging to Mr. Alfred Lindon, 75 bis Avenue Foch, Paris, deposited by him with the Chase Bank, Rue Cambon, Paris, and carried away by the Germans in 1940. This collection included painters of the Italian schools, and well-known French artists of the 19th and 20th centuries. It has not been ascertained whether Mr. Lindon is a Jew.

It is said there were about 10 important buyers of art in France acting for high-placed Nazi officials such as Hitler, Goering, Goebbels, Himmler, Funk, Abetz, Ley, von Behr, and von Ribbentrop. A number of

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these individual agents have been mentioned before. It should also be noted that a few French dealers assisted the Germans in the purchase of art objects. Some were willing collaborators like Alfred Daber, Martin Fabiani, Cesar de Haucke, O. Petrides, and Count Avogli Trotti. Others like Loebel of the Kleinburger firm collaborated under the threat of concentration camp or other forms of reprisal. Alfred Daber is said to have made a collection of paintings by indicating to the Germans the whereabouts of Jewish collections and receiving his commission in pictures. Petrides stored pictures coming from Jewish collections sequestered by the Nazis in the flat of his sister-in-law, Mademoiselle Bosc, 17 rue Jean Mermoz, Paris.

To this list should be added Abel Bonnard, Minister of Education, and thus connected with the Beaux-Arts, and Bernard Fay of the Bibliotheque Nationale, both arch collaborators.

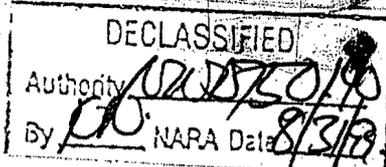
The most popular intermediaries for the purchase of art objects in Paris, however, were White Russian art dealers and in particular Prince Youssupoff.

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Adolf Wuster, a German who had been a resident of Paris for many years prior to the war, was appointed Kunstreferent and charged with keeping official circles in Germany informed about various works of art which were for sale in France. Ernst von Mohnen assisted him. Von Mohnen admitted that the news of the high prices brought by second-rate German art resulted in many German works being brought into France by Swiss dealers and owners who traded them for works by modern French artists which had been stolen or confiscated. He stated, however, that a sale of French Impressionist paintings in Berne found few buyers because the potential purchasers knew these works and the manner in which they had been acquired, and evidently considered that the sale would not be honored if Germany lost the war.

2-4
In September 1940 the French asked Dr. Bunjes of the Kunstschutz for permission to resume auctions of works of art at the famous Hotel Drouot. This was granted with the stipulation that catalogues would be forwarded to Dr. Bunjes with items of more than 100,000 francs value marked. When such items changed hands, the price attained and the address of the new owner was to be reported. Jews could not participate. This procedure was no doubt of great assistance to the Nazis who were thus kept informed of the location of valuable art objects.

A number of the paintings bought or seized in Paris were resold in Germany on the open market. "Le Figaro," a Paris daily, refers to such a sale in an article dated November 18, 1941. Among the paintings offered in Berlin were works by Cézanne, Courbet, Delacroix, Manet, Monet, Renoir, and Toulouse-Lautrec.

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The following single sales of valuable paintings have been reported:

A landscape by Rembrandt and his "Titus" were purchased from M. Nicolas, Paris wine merchant, for 60,000,000 francs. It is presumed that the paintings were bought on behalf of Goering as Dr. Pinder advised on the sale.

On April 1, 1941, two Cranach studio pieces were sold for 120,000 francs to Dr. Lohse, acting for Goering.

A Paris art dealer assisted the Germans in securing the painting, "Madeleine à la Veilleuse," by Georges de la Tour, on which the Louvre Museum had a verbal option for 1,000,000 francs. He sold it to Dr. Förster for a Cologne museum at a handsome profit. The dealer was later prosecuted, imprisoned and fined, but the Germans kept the picture.

Comparatively few cases of wanton destruction of priceless art treasures by the Germans have been reported so far. One such case was the burning of the collection of Impressionist pictures belonging to Mr. Lawwick at the Château de Rastignac in the Dordogne. The other, in the same area, was the burning of a château belonging to Madame de Védrières, which contained some important paintings by Old Masters.

Fortunately, the Allies are gradually locating the many German repositories of art treasures where they hid part of their loot. United States Seventh Army authorities recently discovered a castle which is believed to contain much of Goering's personal loot. Investigators also found volumes of correspondence between Goering and Alfred Rosenberg, of the notorious Task Force, explaining in minute detail just how his men were to go about looting museums. The most conclusive proof of Goering's participation in the looting of French art treasures is a letter from Goering to Rosenberg, dated November 21, 1940, in which the Luftwaffe chief raved over the beauty of art objects he had found in France and insisted they must be brought to Germany.

This loot includes paintings, statues, silver and jewels valued at millions of dollars. Many came from the Rothschild collections in Paris. Others came from Kiev and from Belgium. Among the paintings are works by Rembrandt, Reynolds, Van Dyck, Bonheur, Murillo, Rousseau, Gainsborough and Moreau.

The French Government has already established a Commission for the recovery of art treasures stolen by the Germans. Its Chairman is Albert Henraux, art expert and President of the National Museums Council, and its Secretary-General is M. Floriscone, art critic and historian. Several young curators of the Louvre have been appointed to work with the Allied armies, to aid in locating stolen paintings, sculptures and tapestries. While, thanks to the vigilance of the present Beaux-Arts Director, the location of certain art treasures belonging to Jewish art collectors is known or at least believed to be known, others stolen from these collectors may be irretrievably lost.

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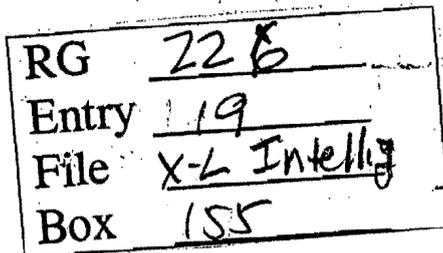
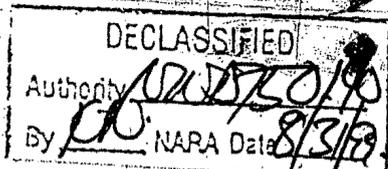
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According to an announcement made on April 10, 1945, the French Ministry of Education has invited owners of works of art and valuable objects removed by the Germans after September 3, 1939, to notify the "French Commission for the Recuperation of Art" of their losses and to furnish all possible details.

The French Government has also established a freeze on the export of works of art.

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HOLLAND

The complete liberation of Holland must take place, and normal civil administration must be restored before a full estimate can be given of missing or looted art. To date it appears that, with minor exceptions, publicly owned works of art were unmolested although certain paintings on loan at various museums which the curators believed might be left to their institutions were taken to the Reich. But as in France many privately owned works of art, particularly from Jewish collections, changed hands under duress and went to Germany.

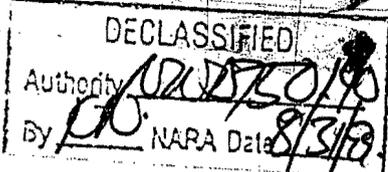
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2-4
The most notorious case of loot reported in Holland so far is that of the large and valuable Goudstikker Collection in Amsterdam. It was ostensibly "purchased" in the summer of 1940 by Alois Miedl, Goering's personal representative. Miedl was assisted by a Dutch national, J. Dik, Heerengracht 257, Amsterdam. Dik, who had been appointed manager of the Goudstikker Gallery by the owner, turned collaborator and helped with the liquidation of the Goudstikker interests. His son worked with another Dutch Quisling, a Miss Denijs, and together they sold some of the paintings which were part of the collection. It is not clear how this Dik came to introduce himself as the representative of Mr. Goudstikker who, before his death, had formed a corporation to take over all his assets, which included several houses and a large collection of paintings and art objects. He gave a man power of attorney but this man died before Goudstikker, himself, was drowned. Approximately 200 paintings from this collection may still be located in Spain, where they were taken by Miedl, and some in Switzerland. (See "Iberian Peninsula, Spain")

1-4
The gallery of Jacob Stodel, Jewish art dealer, was likewise seized and "administered" under authority of the Reichskommissariat.

Two other cases of looting were reported:

1. Removal from De Hooge Veluwe Museum at Otterloo of three paintings, including a Cranach portrait, and Baldung Grien's "Venus."
2. Purchase by Dr. Posse, Hitler's representative, of the Baunigen Collection, formerly Koenigs, which had been on loan at the Boyjans Museum, Rotterdam.

Dr. W. J. A. Visser, Adviser on Monuments, Fine Arts and Archives to the Netherlands Military Administration, has been operating from Eindhoven since the partial liberation of Holland. Formerly Curator of Paintings in the Rijks museum at Amsterdam, he appears to be extremely well informed on German "looting" activities, organization and personnel in Holland during the occupation. He plans to keep in closest liaison with the French and Belgian committees on recuperation of works of art, and seems to know all the leading administrative personnel connected with Fine Arts in these countries as well as in Germany.



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LUXEMBOURG

The Government of the Duchy of Luxembourg has been requested to furnish a list of objects removed from Grand Ducal palaces, other than the Palais du Luxembourg, from which only French books are apparently missing.

THE SCANDINAVIAN COUNTRIES

Little has been reported in regard to looting of art by the Nazis in Denmark and Norway, beyond general facts published in newspapers and magazines, and in George Mihan's "Looted Treasure," a small volume made up of unconfirmed rumors as well as facts.

It is expected that more information will be received now that these countries have been liberated.

EASTERN EUROPEAN COUNTRIES

Countries which became part of the Greater Reich prior to the outbreak of the European War in 1939, or were liberated by Soviet Russia, have not been included in this report.

It may be noted that in Greece Nazi looting was pretty well limited to new archaeological finds, but in countries like Poland the policy of the Germans was to make a clean sweep of art collections, both State-owned and private.

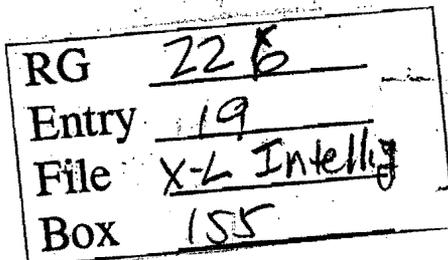
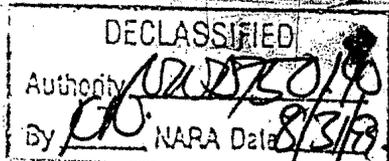
Soviet Russia has a well staffed Commission for the assessment of war losses, and a Commission for the Preservation and Restitution of Architectural Monuments. These, with the Committee on Reparations which has reportedly been at work since September 1943, will no doubt assume responsibility for the recovery and restitution of art looted by the Nazis from countries liberated by Russia.

ITALY

The Nazis did a great deal of plundering in Italy, under the guise of aiding this ally to carry her art treasures to safer repositories. A great many cases of wanton destruction of churches, libraries and collections have also been reported from the region of Naples and Florence.

It is presumed that the systematic burning of Italian libraries and the looting of villas and palaces occurred at the time of the German retreat, when discipline was lax among the soldiery and feeling ran high against the former ally. To such acts of spite must be laid the burning of the Royal Society's Library in the University of Naples, and the burning of archives in the Villa Montesano at Nola.

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Among the acts of looting for which the German State should be held responsible the following must be noted:

1. Libraries of the German Archaeological Institute and the Biblioteca Hertziana in Rome were removed to Germany in February 1944, though it was agreed that they were to be taken into protective custody by Swedish and Vatican authorities.
2. Late in 1943 it was agreed between the German Kunstschutz representatives in Rome and the Italian Administration of Fine Arts that 187 cases containing works of art from the museums of Naples should be transferred for safety from Monte Cassino to the Vatican. Transport was provided through the Hermann Goering Division. Fifteen of these cases never reached the Vatican; among the missing treasures were gold objects from Pompei and Herculaneum, and paintings by Titian, Claude Lorraine, Raphael, Tiepolo, Palma Vecchio.

I-4
I-4

The man who instigated removal to Germany of libraries of archaeological and historical institutes contrary to international agreement appears to have been a certain Siegfried Fuchs. Major Evers was chief of the Fine Arts Commission for the Nazis in Rome, and was in charge of the Italian art objects transferred from Monte Cassino. Dr. Heidenreich was active in Florence and the surrounding region,

The extent of the looting of paintings and sculptures by the Germans is not known yet, and it is felt that art pieces reported missing may be found in northern repositories now that the whole of Italy has been liberated.

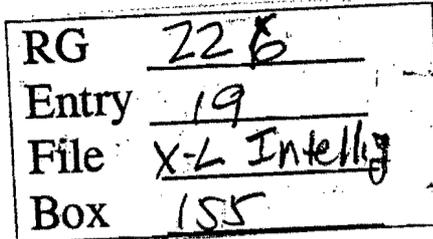
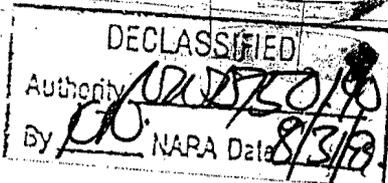
From 450 to 500 works of art were reported missing from the region of Florence alone, a great many by famous artists.

Among them are Raphael, Botticelli, Filippo Lippi, Bronzino, Dürer, Rembrandt, Van der Weyden, Donatello, Michelangelo.

It is also known that 58 cases were removed from a sculpture deposit near Florence, and taken to Bologna by the Germans for safekeeping.

Single instances of looting include the following:

1. The Stendhal Collection, owned by the Bucci family, at Civitavecchia.
2. Eight pictures by Palizzi removed from a local museum at Chieti.
3. Cranach's "Adam and Eve," intended for the Führer Museum at Linz.

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4. Brueghel's "The Blind Leading the Blind," which was removed from the National Museum in Naples, and reportedly offered for sale in Sweden.
5. Caravaggio's "Susannah and the Elders," looted by the Germans from the monastery at Monte Cassino. Information received in January 1945 stated that this painting had turned up in Rome, in the studio of an artist who was trying to sell it. The story was that it had been given to an Italian musician by a German officer as the price of a concert.
6. "Leda and the Swan" attributed to Leonardo da Vinci, was ostensibly purchased from the Spiridion Gallery in Rome for 8,000,000 lire.
7. The famous Memling portrait, purchased from Prince Corsini in Florence for 7,000,000 lire. It is said that political pressure was employed to force Prince Corsini to agree to the sale, and that Prince Philip of Hesse obtained the permit for exportation. Benno Geiger was also involved in the sale, but there seems to be some uncertainty as to whether the painting was ultimately destined for Hitler or Goering.

24
I-4
One unconfirmed report was received, stating that an antiquarian of Florence, Signor Ciolli, sent to Rome 19 chests containing works of art bought by the Germans for a declared sum of 4,000,000 lire. These cases were placed under the care of the German Embassy, waiting for permits to leave duty-free. No further details were furnished.

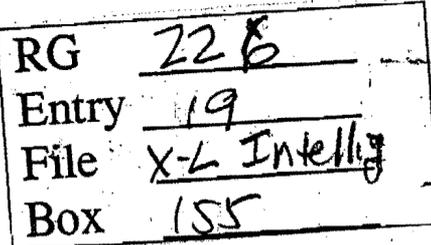
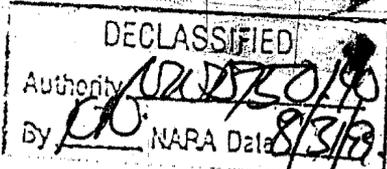
Prince Philip of Hesse, married to Princess Mafalda di Savoia, purchased many art objects in Rome. He was advised by Professor Curtius and Dr. Hans Posse, and assisted by Dr. Hofer and Count von Bismarck. He obtained an export permit for the famous Memling portrait which Prince Corsini was forced to sell. It was claimed he was buying for Hitler, but the Italians believed many Germans were anxious to exchange the Italian currency in their hands for valuable and marketable works of art.

An intercepted communication from Angelo Lipinsky, Via Flaminia 336, Rome, seems to indicate that the traffic in looted treasure may have continued after the liberation of Rome by the Allies, unless the art pieces in which the writer is trying to interest his United States correspondent are copies or fakes.

The following individuals are believed to have assisted the German authorities in securing valuable art objects in Italy: *Sanna?*

1. Benno Geiger, a Venetian art dealer of German origin, who is believed to have acted as Hermann Goering's art agent, and who was well acquainted in financial and art circles throughout

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Italy. He is presumably involved in the case of the Memling painting, bought from Prince Corsini. He may also have been acting for Goering in the purchase of old silver and other art objects from Bulgari, a Rome jeweler -- purchases which amounted to 9,000,000 lire. Goering is alleged to have acquired funds to make these purchases in Switzerland in 1942, when he is believed to have bought 20,000,000 lire for 500,000 Swiss francs.

2. Ferruccio Asta, an Italian art dealer from Milan, now living as a refugee in Ascona, Switzerland. He is said to have worked actively with Benno Geiger, and to have made huge profits through his dealings with war profiteers. He was also associated with Signor Carnelutti, wealthy Milan lawyer, at present in Switzerland, who advanced Asta considerable sums of money for special purchases, and held in trust for him various art objects and large sums of his own. Asta is believed to have assets hidden in British and American banks and to have, blocked in the United States, paintings valued at more than \$75,000. He has been heard to say that he would like to live in Buenos Aires after the war.

As long as the Germans were still in control in parts of Italy, the views of the Italians with regard to art treasures taken by the Nazis were that if the stolen pieces were ever to be retrieved, threats of punishment might be hazardous, and might lead the Germans to destroy looted objects.

With the complete liberation of Italy it is assumed that the Government will favor measures which will help to locate and recover the national treasures.

LOOTED ART IN NEUTRAL COUNTRIES AND LATIN AMERICA

Reports have been received to the effect that looted art of great value and in vast quantities found its way into neutral countries, where it was offered for sale by Nazis anxious to secure foreign currency, or stored with agents and cloaks.

In spite of such reports very little conclusive evidence has been uncovered to date, except in Switzerland where traffic in looted art apparently reached large proportions and the Swiss Government is cooperating in a thorough investigation.

In Spain, conclusive proof was found that Goering's agent, Alois Miedl, had brought into the country part of the valuable Goudstikker Collection looted in Amsterdam, and was trying to dispose of it.

In view of the value and extent of the art looted by the Nazis it seems imperative that more thorough investigations should be made in Latin

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America and neutral countries other than Switzerland, in order to secure more evidence with regard to this type of hidden assets.

A preliminary survey, however, reveals the following cases of successful transfer of looted works of art from Germany and occupied countries of Europe to neutrals:-

IBERIAN PENINSULA: PORTUGAL

There was a rumor, unconfirmed to date, that valuable looted art pieces may have been placed in a large safety vault reported to have been built for the German Embassy at Lisbon, but there is no actual proof of looted art having entered Portugal.

Only two cases of possible interest to Safehaven have been reported so far.

It was said that in July 1944 Mr. Adolphe Weiss, Portuguese Consul in Switzerland, now living in Estoril, was offering for sale to the Portuguese Government a famous series of 18th century Beauvais tapestries, given by the French Queen Marie-Antoinette to her sister. This series of seven tapestries, representing the Story of Esther, once belonged to the Archduke Frederic of Hapsburg.

Mr. Weiss was holding the tapestries in Switzerland apparently, and was reported to have stated that he had an offer from a buyer in the United States of \$1,500,000, but that he could not accept the offer as the payment was to be made in the United States. Information received since then from the Office of Censorship indicates that as early as August 1943, a certain Antoine Pacetti of Zurich, Switzerland, was trying to find a buyer in the United States for a set of seven Gobelin tapestries depicting the Story of Esther, which he valued at \$2,500,000; the Brazilian Minister to Switzerland recommended him to a friend at the time. Pacetti was advertising the fact that the Vichy Government had offered to purchase the Gobelins in 1941 for 55,000,000 francs, payable abroad.

Late in 1944 and early in 1945, Pacetti, who had moved to the Hotel Central at Lausanne, was still attempting to find a buyer for the tapestries, both in London and New York. He never made any reference to the actual owner of these tapestries, nor explained how they came into his possession, but stated that they had been deposited with MM. Vallotton Frères, Vevey, Switzerland since 1936.

Officials of the Metropolitan Museum of Art in New York report that the price set on these Gobelins by Pacetti is extremely high, and that there are two types of "Esther" tapestries and nine sets of each type, which makes identification very hard without further information.

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In view of these later developments it appears that the "Beauvais" tapestries of Mr. Weiss and Pacetti's Gobelins are one and the same, and that Mr. Weiss had no suspicion concerning their origin when he offered them for sale. He is an Austrian, however, and might be questioned in connection with his part in this attempted deal.

I-4 One shop suspected of serving as cloak for Nazi interests is the New German Bookshop, 50 Avenida da Liberdade, Lisbon. It was opened in late 1943 by a German refugee, a certain Buchholz, in partnership with a Portuguese named Lehrfeld, who put 200,000 into the business. He brought with him half a million marks worth of books, pictures and sculpture from Germany, and sold at high prices. It is said that Goebbels and Ribbentrop used him to open bank accounts for them in places they considered safer than Argentina, and that as far back as 1938 Buchholz was selling "confiscated" art pieces for the benefit of the Nazis. Swiss dealers were in touch with him a year ago, but no recent information has come concerning him.

SP
IBERIAN PENINSULA: SPAIN

In spite of rumors to the contrary very little looted art has actually been discovered in Spain, and only two cases have been reported.

The first case concerns a painting worth \$10,000 offered for sale to Arturo Reiss, Hotel Gredos, Madrid. Reiss had a suspicion that the picture had been stolen from the collection of a wealthy American who lived in Nice, France. He did not name the artist or otherwise describe the painting in question.

I-4 The case of Alois Miedl involves the well known Goudstikker Collection of Amsterdam, part of which Miedl attempted to bring into Spain in order to dispose of them for Goering's benefit. These paintings have been located in the Free Port of Bilbao and "frozen" by order of the Spanish Government, pending final disposition of the case.

Alois Miedl is a German national, said to be a close friend of Hermann Goering, and to be acting as his personal representative. Reports are that Goering has been financing him directly or indirectly since 1937. He has been active in the field of industry, finance, and art.

This Government first became interested in Alois Miedl in 1939. At that time, according to the Federal Bureau of Investigation, a group of Germans asked permission to survey an island in the St. Lawrence River, for lumber and minerals. This island was owned by the Consolidated Paper Company. The Germans offered to buy the island, but the Canadian Government refused to grant a permit. It was near this location that three ships were later mysteriously sunk, apparently by mines, blocking an important channel of the river. Among the names given by the Germans was that of Alois Miedl.

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In 1940, the Federal Bureau of Investigation further reported that a German lieutenant suspected of espionage was investigated. A suspicious list of names was in his possession, on which appeared the name of Alois Miedl, Amsterdam, Holland.

Miedl's activities in the art field apparently centered on Occupied Holland, where he not only acquired numerous art objects but also two country estates and a palace in Amsterdam. First choice of the paintings he bought always went to Goering. He paid for his purchases with German marks "pumped" into Dutch, Belgian and French circulation, or with "occupation" guilders. Other works of art were seized outright, as Jewish property.

The Goudstikker Collection was originally housed in one of Holland's historic castles, Kasteel Nijenrode, between Amsterdam and Utrecht, and contained some 1300 paintings by Old Masters and modern artists. An art expert made an estimate of the paintings listed in the Goudstikker catalogue dated 1939, and lists several famous paintings among them; these he values at over \$30,000 each.

It should be noted that this catalogue lists a painting by Cranach the Elder, "Adam and Eve," which is reported among loot stolen from Italy. As Goudstikker was an art dealer as well as a collector, part of his collection was apt to change.

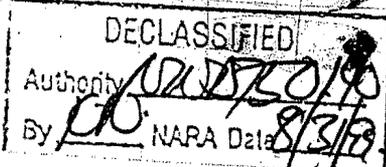
Mr. Goudstikker was drowned in 1940 when his ship, in which he was escaping from Holland, was torpedoed. He had formed a corporation to take over all his assets, which included several houses and several thousand paintings and art objects. He gave one man power of attorney but this man died before Goudstikker and there was no one else to whom he had delegated authority to dispose of his property.

This is the collection which Miedl acquired, apparently with the help of J. Dik of Amsterdam, who had been appointed manager of the Gallery by the owner, of his son, and of a Miss Denijs.

Following the advance of the Allies into enemy-occupied territory, Miedl sought a market for his art loot in neutral countries, presumably for his own account and Goering's.

A report dated November 13th confirmed the fact that after D-Day Goering had commissioned Miedl to take 200 of his paintings into Spain. They were presumably offered for sale in Madrid, after Miedl had distributed catalogues of them. He openly boasted of his connection with Goering, and of the commission he would receive upon the sale of the paintings. German circles in Madrid believed his boasting to be justified. Most of the pictures were alleged to be worth from 100,000 to 500,000 pesetas, and five or six were of even greater value. It was said they were detained by the Spanish authorities

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when they crossed the Franco-Spanish border, but later released on the insistence of General Kramer, German Air Attache, believed to be in charge of this art loot, and who acknowledged Goering's claim to them.

Actually, the case against Miedl involves only twelve paintings, located in the Free Port of Bilbao and identified as having been part of the Goudstikker Collection.

I-4
 The facts reported are that Miedl was in San Sebastian, Spain, in May 1944, and that he was known to have imported into the country 12 paintings which were part of his Dutch loot. He entered Spain in two large American cars, and was accompanied by a Belgian, Charles Georges Koninck. The French authorities at Hendaye were said to have been notified of his coming, but the Spanish border was still under the control of the Vichy authorities, who could not be counted upon to cooperate on such a matter. His companion, Koninck, was arrested, but we do not know under what circumstances, and was interrogated at the Bayonne prison, France, on October 7, 1944. He claims that he first met Miedl in May 1944, probably at the Pension Ursula in San Sebastian, where we know that Miedl resided. Later they went to Madrid, where Miedl was introduced to Jose Uyarre, a friend of the Director of the Prado Museum. Miedl wanted to hold an exhibition of his looted paintings, but it did not take place. Koninck also stated that Miedl got his paintings into Spain through the intermediary of the firm Baquera, Kutsche y Martin S.A., Customs and Shipping Agents, with branches in various parts of Spain. This firm is on the British Statutory List and the American Proclaimed List. Koninck believed the pictures had been deposited in the Free Port of Bilbao, which is indeed the case.

L-4
 A report dated December 4, 1944 states that after he had crossed the Franco-Spanish border with the paintings, Miedl recrossed it again into France in order to pick up a box. He, and a companion named Otto Graebener, believed to be a Gestapo agent, were arrested by the Maquis but Miedl escaped the next day.

L-4
 Further information received on Koninck indicates that he had connections with Hans Rohrbach, a diamond smuggler, who was arrested by the Portuguese Police on June 5, 1943 and later escaped. He was carrying looted diamonds from Belgium, which he had orders to exchange for foreign currency. Koninck was also connected with a certain Adrian Otlet, of San Sebastian and Madrid. Otlet and Rohrbach are included in the Statutory and the Proclaimed Lists.

When Miedl's activities in the field of looted art became known, his name also was placed on the Statutory List and the Proclaimed List.

When the cases deposited in Miedl's name in the Free Port of Bilbao were located, and the paintings identified, there were more than twelve, but not all were marked as coming from the Goudstikker Collection.

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SHAEFF has reported that among the looted paintings imported into Spain by Miedl there were paintings by Rembrandt, Van Dyck, Rubens, Jan Steen, Cranach; another source adds three Cezannes to the list. The Prado Museum in Madrid was said to have offered 2,000,000 ptas. for one of these paintings, not identified.

Miedl's apprehension will no doubt clear up many details.

The Netherlands Mission at first rejected Anglo-American support in this case, but the conclusion of the European War and the complete defeat of Germany may stiffen the attitude of the smaller Allied nations towards the neutrals.

The problem of looted property has been discussed in Madrid during the past few months with the British, French and Dutch Missions, and tentative propositions were advanced. It appears, however, that pending the receipt of complete instructions, the missions were planning to handle all cases which arise on an ad hoc basis.

Enemy loot was also discussed in Lisbon, in December 1944 at a meeting of the Tripartite Committee, which includes the United States, Great Britain and France. It was decided that the collection and sifting of information on loot was to be left for the moment to the individuals concerned in the various Missions, who would raise in the Committee any points they might want to discuss.

SWEDEN

The American Legation in Stockholm has been requested to report the appearance of suspect art pieces on the Swedish art market, as there are indications that looted treasures are being offered for sale or held in that country.

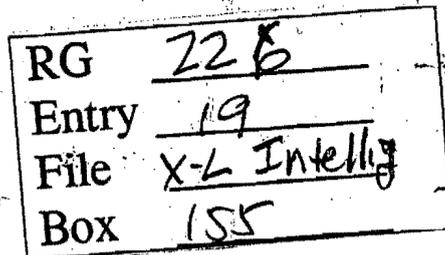
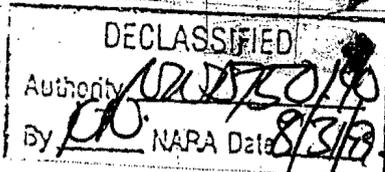
On September 1, 1944 part of a report was forwarded dated February 1943, relating to Safehaven art, which read as follows:

"Certain members of the Nazi Party, whose names have not yet been revealed, are beginning to send their valuables from Germany to Sweden, where they are to be sold to form a capital investment in Sweden. Bukowskis, the well-known Stockholm Auction Rooms, have received two cases of valuable pictures from Germany during the last two weeks but the consignor is unknown."

The pictures were not described so it could not be ascertained whether they were stolen from occupied countries, or were the legitimate property of German collectors; in any case they represented enemy assets.

Reports dated July and September 1944 indicated that stricter control was recommended on individuals leaving Finland for Sweden, as a large quantity of Finnish ornaments, furs, pictures and other works of art

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were being offered for sale in Sweden. However, it was not stated whether they were brought into Sweden by Finnish nationals fearful of the invaders, or by Germans who had seized them outright from their Finnish owners.

In September 1944, information was received to the effect that stolen art objects belonging to the State of Italy were finding their way to Sweden. No details were furnished then, but another source reported that a masterpiece by Brueghel, "The Blind Leading the Blind," listed among the missing paintings from the Naples Museum, and placed into "safety" by the Germans at Monte Cassino, had reappeared on the Stockholm art market.

A more recent communication dated March 23, 1945 stated that large cases believed to contain carefully packed pictures were lying in the Free Port of Stockholm. One was addressed to Dir. H. Koux, a personal friend of many Nazis, which lead one to believe it might contain looted art.

Early this year the Gallery Saint Lucas, Sturegatan 3, Stockholm, held an exhibition of Flemish-Dutch paintings whose origin could not be ascertained. The director of the art gallery refused to indicate how he obtained possession of them, but stated simply that a number of them were obtained from "poor Jewish refugees."

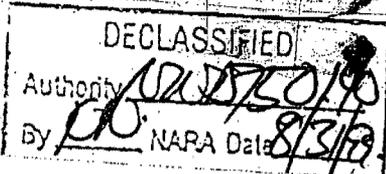
SWITZERLAND

A report was received recently on a visit of investigation into looted works of art and their whereabouts in Switzerland made by an official charged with representing the three Allied Governments, Great Britain, the United States, and France. The visit included Basle, Berne, Lausanne and Zurich.

The Monuments, Fine Arts and Archives Branch was concerned not only with the location and freezing of all German-owned works of art suspected of having been looted, but also with the tracking down of works of art originally looted by the Germans and subsequently disposed of through normal trading channels.

As a result of the negotiations of the three Allied Delegations with the Swiss Government, it has been decided that all German-owned assets (including works of art) in Switzerland, whether deposited in German or other names, are subject to the "freezing" decree.

It has also been agreed by the Swiss that for their own information they will shortly decree a census of all German assets in the country (including works of art), and it is proposed that this decree shall make it obligatory for those people who are holding German assets under some other name to declare them as such. The census will cover such places as Free Ports (Freilager), cellars of museums, banks and forwarding agents or repositories (Lagerhaus A. G.).



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Thus a check list will ultimately be available for consultation when it is known just what works of art have been looted. Moreover, third parties who have failed to declare German assets and who later try to realize them will have committed an offence under Swiss law.

In addition to this, the Swiss authorities have expressed their willingness to act immediately in cases in which we can inform them of hidden loot or works of art smuggled into Switzerland.

It was decided that all information concerning loot, by whatever agency collected, would be passed through the channel of the Commercial Secretariat and thence to the Ministry of Economic Warfare for distribution. Likewise anything affecting investigations in Switzerland should pass outward through the same channel. Co-ordination with United States and French services will be done at Berne.

It is impossible to estimate the amount of German-owned or looted works of art which have found their way to Switzerland. Official Swiss figures for import of works of art from 1939 to 1944 show that whereas imports from France have declined steadily, those from Germany increased greatly both in 1941 and 1943. Actually, the German imports may include looted art objects from France taken into Germany. This seems to be indicated by the fact that deals investigated in Switzerland involved mostly French 19th century paintings, and very few Old Masters.

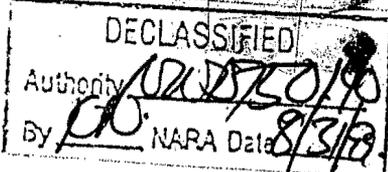
There is no proof to date of art being smuggled into Switzerland except the evidence of those pictures which are known to have been imported in the German diplomatic pouch by Herr Helmut Beyer, German Commercial Attache, 6 Florastr., Muri, near Berne. French and Swiss sources reported also that pictures may have been smuggled through Geneva by a certain Albert Skira.

With very few exceptions neither the Swiss museums nor the more important Swiss collectors have acquired looted works of art. Considerable anxiety is felt by any possible Swiss purchaser today, and art dealers are invariably asked to produce certificates showing that the paintings they are offering for sale have been in Switzerland and even in Swiss possession for a number of years.

It is believed that for the moment German-owned and looted art objects are lying in bank vaults, at forwarding agents, in repositories or in private hands, either in German, Swiss or other names. Works of art sent from Germany for "Safe Haven" to the Free Ports of Switzerland can remain there for 5 years under the name of the addressee; they are not considered as imports, and merely cost the amount of storage charges.

Shipments of works of art from Germany were handled by the firms of Bronner, Basle, and Schenker, which has branches in several Swiss cities. It was felt that a thorough investigation should be made of these firms. In the meantime, the French authorities have asked the Swiss to block railway cars SNCF 105, 932, 65, 688, 130, 914, despatched by Schenker,

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Paris, under way-bill of December 8, 1942, to Zurich. They are believed to contain goods of all kinds looted by an official of the Reichsbahn, at one time residing 34 Quai de Passy, Paris. It should be recollected that immediately before the German debacle Goering was also reported to have placed some of his looted treasures in railway cars, and that the Schenker firm in Paris and other conquered cities did most of the packing and shipping of loot for the Nazi.

I-4 One resident of Lichtenstein, Herr Rudolf Ruscheweyh, may be involved in the purchase of looted art but there is no conclusive evidence so far. He was known to have bought works of art in Paris, which were recently delivered to his new house in Schann. He is a great friend of Buhrle, on whose advice he bought. Buhrle bought several pictures from the Galerie Fischer, but states he is ready to return them. Ruscheweyh was blacklisted as he held an agency in Germany for Werkzeugmaschinen Fabrik Oerlikon, Buhrle & Co.

The following German nationals are known to have been concerned in the traffic of looted art objects, as agents or buyers, and have been visiting Switzerland since 1940:

Carl W. Bunning: antique dealer from Darmstadt who engaged in selling looted works of art, for which he was blacklisted. His residence in Lucerne was at the Hotel Balances et Bellevue.

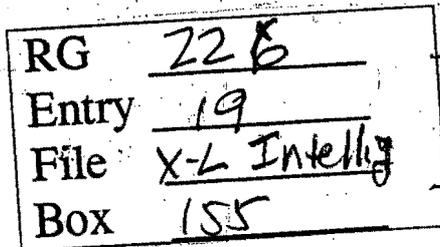
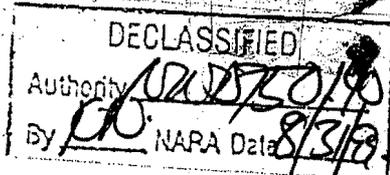
Dr. Otto Forster, Director of a Museum in Cologne. No details were furnished as to his activities in Switzerland.

Dr. Andreas Hofer, Berlin art dealer working for Goering. Made frequent trips to Switzerland, buying and selling. He was reported as saying that the paintings he brought from France came through the German Legation in Berne, and there is no doubt that these pictures were loot from occupied countries. He was in touch with the Galerie Fischer, Lucerne, the Galerie Schmidlin, Zurich, Dr. Hans Wendland of Geneva, and an unidentified person in Kussnacht, near Zurich.

Dr. Kurt Martin, Director of the Karlsruhe Museum and also appointed Director of all the museums of Alsace by the Nazis. No details given as to his activities in Switzerland.

Professor Posse, now dead, was one of the Directors of the Fuhrer Museum in Linz, and was reported to have been buying and selling art objects in Basle, Geneva, Lucerne and Zurich.

Dr. G. F. Reber, a former resident of Lausanne. He left Switzerland suddenly in the summer of 1941 for Italy, and became a resident of Rome and Florence. Before leaving Switzerland he showed certain people

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a letter from Goering appointing him as an official buyer of works of art. He obtained this letter through Andreas Hofer, who is married to a sister of Reber's secretary. He is said to have bought some tapestries for Goering in Italy, and to be involved in the purchase of the Memling portrait of the Corsini collection.

Reber was later deprived of German citizenship for being a Freemason. He passed through the Allied lines in Italy, and is now at Albergo Gargano, Sant'Angelo dei Lombardi, Prov. Avellino. It has been suggested that he should be transferred to the United Kingdom for interrogation.

Herr Gustav Rochlitz, art dealer of Paris and Baden-Baden, and former resident of Zurich. He worked with the Task Force Rosenberg in Paris where he left an infamous record, and there is no doubt that his knowledge of Swiss art circles was put to use.

Dr. Sauermann, of the art dealing concern Bohler in Munich. There is some doubt as to whether he is implicated. One report stated that he refused to become Goering's agent, and to handle looted art.

Professor Voss, Director of the Fuhrer Museum at Linz. He was reported to have handled looted art in Basle, Geneva, Lucerne and Zurich, and to have brought into Switzerland a Van Dyck belonging to the Jaffe Collection, seized under the Vichy anti-Jewish laws, and sold at auction in 1942.

Adolf Wuster, appointed Kunstreferent in Paris after the occupation. Was buying for German museums and also offering looted works of art from France in Basle, Zurich, Lucerne and Berne. He was said to have offered for sale to the Galerie Tanner the Bernheim Jeune Collection for 1,000,000 frs.

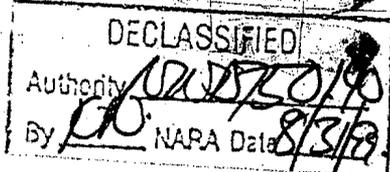
It is also believed that to this list should be added the Berlin art dealer, Haberstock.

A certain number of residents of Switzerland are also known to be involved in the sale, purchase or storing of art objects looted by the Nazis:

Dr. Wilhelm Frick: The Swiss interests of Alois Miedl who stole the Goudstikker Collection were formerly in his hands, until their transfer to Wiederkehr. It is thought that he might have looted art objects in his possession, but it was thought wiser not to place him on the Black List.

Galerie Fischer, art concern in Lucerne which has been blacklisted. The owner is Theodore Fischer but it is believed the gallery is now in the name of his sons. Theodore Fischer has been interviewed a number of times, and there is still some discrepancy in his statements. He stated that Andreas Hofer, Berlin art dealer and agent for Goering

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started coming to Switzerland to purchase works of art in 1941, and that he contacted the principal art dealers, including Fischer. He always paid in Swiss francs. In the summer of 1942 he bought from Fischer German and Dutch masters valued at approximately 250,000 Swiss frs. but made no payment. Fischer's agent, Dr. Hans Wendland, then returned with a selection of French Impressionist pictures, duly delivered in the autumn and winter of 1942, which according to a new scheme proposed by Hofer would compensate Fischer for the amount due him for the paintings he/ Fischer claims that he is an expert in antiques and tapestries, and sold. did not know their value or realize their origin until Nathan, art expert from St. Gall, came to examine them. There were 32 paintings and 11 drawings. A few have been sold, the rest are in Lucerne and Fischer has agreed not to dispose of any of them. It should be noted, however, that the lists of paintings and drawings furnished by Fischer do not tally.

Most of the looted pictures in Fischer's possession come from the Pual Rosenberg Collection, and a few from the Alphonse Kahn Collection, both confiscated by the Nazis in France.

The origin of Degas' "Madame Camus au Piano" is less certain. One source stated that it came from the Alphonse Kahn Collection, another that Dr. Wendland bought it for Fischer in a legitimate deal, from the Parisian art dealer Birschanski.

Bührle of Zurich, who bought several of the pictures from Fischer has them packed up, ready to return them to the legitimate owners.

Galerie Neupert: located 1 Bahnhofstr., Zurich. In the summer of 1943 this gallery exchanged a picture by Knaus against a Renoir. The Knaus was taken to Basle, and the Renoir was received from German officers at the German Railway Station. The Knaus painting is estimated at 100,000 Swiss frs. and the Renoir at 35,000 Swiss frs.

Galerie Schmidlin, 5 Bahnhofstr., Zurich, was in contact with the German art dealer, Andreas Hofer, who was also Goerings's representative.

Galerie Tanner, Zurich. This art concern was in contact with Alfred Daber, 109 Boulevard Hausmann, Paris, who traded in looted pictures with the Task Force Rosenberg. Was also offered the Paris art concern, Bernheim Jeune, for 1,000,000 French frs. Others involved were Adolf Wüster, Etienne Bignou, and Charles Montag.

Dr. Hoffmann: Partner of Dr. Wilhelm Frick who formerly had charge of Alois Miedl's interests.

Dr. Keller: Partner of Dr. Wilhelm Frick who formerly had charge of Alois Miedl's interests.

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Andre Martin: Reported to own a painting from the Paul Rosenberg Collection in Paris, "The Open Window," by Matisse. Martin resides at 9 Signaistr., Zurich. The picture has been deposited with Frau Stoeri of Zurich. It is valued at 10,000 Swiss frs., and was offered for sale to the Kunstmuseum in Berne. Another Matisse, "Femme sur un Sofa," offered for sale by the Galerie Neupert of Zurich may be from the same collection. The Paul Rosenberg Collection was valued at more than 7,000,000 French frs.

Charles Montag: a Swiss national involved in the offer made to the Galerie Tanner of the Bernheim Jeune art concern, seized in Paris.

L. Steinemann, 21 Drusenbergstr., Zurich. It was reported that in April 1944 he was offering for sale pictures from the Jaffe Collection, owned by a British Jew. It was seized in Nice under the Vichy anti-Jewish laws, and auctioned in 1942. Among the paintings mentioned were a Goya, a Velasquez, a Titian, a Constable valued at 10,000 Swiss frs., and a Van Dyck offered at 100,000 Swiss frs. It is said the Van Dyck may have been brought from Dresden by Professor Voss in October 1943. Both the Louvre Museum and the National Gallery of London have shown an interest in the fate of the Jaffe Collection.

In August 1944 Steinemann was reported to be in Lugano, Clinica San Rocco, and was offering for sale between 100 to 200 pictures.

Frau Stoeri, Zurich. Andre Martin is said to have deposited with her a looted picture, "The Open Window," by Matisse.

Frau Clara Veraguth: Four Corots from the Bernheim Collection are said to be in the possession of this person, at 28 Kinkelstr., Zurich. They were presumably acquired in Holland in 1941.

Alexander von Frey, Lucerne, is from Hungary, and is also believed to have handled looted art.

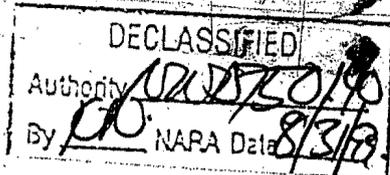
Erich von Kreibitz, Casa Heil, Ascona, made frequent trips to Paris after 1940 and is said to be connected with the traffic in looted art.

Dr. Hans Wendland, Bois d'Avault, Bellevue, Geneva. A German, and former resident of Lucerne, he is known to have traveled extensively between 1940-1943, and to have imported works of art from Germany, Italy and France.

He acted for the Galerie Fischer in negotiating deals with Andreas Hofer of Berlin involving looted art.

A reliable source stated that in November 1942 he received a railway-van full of works of art from Paris, cleared through the forwarding agents Lavanchy in Lausanne. When he moved from Lucerne to Geneva he took two van-loads from Lucerne, and another from Basle, which were said to have contained works of art shipped from Italy early in November 1943.

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He has also worked in close co-operation with the German Legation in Berne, and was at one time a partner of Reber.

Well known as an art dealer and collector, and having lived in France, Italy, Germany and Switzerland for the past 25 years, he was acquainted with all the principal art dealers and knew the contents of most private collections, including those of Alphonse Kahn and Paul Rosenberg, whom he knew well. Thus, he has little excuse for claiming he bought any pictures without being aware they constituted loot. He has been blacklisted for his activities.

Arthur Wiederkehr, 98 Bahnhofstr., Zurich. He was interviewed in regard to some looted pictures left in his care by Alois Miedl, Goering's agent and the man responsible for the seizing of the Goudstikker Collection in Holland.

Wiederkehr stated he was in Holland several times in 1941 and 1942 in connection with emigration permits for Jewish clients, and that his great friend in Amsterdam was Dr. Lanz, Swiss Consul, now dead. In the summer of 1942 Lanz introduced him to a German, Alois Miedl, a wealthy man connected with art and finance, and a great friend of Goering.

Miedl's Swiss interests were in the hands of Dr. Wilhelm Frick, 13 Stadthausquai, Zurich, but Miedl asked Wiederkehr to take them over. He claimed that he wanted to get his wife and two children into Switzerland, and that certain pictures held by Frick were to be taken by Wiederkehr, and presumably sold to provide money for his family.

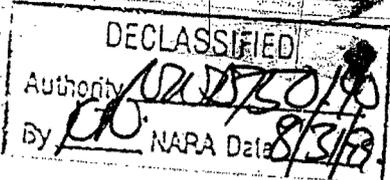
Frick was instructed to have the pictures delivered to the Schweizer Bank Gesellschaft, 45 Bahnhofstr., Zurich. The bank in turn was authorized to hand over the pictures to Wiederkehr; the latter, however, denies that he had actual authority to offer them for sale.

Wiederkehr received the pictures sealed with seals of the German Legation in Berne. He knows they were smuggled into Switzerland by the diplomatic pouch and were never cleared through the Swiss Customs.

Between 1942 and 1944 they were only seen once, by Hans Wendland and by E. Buhrle, who were sent by Miedl.

Wiederkehr claims it was the Bretton Woods Conference announcement which aroused his suspicions in regard to the origin of the paintings, and led him to inform the British or American authorities.

The pictures are now in the Volksbank, 53 Bahnhofstr., Zurich, in Wiederkehr's name. He stated that he had no financial interest in them, and has undertaken not to have them removed.



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Miedl telephoned Wiederkehr from Madrid, late in 1944, and asked whether the pictures could be transferred to Spain.

The markings on the back of the pictures clearly indicate they are loot. Their total value approximates 800,000 Swiss frs. They include:

Jan Steen's "Marriage at Cana." Collection Goudstikker, 250,000 Sw. frs.

Cezanne's "Le Moulin." Paul Rosenberg or Rothschild Collection, possibly acquired through Reber. 200,000 Sw. frs.

Van Gogh's "L'Homme a l'Oreille Coupee." Paul Rosenberg Collection, 175,000 Sw. Fr.

Cezanne, "Nature Morte." Paul Rosenberg Collection. 75,000 Sw.frs.

Cezanne's "Harlequin" and "Jeune Homme au Gilet Rouge." Paul Rosenberg Collection. Each valued at 50,000 Sw. Frs. The name M.F. Javal appears on the back of the "Harlequin."

The Rothschild, Goudstikker and Paul Rosenberg Collections were all looted by the Nazi.

Wiederkehr is prepared to hand over the Miedl correspondence in his possession, and does not believe Dr. Frick is aware he has the pictures.

Emil Zaunkeller: he lives 25 kms from Basle, on the German side, and it is believed he may have smuggled paintings into Switzerland as he received large quantities of looted art objects from Paris. It is not known whether he is now in Switzerland.

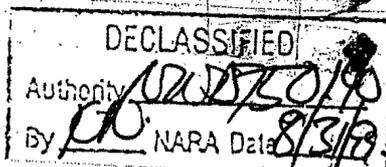
A few facts relating to looted art were reported in July 1944:

Gustave Rochlitz was said to have sent 200 cases of looted art by train from Paris to Switzerland. Their present location is unknown.

Art objects belonging to Baldur von Schirach were sent to Switzerland via Schaffhausen.

Looted art from Italy entered Switzerland via the Tessin. No details given.

Action will be taken by the American, British, French and Dutch Missions to obtain the sequestration of all looted works of art which can be traced in Switzerland.



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LATIN AMERICA

To date little information has been received in regard to the sale of looted works of art in Latin America.

Single instances of suspicious art deals have been received, but there is no conclusive evidence of the presence of Nazi-owned looted works of art on the Latin American market.

One unconfirmed report stated that valuable art loot may have become the private property of an important industrialist in Latin America, an individual who lent his name to cover properties which were transferred to him by high Nazi officials. The reference is presumably to the notorious Fritz Mandl, Argentine munitions king, and friend of the Nazis.

A study was also made of intercepts received from the Office of Censorship over a period of months and dealing with the activities of the de Koenigsbergs, New York art dealers, and their associates, to ascertain whether their correspondence revealed illicit art transactions involving enemy interests. The de Koenigsbergs have business connections in Buenos Aires, Mexico City, Chile, and Uruguay. The associates involved were Amadeo Mandaro, Alberto Duhau, Enrique and Nettie de Paatz, Mrs. Edgardo Nicholson, Miss Isabelle Hill, Dr. Mario Williams, and Maria Chaliapine.

The above subjects were said to have been involved in suspicious transactions of art pieces. Particularly suspect were the de Koenigsbergs and the Mandaros, who were alleged to have Nazi sympathies and connections. This suspicion was partly based on the fact that their business was conducted on a secret basis, under cover of personal affairs.

We found no proof that looted art was involved, but a study made of another art dealer, Nicholas Karger, doing business in Venezuela, seemed to indicate that the South American art market is being flooded with pieces of doubtful authenticity, which makes the task of tracing authentic and valuable looted art objects even harder.

A number of intercepts were also reviewed, covering correspondence between Kurt Stavenhagen, now in Mexico, and other art dealers, in particular Richard H. Zinser, Forest Hills, Long Island, New York. For several months they have been discussing in more or less guarded terms a presumably valuable painting, which they claim is Pisanello's "Une Princesse d'Este," also described as "The Flower Girl" and the "Pink Lady." The original painting which was in the Louvre was estimated at \$250,000. M. Rene Huyghe, Chief Curator of Paintings at the Louvre Museum, has written that all paintings placed in repositories during the war have been restored to the museum and that none are missing. Therefore, art experts in this country believe that the picture held by Zinser must be a good copy not generally known to dealers.

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The following names have also been called to our attention:

Francisco Cambo, formerly of Barcelona and now at Avenida Alvear 4654, Buenos Aires, is a collector of works of art and before the war used to deal almost exclusively with Theodore Fischer of the Galerie Fischer, Lucerne, Switzerland. As the Galerie Fischer and its owner were blacklisted in October 1943 for handling looted art, it was thought advisable to ascertain whether Cambo has added to his art collection from this source since 1940.

Thaddeus Grauer, Rua Alagoas 664, Sao Paulo, Brazil, also has dealings with the Galerie Fischer.

Buehler, Obera, Argentina, was notified by Karl Huesles Sommer Lucerne, Switzerland, that the "Madonna" they have been discussing is a genuine Raphael and would be worth \$1,000,000 in New York after the war. This painting has not yet been identified.

Late in 1944, Dr. Honig of New York City wrote to a Rodolfo Treuer, Buenos Aires concerning a Brueghel painting stored in Basle, Switzerland, and another picture which Treuer is holding in Argentina. There was also a reference to a Stradivarius violin left in the care of Mr. Erich Kahlenberg, Asuncion, Paraguay. In an earlier communication, Dr. Honig advised Kahlenberg that a "former Director of Skoda" might approach him concerning the sale of a Stradivarius. This indicates that these men might be Jewish refugees discussing legitimate property saved from the Nazis.

Thirty paintings offered for sale in South America were checked against the files of the Roberts Commission. It was thought that one of these might be of enemy origin. This was the painting by El Greco entitled "The Mourning Madonna," which was offered for sale at £22,000 in Venezuela and which was listed as being in the Munich Art Gallery.

Hermann Goering has millions invested in Argentina, according to Ray Josephs who covered Buenos Aires for PM. Josephs writes: "I personally saw paintings, sculpture, etc., looted by the Nazis on sale in Buenos Aires since late 1943, receipts from which were being held for Goering."

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1945 JUN 27 PM 12:42

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Entry ARGENTINA
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COPY FOR AMERICAN EMBASSY, BUENOS AIRES.

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Santiago, Chile,
October 26, 1943.

No. 7945.

Subject: Recent Activities of the UNION NACIONALISTA, transmitting a Copy of the Legal Attaché's Report dated October 13, 1943.

STRICTLY CONFIDENTIAL.

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Embassy's strictly confidential despatch No. 7279 dated August 14, 1943 and to previous despatches concerning the activities of the UNION NACIONALISTA, I have the honor to transmit a copy of the Legal Attaché's report dated October 13, 1943, on the same subject.

The material contained in this report is outlined herewith as follows: there is a list of the members of the Youth Group of the Unión Nacionalista which contains the latest detailed information on that group; according to one of the informants of the Legal Attaché's office, the energies of the Youth Group of this Chilean pro-Nazi political party are now centred in attacks on Yankee imperialism and also on advocacy of the establishment of "anti-plutocratic and anti-Marxist" Nationalist governments throughout South America as the first step in a Spanish-American revolution against United States "domination"; a reliable source has reported that at a meeting of the Unión Nacionalista held on August 6 last Manuel MAYO Bodelon, leader of the Youth Group, made an address in which he praised Nazism as a movement which knows no class distinctions and expressed the opinion that militant Nazism would be victorious in the western hemisphere regardless of the outcome of the European conflict; and another source of information has furnished an up-to-date list of the principal leaders of the Unión Nacionalista in Santiago and Valparaíso, whose names are listed in the Legal Attaché's report. At the meeting above referred to, Manuel Mayo also stated that he had been the first newspaper representative to interview General RAMIREZ after his assumption of the presidency of Argentina and that Ramirez had told him that he greatly admired Chile and believed that the South American countries should unite as a group independent from the influence of the United States and Great Britain; and that he, Ramirez, would back any nationalistic movement in Chile or in any other South American country.

The information furnished by "Source E", who is said to have obtained it from one Enrique MONTEES Errazuriz, who is stated to have obtained it in turn from various leaders of the Unión Nacionalista,

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Joaquin Leiva Opazo	1924	Rosas 1165	Student
Marcos Zurita del Canto	1922	Catedral 2125	"
Hernan Morgies Cambell	1923	Bulnes 384	Employee
Aguiles Sepulveda Yanez	1922	Coquimbo 57	Student
Fernando Michea	1922	Rosas 1165	"
Leon Gajardo	1925	Irarrazaval 508	"
Enilio de la Jara P.	1923	Avda. Portales 3231	"
Raul Diaz Montecinos	1923	Cuevas 724	"
Mario Agliate Rabe	1925	Tocornal 3695	Employee
Enrique Matta Rogers	1927	San Ignacio 177	Student
Gustavo Vargas Olea	1925	San Carlos 289	"
Mario Matris Bermudes	1922	Bilbao 110	"
Lautaro Zuniga Guerrero	1922	Castro 478	"
Jorge Meyer Schodler	1923	Bilbao 1230	Employee
Walter Hasselbeld D.	1924	Bulnes 59	"
Rafael Galion Luege	1923	Napoleon 735	Student
Francisco Izquierdo Moreira	1924	Cien Fuegos 89	"
Hernan Vidal Duarte	1922	Bascunan 1909	"
Raul Cifuentes Briceno	1926	Catedral 2125	"
Edmundo Trejo Contreras	1923	Lira 31	"
Guillermo Perez Sazie	1923	Matacuna 555	Employee
Jose Orellana Roza	1922	Poniente 1703	"
Luis Ramirez Lablanc	1925	Sotomayor 1266	"
Juan Penalzoza C.	1922	Chacabuco 753	Employee

Source A stated, at the time of furnishing the foregoing list, he also had a copy of a card which may best be described as a personnel card. This card is filled out by the member at the time he registers with this organization. This card provides for the name, age, address, the telephone number of the member, and, in addition, profession and place of employment, his picture, his carnet number, the amount contributed to the Party, who presented him to the Party for membership, date of admission, and also space for comment relative to his membership. A copy of this card was furnished by Source A.

Source B furnished the following information regarding the Juventud Nacionalista:

"IT MUST BE BORNE IN MIND:

That the extension of the war to Spanish American coasts has caused this continent to be isolated from European and Asiatic Powers;

That this isolation has brought about a major imperialistic penetration of the continent, principally from the United States of North America;

That North America has used the Spanish American plutocracy and Marxist Political groups to carry out her expansion policy;

That the first and foremost task of Spanish American Youth is the struggle for Continental freedom from foreign domination.

THE "NACIONALISTA" YOUTH DECLARE:

1. The Nationalist Revolution is the only means the Spanish American people have of attaining their liberation from imperialistic domination.

2. The first step in the Spanish American Revolution is to form Nationalist Governments which must be anti-plutocratic and anti-marxist.

3. The

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3. The anti-imperialistic struggle must be unanimous in Spanish America as the imperialistic phenomenon is common to all Spanish American countries.

It is indispensable to form Nationalist Block in each district, which should be backed by the Nationalist Movement of each Spanish American Republic.

4. The problem of our economical inferiority is the result of the subordinating of Spanish American plutocracy to their Imperialistic Masters. Consequently this problem will not disappear until both plutocracy and imperialism are done away with by the authentic Spanish American Nationalists.

5. "Pan Americanism" and "Good Neighbor" slogans which are the outcome of North American policy, are just instruments used by the Imperialists, to break down the will and auto determination of Spanish Americans.

6. This projected Pan American Unity is false, both from a historical and cultural point of view, and is used as an instrument of domination by the Anglo-Saxon technical superiority of North America on the Cultural and Historical Conglomerate which is Spanish America.

Conglomeration.

Therefore, the Spanish American people must realize this fact and must unite spiritually, politically and economically in order to supersede their technical inferiority."

The source advises that the foregoing "exposé" of the Juventud Nacionalista is interesting from two points of view. First, the phrasing of the leading ideas is an exact copy of Nazi terminology, repeating words like "plutocracy", "imperialism", and "anti-marxism". It is the source's opinion that this shows how close the contact is between the Union Nacionalista and Nazism and indicates that German influence is paramount in this so-called Ibero-American movement. According to the source, the second point is that the fight is directed exclusively against the United States penetration in the political and economic field.

From Source C, who is known to be reliable, it is known that a meeting of the Union Nacionalista was held on August 6th at their headquarters on Bernardo O'Higgins. At this meeting, MANUEL MAYO BODELON gave a lecture on the Nazi Movement in Argentina and Chile. He advised in this lecture that he had had a long talk with President RAMIREZ of the new Argentine Government. He claims to have been the first newspaperman to have interviewed President RAMIREZ and that RAMIREZ told him he greatly admired Chile and that he believed South America should unite as a nation, independent from the influence of the United States and Great Britain. RAMIREZ is also reported to have pointed out that he would back any nationalistic movement in Chile or any other South American country. At this time, MAYO also stated to the meeting that the British and American Ambassadors had not been given preference to interview the new President (RAMIREZ) and had been forced to wait until a day when all the diplomatic corps was received. At this point, it is stated that the whole assemblage broke out in wild applause. MAYO, during his lecture, praised Nazism, a movement which he stated knows no class distinction, helps the middle class, is for honor and justice, and gives everybody a military education. Best of all, he added, Nazism helps the underdog. Inasmuch as most of the members present belong to this class, these remarks met with great approval. In the second part of his lecture, MAYO spoke of the possibilities of Nazism in South America. He was convinced that intensive propaganda was a main weapon for success. He advised

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that each "centre" of the Union Nacionalista was a center as well for soldiers, officers and teachers of Nazism and it was of the greatest importance to win soldiers for the ever growing Nazi Army in Chile. MAYO expressed confidence that Nazism would win in this part of the world regardless of the outcome of the European conflict.

MAYO, during the meeting, advised that the Argentino Nacionalistas have several newspapers which they either own or use for propaganda purposes. The one specifically mentioned was "EL PAMPERO".

MANUEL MAYO BODELON is an ex-Nazi leader of Valparaiso and is, at present, employed by the "ZIG-ZAG" publishing and printing firm in Santiago, Chile, where he holds a fairly good position. He was, at one time, a City Councilor in Valparaiso.

Source C also advised that another meeting was held by the Union Nacionalista in their headquarters on Bernardo O'Higgins. Nothing of importance was learned at this meeting; however, after the meeting was adjourned, the President, GOMEZ MILLAS, discussed with an unidentified individual a program of twenty days propaganda. The source advised that it appeared to be their ambition to print and circulate a small mimeographed sheet. They also indicated that should this project be carried out, they wanted to take good care that this propaganda does not become known to be connected with the Union Nacionalista. Their idea was that the distribution of this sheet would start around 5:00 AM and would be distributed in the most prominent spots around the town. They were agreed that this would involve approximately 1,000 pesos expenditure daily for the printing and distribution of the paper and, besides, they were of the opinion that another 1,000 pesos per day would be needed for the defense, etc., of the men who would probably get in trouble in the distribution of this paper. They discontinued their discussion without definitely agreeing on a plan relative to the performance of this project.

From Source D, a list of the principal leaders of the Union Nacionalista was obtained, and are as follows. (It is to be noted that the following names have been mentioned in previous reports and some have been mentioned as occupying the same official position in the Party as they are being named in the following list; however, some of the following names have not been indicated as officials or as principal leaders of the Party and, for that reason, this list of members is being incorporated at this point.)

President	JUAN GOMEZ (Millas)
Councillors	ROBERTO VEGA (Blanlot) GUILLERMO E. IZQUIERDO JORGE GONZALEZ (von Marées)
General Secretary	HECTOR ARAVENA
Secretary of the National Executive Board	ERNESTO RIVERA (Tobar)
Leader of the Legion, Fifth of September	ORLANDO LATORRE
National Director of Propaganda	SERGIO RECA (Varren)
Leader of the Brigada Feminina	MARIA VIANCOS de JARA

Leader

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- Leader of the University Movement **GERMAN VIDAL**
- Leader of the Eighth Comuna in Santiago **IGNACIO GARCES (Vascores)**
- Leader of the Youth Group **MANUEL MAYO**
- Leader of the Propaganda Department and General Leader in Valparaiso area **DIEGO PARADA (Villarreal)**
- Leader of the Youth Group in Vifa del Mar **JULIO TIETZ**

This same source advised that the following are reported as the leaders of the Union Nacionalista in the Valparaiso area:

- | | |
|--------------------------|-------------------------|
| HUMBERTO RUSTON | JAVIER LIRA (Merino) |
| FERNANDO POLLE | JOSE HERNANDEZ |
| MANUEL JORQUERA | RAMON VERRARA (Montero) |
| PEDRO PIZARRO | RAUL RAVEAU |
| PEDRO PAVEZ | CARLOS NIETO |
| CARLOS DAI VALK | FRANCISCO NIETO |
| MARIANO GARCE | OLOF CRISTHIANSEN |
| PEDRO SEPULEUDA (Lisboa) | RAMON FLEMING (Llanos) |
| JUAN DIAZ OYARZON | HOMERO MENARES |

Source also advised that the Union Nacionalista in Valparaiso holds meetings and dinners quite frequently and that SILVESTRE ORTEGA is the individual who arranges these meetings. They are held at the CLUB LIBERAL or at Calle Blanco 1113, Third Floor, Office 5. Source also advised that a professor whose surname is JORQUERA and who teaches at the INSTITUTO COMERCIAL at Valparaiso, is very active as a verbal propagandist for the Union Nacionalista:

Source D advised that DIEGO PARADA (Villarreal), who is reported to be the leader in the Valparaiso area, was born in Talca, Chile, November 12, 1897, the son of AURELIO and UPELTINA, and he presently lives at Papudo 564, Cerro Concepcion. His Prontuario Number is 228238. Source advised that, as of April 20, 1943, there appeared on the membership list of the AAA, the name of one Señor PARADA, who is identical with the Valparaiso chief of the Union Nacionalista. This individual was the owner of the FIAMBRERIA BELLEVISTA, which is located on Calle Bellavista 458, and is also owner of the FIAMBRERIA HAMBURGUESA, on Calle Esmeralda. The Calle Bellavista address was the one used by the Party for the sale of tickets for the last dinner of the Union Nacionalista.

The following information was reported by Source E, the reliability of which is unknown. This information was obtained by Source E through one ENRIQUE MONTES ERRAZURIZ, who, in turn, obtained the information through conversations with JORGE GONZALEZ VON MAREES, PEDRO FONCEA, RENAN VALDES VON BENNEWITZ, JUAN GOMEZ MILLAS, ARIOSTO HERRERA, GUILLERMO IZQUIERDO ARAYA, MANUEL MAYO BODELON, and HECTOR ARAVENA, the last two being chiefs of the Assault Troops.

The following is a summary made of the information by MONTES which has been obtained:

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1. When the Director of the newspaper "EL PAMPERO", and chief of the Nacionalista Party in Argentina, MANUEL FRESCO, was in Santiago, Chile, he made a "pacto de ayuda" (pact of help) between the Union Nacionalista Party of Chile and the Union Nacionalista Party of Argentina, with the purpose of mutual help in the propagandizing of nationalism in South America and the installation of nationalistic governments in these two South American countries.
2. The Union Nacionalista Party of Chile is in direct communication with the Union Nacionalista Party of Argentina. These communications will probably be made by clandestine radios, which members of both parties possess.
3. The Deputy and Nacionalista Chief, JORGE GONZALEZ VON MAREES, declared in a speech given in the House of Deputies, that Chile needs a dictatorship to clean up the country and initiate a new policy.
4. Directors of the Union Nacionalista Party in Argentina and conferred with nationalistic directors of Peru, Bolivia and Colombia, for the purpose of instituting nationalistic governments in those countries.
5. The "Tropas de Asalto" (Assault Troops) of the Nacionalista Party, according to their chiefs, MANUEL MAYO BODENLON and HECTOR ARAVENA, are ready to enter into action when it is necessary.
6. They have a technical plan prepared by militarists in retirement, who are members of the party in which is contemplated the isolation of the city and the cutting of the electric light and power facilities, telephones, etc.
7. They have obtained adherence among the armed forces, the troops and sub-officials who, in case of a "push" would assist the chiefs and officials in the constitutional government.
8. They possess sufficient arms and grenades and dynamite, these being guarded in different locations of the city.
9. In case of a "push", the orders would be transmitted by means of a portable radio apparatus, both sending and receiving equipment. Some have been constructed by the technicians of the party and others were manufactured in Germany.
10. The members of the assault troops of villages neighboring in the vicinity have been ordered to be prepared for whatever call is given them.
11. Transportation of the members of the assault troops outside of Santiago would be made by night in trucks and automobiles of members of the party and sympathizers.

Source F, on September 2, 1943, advised that MARIO MONT (Rotter), a military student and member of the Union Nacionalista for the past six months, had advised him, the source, that on August 30, 1943, HECTOR RODRIGUEZ, aged 19, VICTOR HIGALGO, aged 24, and MANUEL MENCHEZ, aged 19, along with at least three other persons, all members of the Juventud wing of the Union Nacionalista, received orders from JUAN GOMEZ (Millas), President, to attack the American Embassy between 6:30 and 7:00 PM on September 5, 1943, as a demonstration of hatred for the Americans. This Party was to be armed and, after the demonstration at the Embassy, they were to go to the Cementerio General, where a demonstration of members of the Union Nacionalista was scheduled to be held on the morning of September 6th. The source advised that approximately 30,000 persons from all parts of Chile were expected at this meeting. The source advised further that the approval of VON

MAREES,

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MAREES, one of the Counsellors of the Union Nacionalista, must be obtained before the above mentioned project or demonstration against the American Embassy would be carried out. On September 3, 1943, the same source advised that the meeting of the persons who allegedly were to attack the American Embassy took place in front of the Agencia PACH on the night of September 2, at 8:30 PM, at which time the leader of the group, HECTOR RODRIGUEZ, informed them that JORGE VON MAREES was not in agreement with the proposed attack on September 5th, but that such an attack might meet with his approval at a later date. Because of this, the demonstration was cancelled. At this time, the source advised that other members of this potential group of demonstrators are OSCAR MARANBUENO, aged 25; LUIS ANIBAL, aged 18; and MANUEL SANDIAZ, aged 23. The source advised that the plan was to have been an attack on the Naval Attaché's Offices on the Second Floor of the Embassy building, for the purpose of destroying papers in this office.

Source G advised, on September 7, 1943, that the demonstration which was held at the Cementerio General on the morning of September 6th and which was expected by the Union Nacionalista to draw approximately 30,000 persons from all parts of Chile, resulted in a big disappointment to the organization, inasmuch as on that morning, only 200 persons were present for the demonstration.

Source H, on September 2, 1943, advised that ROBERTO VEGA (Blanlot), one of the Counsellors of the Union Nacionalista and National Secretary, is now employed by the Cia. SUD-AMERICANA de VAPORES in their Santiago office and would begin work within a few days.

[The following text is extremely faint and largely illegible due to poor reproduction quality. It appears to be a continuation of the report, possibly containing further details about the organization and its activities.]

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Enclosure no. 2 to dispatch of 10th of October 1943
From American Embassy, Lima *file*

Lima, October 15, 1943

No. 8101

Subject: Attack in Peruvian Chamber of Deputies
on the present Argentine Government.

CONFIDENTIAL

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

Sir:

I have the honor to transmit a copy of a memorandum prepared in the office of the Legal Attache regarding a recent attack against the Argentine Government made in the Peruvian Chamber of Deputies.

After setting forth the text of the declaration made by a group of Peruvian deputies, the memorandum of the Legal Attache concludes as follows:

"According to Source 'B', the Chamber of Deputies voted the publication of this protest in the newspapers.

"However, when the Argentine Charge d'Affaires in Lima became aware of the impending publication, he called on President Prado and asked him not to allow it. He claimed that publication would result in a tense situation between two countries which are friendly.

"According to Source 'C', President Prado then summoned to the Palace all the signers of the above declaration and stated to them that publication, although granted by the Chamber, would bring about disagreeable consequences and might even result in the recall of Peruvian Ambassador in the Argentine, Oscar R. Benavides, under unfavorable circumstances. The Representatives agreed to the President's request but as a compromise it was arranged that the declaration would be privately circulated. Representative Gorriti has had 100 copies of the declaration made for private distribution.

President Prado's desire to avoid the return to Peru of Marshal Benavides is significant of the uneasy political situation in the country.

Respectfully yours,

For the Charge d'Affaires a. i.

George H. Butler,
First Secretary of Embassy.

Enclosure:
1. Memorandum

711 Argentina-Peru
GHB/ak

Copy by courier to Embassy, Buenos Aires.

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A true copy of
is signed original
GHB/ak

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Enclosure no. 1 to despatch no. 8101 of October 15, 1943
from American Embassy, Lima, Peru.

C O P Y

RE: CURRENT POLITICAL DEVELOPMENTS IN PERU
(Attack in the Chamber of Deputies on
Present Argentine Regime)

On September 27, 1943, Representative GUSTAVO A. GORRITI read at a secret session of the Peruvian Chamber of Deputies the following declaration on the Argentine political situation, which declaration has been made available by Source "A":

"Mr. President:

"After the cable which acquainted us with the note sent by Mr. CORDELL MULL, Secretary of State of the United States of North America to the Minister of Foreign Relations of the Argentine, a note which revealed the collaboration given by the government of General RAMIREZ to the Axis powers, news has reached us from this country indicating that not only is the victory of the United Nations hindered by the international policy, but that totalitarian principles are reigning the internal policy. America as a whole, with the sole exception of the Argentine, is fighting against these principles.

"The government of General RAMIREZ maintains a very strange 'neutrality'. Mr. CORDELL MULL has already revealed some facts. For example, that behind that neutrality were the Nazi spies who sunk ships. But there is something more. The Nazi spies not only act in the shadow of neutrality, but they also occupy public posts.

"The Municipal Intendente of Buenos Aires is General BASILIO PERTINE, Director of the German firm SIEMENS; the Interventor of the Province of Tucuman and his ministers, Mr. ALBERTO BALDRICH and Messrs. HECTOR BERNARDO AND ADOLFO SILENZI DE STAGNI, respectively, are militants of the 'Juventud Nacionalista', an organization which the Supreme Court of Justice has qualified as conspiring against the best interests of the Nation; the Director of Schools of the Province of Tucuman, NIMIE DE AQUIN, who was at one time separated from his post because he had insulted the memory of the heroes of American independence, SAN MARTIN, MITRE, SARMIENTO, MORENO, ALBERDI, etc.; the Interventor of the University of Litoral, GIORDANO BRUNO GENTA, contributor to 'El Pampero', a newspaper subsidized by the German Embassy according to the investigation made by the Commission to Investigate Anti-Argentine Activities (and tried for the Nazi plot in the Province of Entre-Dios); the President of the National Cultural Commission, Dr. CARLOS IBARGUREN, a Fascist militant and Director of the German Insurance Company, 'Germano Argentina', etc., etc.

"This

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"This type of people is active in totalitarian politics within the country. They collaborate with the Axis not only by maintaining commercial and diplomatic relations, but they are also systematically mocking democratic principles and waging a war without quarter against the defenders of same.

"The first victim of the totalitarian government of General RAMIREZ was the Argentine Parliament, which, made up by valorous defenders of democracy, was carrying out a meritorious fight to end their country's isolation and thus fulfilling the international accords which the government had signed.

"It is not possible, therefore, that in the Peruvian Parliament not a single word should be spoken to manifest our solidarity with our colleagues, the Argentinina members of Congress.

"In the attack against democratic organizations, the Nazi Argentine government is firing upon the organizations of friends of the United Nations. The 'Accion Argentina' whose Directors were ex-Presidents ALVEAR and JUSTO, HAS been dissolved. The 'Junta de la Victoria' which was made up by thousands of women under the Presidency of Mrs. SHIPER DE MARTINEZ HERRERO, and whose purpose was to collect funds for the nations fighting the Axis, has been closed down. The 'Democratic Argentinian Confederation to Aid the Free Nations', presided over by Messrs. AGUIRRE CAMARA, conservative deputy; Dr. AUGUSTO BUNGE; GONZALES IRAMAIN, Socialist Deputy; and Dr. MANUEL PINTO, Radical Deputy, has been dissolved. The 'Sanitary Aid Commission' which was formed by distinguished physicians has also been dissolved. A like fate has come upon the 'Junta Juvenil' and the 'Junta de Ayuda Periodistica' which was presided over by the editor of 'La Nacion', Mr. ALBERTO GERCHUNOF.

"This list of the organizations which were meant to help ideologically and to collect funds for the combatants and which have been closed down, shows that the Argentine government is only neutral in its declarations, but that in fact it contributes to the triumph of the Fascist Axis.

"Something similar is happening to the press. Papers which defend democracy have been closed while the sheets which serve the interests of the Axis enjoy official protection, as Secretary of State CORDELL HULL showed when he revealed that the paper 'El Pampero' was given facilities to purchase newsprint at a lower price.

"The democratic newspapers 'Orientacion', 'Argentina Libre', 'La Hora', 'La Voz del Pueblo' have been closed and their assets have been confiscated, 'Vanguardia', 'Critica', 'La Union', 'La Gacota', 'El Orden' (of Tucuman), 'Ultimas Noticias', 'La Provincia' (of Salta), 'Tribuna' (of Rosario), 'El Litoral' (of Santa Fe) and 'Los Andes' (of Mendoza) have been suspended.

"The

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"It should be mentioned that these publishing houses have suffered losses through all the editions burned. The losses of Editorial Problemas alone are valued at 150,000 Argentine pesos.

"The pretext of Communist danger, now that they can not use the pretext of 'plutocratic democracy' as employed by Nazi-Fascist propaganda, has served to unleash a formidable repression which has violated all individual guarantees.

"On the tenth of August, a decree was issued whereby all Left-wing politicians were to be imprisoned immediately and this decree, foresightedly, adds that personal data, means of livelihood, connections, no matter how remote they may be, with persons or nuclei which do not belong to the government's ideology, must be thoroughly investigated. The latter part of this decree shows that it isn't a matter of persecuting Left-wing men alone, but all persons and institutions which hate Hitler and which wish to fight together for a common victory. This is confirmed by the fact that hundreds of citizens who are not of the Left are now filling the Argentine prisons.

"The National Deputy Mr. EDUARDO ARAUJO, militant of the Civil Radical Union, remains imprisoned and members of that Party, Messrs. ENRIQUE PARRAGESE and GREGORIO TOPOLEVKY, continue in prison until now.

"The Socialist Senator, Dr. BENITO MARLANETTI, Drs. ZORRILLA, JULIO A. NOYA, CHUECA, VELA, FLORES; the physician and writer, Dr. EMILIO BRICE; the packing house labor leader, JOSE PEPPER; the labor leader, JUAN JOSE REAL; the youth leader, ANTONIO H. LENCINAS and a thousand others are imprisoned in the jails of Villa de Voto, Neuquen, Rosario, Tucuman, Comodoro de Rivadavia, Entre-Rios, etc. It is worth while pointing out that in the Litoral, there are two hundred imprisoned students.

"Among these painful facts, there are two that deserve special mention. One of them refers to the impression caused in all intellectual and democratic circles by the assault, in his home, against Dr. AUGUSTO BUNGE, an illustrious sage and writer who was sick in bed struggling against his last illness. Without respecting arguments given by his wife, the Police entered his bedroom and made a complete search. The great scientist could not long survive this outrage.

"The other is the thoroughness with which the anti-Fascist leader of the Argentine, VICTORIO CODOVILLA, is persecuted. CODOVILLA is the exponent of national unity in the struggle against Fascism. He has set forth in a book the historical necessity of grouping the whole country in its struggle for its independence which is threatened by the Axis aggressor. Because he was an anti-Fascist leader in his country, he has become the butt of the concentrated hatred of the partisans and agents of Fascism. General RAMIREZ, echoing that hatred, has sent him to prison in Rio Gallego. Physicians have examined CODOVILLA and diagnosed a double sciatica, which at the temperature of ten degrees below zero (centigrade) in that region, will result in his death. This decision against a man who has placed his life at the service of the Argentina can merit only continental protest and repudiation. And the protest must be greater, if one remembers that the Argentine constitution allows prisoners to choose between imprisonment and exile. CODOVILLA chose the latter, availing himself of this

constitutional

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constitutional right. Furthermore, the government of the democratic Republic of Uruguay, listening to the clamor of its people, has offered asylum for CODOVILLA and other political prisoners. But the government of General RAMIREZ, equally insensitive to human suffering and to the democratic principles of the constitution of its country, keeps CODOVILLA imprisoned at Rio College.

"It would seem that the Argentine governors wish to break the isolation in which they have placed their country. As they are not willing to do so by modifying their internal and international policies, they believe that they have one road left: to attain that mutinies shall take place in other nations of the continent and that similar governments shall be established in order to accompany the Argentine in its nefarious policy.

"Peru sees in that policy a continental danger.

"Yesterday the British Minister of Foreign Relations has attacked the policy of RAMIREZ' government with ample reason.

"The Nazi spies thrown out of all the American nations have concentrated in the Argentine and have converted the noble land of San Martin and BELGRANO and of the members of the Liberating Congress of Tucuman into the center of operations of the Fifth Column in America. It is through those spies that the nations of the Axis have obtained precious information which time and again has been translated into ship sinkings. And it is through those same spies that Nazism in the Argentine tries to extend its tentacles, endeavoring, as we have asserted above, to provoke plots which will install similar governments in any American nation.

"Furthermore, the pro-Nazis in each country are speaking already of the 'Argentinian example' as if it were an example worth following.

"Facing such serious facts, meant to hinder help to the United Nations and to break continental unity, we request that our protest be placed on record.

"Lima, September 27, 1943

/s/ "GUSTAVO A. GORRITI; ELLIO DELBOY;
ERNESTO MORE; MIGUEL ANGEL URQUIETA;
PEDRO E. REPETTO; VICTOR M. DEL CASTILLO

"Mr. MANUEL B. MONTESINOS gave his adherence."

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Enclosure No. 1 to despatch No. 12055
dated September 21/1943, from
American Embassy, Buenos Aires,
Argentina, entitled "Transmitting
Memorandum on the Political Situation
in Argentina since Publication of Ex-
change of Letters Between Admiral
Storni and Secretary Hull."

CONFIDENTIAL MEMORANDUM

For Mr. Reed

September 17, 1943.

Subject: The general political situation since the publication of the
exchange of letters between Admiral Storni and Secretary of State
Hull.

From: J. P. G.

Locally, the general storm that had all along been brewing gathered fury with the publication of the Storni-Hull notes. That much, but certainly little more, can safely be offered as a measure of the effect their publication has had, so far, on the political atmosphere. Admiral Storni had to resign, yes, but that merely served to lessen the pressure on the Government since the poor Admiral, never before so completely at sea, patriotically accepted full blame.

Even so, it appeared for a while that the blow to Argentine pride and prestige might possibly result in a crisis whose only solution would be a "coalition cabinet" consisting mainly of civilian figures. That could more easily have happened if the Storni letter had been not quite so stupid and the Hull letter not quite so masterly. Apparently the psychological effect of the published notes was dissipated by the presence of some vague notion, never attaining to recognizable form, that in polemics so complete a victory is possible when only individuals are involved and not in a discussion involving whole governments.

Among the political minded civilians whose lethargy was not quite enough to keep them from at least condemning, verbally and in private, the military Junta now in power, the idea of a coalition (National Union) Cabinet got a fresh start drawn from their shame and disgust at what the published notes brought to light. For a while they talked about the need for group conversations in which leaders of the various sectors would take part. There were the Radicals, the Socialists, the Progressive Democrats, even some of the conservative National Democrats and also the "Justistas". Serious conversations finally got under way about September 10, last. At first it was a matter of two or three small groups. Friday night, September 10, the thing began to take on hopefully serious aspects. Some radicals and socialists, with a few non-partisan leaders of public opinion, decided that an interview with President Ramirez had to be arranged. They decided, tentatively at least, that Ramirez must be importuned to form a National Union Cabinet at once, with a view to implementing a program of political and moral recuperation of the Nation's honor and prestige (phraseology my own, but I am merely reporting content). The four principal points of that projected program, as I remember them were:

1) Formation of a Coalition (National Union) Cabinet,
supposedly leaving Ramirez as President.

2) Immediate

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- 2) Immediate lifting of the state of siege, with freedom of press and of public gatherings.
- 3) Policy of alignment with the democracies.
- 4) Gradual return to normal constitutional procedure in internal government.

Saturday, September 11, with the help of Minister of Finance Santamarina, the interview was set for the following Monday. Hopes ran high. President Ramirez was going to be told all about it. The visiting committee members were going to face him with the courage and determination born of the Government's recent fiasco and of the supposed unity of the political, economic and academic sectors they represented. Also there was to be published a "declaration" signed by many leading citizens. The Government, knocked down and gasping, must not be allowed to recover.

By the hour set for the interview hopes had dwindled and ardor dampened. The Radical Party leaders had little interest. Their factions still could not agree even on an attitude, much less on a program of real action. The "declaration" died aborning. Messrs. Diaz Arana, Houssey, Cantilo, Labougle and Lebreton called on the President at the appointed hour. Lebreton was the spokesman and he held forth on the necessity for the President to hold consultations with civilian leaders of stature and experience and (in the face of things now coming to pass) willingness to share of their wisdom. If the meeting was worthwhile at all, it was so merely because it was a reminder to Ramirez that there was wide and serious recognition of the low ebb of national morale, with the present Government being to blame.

Meanwhile, aside from the comedy of the "leading citizens", there were other little dramas being enacted. General Rawson and a few of his friends were busy getting themselves more confused than ever. He wanted a break of relations with the Axis or he could not well go to Rio de Janeiro and make the ridiculous picture ("papelón") he would perforce make, without the "break" on which the world knew he had insisted.

Apparently, Rawson never really said he would resign his ambassadorship if his Government did not break with the Axis powers. He has implied it, though. In conversations with me he has been either confused or noncommittal, or both, but clearly wanting it believed that his sense of duty and popular desire called for him to stay here and right all wrongs. Some of his close friends have all along insisted he would not go to Rio; others, that he would go for a brief stay only to return in answer to duty's call. One confusing note, to add to all the others, is that Rawson has lately been parroting friendly remarks about President Ramirez. He has lost some of the strength formerly his as a romantic leader of a "revolution", but he has gained strength, is still gaining it, as a political operator and as a possible remedy for the lamentable situation now existing. He is getting some following among the civilian political elements led by those who have come to believe his friends who tell them of wondrous changes they have wrought on Rawson's character and attitude. He is put forth as the man who would fix up the whole political situation, externally by breaking with the Axis and internally by naming a mixed cabinet that would get right on the road to constitutionality.

Rawson enjoys

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Rawson enjoys a good deal of support among the younger (especially student) elements of the Capital. To what extent the student leaders will be able to spread that sentiment in the interior I have no way of knowing, except that in Mendoza, probably also in Santa Fe, they would welcome any move to oust the present Government. Organized labor had not yet been approached by the Rawson people up to two days ago.

What is left of the General Justo faction has been acting in line with José Castell's judgment and opinions. That means they have been expecting the present Government to fall apart under the sheer weight of its political ineptitude. Castell has, almost from the beginning, held that the present set-up would reach the breaking point in September. He has feared, as many have admitted, the danger of civilian forces being still disunited and therefore unable to take advantage of the Government's break-up. To all intents and purposes that situation arose last week. The morale of the Government's forces, also their prestige, was at so low an ebb that united action on the part of the leaders of the principal political parties could hardly have failed to bring about a near complete change in the Government. They could easily have obtained the support of strong military elements who are highly dissatisfied with the present set-up. There were the Rawson Faction, the Justo Faction and the several factions comprising the "leading citizens" group. There was no meeting of minds or united action.

This month of September may yet, conceivably, see sufficient "popular forces" committing themselves to definite action, in unison with the Rawson group or the Justo group, or both, that the whole Ramírez regime will fall. Such a development is reasonably possible as things now stand; it is highly probable if the Ramírez forces do not soon right their keel, especially with respect to the situation centering on the Ministry of Foreign Affairs and to the Litoral University mess.

There is a good deal of evidence, though, that the Ramírez Government is now bent on righting its keel, within the limits of their own dim lights. Certainly the various ministers and President Ramírez have of late been made aware of the extreme unpopularity of their Government. Their surprise and consternation at the almost unanimous condemnation of their miserable showing in the case of the Storni-Hull interchange resulted in making them less impermeable to the force of criticism. For a while they were all but down and out. The only straw for them to grasp was that of "the continued friendliness of the British Government". If from London there had come a reasonable indication of agreement with Secretary Hull's attitude, in all probability the Argentine would now be enjoying a new government.

In spite of confidence in British friendship and cooperation, the exchange of letters left the Government extremely nervous and somewhat cowed. There was a new susceptibility to criticism. There have been numerous visits of individuals and groups to various members of the Government which have not been publicized.

Monsignor de Andrea is known to have paid numerous visits to Ramírez. Among other things he has pointed out the necessity for the Government to free itself of the unprofitable influence of the wrong elements within the clergy. ("Católicos falsos y nacionalistas falsos").

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In passing I should like to have it noted that there is no doubt that there does exist a sizeable force within the clergy that is not at all satisfied with the political outlook. I had a long conversation with Monsignor _____, Secretary of a bishopric in the interior. He had recently come from Mendoza where he had attended the Congress of Youthful Catholic Action (7,000 young Catholic Action enthusiasts gathered there). What he told me of the real opinion of the "vaticanistas", as opposed to the nationalistic elements, was enlightening, to put it mildly.

At that Congress, the principal directive given to the assembled multitude was to "sit tight" ... to be prepared for the future, but not to take part in the clash of opposing forces at present. Then, at the demonstration on the Hill of Glory (Cerro de la Gloria), at the foot of San Martin's statue, a little known proclamation of San Martin was read. In effect, it contained the admonishment to the military that their job was not a political one, but rather one of faithful guardianship.

To return now, to the unpublicized visits to members of the Government, a delegation of university professors from the Interior called on Minister Anaya a few days ago to express their horror at what was going on especially in connection with the University of the Litoral. Anaya arranged for them to see President Ramirez, suggesting that they tell Ramirez "just what they had told him". They did.

Then, there was the visit of the Socialist leader (Deputy) Americo Ghioldi to Anaya.

Ghioldi, it seems, is a personal friend of Anaya. The latter listened, without interrupting, to a long series of frank observations critical of the Government and its untoward policies, both internal and external. Ghioldi stressed the fact that the Government enjoyed little popularity and was getting less popular. Among many things, he pointed to the sad state of affairs in Tucuman and to the Argentine's unenviable position among her sister nations. Anaya finally interrupted to ask Ghioldi if he would be willing to say the same things to President Ramirez. The answer was "yes". Anaya telephoned Ramirez and he and Ghioldi went immediately to the President's office where Ghioldi held forth for 45 minutes.

Ramirez interrupted Ghioldi now and then, but only to say, in effect, "you are right, but our problems are difficult; there must be patience".

Ghioldi came away with an impression that was "not bad", which may mean only that Ramirez didn't act like a tyrant in personal conversation.

More important, in my opinion, than Ghioldi's impression that was "not bad" is the fact that Anaya wanted him to say those things to the President.

Further, members of the Government have had to listen to reports brought in from their military colleagues, a few of whom are in touch with civilian opinion not manufactured for distribution by "Cabildo" and "Pampero". It has been made evident all around that Chief of Police Ramirez is the focal point of extreme nazism in the Government and that he is the principal source of stories of impending danger to the Argentine from exterior aggression, especially from Brazil.

Also

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So, it has been made evident that Police Chief Ramirez plays an important part in keeping the power of real command out of President Ramirez's hands. With him, in that, have been Colonel Perón and Lieutenant Colonel González - possibly also General Farrel who wants to be President and General Gilbert who has of late lost prestige among his colleagues.

I reported to you, the other day, on the plot to "corral" President Ramirez, leaving the Government at the mercy of Chief of Police "Ramirez, González, Perón, Farrel and Company". I want to insist that my information on that point was from a serious source. Indications to the effect that President Ramirez has been making moves to shelve González and also Chief Ramirez may be related to their projected coup. Also, Colonel Lang has received information, which he passed on only for what it might be worth, that President Ramirez has called a number of the Colonels together and reminded them that while they were active in his Government they were under him and loyalty was expected.

Concerning the alignments within the Cabinet, the best indications I have are that Minister of Finance Santamarina has recently strengthened his position considerably and that he has been receiving support from Anaya.

At yesterday's Cabinet Meeting, besides matters of repatriation of the external debt (a step toward partial nationalization of railroads and other utilities) and reorganization of the Political Parties (long since projected), the question of the Minister of Foreign Affairs, yet to be named, was considered at length. The result of the discussion is rated as a victory for Santamarina and for the side of political sense in general. It is supposed, in quarters as well informed as any that can be found outside of the Cabinet itself, that the decision reached calls for naming, within a few days, of an outstanding figure, essentially non-partisan but with political and diplomatic prestige. Lebreton was rated as having the inside track, at least until 9 o'clock this morning.

Whoever is named Foreign Minister, he will be an anglophile. That much is "discounted" now. And the direction of the foreign policy will be one of friendly cooperation with the United Nations, through England of course, since that is the only dignified route left.

I understand that Santamarina made clear to his fellow Ministers that, rather than lose to them in their "game", he would play as his trump card the one that would call for his own resignation to be accompanied by resignations of the heads of several important financial institutes controlled by British interests or by interests sympathetic to the British.

The foregoing accounts for the extreme nervousness of "Cabildo". In the main editorial of today's issue Ramirez is anxiously importuned not to fall prey to the forces of confusion.

Personally, I should be surprised if Lebreton were named Foreign Minister, or Bloy, or any of those so far mentioned. I should not be surprised if Podestá Costa were named, or some other person of his type. He is a man of real parts who has not openly taken a political stand that could mark him with strong prejudices. He could satisfy the more liberal element, without giving rise to open rebellion by the reactionaries.

Finally

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Finally, my own opinion is that any attempt to say now what the political developments of the Argentine will be, even in the immediate future, calls for almost pure guess work. No one knows, probably least of all the members of the Government themselves, how they are going to get out of the hole they are in, or whether they can, indeed, get out of it. That they are in a hole is universally admitted. There are several possible arrangements any one of which may be effected. In order of their likelihood, for me, here they are:

1) One calling for Ramirez to weather the storm with the expectation (his expectation, to which I am not willing to subscribe) that out of the confusion incident to a return to the Constitution he would emerge as the people's choice for President.

This one would call for effectively routing the "nazified" military and also the "nacionalistas", civilians and clergy, that are now "gathering their forces like scared monkeys" because they sense the danger to their "high ideals of neutrality, national dignity and sovereignty".

That is a large order that Ramirez can fill only if sufficient support is forthcoming from the military who fear that they would sink with their President and provided pressure from British interests at least neutralizes the civilian nazi assaults. It is an order that probably would call for the following immediate steps, among others:

a) Genta, Interventor of Santa Fe University, must be fired. That would logically be followed by a cleanup of the Tucuman situation including the firing of Baldrich, Anquin and the whole nazi (Club del Plata) set-up. Then Chief of Police Ramirez would have to go, and probably also Minister Gilbert.

(Note: If fulfillment of the foregoing preliminary requirements does not get well under way in the course of the ensuing week, then I believe this first possibility should be counted out).

b) Also indicated would be the early naming of an acceptable, apparently (at least) pro-democracies Minister of Foreign Affairs and the promise of a foreign policy that would allay the grave fears aroused by Mr. Hull's letter. By that I mean cooperation with the United Nations through England as the intermediary.

c) The next step would be to further the progress toward a Coalition (National Union) Cabinet - a civilian as Minister of Agriculture, or of Public Works, for instance.

2) One calling for a truce between the opposing factions within the Government and its civilian (nazi) infiltrations so as to make it possible for the Government, essentially as it now stands, to weather the storm.

This would be done with a view to establishing complete control over the nation's political machinery before allowing

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even an apparent return to the Constitutional, political form of government.

3) If "possible arrangement" 1) does not get under way, the Government's only immediate alternative, as I see it, is "possible arrangement" 2). In that case there will exist real probabilities of a "movement of force" with popular support, the "movement" to be headed by Rawson or by a "Justista", overthrow of the present Government the objective.

4) Right now it appears that Rawson would be the first to start a movement to overthrow the Government. In that case it is possible that the "Justistas" would "beat him to the draw" and move out (with the First Division under General Rossi, the Second Division being expected to join forces) ostensibly in defense of President Ramirez who, however, would not then last long as President. Among the Principal Generals of the "Justista" group are Tonazzi, Pierestegui and Espindola. Closely allied and probably highly responsive are Generals Santos Rossi and Ernesto Florit.

5) There is always the outside possibility of an attempted "movement of force" by the "nazis", to overthrow a "democratized" Ramirez Government. In that case the move mentioned above (ostensibly in defense of Ramirez) would be almost a certainty.

Whatever the outcome of the present "crisis" it will be a difficult job for us to get out of the "box" in which our British friends now have us. With that in mind our choice, if choice we were to make, ought to be the "Justistas" or Rawson, in the order named.

This line is with the "International" and has been given a virtual ultimatum to those and other dissatisfied army officers who, according to the "International", insist that they will force a change of government if certain concrete aims, including the withdrawal of troops from the area, are not soon forthcoming. The five limits suggested, this week, to have been set on October 15 with one increasing until September 25 is a military enough limit. This increase on the part of the "International" is "knowing" regarded as the real reason for Rawson's sudden return to the Capital.

Immediately, the foregoing points have been clarified and to the situation. The first two are in agreement with the last two. There are good reasons for believing that Anaya has likely been sending out an application to "mount" operations. His appeal is reported to a line military might be due to Anti-United States newspapers and it might be related to the Junta (Military) figure. The way ahead, set up in command of the Second Division, which is that the 3rd of June pending over the Government is best. The Police is under 1 and the First Division is under 2.

Finally, there is this to be said. The likelihood of early military changes are to increase and so potential that it is no longer reasonable to say, to doubt them. The move may be made with Rawson or without him. It may or may not leave Rawson technically in command of the Government's forces. There is little room to doubt that the objective will be to "break" the military ring and move toward the United Nations and toward the important organizations.

I should be surprised if "things" were not to begin within the next two or three weeks. I should not be surprised if they were to begin to happen at any moment from now on.

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(SUPPLEMENTARY)

Buenos Aires, September 21, 1943.

Since the date of the foregoing memorandum certain indications have appeared which may be of related interest. Among them are the following:

1) From a source close to President Ramirez comes the word that General Anaya quite likely will soon be transferred from his present post as Minister of Public Instruction and Justice to that of Interventor of the Province of Buenos Aires. While serving as Interventor he will also be in command of the Second Division (Campo de Mayo). Little credit is given generally to the supposed illness of Anaya, offered as the reason for his decision not to go to Panamá.

2) There are confusing but insistent indications that government forces are seeking to replace General Santos Rossi, now in command of the First Division (Capital Area).

Rossi responds to the "memory of General Justo" and has at times been outspoken, even vituperative, in his objections to certain "nazis" in government circles. His disgust and enmity for General Perón has been particularly noticeable.

3) Rawson's friends are insisting, more openly than before, that he will not serve as Ambassador to Brazil. There is some evidence of a tendency, still with caution and doubt, to seek "understanding" between the Rawson faction and the group comprising Espíndola, Pierrestegui, Tonazzi (?) and several colonels. This ties in with the "information" that the Government has been given a virtual ultimatum by those and other dissatisfied army officers who, according to that "information", insist that they will force a change of government if certain concrete acts, including the much mooted break with the Axis, are not soon forthcoming. The time limit is supposed, this time, to have been set as October 12, with some insisting that September 28 is a liberal enough limit. This insistence on the part of the "rupturistas" is "knowingly" suggested as the real reason for Rawson's sudden return to the Capital.

Admittedly, the foregoing points add more confusion than clarification to the situation. The first two are in conflict with the last one. There are good reasons for believing that Anaya has lately been coming out in opposition to "nazi" tendencies. His proposed removal from the Ministry might be due to Anti-United Nations pressure and it might be related to the Genta (Litoral) fight. But why, then, put him in command of the Second Division, which is Club No. 3 of those hanging over the Government's head? The Police is Number 1 and the First Division is Number 2.

Finally, there is this to be said: Indications of early radical changes are so strong and so plentiful that it no longer seems reasonable, to me, to doubt them. The move may be made with Rawson or without him. It may or may not leave Ramirez technically in command of the Government, but there is little room to doubt that the objective will be to "break the nazi ring and move toward the United Nations and toward the Argentine Constitution."

I should be surprised if "things" were not to happen within the next two or three weeks. I should not be surprised if they were to begin to happen at any moment from now on.

J. F. G.

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M. Griffiths

Buenos Aires, Argentina, September 21, 1943.

No. 12055

Subject. Transmitting Memorandum on the Political Situation in Argentina since Publication of Exchange of Letters Between Admiral Storni and Secretary Hull.

STRICTLY CONFIDENTIAL

The Honorable
The Secretary of State,
Washington.

1/ Sir: I have the honor to transmit a confidential memorandum, prepared by a member of my staff, on certain aspects and indications of the political situation in the Argentine with especial reference to factors developing since the publication of the letters exchanged between Admiral Storni and Secretary Hull.

Respectfully yours,

Enclosure:

1/ as stated

File no. 710

JFG:cagl

Copy to the Honorable Norman Armour

A true copy of the signed original.

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TRANSLATION

Buenos Aires, August 5, 1943

Mr. Secretary of State:

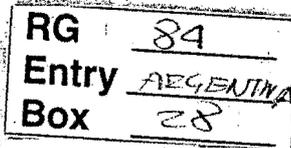
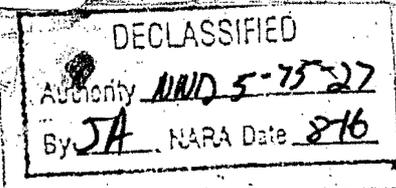
Coinciding with Ambassador Armour's trip to the United States, I have thought it desirable to place myself in direct contact with you, in order to set forth confidentially to your friendly Government the situation of the new Argentine Government established as the result of the military movement of June 4, particularly with reference to the international position of this country. I do so with the full approval of the President of the Nation and in the hope that, by this means, his views may also be made known to President Roosevelt.

The military movement which has just overthrown the Government of Señor Castillo assumed power as an inevitable consequence of the atmosphere of corruption that unfortunately had penetrated the political and administrative life of the country. The unanimous approval with which the renovating work of the new Government is being followed, is the best justification of the movement. The government has complete control of the situation, supported by all sound opinion in the country and fully upheld by the armed forces. But there is one factor which carries decisive weight in the work that it is doing: I refer to the international situation and to the problems of foreign policy with which the Republic is confronted.

Due to lack of adequate information, or to other causes the origin of which I do not know, there has been

To the Secretary of State
Mr. Cordell Hull,
WASHINGTON.

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created with respect to the situation of neutrality of the Argentine Republic an atmosphere which is prejudicial to good relations with the countries of America and especially with that great friendly nation (the United States). Thus the rumor has spread that General Ramirez, the armed forces and the men who form this new Government profess a markedly totalitarian ideology or, at the least, that we look upon the Axis powers with great sympathy. I can affirm, and I beg that you, Mr. Secretary, accept this affirmation as the word of a man of honor, that such assumptions are absolutely false. The Argentine nation, its armed forces and the men in its Government, base their acts on the firmest democratic convictions. We are men of America: Our historic tradition is very clear and it will not be modified now or in the future by the adoption of dictatorial systems of government that are repugnant to our consciences as free men, as men who, today as in the past, feel indissolubly linked with the other inhabitants of this continent, of profoundly democratic origins.

The situation of neutrality that the Argentine Republic has had to observe up to now, has not been understood. Moreover, it has given rise to suspicious comments. In judging that neutrality it has been forgotten, against all the evidence, that Argentine ships are operating exclusively in the service of the allied nations and particularly of the American countries, extending, by the decision of this new Government, to the very zone of operations proclaimed by Germany. There have also been forgotten the Argentine decrees granting the status of "non belligerency" exclusively to one of the belligerent parties. There have likewise been disregarded the protests

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made by Germany, Italy and Japan after the secrecy of their official communications with their Embassies here was prohibited, while the other countries continue to have the free use of their cables.

It is difficult to ignore the collaboration that the Argentine Republic is giving to the cause of the allied nations, under the conditions of a neutrality which, more than tolerant, is of an evidently benevolent character. This current of collaboration is even more effective in the field of our exports, placed at the almost exclusive service of the Allied cause and of the American countries, in so doing many times depriving our country of articles necessary for its own defense.

The effort that Argentina is making should be understood. It is not fair to forget that this new Government has sprung from a revolutionary movement which was planned and carried out in order to overthrow a Government that did not understand the reality of internal and foreign policy. But the change, particularly with reference to foreign policy, could not be effected in a violent manner because our country was not ready for it. In this connection, it should not be forgotten that the Argentine Republic has been living and is still living in an atmosphere of peace, work and comparative abundance, - that our people are influenced by the ties of kinship of numerous foreign colonies, - that there exists fear of the communist danger, the propagation of which in our country has corrupted even the most genuinely democratic institutions such as Acci3n Argentina and the Junta de la Victoria. It should be recalled that, on the other hand, the Government that was overthrown maintained its neutrality even during the most

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critical period of our relations with the Axis countries, as undoubtedly was the case with the repeated torpedoing of Argentine ships and the Japanese attack against Pearl Harbor.

This situation, Mr. Secretary, cannot be abruptly changed by a revolutionary Government that must reconstruct the country, which is corrupted in its administration and in its educational and social institutions. The changes can be brought about only as rapidly as the internal situation may permit. The spirit in which they have been begun in the international position of the country is clear and evident, and deserves to be noted in a friendly way and without bias by your Government.

Argentine sentiment, eminently American, firmly opposed to totalitarian régimes, is on the side of the United Nations in its material and spiritual action. But you, Mr. Secretary, citizen of a country that venerates freedom of conscience, will acknowledge that it is not possible, without preliminary preparation, to force the Argentine conscience with a view to leading it coldly and without any immediate motive to the breaking of relations with the Axis. The war having reached its present stage, when defeat is inexorably drawing closer to the countries of the Axis, this unexpected rupture would furthermore put Argentine chivalry to a hard test. Let it suffice to recall the judgment which Italy merited when, in a similar situation, it took its position against defeated France.

I cannot fail to point out to you, Mr. Secretary, the concern with which I view future possibilities if, because of the persistence in the present lack of comprehension, Argentina should continue to be denied the

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materials that it needs in order to increase its production and to arm itself in order to fulfill, should the case arise, its obligations for continental defense. It is of particular interest to recall that some time ago the Argentine Republic offered to increase shipments of fuels and heavy oils to American countries, for which purpose it sought from the United States the shipment of the machinery essential in order to increase its productive capacity. Unfortunately, thus far, this request has not been heeded, no recognition being made of the sacrifice at which our country is extending its assistance to friendly countries in order to supply them so far as possible with the much coveted fuel. Petroleum production has decreased because of the deterioration of the equipment, and our reserves have diminished considerably. Today, in order to compensate for this shortage, we find it necessary to burn in the boilers of our factories and plants millions of quintals of corn, wheat and linseed. With the aid of the United States, Argentina could burn its own petroleum, keeping that wealth of grain to supply the allied nations and to form a reserve stock that would make it possible to feed the European peoples threatened with hunger.

The Government of General Ramirez will spare no effort to fulfill the obligations contracted. But, as I have already said, it will not be able to do so without a cause to justify it. To act otherwise would afford grounds to believe action is being taken under the pressure or threat of foreign agents, and this would not be tolerated by either the people or the armed forces of the country.

I believe that in this long letter I have explained to you, Mr. Secretary, the real situation of the Argentine
Republic

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Republic with respect to its sentiments of deep friendship and solidarity with the American countries. I do not doubt that in contemplating the situation from the high position that the Government of President Roosevelt occupies in the world, it will be appreciated that it is not just to maintain the attitude of suspicion assumed towards a country such as ours, which has shown unmistakably its feelings of friendship and frank support for the countries that are fighting for freedom. I cannot believe that it is desired to eliminate the action of Argentina within the concert of American nations, on the basis that our neutrality - which is only theoretical - places us in an equivocal position with respect to the rest of the countries of this continent.

I can affirm to you, Mr. Secretary, that the Axis countries have nothing to hope for from our Government and that public opinion is daily more unfavorable to them. But this evolution would be more rapid and effective for the American cause if President Roosevelt should make a gesture of genuine friendship toward our people; such a gesture might be the urgent provision of airplanes, spare parts, armaments and machinery to restore Argentina to the position of equilibrium to which it is entitled with respect to other South American countries.

This general and sincere picture of the Argentine situation will explain to you, Mr. Secretary of State, the obstacles - up to now insurmountable - encountered by this Government in fulfilling the last part of its original objectives. On the basis of the loyal understanding that we reciprocally owe to each other, I wish

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to rely on the spirit of good will with which we shall be heard, which would be a concrete proof of the friendship that this Government is seeking in its present difficult initial period. Moreover, Ambassador Armour, who has penetrated with intelligent and friendly understanding into all the aspects of our complicated internal situation, and who was the confidential recipient of these thoughts, personally expressed by His Excellency the President of the Nation, will be able to convey to you, Mr. Secretary, a more complete personal impression, obtained directly from the present reality of the life of our country.

I am very happy on this occasion to renew to you, Mr. Secretary, the assurance of my cordial and friendly consideration.

(Signed) SEGUNDO R. STORNI

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August 30, 1943

My dear Mr. Minister:

I have received your letter of August 5, in which you were good enough to inform me regarding the situation of the new Argentine Government established as the result of the military movement of June 4, particularly with reference to the international position of Argentina. I note that your letter has the full approval of the President of Argentina and I have been pleased to make the views expressed therein known to President Roosevelt.

It is profoundly satisfactory to note your statement that the people of your country feel themselves indissolubly linked with the other inhabitants of this continent of profoundly democratic origins. This statement will be most welcome to the citizens of the United States actively engaged at the cost of tremendous sacrifices in lives and materials in a war for the survival of the principles so eloquently described by you. I feel sure that in the same spirit it will be warmly greeted by the peoples of all of the other republics of the Hemisphere which have taken measures essential to the defense of our continent against a menace now happily being overcome by the joint efforts of the friends of freedom everywhere.

However, it is with regret that my Government and the people of the United States have been forced to the conclusion that the undoubted sentiments of the Argentine people have not been implemented by action called for by the commitments freely entered into by their Government

in common

His Excellency
 Rear Admiral Segundo Storni,
 VICE Minister of Foreign Affairs of Argentina,
 Buenos Aires.

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Authority AWD 5-15-27
By JA NARA Date 8/6RG 84
Entry ARGENTINA
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in common with the governments of the other twenty American republics.

Your Excellency is, of course, fully familiar with those commitments. As they particularly affect the present world conflict, they are based upon Resolution XV adopted by the Foreign Ministers of the American Republics at Habana in July of 1940. That Resolution provides that any attempt on the part of a non-American state against the integrity or inviolability of the territory, the sovereignty or the political independence of an American state shall be considered as an act of aggression against the states which signed this declaration. The act of aggression contemplated in this Declaration took place on December 7, 1941. In January of 1942 the Foreign Ministers of the American Republics met at Rio de Janeiro to consider the measures which they should adopt for common defense. A Resolution recommending the break of diplomatic relations with Japan, Germany and Italy was adopted. The wording of that Resolution was the subject of prolonged discussion and the text finally agreed upon was fully responsive to the views expressed by the Argentine Government. I believe it desirable to quote the Resolution in full:

"BREAKING OF DIPLOMATIC RELATIONS

"I The American Republics reaffirm their declaration to consider any act of aggression on the part of a non-American State against one of them as an act of aggression against all of them, constituting as it does an immediate threat to the liberty and independence of America.

"II The American Republics reaffirm their complete solidarity and their determination to cooperate jointly for their mutual protection until the effects of the present aggression against the Continent have disappeared.

"III The American Republics, in accordance with the procedures established by their own laws and in conformity with the position and circumstances obtaining in each country in the existing continental conflict, recommend the

breaking

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breaking of their diplomatic relations with Japan, Germany and Italy, since the first-mentioned State attacked and the other two declared war on an American country.

"IV Finally, the American Republics declare that, prior to the reestablishment of the relations referred to in the preceding paragraph, they will consult among themselves in order that their action may have a solidary character."

With the exception of Argentina, all of the American Republics have severed diplomatic relations with Japan, Germany and Italy and of these twenty republics thirteen are at war with the Axis powers.

Resolution V, adopted by the Consultative Meeting of Foreign Ministers at Rio de Janeiro, stipulated by unanimous agreement the immediate adoption of any additional measures necessary to cut off for the duration of the present Hemispheric emergency all commercial and financial intercourse, direct or indirect, between the Western Hemisphere and the nations signatory to the Tri-Partite Pact and the territories dominated by them. The Argentine representative at the Meeting adhered to this Resolution with the following reservation:

"The Argentine Delegation requests that it be recorded in the minutes, as well as at the end of this draft resolution, that the Argentine Republic agrees with the necessity of adopting economic and financial control measures with regard to all foreign and domestic activities of firms or enterprises which may, in one way or another, affect the welfare of the republics of America or the solidarity or defense of the Continent. It has adopted and is prepared to adopt further measures in this respect, in accordance with the present resolution, extending them, however, to firms or enterprises managed or controlled by aliens or from foreign belligerent countries not in the American Continent."

The Argentine

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The Argentine Government has failed to effect the severance of financial and commercial relations called for by Resolution V. Moreover, financial transactions of direct benefit to the enemies of the United Nations have been authorized by agencies of the Argentine Government.

Resolution XVII adopted at Rio provided for a concerted effort to discover and combat subversive activities. It is notorious that Axis agents in Argentina have been and are engaging in systematic espionage which has cost the United Nations ships and lives. Vicious propaganda aimed at the United Nations appears in publications which are supported by subsidies from Axis sources. These publications have benefited by a Government decree which enables them to receive supplies of newsprint at favorable prices through the intervention of the Argentine Ministry of Agriculture.

Resolution XL adopted at the Rio de Janeiro Meeting recommended that each American republic adopt the necessary and immediate measures to close all radiotelephone and radiotelegraph communications between the American Republics and the aggressor States and all territories subservient to them, except in so far as official communications of the American Governments are concerned. Argentina is the only one of the twenty-one American Republics now permitting radiotelephone and radiotelegraph communications with Japan, Germany and Italy.

The above summary of certain of the inter-American commitments freely entered into by Argentina, together with the twenty other American republics, furnishes a convincing expression of the reason why the situation of neutrality which Your Excellency states the Argentine Republic has had to observe up to now has not been understood.

It is, of course, a matter solely within the competence of the Argentine Government to judge the degree to which Argentine public opinion which you state is firmly opposed to totalitarian regimes will support a foreign policy designed at the very least to reduce the assistance which Argentina's present position has rendered and is continuing to render these regimes. Nor can I pass upon the question of the nature of the motive which you believe would be necessary to enable the Argentine Government to fulfill the obligations it has contracted. I must, however, express my astonishment at your statement that for the Argentine Government to fulfill these obligations would afford grounds

to believe

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to believe that such action was taken under the pressure or threat of foreign agents. The obligations in question were freely entered into by all the American Republics, and have been carried out by all except Argentina.

In concluding the discussion of this subject, I believe it fitting to recall that the public and private statements made by the President of the Nation and by Your Excellency during the first few weeks of the tenure of office of the new Argentine Government gave my Government positive ground for the belief that Argentine sentiments of continental solidarity and of adherence to inter-American commitments would be translated into effective action within a specific and brief period.

It is no doubt true as indicated by Your Excellency that the products of Argentine agriculture and mining have been of the greatest value to the cause of the United Nations. Those products, however, have found markets at equitable prices in the determination of which the United Nations have consistently refused to take advantage of the fact that they are, thanks to the efficiency of their military and naval operations, the only major markets open to Argentina. A glance at Argentine economic statistics will show that Argentina's economic transactions with the United Nations have been highly beneficial to Argentina. I am, of course, not fully informed regarding the degree to which these transactions may have resulted in the sacrifice of materials essential to the defense of Argentina as mentioned in Your Excellency's letter. In this connection, however, it may be noted that neither the present Argentine Government nor its predecessor has at any time evidenced a disposition to strengthen the security of Argentina by having Argentine military and naval forces take part in measures designed for the defense of the hemisphere.

With respect to Your Excellency's statement to the effect that Argentina is being denied materials which she requires to increase her production of commodities essential to the United Nations, you are, of course, aware that the conditions of the war have imposed upon the United States and the other United Nations the necessity for a very careful allocation of available materials of a critical and strategic nature in order that these materials may be used to the best advantage in furtherance of the war effort. Notwithstanding these circumstances, Argentine essential civilian requirements, particularly those related to public health and the maintenance of essential services, have received fair treatment.

With

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With regard to the petroleum negotiations, it may be pointed out that Argentina, thanks to its natural resources, the production of which has increased during the war period, and to its ability to import, has enjoyed during the past year and a half far greater oil supplies for the consumption of its civilian population than have the neighboring republics. Those republics have received extremely limited supplies made possible through cooperative action in which the Government of the United States and of the producing republics other than Argentina have participated. Considerable hardship and sacrifice has resulted owing to the serious shortage of ocean-going tankers. Thus, while the Argentine people were enjoying gasoline supplies equivalent to about seventy per cent of their normal civilian requirements, the peoples of Uruguay, Brazil, Paraguay, Chile and, in general, other republics were receiving only approximately forty per cent of normal civilian requirements. Argentine assistance would have been of great value during this very difficult period.

The negotiations to which your letter refers have been concerned with the provision of materials and supplies to enable the future production of the Argentine oil fields to be maintained and even to be increased. The lack of these materials has not in any way affected the ability of Argentina to cooperate with the neighboring republics during the past eighteen months if Argentina had desired to cooperate.

With regard to the matter of arms and munitions, your letter states that the evolution of Argentine public opinion would be more rapid and effective in favor of the American countries if President Roosevelt were to make an open and friendly gesture toward the Argentine people such as would be the immediate supply of airplanes, replacement parts, armaments and machinery, in order to restore Argentina to the position of equilibrium which corresponds to her with respect to other South American countries. In reply, I must point out emphatically that questions of military and naval equilibrium as between American republics are surely inconsistent with the inter-American doctrine of the peaceful settlement of international disputes to which so many practical contributions have been made by Argentine statesmen. In fact, one of the most specific expressions of that doctrine, known as the Treaty of Non-Aggression and Conciliation, was the work of a distinguished Argentine

Minister

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Minister for Foreign Affairs. To furnish arms and munitions for the purpose indicated by Your Excellency would appear to this Government to be clearly inconsistent with the juridical and moral foundations upon which existing inter-American understanding and agreements are based.

I must also recall that it has been frequently indicated to representatives of your Government, including the military and naval officers who visited Washington more than a year ago, that the supply of arms and munitions by the United States to the other American republics is exclusively for the purpose of contributing to the defense of the Hemisphere against possible aggression. In the determination of the contribution which the Government of the United States could make to the preparations for defense of the other nineteen American Republics which jointly determined upon the need for such defense, the Government of the United States has been guided exclusively by considerations of hemispheric security. Since Argentina, both by its words and its actions, has indicated clearly that the Argentine armed forces will not under present conditions be used in a manner designed to forward the cause of the security of the New World, and, thereby, the vital war interests of the United States, it would be impossible for the President of the United States to enter into an agreement to furnish arms and munitions to Argentina under the Lend-Lease Act.

I have written Your Excellency in this detail since I am sure from the frank and friendly terms in which your letter to me is couched, that you would desire an equally frank and friendly exposition of the views of this Government. I feel that I should be lacking in such frankness, however, were I to leave you under the impression that the Government and the people of the United States have not viewed with deep regret the course followed by the Argentine Government in so far as concerns hemispheric defense since the Conference of Foreign Ministers in Rio de Janeiro. I am in entire agreement with your statement that defeat is inexorably drawing closer to the countries of the Axis. In recognition of that fact the United Nations and those associated with them are devoting their attention in a wide variety of practical and constructive ways to the problems of post-war organization. Thus the failure of the Argentine Government to comply

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with its inter-American commitments has not only resulted in the non-participation of Argentina in the defense of the continent in a most critical period, it is also depriving Argentina of participation in the studies, discussions, meetings and arrangements designed to solve the post-war problems mentioned above.

I am pleased to take this opportunity of extending to Your Excellency the renewed assurances of my high consideration.

Dorrell Hall

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Authority AND 5-75-27By JA NARA Date 816RG 84Entry ARGENTINABox 29 711

E

READING OF TELEGRAM SENT TO THE DEPARTMENT
Sent January 20, 6 p.m., 1943

BROWN

SECSTATE

WASHINGTON.

151. January 20, 6 p.m.

Reference Embassy's en clair telegram 106 of January 15.

This Embassy has received in confidence from the British a copy of the Foreign Minister's reply to the British Embassy note regarding looting in occupied territory. The pertinent paragraph of Dr. Ruiz Guinazu's note reads in translation as follows:

"In taking note of this declaration the Argentine Government considers that, when the moment for a decision arrives, it will then be the time for an application in a similar sense of the rules that inspire the political and juridical tradition of the Republic, within the guarantees and procedures provided for in the institutional regime of the country for the protection of law and liberty in its own territory."

Copy by airmail.

ARMOUR

DRAFTED: EPM
ENCODED: CCW-MPH

Original and three copies typed: in
Copy to Ambassador
Copy to Chronological File
Copy to Files

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Authority 1005-75-27
By JA NARA Date 816

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Entry ARGENTINA
Box 28

710

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

PU

August 30, 1943

AIR MAIL

C. file me

CONFIDENTIAL

No. 4816

To the Officer in Charge of the American Mission,
Buenos Aires.

800.

The Secretary of State transmits herewith a
letter dated August 30, 1943 addressed to Admiral
Storni, Minister of Foreign Affairs of Argentina.
A copy is enclosed for the files of the Embassy.

The Officer in Charge of the American Mission
is requested to deliver this letter to Admiral
Storni and to notify the Department as soon as he
has delivered the letter. Further instructions are
being telegraphed.

Enclosure:

As stated above.

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Authority <u>AND 5-75-27</u>
By <u>JA</u> NARA Date <u>8/6</u>

RG	<u>84</u>
Entry	<u>ARGENTINA</u>
Box	<u>29</u>

711

C. FILE COPY

Buenos Aires, Argentina, January 20, 1943.

No. 8271

Subject: ARGENTINE POSITION ON THE UNITED NATIONS'
STATEMENT WITH REGARD TO LOOTING OF
PROPERTY IN ENEMY-OCCUPIED TERRITORY

STRICTLY CONFIDENTIAL

The Honorable
 The Secretary of State,
 Washington.

Sir:

With reference to the Department's circular telegram of January 4, 6 p.m., regarding the United Nations' statement issued on January fifth concerning the looting of property in enemy-occupied territory, I have the honor to report that the British Embassy handed the Argentine Foreign Office the text of the statement on January fifth. In compliance with the circular telegram under reference I discussed the matter with the Under Secretary of Foreign Affairs, the Foreign Minister being absent (my telegram No. 42 of January 7, 5 p.m.). On that occasion Dr. Cache, to illustrate his Government's position in this respect, referred to the Argentine Government's action of May 10, 1940, decreeing that the Foreign Office not legalize documents issued abroad regarding the transfer of ownership of vessels of foreign nationality without previous certification by the diplomatic representative of the country under the flag of which the ship sails (Embassy's despatch No. 682 of May 17, 1940).

The Foreign Office on January fifteenth handed the British Chargé d'Affaires a note (Embassy's telegrams Nos. 106 of January 15 and 151 of January 20, 6 p.m.) expressing its adherence to the principles set forth in the United Nations' note. The contents of the Argentine note, a copy of which, obtained from the British Embassy, is enclosed herewith, have not been made public locally, the Under Secretary of Foreign Affairs informing the press that out of courtesy to the British Government this would not be done here.

1/

Respectfully yours,

Norman Armour

Enclosure:

No. 1. Copy of note from the
 Argentine Minister of
 Foreign Affairs dated
 January 15, 1943.

File No. 711/400

EPM:cec

To Department in original and hectograph

A true copy of
 the signed original.

cec

WPM

104134

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By	JA NARA Date 8/6

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Enclosure No. 1 to Despatch
No. 8271 from American Embassy
at Buenos Aires on Argentine
Position on the United Nations'
Statement with Regard to Looting
of Property in Enemy-Occupied
Territory.

(COPY)

MINISTERIO DE
RELACIONES EXTERIORES Y CULTO
D.A.P. (G)

Buenos Aires, enero 15 de 1943

Señor Encargado de Negocios:

Tengo el agrado de dirigirme a V.S. acusando recibo de su nota No. 1, de 4 del corriente, por la que, de acuerdo con instrucciones recibidas de su Gobierno, se sirve comunicar a esta Cancillería el texto de la Declaración conjunta de los Gobiernos aliados relativa a la situación de bienes de los territorios ocupados o controlados por el enemigo.

En esa declaración, las naciones en guerra con las potencias del Eje, al pronunciarse sobre los actos de despojo de bienes particulares cometidos en los países ocupados, manifiestan el propósito de restablecer oportunamente los derechos afectados, desconociendo todo acto ilegítimo de desposesión.

Al tomar nota de esa declaración, el Gobierno argentino considera que, cuando ocurra el momento de un pronunciamiento, corresponderá por su parte la aplicación en el mismo sentido de las normas que inspiran la política y la tradición jurídica de la República, dentro de las garantías y procedimientos previstos por el régimen institucional del país para el amparo del derecho y de la libertad en su propio territorio.

Saludo a V.S. con mi más distinguida consideración.

(Firmado): E. RUIZ GUÍÑAZU

A S.S. el señor Encargado de Negocios de Gran Bretaña,
D. R. H. Hadow
S/D.

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Authority AND 5-75-27
By JA NARA Date 8/6RG 84
Entry ARGENTINA
Box 2829

711

BY COURIER

Enclosure 1.
dated April 22, 1943. Buenos AiresBuenos Aires, Argentina, April 22, 1943
Central Information Office
(C.I.O.) Report

No. 9884

SUBJECT: TRANSMITTING INFORMATION REGARDING NUMBER
OF MEMBERS OF CREW OF ADMIRAL GRAF SPEE
WHO HAVE ESCAPED FROM ARGENTINASTRICTLY CONFIDENTIALThe Honorable
The Secretary of State,
Washington

Sir:

With reference to the Embassy's despatch no. 7253 of November 6, 1942, I have the honor to enclose herewith official statistics regarding the number of members of the crew of the Admiral Graf Spee who have escaped from internment in Argentina. This information was given to me in confidence by the Minister of the Interior.

Respectfully yours,
For the Ambassador:Hugh Millard,
First Secretary of EmbassyEnclosure
1. ListFile No. 711
Trip.
CPE:mcA true copy of
the signed ori-
ginal. *me*

DECLASSIFIED
Authority MMID 5-75-22
By JA NARA Date 8-16

RG 84
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Box 29 711

BY Confidential
1-9-43

SS. ADMIRAL GRAF SPEE

FILE COPY

Aires, Argentina
30, 1943

STRICTLY CONFIDENTIAL

The Honorable
Edwin Wilson,
American Ambassador,
Panama, Panama

Sir:

The Embassy is in receipt of a letter from the Embassy at Montevideo enclosing a copy of an inquiry from your office regarding Arthur Helmerson, Oscar Anderson and Perth Serger. Our file on local Graf Spee internees, which is believed to be complete, does not contain the names of any of the above. The general files of the Embassy also contain no information regarding the subjects.

Respectfully yours,
For the Ambassador:

Hugh Millard,
First Secretary of Embassy

AM
File No. 711
CPE:mc

A true copy of
the signed original.
ms

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820

Enclosure to Despatch No. 8342 of January 25, 1943

American Embassy, Buenos Aires, Argentina,
January 21, 1943.

Strictly Confidential

SMUGGLING OF STRATEGIC MATERIALS OUT OF
ARGENTINA FOR ENEMY DESTINATION

Report No. 1

Prepared by William F. Jahn

Note: Reference is made to Department's secret cables 1624, October 27, 7 p.m., and 1840, November 28, 10 p.m., transmitting a request of the Board of Economic Warfare for reports on this subject.

1. This first report is based on information available in the various files of the Embassy and on such additional information as the writer has been able to gather since his assignment in the matter. Subsequent reports will be prepared and forwarded as investigations proceed.

2. From reports received by the Embassy it is indicated that smuggling of strategic materials out of Argentina and/or attempts to do so has in the past included Platinum - from old jewelry and from crude platinum smuggled out of Colombia and into Argentina -; Industrial Diamonds - smuggled out of Brazil and into Argentina -; and Chemical and Medicinal products. There have been rumors that Tungsten Concentrates have been smuggled out of the country, but those rumors have been in no way substantiated.

3. Platinum, considered to be of first importance, is covered in this report. Subsequent reports will cover the other strategic materials mentioned, and will include developments in those reported on previously.

PLATINUM

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PLATINUM

4. Attached hereto as appendicis A-1 to A-13 and forming part of this report, are copies of reports, letters, and memoranda from Embassy files which contain much of the information available to date. Additional information gathered by the writer is mentioned in the body of the report.

5. That platinum has been smuggled out of Argentina during the past year on Spanish and/or Portuguese vessels is the firm conviction of this Embassy and of the British Embassy.

6. In Embassy's cable No. 1517 of August 5, 1942, it was stated, "Many unconfirmed rumors have been received to the effect that industrial diamonds, platinum, etc., are carried on these vessels" (Spanish and/or Portuguese). To date, January 21, 1943, no rumor or report has been fully confirmed or substantiated, but the evidence has been considered convincing enough to justify placing several scrap-precious-metal dealers on the Proclaimed List.

7. The Proclaimed List section of the Embassy advises that the following firms and individuals were placed on the Proclaimed List for having engaged, in the opinion of that section, in traffic in platinum destined for enemy countries:

Guillermo Trombino, Esmeralda 491, Buenos Aires
 Renzo Cavatelli, Rio Bamba 905, Buenos Aires
 Luis Barbero, Suipacha 242, Buenos Aires
 Celestino Ghiringhelli, General Marmoles y Piedras de Italia, S.A., Brazil 71, Buenos Aires
 Francisco Malagamba, Cangallo 315, Buenos Aires
 Alberto Triay, Suipacha 535, Buenos Aires

and states that the following firms and individuals are under suspicion for the same reason:

Henri Adler, Av. R. S. Peña 943, Buenos Aires
 Gregorio (Gerschon) Tumarkin, Pueyrredon 374, Buenos Aires

8. Bearing out the conviction expressed in paragraph 5. is the following statement received by the writer from the Military Attaché's office:

"I hear that it is a definite fact that there were 110 lbs. (50 kilos) of platinum aboard "MONTE CORBEA" when she sank in September."

This Spanish vessel, on the trip on which she sank, sailed from Buenos Aires on August 26, 1942.

9. Results of the British Embassy's investigations are summed up in two communications received by the writer on December 28, which read as follows:

"British Embassy,
 Buenos Aires,
 December 28, 1942.

"Dear Mr. Jahn:

I

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By	JA NARA Date 8/6

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"I enclose a short memorandum on Platinum and Diamonds, which will, I am afraid, be of little use to you. Our investigation, unfortunately, never led to any very conclusive results. You will no doubt, be able to deal with the matter more thoroughly and I hope you may unearth much useful information.

Yours sincerely,

Stanley Cutts"

Extract of memo referred to in Mr. Cutts' letter:

"Platinum and Iridium"

"The traffic in these precious metals has been watched with concern by this Embassy for the past two years, but it has been found exceedingly difficult to do anything practical with a view to putting a stop to it although some of our activities may have acted as a slight deterrent to the less determined. We have, at no time, had any authority to buy on the local market on a preemptive basis, and our activities have largely been of a purely informative nature and with a view to checking up on smuggling.

"While the Condor Lati service was running in 1941 considerable quantities of platinum were shipped to Montecatini in Milan by Ghiringhelli, Pesci and others. We had knowledge of all these shipments, which were duly reported, but no effective method could, at that time, be evolved to prevent these undesirable exports.

"When the Condor Lati service was stopped other means had to be found for the export of this precious metal, and quite certainly smuggling by Spanish and Portuguese ships was resorted to, and we spent much time and energy trying to trace this traffic, but with very meagre results. Not all the platinum smuggled goes to the enemy since the neutrals are also in need of it for many purposes and have the greatest difficulty in obtaining supplies.

"Amongst others, the following ships have been suspected as having on board officers or men, or both, who were acting as intermediaries in this traffic:

ss. SERPA PINTO - Portuguese; Cia. Colonial de Navegacao.
 ss. CUYOBA - Brazilian; Lloyd Brasileiro.

ss. CABO DE BUENA
 ESPERANZA

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ss. CABO DE BUENA ESPERANZA - Spanish;
Ibarra & Cia.
ss. ALBAREDA - Spanish; J. de Navas Escuder
ss. NYASSA - Portuguese; Cia. Nacional
de Navegacao.

"Considerable evidence pointed to the probability that the "Cabo de Buena Esperanza" sailing from here on 27th July, 1942, was carrying large parcels of platinum estimated to amount to a total of 60 kilos. A most thorough search of the ship was made at Trinidad with completely negative results.

"It would seem to be necessary to watch very carefully the platinum market here in Buenos Aires and find out exactly who is buying, but we have never had a sufficiently trained or numerous enough staff to undertake this complicated investigation.

"Certain information indicated that large purchases of old jewelry containing platinum were being made, the platinum content being melted down into ingots."

..... (reference to diamonds)....

Stanley Cutts

10. As expressed above in paragraphs 5, 6, and 7, the results of investigations carried on by various sections of the American Embassy, and also by the British Embassy, in Buenos Aires, led to the firm conviction that smuggling of platinum out of Argentina, for the most part destined for enemy countries, has been going on during the past two years and in consequence the firms and individuals mentioned in paragraph 7, were placed on the Proclaimed List. This firm conviction is in no way weakened by the fact that in no instance has definite proof been obtained even by the British in their search of ships - exemplified by the 15-day search of the "CABO DE BUENA ESPERANZA" in Trinidad mentioned in paragraph 9.

11. Neither does the fact that Argentine customs or other inspectors have made no seizure of platinum being taken aboard Spanish and/or Portuguese vessels by officers and/or crew members of the vessels or by passengers (as far as the American and British Embassies are aware) weaken the conviction that platinum has been smuggled out of Argentina on these vessels in the past, and that attempts to do so will continue.

12. It is very probable, as stated in the memorandum from the British Embassy under paragraph 9, that the British activities have acted 'as a slight deterrent to the less determined smugglers'. It is also probable that recent increased vigilance on the part of the Argentine Custom service has tended to reduce this smuggling. The Naval Attaché's office of this Embassy reports that since platinum smuggling activities were brought to the attention of the custom service, the force of inspectors and guards, detailed to watch for possibilities of this activity, has

been

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been considerably increased and that as many as 20 guards are now serving at the gates and/or at the ships. As these inspectors receive a percentage of fines collected, it is thought that they have been more than ordinarily vigilant. (On January 13, 1943, newspapers carried the report that the vigilance of these Argentine custom guards lead to the seizure of a lot of 1,678 contraband diamonds. No statement was made as to whether the diamonds were being brought in or were being smuggled out of the country. Developments in this case will be covered in the industrial diamond report).

13. That no definite proof has been obtained indicates that the smuggling is in clever hands and positive proof, if wanted, would require work "inside" of the crews unless by chance the Argentine inspectors catch an actual case.

14. As to the amount of platinum smuggled out of Argentina to enemy countries during 1942, figures given by members of the scrap-precious-metal trade vary greatly and must be considered purely guesses. It is probable that 50 kilos of platinum was collected from old jewelry and smuggled out during the year 1942 - there is a possibility that the amount reached 100 kilos. Probably 50 to 100 kilos were collected and shipped out of the country during the latter half of 1941, after start of German-Russian hostilities in June and before discontinuance of the Lati-Condor air service to Italy in December.

15. These amounts, together with that purchased and consumed by legitimate industries, must have taken most of the old jewelry platinum off the market. This thought is supported by statements of legitimate industrial users who claim that practically no platinum is now available. The small sizes of offerings which the scrap-precious-metal trade now reports, as compared with the larger quantities mentioned by them six months ago, is also an indication of exhaustion of this supply.

16. The following official platinum import figures for the period January 1938 to November 1942, inclusive, show the normal Argentine requirements - exemplified by the imports during 1938 and 1939 - and also show the comparatively very small imports during 1941 and 1942:

<u>From</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1942 (Jan-Nov)</u>
	(All quantities in kilograms)				
France	31.840	17.916	-	-	-
Germany	2.986	3.981	-	-	-
Netherlands	2.986	-	-	-	-
United Kingdom	99.531	139.343	-	10.000	.030
United States	226.931	104.508	253.000	39.000	20.568
Colombia	-	-	-	-	8.560
Totals	<u>364.284</u>	<u>265.748</u>	<u>253.000</u>	<u>49.000</u>	<u>29.158(x)</u>

(x) 28.988 kilos of this was imported January to June, 1942.

17. The following chronological table of reclaimed platinum prices during the years 1941 and 1942, obtained from the legitimate users of platinum, mentioned in the report of the requirements section of the Embassy, forwarded under Embassy's despatch No. 1225, May 15, 1942, coupled with the outstanding events which effected the

reclaimed

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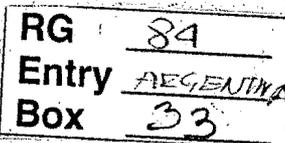
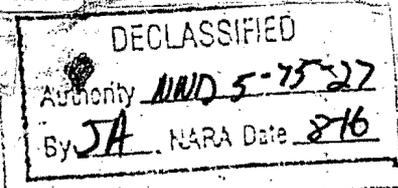
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reclaimed platinum prices during those two years, would indicate 1) That prices ranging between 14 and 16 pesos Argentine per gram during the period September 1941 to July 1942 were being maintained by purchases for smuggling and for legitimate uses in industry, after Russian and Colombian sources were cut off and United States and United Kingdom exports to Argentina restricted in 1941 to 13% and in 1942 to 8% of the country's 1938 imports; 3) That starting with August 1942 purchasers for enemy destination were increasing their prices in attempts to drain more platinum out of Argentina - in response to an increasing and critical demand for platinum by enemy countries - and rapidly pushed prices up to \$27.00 peso figure in December, 1942 - and that offers to the United States were in keeping with these increasing prices. (Legitimate users of platinum, according to their statements, had practically withdrawn from the market because these high prices made its use unprofitable to them) or 4) that several members of the scrap-metal-trade started to increase prices in August, when they seriously started to offer to the United States, and that they continued to increase prices while selling to United States purchasers during October, November, December, at the prices shown below:

<u>1941</u>	<u>Price per gram in Argentine pesos</u>	<u>Events which effected price</u>
March	5.60	
May	7.60	
June	12.00	
August		Start of German-Russian hostilities. U.S.-Colombian exclusive purchase agreement reached and in effect - though not yet signed.
September	14.20	
November	16.00	
December		Lati-Condor air service Argentine to Italy discontinued. Total Argentine imports during 1941 only 49,000 kilos.
<u>1942</u>		
January	16.00)	
February	14.00)	
March	13.50)	
April	14.00)	20,418 kilos imported from the United States and 8,560 kilos imported from Colombia.
May	14.00)	
June	14.00)	
July	15.00)	Spanish ss. CABO DE BUENA ESPERANZA sailed - reported to have carried considerable platinum - was searched for 15 days by British in Trinidad with "completely negative results". Scrap-precious-metal traders started offering platinum for U.S. purchase early in August and the matter was referred to Metals Reserve, Washington, August 13.
August	18.00	

Spanish



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Spanish ss. MONTE CORBEA sailed, reported to have carried 50 kilos platinum - sank on this trip.

September	20.00				
October	23.00	Platinum purchased for U.S. at	22.00	pesos	
November	26.50	"	"	"	26.85
December	27.00	"	"	"	27.50

Imports during period July to November only 170 grams.

18. Reports and rumors of platinum buying by officers, crew members, and/or passengers of Spanish and/or Portuguese vessels have been brought to the Embassy with increasing frequency since August, 1942, principally by people in the scrap-precious-metal trade, and most frequently by one party who has since sold to United States agencies (mentioned in paragraph 20 as the principal informant). These people - during the same visit - almost invariably offered to obtain or purchase platinum for resale to the American Government and thereby prevent its getting into enemy hands. This, they stated, could be done to best advantage if they are given a firm offer with a firm maximum price and are not expected to deliver quantities above two kilos, and if sales could be closed within 36 hours on Buenos Aires assays, as they are unable to finance accumulations of larger lots and hold same pending negotiations. They add that to get available platinum off the market and keep it from getting into hands of traders who resell to the crews of the vessels it must be bought when offered.

19. The exhaustion of old jewelry platinum will lead, it is thought, to increased smuggling of crude platinum out of Colombia and into Argentina, and especially if an Argentine market at the high prices of \$22.00 to 27.00 pesos Argentine per gram is maintained by smugglers, legitimate users of platinum, or by United States purchases.

20. The 'principal informant' of reports and rumors - coupled with the suggestions mentioned in paragraph 18 - recently informed the Embassy (Embassy's cable No. 2547, December 14, 1942, 6 p.m.), "that small quantities of platinum intended for the Axis are now being purchased in Colombia through Argentine channels and that he can personally purchase five kilos now on hand (presumably in Colombia) and arrange for the purchase of two kilos monthly thereafter (presumably also in Colombia) if payment is arranged against delivery to the American Embassy at Bogotá or designee - the price to be about 18 pesos Argentine, including the informant's travelling expenses to Colombia as his presence in Colombia would be necessary". His proposal was not accepted - as per Department's telegram 2016 December 24, 1942, 10 p.m. - and his hope to engage in smuggling platinum out of Colombia with his suggested connivance of the American authorities, did not materialize.

21. During the past two months, this same informant has been financing and equipping a small high grade platinum-gold mine in the province of La Rioja, Argentina, in

which

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which he purchased an interest from an American prospector, James H. Hundley. The informant personally visited and inspected the property during October 1942. After his visit to the mine he advised the Embassy of his intention to exploit the mine and requested assistance of the writer in locating a chemist to aid him in refining crude platinum.

22. This informant undoubtedly also hopes to sell the platinum production of this Argentine mine to United States agencies.

23. Conclusions. Digest of the information available to date leads to the conclusion that several factors other than United States purchases, are reducing smuggling of platinum to enemy countries. Among these factors are the recent British searches of ships, the exceptional close watch of Argentine authorities, and the probable exhaustion of old-jewelry platinum available at prices below 20.00 pesos Argentine per gram. Higher prices would probably continue to bring small lots on to the market.

It is thought that smuggling is now more or less limited to efforts of clever organizations and, in consequence, knowledge of actual transactions will only be obtainable after an inside contact is made.

It is suggested that United States purchases be continued - but only of such lots as the purchaser has good reason to believe would otherwise fall into hands of a smuggling organization.

The buying of all lots offered is not suggested as that would deprive legitimate industry of its only platinum supply, and could in turn lead to a delicate international situation.

William F. Jahn
Technical Adviser on Minerals

WFJ:mg

File 820/124.31

Original and hectograph to Department.

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COPYA-1

EMBASSY OF THE UNITED STATES
BUENOS AIRES

No. 7205

Buenos Aires, Argentina,
November 4, 1942.

Subject: RECOMMENDATION THAT ALBERTO TRIAY, SUIPACHA
535, BUENOS AIRES, ARGENTINA, BE INCLUDED
IN THE PROCLAIMED LIST OF CERTAIN BLOCKED
NATIONALS:

Confidential

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that the Embassy has just concluded an investigation of the activities of Alberto Triay, Suipacha 535, Buenos Aires, Argentina.

The subject had for some time been suspected by the Embassy of being engaged in the purchase of platinum on behalf of Axis countries. He was further believed to have arranged for clandestine shipments of platinum which he had obtained locally. Subsequent investigation revealed that Triay was pro-Fascist in sentiment and that his operations in the platinum market had definitely increased considerably. Finally, the Embassy learned, from a reliable source, that Triay had purchased six kilos of platinum at extremely high prices, which could only be justified if such platinum were shipped to Europe.

It may be mentioned that Triay has a police record and is currently being prosecuted for having engaged in the purchase of stolen jewelry. The foregoing information tends to confirm that the subject has been operating actively on behalf of enemy nationals and the Embassy recommends that he be included in the Proclaimed List of Certain Blocked Nationals. The British Embassy and Canadian Legation concur in this recommendation.

Respectfully yours,

For the Ambassador,

Merwin L. Bohan
Commercial Attaché

HAW:mkz
File 711.3

Original and hectograph to the Department.

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COPIESA-2EMBASSY OF THE UNITED STATES
BUENOS AIRESFile 711.3
HAW:ekBuenos Aires, Argentina,
October 23, 1942.

Dear Mr. Storey:

This refers to your letter of September 8, 1942, and Mr. Robbins' letter of September 18, concerning Alberto Triay, Suipacha 535, Buenos Aires. We have just heard from a reliable source that Triay purchased at least six kilos of platinum for clandestine export to Spain. We also know from "La Razon" dated October 20, 1942, that Triay has a "prontuario" No. 88576 in the Police Department and that he has been engaged in the purchase of stolen jewelry.

We think that Mr. Triay is headed for jail, and are convinced that he has participated in obtaining platinum for the Axis, so that if you feel that he should be included in the Proclaimed List we have no objection to adopting a similar attitude.

Very truly yours,

H. A. Weismann

W. N. Storey, Esq.,
British Embassy,
Buenos Aires.
Copy to Mr. Strong.

BRITISH EMBASSY
BUENOS AIRESA-3File 711.3
L.2127

September 8, 1942.

Dear Robbins:

During the recent platinum rush when much platinum was being bought up locally for clandestine shipment, it was thought, to Europe, one of the dealers who was reported to be actively engaged in this matter was Alberto Triay of Suipacha 535, Buenos Aires.

Triay is of Argentine nationality and is engaged in the wholesale and retail sale of jewelry, pearls, emeralds and watches, etc., and in the purchase of jewelry and gold.

I should be interested to learn whether you have any information regarding his being involved in this business.

Yours sincerely,

W. N. Storey

W. D. Robbins, Esq.,
Embassy of the United States,
Buenos Aires.

N.B.
Copy sent to Mr. Strong.

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File 711.3
L.2685/M.10951

BRITISH EMBASSY
BUENOS AIRES

November 10, 1942.

Dear Robbins:

Your letter HAW of October 29 about Henri Adler of Avenida R. S. Peña 943, Buenos Aires.

Although we have not been able to obtain any information ourselves about this man in addition to the information contained in our letter of August 18, we nevertheless consider your evidence to be sufficiently conclusive to justify inclusion in our lists. We are accordingly forwarding our recommendation to London immediately.

Yours sincerely,

W. N. Ward

Warren D. Robbins, Esq.,
United States Embassy,
Buenos Aires.

W. Copy sent to Mr. Strong.

EMBASSY OF THE UNITED STATES
BUENOS AIRES

A-5

File 711.3
HAW:mkz

Buenos Aires, Argentina,
October 29, 1942.

Dear Mr. Storey:

This refers to your letter of August 18, 1942, regarding Henri Adler, Av. R. S. Peña 943, Buenos Aires. In accordance with your suggestion we have communicated with the Belgian Legation and we have been informed that Adler is not a Belgian.

As mentioned in Mr. Robbins' letter of August 10, 1942, it is our intention to recommend Adler for inclusion in the Proclaimed List, and would be pleased to know whether you plan to take similar steps.

Very truly yours,

W. N. Storey, Esq.,
British Embassy,
Buenos Aires.
Copy for Mr. Strong

H. A. Weismann

711.2
LH:jlw

Buenos Aires, August 27, 1942

Dear Gerard:

I am sending you the following information on Henri Adler, Avenida R. S. Peña 943.

He is said to be a Belgian and operates in the market

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as a diamond dealer. Lately he has been mixed up in the iron and steel business importing from the United States and reselling at speculative prices to undesirable firms. The Embassy recently received a report to the effect that he was engaged in the purchase of platinum which in turn was sold to enemy governments.

We set a trap for Adler and actually were able to prove that he sold to the Axis. We intend to recommend him for the Proclaimed List immediately, but, prior to so doing, are anxious to find out whether you could furnish us with any supplementary data.

Sincerely yours,

Gerard Walravens, Esq.,
Consejero, Belgian Legation,
Capital.

H. A. Weismann

EMBASSY OF THE UNITED STATES
BUENOS AIRES

A-7

File 711.3

August 10, 1942.

Dear Storey:

Re: Henri Adler, Avenida R. S. Peña 943.

The above individual, who is a refugee, is engaged in this market as a diamond dealer. Adler has also been mixed up of late in importing merchandise, principally iron and steel products from the United States, reselling the same at highly speculative prices to undesirable firms. Adler acts as representative in this country of David Ludwig & Co. Inc., New York, which firm also has a highly unfavorable reputation for its speculative activities.

The Embassy received a report recently to the effect that Adler was engaged in purchasing platinum, which in turn was sold to agents of enemy governments. A trap was laid for Adler, who sent his accountant to deal with the Embassy's informant. It was agreed that three kilos of platinum would be handed over by Adler to our agent, and it was carefully pointed out that the merchandise in question was destined to an enemy government. Adler's representative, after communicating with him by telephone, stated that there were no objections to the deal going through.

Inasmuch as we have conclusive evidence now to prove that Adler will deal with anyone for profit, and as he is still importing material from the United States, we intend to forward an instant recommendation for his inclusion in the Proclaimed List. Before doing so, however, I would appreciate hearing from you as to what action you would care to adopt. I would deeply appreciate your letting me know as soon as possible, as the latter is fairly urgent.

Very truly yours,

WDR:im

Warren D. Robbins

Two copies for Mr. Strong.

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File 711.3

BRITISH EMBASSY
BUENOS AIRES

January 5, 1943.

L.33/M.11625

Dear Robbins:

Your letter HAW of December 18 about Gregorio Tumarkin.

Apart from the sale that you report this man made amounting to approximately \$67,000 pesos, to Waiser Wald & Cia., enquiries we have made indicate that it is well known in local trade circles that this man is operating in the platinum traffic on behalf of enemy countries.

In the circumstances we agree that Tumarkin should be included in our lists and we are accordingly forwarding our recommendation to London immediately.

Yours sincerely,

Warren D. Robbins, Esq.,
U. S. Embassy,
Buenos Aires.
cc. for Mr. Strong
I.

W. N. Ward

EMBASSY OF THE UNITED STATES
BUENOS AIRES

A-9

File No. 711.3
HAW:mkz

December 30, 1942.

Strictly Confidential

Edward G. Miller, Jr., Esq.,
Special Assistant to the Ambassador,
American Embassy,
Rio de Janeiro, Brazil.

Sir:

It has just come to our attention that Gregorio (Gerschon) Tumarkin is currently in Rio de Janeiro.

It is believed that the purpose of his trip is to obtain cut diamonds and industrial diamonds, which would be smuggled into the Argentine and subsequently shipped clandestinely to the Axis powers via Spain or Portugal. It is also possible that he may have brought platinum to Brazil for eventual sale there as it is understood that prices for platinum are somewhat lower in Buenos Aires, whereas prices for industrial diamonds are lower in Brazil. Tumarkin is a candidate for our Proclaimed List and as such any persons in contact with him will probably be of a similar type. It is not unlikely that Tumarkin will come in contact with Adolfo Fisch, the subject of our letter dated November 12, 1942.

This information is being submitted to you in the hope that it may be of some service in aiding you to prevent precious metals and stones from reaching the hands of the enemy.

Very truly yours,
Warren D. Robbins

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File 711.3
HAW:mkz

EMBASSY OF THE UNITED STATES
BUENOS AIRES

A-10

Buenos Aires, December 23, 1942

H. Colt MacLean, Esq.,
Commercial Attaché,
American Embassy,
Santiago, Chile.

Sir:

This Embassy has been informed by a usually reliable source that Cambitur, Los Huerfanos 1063, Santiago, sold 23 kilos of platinum to a person named Gregorio Tumarkin. It is believed that this large quantity of platinum was subsequently reshipped to Spain clandestinely for eventual use by the Axis powers. This Embassy is taking steps to prevent, to the greatest extent possible, platinum supplies from reaching the Axis powers.

The foregoing information has been submitted to you as you may wish to persuade Cambitur, and other potential suppliers of platinum, to refrain from undertaking sales to unknown people who may be possible outlets for enemy nationals.

Very truly yours,

Warren D. Robbins

File 711.3
HAW:mkz

EMBASSY OF THE UNITED STATES
BUENOS AIRES

A-11

Buenos Aires, December 18, 1942

Dear Ward:

This refers to Gregorio (Gerschon) Tumarkin, Pueyrredon 374, Buenos Aires.

We have recently obtained information which indicates that the subject made a sale amounting to approximately \$67,000 pesos to Walser Wald & Cia. Subsequent information reveals that he has purchased large quantities, about 8 kilos, of platinum as well as an appreciable quantity of industrial diamonds. Purchases were made at high prices and coincided with the presence of a Spanish boat in the port. This information was received from a reliable source and was afterwards checked through another source, which confirmed the fact that the subject had been purchasing platinum, and which even stated that this information was generally known throughout the market.

We feel that we have no choice but to recommend this person for inclusion in the Proclaimed List, but before taking any action would be pleased to have the benefit of your opinion.

W. N. Ward, Esq.,
British Embassy,
Buenos Aires.
Copy to Mr. Strong.

Very truly yours,
Warren D. Robbins

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File 711.3

Buenos Aires, March 25, 1942.

MemorandumSubject: Guillermo C. Trombino

The subject called today in an effort to ascertain what action had been taken with respect to the deletion of his name from the Proclaimed List. After discussing the situation with Mr. Robbins, Trombino was informed that the Embassy would possibly acquiesce to this deletion, but that we were not prepared to commit ourselves on this as yet.

The subject informed the writer that platinum is still being freely exported to Europe through the intermediary of Spanish boats, and offered to supply the names of people now engaged in this trade. He also said that the principal traffickers were a firm of Greeks, but he was not sure of the name. However, he stated he would inform the Embassy of their whereabouts et cetera, after a little further investigation.

LH:ma

L.H.

File 711.3

Buenos Aires, Enero 12, 1942. A-13

Señor Thomas L. Hughes,
Encargado Comercial de la
Embajada de los EE.UU. de América en Buenos Aires.

De mi consideración:

El día 10 del actual he conversado ampliamente con el Sr. Copley de esa Embajada, quien me ha solicitado que aclare varios puntos que me citó como causas de mi inclusión en la lista negra americana.

Mi profesión ha sido siempre, desde hace 26 años a esta parte, engarzador de brillantes, es decir colocar en las monturas de las alhajas las piedras que me entregan los mismos comerciantes y nunca me he dedicado a la venta de platino, hasta que a fines del año ppdo., compré en plaza tres (3) kilos de platino esponja, viendo la posibilidad de realizar un buen negocio, y lo vendí pocos meses después al Sr. Juan Raffaele, de la calle Cangallo 1124 de esta capital, de todo lo cual poseo la documentación correspondiente, es decir los recibos de compra. Debo aclarar que cuando efectué dicha operación al Sr. Juan Raffaele no estaba aún incluido en la lista negra inglesa como actualmente figura, y este señor posee un recibo firmado por mí, correspondiente a esta venta.

Ahora bien, un tiempo después supe que en Colombia podía obtenerse platino, pero crudo, pueso dicho país no posee ninguna planta de purificación de este metal, y previas las averiguaciones respectivas, resolví dirigirme yo mismo a Colombia para tratar de adquirir una cierta cantidad de platino, pues aquí en la Argentina, contrariamente a la creencia de esa Embajada, hay químicos suma-

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COPY

mente competentes capaces de extraer el platino y convertirlo en esponja, a una pureza de 99.30, no así los otros metales que contiene el platino colombiano, como ser iridium, paladium, hierro, osmio, y rodio, pues para ello se necesitarían instalaciones adecuadas y muy costosas, pudiendo yo probar cuanto deajo dicho en cualquier momento que esa Embajada lo deseara.

Cuando llegué a Colombia, compré el platino crudo, diez y seis (16) libras, o sea 7 kilos 370 gramos, pero tropecé con dificultades para obtener la licencia de exportación, que pude por fin conseguir oficialmente por la intervención que tomó en este asunto la Embajada Argentina en Bogotá, y lo despachó por la Panagra, previos pagos de todos los impuestos colombianos, y del flete y seguro correspondientes al transporte. Ahora bien, una vez aquí, para poder sacar el metal de la Aduana, he tenido que pagar la diferencia de cambio de los dolares en licitación, derechos de aduana, impuesto a la venta, todo lo cual unido a los gastos ya abonados en Colombia antes de despachar el platino, me han representado un gasto aproximado de \$10.000 argentinos.

Por todo lo expuesto, no dejaré Ud. de reconocer Sr. Hughes, que se trata de una operación estrictamente legal, para la cual he observado hasta en el mas mínimo detalle todas las disposiciones y reglamentaciones vigentes al respecto, sin apartarme un ápice de ellas.

Referente a la venta de este metal puedo asegurar a esa Embajada que no será reexportado con destino a personas o entidades allegadas al eje, con las cuales jamas he tenido relación, y en cualquier momento podré probar si fuera necesario y que mi intención es venderlo a comerciantes de esta plaza que no utilicen para trabajos de joyería, tal como ya lo he prometido bajo declaración firmada, al Gobierno de mi país.

Estos han sido los dos únicos negocios de platino que he efectuado durante mi larga actuación en el gremio de joyería, y por el momento hasta que se solucione el conflicto europeo, no tengo idea de volver a ocuparme de dicho metal, una vez que dé por terminada esta última operación.

Creo Sr. Hughes que tendrá Ud. la gentileza de tomar buena nota de todo cuanto deajo expuesto sobre el particular y considerarlo debidamente a fin de tratar de que mi nombre sea excluído de la lista negra de esa Embajada, pues ello me perjudica sobremanera, tanto moral como comercialmente.

Quedo pues en espera de su resolución al respecto y reiterándome a sus órdenes para cualquier otra aclaración que considere Ud. necesaria, me complazco en saludarle con mi mas alta estima.

Guillermo C. Trombino
Esmeralda 491,
Capital.

(Translation of above follows).

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TRANSLATION

File 711.3

Buenos Aires, January 12, 1942

Mr. Thomas L. Hughes,
Commercial Attaché,
American Embassy in Buenos Aires.

Dear Sir:

On January 10 I conversed fully with Mr. Copley of that Embassy, who had requested that I clear up various points which he cited as reasons for my inclusion in the American Proclaimed List.

My profession for 26 years has always been that of gem setter, that is to say, placing in the settings of jewelry, gems which are delivered to me by the merchants themselves, and I have never dedicated myself to the sale of platinum until the end of last year. I purchased in the market three kilos of sponge platinum when I saw the possibility of effecting a good business. I sold it a few months later to Sr. Juan Raffaele, Cangallo 1124 of this city, on which transaction I possess all the corresponding documents, that is to say, the receipts. I should make it clear that when I effected this operation Sr. Juan Raffaele was not yet included on the English black list, and that gentleman has a receipt signed by me corresponding to this sale.

Some time later I found out that in Colombia one could obtain platinum, although in crude form, as that country does not possess a purification plant for this metal. After inquiries in respect thereto, I resolved to go to Colombia to try to purchase a certain quantity of platinum, as in Argentina, contrary to the belief of the Embassy, there are chemists capable of extracting platinum and converting it into sponge of a 99.30% purity, although they are unable to do likewise with the other metals contained in Colombian platinum, such as iridium, paladium, iron, osmium, and rhodium. As for those, adequate and very costly installations would be needed. I can prove this statement at any moment the Embassy desires.

When I arrived in Colombia, I purchased 16 pounds of crude platinum, or 7 kilos and 360 grams, however, I stumbled upon difficulties in obtaining export license, which I at last was able to obtain through the official intervention of the Argentine Embassy in Bogotá. I despatched it via Panagra, after paying all the Colombian taxes, freight, and insurance charges. Once the shipment arrived here, and in order to get it out of the Customs, I had to pay the difference in free and legal exchange dollars, custom duties, and sales taxes, all of which, added to the costs I had already paid in Colombia before shipping the platinum, reached approximately \$10,000 Argentine pesos.

With the above explanation, Mr. Hughes, you will readily understand that this operation was strictly legal, and that I have observed, to the smallest detail, all the dispositions and rules existing, without swerving one iota from them.

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With regard to the sale of this metal, I can assure that Embassy that it will not be re-exported to any person or firms in sympathy with the Axis, with whom I have never had any dealings, and I can prove this at any moment if necessary, and that my intention is to sell this platinum in this market to be used for jewelry purposes, just as I have promised, under oath, to the Government of my country.

These have been the only two negotiations in platinum effected by me during my long career in the jewelry trade, and from this moment, until the European conflict is over, I have no intention of again trading in platinum once this last operation has ended,

I hope, Mr. Hughes, that you will have the kindness to take good note of all that I have expressed on this subject and to give it due consideration for the purpose of eliminating my name from the Proclaimed List of that Embassy, as this fact prejudices me extremely, both morally and commercially.

Hoping for a favorable resolution, and at your orders for any further aclarations you desire, I remain,

Yours truly,

Guillermo C. Trombino
Esmeralda 491,
Capital.

End of appendix to report "Smuggling of Strategic Materials out of Argentina for Enemy Destination", January 21, 1943, prepared by William F. Jahn.

104155

DECLASSIFIED
 Authority AWD 5-75-27
 By JA NARA Date 8/6

RG 84
 Entry ARGENTINA
 Box 34

820.02

FILE COPY

BY COURIER

Buenos Aires, Argentina, September 18 1943
 Central Information Office
 (C.I.O.) Report

No. 12012

SUBJECT: CAPTAIN I. WILLIAMS, SUSPECTED AXIS AGENT

STRICTLY CONFIDENTIAL

The Honorable
 The Secretary of State
 Washington

Sir:

With reference to the Embassy's despatch No. 11836 of September 9, 1943, I have the honor to report that the trail leading to Captain I. Williams has become faint again. Acting upon the information contained in the reference despatch, the assistance of the Legal and Military Attachés was obtained. The Legal Attaché investigated file No. 907 of the Political Order Section (Orden Social) of the police department and the Military Attaché conducted an investigation of the section on Robberies and Thefts (Robos y Hurtos). The reports which they submitted are quoted below.

From the Legal Attaché:

"Informant advises that there are two numbers in Orden Politico - No. 907 and 907M (Military). The information contained in these two files, which pertain to different individuals, is as follows:

907M

"Mario Alberto Mazza, born in 1912 in Buenos Aires, and the son of Dino Pedro and Maria Auselino. In 1926 he lived at Calle Juan Bautista Alberdi 943, Olivos. Sisters: Gloria Azucena and Dina Elena. In 1926 Mazza was a 1st Lieutenant. He does not have a file in Robos y Hurtos.

907

"Gabriel Colona, born May 30, 1906 in Buenos Aires. Father, Constantino. Mother, Victoria Dinatale. Brothers and Sisters: Alejandro, Antonio, Miguel, Teresa, Carmen. He is married to Dominga Mazellio.

In March,

WILLIAMS, I., Capt 920.02

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In March 1, 1936 he was named the president of a sub-Committee of the Civica Radical (Irigoyen party) in the 1st section, located at Calle Crespo 3546.

"Colona does not have a file in Robos y Hurtos, but the following information was contained about him in the Seccion Seguridad Personal. In 1919 he was cited in Section 34 for having committed personal injuries on another individual. The Judge turned him loose in 10 days. On November 1, 1926 he was arrested by Section 36 for carrying a revolver without permission - or without having the necessary permit."

From the Military Attaché:

"PRONTUARIO N.87121 Robos y Hurtos. Belonging to James Williams, born 7th. March 1896 in Hawaii (Honolulu) Son of Henry Williams and Helina Robinson both dead. Arrived on the 15th. June 1925 as a stoker on the ss. West Notus. Arrested on the 26th. June 1925 for Petty Theft and released on the 7th July 1925. No details are available as what he stole. Was arrested together with Aubrey Gray Reynolds, John Handley and Joe Mc.Nulty. These three were detained at the C.P.D. and Jose Almeida at the Penitenciaría. The four of them were handed to the Prefectura Marítima on their release in 1925 and that is the last that we know about them. He has two children Louis and Mary who were living in the USA in 1925."

Although it would appear that the information obtained from the Embassy's informant to the effect that Captain I. Williams had file no. 907 in Orden Social is erroneous, it may be that the James Williams described in file no. 87121 of Robos y Hurtos has a bearing on the subject person. In this connection it is pointed out that I. Williams calls himself "Captain", that James Williams once was connected with the United States merchant marine, and that I. Williams is a sailor by profession. In addition, it is to be mentioned that sometimes there is little to be distinguished between the hand-written letters "I" and "J". On the other hand there is the report that Captain I. Williams' complete name is Ignacio Williams or Ignacio Johnson Williams. However, so many erroneous reports have already been received in connection with this case that a few more would seem to make little difference one way or the other. In the final analysis it would appear that the information contained in this and previous despatches is made up of a mixture of false and accurate data, and that it is up to the Embassy to determine the true aspects of the case.

Proceeding on this assumption, the Embassy will continue its investigations, using as a new base the information

obtained

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obtained from file no. 87121 of Robos y Hurtos. In the meantime, the Embassy would appreciate the receipt of any information likely to be of assistance in its local investigations, which the Department may be able to obtain in the United States or in Hawaii regarding James Williams.

Respectfully yours,
For the Chargé d'Affaires ad interim

Hugh Millard,
First Secretary of Embassy

File No. 820.02
Orig. to Department (Ozalid)
CPE:mc

WPS.

A true copy of
the signed ori-
ginal. *WPS*

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Authority <u>MIN 5-75-27</u>
By <u>JA</u> NARA Date <u>8/6</u>

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FILE COPY

BY COURIER

Buenos Aires, Argentina, September 9, 1943
 Central Information Office
 (C.I.O.) Report

No. 11836

SUBJECT: CAPTAIN I. WILLIAMS, SUSPECTED AXIS AGENT

STRICTLY CONFIDENTIAL

The Honorable
 The Secretary of State,
 Washington.

Sir:

With reference to the Embassy's despatch No. 11587 of August 24, 1943, I have the honor to report that a more definite trace of Captain I. Williams has been discovered. A reliable informant states that the man's true name is Ignacio Williams and that he is a sailor by profession. This source states that Williams sometimes refers to himself as Ignacio Johnson Williams. The source mentions that Williams has a file in the local police department, No. 907 of the Political Order section, and that there exists another file (No. 87121) under his name in the section on Robberies and Thefts. This latter file was opened on November 19, 1940, on account of Williams having been the victim of a robbery which took place in a cabaret in Buenos Aires. At that time Williams resided at Calle Lavalle 686, Buenos Aires.

An investigation based on the foregoing information is being conducted.

Respectfully yours,
 For the Chargé d'Affaires ad interim:

Hugh Millard
 First Secretary of Embassy

Original (for Ozalid machine) to Department.
 File No. 820.02
 CPE:jad

W.P.C.

A true copy of the signed original jad
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104159

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FILE COPY

BY COURIER

Buenos Aires, Argentina, August 7~~4~~ 1943
 Central Information Office
 (C.I.O.) Report

No. 11587

SUBJECT: CAPTAIN I. WILLIAMS, SUSPECTED AXIS AGENT

STRICTLY CONFIDENTIAL

The Honorable
 The Secretary of State,
 Washington

Sir:

With reference to the Department's instruction no. 4233 of May 3, 1943 (File No. 800.20210 Williams I. (Captain)), I have the honor to report that the subject person has been the object of a most thorough and exhaustive investigation over a period of the past three months, but no confirmable trace of him can be found.

Many rumors have been obtained about such an individual. Each rumor has been carefully traced as close to its origin as possible, but without definite results. The local British intelligence unit has also been unable to obtain any information tending to identify Captain Williams. It should be mentioned that the most persistent rumor is that he is registered in the Orden Politico section of the police department of Buenos Aires under file no. 0973. After several weeks it was possible to inspect this file. It was found that two files exist under this number, one of which concerned a fencing instructor at a local athletic club and the other a child of less than ten years of age. The Central Information Office of the Embassy has satisfied itself that neither of the above two persons is identical with Captain Williams.

An H. W. Williams is attached to the local British intelligence unit with the grade of Lieutenant Commander. In peace time he is employed by the Royal Mail Lines, and it is understood that some years ago he was captain of a vessel in the British merchant navy. Acting upon the assumption that he may have been confused as an Axis agent, a representative of the Embassy approached him on the subject. He was intrigued by the report and stated that it was possible that some uninformed person may have mistaken

him

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him for what he is not. He denied ever having been in touch with any of the persons mentioned in paragraphs a, b and c of the instruction under reference. Mr. Williams spent considerable time assisting the Central Information Office in its search for Captain I. Williams.

The files of the Central Information Office contain a copy of a summary report on the CIT radio ring, which was headed by Josef Starziczny, alias Niels Christian Christensen, in Rio de Janeiro. As of possible interest to the Department there are quoted below two excerpts from this report.

"Subject stated that the German Secret Service in England is headed by a Mr. WILLIAMS who resides in the city of Swansea. He said that he could not recall the exact address of this residence, but that he did recall that the number of the house was 43, and that it was on a street whose name contained the word 'mountain'. He stated that this Mr. WILLIAMS is the paymaster of all German Secret Service in England, and that he frequently travels to Portugal to confer with the heads of the German espionage service. Subject stated that he knows this Mr. WILLIAMS personally, that he has been in his home in England, and that he presumes that he is a big business man."

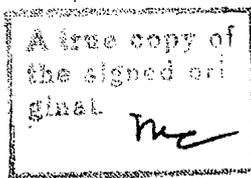
"In Paris, subject learned from his friend Dr. TRAUTMANN, that the address of the Nazi Secret Service in England was Mr. WILLIAMS, Mount Pleasant Street 43, Swansea. Subject stated this address was given to him in private, 'so that it could be used by him in case he went to the United States, where he should contact a friend of his by the name of MONTGOMERY, president of the Detroit Times and president of the Bus Company in Detroit, and who is a Danish engineer, in order to use that address to work against Germany.'"

Although there is considerable doubt that Captain I. Williams may be in existence here, the Embassy will place his name on its watch list and otherwise continue to be on the lookout for him.

Respectfully yours,
For the Chargé d'Affaires, ad interim

File 820.02
Orig. Ozalid - Dept.
CPE:mc

Hugh Millard,
First Secretary of Embassy



104161

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Authority 11ND 5-75-27
By JA NARA Date 816

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Entry ARGENTINA
Box 34

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



EMBASSY OF THE UNITED STATES
OF AMERICA
MAY 10 1943
BUENOS AIRES *fm*

DEPARTMENT OF STATE
WASHINGTON

*ELR
CPE
HM*

AIR MAIL

4233

May 3. 1943

STRICTLY CONFIDENTIAL

To the
American Ambassador,
Buenos Aires.

The Secretary of State quotes below the contents of a communication dated March 25, 1943 regarding one Captain I. Williams which has been received by the Department from a confidential source within the Government:

"1. On the basis of information from a reliable secret source, it is suspected that a person known as Captain I. Williams is an Axis agent in Argentina who obtains information on shipping and ship movements. It is not known whether the above name is the real name of the agent, but the following information is known concerning his activities:

a. In late October he conversed with the First Engineer of the 'Staghound', a U. S. ship then in Buenos Aires.

b. About December 5 he talked with certain Swiss passengers who had recently arrived on the 'Jose Menendez', an Argentine steamer.

c. About December 9 he talked with the radio man of the 'Jose Menendez'."

Any information concerning the above-named person which may be available to the Embassy would be of interest to the Department.

800.20210 Williams I. (Captain)

WILLIAMS I. (Capt)

800.02

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Authority	IND 5-75-27
By	JA NARA Date 816

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820.02

READING OF TELEGRAM RECEIVED FROM SANTIAGO
Received January 23, 10 A.M., 1943

FILE COPY

SECRET

AMEMBASSY

BUENOS AIRES.

The following telegram has been sent to the Dept:
TRIPLE PRIORITY 149 January 22, 7 P.M. SECTION TWO

He said that the Argentine fascist, Manuel Fresco who is now here has been under the closest surveillance by the secret service and that he had attended a dinner of twenty persons among whom was the crazy leader of the Nazi Party, Von Mares, and that a photograph was taken and the speeches taken down. Fresco was told to leave the country within twenty four hours. He protested that he was unable to get a reservation until Monday, but the Government told him that they would secure a reservation. The Government appealed to us and we obtained the reservation for today. However, the Argentine Ambassador made an appeal on the ground that Fresco was a very prominent Argentine who had come to Chile bearing a letter from Castillo, and he pleaded that Fresco be allowed to remain until Monday, and that he not be expelled openly. Out of deference to the Ambassador this was agreed to with notice being given to Fresco that, should he see anybody, he would be taken up. We are repeating this Section to Buenos Aires.

820.02

DECODED: CCW

BOWERS

Original and four paraphrases typed: ccw

Original and paraphrase to the Ambassador
Paraphrase to Files
Action Paraphrase to Mr. Ford
Paraphrase to Chronological File

104163

DECLASSIFIED
Authority NRD 5-75-27
By JA NARA Date 8-16

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Box 34

FILE COPY

E

PARAPHRASE OF TELEGRAM RECEIVED FROM SANTIAGO
Received January 22, 9 a.m., 1943

SECRET

AMEMBASSY

BUENOS AIRES

January 21, 8 p.m.

This message is for the strictly confidential information of Doyle. Manuel Fresco and Francisco Prado are to be expelled by the Chilean Government on January 22nd, and they will return to Argentina via Panagra. Their activities here reveal attempt to prevent rupture with the Axis, A report is being forwarded.

820.00

BOWERS

Decoded: iv

Original and 3 paraphrases typed: iv
Original and copy to Ambassador
Action copy to Mr. Doyle
Copy to files
~~Copy to [unclear]~~

DECLASSIFIED	RG	84
Authority <u>AND 5-75-27</u>	Entry	ARGENTINA
By <u>JA</u> NARA Date: <u>816</u>	Box	34

FILE COPY

PARAPHRASE OF TELEGRAM RECEIVED FROM SANTIAGO

PARAPHRASE OF TELEGRAM RECEIVED FROM SANTIAGO
Received January 21, 9 p.m., 1943

SECRET

AMEMBASSY

BUENOS AIRES

Rush - January 21, 6 p.m.

Referring to your telegram of January 15, 6 p.m., please disregard the telephone conversation between Andrews and Ford. Fresco and Prado are being permitted to fly back to Buenos Aires, via Panagra, tomorrow morning, at the request of the Chilean authorities.

BOWERS

Decoded: ccw

Original and 4 paraphrases typed: iv
Original and copy to Ambassador
Action copy to Mr. Ford.
Copy to files
Copy to Chronological file

220.02

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Authority	AWD 5-75-27
By	JA NARA Date 8/6

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PARAPHRASE OF TELEGRAM TO SANTIAGO
Sent January 15, 6 p.m.

SECRET

AMEMBASSY

SANTIAGO

RUSH January 15, 6 p.m.

Tomorrow, the sixteenth, Argentine nationalists Francisco Prado and Manuel Fresco are scheduled to leave here for Santiago by Panagra. Both are known to be pro-German and anti-American and undoubtedly are up to no good. It is very possible that they will meet with Chileans who are opposed to servance of relations and to the United States.

Any information regarding their visit would be appreciated by this Embassy.

ARMOUR

Drafted: ~~RMW~~ epm
Coded: RMW:mph

Original and three paraphrases typed: RMW
Paraphrase to Ambassador.
" to Files.
" to Chronological File.

820.02 Prado and Fresco

DECLASSIFIED
Authority MMIO 5-75-27
By JA NARA Date 8/16

RG 84
Entry ARGENTINA
Box 34

MEMORANDUM

Mr. Ambassador:

According to Mr. Cabezas, who is closely connected with the Nationalist Movement in Argentina, Manuel Fresco, ex-governor of Buenos Aires province, is expected to leave on Saturday for Chile on a special mission. It is not difficult to imagine what this mission will be.

Mr. Cabeza reported that this trip of Fresco's is a semi-secret one and will probably not be reported in the Press. However, you might want to pass this information on to Chile so that Mr. Fresco's activities could be watched in the event he makes the trip.

H. H. Barger

HHB:ml
January 14, 1943

820,002 (800)

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Authority AND 5-75-27
By JA NARA Date 8/16RG 34
Entry ARGENTINA
Box 34

820 02

FILE COPY

BY COURIERBuenos Aires, Argentina
May 3, 1943STRICTLY CONFIDENTIAL

Dear Elim:

Regarding our conversation the other day there is given below, in chronological order, all the information contained in our files regarding the activities of Fritz Fenthol and wife.

Our attention was first called to Fenthol by the Department's circular telegram of February 28, 8 p.m. (1941), which advised the Embassy to suspend action and report on any visa application made by him. The telegram stated that Fenthol was born on March 14, 1894, at Leipzig, Germany, and that he was understood to have in his possession a German passport issued at Berlin on June 15, 1935, and that it would expire on June 15, 1940.

Departmental telegram no. 202 - April 28, 11 a.m. (1941), advised that Fenthol was an agent of the German Potash Syndicate and that he might apply for a U.S. visa at Buenos Aires.

Departmental circular telegram of May 22, 7 p.m., stated we might inform the local authorities that Fenthol's presence in this hemisphere was undesirable. The telegram also mentioned that Fenthol intended to fly to Cuba and perhaps to Mexico City. This office informed the Argentine police immediately.

On June 17, 1941, Pan American Airways informed this office that Fenthol would arrive from Rio de Janeiro on June 18 via the Condor line and that Condor had made

Elim O'Shaughnessy, Esquire,
American Embassy,
Rio de Janeiro, Brazil

820-02
Fenthol

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Three days report on the activities of Fenthol. A copy reservations for him to proceed via Panagra to Lima on June 19. Fenthol claimed to be a German lawyer and was travelling on passport no. 499/39, issued in Berlin on June 30, 1939. Fenthol departed from Buenos Aires on a Panagra plane on June 19, 1941, but went only as far as La Paz. He carried with him 330 (150 kilograms) of excess baggage. He returned to Buenos Aires from La Paz on June 29, via Panagra, carrying only 30 kilograms of excess baggage. It will be recalled in this connection that the German clandestine radio transmitter confiscated from a German diplomatic courier on a Panagra plane in June 1941 weighed 150 kilograms and was carried as excess baggage by the courier. It might be worthwhile to have Fenthol questioned regarding the contents of his 150 kilograms of excess baggage. Upon Fenthol's return to Buenos Aires the paper Libre Palabra mentioned, in an article which appeared on July 3, that he had lost a brief-case containing "important documents" and that he refused to "request or permit the Argentine police to assist him in finding it". It might also be wise to question him about this item. The same paper on the same day asked what the Argentine authorities intended to do when a man enters the country claiming to be a business man when it is known that he is a lawyer connected with the German Secret Service.

A circular instruction from the Department dated August 15, 1941, carried the name of Fritz Fenthol, alias Robert Franz Fenthol, as a prohibited alien in countries served by Pan American Airways. This instruction mentioned that the Pan American office at Rio de Janeiro sold Fenthol transportation to La Paz-Balboa, June 13; Balboa-Mexico City, June 16; and Mexico City-Habana, June 18.

A confidential report received on July 15, 1941, from a contact in the local offices of the Transocean News Service stated that Fenthol had connections with the firm of Berger & Wirth, where recently "strange" materials had arrived, "apparently for the assembly of small armed boats". The report added that the date of arrival of these materials coincided with the arrival in Rio of Fenthol.

Departmental instruction no. 1273, dated October 8, 1941 (File no. 862.20211 Fenthol, Fritz/41), enclosed a

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three-page report on the activities of Fenthol. A copy is attached to this letter.

ONI Report No. 9-42, 1/5/42, mentioned that Fenthol was residing in the Gloria Hotel in Rio and received the following cable on November 14, 1941:

"PAYMENT RETURN FLIGHT POSSIBLE IN REICHSMARKS
HERE STOP AWAITING ADVICE"

The ONI report mentioned that the telegram had been sent by one Krawiecki, a law partner with Fenthol in Germany.

ONI Serial 23-42, January 23, 1942, reported as follows:

"Information has been received from a reliable source to the effect that subject who is residing at the Hotel Gloria in Rio de Janeiro, has been receiving mail from 'E.F.' in Cuba. It is believed that this person may be his wife who is in Cuba. He is also known to receive mail from a Dr. Robert Krawielichi in Berlin. He communicates very frequently with a Peter Jurisch, an attorney, by telephone, in Rio de Janeiro..."

War Department, MID Report, File No. FCD/1-20c, January 28, 1942, stated that Maurice Hochschild had been in telephonic contact from La Paz with a Mr. Anderson in Rio de Janeiro, and that Anderson previously had been reported to have been in telephonic contact with Fritz Fenthol.

Departmental telegram no. 566 of April 23, 6 p.m. (1942), stated Fenthol's wife had obtained a pro forma divorce and was staying at the Hotel President in Habana. It also advised that Mrs. Fenthol possessed both a normal passport and a Jewish German passport, and further advised that it seemed her task was to travel to different countries ahead of her "former" husband to arrange for his entry.

National Censorship slip Records No. Ba 12,336, from Bruno Fricke, Buenos Aires, to F. W. Walter, La Ceiba, Honduras, dated July 16, 1942, gave the name of Fenthol as

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being a Jew acting as a German agent.

Departmental circular instruction of July 9, 1942, (File No. 862.20211 Fenthol, Fritz/62), reviewed the case of Fritz Fenthol and wife, Emmy, and suggested that the missions furnish the appropriate local authorities with background information in the matter. The Argentine Foreign Office was informally given all the information considered advisable on July 27, 1942.

I hope some of the foregoing information may be of assistance to you.

Sincerely yours,

Clifton P. English

Enclosure:

1. Report on activities of Fritz Fenthol.

CPE
CPE:mc

A true copy of
the signed original.

me

104171

DECLASSIFIED	
Authority	AND 5-75-27
By	JA NARA Date 816

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with Nazi agents and espionage activities. It is said that Fenthol traveled through Europe, Asia, and Japan.

Case of FRITZ FENTHOL

Age -- Forty-seven.
 Born -- Leipzig, Germany.
 Occupation -- Attorney.
 Record -- Believed to be Nazi Agent.
 Present Address -- In Buenos Aires on July 5, 1941.

The file of Fritz Fenthol reveals the following:

Mr. Fenthol is a prominent attorney of Berlin. He maintains a large office there and is one of the few German attorneys who are familiar with American law. His clients include Krupp Munitions, German Potash Syndicate, and large banks.

He is considered a high-ranking official of the Nazi Government and is said to be very close to Hitler, Goering, and Gestapo officials.

Previous visa record shows the following:

Temporary visitor's visas were issued to Fenthol in order that he might visit the United States:

December 22, 1933 -- Issued at Berlin.
 February 23, 1938 -- Issued at Berlin.
 June 30, 1939 -- Issued at Berlin.

File includes several letters from friends who seem to think Fenthol is all right. Dom Odo, Duke of Wurtemberg, O.S.B. is one, and a Mr. Warburg of New York is another, but from Fenthol's activities, it appears that these persons are unaware (?) of his real character.

In a memo of August 8, 1940, enclosed in the F.B.I.'s letter of that date, it is disclosed that Fritz Fenthol arrived at San Francisco on June 27, 1940 on the S.S. Asama Maru. He had a 60-days visitor's visa, which was issued at Shanghai. Fenthol indicated that he was connected

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with Nazi propaganda and espionage service. It is said that Fenthol traveled through Russia, China, and Japan as an agent of the German Government.

F.B.I. reports show that he was in contact with persons who were subjects of espionage investigations.

Fenthol returned to Europe in late August or early September, 1940.

In January 1941 the American Consul General at Zurich stated that Mrs. Emmy Fenthol had an application for an Immigration visa pending at Zurich. She had not made formal application.

Mrs. Fenthol is the sister of Winfried Oppenheimer, 80 Griffen Avenue, Scarsdale, New York. Mr. Fenthol stated that because his wife is Jewish it was necessary for her to leave Germany. One letter in the file states German authorities wanted Fenthol to divorce his wife because she is Jewish, but he refused and the authorities did not insist because they needed Fenthol and his ability.

Berlin and Zurich were instructed to suspend action on Fenthol's visas.

The Department learned that Mr. Fenthol was going to the Argentine. Zurich was instructed to inform Mr. Fenthol that he would have no prospect of obtaining visa in that country.

Fenthol arrived in the Argentine in April 1941 on Italian Air Line (Lati). Rio de Janeiro and Buenos Aires were instructed to suspend visa action. Later, all Latin American countries were circularized to suspend visa action.

On May 20 Fenthol was refused a visa at Rio de Janeiro. The Embassy reported that he might be en route to Mexico or Cuba. Fenthol's Cuban trip was postponed, possibly because he was advised that Cuban authorities would probably exclude him.

Fenthol left Rio de Janeiro for Sao Paulo by air on June 18. On June 21 he left Buenos Aires for La Paz with 330 pounds of excess baggage.

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La Paz Legation reported that Fenthol arrived there on June 20 from Buenos Aires. He remained there until June 26, when he left for Buenos Aires and Rio de Janeiro with only 30 kilos of excess baggage.

The Embassy at Buenos Aires reported on July 5, 1941 that Fenthol had arrived there on June 28 with 30 kilos of excess baggage. On July 3, the Buenos Aires newspaper Libre Palabra ran an article which asked what the authorities intended to do with a man who entered the country claiming to be a business man when it is known that he is a lawyer connected with the German Secret Police.

On June 26, 1941 Fenthol was the subject of a despatch from Minister Jenkins at La Paz, a pertinent portion of which is quoted below:

"It may interest the Department to know that, according to Mauricio HOCHSCHILD, Fenthol stated that he had come to La Paz to meet a Standard Oil representative and also as part of a plan to find out what sort of peace might be possible for Germany. Fenthol gave Dr. Hochschild the impression that he was not sympathetic with the Nazis and really represented a group of older officers in the German Army. Fenthol told Hochschild that although he was Catholic and Aryan, Fenthol's wife was Jewish. According to Dr. Hochschild, Fenthol talked by long distance telephone from Hochschild's office to a Mr. Anderson, in the Standard Oil Company's office in New York. The conversation, Hochschild says, was about certain petroleum lands in Hungary which the Standard Oil is said to own and which the German Government desires to purchase. Fenthol led Hochschild to understand that the German Government was offering to pay the Standard Oil Company about \$20,000,000 for the property in Hungary.

"As there is not now and has not been for a long time any representative of the Standard Oil in La Paz, I consider Fenthol's statements to Dr. Hochschild to be untrue and it seems to me that Hochschild has been taken in by this German agent. On the other hand, Hochschild insists that he met Fenthol about six months ago in New York at the

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home of one of the WARBURGS. The whole story seems to me to be very fishy indeed but I am reporting it to the Department for what it may be worth. I may say here very confidentially that I have not found Dr. Hochschild to be entirely reliable when it comes to facts, although I do not think he could have intended to mislead me in this instance."

Attention is called to the fact that a Mr. Warburg is mentioned on page 1 of this memorandum and also in the above-quoted portion of Minister Jenkins' despatch.

/mc

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Authority AND 5-75-27
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RG 84
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Box 35

820.02

RHP

XXXXXXXXXXXXXXXXXXXX
American Vice Consulate
Mendoza, Argentina,
November 6, 1943.

Hugh Millard, Esquire,
First Secretary of Embassy
American Embassy, Buenos Aires.

Dear Mr. Millard:

Yesterday the "Soviet agent " reported that he had been in contact with a man who, he said, was probably one of the most important members of the "passport ring", named ~~Manuel~~ Faingold. He gave such a convincing account of his conversations that I am inclined to accept them as true, and worth passing on to you since you might be able to check upon some of the details.

He said that Faingold was in contact with Blaustein, the "ring's" representative in Mendoza. Apparently Faingold came to Mendoza about seven weeks ago from La Paz, where he was connected with a "peletería". The agent believes he was forced to flee Bolivia with little warning. He is posing as being able to aid Faingold in proceeding illegally to Chile. Faingold told the agent that he had an American passport, of the State Department series, and implied that he had a second American document, a Bolivian passport, and a Belgian "pass", of which he is now traveling on only the latter. With the agent's advice and help he has arranged to buy passage to Chile for 400 pesos from a "tourist agency" in Calle 9 de Julio between Necochea and Las Heras, after having spent 650 pesos in negotiations with the Chilean consul or consular agent in San Juan which resulted in nothing. He plans to leave for Chile next Thursday, if he receives money in time, proceeding to Los Angeles to the home of José Steck, a storekeeper, who married one of his daughters. Steck has recently sent him 400 pesos by wire.

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The American passport is said to have been obtained through the "ring" in La Paz from Simon Greitzer, who visited the United States recently and is said to be a personal friend of Congressmen (Emanuel) Ceiler (of New York) and (James F.) O'Connor of Montana (parentheses mine-RHP).

The agent describes Faingold as 1.58 meters tall, stocky, with dark face, blondish hair though baldish, numerous small pox marks, grey blue eyes, possessing only one suit of clothes which is dark grey of simple design. He has spoken to him in five languages besides Spanish- French, German, Russian and Yiddish,

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besides enough English to enable him to believe that he is master of this language too. The agent feels sure that he was born in Russia, and that he is of Jewish origin. They are staying at the same pension, on Calle Cordoba 349, but Faingold keeps his baggage elsewhere.

Today Faingold received a telegram from Bolivia stating that funds would soon be sent him, care of the Circulo Israelita of Mendoza, coming from the Circulo in La Paz. The agent says that his organization is permitted to export funds from Bolivia, which private individuals cannot do without difficulty. All correspondence is addressed to him in Mendoza through Pablo Jaisen of calle Federico Moreno 1141, who happens to be a "corredor" of Blaustein. He believes the Circulo is innocent, as are the persons through whom he met Faingold in the pension.

Faingold mentioned his knowledge of ten individuals who became naturalized in the United States while he was once there, who were and still are connected with contraband activities. Whether they are connected with the present "ring" or not, the "agent" does not know. The naturalization of these ten was aided by Congressmen O'Connor and Ceiler, and the case was investigated by Senators Dickstein and Burke, apparently without success in connecting them with illegal organizations. Faingold mentioned knowledge of three American contacts- Liberman or Lieberman of Chicago, known to the agent through Blaustein; Schwartz; and Friedman. He also mentioned a woman named Gertrudis Bell, known to be linked with the traffic of currency, who recently arrived from the United States. She is said to carry personal recommendations of a Congressman from Connecticut Mr. Citron (not listed in "The World Almanac, 1942"), and to have been in contact recently with the ring in Rosario, also to have recently been in Mendoza.

Other persons mentioned by Faingold as his contacts include a number of Argentines- a Dr. Weitz of the Administration "Jevich"; the daughter of Señor Hirsch, ex-lover of General Justo; Dr. Mora of the Ministry of Foreign Relations; Gonzalo Muñoz, Argentina Consul now in the Ministry; Comisario Inspector Fernandez Buzon. And at an Inn called "La Puerta del Sol" in Kiaca on the Bolivian border a Rumanian jew named Blum, who can smuggle persons into the neighboring country. Such persons would be able to be of service to Faingold in his travels, and suggest to the agent that the Argentine police might not cooperate in apprehending him.

Last evening while the agent was taking coffee with Faingold

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they were joined by one Julio Sartori, who came from Bolivia about six weeks ago and spoke of the agent Greitzer of La Paz as if he were close to him. He was evidently close to Faingold, to whom he spoke in German. This morning the agent hid in front of the Aragon Hotel where Sartori is staying until he came out, trailing him to the German Consulate where he appeared to be known to the doorman. He is described as about 1.78 meters tall, thin in body and face, with dark skin, "Hitler" type moustache, military bearing, wearing glasses, elegantly dressed, carrying gloves. The agent said he spoke French and German almost perfectly but with enough accent to suggest another country of origin, such as Switzerland, but he spoke no Italian.

The agent considers that these two persons are engaged in currency traffic. He feels that it is impossible for him to cover the ground alone and emphatically recommends that the Embassy send a trained person to aid him. He has not asked for more than small amounts of money, which which to live and to entertain his contacts.

If the Embassy can check any of the above information to the extent of considering it worthwhile to send an appropriate investigator here, I would appreciate advice by telephone in order to encourage the agent to persevere. I should also welcome the Embassy's authorization by telephone to disburse a definite amount of money to the agent, if such be considered worth-while. Thirdly, I should appreciate advice as to what further ~~the~~ details the agent might seek. And finally, I would like to know whether reports on this matter should be communicated by wire in Brown Code (the only code I have here) mentioning names, in case of urgency.

It is suggested that the Embassy might wish to inquire the record of Faingold from La Paz; perhaps also the record of José Steck in Santiago.

Sincerely yours,

Richard H. Post
American Vice Consul

Note: The agent also reports having contacted one August Phillip of Philipp who says he worked for the Embassy in Buenos Aires from May 1942 until June 1, 1943. He possesses an Argentine cedula about 10 years old, also a German passport, was born in Posen Germany, is about 47 years old, 6 feet tall, Jewish, with very prominent nose. He says he worked in Bariloche making maps for us, studying Japanese activities, and later obtaining police and immigration records for 40 pesos each, under Butler and O'Connell

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