HISTORY OF THE

S. I. S. DIVISION

VOLUME 2
ACCOMPLISHMENT
ARGENTINA - JAPAN

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
J. Edgar Hoover, Director

V. OPERATIONS IN EACH COUNTRY

A. ARGENTINA

1. SIS Facilities and Objectives

SIS coverage in Argentina was inaugurated on September 25, 1940 when the first undercover Agent was sent to Buenos Aires. In the following years coverage was expanded until October, 1943 when 51 Special Agents and Special Employees were assigned to various parts of the Republic. By August, 1946, when the final reduction in staff was inaugurated, there were 10 Agents stationed in that country.

The Legal Attache's Office, which after March, 1946, was known as "The Special Research Section of the American Embassy", occupied space on the 9th floor of the Bank of Boston Building in Buenos Aires. This floor was shared with other embassy offices including that of the Military Attache. In June, 1946, the offices were moved to the Bank of Canada Building where the Naval Attache's Office was also maintained. At the height of SIS activities, Bureau representatives also occupied space in the American Consulates in Bahia Blanca and Rosario. (64-4466)

Due to inadequate coverage, the Allied Nations knew little about what the Germans were doing in Argentina prior to 1940. It was clear, however, from the meager data available that the Argentine was important to the Nazis from an espionage standpoint. As a consequence of the severance of diplomatic relations with the Axis powers by all of the other countries of Latin America, the German operational headquarters for espionage and smuggling in the Western Hemisphere gravitated to Argentina and particularly to Buenos Aires as the last possible location open for the relatively easy conduct of their activities. The importance placed by the Germans on Argentina may be judged from the official German estimate that the Sicherheitsdienst (Civil Intelligence Service) during the year immediately preceding June, 1944, received approximately 1,000,000 Argentine pesos (approximately $250,000 U.S.) from the German Embassy in Buenos Aires. This represented only the payment for one year to one agency alone. (65-1004-A-331)

The objectives of the SIS representatives in Argentina were necessarily adapted to the Argentine situation. Argentina was the last country to sever diplomatic relations with the Axis and it did not become a belligerent on the side of the United Nations until March, 1945. In view of the circumstances and the studied attitude of non-cooperation with the United Nations on the part of the Buenos Aires Government, the fundamental objectives of SIS coverage became the identification and exposure of Axis agents. These measures were intended to curtail and impede the activities of the enemies' agents inasmuch as adequate steps towards the prosecution of Axis espionage, propaganda and smuggling agents could not be expected from the Argentine Government.

8/10/04

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

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2. Major Accomplishments

a. German Activities

The principal German espionage activities conducted in Argentina during the early days of the war were controlled by the Abwehr, (Security Division of the German High Command) first under Captain Dietrich Niebuhr, the German Naval Attache, and later under General Friedrich Wolf who was named German Military Attache in Buenos Aires after Niebuhr was declared persona non grata by the Argentine Government. Espionage contacts with Germany were made under the direction of the Abwehr through radio stations in Brazil until that country curtailed German activities by the arrest and incarceration of the leading espionage agents engaged in radio communication with Germany. After the Brazilian outlets for information were closed, other outlets were developed in Buenos Aires by the Sicherheitsdienst (Civil Intelligence Service) under Johannes Siegfried Becker. These services continued to serve both Abwehr and Sicherheitsdienst agents. (65-2804-A)

(1) Buenos Aires Branch of LIR Group The principal radio station serving the German espionage agents in Argentina prior to 1943 was the clandestine station LIR which operated in Rio de Janeiro, Brazil. This case is discussed more fully in the Brazilian section of this memorandum.

SIS representatives were able to identify the leader of the Argentine sub-ring as Ottomar Muller and to follow the activities of his assistants. Muller was originally in charge of German espionage activities in securing Allied shipping information in Buenos Aires. He furnished information to Friedrich Kempter, the head of the LIR Station, for forwarding to Hamburg, Germany. Muller was widely known as a German propagandist in Buenos Aires where he participated in the radio program "Hora Alemana". Due to his known pro-German attitude, early in 1941, orders came from Germany to transfer Muller's ship reporting service to Hans Napp.

Napp had been recruited by Ottomar Muller as a German agent in July, 1940. He took over Muller's ship information service in November, 1941. Napp submitted shipping reports to Kempter until 1942 when it was feared that his activities had become known to Allied agents. He then turned over his activities to Martin Schneider on the approval of Dietrich Niebuhr, the German Naval Attache. Schneider's association with the LIR radio ring was terminated by Kempter's arrest in Brazil, after which time Schneider submitted his reports directly to the German Embassy in Buenos Aires.

The LIR ring was in a position to include sabotage in its activity when Ottomar Muller and Hans Napp hired Alfredo Walter Freiwald to work with the organization. Freiwald was a professional diver and he expressed his willingness to attach time bombs to vessels in the Buenos Aires harbor. This proposal was rejected by the German High Command, however, and Friewald continued to submit shipping report to Muller.

Friewald, Napp, and Schneider were arrested by the Argentine police in November, 1942, but were released shortly thereafter. All three were rearrested together with Muller on January 25, 1944, and all of them were sentenced to two years imprisonment.

The individual who acted as intermediary in furnishing funds from Kempter in Brazil to Napp and Muller in Buenos Aires was Helvecio Ortelli, a Swiss citizen. He was arrested by the Argentine police in 1944, but was cleared of complicity in the espionage activities of Napp and Muller.

Another individual who was connected with this ring as well as with other German groups operating in Argentina was Jose Mello Alfageme of Buenos Aires. Mello was the contact of both Kempter and Ottomar Muller. In addition to his involvement in espionage activities, Mello was engaged in smuggling strategic materials out of Buenos Aires on Spanish and Portuguese ships. He was also active in the groups endeavoring to aid the escape of the interned sailors from the German Pocket Battleship "GRAF SPEE". He was arrested on numerous occasions by the Argentine police. (64-3012-A-2; 65-35143)

(2) The HDZ Case Following the closing of the German clandestine radio stations operating in Brazil in 1942, the German agents in Buenos Aires began operating a series of clandestine radio transmitters which communicated with German stations near Berlin, Hamburg, and Cologne. The material transmitted by these clandestine radios was not very voluminous until after the Argentine revolution of June 4, 1943. At that time a law was promulgated prohibiting the transmission of coded messages from Argentina. This caused the volume of traffic over the clandestine stations to swell into a semblance of that of a commercial station. This chain of clandestine transmitters was known as the HDZ circuit.

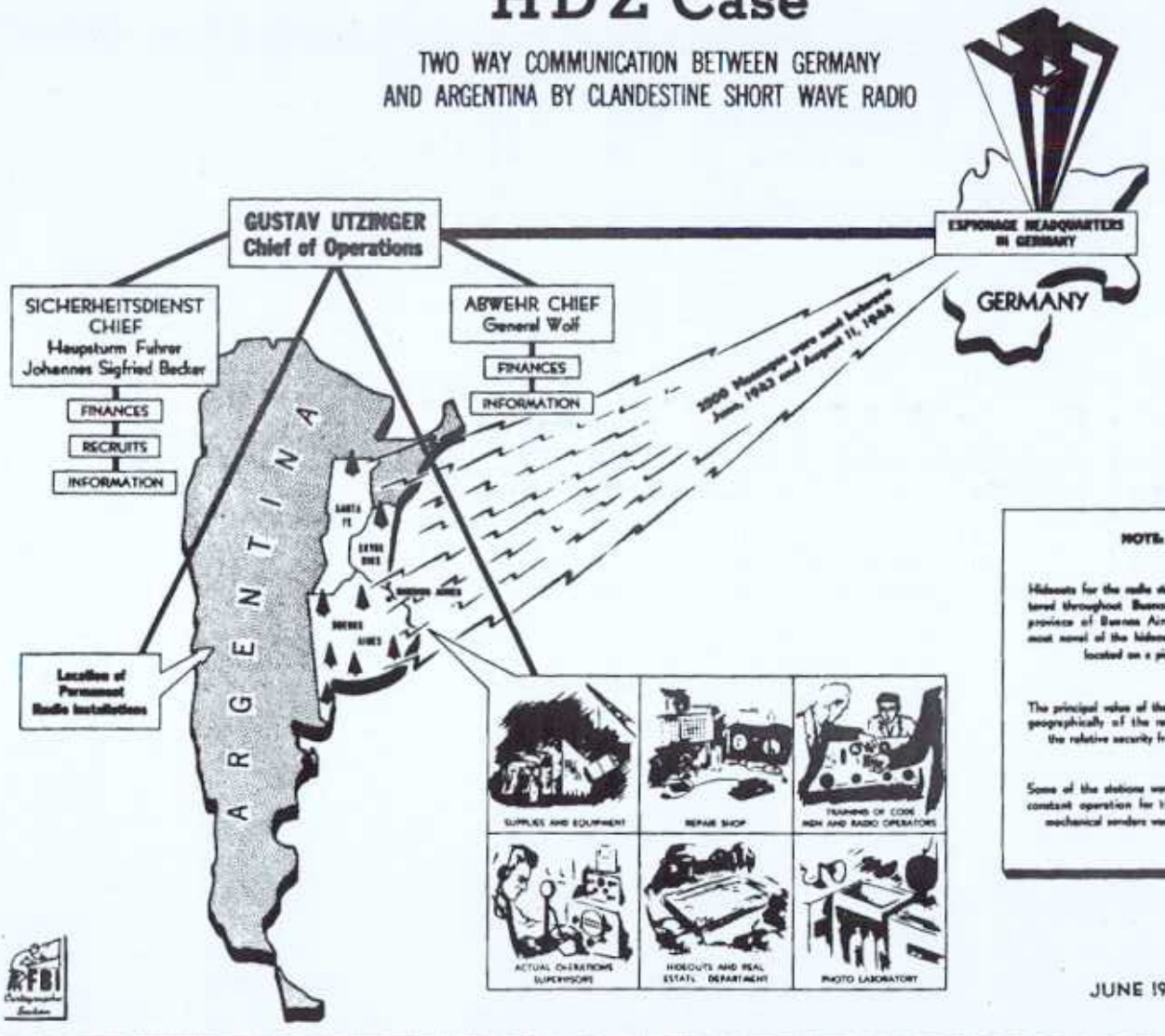
SIS representatives were able to identify some of the most widely known German agents as being associated with this radio system. These included Captain Dietrich Niebuhr, General Friedrich Wolf, Johannes Siegfried Becker, Gustav Utzinger, Heinz Lange, and Johannes Peter Szeraws.

The bulk of the information transmitted by the HDZ station was obtained from periodicals originating in the United States and Latin America. Important timely material would be condensed and forwarded via clandestine radio code while the entire stories would be microphotographed and sent to Germany via an EFE courier. To a large extent, the German intelligence transmission facilities were dominated by the Sicherheitsdienst which was also engaged in political penetration and intrigue in several Latin American countries. As a result, a great number of the communications sent by the HDZ circuit dealt with descriptions of political intrigues in which Sicherheitsdienst agents were involved.

As nearly as can be determined, there were nine different fincas or country places in Argentina on which radio stations of this circuit were operated at various times. As will be noted from the chart of the HDZ case, clandestine transmitters operated at the following country places:

HDZ Case

TWO WAY COMMUNICATION BETWEEN GERMANY
AND ARGENTINA BY CLANDESTINE SHORT WAVE RADIO



NOTE:

Hideouts for the radio stations were scattered throughout Buenos Aires and the province of Buenos Aires. One of the most novel of the hideouts was a station located on a pig farm.

The principal value of the wide dispersion geographically of the radio stations was the relative security from detection.

Some of the stations were so active that constant operation for three hours with mechanical senders was not unusual.

JUNE 1946

1. "Quinta Nona" in Ranelagh
2. "Quinta Mi Capricho" at San Miguel
3. A nameless quinta at San Justo
4. "Quinta Dora" at Tandil
5. "Quinta Elvira" at General Madariaga
6. An unnamed quinta at Paranacito
7. The estancia "El Trebol" near San Cristobal
8. An unnamed quinta at La Heras 1087 in Vicente Lopez, and
9. An unnamed island in the Tigre Delta

Through SIS investigations it was ascertained that the leading spirit behind the HDZ circuit and the corollary espionage rings was Johannes Siegfried Becker. This individual was one of the most important German Agents operating in the Western Hemisphere during World War II. He was responsible for the establishment of several clandestine radio stations in Argentina, Brazil and Chile. He recruited numerous agents and organized them into espionage rings supplying them with money and technical equipment.

A few months after the outbreak of World War II Becker returned to Germany from Argentina where he had been a representative of German commercial interests. Within a short period he returned to South America to assist in the establishment of an intelligence organization. At that time he was in contact with the group which had been organized by Heinz Lange which had been engaged in smuggling Graf Spee sailors back to Germany. During January, 1941, Becker sent Lange to Rio de Janeiro to set up an independent organization in Brazil. In the Fall of 1941, Becker returned to Germany where he entered the Army and served on the Russian Front. The following Spring Becker was recalled to Berlin from the Russian theater and sent to Buenos Aires to reorganize the information service which had largely broken down. His instructions were to place the clandestine communication system in good working order and to improve the efficiency of the intelligence organization.

On his return to Latin America, Becker learned that Heinz Lange was in Chile, Jonny Schneiter was in Paraguay, and that Gustav Utzinger was setting up clandestine radio facilities in Buenos Aires. Becker arranged to finance the entire organization and to develop contacts in Paraguay, Bolivia and Brazil as well as in Argentina. Becker soon had a complete organization consisting of translators, compilers, photographers, radio technicians, radio operators, couriers, and very valuable contacts in the Argentine Government.

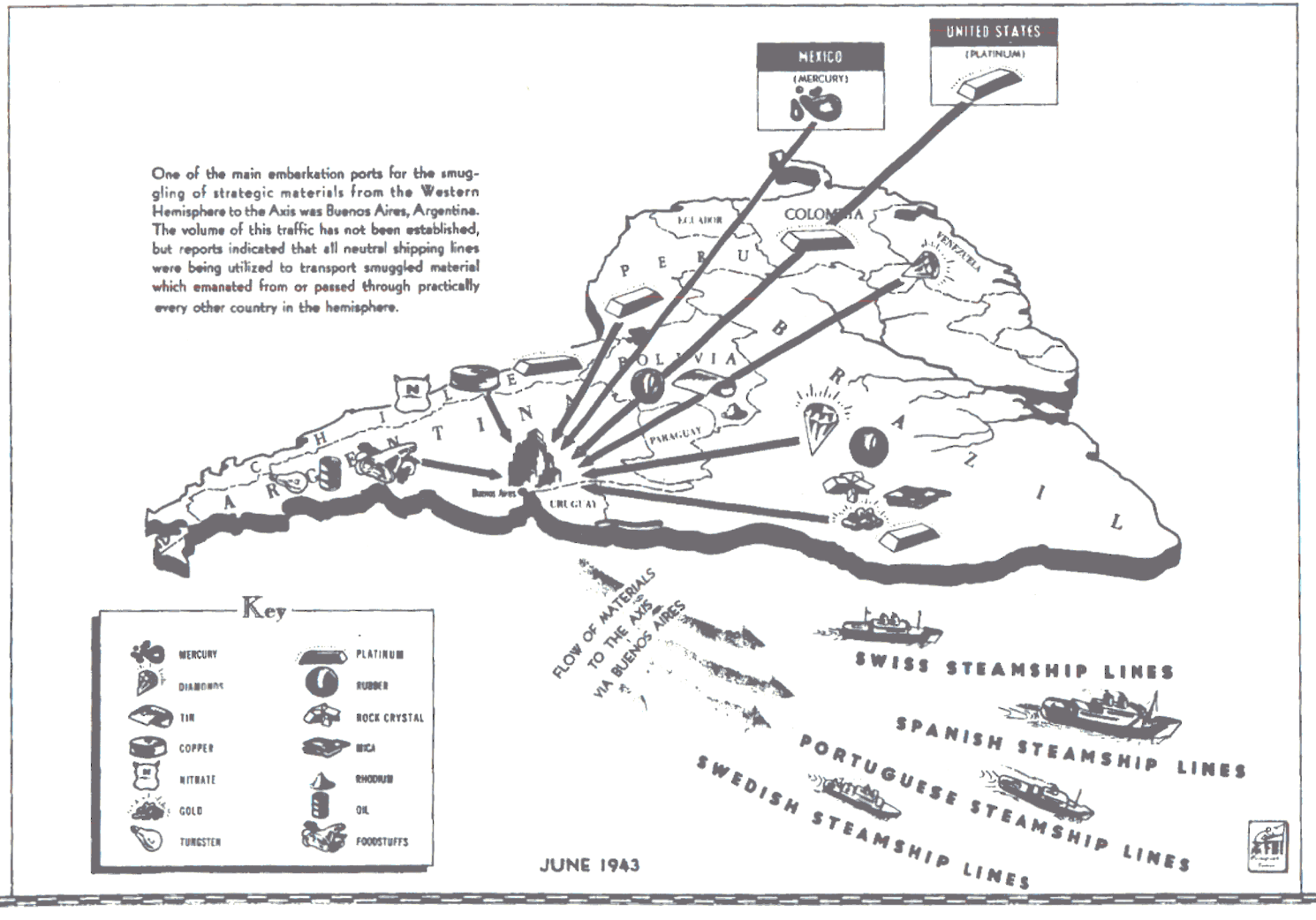
In spite of the great success which Becker achieved as an espionage agent, his real value to the Germans was in the field of political penetration. He developed excellent contacts in Argentina, Paraguay, Bolivia and Brazil.

Practically all of Becker's associates were sooner or later taken into custody by the authorities in the countries in which they operated. When the group was permanently broken up by the Argentine police in 1944, Becker became a very elusive fugitive. He was finally arrested by the Argentine police in April, 1945.

REPUBLIC OF ARGENTINA

BUENOS AIRES

Center For Smuggling to the Axis



The technical operations of the HDZ circuit were under Gustav Utzinger. This agent was connected with the CKL espionage ring in Brazil but fled from that country when the Nazi agents were rounded up by the Brazilian authorities. He proceeded to Paraguay where he made numerous contacts with high Paraguayian Army officers including Major Pablo Stagni, Colonel Benitez Vera and Colonel Villasboa. Utzinger was eventually made a radio instructor in the Paraguayian Army. After a short stay in that country, however, he continued on to Argentina where he endeavored to set up clandestine radio equipment. At that time Johannes Siegfried Becker returned from Germany. With Becker's encouragement and money, Utzinger succeeded in opening numerous stations. He operated clandestine transmitters for the group in the German Embassy headed by Captain Dietrich Niebuhr and subsequently by General Friedrich Wolf. Investigation has revealed that during his subversive work, Utzinger used at least seven aliases. His arrest by the Argentine police in August, 1945, permanently broke up the HDZ radio circuit. (65-47120; German Espionage Monograph pp 153-172)

(3) EFE Courier System The EFE Courier System was originally organized by Manuel Perez Garcia, the Falange Police Officer attached to the Spanish Embassy in Buenos Aires. The project had its origin in a plan for a merger of the Trans-Ocean News Service with the Editorial Falangista Espanola (EFE) in the event Argentina should break relations with Germany. In Buenos Aires, however, the EFE was never called upon to act as a propaganda agency and its principal value to the Germans lay in the courier and smuggling ring first organized by Perez Garcia.

It was estimated that during the most active period of this ring it forwarded to Spain four shipments a week of espionage material gathered by Abwehr and Sicherheitsdienst agents. Practically every ship that flew the Spanish flag in transit from Argentina to Spain had abroad a courier carrying espionage information which had been smuggled out of the Western Hemisphere.

Concrete evidence regarding the establishment of a courier system through the EFE was received during the British interrogation of Andres Blay Pigrau, Paraguayan Consul General in Barcelona, Spain, who was arrested October 21, 1942 at Trinidad enroute to Buenos Aires on an espionage mission for Germany. On February 6, 1943, Joaquin Baticon Martinez, another German agent, was arrested by the British at Trinidad and sent to England by way of New York. During his stopover in the United States, Baticon was interrogated by an SIS representative regarding his knowledge of German espionage in Argentina. The information furnished by these two agents formed the basis for an SIS investigation which revealed the existence of what was perhaps the most extensive espionage and smuggling ring in the Eastern Hemisphere operating under the direction of General Friederich Wolf, the German Military and Air Attache, and Johannes Becker, the Sicherheitdienst Chief in Buenos Aires.

ESPIONAGE HEADQUARTERS
GERMANY

GERMAN ESPIONAGE HEADQUARTERS
SPAIN

BUENOS AIRES ARGENTINA

ABWEHR CHIEF	SICHERHEITSDIENST CHIEF
Gen. Frederich Wolf	Johannes Becker

DETAILS OF E. F. E. CASE

Exclusively a method of two way communication between Europe and South America. Through these channels came a flow of drugs for financing the organization, agents for enlarging it and some instructions.

MATERIALS SHIPPED WERE:

- Large quantities of microphotographs of classified intelligence material.
- Innumerable microphotographs of encoded intelligence from either the espionage organizations or the diplomatic mission in Buenos Aires.
- Administrative correspondence
- Graf Spee personnel. (Largely prior to January, 1943.)
- Platinum, concentrates, quartz crystals, mica and industrial diamonds.

(8) W. SEIDLITZ
(1) E. J. F. LANGER
(6) J. PRIETO
(7) N. QUINTANA

(4) RAMON R. CASTILLO
(PLAIN CLOTHES DETECTIVE OF ARGENTINE MARITIME POLICE)

SPANISH SHIPS WERE USED ALMOST EXCLUSIVELY DURING BUSY TIMES. THERE WERE AS MANY AS FOUR SHIPMENTS OF MATERIALS A WEEK

ACTUAL COURIERS HAVE BEEN IDENTIFIED ALMOST ALL SPANIARDS.

FBI

The early investigation of this case disclosed Manuel Perez Garcia to be the key figure in the EFE organization, in that he supervised the activities of ship couriers serving the Germans in transmitting information and contraband to Europe. Garcia departed from Buenos Aires in July 1943 enroute to Spain to acquire a cipher machine for General Wolf. On the basis of information submitted by SIS representatives regarding his espionage activities he was arrested on August 6, 1943 by the British at Trinidad and taken to England for internment. The questioning of Garcia revealed a wealth of information regarding the operations and personnel of German intelligence in Europe and South America.

The development of two double agents greatly facilitated the Bureau's coverage of this case. In March 1943 Jesus Aguilar Fernandez, a German courier aboard the "CABO DE BUENA ESPERANZA" deserted ship in Buenos Aires to become chief liaison man between Jose Valles, the new Head of the EFE ring who was serving as a Spanish Consular employee assisting General Wolf, and the couriers aboard Spanish ships. Shortly afterwards Aguilar was recruited by SIS representatives as a double agent and through him complete data were secured regarding the smuggling and espionage activities of the ring operating in Buenos Aires. Through his services it was also possible to obtain photographs of the messages and espionage information sent by the couriers. He likewise supplied samples of contraband collected by the group and assisted in substituting innocent material for this contraband in several instances. Aguilar's services in this line were supplemented in the early fall of 1943 when Ramon Quevedo, another member of the espionage ring was also recruited as a double agent.

As an example of the manner in which SIS coverage of this ring worked the case of Jose Olivara del Rio might be cited. Olivara, a radio operator aboard the steamship "Habana," was known by British authorities through a most secret source to be a German courier. No additional information regarding his activities was developed, however, until he was given material in Buenos Aires to carry to Spain on October 1, 1943. This material included a package of coded messages and photographs, and another package containing two kilograms of metal thought to be platinum. On the basis of information furnished by SIS, Olivara was arrested by the British on the high seas off Gibraltar on October 19, 1943 and taken to England. As in the case of other agents previously arrested in this ring, considerable information relative to General Wolf's organization was secured from Olivara. b7

b7

In August, 1944, a development occurred which linked the EFE case with the Mexican Microdot case. These two investigations had previously been considered as involving separate rings. In August 1944, however, one of [redacted] received from Jose Valles, a subject of the EFE case, five envelopes of coded material for delivery to Germany via Spanish maritime courier. These envelopes were described as originating with the Advertising Chief of the German drug firm "Casa Merck" in Buenos Aires. When [redacted] made this material available to the office of the Legal Attache before turning it over to the courier, it was discovered that one of the envelopes contained a 35 millimeter negative of a sketch of a

radiotherapy device. This sketch was almost identical with one which had been sent several weeks previously from Mexico City to Buenos Aires in the form of a microdot. When the microscopic dot letter arrived in Buenos Aires from Mexico, [redacted] intercepted it and turned it over to the office of the Legal Attache before passing it on to his superior, Jose Valles. This incident indicated that the EFE and Microdot cases actually involved a single closely related group of agents in Argentina. This connection between the two rings was confirmed when additional microscopic dot letters from Mexico City were turned over to Jose Valles [redacted] b7 b7

After the break in relations between Argentina and the Axis on January 26, 1944, a number of the principal EFE subjects, as developed through SIS investigation and the interrogation of persons arrested by the British, were apprehended by the Argentine Police and held on charges of espionage. Included in this group were Jose Mela Alfageme, smuggling chief of the group; Benito Ramon Amorin, brother of the notorious agent Esteban Amorin; Manuel de Miguel Arrastia, Buenos Aires Chief of the Spanish Falange; Jose Santiago Valles Cruz, espionage liaison officer in the Spanish Consulate; Eugen Juan Frank Langer, assistant in courier operations; Martin Muller, Assistant of General Wolf; Nicolas Moreno Quintana, espionage and smuggling agent; Benjamin Juan Roson, a brother-in-law and assistant of Jose Mela; Wilhelm Von Seidlitz, contact of General Wolf and superior of Eastern Amorin; and Walter Von Simons, well-known agent of the German espionage and propaganda Service. General Wolf, himself, was detained on February 10, 1944, and placed under house arrest, subsequently being released preparatory to repatriation to Germany.

By March 6, 1945, when the last messages were sent by EFE courier, the Bureau through its double agents had covered the delivery of over five hundred pages of coded messages, about four thousand photographic negatives containing economic and political data, numerous letters, two kilograms of Malayan tin, and other material including twenty-two golf balls purportedly containing messages. Samples were also secured of quarts crystals, apparently intended by the group for optical or specialized radio purposes. Through the services [redacted] it was possible to obtain copies of most of the documents transmitted and to substitute materials as in the instance when the ring endeavored to smuggle seven hundred and fifty grams of insulin to Europe. In that case, SIS representatives succeeded in substituting talcum powder for the insulin and the harmless material was smuggled out of Argentina by the EFE agents in the belief that they were carrying the insulin requested by their European principals. (65-20393 and Monograph "German Espionage in Latin America" pp 145-153) b7C b7D

(4) "GRAF SPEE" Personnel Following the scuttling of the German pocket battleship "ADMIRAL GRAF SPEE" in the harbor of Montevideo on December 1, 1939, 1,046 members of the ship's personnel went to Argentina. By decree dated December 19, 1939, the Argentine Government interned these individuals under various conditions of deprivation of liberty.

REPUBLIC OF ARGENTINA

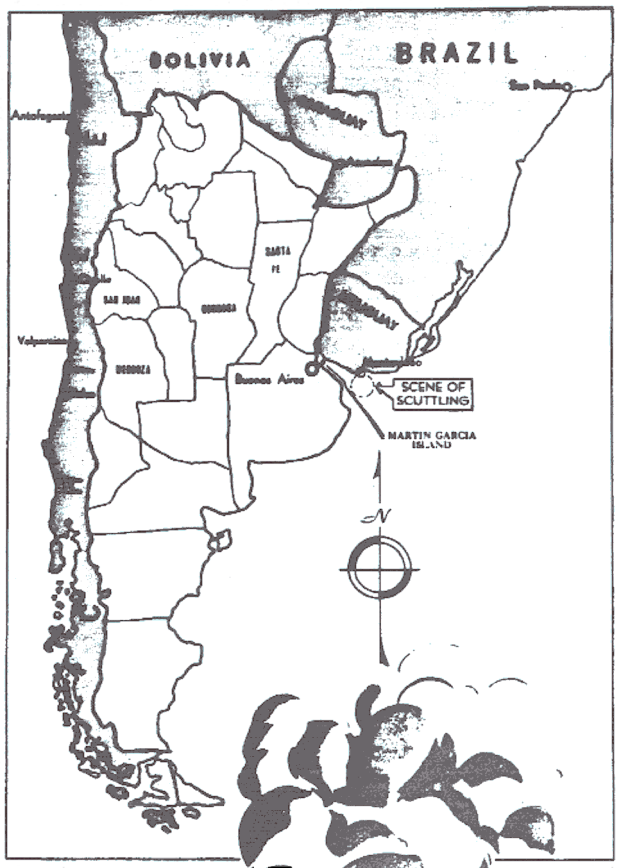
GRAF SPEE SURVIVORS

FROM THE GERMAN POCKET BATTLESHIP SCUTTLED BY ITS CREW ON DECEMBER 17, 1939

The crew, numbering 1046 officers and men, was interned in the places listed below.

Due to escapes and 2 deaths, the total at the end of July, 1942 was reduced to 915

PLACE OF INTERNMENT	ORIGINAL TOTAL	JULY, 1942 TOTAL
Buenos Aires	177	148
Province of Cordoba	252	215
Province of San Juan	50	47
Province of Mendoza	100	86
Province of Santa Fe	200	178
Martin Garcia Island (Military Prison)	236	241
Fugitives	31	
Totals	1,046	915



SIX OFFICERS WHO ESCAPED WERE KNOWN BY THE ARGENTINE GOVERNMENT TO HAVE AFTERWARD BEEN IN COMMAND OF GERMAN SUBMARINES.

THE ARGENTINE GOVERNMENT WAS REPORTEDLY AWARE THAT GERMAN COLONIES AND NAZI AGENTS ENLISTED BY THE GERMAN EMBASSY HAD AIDED THE ESCAPE OF MANY CREW MEMBERS.

THE INTERNEES WERE PERMITTED A GREAT DEAL OF FREEDOM AND GRANTED MANY PRIVILEGES.

FUGITIVES WERE REPORTED TO HAVE FLED SOUTH AMERICA THROUGH THE PORTS OF VALPARAISO, ANTOFAGASTA AND SAO PAULO.

Some of the most important activities of leading German agents in Argentina centered around aiding the escape of valuable men and skilled technicians interned as former personnel of the "GRAF SPEE." Such agents as Jose Mella Alfageme, Eugenio Ellinger Knoll and Heinz Lange were active in aiding the escape of these internees from Argentina to neighboring countries and to Europe.

The Legal Attache's Office in Buenos Aires kept track of the overwhelming majority of these internees. Complete identifying data on the various crew members were collected by SIS and distributed to the interested governmental agencies. Investigations were conducted to locate some of the escapees who were still in the Western Hemisphere. A review made by the Bureau's representatives in Buenos Aires in August 1945, indicated that 155 of these individuals had succeeded in escaping. On February 16, 1946, 850 internees were finally repatriated to Germany aboard the SS "HIGHLAND MONARCH." (65-16112 and German Espionage Monograph pp 110)

(5) Axis Agents Removed from Key Positions in American Firms SIS investigations of Axis activities resulted, among other things, in removing dangerous persons from firms and organizations which were connected with the SIS program.

One such instance was the case of Freda Von Maltsahon Douglas, alias Countess Douglas. This woman was the Chilean wife of the well-known German agent Albrecht Archibald Douglas. She was of considerable interest to the Bureau because of her residence in the United States, her arrest in Rumania in 1940 on espionage charges, and her connection with the German clandestine radio station PYL in Valpariso, Chile in late 1941 and early 1942. Prior to the arrest of the PYL subjects in Chile, Mrs. Douglas disappeared and widespread investigations were made by SIS to locate her.

In November 1942, Mrs. Douglas was found by the SIS representatives in Buenos Aires, Argentina. She was at that time employed by Richard Plummer, Engineer-Director of the Duperil, a subsidiary of the DuPont interests in Argentina. Plummer was also Chairman of the Allied Plant Protection and Anti-Sabotage Committee. Countess Douglas had been acting as his Secretary for a period of seven months. Her previous activities were called to Plummer's attention. The woman was immediately removed from her employment with Plummer and proper precautions were taken in connection with the work of the Allied Plant Protection and Anti-Sabotage Committee.

Countess Douglas was interviewed in Buenos Aires and when confronted with concrete evidence she made a partial confession regarding her activities in connection with PYL and the Santiago espionage ring. She claimed, however, that she had cooperated with the Germans only through threats from the German Embassy in Chile.

In February 1944 Freda Douglas made a complete confession in which she admitted having been recruited by the German espionage chief, Hugo Sebold, in Berlin, Germany in September 1940 while her husband was on an espionage assignment in Sofia. Sebold gave her a mail drop, a cable address and a microfilm containing her individual code.

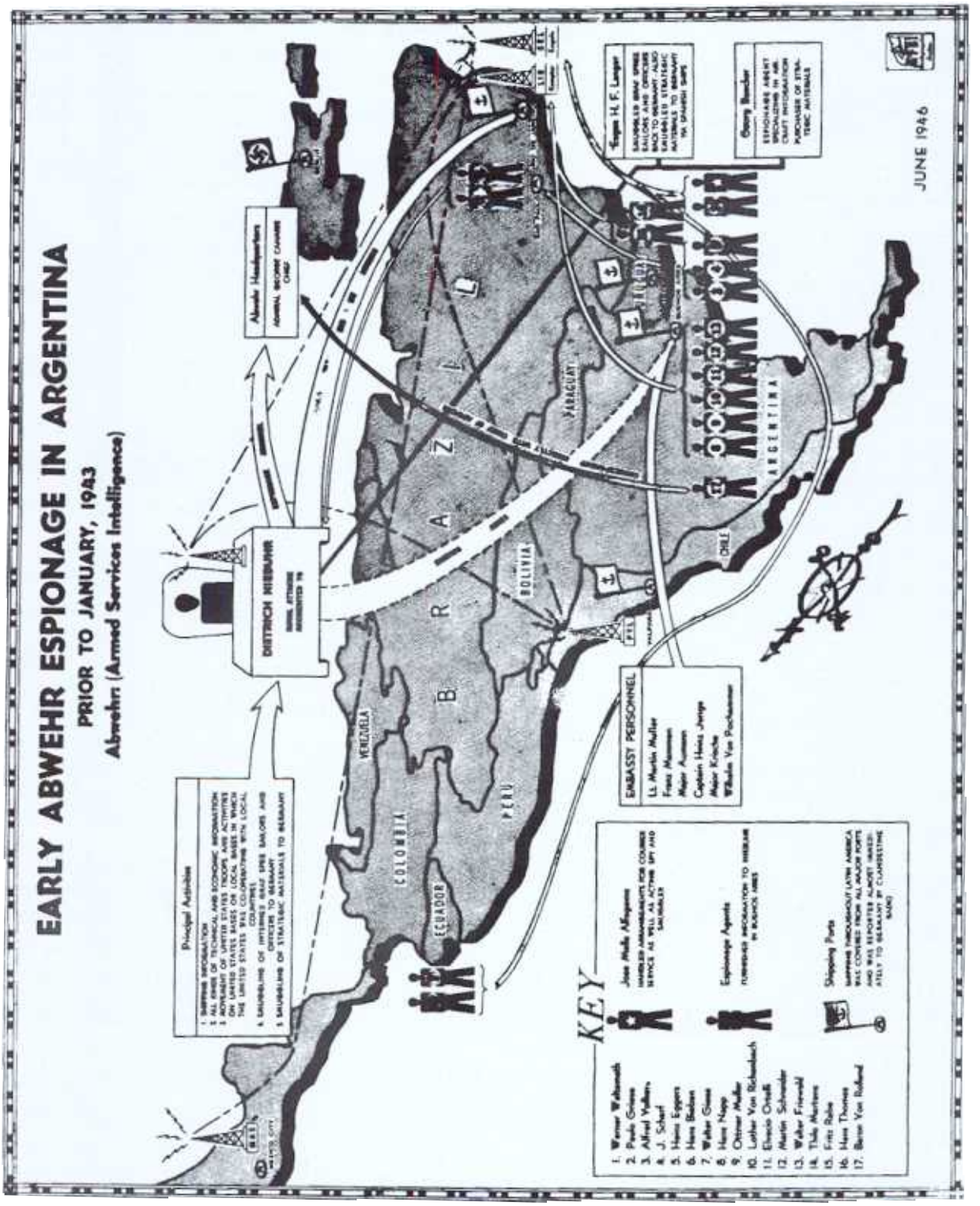
Mrs. Douglas' removal from her employment as secretary to the Engineering Director of Duperil and the Chairman of the Allied Plant Protection and Anti-Sabotage Committee was due entirely to SIS investigation. Her discharge undoubtedly was of decided benefit to the Allied war effort in Argentina. (65-29939)

Another instance in which SIS investigations resulted in removal of a pro-Axis individual from a company closely connected with the Bureau's SIS program was that of Hans F. Kupfer. This individual had been employed by [redacted] for ten years and during the early 1940's he was Manager of the Buenos Aires Branch of that company. It was known that Kupfer was German but no information had been received by his company reflecting upon his political integrity. b7D

It has been previously pointed out that [redacted] was utilized by the Bureau as a cover company and as such it was very important that the loyalty of the company officials with whom the Bureau's representatives came in contact be determined. Through investigation by one of our SIS representatives it was ascertained that Kupfer was strongly pro-Nazi and that he not only distributed Nazi propaganda but also utilized his position with [redacted] to the detriment of the United States. The information developed concerning Kupfer was brought to the attention of the headquarters office, [redacted] in New York City and Kupfer was immediately discharged. His removal from this position, which was of prime importance to the Bureau's SIS program and to the welfare of one of the large well-established American companies in Argentina, was achieved before he succeeded in doing either the SIS program or his company any particular harm. (64-4386-14; 64-2804-A)

(6) The "Stay-behind Group" Johannes Siegfried Becker successfully eluded the Argentine police in spite of all efforts of personnel in the Office of the Legal Attache to be of assistance to them, until April of 1945 when he was taken into custody. At the time of his arrest, he had been a fugitive for thirteen months. Becker furnished several declarations about his activities during the five years in which he had been operating. His war experiences read like an Oppenheim novel.

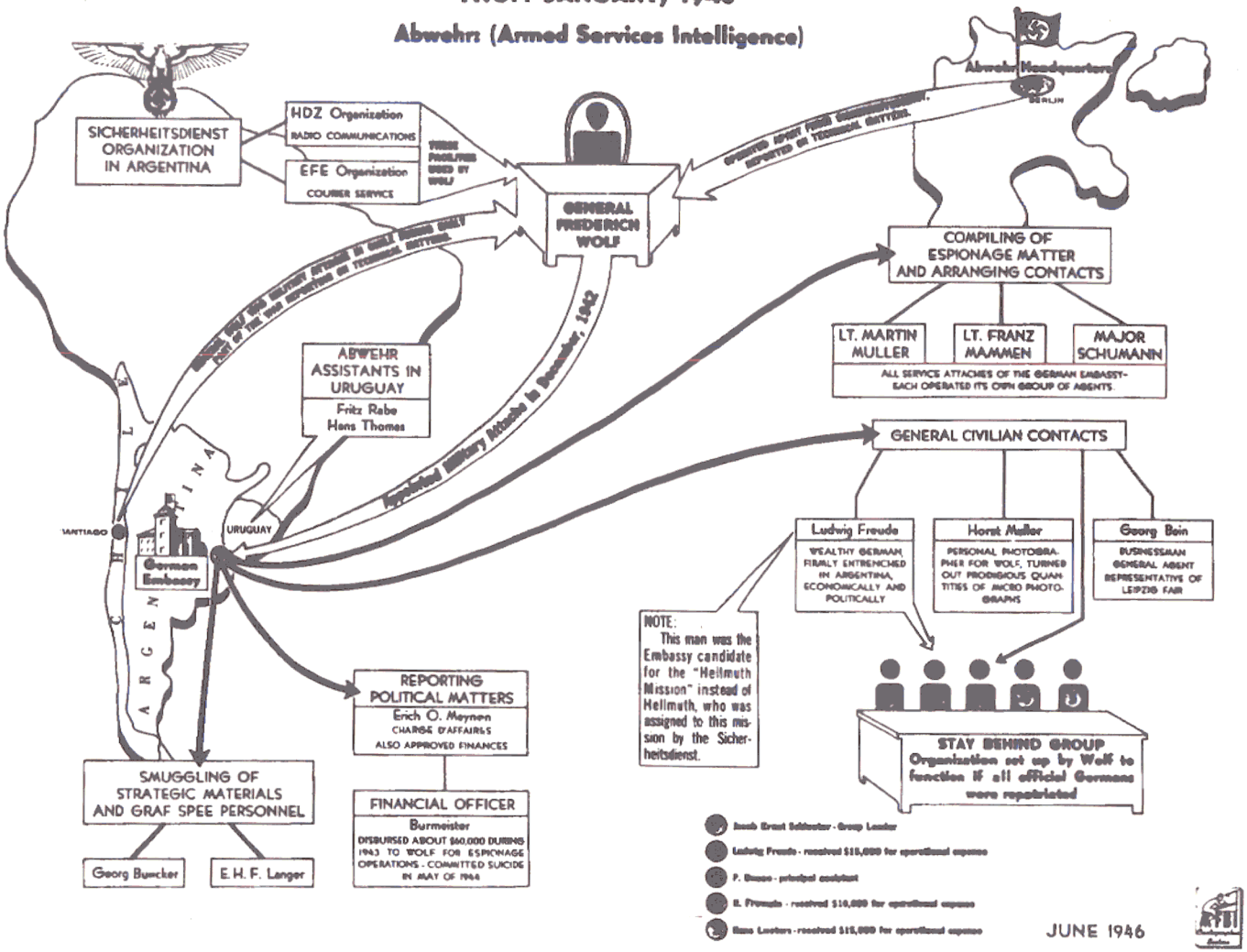
With the arrest of Becker, all of the German agents of any importance in Argentine had been detained. There remained the so-called "stay-behind group" set up by General Friedrich Wolf, German Military Attache, prior to his repatriation to Germany in July of 1944. This group was led by Ernst Schlueter and its activities had been closely followed by the Legal Attache's Office.


EARLY ABWEHR ESPIONAGE IN ARGENTINA
PRIOR TO JANUARY, 1943
Abwehr (Armed Services Intelligence)
Principal Activities
1. SUPPLYING INFORMATION
2. ALL KINDS OF TECHNICAL AND ECONOMIC INFORMATION
3. INFORMATION ON THE UNITED STATES TROOPS AND ACTIVITIES ON THE UNITED STATES BASES IN LATIN AMERICA
4. SABOTAGE OF INTERNAL GULF SPIES SAILORS AND OFFICERS TO GERMANY
5. SMUGGLING OF STRATEGIC MATERIALS TO GERMANY
DIETRICH NIEBUHR
Abwehr Headquarters
ADMIRAL WILHELM CANARIS CHIEF
VENEZUELA
COLOMBIA
ECUADOR
PERU
BOLIVIA
PARAGUAY
CHILE
ARGENTINA
EMBASSY PERSONNEL
Lt. Martin Muller
Franz Mussmann
Major Aussmann
Captain Heinz Jungo
Major Kitzche
Wilhelm Von Pochhammer
Eugen H. F. Langer
Georg Boecker
JUNE 1946
KEY
Juan Pablo Alfagame
Espionage Agents
Shipping Ports
1. Werner Wahnsch
2. Paulo Gross
3. Alfred Walter
4. J. Scharf
5. Heinz Eggers
6. Hans Bodien
7. Walter Gloss
8. Hans Napp
9. Otmar Muller
10. Luther Von Richenbach
11. Ernesto Orsell
12. Martin Schneider
13. Walter Freywald
14. Tilo Martens
15. Fritz Rohr
16. Hans Thomas
17. Bernt Von Rohrbal

Abwehr Espionage in Argentina

FROM JANUARY, 1943

Abwehr: (Armed Services Intelligence)



Ernst Schlueter was originally an employee of the Banco Germanico in Santiago, Chile. At the time of the disclosures of the PYL espionage case in Chile, Schlueter fled to Argentina. He had been in touch with General Wolf when the latter was assigned to the German Embassy in Santiago. Accordingly, in Buenos Aires he again contacted Wolf who undertook to train him to take over the activities of the German Intelligence Service after the inevitable repatriation of the diplomatic personnel of the German Embassy in Buenos Aires. Schlueter and his principal assistant, Horst Busse, were trained in the German Embassy in Buenos Aires by Lieutenant Martin Muller and Franz Mammen. The training began in mid-1943 and continued until March or April, 1944, at which time Wolf turned over his organization to Schlueter and made arrangements for the financing of Schlueter's activities. Schlueter's principal assistants, in addition to Busse, were Rolf Waehling, Hans Thomas, Kurt Linne, Franz Holzmann, Hans Grotewold, Alberto Mirkin, Armando Cosani, and Arnold Starck.

The extensiveness and expensiveness of this organization was out of all proportion to its effectiveness. It may be said that no information whatever of any value was ever forwarded by this group to Germany. The manner in which the organization was financed, however, is one of its most interesting phases.

Shortly before the departure of Wolf and the Embassy group, Wolf distributed sums of money among various "good" Germans. To Ludwig Freude, a very prominent German businessman in Argentina, Wolf delivered the sum of 80,000 pesos. Like sums were turned over to Dr. Conrad Riedel and Hans Lueters. Forty thousand pesos were turned over to Friedrich Frehwein, and a like sum was delivered to Alberto Mezger, who was an early associate of Franz Buchenau, principal member of the Microdot Case in Mexico City. All of these depositories were given the same instructions concerning the delivery of funds. They were told that they would be approached by an individual giving the password "Die Dogge Diana." On the receipt of this password, the depositories were to surrender any amount of money requested by the user of the password. Actually, it appeared that only Schlueter and Busse ever withdrew funds from any of the depositories. They withdrew approximately 100,000 pesos between July of 1944 and March of 1945.

Information concerning Schlueter and his group was furnished to the Argentines on a confidential basis by both the British and Americans. Numerous members of the organization, including the financiers, were detained by the Argentine police between April, the last date of any activity on the part of Schlueter and his group, and September, 1945. However, by September the police had not succeeded in locating Horst Busse, Hans Thomas, or the ringleader, Ernest Schlueter. The Legal Attache was approached by the Argentine for assistance. Through particularly creditable work on the part of one of the SIS representatives, an informant of the Legal Attache "set up" Thomas, Schlueter and Busse for the Argentine police. This entire organization, with the exception of Rolf Waehling, was repatriated to

Germany on the SS "HIGHLAND MONARCH" on February 16, 1946. The group was interrogated in Germany by an Agent of the Bureau at the urgent request of the State Department.

One of Schlueter's assistants, Arnold Starck, was responsible for the operation of what is thought to have been the last German clandestine station in the western hemisphere. At the cost of some 7,000 pesos, Starck had constructed a clandestine transmitter for Schlueter who was most anxious to reestablish radio contact with Germany. Under the nose of the Argentine police, Starck and Schlueter managed to secure from Gustav Utzinger, who was in jail, in Buenos Aires, full details about hours of transmission, call letters and wave lengths for maintaining contact with the German stations. The calls heard in January of 1945 were never answered and Starck and Schlueter subsequently asserted that they were completely unable to establish a contact with a German station. There is no information available from Europe to contradict this testimony of Starck and Schlueter. (64-24547; 64-56609; 64-3804-A)

b. Japanese Activities

Japanese subversive activities in Argentina followed closely the pattern of procedure carried out by the Japanese in other Latin American countries. Because of their number and relatively prosperous business connections, their efforts to aid Japan in Argentina were greater than in other countries. These efforts, however, were not highly successful.

Japanese propaganda activities were carried on through the three Japanese language newspapers and the Japan Tourist Bureau. In October 1943 this Bureau was amalgamated with the Toa Travel Bureau to form a new agency known as the Toa Communications Company (Toa Kotsu Sha). The agency, however, ceased to be active after March 1944 following the rupture of diplomatic relations between Argentina and Japan.

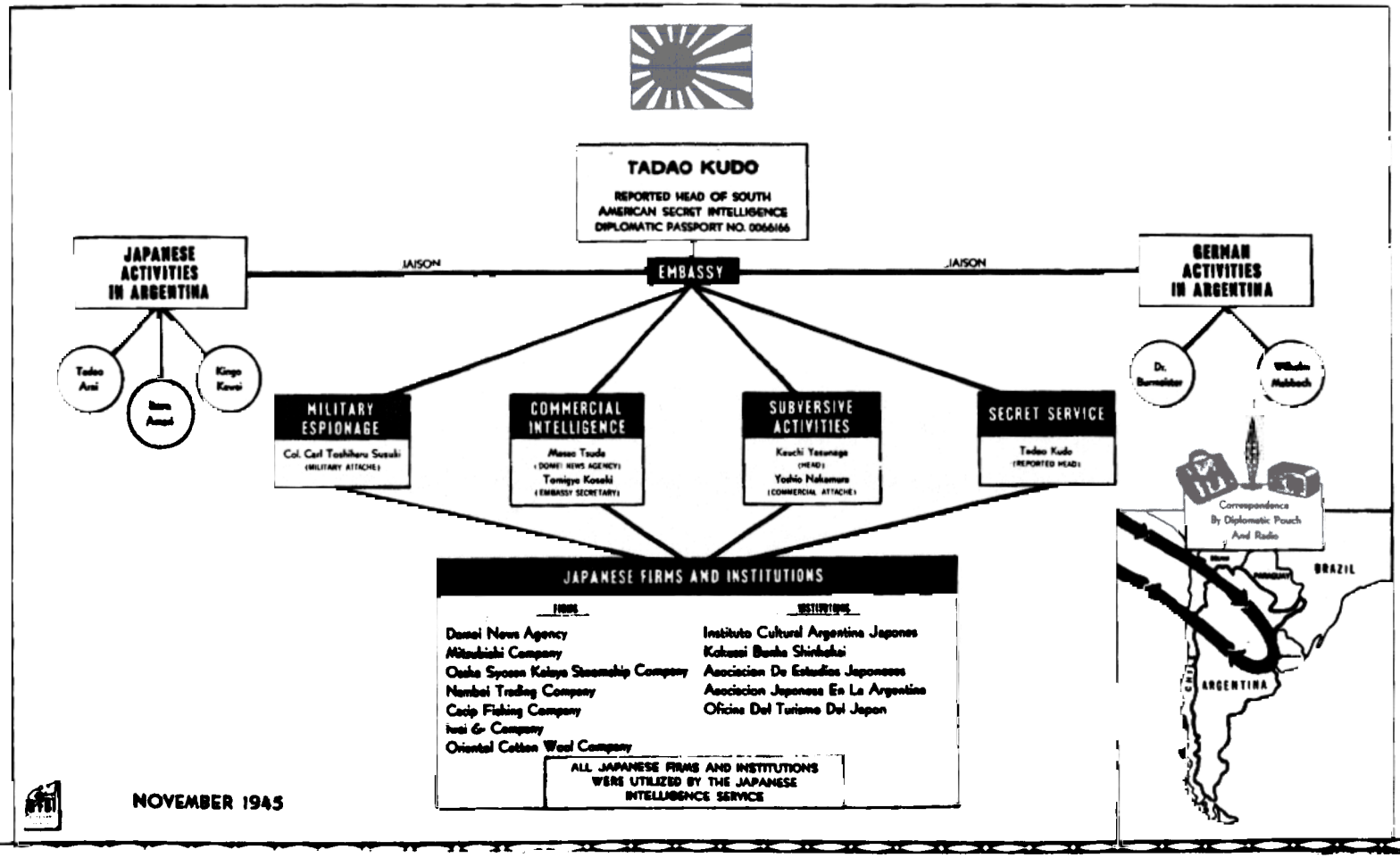
Japanese intelligence operations in Argentina were fostered by the Japanese Embassy which served as the guiding hand for the collection of information relative to the United States. While these espionage rings were not as active or as important as their German counterparts, their dissolution removed an active menace to the United Nations war effort from the Western Hemisphere. The following were the principal espionage cases centering in Argentina which were developed and followed by the Bureau's representatives in Latin America.

(1) Tomiya Koseki and Shozo Murai Directed Espionage Activities. SIS representatives in Buenos Aires, Argentina, developed an informant in a Japanese espionage case centered principally in Buenos Aires and Santiago, Chile. This case involved the use of couriers between these two cities for the transmission of messages. During the investigation of this case, a widespread plan for the sabotage of British and American vessels was uncovered. Before the case was closed, a Chilean national who was one of the principal subjects also involved the original informant and it was develop-

SECRET

REPUBLIC OF ARGENTINA

JAPANESE INTELLIGENCE SERVICE



NOVEMBER 1945

SECRET

ed that the information furnished by this latter individual was supplied because his services to the Japanese had been terminated under conditions which made him resentful.

This espionage ring was directed by Tomiya Koseki, a Secretary, and Shozo Murai, the Civil Attache, both assigned to the Japanese Embassy in Buenos Aires. Investigation disclosed the connection between Murai and Chilean and Argentine nationalist elements in Argentina. One of these Chilean nationalists, Carlos Santa Cruz (Problete), was employed by Murai as an espionage agent at the salary of five hundred Argentine pesos per month.

Before going to Buenos Aires in March 1942, Santa Cruz had been an active member of the Chilean Union Nacionalista and left Chile as a correspondent for the Union Nacionalista publication "Veinte Naciones" and as contributor to the Japanese propaganda magazine "Mirando al Oeste." These two periodicals were edited by Santa Cruz' cousin in Santiago, Alberto Veloz (Santa Cruz). On arrival in Buenos Aires, Carlos Santa Cruz obtained employment with the nationalist newspaper "Crisol" and became friendly with members of Argentine nationalist organizations.

Alberto Veloz (Santa Cruz), an older man reportedly born in Toyko and resident there for eight years, maintained contact with the Japanese in Chile. Considerable correspondence between Veloz in Santiago and Carlos Santa Cruz in late 1942 and a large part of 1943 shows that these two acted as mail intermediaries for the Japanese. Luz Poblete Ortega de Santa Cruz, the mother of Carlos Santa Cruz, was also reported to have acted as a mail intermediary for the same group.

The espionage work performed by Carlos Santa Cruz for the Japanese appears to have centered around the gathering of information on allied shipping, particularly the names, characteristics, armament, cargo and destination of the ships in Buenos Aires harbor.

According to information received during the early stages of this case, the Japanese claimed to have a contact in nearly every American Embassy in South America. The investigation did not bear out this allegation, but on August 8, 1943 Carlos Santa Cruz received a package sent from Chile which was designated for "Javier", the cover name of Shozo Murai, at the Japanese Embassy. This package contained one hundred eight sheets of official United States Embassy document paper. One of the sheets was obtained and forwarded to the FBI Laboratory where it was determined through comparison to be genuine United States Embassy document paper, embossed with the same master seal as that used on the standard Embassy paper.

During the course of the investigation of this case it was ascertained by SIS representatives that the group functioning under Tomiya Koseki and Shozo Murai intended to embark upon a program of sabotage of American and British ships. This program involved presenting American and British seamen with mementos of their visits to Buenos Aires in the form of statues of the Virgin de Lujan. These statues were described as being filled with incendiary chemicals which, after a lapse of sufficient time, would cause fire aboard the vessels. This plan, however, did not materialize.

On May 5, 1944, Carlos Santa Cruz was arrested by the Argentine Federal Police for espionage. He subsequently returned to Chile where he was contacted [redacted] This project did not develop, however, as Santa Cruz was unable to get in touch with active Axis Agents. b7C

It is of interest to note that, in Santiago [redacted] advised the Bureau's representatives that [redacted] who had furnished the Bureau's representatives the original information regarding [redacted] and had supplied a great deal of false information regarding [redacted] and his mother's activities on behalf of the Japanese, had originally himself been employed by the Japanese in Buenos Aires. According to [redacted] however, [redacted] lost his position with the Japanese when, prior to being sent to Bolivia, he appeared at the Japanese Embassy in an intoxicated condition. His dismissal by the Japanese apparently made [redacted] bitter and he turned in to Bureau representatives a great deal of information regarding [redacted] some of which turned out to be reliable. (64-21209) b7C

(2) Henri Catherin Gravet. This individual first became a figure of interest when information was received from Bureau source that he was traveling from Spain to Buenos Aires aboard the SS "CABO DE HORNOS" in May 1943. At that time it was indicated that Gravet was to act as an Axis espionage agent in the Western Hemisphere.

Gravet was a Frenchman who formerly held a minor diplomatic position in the Guatemalan Consulate in Spain. Information was received that he was to act as a Japanese agent in the United States using the cover of a Guatemalan diplomatic official. The plan was for him to continue on from Buenos Aires to Guatemala City where the cover would be arranged and thence to some city in the United States, probably San Francisco, California.

Gravet arrived in Buenos Aires on March 11, 1943 and was kept under surveillance by the Bureau's representatives until the date of his departure in November of the same year. The communications to his principals in Spain were intercepted and it became evident that Gravet no longer wished to continue the original plan and desired to return to Spain. Permission was given him by his principals and after leaving Buenos Aires en route to Spain he was apprehended by the British at Trinidad, B.W.I.

He admitted having been recruited for espionage work by the head of the Spanish Intelligence Service in Madrid but denied having known that he was in fact to work for the Japanese Government until he was contacted as previously arranged by an individual named Elias Jofre in Buenos Aires. At that time he was advised by Jofre of his expected participation in Japanese intelligence and given $3000 U.S. currency for his proposed espionage services. [redacted] Bureau representatives in Buenos Aires. (44-23401)

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This interrogation bore out information previously developed regarding Elias Jofre. Attention was first directed to this individual when it became known to SIS representatives in Buenos Aires that he was receiving trade communications from the United States and furnishing them to the Japanese Embassy. It was then ascertained that Jofre was in close contact with individuals in the Japanese Embassy, principally Shozo Murai, the Civil Attache. Surveillances also had shown his association with Henri Catherin Gravet. Jofre was arrested on February 15, 1944, by the Argentine Police. (64-23401; 64-28146)

(3) Japsa Network. This case involved a Japanese espionage ring which operated principally in Argentina, Brazil and Chile, but which in its entirety amounted to a Western Hemisphere intelligence ring and was known to have operated in Bolivia, Peru, Chile, Argentina and Brazil, with ramifications in Dallas, Texas and New York City. Prior to January, 1944, the information gathered by this ring was funneled into the Japanese Embassy in Buenos Aires by diplomatic means. From there the information was sent by cable, radio or telephone as well as by diplomatic pouch to Tokyo. On January 28, 1944, communications with Japan were cut off by the Argentine Government and Japanese intelligence activities were sharply curtailed. This ring operated principally through Japanese commercial firms and representatives. The correspondence was sent in various Japanese codes. Some of the communications showed that salary payments for two of the agents emanated from the United States.

In September 1942, two letters were intercepted from Buenos Aires, Argentina, one addressed to Dr. Alberto Telles and the other to Dr. Ary Figueira, both in Rio de Janeiro, Brazil. Both letters were subsequently determined to have been written by the same individual. Each letter had an enclosure which was ultimately destined for one Hayao, a former secretary in the Japanese Embassy at Rio de Janeiro who after the severence of relations represented Japanese interests in the Spanish Embassy in that city.

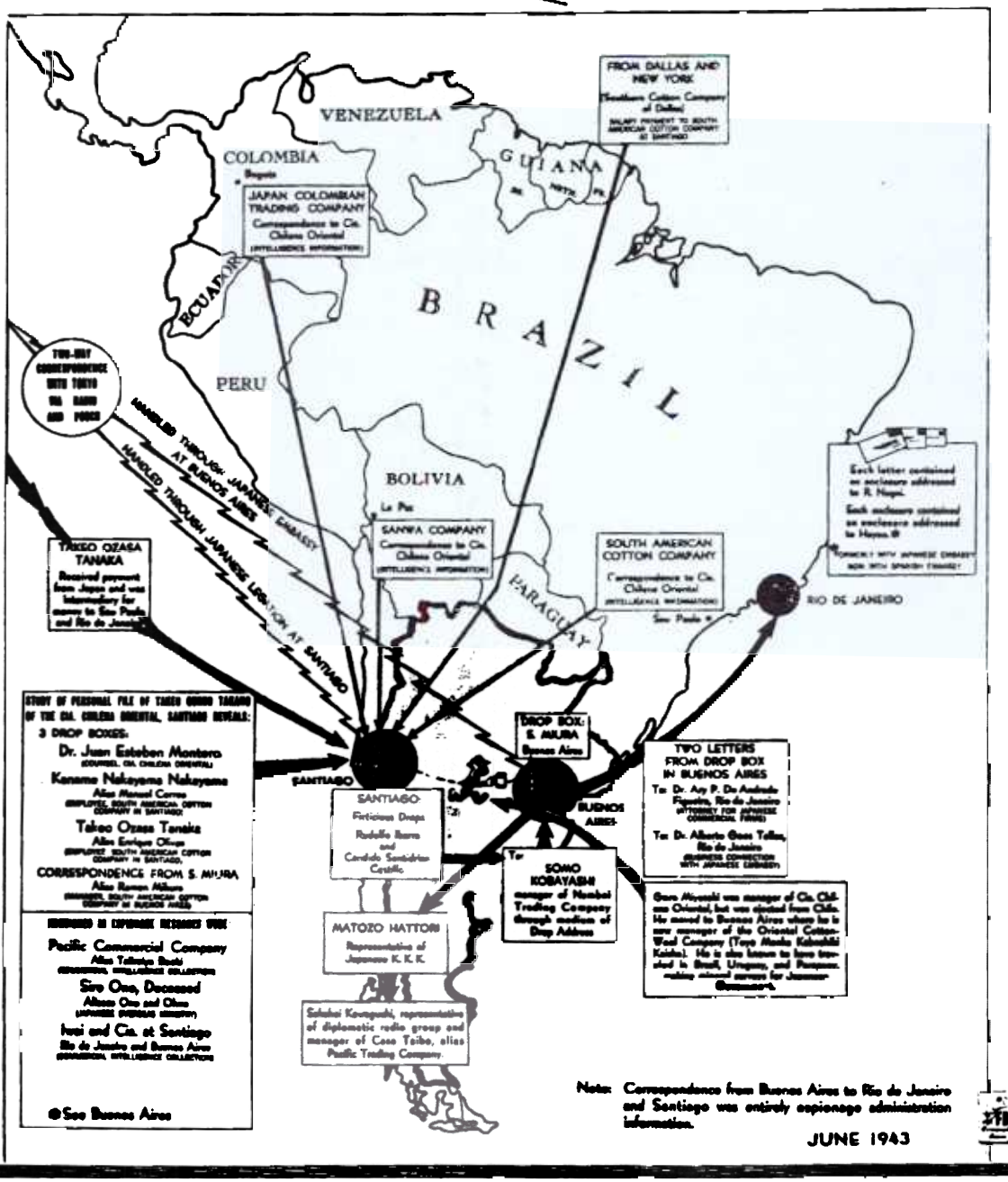
One of the principal SIS sources of the Japanese coded messages in Buenos Aires was [redacted] was formerly associated with Japanese [redacted] and agreed to forward communication for various [redacted] with the proviso that he should be allowed to examine those communication to make sure that they pertained to legitimate [redacted] and did not involve espionage. When [redacted] discovered that some of the communications being forwarded through him were in code he refused to forward the letters to the addressees and eventually turned them over to the Bureau's representatives. b7C

The Bureau's representatives in Santiago, Chile also obtained photographs of correspondence from the files of Japanese named [redacted] of the Compania Chilena Oriental, a Mitsui subsidiary. Included in this correspondence was a letter written on the same typewriter as the Telles and Figueria Letters. This communication was from one S. Mirua of the b7C

REPUBLIC OF ARGENTINA

THE JAPSA ESPIONAGE CASE

STRICTLY CONFIDENTIAL



Buenos Aires branch of the South American Cotton Company to his agent Tanaka in Santiago, Chile, and pertained to the correct manner in which intelligence reports should be submitted. Other communications furnished correct new cover names and addresses which were to be used by the ring.

Additional correspondence from the Takana files showed that after June 1941 the salaries for Ozasa and Nakayana, two employees of the South American Cotton Company in Santiago, Chile, were to come from the New York Office of the Company in accordance with instructions from the Home Office in Japan.

Other material in this correspondence covered the procurement of diversified economic intelligence information regarding the United States through branch offices of the company at points all over Latin America and through the use of Japanese commercial firms masquerading under Spanish cover names. It is of interest to note that one of the items obtained by this espionage group was a detailed write-up of the Office of the Coordinator of Inter-American Affairs with a chart of the officials and their duties.

On February 10, 1943 another letter containing a secret message was sent from Buenos Aires to a known espionage drop box in Santiago, Chile. This letter related to the explanation and confirmation of messages sent by the Japanese army and commercial radios, and further concerned the financing of espionage agents. It also mentioned several Japanese agents and commercial companies who were already the subjects of SIS investigation. The delivery of the letter was covered by SIS representatives and it was determined that communications were picked up by a previously reported espionage agent, one Motozo Hattoi, a representative of the Japanese KKK in Chile and a close associate of the staff of the Japanese Legation.

In Argentina the principal subjects were two Japanese named Isoma Kobayashi and Suekazu Miura. The first was Managing Director of Nambei, Mitsui Argentina in Argentina. Miura was the Argentine representative of the Japanese Cotton Poyo Memka Kaisha, which was closely associated with Mitsui.

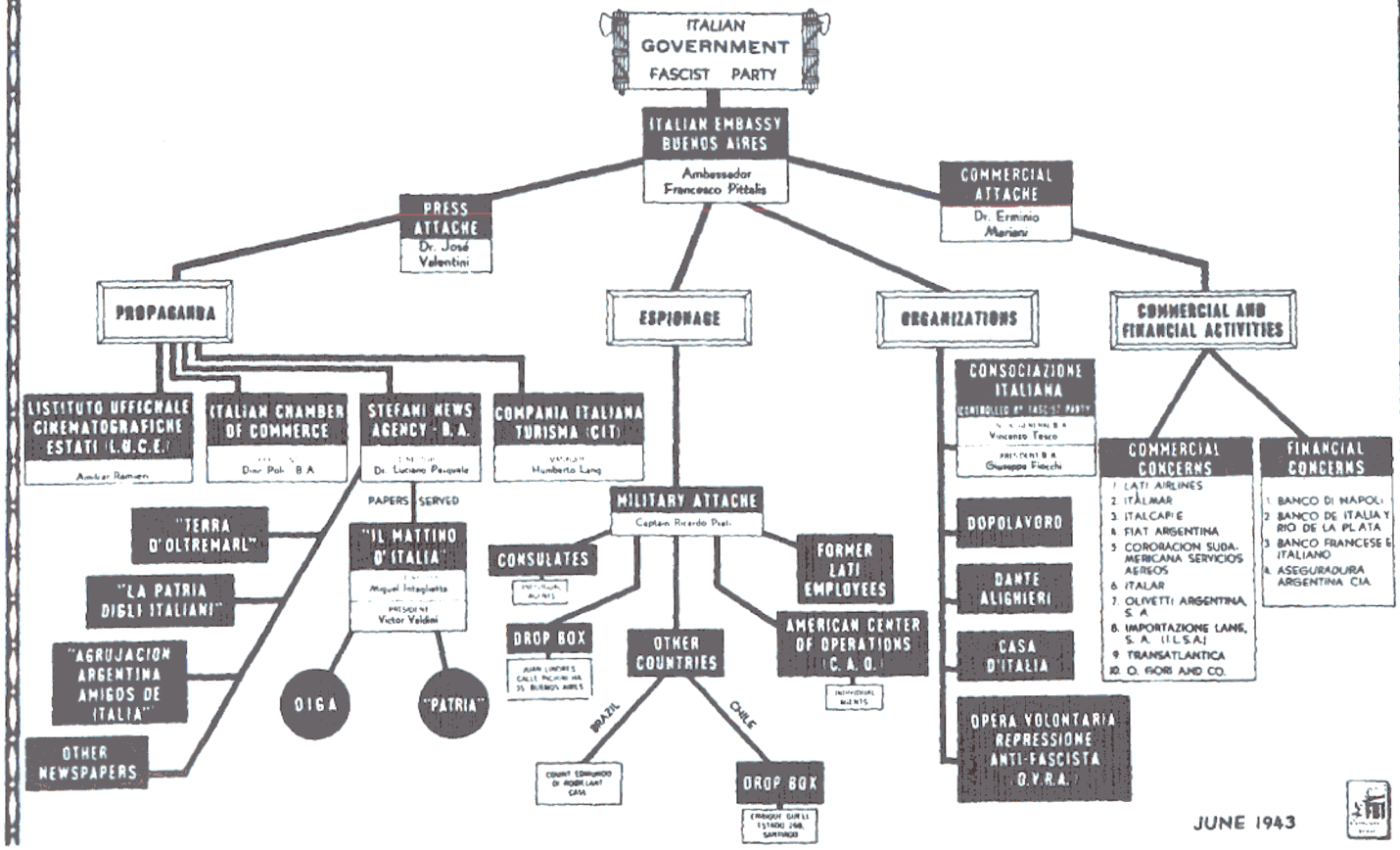
During 1944 the activities of this ring were broken up by the repatriation program in Peru, Chile and Colombia, and the severance of diplomatic relations between Argentina and Japan which eliminated the last espionage foothold the Japanese maintained in the Western Hemisphere. (64-20032)

c. Italian Activities

That the espionage efforts of the Italians in Argentina were relatively futile, in spite of the fact that a large percentage of Argentina's population can trace its origin to Italy, is perhaps a commentary on the inefficiency of the Italians as organizers and collectors of intelligence. The espionage efforts made by the Italians in Argentina were feeble and largely ineffectual. Due to the racial ties between Italy and Argentina,

REPUBLIC OF ARGENTINA

ITALIAN FASCIST ACTIVITIES



however, these efforts remained a genuine potential danger and SIS representatives were careful to follow them largely as a measure of precaution. In the case of the Italians, as well as that of the Germans and Japanese, the principal objective of SIS coverage was the identification and exposure of the intelligence agents. The principal problems of coverage, of course, occurred prior to August, 1943, when Italy capitulated. After that time it was possible to secure the cooperation of several of the known agents and through them to complete the data previously collected by SIS representatives and also to prevent their assisting the German intelligence operators who continued to function.

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Bonassi obtained a radio transmitter for Bidone and established him at the address of the perfume shop at Calle Rivadia 5695, Buenos Aires, with the assistance of Mario Gomez, and Bruno Perpetuo Bigotti. Both of these individuals worked with Bonassi in the cover firm of Luis Bonassi and Company and assisted him in his espionage activities. The shop where Bidone operated was run by Bigotti's wife. (64-20251)

Another Italian espionage ring was formed in Argentina, by Andres Angel Bonzo, who left Rome, Italy, after a period of training in May, 1942. He went to Argentina accompanied by his radio operator, also a non-commissioned officer in the Engineers Corps, named Jose Carlos Trotti, whose true name is Zaffarella. Bonzo is a native Argentine, having been born in Chivilchoy, Argentina. He was also a member of the Italian Army Reserve and was called

to active duty upon the entry of Italy into the war. At his own request, he was assigned to Argentina for the purpose of establishing an intelligence service. Bonzo was instrumental in obtaining the necessary documents for Bonassi, Trotti and Bidone from the Argentine Consulate officials in Rome for their travel to the Western Hemisphere.

During the time that Bonzo was in Buenos Aires, he enlisted the services of Louis Ismael Romero to travel to Rio de Janeiro, Brazil, to act as an espionage sub-agent. This individual reported to Bonzo a considerable amount of information concerning Allied ship movements out of Brazil, but because of the fact that the information was received by Bonzo and turned over to Captain Ricardo Prati, his superior in the Italian Embassy, too late to be of any value, Romero was recalled to Argentina.

After the death of Commander Torriani of the Italian Embassy, through whom Bonzo had obtained financial assistance, he was severely restricted in the amount of money made available to him for carrying espionage activities. As a result, he decided to return to Italy to have his position more clearly defined. Bonzo sailed from Buenos Aires on August 14, 1943, aboard the SS "MONTE ALBERTIA" for Spain, but was apprehended en route by the British authorities at Trinidad, B.W.I. He was subsequently taken to London where he was interrogated and furnished the complete details as to his recruitment and training in espionage work, as well as his activities in the Western Hemisphere. His statements confirmed the information obtained by SIS representatives relative to his activities in Argentina. (64-20251)

Another important Italian espionage agent whose activities were covered by SIS representatives was Angelo Pozzi, who was active in Brazil and Argentina. This individual had been a member of the Italian Armistice Commission in Marseille, France, prior to his arrival in the Western Hemisphere in the summer of 1942. After his arrival in Buenos Aires he was in contact with both Andres Angel Bonzo and Luis Bonassi. SIS covered Pozzi's activities until the summer of 1943 when he contacted [redacted] This plan failed, however, and Pozzi remained in South America. The information develop by SIS regarding Pozzi was used to assist the British in clarifying his statements and determining his duplicity. It is of interest to note that the first reason for questioning Pozzi's [redacted] his failure to volunteer information regarding some of his espionage activities and the incompleteness of his pretended complete confession which was not in accordance with all of the facts as developed by SIS. [redacted] (64-20251; 64-24572)

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Following the capitulation of Italy in August 1943 the Italian Embassy officials in Buenos Aires pledged their allegiance to the newly formed Bodoglio Government in Italy. The Legal Attache in Buenos Aires soon afterwards established contact with [redacted] the [redacted] in the Italian Embassy. [redacted] was of importance since he had served as a contact for Italian espionage agents operating in South America and was in a position to furnish information regarding clandestine Italian activities. Once [redacted] became convinced of the need for cooperation he furnished the Legal Attache a great deal of important information concerning the operation of Italian espionage in Latin America and eventually convinced Luis Bonassi that he could furnish the Bureau's representatives an account of his activities and contacts. [redacted] also furnished SIS information available to him regarding German espionage activities and contacts. (64-20251)

d. The Communist Movement

(1) Local Communist Activities. During the first five years of SIS coverage, the Communist Movement in Argentina was of secondary importance due to the much more extensive and vital activities on the part of the Axis, as well as the fact that the Argentine Government had placed severe restrictions on the local Communists.

Prior to June 1943, when the Ferrell revolutionary Government drove the Communists underground, SIS coverage had succeeded in identifying the important Communists active in Argentina.

From June 1943 to August 1945, the principal objective of Communist coverage was to locate the Communist Party leaders and ferret out the underground activities of the Party. Argentine Communist headquarters were maintained in Montevideo, Uruguay under the leadership of Rodolfo Ghioldi, a former official of the Comintern from Montevideo. He directed the publication of clandestine newspapers and pamphlets, the holding of secret meetings, the raising of public disturbances, and the calling of strikes against the Ferrell Government. The Party was also actively engaged in infiltrating and dominating Eureopean refugee groups in Argentina. During part of this period, many of the principal Communist leaders were either in Argentine prisons or in exile. Victorio Codovilla, master mind of the Party, was in Chile writing Communist directives, while Rubens Iscaro, Argentine Communist labor leader was traveling throughout South America. The youth leader, Cesar Cascallar, was also organizing youth societies throughout the continent, but in the summer of 1945, managed to slip unnoticed into Argentina.

Communist activities in Argentina increased greatly in importance after August 1945. The termination of the war centered attention on peace problems, both domestic and international. In the solution of these problems, the Communists endeavored to take an active part. In addition to the extra opportunities for Communist agitation offered by these problems, the

Party was also revitalized in its revolutionary efforts by the doctrine espoused by Jacques Duclos, the French Communist who criticized the "class-collaborationist policy" of the United States Communist Party and precipitated the ouster of Earl Browder. In this combination of circumstances, the Argentine Communists were also encouraged by the renewal of permission by the Argentine Government to come out from under cover and to function openly and legally.

August 1, 1945, brought a Government decree recognizing all political parties which would agree to support the Argentine Government. The Communist Party was included and immediately came out of hiding. Daily and weekly newspapers began open publication, and prominent exiles returned from surrounding countries. On September 1, 1945, a huge rally including some 30,000 Communists was held in Luna Park, Buenos Aires. This new-found freedom was interrupted briefly during the state of siege imposed September 26th at the time Juan Peron was temporarily removed from the Government. Several Communists were arrested, including Codovilla, who had just arrived from Chile. All were released within a matter of days. During the fall of 1945, the Argentine Communists formed a coalition with the Socialist and Progressive Democratic parties in an effort to defeat Juan Peron in the December 2, 1945, Presidential election. A national conference of the Party from December 22 to 25th drew up resolutions condemning Peron and advocating a "national unity" government. Jose Tamborini, in spite of the coalition's support, suffered an overwhelming defeat to Peron and no Communist candidates were elected to office. Realizing that their future would be determined in large measure by Peron, Argentine Communists gradually changed their attitude of opposition toward him and give indications that they might support many points in his labor program. They also felt that support of Peron would assist in their fight against U.S. "imperialism" and the foreign policy championed by Assistant Secretary of State, Spruille Braden.

SIS coverage of Argentine Communist matters indicated that their greatest success was in the European refugee field. An excellent informant among the Polish Communists was developed. Through him it was learned that a separate section of the Argentine Communist Party had been formed among the Poles in Argentine and exercised considerable authority over Poles in surrounding countries. Strong Communist sections were also organized among the Slavs, the Balkan groups, the Greeks and the Spaniards. Many of these groups organized their own Communist newspapers. The Spanish Communists, especially, under Manuel Delicado and Colonel Francisco Calan, arranged for the transportation of numerous members from Latin America to France and Spain to join in opposing the Franco Government.

From August 14, to 18, the Communist Party of Argentina held its 11th National Congress in Buenos Aires, attended by fraternal delegates from Communist Parties throughout Latin America. SIS coverage indicated that the proceedings were dominated by the important Cuban Communist, Juan Marinello, and that Communist policy for the entire continent was discussed there.

By January, 1947, when the Party celebrated its 29th anniversary, it could draw crowds in Buenos Aires of 60,000 people and 40,000 persons in the Interior. (64-2804-D; 64-2805-D; 64-2806-D; 64-200-201)

(2) Soviet Diplomatic Activities. During the spring of 1946, official Soviet agents began to appear in Argentina. Through SIS coverage, it was possible to follow these agents' travels throughout the Hemisphere. Pavel Malkov, Commercial Attache of the Soviet Embassy in Bogota, Colombia, arrived first in Argentina to attempt negotiations for Soviet purchase of vegatable oils and essential products. He was followed on April 11, 1946, by a Soviet trade delegation direct from Russia which carried on further negotiations for the exchange of products of the two countries. Indications were that aside from the commercial aspects of these negotiations the principal intent was to cause an increase in Soviet prestige in Latin America and release Argentina from the necessity of seeking a United States outlet for her products. With the arrival of the trade delegation, Yuri Dashkevich, Mexican representative of the Soviet news agency "Tass" was transferred to Argentina. SIS coverage in Mexico had shown that Dashkevich was one of the most important Soviet agents operating in the Western Hemisphere and the Bureau's representatives in Argentina followed his activities closely. (100-18386)

It was a foregone conclusion that the Argentine Government would establish diplomatic relations with the Soviet Union following the inauguration of Peron. It was no surprise, then, when on June 5, 1946, the establishment of such ties was announced. This procedure was in line with Soviet efforts to maintain representatives in as many Latin American countries as possible.

On August 31, 1946, the staff of a new Soviet Embassy arrived and shortly thereafter Bureau coverage revealed that the Soviet Union was intensely interested in developing influence in Argentina, which it considered one of the most important posts in the Western Hemisphere for counteracting United States power. It was also found that the Embassy was closely associated with foreign Communist activities and offered full assistance to the Slav Union in Argentina. Although some purchases were made, no trade agreement was consummated between Argentina and the Soviet Union, however, and the Trade Delegation returned to Moscow in March, 1947.

The increase in Soviet diplomatic and commercial activity also brought about increased suspicion of intelligence activities. One of the persons suspected of such activities was Ursula Wasserman, who had been a contact and intermediary of several Soviet agents involved in the transmission of secret U.S. Government data to the Soviet Union (Nathan Gregory Silvermaster Case). She arrived in Argentina in March 1946 and SIS representatives took over coverage of her activities after her departure from the United States. (65-56402)

In June, another such subject, Bernard Redmont of the news magazine "World Report," arrived in Argentina. Redmont was also involved in the Gregory Case and remained in Argentina during 1946 and 1947 under Bureau observation. During that time he precipitated a severe disagreement with American Ambassador Messersmith when allegations were printed that Messersmith believed war between Russia and the United States to be inevitable. SIS was called on to check the origin of this story and investigation indicated that Redmont had released this information to damage the position of Messersmith and the United States in Latin America. (65-56402)

The Russian picture in Argentina was further complicated by the appearance of Polish and Bulgarian Commercial Missions in late 1946 and in early 1947, and by attempts to set up Yuogoslav and other Soviet-dominated European missions in Buenos Aires. Added information concerning these activities was secured when in September, 1946, President Peron proposed to Ambassador Messersmith that Communist and Soviet information be exchanged between his country and our Embassy. In accordance with this agreement, a member of the SIS Buenos Aires office was designated to receive data from Argentine police sources. When SIS operations closed in Buenos Aires on February 10, 1947, Communist and Soviet coverage was at a high point of completeness and reliability. (64-211-201)

e. Uses Made of SIS Information

(1) Blacklist and Economic Data. SIS representatives in Argentina may be credited with obtaining and submitting considerable information about commercial firms which subsequently appeared on the United States Proclaimed List of Certain Blocked Nationals. It may be stated that this information, which was furnished to the proper United States economic authorities, was either responsible for or instrumental in placing numerous firms on the Proclaimed List.

The following are a few examples of instances in which reports submitted by SIS representatives were instrumental in placing specific firms on the Proclaimed List:

Between January, 1942 and April, 1942, several SIS reports were submitted concerning Diego Meyer and Cia., Calle Corrientes 330, Buenos Aires, and Avenida San Martin 222, Bahia Blanca, with branch properties in Puerto Madryn, Trelew, and other southern Argentine towns. This firm dealt primarily in hardware and paints, and prior to the submission of SIS reports it was the British-American Duperial Paint Company representative in Southern Argentina. These reports completely revealed the organization, capitalizatio and activities of the Diego Meyer firm members in Bahia Blanca, Argentina, where, from a reliable source, it was ascertained that they had financed the publication of the pro-Axis newspaper "El Censor" to the extent of 800 pesos monthly until the latter part of 1941. It was also ascertained that this firm, or its officer, Raul Meyer, held a mortgage in the amount of between 20,000 and 25,000 pesos on the German School in Bahia Blanca. This mortgage was cancelled early in 1942 as a gift to the institution. Reports obtained

by the SIS representative in his travels between Bahia Blanca and Comodore Rivadavia in southern Argentina revealed that the firm had openly displayed Nazi propaganda in its numerous branch offices and that the managers of these offices were well known as Nazis. On May 12, 1942, this firm was placed on the United States List of Blocked Nationals. (64-2811-67)

Other SIS information was submitted on November 5, 1941, relating that the firm of Marcos Jose Fontan, Calle El Hernera 265, Buenos Aires, was assisting firms in Argentina in evading the sanctions imposed by the Proclaimed List. It was stated that machinery had been purchased by Rodolfo Wendell, Bernardo de Irogoyen 440, Buenos Aires, from an American firm and the shipment had been transferred to the Fontan firm which in turn passed the merchandise to the firm of Bromberg and Cia., Calle Moreno 970 which was already on the Proclaimed List. Both the firms collaborating in this manner appeared on the Proclaimed List of February 28, 1942. (64-2811-A-20)

As early as March 18, 1941, SIS reports were received concerning the German firm of Staudt and Cia., Calle Bernardo de Irigoyen 330, Buenos Aires, which is associated with the Bromberg firm at the same address. SIS reports showed that Staudt and Cia, had contributed $3,000 to the German Winter Help Fund and that the owner was one Richard Staudt, a German-born naturalized Argentine whose mother and sisters resided in Germany. The firm was reported to transact business with a firm of the same name in Germany. Prior to the recent war, Richard Staudt was reported to be one of the chief wool buyers for Germany and was afterwards alleged to be operating through several cover firms. He was reported as a prominent Nazi leader who attended a Nazi meeting in Buenos Aires on March 1, 1941, when Ambassador Edmund von Thermann reported the results of his short trip to Germany. This firm was placed on the Proclaimed List during July 1941. (64-2805-A-23; 64-2806-A-12; 64-2800-A-18)

The cooperation between personnel of the Office of the Legal Attache and the Economic Branch of the Embassy in Buenos Aires was always very close. One example of this collaboration was the 390 page comprehensive summary report on totalitarian firms in Argentina which was furnished to Mr. Merwin Bohan, the Economic Counsellor the Embassy on April 6, 1943.

Mr. Bohan subsequently advised the representatives of the Legal Attache's Office that one of the immediate results of this compilation was that within a few hours after its receipt he was able to use the information as a basis for preventing a transfer of over $500,000 by one of the Axis firms in Argentina. (64-2811-284)

After the arrival of Spruille Braden as Ambassador, relations between the Legal Attache and the Economic Counselor were intensified. Numerous projects were undertaken by the Legal Attache at the request of the Ambassador.

These included the examination of codes and accounts of the Banco Aleman Transatlantico and the Banco Germanico; a review of the books of the most extensive Bemberg interests in Argentina; the books of Fritz Mandl, a former Austrian munitions manufacturer; certain of the work of the Argentine Committee Intervening Axis Firms and a very thorough study and review of the archives of the former German and Japanese Embassies in Buenos Aires. (64-2802; 64-2804-A; 64-2804-B)

(2) Efforts to Force Action Against Axis Agents by Argentina. After a speech by Under-Secretary of State Sumner Wells in October, 1942, in which he alleged that both Argentina and Chile were being used as a base of espionage operations against the other American nations, the Argentine Government formally protested his speech. That Government asked that any information in possession of the United States Government relating to Axis espionage activities be made available to them. On November 2, 1942, and November 3, 1942, memoranda incorporating the information accumulated by the SIS Division were delivered to the Argentine Government by the American Ambassador at Buenos Aires. Additional memoranda were delivered on November 11th. These memoranda included information relating to the operations of German agents and also covered Japanese and Italian activities. [redacted] of Argentina, who was [redacted] SIS Agents and [redacted] advised on November 3, 1942, that the police had been requested to investigate the allegations set forth. The police immediately took into custody eighteen persons. Confidential information, however, indicated that they were making little progress and that the true facts as set forth in the memoranda had not been furnished to them. Information was obtained that one of the principal agents, Hans Napp, had not been taken into custody because the police were unable to locate him. [redacted] and [redacted] of the Buenos Aires Provincial Police (as contrasted to the City Police who had been handling the investigation) who had been acting as informants for the SIS Agents, were furnished with the information in the Legal Attache's custody, and removed him to the Provincial Capital, La Plata, Argentina, where they obtained a complete confession from him within a period of two days. The prisoners and confessions were then turned over to the national authorities. (64-2804-A-2977)

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The confession made by Knapp was exactly in accordance with the allegations set forth in the SIS memoranda: namely, that he had been running a ship-reporting service regarding Allied shipping and had furnished reports, at first, to a clandestine radio transmitter LIR in Rio de Janeiro and subsequently to Captain Dietrich Niebuhr, the Naval Attache of the German Embassy in Buenos Aires, Argentina. He also named his accomplices who included Ottomar Muller, Walter Friewald, and Lothar von Reichenbach. He further stated that he was under the direction of Captain Niebuhr and that he had not expected to be arrested due to a promise that he had received from the Buenos Aires police.

Details concerning this confession were given to the newspapers by the Provincial Police. Their publication produced a furor in Argentina, and demands were made by the newspapers that strenuous action be taken against the Axis Agents and Captain Niebuhr. On December 4, 1942, the results of the investigation were turned over to a Federal judge in Buenos Aires by the Police Department and on December 7, 1942, indictments were returned against Hans Napp, Ottomar Müller, Walter Friewald, Thilo Martens, Elvezio Ortelli, and Lothar von Reichenbach. The indictments charged these men with unfriendly acts to a nation at peace with Argentina. When Neibuhr declined to waive this diplomatic immunity and stand trial he was declared persona non grata by the Argentine Government.

With reference to the other individuals charged, Ortelli and Von Reichenbach were acquitted of espionage charges. The other four were given relatively short prison terms. (64-2804-A)

On one previous occasion the Argentine Government took unwilling action against a German agent. One Walter Giese was identified by SIS representatives as being a key Nazi agent in Ecuador. Giese sent his reports to the clandestine radio transmitter LIR in Rio de Janeiro. Eventually he was expelled from Ecuador when his operations became known, and in April, 1942, he arrived in Argentina. Giese decided to stay in South America and had a permanent visa for residence in Paraguay, which visa was cancelled as a result of the information concerning him made available to the Paraguayan Government by the American Ambassador. The information relating to Giese was also made available to the Argentine Government through diplomatic channels, and he was immediately interned on his arrival in Argentina. After safe conduct had been obtained from both the Americans and the British, he was repatriated to Germany by the Argentine Government on a Spanish ship. (64-2804-A-744)

On January 26, 1944, as the result of great pressure brought by the United States and Great Britain, the Argentine Government of General Pedro P. Ramirez broke diplomatic relations with the Axis Powers. On that same day SIS turned over to the State Department a memorandum containing full data on sixty-five of the known important Axis agents in Argentina. The same memorandum was sent to our Attache in Buenos Aires to be made available to the American Ambassador there. On January 29, and on January 31, 1944 the Legal Attache presented to the Ambassador up-to-date memoranda concerning the status of thirty-eight other German agents whose activities had been previously brought to the attention of the Argentine Government in November, 1942, but against whom no prosecutive action had been taken. (64-2804-A-2977; 64-2804-493,494)

Argentina almost immediately rearrested the latter group of agents and during the following two weeks arrested an additional seventy-eight known or suspected Axis agents of German, Japanese and Italian nationality. Many other individuals were detained for questioning and subsequently released, among them being the German Military and Air Attache, General Friedrich Wolf and the Japanese Naval and Assistant Naval Attaches. (64-2804-509

Again, in August of the same year, the Argentine Government conducted another series of wholesale arrests and succeeded in rounding up twenty-eight German agents and in putting the clandestine radio circuit HDZ out of commission. The outstanding German agent taken during these raids was Gustav Utzinger, who it will be recalled was the technician in charge of that circuit. The highly important Sicherheitsdienst agents, Johannes Siegfried Becker and Heinz Lange, however, managed to escape arrest and went into hiding. (64-2804).

The formal convictions obtained in 1944 carried two-year sentences for each of the following Axis agents: Rosendo Almozara (Lombera), Juan Jacobo Napp, Martin Schneider, Walter Freiwald and Ottomar Mueller. With the exception of Almozara, all of these men had been denounced by the American Government in the memorandum presented to the Argentine Foreign Office in November, 1942. (64-2801-2136)

As the result of an analysis undertaken by the Office of the Legal Attache in Buenos Aires, 1,046 individuals of the crew of the "GRAF SPEE" were located, identified and investigated in such a manner that the Office of the Legal Attache obtained complete information. The entire data were compiled and set forth in one comprehensive report. In this report, the United States Government had more complete and informative facts than the Argentine authorities regarding the members of the "GRAF SPEE" crew. The report was furnished to the American Ambassador in Buenos Aires in order to equip him with the forceful details regarding the lax manner in which the Argentine Government was handling enemies of the United Nations. At a subsequent time, when Argentina severed relations with the Axis nations, it was noted that one of the first steps taken for internal security was the formulating of a definite program to be followed for safeguarding Argentina from any acts of violence by the individual crew members of the "GRAF SPEE." (64-16112-71)

The favorable impression the Argentine Government might have created by its effective police action against the Axis during 1944 was considerably diminished by the fact that many of the agents arrested were subsequently placed at liberty. Notable among these were Jose Valles, principal subject of the EFE case, Georg Bucker, known positively to SIS as a high-ranking operative of the Air Branch of the Abwehr, and Wolf Freudenberg y Hallier, a principal subject in the Microdot Case. Despite these and other releases, however, it can be said that German espionage in Argentina suffered during 1944 as a result of the action the Argentine Government felt forced to take. Furthermore, the repatriation of almost the entire German Diplomatic Mission in July of the same year placed the German espionage system under a further handicap.

It must be pointed out, however, that the Argentine Government was simultaneously conducting a campaign against the intelligence activities of Allied countries as well, and at one time, during May of 1944, there were at least fifteen informants of the Legal Attache in Buenos Aires in the custody of the Police. Numerous informants of the Military Attache and of British Intelligence likewise were placed under arrest during that year. As in the case of the arrested Axis agents, many of the Allied informants were later

released with sharp warnings to abandon the kind of activities that had brought on their detentions. As illustrative of the painstaking manner in which Argentina attempted to preserve the appearance of impartial neutrality, it is pointed out that on December 19, 1944, eleven German suspects and eleven Allied suspects were simultaneously released from prison. (64-4123-201)

During the latter part of 1944, the Argentine Government formally requested a conference of Pan American nations in order to have its position in international affairs definitely clarified and understood. The Office of the Legal Attache in Buenos Aires cooperated very closely with Embassy officials by making available extensive data on the nature of current Axis activities in that country and by providing an estimate of the measures taken by the Argentine Government against such activities. This information proved of great value to the State Department in determining its policy toward Argentina and in justifying that policy in the eyes of the other American nations. (64-2804-A)

It was not until March 27, 1945, however, that Argentina finally joined the other nations of the continent and declared war on Germany and Japan. This action came subsequnnt to the Inter-American Conference in Mexico City and was opposed by the Argentine Nationalists as undignified and an indication of subservience to the United States. (64-2801-2232)

After the first of 1945, with the rapid deterioration of the German and Japanese military positions, Axis espionage activities came practically to a standstill. In the lull provided by this cessation of activities, it was possible to conduct investigations in Argentina and to a certain extent, in Europe in order to bring to a logical conclusion the numerous, very active and, in some ways, successful espionage activities of the Germans in the Argentine Republic. The HDZ, EFE and Mexican Microdot Cases were brought to a logical conclusion and the overwhelming majority of the personnel of these cases were incarcerated in jail in Argentina. The same was true of the remnants of the Abwehr group organized by Captain Dietrich Niebuhr and handled subsequently by General Friedrich Wolf, German Naval and Military Attaches, respectively. Information furnished by the Office of the Legal Attache to Argentina authorities directly, or in some instances through cooperation with the British, resulted in the arrest of ringleaders. Capable investigation and interrogation by Argentine authorities of subjects detained on Allied information resulted in the arrest of a maximum number of some 140 persons, all quite directly related to the German Intelligence Service in Argentina.

In October of 1945, the emphasis of SIS in Argentina shifted from pure intelligence activities to the political implications of these intelligence activities.

In that month, Assistant Secretary of State Spruille Braden requested that someone from the Department of Justice and someone from the Bureau be designated to represent those agencies in the participation of the preparation

of a case showing Argentine complicity with the Germans throughout the war. The objectives of this project was to show that Argentina, under the then existing government, was not to be trusted in the signing of a mutual assistance pact with the other countries of Latin America because of the totalitarian influence left in the country by the defeated Axis powers. (64-2801-2873)

A Bureau Agent was named to represent both the Bureau and the Department and a large amount of his time was spent in the State Department preparing espionage and political intelligence material on this project. The analysis of clandestine radio messages decoded by the Bureau Laboratory formed the backbone of the State Department's "Case Against Argentina" which appeared in February of 1946 under the title "Consultation Among the American Republics With Respect to the Argentine Situation." This volume is more commonly known as "The Blue Book" and represented a departure by the United States State Department in its dealings with Latin American Countries. This "Blue Book" devoted numerous pages to and, in fact, the persuasive character of the book rested upon: Argentine-Nazi complicity, Argentine-Nazi efforts to subvert governments of neighboring countries, Argentine-German negotiations for military assistance to Argentina, Argentine preservation of German economic power and the totalitarian character of the Argentine regime. In addition to the intelligence and espionage material contributed by the Bureau for this project, a very exhaustive memorandum on German schools and organizations in Argentina was prepared on the basis of material forwarded by the Legal Attache in Buenos Aires. (64-2804-A-3158)

The "Blue Book," which was frankly designed to result in the defeat of Juan Domingo Peron (present President of Argentina) in the elections which were held in Argentina on February 24, 1946, actually backfired badly and in the opinion of many observers, the book contributed heavily to the election of Peron.

Another result of the "Blue Book" was the publication by President Peron on February 20, eight days after the publication of the "Blue Book," of a "Blue-White Book" in which he revealed the alleged activities of American intelligence agencies in Argentina throughout the war. This book, while it did reflect a certain limited amount of information about the activities of Bureau personnel in their investigations of Axis activities in Argentina, displayed a lack of real knowledge of the Bureau's activities. In contrast to this, a carefully documented exposure of one of the informants of the Military Attache was set out. This was the so-called Enrique Wittenberg Case which purportedly showed efforts on the part of the American Military Attache to obtain certain information about the disposition of Argentine arms and troops. (64-2801-3069,3115)

f. Activities Arising from Argentine Political Situation

The accomplishments of the Bureau's representatives in Argentina were impeded by the poor relations existing between the United States and the Argentine Republic. Due to this situation the SIS agents found it necessary to become active in other fields of endeavor besides counter-espionage work and related investigations.

In view of the influence exerted on the Argentine Government by some of the Axis agents, it became vitally important for the Bureau's representatives to cover the political situation in order to keep the Ambassador and the American Government informed of the real attitude of the Argentine Government toward Axis activities in contrast to the ostensible attitude which the Argentines exhibited to the United States authorities.

One example of the effectiveness of this political coverage was the instance in November, 1942, when a group of pro-Allied Argentine political leaders headed by Dr. Thomas LeBreton prepared a memorandum for presentation to the then President of Argentina, Ramon S. Castillo. This memorandum embodied a plea to President Castillo to alter his policy of neutrality and cooperate more closely with the Allies. For the purpose of presenting this memorandum to President Castillo, the LeBreton group chose Dr. Pablo Calatayud, a prominent political leader and close confidant of Castillo.

One of the SIS representatives had developed Dr. Calatayud as a close friend and through him was able to obtain the details of this memorandum and a complete report of Castillo's answer which explained in detail the reasons for his policy of neutrality and his continued non-cooperative attitude toward the United States. Through contacts of this nature, it was possible for the Bureau's representatives to furnish the American Ambassador with information regarding behind-the-scenes politics in Argentina which would have normally escaped his attention. (64-2801-629)

Through other contacts the Bureau's representatives were able to keep the Ambassador advised of ramifications in the political life of Argentina and the developments of the so-called Peron Five-Year Plan. In addition, the Legal Attache was also able to furnish information regarding Argentine efforts to conclude commercial treaties with Chile, Bolivia and Peru, treaties which had for their purpose the gradual establishment of Argentine hegemony over the southern part of Latin America. (64-2801; 64-2802)

From time to time the Office of the Legal Attache was called on to assist in guarding the person of the Ambassador and the property of the Embassy. Because of the situation prevailing in Argentina, the protection of the person of the Ambassador, on occasion, became a full-time project. b b7D

That the threats to damage the American Embassy or injure its personnel were not entirely idle was dramatically proven in January, 1944. At that time [redacted] advised the latter and the Legal Attache [redacted] had been instructed to place a bomb in the men's room of the Embassy on the morning of January 15, 1944. By prearrangement [redacted] was intercepted at the Embassy entrance in possession of a live bomb and he was taken immediately to a Buenos Aires suburb where the bomb was rendered harmless by an explosives expert. The Argentine Foreign Office was notified of this incident on January 18, 1944 at which time the information and the exhibits prepared by the Legal Attache were delivered to the Argentine Police.

[redacted] claimed that he had acted under the instructions of Cipriano Pons Lezica, an alleged nationalist and terrorist. Pons Lezica, however, was not arrested by the police but another conspirator, Wolfgang Wallner, alias Herman Schiller, who was implicated by [redacted] was arrested. The Argentine Police discounted the possibility that Lezica was involved in the plot. Bureau investigation, however, indicated that the information furnished by [redacted] was probably true and the bombing attempt had been inspired by the Argentine nationalists. (65-51979)

3. Personnel

The following Special Agents and Special Employees were assigned to SIS work in Argentina:

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NAME	SIS #	CITY	DATE			ASSIGNMENT
[redacted]		Buenos Aires	7-43	-	12-43	Undercover
		Buenos Aires	2-43	-	3-44	Undercover
		Buenos Aires	5-44	-	6-46	Undercover
		Buenos Aires	12-45	-	4-46	Undercover
		Buenos Aires	8-43	-	11-43	Undercover
		Buenos Aires	3-44	-	2-46	Official
		Buenos Aires	7-44	-	6-46	Official
		Rosario	8-41	-	11-42	Undercover
		Buenos Aires	9-43	-	11-43	Undercover
		Buenos Aires	10-43	-	11-43	Undercover
		Buenos Aires	4-45	-	7-45	Undercover
		Buenos Aires	8-43	-	11-43	Undercover
		Buenos Aires	6-44	-	10-44	Official
		Buenos Aires	8-45	-	4-46	Official
		Buenos Aires	9-43	-	1-44	Official
		Buenos Aires	8-45	-	2-46	Official
		Buenos Aires	11-42	-	11-43	Undercover
		Buenos Aires	7-45	-	8-46	Official
		La Plata	11-42	-	2-44	Undercover
		Buenos Aires	2-44	-	3-44	Undercover
		Buenos Aires	9-41	-	12-42	Undercover
		Buenos Aires	8-45	-	1-46	Official
		Buenos Aires	6-43	-	5-45	Official
		Buenos Aires	10-43	-	11-43	Undercover
		Buenos Aires	6-45	-	2-46	Undercover
		Buenos Aires	3-45	-	1-46	Undercover
		Buenos Aires	10-42	-	3-44	Undercover

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NAME	SIS #	CITY	DATE	ASSIGNMENT
		Buenos Aires	2-42 - 9-42	Undercover
		Bahia Blanca	8-42 - 5-43	Undercover
		Buenos Aires	6-46 - 3-47	Legal Attache
		Buenos Aires	6-42 - 10-43	Undercover
		Buenos Aires	5-46 - 7-46	Official
		Buenos Aires	10-43 - 12-43	Undercover
		Buenos Aires	10-42 - 2-44	Undercover
		Buenos Aires	9-43 - 1-45	Legal Attache
		Buenos Aires	3-42 - 7-44	Undercover
		Buenos Aires	1-42 - 11-42	Undercover
		Santa Fe	5-42 - 9-42	Undercover
		Buenos Aires	2-43 - 12-43	Undercover
		Buenos Aires	7-43 - 12-43	Undercover
			1-45 - 2-46	Undercover
		Buenos Aires	4-43 - 5-44	Undercover
		Buenos Aires	5-42 - 8-43	Legal Attache/
		Buenos Aires	2-43 - 4-44	Undercover
		Buenos Aires	6-43 - 12-43	Undercover
		Tucuman	10-42 - 10-43	Undercover
		Tucuman	12-41 - 10-42	Undercover
		Buenos Aires	9-44 - 6-45	Undercover
		Buenos Aires	3-41 - 12-41	Undercover
		Mar Del Plata	1-43 - 9-43	Undercover
		Buenos Aires	2-46 - 3-47	Official
		La Plata	11-41 - 5-42	Undercover
		Buenos Aires	8-42 - 2-43	Undercover
		Buenos Aires	9-43 - 4-46	Official
		Buenos Aires	4-44 - 8-44	Undercover
		Buenos Aires	11-41 - 5-42	Undercover
		Buenos Aires	2-43 - 3-44	Undercover
		Buenos Aires	4-43 - 10-43	Official
		Buenos Aires	1-44 - 10-44	Official
		Buenos Aires	6-42 - 8-43	Official
			5-44 - 7-46	Official
		Mendoza	8-43 - 12-43	Official
		Rosairo	12-43 - 5-44	Official
		Buenos Aires	11-42 - 11-43	Undercover
		Bahia Blanca	8-41 - 12-41	Undercover
		Cordoba	11-42 - 2-43	Undercover
		Buenos Aires	2-43 - 5-43	Undercover
			8-43 - 12-43	Undercover
		Buenos Aires	5-46 - 2-47	Official
		Buenos Aires	12-42 - 11-43	Undercover

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NAME	SIS #	CITY	DATE	ASSIGNMENT
		Buenos Aires	1-45 - 3-46	Legal Attache
		Buenos Aires	9-41 - 4-42	Undercover
		Buenos Aires	9-45 - 2-47	Official
		Buenos Aires	12-44 - 6-45	Undercover
		Buenos Aires	10-43 - 11-43	Undercover
		Cordoba	11-41 - 9-42	Official
		Buenos Aires	9-42 - 2-45	Official
		Buenos Aires	10-43 - 3-44	Undercover
		Buenos Aires	8-43 - 11-43	Undercover
		Buenos Aires	4-44 - 10-44	Undercover
		Buenos Aires	8-45 - 6-46	Official
		Buenos Aires	5-42 - 7-42	Undercover
		Buenos Aires	5-42 - 3-43	Undercover
		Buenos Aires	3-42 - 2-44	Undercover
		Rosario	8-42 - 12-43	Official
		Buenos Aires	6-45 - 8-45	Official
		Mendoza	3-42 - 11-42	Undercover
		Buenos Aires	3-45 - 7-46	Official
		Buenos Aires	11-42 - 11-43	Undercover
		Buenos Aires	4-43 - 11-43	Undercover
		Buenos Aires	5-46 - 2-47	Official
		Buenos Aires	6-45 - 5-46	Official
		Buenos Aires	4-42 - 9-42	Undercover
		Buenos Aires	5-44 - 11-45	Undercover
		Buenos Aires	11-44 - 10-46	Undercover
		Buenos Aires	5-43 - 2-44	Official
		Buenos Aires	2-46 - 1-47	Official
		Buenos Aires	8-42 - 5-44	Undercover
		Buenos Aires	6-45 - 3-47	Official
		Buenos Aires	8-42 - 7-45	Official
		Buenos Aires	7-44 -11-45	Undercover
		Rosario	7-42 - 11-43	Undercover
		Buenos Aires	5-43 - 6-43	Official
		Bahia Blanca	6-43 - 5-44	Official
		Buenos Aires	5-44 - 6-45	Official
		Buenos Aires	11-44 - 4-45	Undercover
		Buenos Aires	8-43 - 3-44	Undercover
		Buenos Aires	7-42 - 12-43	Undercover

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NAME SIS #

CITY	DATE	ASSIGNMENT
Buenos Aires	4/43 - 5/43	Plant Survey
Buenos Aires	6/43 - 12/43	Undercover
Buenos Aires	8/42 - 12/ 45	Official
Mendoza	11/42-11/43	Undercover
Buenos Aires	8/43-11/43	Undercover
Buenos Aires	7/43 - 1/44	Undercover
Buenos Aires	12/42 - 6/43	Official
Buenos Aires	7/43 - 5/44	Official
Buenos Aires	4/46 - 3/46	Official
Bahia Blanca	5/42 - 8/43	Undercover
Buenos Aires	8/43 - 4/44	Undercover
Buenos Aires	12/42 - 7/44	Undercover
Bahia Blanca	8/42 - 11/43	Official
Buenos Aires	5/42 - 9/42	Undercover
Buenos Aires	7/41 - 3/42	Undercover
Buenos Aires	6/42 - 4/43	Undercover
Travel	4/43 - 6/43	Undercover
Buenos Aires	4/43 - 5/43	Plant Survey
Buenos Aires	7/46 - 3/47	Undercover
Buenos Aires	3/46 - 11/46	Official
Buenos Aires	10/43 - 12/43	Undercover
Buenos Aires	3/46 - 8/46	Official
Buenos Aires	6/45 - 4/46	Undercover
Buenos Aires	4/43 - 5/43	Plant Survey
Buenos Aires	8/45 - 3/46	Official

4. Bibliography

a. Principal Investigative Files

64-2800 General Miscellaneous File on Argentina

64-2800-A Miscellaneous File on German Activities in Argentina

64-2800-B Miscellaneous File on Japanese Activities in Argentina

64-2800-C Miscellaneous File on Italian Activities in Argentina

64-2800-D Miscellaneous File on Communist Activities in Argentina

64-2800-E Miscellaneous File on Spanish Activities in Argentina

64-2800-F Miscellaneous File on French Activities in Argentina

64-2800-G Miscellaneous File on British Activities in Argentina

64-2800-H Miscellaneous File on American Activities in Argentina

64-2800-I Miscellaneous File on Hungarian Activities in Argentina

64-2800-J Miscellaneous File on Roumanian Activities in Argentina

64-2800-K Miscellaneous File on Swiss Activities in Argentina

64-2800-L Miscellaneous File on Swedish Activities in Argentina

64-2800-M Miscellaneous File on Portugese Activities in Argentina

64-2800-N Miscellaneous File on Austrian Activities in Argentina

64-2801 General File covering Political Matters in Argentina

64-2802 General File covering Economic Matters in Argentina

64-2803 General File covering Social Matters in Argentina

64-2804 General File covering Foreign Agents in Argentina

64-2804-A German Agents in Argentina

64-2804-B Japanese Agents in Argentina

64-2804-C Italian Agents in Argentina

64-2804-D Communist Agents in Argentina

64-2804-E Spanish Agents in Argentina

64-2804-F French Agents in Argentina

64-2804-G British Agents in Argentina

64-2804-H American Agents in Argentina

64-2804-K Swiss Agents in Argentina

64-2804-L Swedish Agents in Argentina

64-2805 General File covering Foreign Propaganda in Argentina

64-2805-A German Propaganda in Argentina

64-2805-B Japanese Propaganda in Argentina

64-2805-C Italian Propaganda in Argentina

64-2805-D Communist Propaganda in Argentina

64-2805-E Spanish Propaganda in Argentina

64-2805-F French Propaganda in Argentina

64-2805-G British Propaganda in Argentina

64-2805-H American Propaganda in Argentina

64-2805-I Hungarian Propaganda in Argentina

64-2805-M Portuguese Propaganda in Argentina

64-2806 General File covering Foreign Penetration in Argentina

64-2806-A German Penetration in Argentina

64-2806-B Japanese Penetration in Argentina

64-2806-C Italian Penetration in Argentina

64-2806-D Commmunist Penetration in Argentina

64-2806-E Spanish Penetration in Argentina

64-2806-F French Penetration in Argentina

64-2806-G British Penetration in Argentina

64-2806-M Portuguese Penetration in Argentina

64-2807 General File covering Sabotage in Argentina

64-2807-A German Sabotage in Argentina

64-2807-B Japanese Sabotage in Argentina

64-2807-D Communist Sabotage in Argentina

64-2807-G British Sabotage in Argentina

64-2808 General File regarding Foreign Residents in Argentina

64-2808-A German Residents in Argentina

64-2808-B Japanese Residents in Argentina

64-2808-C Italian Residents in Argentina

64-2808-D Communist Residents in Argentina

64-2808-E Spanish Residents in Argentina

64-2808-F French Residents in Argentina

64-2808-G British Residents in Argentina

64-2808-H American Residents in Argentina

64-2808-I Hungarian Residents in Argentina

64-2808-J Roumanian Residents in Argentina

64-2808-K Swiss Residents in Argentina

64-2808-M Portuguese Residents in Argentina

64-2808-N Austrian Residents in Argentina

64-2810 Military and Naval Matters in Argentina

64-2811 General File covering Foreign Firms in Argentina.

64-2811-A German Firms in Argentina

64-2811-B Japanese Firms in Argentina

64-2811-C Italian Firms in Argentina

6422811-D Communist Firms in Argentina

64-2811-E Spanish Firms in Argentina

64-2811-F French Firms in Argentina

64-2811-G British Firms in Argentina

64-2811-H American Firms in Argentina

64-2811-I Hungarian Firms in Argentina

64-2811-J Roumanian Firms in Argentina

64-2811-K Swiss Firms in Argentina

64-2812 General File Relative to Radio Stations in Argentina

64-2812-A German Radio Stations in Argentina

64-2812-B Japanese Radio Stations in Argentina

64-2812-C Italian Radio Stations in Argentina

64-2812-D Communist Radio Stations in Argentina

64-2812-E Spanish Radio Stations in Argentina

64-2812-G British Radio Stations in Argentina

64-2813 General File covering matters relative to the Anti-Argentina Activities Investigating Committee which was established in Buenos Aires

64-2814-A General File covering Submarine Activities in Argentina. This

information pertains principally to the surrender of the U-530 after the termination of the war.

64-2815-A General File covering German Telephone Surveillances in Argentina

64-2816 Plant Survey Program in Argentina

64-20393-EFE Courier Case

65-47120-HDZ Radio Ring

64-27116-Helmuth Espionage Case

65-35143-LIR Radio Ring

112-1-201 Flight of Axis Capital to Argentina

65-16112-102 The "GRAF SPEE" Case

64-20032 The Japsa Espionage Case

64-21209 Case involving Tomiyo Koseki and Associated Japanese Espionage Agents.

64-26498 Revolutionary Plans for Latin America Sponsored by Argentina

64-309-201 Smuggling Activities in Argentina

64-200-201 Communist Movement in Argentina

64-211-201 Soviet Diplomatic Activities in Argentina

100-341561-201 Labor Conditions in Argentina

b. Administrative Files

64-4469 Office Administrative File for Legal Attache's Office, Buenos Aires.

64-4984-201 Monthly Reports File for Legal Attache's Office, Buenos Aires

64-4693 Living Conditions in Argentina

67-383638 Office Personnel File for Legal Attache's Office filed under caption "Embassy Buenos Aires, Argentina." The Inspection Reports submitted relative to this office are filed in a separate folder.

64-29833-201 Police Matters in Argentina

64-4123-201 Informant File for Argentina

c. Monographs

"Totalitarian Activities in Argentina Today" General monograph covering various phases of the Bureau's work in Argentina. Printed June, 1943; 595 pages.

"SIS Office (Buenos Aires) - contains photographs of Legal Attache's Offices and Facilities in Buenos Aires.

"Communism in Latin America" - published January 1946. General monograph covering Communism on a Hemisphere basis. Pages 22 and 24 cover the Communist Party in Argentina in particular.

"German Espionage in Latin America" - printed June 1946, pages 137 to 184, cover German Espionage Activities in Argentina.

"Japanese In Latin America" - printed November 1945, pages 118 to 135 refer to Argentina.

"Clandestine Radio Stations Utilized by the German Espionage System" - printed February 142. Contains charts of German Espionage rings operating in conjunction with the German Radio Stations. The LIR Organization which had ramifications in Argentina is charted in this monograph.

B. AUSTRIA

1. SIS Facilities and Objectives

Following the cessation of hostilities in Europe, two Agents were sent to Austria in a liaison capacity assigned to American Military Headquarters at Salzburg, Austria, on August 2, 1945. They subsequently moved to Vienna with the Headquarters of the United States Forces for Austria following the establishment of international control of that city.

In both Salzburg and Vienna, the Bureau's representatives occupied space furnished by the Army and closely connected with the offices of CIC through whom liaison was maintained.

The principal purpose of the assignment of the agents was to follow the Austrian leads in pending cases and to secure from CIC sources material of interest to the Bureau. These duties included the interrogation of subjects of Bureau investigation, or the associates of such subjects, as well as the obtaining from CIC of pertinent information developed by that organization which was relevant to cases in which the Bureau was interested.

The liaison post in Austria functioned for only about three months, and the Bureau representatives were withdrawn on October 25, 1945. At that time the Vienna Office was closed along with the other Army liaison posts due to the intolerable conditions imposed by Army Intelligence authorities with regard to such arrangements. These difficulties were overall in nature and did not pertain specifically to the Army representatives with whom our Agents dealt in Vienna. The cooperation between the Bureau's representatives and Army Intelligence Officers in Austria was excellent at all times. (66-16327)

2. Major Accomplishments

Most of the work performed by the Bureau's representatives in Austria consisted of following leads furnished by the Bureau on cases developed in the United States. The liaison program in Austria folded up before it was possible to complete the investigation of all the targets suggested for the Austrian Agents by the Bureau's other SIS offices.

The liaison men in Vienna interviewed individuals located by the Army who were of interest to the Bureau on such matters as the Treason Case of Constance Drexel. (65-19224)

One of the most outstanding examples of the value of having Bureau representatives with the American Occupation Forces was in the case of Dr. Ignaz Theodor Griebl. This individual had been connected with the Johanna Hoffman Espionage Case in New York City in 1938. One of the Bureau's liaison Agents had worked on this case and through his knowledge of the matter was able to assist the Army in identifying Griebl in Austria. Griebl was intensively interrogated on his activities prior to his departure from the United States and on his exact work in Germany during the war. (65-748-1866)

Along with the other work the SIS representatives were able to do during the short time they were in Austria, they collected information to round out the Bureau's knowledge of Communist and Soviet tactics throughout the world. These Agents not only furnished copies of the Communist and Soviet publications printed in Austria, but also were able to observe at firsthand the tactics of the Soviet representatives in occupied countries. (64-175-252-144)

3. Personnel

NAME	SIS	CITY	DATE	ASSIGNMENT
[redacted]		Vienna	8/45 - 10/45	Army
		Vienna	8/45 - 10/45	Army

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4. Bibliography

a. Investigative Files.

64-175-252-117,127,144. Information furnished by Bureau's representatives regarding Communism in Austria and the results of their personal observations.

65-748-1866,1871. Investigation and interrogation by Liaison Agents of Dr. Ignaz Theodor Griebl.

100-1811-280. Free Austrian Movement file with information secured by liaison from CIC covering lists of offices and officers of the various Austrian movements.

b. Administrative Files.

66-16327. Office Administratives file for Liaison Office, Vienna, Austria.

64-31800. Living Conditions in Austria.

C. BERMUDA

1. SIS Facilities and Objectives

From September 1941, to March 1944, the Bureau maintained a liaison representative at Hamilton, Bermuda, to establish close coordination with the British Censorship Office at that station. This representative was assigned officially as Special Assistant to the Consulate General and office space was secured near the British Imperial Censorship Department.

While the Bureau's representative in Bermuda furnished some material regarding the political, economic and social conditions on those Islands, his primary purpose was the maintenance of appropriate contact with the censorship officials as well as with the local branch of the British Security Service and the Bermuda Police. During 1941 and 1942 Bermuda was an important censorship control point. The post also handled travel and contraband control. Added importance was given by the Army and Navy bases which were under construction on the Islands during the same period. By summer 1943, however, the importance of the control point at Bermuda declined as the Army and Navy bases were completed and upon the recommendation of the United States Naval authorities, neutral ships were stopped from calling at Bermuda. This eliminated the travel and contraband control work which was rerouted to other British control points. British censorship activities also declined due to the transfer of additional mail to the control point at Trinidad, and the improved organization of American censorship in New York. As a result of these circumstances, the importance of Bermuda decreased until it was no longer necessary for the Bureau to maintain a liaison representative on the Islands. The Bureau's representative was, therefore, recalled in March 1944 and the liaison post was abandoned. (64-4689)

2. Major Accomplishments

Most of the work of the Bureau's liaison agent consisted of forwarding censorship material obtained by the British in cases in which the Bureau had an interest. During the early part of the war, this liaison was highly productive in securing material of value to our investigative work.

Probably the most important case in the SIS field which had its origin in the Bermuda Censorship liaison was the Mexican Microscopic Dot case. It was through the medium of the Bureau's representative in Bermuda, working in connection with the examination of censorship material, that the micro-dot employed by German espionage agents was originally discovered. After these dots were identified and connected with the Nazi espionage system, they were later developed by the facilities of the Bureau's Laboratory in Washington. The discovery of these dots and the revelation of numerous agents connected with the German espionage system employing this method of communication resulted in the investigation of espionage cases

which were facilitated by the knowledge gained through this source. The discovery of the first west-bound micro-dot in the Mexican micro-dot case opened up a broad field of investigation in New York and Mexico. (65-16273; 65-37793-40)

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3. Personnel

NAME	SIS No.	CITY	DATE	ASSIGNMENT
[redacted]		Hamilton	9/41 - 3/43	Official
		Hamilton	2/43 - 6/43	Official
		Hamilton	10/43 - 3/44	Official

4. Bibliography

a. Investigative Files

64-6000 Miscellaneous General File on Bermuda

64-6001 Political Matters in Bermuda

64-6002 Economic Matters in Bermuda

b. Administrative Files

64-4689 Office Administrative File for Liaison Office Bermuda

64-4630 Living Conditions in Bermuda

D. BOLIVIA

1. SIS Facilities and Objectives

SIS coverage in Bolivia was attempted briefly in January 1941 when the first Agent was sent to that country to assist in organizing a unit of the Bolivian Army to combat Fifth Column activities. Due to disagreement among the Army officials over the need for such a unit, however, the Bureau's representative was withdrawn.

Permanent coverage was inaugurated in July 1941 when, at the request of the State Department, another Agent was assigned to Bolivia as a member of the American Embassy. A short while later an undercover man was assigned to assist the Agent accredited to the Embassy. From that time on the Bureau's coverage of Bolivia was constant up until the office was finally closed on March 3, 1947.

Following the departure of the Agent assigned to the Embassy, coverage was maintained on an undercover basis until the early part of 1942 when another representative was sent to La Paz to conduct a police school. With the establishment of this school and the formation of the Legal Attache system the Bureau obtained both undercover and open coverage in Bolivia. By July 1943, nineteen Special Agents and Special Employees were on assignment in Bolivia. In August 1946, when the final reduction in staff was begun, there were three representatives stationed there.

After the establishment of the Legal Attache's Office, the Bureau representatives were assigned space in the same building which housed the other Embassy offices. In 1943 a Bureau radio station was installed which was later to prove of immense value to the entire Embassy staff.

SIS objectives in Bolivia centered around the importance of Bolivia to the war effort, principally through its resources of tin ore. In order to protect these resources, therefore, the Bureau's representatives were engaged not only in identifying Axis Agents and assisting in removing them from Bolivia, but it was also necessary for them to follow closely the turbulent political situation and endeavor to ascertain the extent to which other powers, principally Germany and Argentina, were endeavoring to gain control of Bolivia through revolution.

2. Major Accomplishments

a. Axis Agents

SIS investigations identified the important Axis Agents operating in Bolivia. The information regarding these Agents and the dangerous Axis Nationals resident in Bolivia was utilized by the American Ambassador in bringing pressure on the Bolivian Government for the deportation of the

individuals involved. On the basis of the investigations up to July 1, 1944, one hundred sixty-two Axis Nationals were deported from Bolivia. (64-24184-357)

Based on the data accumulated by SIS representatives, twenty-nine Japanese and fifty-two Germans were summarily expelled from Bolivia on May 18, 1944 and taken to Panama for internment. The Legal Attache at La Paz, at the request of the American Ambassador, handled all the details of the expulsion with the Bolivian Government inasmuch as the United States at that time did not maintain formal diplomatic relations with the Bolivian authorities. With the removal of these Axis Nationals the expulsion program as developed by Bureau representatives was virtually completed since other individuals known to be dangerous to the welfare of the United Nations had been removed from Bolivia on previous occasions. The Bureau's representatives also acted on behalf of the American Embassy during the previous deportation proceedings and had accompanied the Axis Nationals by train from La Paz to Arica, making certain that all of them boarded the ships which were assigned to remove them from the Western Hemisphere. (66-2362-204-3 and 64-2904)

b. Smuggling Activities

During the war, Bolivia was under agreement to sell the United States all of its locally produced rubber with the exception of a small quantity which was to be retained for commercial use in Bolivia. Due to the urgent need for rubber it became vitally necessary to control the smuggling of rubber from Bolivia to the lucrative market in Argentina.

Throughout the war, members of the Legal Attache's Offices in Buenos Aires and La Paz assisted the United States and Bolivian Governments in the detection and recovery of contraband rubber shipments. Late in 1945 and early in 1946, largely as a result of pressure exerted by the American Embassy in La Paz and based on information obtained by the Legal Attache's Office and by the Rubber Development Group Inspectors, the Bolivian Government issued decrees establishing a special rubber police thereby tightening the control of the Argentine-Bolivian border. (64-309-204-32)

An example of the smuggling activities uncovered was the case of four trunks containing 876 pounds of rubber which were seized by Bolivian Customs Authorities on April 17, 1945. These trunks were the property of a Bolivian Senator who was en route to Argentina on a diplomatic mission. Investigation by SIS representatives showed that the Senator had used bribery and threats in an effort to secure clearance for the rubber. As a result of this incident the Bolivian Government undertook a clean-up of their Customs Department. (64-309-204-32)

Another investigation disclosed that the [redacted] in Bolivia [redacted] had been instructed to aid in the smuggling of rubber, medical, and other source commodities into Argentina. The Bureau'

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representatives ascertained that [redacted] had admitted being given the responsibility of filling a minimum quota of fifty tons of rubber per year. It was also ascertained that he was furnished $250,000 through the Argentina diplomatic pouch for the purpose of financing and shipping rubber purchased in Bolivia. (64-309-204-24,29)

The Legal Attache's Office in La Paz compiled a comprehensive summary report on rubber smuggling from Bolivia to Argentina between 1942 and 1946. This report identified more than 400 known smugglers and included numerous Bolivian citizens and police officials as well as several cabinet members and Congressmen. (64-309-204-32)

c. Plant Surveys

At the specific request of the United States Ambassador, three Special Agents were sent to Bolivia in July, 1942 to survey the essential industrial installations in that country.

Due to the fact that the Bolivian tin deposits were the principal sources of tin remaining available to the United Nations after the Japanese took possession of the Malayan deposits, it was considered vitally important that protective measures be taken against possible sabotage. Surveys were made of the Hochschild SAMI interests and the Patino Mines and Enterprises Consolidated, Incorporated, two of the largest tin mining interests in the world. Recommendations regarding protective measures to be undertaken were furnished to the respective managers of these enterprises who were highly enthusiastic and complimentary as to the thorough and efficient manner in which the surveys were conducted and the intelligent recommendations which were offered.

Surveys were also made of the Bolivian Power Company, Limited and the Compania Minera y Agricola Opoca de Bolivia. The Bureau's Agents likewise surveyed the airline route which consisted of the Pan American-Grace Airways, and the Lloyd Bolivian Airlines.

It was significant that no act of sabotage subsequently occurred to interrupt the flow of materials vital to the war effort in Bolivia. The American Ambassador expressed satisfaction over this situation and commended the way in which the Bureau's Agents had carried out the Plant Protection work. (64-2916; 64-2900-176)

d. Kidnapping of Mauricio Hochschild

On the afternoon of July 30, 1944, Mauricio Hochschild, one of the wealthiest tin magnates in the world, and his manager, Adolf Blum, were kidnapped at La Paz, Bolivia. Both men were seized by [redacted] and his cohorts and held captive until Sunday August 15, 1944, during which time they were subjected to many indignities at the hands of the kidnappers.

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The Legal Attache in La Paz learned the identity of the kidnappers and also learned that the ultimate objective of these individuals was to kill the victims. On the basis of this information, the Bureau representative recommended to President Gualberto Villarroel that immediate action be taken to secure the victims' release. It is noteworthy that the American Military Attache in La Paz had been informed by [redacted] of his part in the kidnapping and that [redacted] companions had definitely decided to kill Hochschild and Blum. The Military Attache, however, concealed this information for three days and only admitted knowing it when he ascertained that the Legal Attache had identified the kidnappers through other sources. The refusal of the Military Attache to divulge this information while he was fully aware of the interest which the American Embassy had in the kidnapping and the fact that any delay constituted a grave danger to the lives of the victims, resulted in his being recommended for recall from his post. According to information subsequently received, both Hochschild and Blum were convinced that their lives were saved by the prompt action of the Legal Attache. (100-28156)

e. Political and Revolutionary Activities

(1.) Major Elias Belmonte. Due to the important position occupied by Bolivia in the production of materials for the war effort, the country was a potentially fertile field for Axis activities. Following the expulsion of the important Axis Nationals the dangers of espionage and sabotage on the part of enemy agents was greatly reduced. The possibility remained, however, that through a revolution or coup'd'etat, persons sympathetic with the Axis powers might be able to seize control of the country. It, therefore, became vitally important for the Bureau's representatives to follow the turbulent political situation closely.

It was this danger of Bolivia's falling into the hands of a pro-Axis group which prompted the State Department to request that an Agent be assigned to the Embassy in La Paz in the summer of 1941. At that time information had been received that Major Elias Belmonte, the Bolivian Military Attache at Berlin, Germany, was conspiring to foment a revolution in Bolivia among certain Army and government officers with the backing of German interests. Belmonte expected to assume the Presidency at the successful conclusion of the revolution and thereafter place the country under German domination. This plan was ascertained by the British when Belmonte's letter of final instructions to the German Minister in Bolivia, Ernest Wendler, was intercepted by British censorship. The communication was brought to the attention of President Enrique Penaranda who immediately declared a state of seige, arrested numerous conspirators and declared Minister Wendler persona non grata, expelling him from the country. (64-2906-31)

During the following years reports were received that Belmonte might endeavor to return to Bolivia from Europe. The fear existed that should he succeed in reaching Bolivia, he might institute a revolution and install a pro-Nazi Government. The matter was, therefore, closely followed by SIS representatives in America and Europe. Due to the intense interest of the State Department in the matter, a special memorandum was prepared by

the Bureau, based principally on decoded German clandestine radio messages sent by the HDZ ring in Argentina, which showed Belmonte's collaboration with the Germans while he was in Berlin during the war. This memorandum clearly indicated that the Germans were using Belmonte for their political interests and that he hoped to become President of Bolivia through their support. His connections with the Nazis were further corroborated by the subsequent interrogation of top-flight German Intelligence Officers. Through these interrogations, it was proven that Belmonte had served as a paid employee of the German Sicherheitsdienst.

Early in 1946 the Bolivian Minister of Foreign Affairs advised the American Charge d'Affaires that the Bolivian Government, which had been furnished paraphrased decoded messages concerning Belmonte, would not take any action in the matter because such punitive action might precipitate an embarrassing situation. This decision was further strengthened by the fact that the evidence was of such a nature that it could not be disclosed in any action against Belmonte.

In May 1946, Belmonte was elected "en absentia" to the Bolivian Chamber of Deputies. Certain sectors of the press launched a propaganda campaign calling for his return to Bolivia in order that he might take his seat in the Chamber of Deputies. In January 1947, Belmonte again endeavored to return to the Western Hemisphere. He was prevented from so doing, however, largely by the information which was furnished to the Bolivian Government by the Legal Attache through the American Ambassador. By the time SIS operations ceased, Belmonte had still not been able to return to Bolivia. (64-20113)

(2.) Political Upheavals. The Bureau's representatives in Bolivia constantly followed the unsettled political situation. The first successful revolution came on December 20, 1943. At that time the Office of the Legal Attache was the only agency, either commercial or governmental, which was able to communicate with the outside world. The morning that the revolution occurred the radio transmitter in the Legal Attache's Office was used to furnish the Bureau with information regarding the overthrow of the Bolivian Government, the individuals responsible for the revolution, the amount of force employed, and the casualties and damage resulting from the struggle. In this emergency the Bureau radio proved of invaluable assistance to the Ambassador and other Embassy officials by relating messages to their respective headquarters in Washington. (64-23775-24)

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One of the Bureau's [redacted] In this matter he was able to [redacted] of the policies of the Bolivian Government and the identity of persons who consulted with the President in instances [redacted] was needed. As soon as the revolutionary government was established that Agent was able to work for some time as an [redacted] in the American Embassy. This gave him the opportunity to correlate the information previously obtained regarding the individuals who participated in the new revolutionary government of Gualberto Villarroel

as well as regarding those who had been associated with the previous regime. (64-4177-122)

The Villarroel Government was frequently threatened by other revolutionary forces. It was finally overthrown in a very bloody revolution of July 20-21, 1946. At that time the Bureau's representatives again performed extremely useful work in covering the course of the revolution and in maintaining contact with the United States. As on the previous occasion the Bureau's radio transmitter in La Paz was the only means of communication available to American officials in Bolivia. It was utilized for the transmittal of messages for the State Department as well as for the War and Navy Departments, in addition to furnishing the Bureau accurate and useful reports of revolutionary developments as soon as they occurred. (64-2901)

3. Personnel

The following Special Agents and Special Employees were assigned to SIS work in Bolivia:

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NAME	SIS	CITY	DATE	ASSIGNMENT
		La Paz	8/43 - 1/45	Official
		La Paz	5/46 - 10/46	Legal Attache
		La Paz	6/42 - 1/43	Undercover
		La Paz	7/44 - 8/45	Undercover
		La Paz	5/43 - 11/43	Legal Attache
		La Paz	2/43 - 1/44	Undercover
		La Paz	6/43 - 11/43	Official
		La Paz	7/41 - 6/42	Undercover
		La Paz	8/41 - 9/41	Official
		La Paz	4/43 - 11/43	Undercover
		La Paz	5/43 - 9/43	Official
		La Paz	5/43 - 10/44	Official
		La Paz	1/42 - 6/42	Official
		La Paz & Cochabamba	5/43 - 12/43	Official
		La Paz	11/45 - 7/46	Official
		La Paz	3/43 - 10/43	Undercover
		La Paz	3/45 - 2/46	Official
		La Paz	2/43 - 9/43	Official
		La Paz	8/42 - 6/43	Plant Survey
		Cochabamba	5/43 - 11/43	Official
		La Paz	6/45 - 4/47	Legal Attache
		La Paz	5/43 - 11/43	Official
		La Paz	4/42 - 12/42	Undercover
		La Paz	11/43 - 8/44	Official
		La Paz	4/44 - 10/44	Legal Attache
		La Paz	2/42 - 7/43	Legal Attache
		La Paz	6/46 - 7/46	Official
		La Paz	7/42 - 9/43	Plant Survey
		La Paz	12/44 - 11/45	Legal Attache
		La Paz	2/43 - 12/43	Official
		La Paz	6/42 - 10/43	Official
		La Paz	5/43 - 11/43	Undercover
		La Paz	6/43 - 11/43	Official

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Sucre	9/42 - 11/43	Undercover
La Paz	7/42 - 9/43	Plant Survey
La Paz	8/43 - 11/43	Official
La Paz	3/42 - 6/42	Undercover
La Paz	6/42 - 1/43	Undercover

4. Bibliography

a. Principal Investigative Files

64-2900 General Miscellaneous File on Bolivia

64-2900-A Miscellaneous File on German Activities in Bolivia

64-2900-B Miscellaneous File of Japanese Activities in Bolivia

64-2900-C Miscellaneous File on Italian Activities in Bolivia

64-2900-D Miscellaneous File on Communist Activities in Bolivia

64-2900-E Miscellaneous File on Spanish Activities in Bolivia

64-2900-F Miscellaneous File on French Activities in Bolivia

64-2900-G Miscellaneous File on British Activities in Bolivia

64-2900-H Miscellaneous File on American Activities in Bolivia

64-2901 General File covering Political Matters in Bolivia

64-2902 General File covering Economic Matters in Bolivia

64-2903 General File covering Social Matters in Bolivia

64-2904 General File covering Foreign Agents in Bolivia

64-2904-A German Agents in Bolivia

64-2904-B Japanese Agents in Bolivia

64-2904-C Italian Agents in Bolivia

64-2904-E Spanish Agents in Bolivia

64-2904-F French Agents in Bolivia

64-2905 General File covering Foreign Propaganda in Bolivia

64-2905-A German Propaganda in Bolivia

64-2905-C Italian Propaganda in Bolivia

64-2905-D Communist Propaganda in Bolivia

64-2905-E Spanish Propaganda in Bolivia

64-2905-G British Propaganda in Bolivia

64-2905-H American Propaganda in Bolivia

64-2906 General File covering Foreign Penetration in Bolivia

64-2906-A German Penetration in Bolivia

64-2906-B Japanese Penetration in Bolivia

64-2906-C Italian Penetration in Bolivia

64-2906-E Spanish Penetration in Bolivia

64-2906-F French Penetration in Bolivia

64-2907 General File covering Sabotage in Bolivia

64-2908 General File regarding Foreign Residents in Bolivia

64-2908-A German Residents in Bolivia

64-2908-B Japanese Residents in Bolivia

64-2908-C Italian Residents in Bolivia

64-2908-D Communist Residents in Bolivia

64-2908-E Spanish Residents in Bolivia

64-2908-F French Residents in Bolivia

64-2908-H American Residents in Bolivia

64-2908-N Austrian Residents in Bolivia

64-2910 General File covering Military and Naval Matters in Bolivia

64-2911 General File covering Foreign Firms in Bolivia

64-2911-A German Firms in Bolivia

64-2911-B Japanese Firms in Bolivia

64-2911-C Italian Firms in Bolivia

64-2911-E Spanish Firms in Bolivia

64-2911-H American Firms in Bolivia

64-2912 General File relative to Radio Stations in Bolivia

64-2912-A German Radio Stations in Bolivia

64-2912-B Japanese Radio Stations in Bolivia

64-2912-C Italian Radio Stations in Bolivia

64-2912 General File covering Plant Survey Program in Bolivia

64-20113 Major Elias Belmonte

66-2362-204 Repatriation of Axis Nationals in Bolivia

64-309-204 Smuggling Activities in Bolivia

100-28156 Mauricio Hochschild

b. Administrative Files

64-4500 General Office Administrative File for Bolivia

64-4984-204 Monthly Report Sheets from Legal Attache's Office in Bolivia

64-4786 Living Conditions in Bolivia

67-383665 Office Personnel File for Legal Attache's Office in Bolivia filed under caption, "Embassy, La Paz, Bolivia." The Inspection Reports submitted relative to this office are in a separate folder.

64-29833-204 Police Matters in Bolivia

64-4123-204 Informant File for Bolivia

c. Monographs

"Totalitarian Activities in Bolivia" General monograph covering various phases of the Bureau's work in Bolivia. Printed June 1942; 81 pages.

"SIS Office, La Paz" Contains photographs of Legal Attache's offices and facilities in La Paz.

"Communist Movement in Latin America " General monograph covering Communism on a hemisphere basis. Published January, 1946; pages 24 - 25 refer to Bolivia.

"The Japanese in Latin America" General monograph. Published November, 1945, pages 99 to 105 refer to Bolivia.

"SIS Office, La Paz, Bolivia" Photographs of the SIS offices and facilities in Bolivia.

E. BRAZIL

1. SIS Facilities and Objectives

SIS coverage in Brazil was inaugurated in October 1940, when the first Agent was sent to Rio de Janeiro. Coverage was subsequently expanded until October 1943, when a total of fifty Special Agents and Special Employees were assigned to the country. By August 1946, when the final reduction in staff was begun, there were twenty Agents stationed throughout the republic.

Following the assignment of personnel attached to the Embassy, the Legal Attache's Office was established in the Embassy building proper, sharing space with the State Department representatives.

Due to its location, Brazil was one of the most strategic countries in the plans of the Axis powers. The well-laid plans to use Brazil as an espionage base, however, were disrupted by SIS operations coordinated with the cooperative activities of the Brazilian police. During the days prior to the involvement of the United States in the war, the objectives of the SIS representatives in Brazil were the identification of Axis agents and the determination of their activities. Following the breach of relations between Brazil and the Axis countries in February, 1942, and the declaration of war by Brazil on August 22, 1942, these objectives were extended to furnishing pertinent information to the Brazilian authorities for use in the arrest of enemy agents and to cooperating with the police in the prosecution of charges against those agents. The close police liaison which was maintained by the SIS representatives permitted them to interview and interrogate the more important Axis agents arrested by the Brazilian police. Through these interrogations it was possible to develop more complete details relative to enemy activities and intelligence organizations. In view of the cooperative attitude of the Brazilian Government, the fundamental SIS objectives in that country were not only those of an intelligence agency but also those of an agency collaborating in law enforcement work.

The value of SIS cooperation with the Brazilian police in combating Axis intelligence activities in Brazil was attested to by Dr. Joaquim Antunes de Olivbeira, the principal contact between the Bureau's representative and the Brazilian police, on the occasion of his promotion to the rank of Commander. In replying to speeches praising his leadership of Brazil's campaign against Axis activities, Antunes stated that ninety per cent of the success obtained by his colleagues and himself in counterespionage could be attributed to the activities of the Bureau in Brazil.

2. Major Accomplishments

a. German Activities

The most outstanding achievement of SIS operations in Brazil was the investigation of espionage activities which led to the discovery of several rings in communication with Germany by means of clandestine radio transmitters. When this information was turned over to the Brazilian authorities the leaders and collaborators of the various rings were immediately

arrested and the activities which caused Brazil, and Rio de Janeiro in particular, to be called the center of Nazi espionage in the Western Hemisphere were brought to an abrupt close.

On March 10, 1942, the police of Sao Paulo arrested Nils Christian Christensen, the chief of the clandestine radio ring known as CIT. Some of the members of this ring were connected with other espionage rings. In addition to the CIT group, there were five other rings designated, as in the case of CIT, by the call letters of their radio transmitters: CEL, LIR, JOH, HTT, and LFS. The premature action of the Sao Paulo police forced the Bureau's representative in Rio de Janeiro to deliver the information in his possession to the local authorities so that the members of the hitherto uncovered rings would have no opportunity to escape or destroy evidence. On March 20, 1942, it was reported that with few exceptions all of the members of the radio rings had been taken into custody by the Brazilian authorities. (64-3012-A-2-83;64-3012-A-3-69;64-3012-A-4-89)

Immediately after these arrests the Berlin radio began to attack Brazil in its broadcasts and to threaten reprisals. These threats were ultimately carried out by the sinking of five Brazilian ships by German submarines. News of these sinkings was made public by the Brazilian Government on August 18, 1942, and on August 22, war was declared on the Axis powers. (64-3000-A-289,339)

A considerable amount of the investigation conducted relative to these espionage groups was based on information obtained from the messages transmitted to and received by the clandestine stations. The technical facilities of the Bureau were used to monitor the several German transmitters, and by analysis and coordination of information obtained from the decodes of the messages, furnished by the Technical Laboratory, and the intensive investigation by SIS representatives, the persons referred to in the messages were identified, their cover names ascertained, and their associates were established.

Information thus obtained facilitated the investigation of agents in other countries. For example, it was discovered that Kempter of LIR had agents in Buenos Aires, Argentina in the persons of Ottomar Muller, Hans Napp, and Walter Freiwald, who have been previously discussed in the section regarding Argentina. (64-3012-A-2-160)

To obtain the necessary information in these cases, SIS representatives conducted surveillances and in one instance employed a double agent, [redacted] who obtained important information from Antonio Gama Pinto of the CEL group by delivering to him certain magazines containing data of interest to Gama Pinto's employers. These magazines were furnished to [redacted] by the Bureau's representatives in Rio de Janeiro. [redacted] was also installed in an apartment across from the place maintained by Federico Kempter and Herbert von Heyer who were endeavoring to operate a transmitter. (64-3012-A-2)

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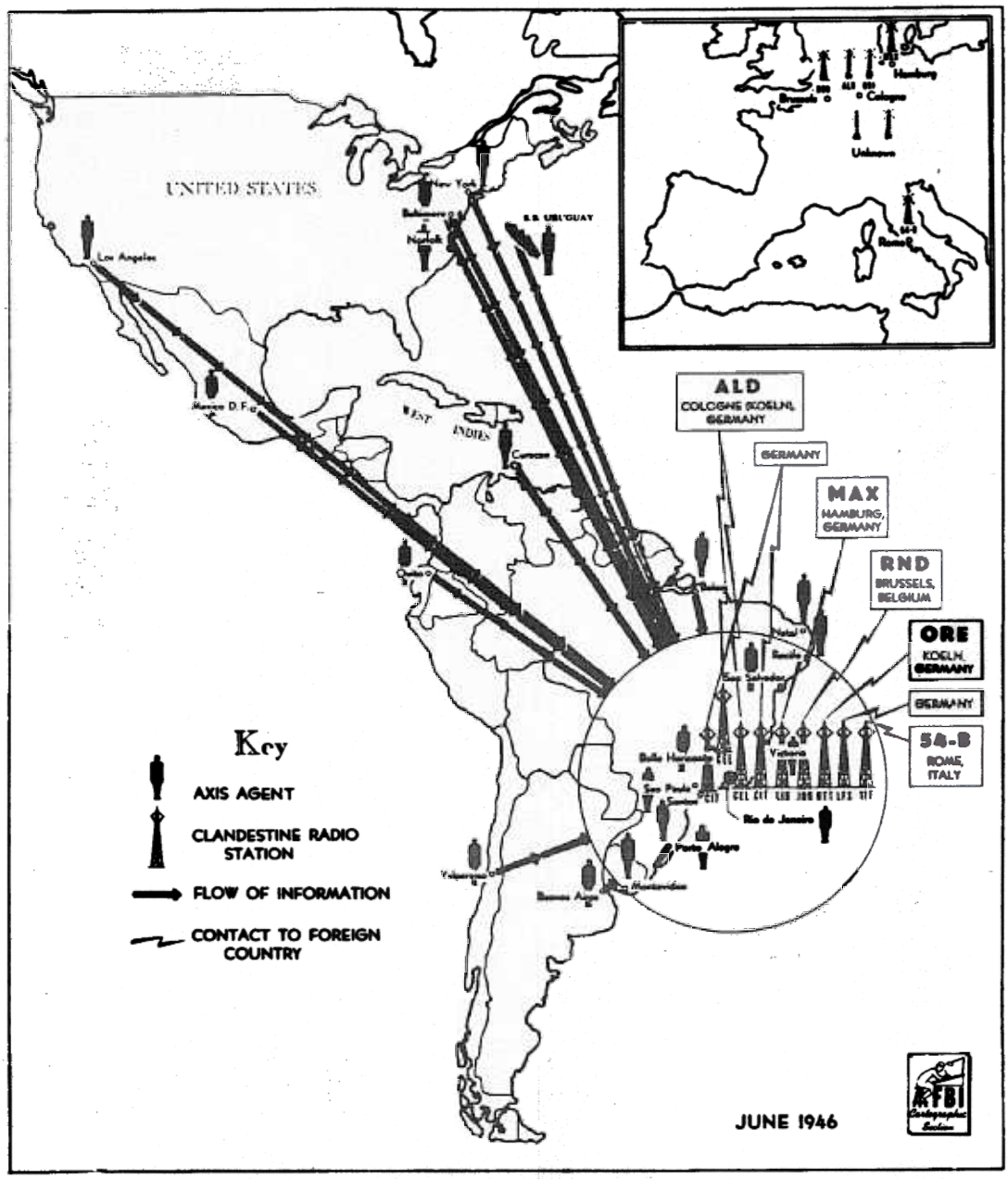
REPUBLIC OF BRAZIL

Location of
AGENTS WHO SUPPLIED INFORMATION TO SECRET AXIS RADIOS



Another important development resulting from the work of SIS related to the prosecution of enemy agents under Brazilian law. The activities of the German espionage rings took place while Brazil was not at war and there was no law in effect under which they could be prosecuted. The Brazilian constitution moreover contained an article expressly prohibiting the enactment of retroactive laws. The Government's first step, therefore, was to revoke that article and its second step was the publication on October 1, 1942, of a decree designating crimes and offenses against the national security. The decree was made retroactive to the date of the severance of relations with Germany, Italy and Japan. Under this decree convictions were obtained and sentences passed on the members of the various espionage groups. As a result of this action, the German espionage system in Brazil was effectively broken up. (64-3001-230-244)

(1) CEL Radio Ring - Probably the most important of the early German clandestine radio rings in South America was the CEL group. This ring formed an integral part in the pattern of German espionage in the Western Hemisphere and was linked with German agents in the United States, serving as a relay unit in forwarding communications from Nazi agents in this country to Germany.

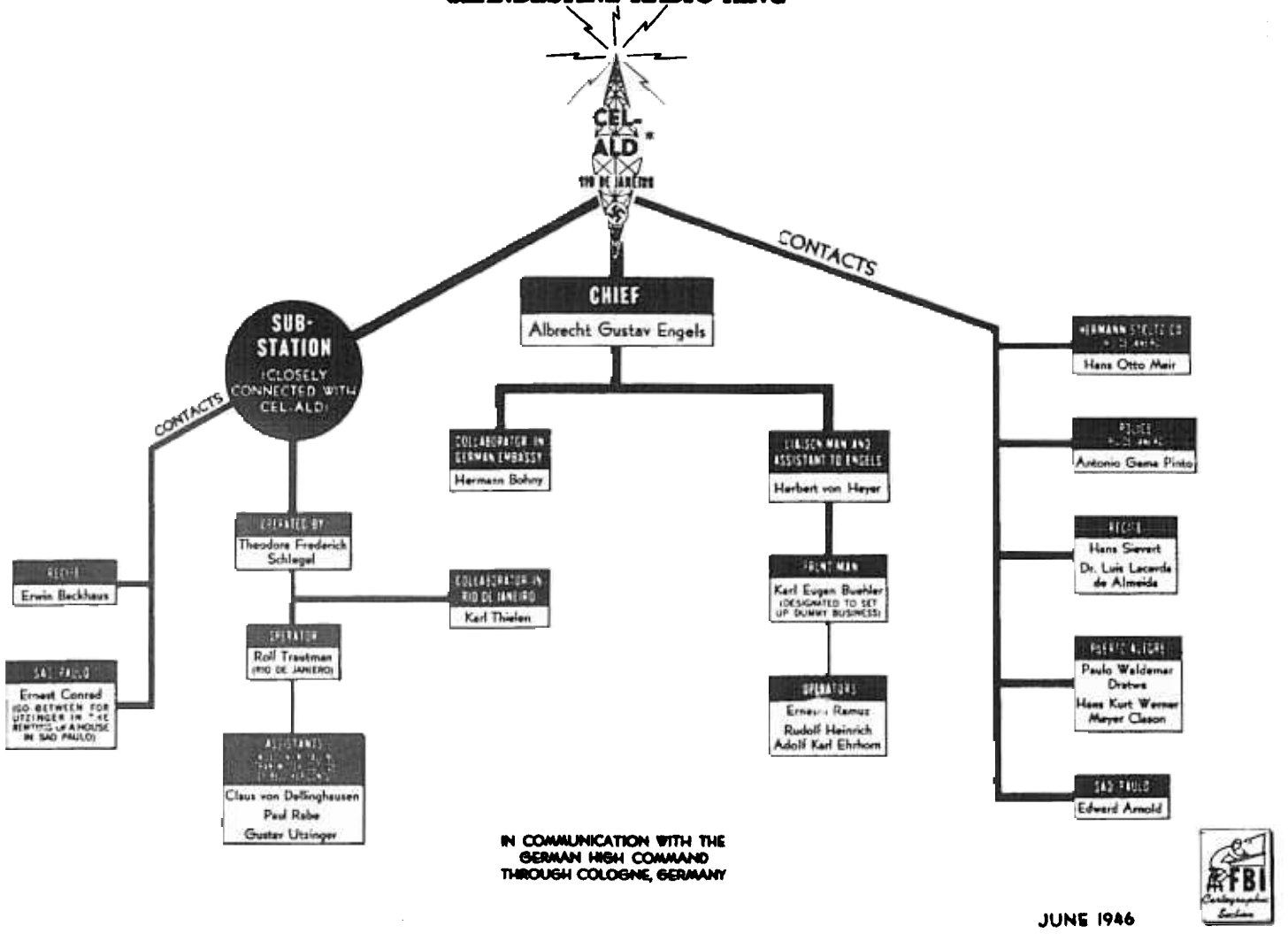
The leader of the CEL group was Albrecht Gustav Engels, a ranking executive and director of the well known German firm, Allgemeine Elektrizitaets Gesellschaft, (AGE). Engels, however, received a great deal of his inspiration and direction from Hermann F. Bohny, the German Naval Attache to Brazil and Johannes Siegfried Becker, who later blossomed out as the chief Sicherheitsdienst agent in South America.

Engels was originally recruited as an Abwehr agent in September, 1939. Toward the end of 1940 he was approached by Johannes Siegfried Becker who proposed the development of a complete espionage organization with Engels as Executive Director. Becker provided Engels with secret inks, codes, and a radio transmitter. A microphotographic machine was also made available for his use. The initial radio contact with Germany was worked out by Becker and Benno Sovisch, a German radio technician, now deceased. The principal radio technician and operator for the station, Ernst Ramuz, was recruited by Engels.

Dietrich Niebuhr, who as previously indicated, was the German Naval Attache in Buenos Aires and Rio de Janeiro, supplied Engels on one occasion with 60,000 Argentine pesos. It appears that the Engels group had at its disposal at least $112,000.00, United States currency. Engels subsequently claimed that most of his agents worked for patriotic reasons and were not paid. This appears to have been borne out by the fact that on the eve of his arrest Engels was able to turn over approximately $85,000.00 to Gustav Glock, Secretary to the German Embassy.

REPUBLIC OF BRAZIL

CLANDESTINE RADIO RING



The CEL radio ring was broken up by the arrests of the principal operators in the early part of 1942. Engels was arrested on March 18, 1942, and subsequently sentenced to thirty-three years imprisonment. Heavy sentences were also given to many of the other participants in this ring. Hermann F. Bohny was exempted because of his diplomatic immunity as German Naval Attache. Hans Otto Meier was sentenced to twenty-five years; Herbert Julius von Heyer was sentenced to twenty years; Hans Heinrig Seivert was sentenced to twenty years; Hans Kurt Meyer Classon to twenty years; Edward Arnold, Hans Muth, and Rudolf Ehrhorn to twenty-five years each. (64-3012-A-3)

Closely associated with the CEL group, although not actually a part of it, was a group headed by Theodor Friedrich Schlegel. Schlegel, a German officer, was in Brazil when the war broke out. He contacted Benno Sovisch who built him a radio transmitter and instructed an operator how to get in communication with Schlegel's company in Germany in order to forward intelligence information. After August, 1941, Schlegel transmitted clandestine messages to Germany using Rolf Trautmann as his radio operator. He also furnished material to Engels to be transmitted to Germany. Schlegel's sub-ring was broken up by the Brazilian police in March, 1942. Schlegel was subsequently sentenced to fourteen years imprisonment and Trautmann was given an eight years sentence. (64-3012-A-3)

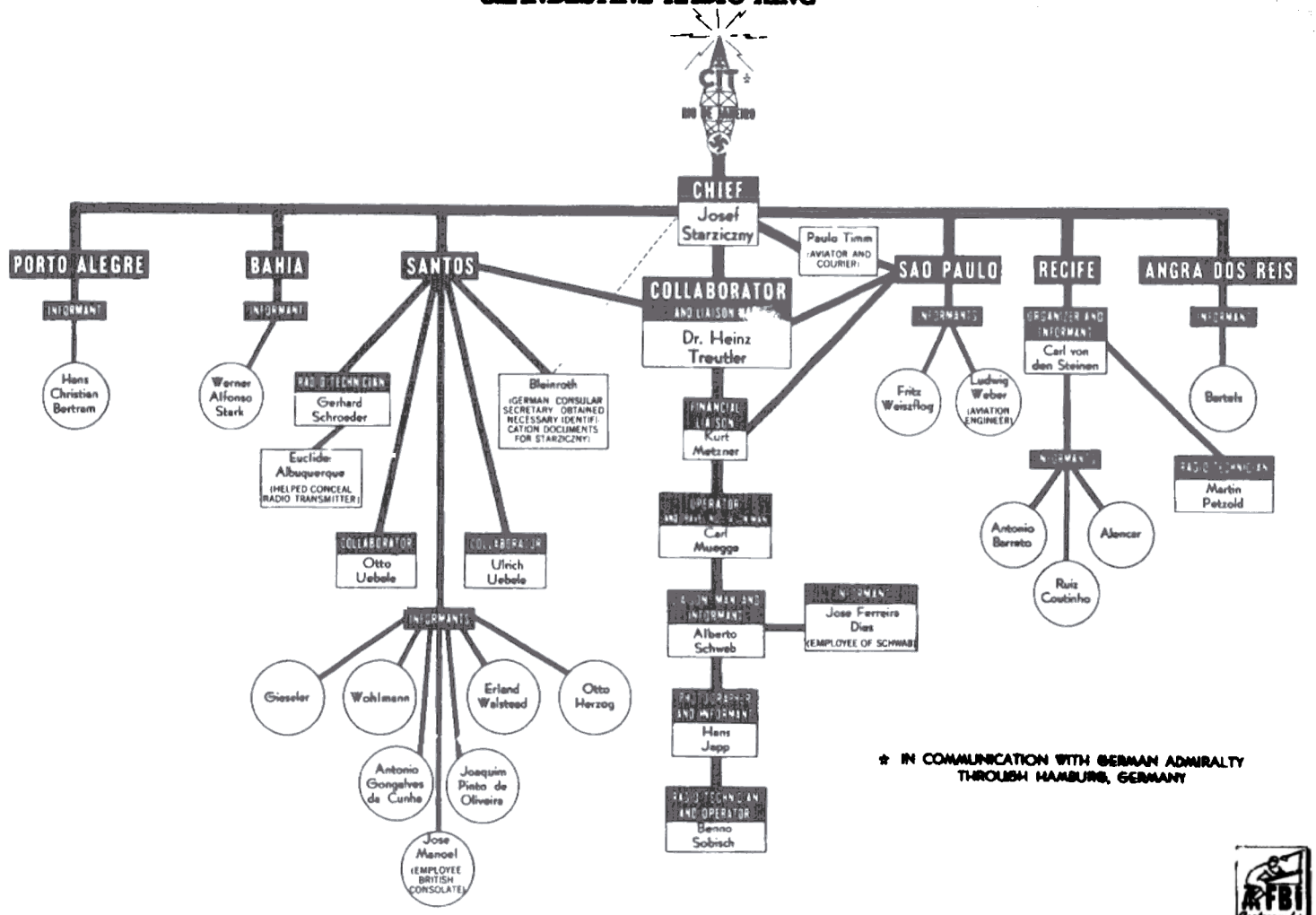
(2) CIT Radio Ring. One of the most successful rings was the group known as the CIT. This ring began operations in May, 1941, in several coastal cities, principally Rio de Janeiro, Santos, Sao Paulo and Recife. The ring specialized in maritime information and used three transmitters, only one of which functioned successfully. In all, the group sent some 490 messages to Germany.

The head of the CIT ring was Josef Jacob Johannes Starziczny, who was known in Brazil under the name Nils Christian Christensen. It was the arrest of this individual by the Sao Paulo police, which forced the Bureau's representatives in Brazil to turn over the available data regarding the other inter-related German espionage organizations prematurely. The interrogation of Starziczny and subsequent investigation resulted in the arrest of approximately forty individuals, eighteen of whom were convicted of espionage on October 29, 1943, and sentenced to a total of 309 years in prison.

Starziczny was originally prepared by German Intelligence for assignment in England. However, as a result of excessive drinking and a severe nervous condition, believed to have been self-induced in order to avoid departing on the mission to England, Starziczny became severely ill and the trip was canceled.

REPUBLIC OF BRAZIL

CLANDESTINE RADIO RING



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Following his recovery, he was trained for a mission to the Western Hemisphere and sent to Brazil in order to create an espionage organization and install a communications system between that country and Germany. He was then to proceed to the United States on a similar mission.

At the time of his arrest on March 10, 1942, Starziczny had groups of agents sending him information from Recife in the Northern part of Brazil and from Santos and Sao Paulo in the South. He also received supplemental data from agents in Rio de Janeiro. He likewise maintained some contact with agents attached to other German espionage groups such as Engels of the CEL ring and Hermann Bohny.

Starziczny's first radio messages were sent to Germany in May, 1941, approximately one month after his arrival in Brazil. Benno Sovisch, who assisted other German radio rings in Brazil, aided in setting up the transmitter.

The activities of the ring were brought to an abrupt close with Starziczny's arrest. Heavy sentences were meted out to the agents of the ring, Starziczny receiving a thirty year prison term. Hans Ulrich Uebele, Carlos Hans von den Steinen, Fritz Weissflog, Albert Schwab, Karl Mugge and Heinrich Bleinroth received twenty-five year sentences. Max Bernhardt, Walter Bartels, Martin Peter Friedrich Petzold, Wilhelm Gieseler, Antonio Gongalves da Cunha, Joaquim Pinto de Oliveira and Jose Ferreira Dias were sentenced to twenty years imprisonment. Other agents of the ring were given seven or eight year sentences. (64-3012-A-4)

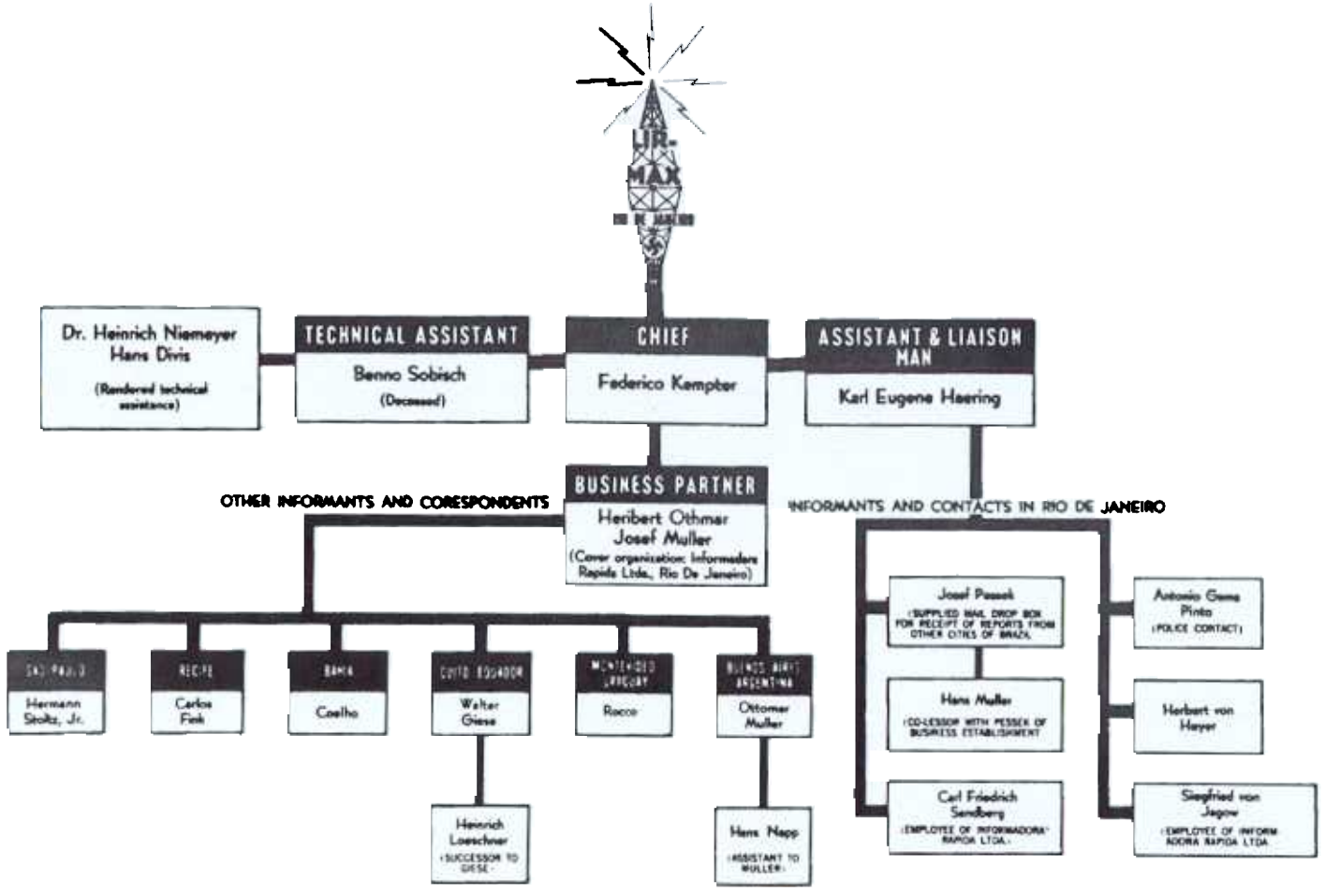
(3) LIR Radio Ring - This ring has been previously discussed in part in the section on Argentina. It operated one of the most successful clandestine stations in Rio de Janeiro during 1941 and part of 194 It was originally organized by Friedrich Kempter for the purpose of supplying Germany with information concerning Allied ship movements.

Kempter's operations were cloaked under the cover of a credit reporting service known as Informadora Rapida, Ltd., with the assistance of an Austrian named Heriberto J. Muller. Kempter was employed by the German High Command in March, 1940, and early in that year he began furnishing reports from Brazil to a cover company in Germany. Near the end of the year it was suggested that he secure a radio technician to assist in transmitting information to Germany relative to neutral and allied shipping in Brazilian ports. With the assistance of Benno Sovisch, Kempter erected a transmitting station and funneled information to Germany relative to ship movements in Brazilian waters.

Kempter had numerous contacts outside of Brazil in addition to his previously described associates in Argentina. He received information from Uruguay and Ecuador and was instructed to contact Heinrich Clausing, a steward on one of the Good Neighbor Fleet ships of the Moore-McCormack

REPUBLIC OF BRAZIL

CLANDESTINE RADIO RING



* IN COMMUNICATION WITH HAMBURG, GERMANY

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Lines. Before he could contact Clausing, however, the latter was arrested in the United States for his espionage activities in the spy ring led by Frederick Joubert Duquesne. Kempter likewise maintained contact with other German espionage groups in Brazil such as the CEL organization and had informants in Recife and Bahia, Brazil.

Following the death of Benno Sovisch, the technical work on the transmitters was handled by Gustav Edward Utzinger. The activities of the LIR ring were broken up by the arrest of Kempter on March 20, 1942. Thereafter his various associates were also apprehended. Kempter was sentenced to twenty-five years imprisonment; Karl Eugen Haering was given twenty years; Heriberto Joseph Muller eight years and Carlos Fink seven years. Utzinger escaped and eventually went to Argentina where he was arrested by the Buenos Aires police in August 1944. (64-3012-A-2)

(4) LFS Ring. Although surpassed in efficiency by some of the larger clandestine radio rings in Brazil, the LFS group headed by Brank Walter Jordan constituted a definite threat to the allied war effort.

Jordan, world traveler, newspaper correspondent and photographer, was recruited and trained in Germany for an espionage assignment in Rio de Janeiro. His special task was to submit to Germany, by radio, allied shipping information.

Jordan reached Brazil in the early part of 1941 aboard the German blockade runner "Lech". By June 1941, he had a radio station in operation. Some fifty-nine messages were exchanged between his station and Germany, when his last message was intercepted on March 6, 1942. Most of the information submitted by Jordan pertained to allied vessels, their cargoes and destinations. A few messages concerned Brazilian troop movements and the shipment of mechanized equipment to the North of Brazil.

Jordan enlisted the aid of Dr. Hans Holl and Herbert Winterstein. Holl, a naturalized Brazilian of German birth, was a technician in the Brazilian Ministry of Aeronautics and as such had access to vital data on Brazilian plane production. Winterstein supplied Jordan with commercial information and assisted in recruiting Walter Moll who furnished data about shipments.

The LFS ring was effectively broken up in March 1942, when the police arrested Jordan and eventually rounded up all of his assistants. Jordan was sentenced to twenty years imprisonment; Walter Moll and Gnecco de Carvalho were sentenced to fourteen and eight years respectively. Alfonso Digeser, Hans Holl, Herbert Max Karl Ernest Winterstein, Julius Wilhelm Karl Baum and Eduardo Pacheco de Andrade all received eight year sentences. (64-3012-A-5)

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REPUBLIC OF BRAZIL

CLANDESTINE RADIO RING

CHIEF
Frank Walter Jordan

INFORMANTS

- Jose Gnecco de Carvalho
- Walter Moll
- Dr. Pacheco de Andrade

Fritz Noack
(ASSOCIATE OF WINTERSTEIN, INVOLVED IN FINANCIAL DEALINGS OF THE ESPIONAGE RING)

COLLABORATOR AND INFORMANT
Herbert Max Karl
Ernst Winterstein

LIAISON MAN
Amaro de Souza Carneiro

INTERMEDIARY
Jose Falcao Teixeira

INTERMEDIARY
Dr. Mauro de Souza Machado

CONTACTS

- Paul George Engmann (NAME FURNISHED IN GERMANY)
- Alfonso Digeser (PERMITTED INSTALLATION OF RADIO ANTENNA)
- Dr. Hans Holl (NAME FURNISHED IN GERMANY) (PRESENTED JORDAN TO WINTERSTEIN)
- Hugo Fleischer (PARTNER OF DIGESER AND TRANSMITTER IN HIS HOME)
- Julius Wilhelm Karl Beum

*COMMUNICATED WITH STATION IN GERMANY

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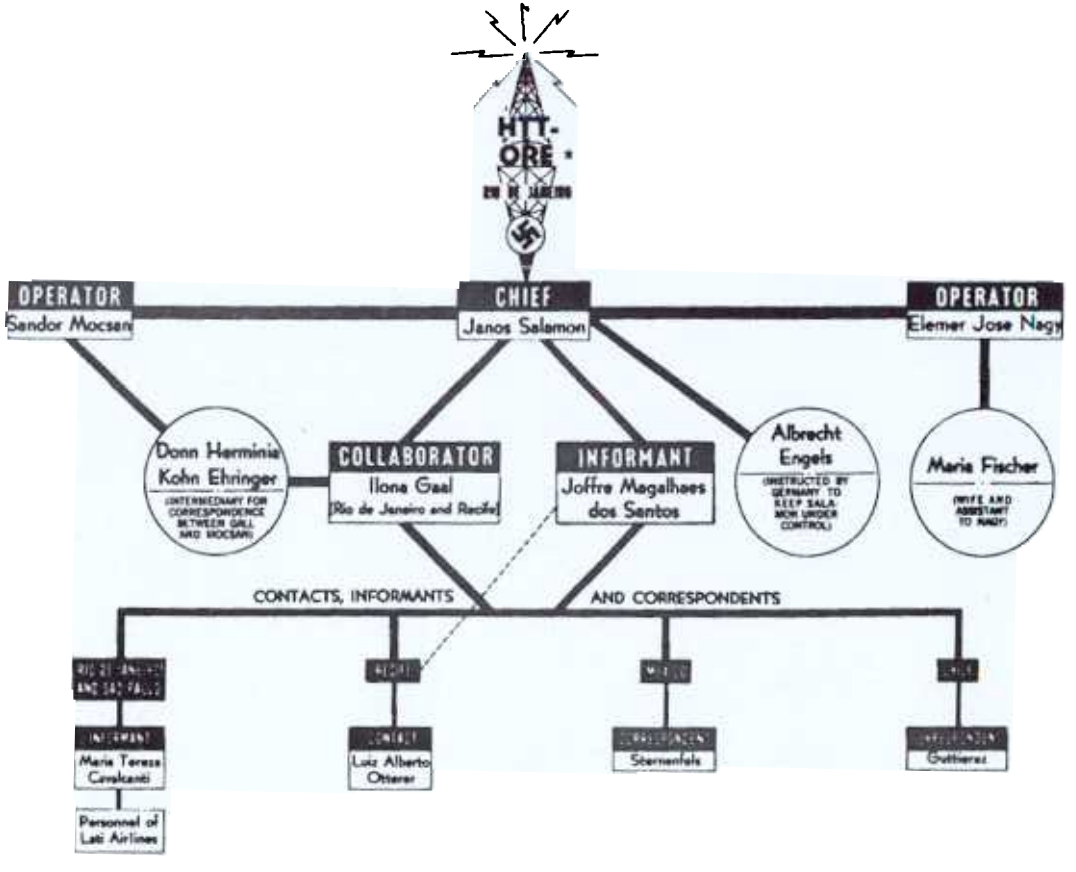
REPUBLIC OF BRAZIL

CLANDESTINE RADIO RING



* HAD CONTACT IN GERMANY WITH HUGO SEBOLD AND IN HUNGARY WITH JENO PADENGI, VIRAGH, AND AKOS

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(5) HTT Radio Ring. The only known German espionage group whose operations were entrusted to non-Germans was that which centered around the radio transmitter identified by its call letters HTT. The moving forces behind the rather ineffective operations of this station were Sandor Mocsan and Janos Salamon, both Hungarian nationals. At the time the activities of this group were discovered Mocsan and Salamon were already in the custody of the British authorities at Trinidad where they had been removed from the vessel on which they were attempting to return to Europe. Their transmitter as well as the Agents who fed it with information were left under the supervision of Ellemer Jose Nagy. Nagy had become assistant radio operator after contact with Hungary was established and he had gathered together a number of informants among whom were several pilots of the Italian Liner Lati.

Salamon had arrived in Rio de Janeiro originally as a member of the Hungarian Legation, ostensibly for the purpose of studying the commercial possibilities of Brazil in connection with the Free Port of Hungary. Shortly after his arrival he bought a salad oil factory as a "front" for his intended activities. The transmitter used by the group was brought to Brazil in the Hungarian diplomatic pouch by Mocsan. Salamon gradually built up a small ring of informants, among whom was Joffre Magalhaes dos Santos, an investigator for the Brazilian Police.

When pertinent information was furnished to the Brazilian Police by the Bureau's representatives, Janos Salamon and Sandor Motsan were already under arrest by the British. The Brazilian authorities, however, arrested the remaining members of the gang and Joffre Magalhaes dos Santos and Ellemer Jose Nagy were subsequently sentenced to twenty-five years imprisonment. (64-3012-A-6)

(6) JOH Radio Group. Another constituent of the German espionage system in Brazil was the small group of agents headed by Othmar Gamillscheg, which centered around the clandestine radio station JOH.

Gamillscheg's work as an espionage agent began in 1941 upon his return to Brazil from Germany. His principal assistant was Adelberto Wamszer, a Rumanian, who had resided in Brazil since 1924. Wamszer assisted in recruiting agents and at one time endeavored to place an agent in Panama.

The Brazilian Police put an end to the activities of the JOH group at the time the general round-up of Axis agents was made. As a result, Gamillscheg was sentenced to an unspecified term in prison and Wamszer was given a twenty-five year sentence. (64-3012-A-7)

(7) Werner Christoph Waltemath. In Sao Paulo a closely knit organization was founded by Werner Christoph Waltemath who had been recruited as an espionage agent in Germany for the purpose of reporting develop

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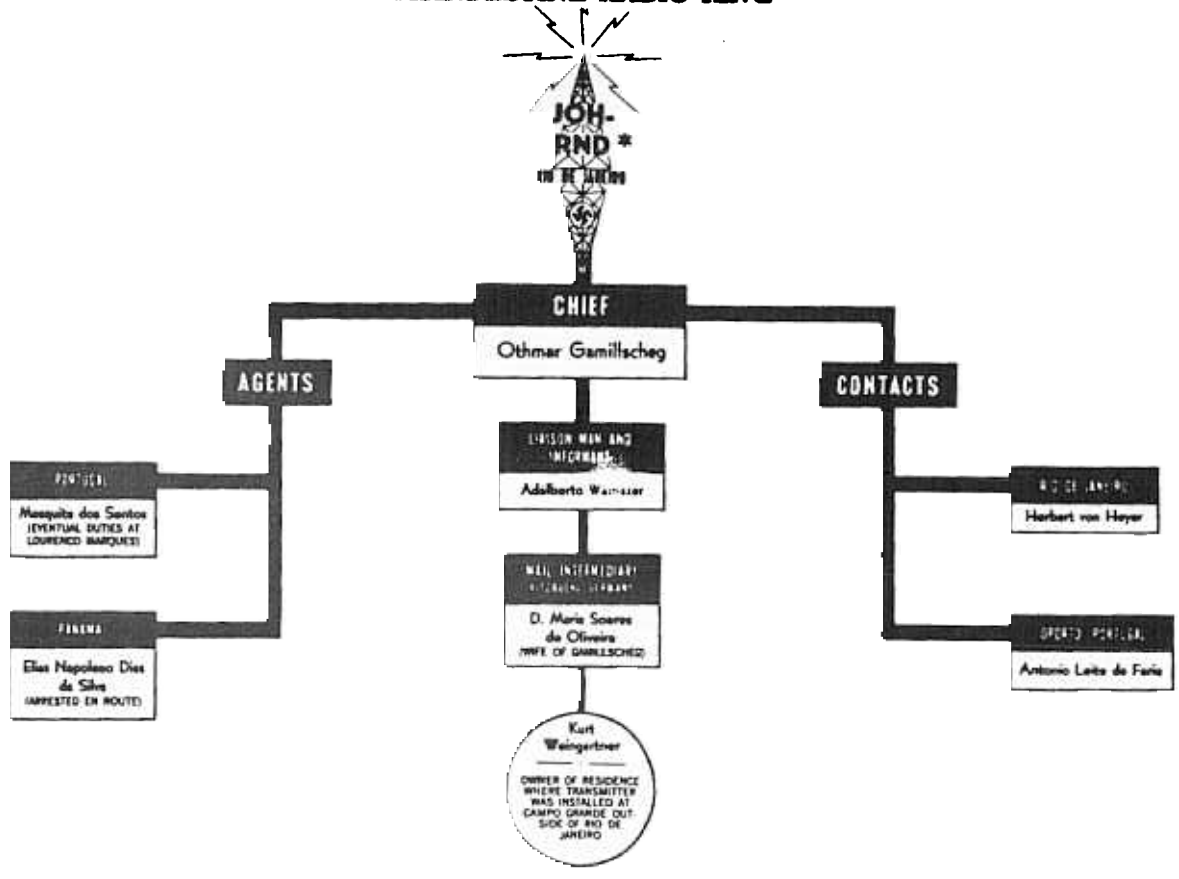
REPUBLIC OF BRAZIL

CLANDESTINE RADIO RING



*COMMUNICATED WITH STATION RND LOCATED IN BRUSSELS, BELGIUM

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ments in American and Canadian aviation. Waltemath had resided in Brazil from 1930 to 1939 when he returned to Germany for a visit. While there he was compelled to serve in the Army and from May 1940 to May 1941, he was in the Signal Corp. He was released from the Army on condition that he would return to Brazil, construct a radio transmitter, and furnish information regardingthe United States. Waltemath returned to Brazil in July 1941.

After settling in Sao Paulo, Waltemath constructed a radio transmitter with the assistance of Carlos Mossbach. This station used the call letters MNT and transmitted several messages which were intercepted by monitors in the United States. It was not definitely determined, however, whether the control station in Germany was able to receive these messages, although it did send calls to MNT which were received by Waltemath.

The principal value of Waltemath to the German espionage system was through the information which he furnished in secret writing letters addressed to a drop box in Madrid, Spain, and in his microphotographs which were sent through Argentina. These microphotographs were made by a photographer, Hans Gunther Muller, and were smuggled in care of Paulo Greise, Waltemath's brother-in-law, to Alfredo Volckers, a contact in Argentina. Volckers in turn arranged for films to be sent to Waltemath by the same means and also forwarded him additional microphotographs containing instructions.

On the basis of the information made available to them by the Bureau's representatives, the Sao Paulo police on June 1, 1943 raided Waltemath's house and found a hole dug beneath the living room floor in which were concealed the radio transmitter, a receiver set, microfilm containing code instructions, a schedule of transmissions, and a book to be used as a code. This hole was large enough to allow Waltemath to work underneath his living room without being observed or disturbed. When questioned Waltemath fully confessed his espionage activities and implicated ten other agents as well as fifteen espionage contacts of the ring. In December 1943, he was sentenced to twenty-five years in prison. Paulo Greise was given a twenty year sentence and the others were sentenced to varying lesser terms. Hans Christian Von Kotze, with whom Waltemath had worked closely, fled from Brazil and went to Canada where he later became [redacted] He was sentenced in absentia by the Brazilian courts to twenty-five years in prison.

The initial information in this case was received by the Bureau from British sources. Almost the entire investigation and interrogation, however, were handled by SIS agents in Brazil in cooperation with the Sao Paulo police. (64-21970)

(8) Ferando Manoel de Almeida e Motta Marques. As a result of an investigation instituted by SIS representatives in Brazil, Ferando Manoel de Almeida e Motta Marques was arrested by the Brazilian authorities after information concerning his activities had been placed in their hands through appropriate Embassy channels. Marques was thoroughly interrogated by SIS representatives in Rio de Janeiro at which time he admitted having been recruited by Francisco Pereira e Abreu, an agent of the Information Service of the Portuguese Legion. Marques's chief duties consisted of furnishing information regarding plots by Portuguese exiles to deliver certain islands to the Allies. He was also instructed in the operation of a short wave radio transmitter. An investigation further revealed that he had corresponded in secret ink with his father, Carlos, in Portugal, who was an active Axis agent. Further investigation by Bureau representatives revealed that Carlos, the father, had been arrested in Portugal and additional questioning of Fernando indicated that he was a member of an organization smuggling platinum and industrial diamonds to Portugal which were delivered by his father to the German authorities. On December 13, 1943 Marques was sentenced to eight years imprisonment by the Brazilian courts. (64-20122)

(9) The Apfel Sabotage Group. In 1945 the Brazilian aspects of the so-called Apfel Sabotage Case were brought to a logical conclusion. This case is discussed further in the section on Chile.

This sabotage ring organized by the Germans was international in scope and covered the most important countries of South America. Georg Konrad Friedrich Blass alias "Dr. Braun", one of the leaders of the group, was in charge of sabotage activities in Brazil and the northern countries of South America. Blass had been an engineer and professor in one of the German Universities prior to his recruitment as a sabotage agent by a member of the German High Command. He was given the code name "Dr. Braun," and sent to Rio de Janeiro to organize a sabotage ring. In April 1940, Blass contacted Boris Dreher, a German National, resident in Rio de Janeiro, who due to his business connections had wide aquaintanceships throughout various Latin American countries. Due to his extensive commercial activities, Dreher had been selected to accompany Dr. Braun on a tour of several of the South American countries to perfect the sabotage organization. Dreher was later chosen as Braun's substitute in the event the latter should be forced to leave Brazil.

Another German National, Karl Otto Gohl, had already been sent by the German Government to Sao Paulo, Brazil, in charge of sabotage activities in that locality. Gohl was an able engineer and was consulted frequently by officials of the Brazilian Government. Because of these contacts, he was considered to be of particular value to the sabotage group.

About two weeks after Blass' arrival in Rio de Janeiro, he and Dreher visited Gohl in Sao Paulo. Gohl later acted as contact man in introducing Blass to Albert Julius Von Appen who was in charge of sabotage in Chile and Peru.

Accompanied by Dreher, Blass visited Colombia, Venezuela, Peru, and Ecuador. In Colombia, Blass recruited additional sabotage agents and left $2,000 each with Ernst Karl Roggemann and Hans Lahrius, later arranging for German officials to send $10,000 each to Roggemann and Herald Von Krogh through the Banco Germanico in Colombia.

No actual sabotage was committed by the Blass-Gohl group. In January, 1940, instructions from Germany had ordered that sabotage activities should be held in abeyance, pending the arrival of an appropriate time. Actual instructions to commence operations were never sent to the group.

One plan, however, was laid by members of the ring, acting through a Brazilian Air Force Captain, to set fire to the German ship, "Windhuk", which had been interned by the Brazilian Government and was to be turned over to the United States authorities. One of the intercepted clandestine radio messages indicated that Gerardo Margella Mourao was involved in this plot. This information was furnished to the Brazilian police by SIS representatives together with the data developed through investigation of Mourao. With this information the police were able to fit Mourao into his proper place as a member of the sabotage group bent on destroying the "Windhuk." Mourao and other members of this particular band were taken into custody in September, 1942, by the Brazilian police.

One actual effort to commit sabotage was made by Karl Gohl. He and two assistants intended to destroy the Cubatao Power Plant and they actually went to the site of the Plant with a sack of dynamite. Circumstances arose, however, which caused them to leave the dynamite in the suburbs of Sao Paulo and abandon the plan.

The case was broken in March 1945, when Von Appen, in Chile, disclosed the ramifications of the German sabotage organization in South America to the Chilean police. The Legal Attaches in the various countries assisted the local governments in breaking up the rings and in apprehending the principal subjects. Dr. Braun was arrested by the Brazilian police on March 31, 1945. Under questioning he admitted his participation in the activities of the group and stated that approximately $80,000 had been made available to him and Karl Voghl for sabotage purposes. Braun implicated Albert Thile, Walter Augustin, and Hans Otto Meier as members of his organization. All of these individuals were detained by the Brazilian police and admitted their activities. (64-3012-A-3-178) (64-2330

(10) Black Listed Firms. With regard to the United States Proclaimed List of Certain Blocked Nationals, the activities of SIS representatives in Brazil were of considerable importance. During the investigation of the several clandestine radio rings, information was obtained which conclusively showed the participation of the powerful German firms, Hermann Stoltz & Cia. and Theodor Wille & Cia. in Nazi activities. In the prosecution of Theodor Schlegel, to whom reference has previously been made, the directors of the Hermann Stoltz organization were charged with "criminal responsibility" for the part played in espionage activities by their firm. (64-3004-A-1369)

Other firms on the Proclaimed List whose activities were also investigated in connection with the activities of espionage agents were:

Ricardo Lodders & Cia. (Ricardo Lodders) - (64-3004-A-361)
Acos Marathon do Brazil (Theodor Schlegel) - (64-3012-A-3-12)
Tubos Mannesmann (Arn Lieckefeld) - (64-3004-A-735)
Stark & Cia. (Werner Stark) - (64-3012-A-4 - 79)
Informadora Rapida Ltda. (Federico Kempter) - (64-3012-A-2)
Siemens-Schuckert - (Brazilian Monograph, page 130)
Zeiss Sociedad Optica Ltda. (Dr. Heinrich Niemeyer) - (64-3012-A-2)
A.E.G. Companhia Sul Americana de Electricidad
(Albrecht Engels) - (64-3012-A-3 - 183)
Auto Distribuidora Ltda. (Kurt Metzner) - (64-3012-A-4 -89)
Richard Burgers (Richard Burgers) - (Brazilian Monograph, pages 120, 126, 150)
Wilhelm Adolf Paul Gieseler (Gieseler) - (64-3012-A-4 - 89)
Weiszflog Irmaos (Fritz Weiszflog) - (64-3012-A-4 - 89)

Through initiative and resourcefulness, one of the SIS representatives in Sao Paulo, Brazil, was able to penetrate the German community and through his close contacts and associations with members of that community, the Bureau was able to obtain important information concerning the dealings of the various German individuals who were placed on the Black List. (64-20614-14)

b. The Communist Movement

(1) Local Communist Activities. The Communist movement during the early stages of SIS coverage in Brazil was not of primary interest. With the growing influence of the Communist elements, however, and the final legalization of the Party in April, 1945, these activities achieved a status of major importance. SIS coverage of Communist and Soviet matters in Brazil was highly effective through a combination of police informants, regular informants within the Communist Party and technical coverage. During the last two years of SIS operations, our Brazilian coverage was highly effective.

The principal objectives of Communist investigations were the identification of Communist leaders and prominent party members and sympathizers, as well as the determination of general Communist activities.

Following the unsuccessful Communist revolution of November, 1935, Brazilian Communist leaders were exiled or arrested and imprisoned. The principal leader, Luis Carlos Prestes, was given a long sentence for insurrection and murder. The Vargas Government took no further chances with Communism and suppressed it rigidly. As a result, early SIS Communist coverage dealt principally with ascertaining the complete background of Communist leaders inside and outside of Brazil, and with compiling information concerning the revolution from police files and from an informant whose information was much more complete than that of the police. This material was considered of use in evaluating Communist activities elsewhere in Latin America and in keeping abreast of Brazilian Communism in the event it should again become active. (64-4123-205-1,2,643)

On April 18, 1945, President Getulio Vargas issued an amnesty decree for all political prisoners including Communists. Prestes and his comrades were released and immediately began reorganizing their ranks. They at first ostensibly followed a moderate leftist policy and within a short time set up an organization numbering from forty to fifty thousand members. Prestes supported the Vargas Administration until the coup d' etat of October 29, 1945, which removed Vargas from office. During the subsequent elections, Prestes supported Yeddo Fuiza, a political unknown, for the presidency. This individual lost conclusively to General Dutra, but the Communist Party itself polled over five hundred thousand votes and elected Prestes to the Senate, together with fourteen representatives to the Chamber of Deputies.

Prestes attempted to gain the favor of President Dutra, but it soon became evident that Dutra and his Army supporters were strictly opposed to Communism and would take advantage of any opportunity to restrict or suppress Communist activities. Decrees were prepared under which Communist leaders could be arrested, the party closed, and all Communists barred from Government or Army service. During the preparation of these decrees, inquiries were made of our police liaison representative for advice as to the nature of existing United States legislation against Communism. (64-200-205-278)

Added opposition to the Communists arose after a statement by Prestes on March 15, 1946, to the effect that he and his party would side with the Soviet Union if Brazil should become involved in an "imperialist" war against Russia. Mounting tension came to a head on May 23, 1946 when Communist determination to hold a mass meeting in a downtown Rio de Janeiro square was opposed by police force.

For sometime previously the Communist Party had planned on holding a huge mass meeting at the Carioca Plaza in downtown Rio de Janeiro on the afternoon and evening of May 23, 1946. Twenty-four hours before the meeting the Police Department refused to grant permission and recommended that it be held in another Plaza near the outskirts of the city. The question of whether or not the meeting would be held developed into a show of strength between the Communist Party and the police. The Communists reportedly believed that the Police order would not be backed up by the Government. In spite of the warning, approximately forty thousand persons arrived at the Carioca Plaza before the police attempted to break up the gathering. A person who was afterward identified as a Communist Party gunman fired the first shot at a Mounted Military Policeman and there ensued an exchange of gunfire. One person was reported to have been killed and forty persons including three policemen were wounded.

This conflict between the Communists and the Brazilian police was regarded as highly important because it was not known how far the disorders might go. [redacted] regular informant coverage, the Bureau's representatives kept constantly abreast of the progress of the affair and were able to keep the Charge d' Affaires advised almost on a blow-by-blow basis. He in turn forwarded the information to the State Department by cable and telephone.

The importance of the incident was further attested to by information received through SIS technical coverage that the Russian Ambassador to Brazil was being kept advised by telephone of the course of the disorders. Information regarding the occurrences was furnished to the Russian Embassy by the Tass News Agency representative, Jorge Kaluguin. The Soviet Ambassador was also known to have commented that the Communist defiance of the police order was premature and that "the time had not yet come for that sort of thing." (64-200-205-370)

Through the coverage of Communist matters maintained by the Legal Attache's Office, he was able to keep the American Ambassador fully advised of all developments of interest. One such instance was the occasion on which the Bureau's representative was able to warn Ambassador Adolph Berle in advance that the Brazilian Communists intended to intensify their attacks on him. It was likewise possible to keep the Ambassador and President Truman advised regarding the intention of the Brazilian Communist Party to continue and accelerate their criticism of American foreign policy. On the basis of this type of information the Legal Attache was also able to assist the Ambassador and other Embassy officers in answering official inquiries regarding the Communist movement in Brazil. (64-200-205-142, 154; 156, 202)

Another instance of the effectiveness of the Bureau's coverage in Brazil occurred in the latter part of October, 1945, when the Office of the Legal Attache was the only investigative agency aware of the whereabouts of Luis Carlos Prestes. Following the Army Coup of October 29, 1945, many of the Communist Leaders were arrested by the police as a precautionary measure. Prestes, however, went into hiding and, as the Head of the Party, the Brazilian police exerted every effort to locate him. Rumors were rampant that Prestes had fled from the city or even from the country. The technical coverage of Communist Party headquarters maintained by the Bureau's representatives, however, disclosed that Prestes was still in the city and made available his temporary address. As a result of this information's being furnished to the Embassy and the State Department, the American Government was aware of Prestes's whereabouts while the Brazilian officials were still attempting to locate him. (64-200-205-171)

The successful liaison maintained by the Bureau's representatives with the Brazilian Police Department was the source of very valuable information regarding the Communist activities. The Bureau's coverage of Communism in Brazil could not have been nearly as complete without the material so obtained. An example of the effectiveness of this liaison came as a sequel to the riots of August 30-31, 1946. At that time the Brazilian police took all the records available in the Communist Party offices to the Police Department for photographing. Through the good relations maintained with the police, the most important records such as membership lists were made available to the Legal Attache's Office for photographing prior to being returned to the Communist Party files. The receipt of this information added immeasurably to the completeness of SIS records regarding Communism in Brazil. (64-200-205-483,562)

(2) Soviet Activities. Soviet activities in Brazil began essentially with the establishment of diplomatic relations between the U.S.S.R. and Brazil on April 2, 1945. The Soviet Government subsequently sent Jorge Kalagin to Rio de Janeiro as representative of the Soviet News Agency, Tass. Kalagin was active in making preparations for the arrival of the Soviet Ambassador and in attempting to secure favorable publicity for the Soviet Union. Formal relations were established between the two countries in May, 1946, when Jacob Surits arrived as Russian Ambassador.

The Soviet representatives within a short period of time became active in diplomatic and commercial circles. Liaison with the Brazilian Communist Party was largely maintained through the Tass representative. In the commercial field the Russians became interested in commercial negotiations which would divert from the United States many of the Brazilian products which had been purchased almost exclusively by the United States.

As in other countries where Russian Diplomatic Missions were established, shortly after the formation of the Embassy there were increased indications of Intelligence activities, not only in the Communist Party of Brazil but also in the Polish and Yugoslav Legations. The

Bureau's representatives followed these activities closely until the closing of SIS activities in Brazil on January 20, 1947. (64-211-205; 105-5169; 100-345359)

c. Domestic Political Matters

The strategic position of Brazil during the war as a vast reservoir of material wealth and as a base of operations during the battle of the South Atlantic emphasized the great importance of Brazil's political position in world affairs as well as in the political development of South America. Brazil emerged as one of the two leading powers in South America and its political activities became of major importance in hemisphere intelligence.

Since 1934, Brazil had been governed by President Getulio Vargas under a system of highly centralized Federal control which had abolished political parties and had exercised close supervision over the press, radio, labor unions, local governments, and practically every phase of Brazilian life. During the war, Brazil actively aided the Allies and in fact became an active Ally herself. The economic disorganization brought about by the war led to increasing dissatisfaction among the Brazilian people and this together with the opposition to Vargas' strong controls contributed to growing unrest. During the period of hostilities, internal differences, although increasing in number were overridden by the greater international problems. However, soon after the cessation of hostilities, factors contributing to the unrest multiplied and culminated eventually in the coup d'etat engineered by the Brazilian Armed Forces which forced the resignation of Vargas on October 29, 1945.

Earlier, in April 1945, Vargas had decreed that national elections for the long dormant Brazilian parliament would be held as well as elections for President and local officials. At that time the organization of political parties was specifically authorized and the Government control of press, radio and other forms of public expression were completely relaxed. (64-3001-1211)

The immediate reaction to release of controls by Vargas was an enormous expansion of political activity throughout the country. This increased political activity necessitated immediate extension of political coverage by the Legal Attache's Office in order to insure being in a position to promptly and accurately report the activities of various political groups within the country. The political campaign which begun as primarily a contest between the two major political parties developed to a point where the main issue became whether or not Vargas would attempt a political maneuver to maintain himself in power and avoid the elections. The Bureau's representatives were able to report the complicated Brazilian political picture with accuracy and dispatch. Included in the sources which had been developed by SIS agents was [redacted] had been a political exile during a great deal of the Vargas regime and upon his return to Brazil soon after the announcement of the elections had become [redacted]

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[redacted] in Rio de Janeiro, Sao Paulo and Porto Alegre, and [redacted] furnished current accurate information on the day to day changes in the political scene. During this period, the Legal Attache's coverage of the Communist Party activities which has been discussed previously played an important part in completing political coverage. The Communist Party of Brazil had reorganized openly along with other political parties and was extremely active in the campaign. (64-3001-1211)

From the very beginning of the campaign the feeling persisted among the opponents of Vargas that he would seek to remain in power by some means. This feeling was not lessened by the activities of pro-Vargas groups who advocated his election as President. These groups, although not officially or closely organized and without public support or endorsement from Vargas, were numerous and influencial especially among labor organizations. The deadline for registration of presidential candidates passed, however, without Vargas becoming a candidate. His supporters then began to advocate a change in the planned elections to provide for the election of a constitutional assembly rather than a Congress and for the retention of Vargas as President until the assembly had written and adopted a new constitution. The campaigns of both major parties were concentrated on opposition to this plan and it was condemmed as a move to perpetuate Vargas in power. On September 25, 1945, a reliable source of the Legal Attache informed that the two presidential candidates, General Enrico Dutra and Brigadier for Air Eduardo Gomez, had conferred and agreed that they would take all measures necessary to prevent any change in the scheduled elections. Both of these men had strong followings in the armed forces. [redacted] informed the Legal Attache that Gomez' party would not allow a change in the election and claimed that Vargas' failure to stop the pro-constitutional assembly movement showed that no free election could be held while Vargas was still president. (64-3001-1019)

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In response to a request from the Ambassador, the Legal Attache was able to verify through [redacted] on September 26, 1945 that a Vargas representative had actually informed the leaders of the opposition party that the elections would be postponed. [redacted] also confirmed this and acting on this information the Ambassador made a public statement warning against the postponement of announced elections. His action was reported by sources, including [redacted] to have contributed to delay the announcement of the change. (64-3001-1014)

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On October 18, 1945, [redacted] informed that Vargas had resumed his plans to decree a constitutional assembly. This was confirmed a few days later by [redacted] who also informed on October 26, 1945 that officers at the military base, Villa Militar, near Rio de Janeiro had on the previous night seriously considered an attempt to take control of the government. (64-3001-1037, 64-3001-1043, 64-3001-1046)

All of this information was furnished to the Ambassador immediately upon its receipt and to the Bureau by radio so that the Bureau was able to currently advise interested agencies in Washington.

Early in the afternoon of October 29, 1945 reliable sources informed the Legal Attache that President Vargas had just appointed his brother Benjamin Vargas as Chief of Police in Rio de Janeiro and that in view of Benjamin Vargas' unsavory reputation as a strong-arm man for the Vargas regime this would be interpreted as the expected move by Vargas to set aside the election. Almost immediately the armed forces under the direct leadership of General Dutra and Brigadier Gomez took control of key positions in Rio de Janeiro and other main cities. They were able to force the resignation of Vargas in a bloodless coup d'etat which was successfully completed by the early morning hours of the following day with the establishment of a provisional government under the President of the Supreme Court. Coverage of all phases of the movement was maintained by the Legal Attache who verbally furnished the Ambassador a running, accurate account of the military coup d'etat and sent ten radiograms to the Bureau giving hourly reports which were used to provide the State Department the next morning with a complete summary of the events of the previous night. (64-3001-1231 and serials 1047 thru 1056)

Following the removal of Vargas from the presidency, the elections were held as previously decreed and the Legal Attache continued to utilize his coverage to report on the conduct of the elections and later to furnish reliable information on the deliberations of the Congress and the writing of the new constitution.

Along with the reactivation of various political groups within the country there was a rebirth of activity on the part of followers of Plinio Salgado, leader of the Green Shirt Movement which was also known as the Integralist Party. This body which had been active in the middle of the 1930s was a Fascist type organization which had been disbanded by Vargas in 1938 and its leader, Salgado, forced into political exile in Portugal. Although the Green Shirt Movement had remained a factor in Brazilian life, it was not openly reorganized until its followers formed the Partido Representacao Popular to take part in the political campaign. The Legal Attache was at that time able to prepare a comprehensive report showing the b
history and development of the Green Shirt Movement and to later accurately b
and fully report the political activities of the new Party. Valuable
information regarding the movement was obtained through [redacted] who was able to
[redacted] but also
(64-29520)

Relations between Argentina and Brazil were probably the most important of all diplomatic relations in South America. Because of this the Legal Attache's Office in Rio de Janeiro found it necessary to extend its informant coverage and was able to develop as a confidential informant

[redacted] Through this source, SIS representatives were able to keep the Bureau informed on diplomatic relations between the two countries and to supplement information obtained in Buenos Aires regarding activities of the Peron Government. In addition to this information contributed by the source, he furnished the Bureau with copies of [redacted] used for communications between [redacted] and [redacted] (65-41271-669, 697, 667)

d. Cooperation With Local American Law Enforcement Officers

The SIS Agents not only covered subversive matters, but also acted as the Bureau's representatives in criminal cases. The most outstanding instance in which the Bureau, through its SIS Agents in Brazil, was able to extend its cooperation with local American law enforcement officers to foreign lands was the case of Irving Goodspeed, who was wanted for unlawful flight to avoid prosecution on a murder charge in Texas.

On October 31, 1946, Marlin Camp of Dallas, Texas, was murdered by an individual whom the Texas police subsequently identified as Irving Goodspeed. This individual had come to our attention previously when on April 30, 1938, he assisted [redacted] and some of his associates to escape from the Montague, Texas County Jail. The Bureau entered the case when it was determined that Goodspeed had left Texas. Investigation developed the fact that Goodspeed had fled to New York where he had obtained employment aboard the SS "DENNISON VICTORY" of the Moore-McCormick Lines en route to Santos, Brazil. The Legal Attache in Rio de Janeiro was promptly notified and requested to make arrangements for American Consular officials in Brazil to take Goodspeed into custody so that he could be returned to the United States. At the request of SIS representatives, the American Consul at Santos secured the arrest of the subject by the Brazilian Maritime Police. b7C

Inasmuch as no treaty of extradition existed between the United States and Brazil, difficulty arose over the proper manner in which Goodspeed could be returned to the United States. The Texas authorities sent two representatives to Brazil to effect the subject's return. Due to their inability to speak the language and their lack of familiarity with Brazilian customs, these officers were helpless to act. American Embassy officials in Rio de Janeiro were of little assistance since they were not equipped or trained to handle such matters. The Texas officials would have found it practically impossible to effect the deportation of Goodspeed without the assistance of the Bureau's representatives.

With the aid of one of the Agents assigned to the Legal Attache's Office, however, arrangements were made and Goodspeed was returned to the United States and sentenced to the term from two to sixty years for murder.

The murder of Marlin Camp attracted considerable publicity in Texas and the Texas authorities afterwards expressed their appreciation for

the assistance rendered by the Bureau in returning Goodspeed to the United States for prosecution. This case was subsequently cited by the "Dallas Morning News" of Dallas, Texas, as an inspiration to peace officers for similar diligent and cooperative efforts in criminal investigations. (88-2911; 91-1182-26)

e. Procurement of Technical Data

In addition to their regular investigative work, the Bureau's representatives in Brazil were able to obtain economic and technical information which were of importance to the American Government.

The SIS Section was able to assist the FBI Laboratory when the Legal Attache's Office in Rio de Janeiro secured a large number of textbooks concerning cryptography which were in the possession of an informant of the Rio Office. Some twenty-five of these textbooks were extremely rare and could not be obtained in the United States. The owner of the books at first desired to sell them, but on being advised the books were desired by the office of the Legal Attache as a branch of the American Government, he offered to donate them. The books were ultimately procured for a nominal sum in order to give the Bureau clear title to the ownership. This purchase was a valuable addition to the Bureau's collection of information on cryptography and could not have been obtained in the United States. (80-11-5611)

One of the Bureau's representatives in Sao Paulo, Brazil, was able to secure a Japanese Military Book which in turn was made available to the Army and Navy Departments. Through an informant, he came into possession of the "Japanese Air Raid Defense Manual" which had been published in Tokyo by Brigadier General Yehei Doijo, Minister of War Propaganda. A review of the book revealed information concerning Japanese statistics on the air power of Russia, China, England, the United States, Germany, France, and Italy. It also contained detailed information regarding bombs, gases and air raid defense including detection in reporting of planes, organization of defenders, operation of range fighters, search lights, listening devices, camouflage, blackouts in factories and railroad districts, protection of airports, care of the injured and signal systems. The book also contained detailed information regarding the Japanese defense against gas attacks. In view of the nature of the information contained in this manual it was promptly furnished to the War and Navy Departments for their possible use in prosecuting the war against Japan. (62-60950-8-260)

The Bureau's representatives in Brazil were also able to secure information regarding Japan for the Foreign Economic Administration in response to that organization's request for data concerning the location of strategic industries and transportation systems in Japan, together with any related information. The Bureau's SIS Offices were requested to secure all available pamphlets, catalogues, magazines, and other printed matter which would contain this information. Considerable information was furnished by the various SIS Offices. The Bureau's representatives in Rio

de Janeiro, however, were able to obtain by far the largest quantity of material and in October, 1944, submitted some 250 pounds of written material which formed the basis of considerable information relative to the location of Japanese factories and the types of material manufactured, together with photographs and aerial views of these plants. With regard to Japanese transportation systems, the material included numerous photographs of highway and railway bridges in Japan. All this material was promptly furnished to the Foreign Economic Administration and was made available to the War and Navy Departments for their use in the war effort. (110-3-46)

In the post-war period, the Bureau's representatives in Brazil were also able to assist other branches of the American Government by collecting information regarding monozite deposits in Brazil. Following the publicity accompanying the explosions of the atomic bombs over Japan, most of the nations openingly or covertly began their search for radio-active materials. Numerous representatives of various nations showed an accurate interest in the Brazilian deposits of monozite, a material from which thorium, a radio-active substance, is extracted. All of the known monozite deposits in Brazil [redacted] The Bureau's representatives in Rio were able to convert [redacted] into [redacted] and through him were able to follow closely all of the maneuvers of the various foreign agents who were endeavoring to obtain access to Brazil's only known radio-active deposits. (100-344306)

3. Personnel

The following Special Agents and Special Employees were assigned to SIS work in Brazil:

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NAME	SIS #	CITY	DATE	ASSIGNMENT
[redacted]		Victoria	11/42 - 2/44	Official
		Belem	2/44 - 2/45	Official
		Sao Paulo	3/45 - 9/46	Police Liais
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Recife	10/42 - 8/43	Undercover
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Port Alegre	10/41 - 12/41	Undercover
		Travel	2/42 - 9/42	Undercover
		Porto Alegre	8/41 - 1/44	Undercover Official
		Sao Paulo	12/42 - 6/43	Undercover
		Rio de Janeiro	6/43 - 1/44	Undercover
		Natal	6/41 - 6/42	Undercover
		Rio de Janeiro	6/42 - 11/42	Undercover
		Rio de Janeiro	12/42 - 12/44	Legal Attache

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NAME	SIS	CITY	DATE	ASSIGNMENT
		Natal	6/42 - 11/42	Official
		Porto Alegre	1/44 - 10/46	Police Liaison
		Rio de Janeiro	4/41 - 6/43	Undercover
		Rio de Janeiro	7/46 - 10/46	Official
		Rio de Janeiro	3/45 - 6/46	Legal Attache
		Sao Paulo	12/42 - 6/43	Undercover
		Rio de Janeiro	10/43 - 12/43	Undercover
		Rio de Janeiro	1/43 - 1/45	Official
		Rio de Janeiro	1/43 - 8/43	Official
		Belem	7/42 - 1/44	Official
		Sao Paulo	1/42 - 12/43	Undercover
		Sao Paulo	3/44 - 11/44	Undercover
		(Travel		
		Rio de Janeiro		
		Porte Alegre		
		Sao Paulo)	12/40 - 6/41	Undercover
		Sao Paulo	5/43 - 12/43	Undercover
		Rio de Janeiro	10/43 - 3/44	Undercover
		Rio de Janeiro	12/40 - 7/41	Undercover
		Rio de Janeiro	8/45 - 1/47	Undercover
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Rio de Janeiro	7/43 - 1/45	Undercover
		Rio de Janeiro	5/45 - 12/45	Undercover
		Sao Paulo	10/42 - 9/44	Undercover
		Belle Horizonte	6/43 - 12/43	Undercover
		Sao Paulo	2/46 - 1/47	Official
		Rio de Janeiro	11/41 - 6/42	Undercover
		Rio de Janeiro	5/45 - 10/45	Undercover
		Rio de Janeiro	5/43 - 7/43	Undercover
		Belem	7/43 - 12/43	Undercover
		Racife	7/41 - 10/41	Undercover
		Rio de Janeiro	5/42 - 1/44	Undercover
		Sao Paulo	8/43 - 1/44	Undercover
		Rio de Janeiro	3/43 - 5/43	Undercover
		Rio de Janeiro	5/43 - 1/44	Undercover
		Rio de Janeiro	2/43 - 8/43	Undercover
		Rio Grande	9/43 - 12/43	Undercover
		Porto Alegre	2/42 - 3/44	Undercover
		Bahia	9/41 - 11/44	Official
		Rio de Janeiro	11/44 - 1/46	Official
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Rio de Janeiro	10/40 - 3/41	Undercover
		Rio de Janeiro	6/44 - 10/44	Undercover
		Sao Salvador	12/41 - 6/42	Undercover
		Sao Paulo	6/41 - 1/42	Undercover
		Rio de Janeiro	10/41 - 2/42	Undercover
		Rio de Janeiro	7/43 - 7/47	Police Liaiso
		Rio de Janeiro	5/43 - 1/44	Official
		Rio de Janeiro	5/43 - 12/43	Undercover
		Rio de Janeiro	6/43 - 5/45	Undercover
		Rio de Janeiro	9/45 - 1/47	Undercover

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NAME	SIS	CITY	DATE	ASSIGNMENT
		Sao Paulo	11/42 - 3/44	Undercover
		Rio de Janeiro	3/43 - 4/43	Plant Survey
		Rio de Janeiro	12/43 - 8/45	Undercover
		Rio de Janeiro	8/43 - 8/44	Undercover
		Rio de Janeiro	3/43 - 4/43	Plant Survey
		Bahia	5/43 - 11/43	Undercover
		Rio de Janeiro	7/46 - 9/46	Legal Attache
		Rio de Janeiro	1/43 - 7/43	Undercover
		Florianopolis	7/43 - 12/43	Official
		Curitiba	12/43 - 1/45	Official
		Sao Paulo	1/45 - 7/45	Official
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Rio de Janeiro	3/43 - 4/43	Plant Survey
		Rio de Janeiro	5/43 - 6/46	Official
		Porto Alegre	6/43 - 10/43	Undercover
		Sao Paulo	10/41 - 10/43	Undercover
		Rio de Janeiro & Bahia	7/43 - 12/43	Undercover
		Bello Horizonte	6/43 - 12/43	Undercover
		Recife	11/41 - 12/42	Undercover
		Sao Paulo	12/42 - 1/46	Official
		Sao Paulo	7/42 - 3/43	Official
		Curitaba	3/43 - 4/43	Official
		Florianopolis	4/43 - 1/44	Official
		Rio de Janeiro	1/44 - 12/47	Legal Attache & Police Liaisc
		Natal	12/42 - 7/44	Official
		Rio de Janeiro	5/43 - 12/43	Undercover
		Rio	4/46 - 2/47	Official
		Sao Paulo	3/43 - 1/45	Undercover
		Rio de Janeiro	5/42 - 10/42	Undercover
		Fortaleza	10/42 - 12/43	Official
		Rio de Janeiro	7/43 - 11/43	Undercover
		Santos	12/42 - 12/43	Official
		Belem		
		Manaos		
		Rio de Janeiro	4/43 - 5/43	Plant Survey
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Sao Paulo	6/42 - 3/43	Undercover
		Bello Horizonte	3/43 - 6/44	Official
		Natal	6/44 - 11/45	Official
		Rio de Janeiro	11/45 - 2/47	Official
		Rio de Janeiro	6/43 - 2/47	Undercover
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Rio de Janeiro	6/43 - 12/43	Undercover
		Sao Paulo	2/46 - 10/46	Official
		Rio de Janeiro	6/42 - 4/43	Official
		Porto Alegre	4/43 - 8/43	Official
		Rio de Janeiro	8/43 - 4/44	Official
		Porto Alegre	4/44 - 5/44	Official
		Rio de Janeiro	5/45 - 7/45	Official

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NAME	SIS	CITY	DATE	ASSIGNMENT
		Sao Paulo	8/43 - 1/44	Police Liaison
		Sao Paulo	12/42 - 1/44	Undercover
		Rio de Janeiro	1/43 - 3/45	Undercover
		Rio de Janeiro	6/45 - 1/47	Undercover
		Manaos	4/43 - 9/43	Official
		Rio de Janeiro	9/43 - 12/43	Official
		Rio de Janeiro	10/45 - 1/47	Undercover
		Rio de Janeiro	3/43 - 6/43	Plant Survey
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Rio de Janeiro	9/43 - 9/46	Official
		Rio de Janeiro	6/45 - 12/45	Official
		Rio de Janeiro	9/45 - 2/47	Undercover
		Natal	4/46 - 2/47	Official
		Rio de Janeiro	5/41 - 12/42	Legal Attache
		Recife	1/42 - 12/43	Official
		Rio de Janeiro	3/43 - 5/43	Plant Survey
		Sao Paulo	9/43 - 12/44	Undercover

4. Bibliography

a. Principal Investigative Files

64-3000 General Miscellaneous File on Brazil

64-3000-A Miscellaneous File on German Activities in Brazil

64-3000-B Miscellaneous File on Japanese Activities in Brazil

64-3000-C Miscellaneous File on Italian Activities in Brazil

64-3000-D Miscellaneous File on Communist Activities in Brazil

64-3000-E Miscellaneous File on Spanish Activities in Brazil

64-3000-F Miscellaneous File on French Activities in Brazil

64-3000-G Miscellaneous File on British Activities in Brazil

64-3000-H Miscellaneous File on American Activities in Brazil

64-3000-I Miscellaneous File on Hungarian Activities in Brazil

64-3000-L Miscellaneous File on Swedish Activities in Brazil

64-3000-M Miscellaneous File on Portuguese Activities in Brazil

64-3000-N Miscellaneous File on Austrian Activities in Brazil

64-3001 General File covering Political Matters in Brazil

64-3002 General File covering Economic Matters in Brazil

64-3003 General File covering Social Matters in Brazil

64-3004 General File covering Foreign Agents in Brazil

- 64-3004-A German Agents in Brazil
- 64-3004-B Japanese Agents in Brazil
- 64-3004-C Italian Agents in Brazil
- 64-3004-D Communist Agents in Brazil
- 64-3004-E Spanish Agents in Brazil
- 64-3004-F French Agents in Brazil
- 64-3004-G British Agents in Brazil
- 64-3004-H American Agents in Brazil
- 64-3004-J Roumanian Agents in Brazil
- 64-3004-L Swedish Agents in Brazil
- 64-3004-M Portuguese Agents in Brazil

64-3005 General File covering Foreign Propaganda in Brazil

- 64-3005-A German Propaganda in Brazil
- 64-3005-B Japanese Propaganda in Brazil
- 64-3005-C Italian Propaganda in Brazil
- 64-3005-D Communist Propaganda in Brazil
- 64-3005-E Spanish Propaganda in Brazil
- 64-3005-F French Propaganda in Brazil
- 64-3005-G British Propaganda in Brazil
- 64-3005-H American Propaganda in Brazil

64-3006 General File covering Foreign Penetration in Brazil

- 64-3006-A German Penetration in Brazil
- 64-3006-B Japanese Penetration in Brazil
- 64-3006-C Italian Penetration in Brazil

64-3006-D Communist Penetration in Brazil

64-3006-E Spanish Penetration in Brazil

64-3006-F French Penetration in Brazil

64-3007 General File covering Sabotage in Brazil

64-3007-A German Sabotage in Brazil

64-3007-B Japanese Sabotage in Brazil

64-3007-G British Sabotage in Brazil

64-3008 General File regarding Foreign Residents in Brazil

64-3008-A German Residents in Brazil

64-3008-B Japanese Residents in Brazil

64-3008-C Italian Residents in Brazil

64-3008-D Communist Residents in Brazil

64-3008-E Spanish Residents in Brazil

64-3008-F French Residents in Brazil

64-3008-G British Residents in Brazil

64-3008-H American Residents in Brazil

64-3008-I Hungarian Residents in Brazil

64-3008-K Swiss Residents in Brazil

64-3008-L Swedish Residents in Brazil

64-3008-M Portuguese Residents in Brazil

64-3008-N Austrian Residents in Brazil

64-3010 General File covering Military and Naval Matters in Brazil

64-3011 General File covering Foreign Firms in Brazil

64-3011-A German Firms in Brazil

64-3011-B Japanese Firms in Brazil

64-3011-C Italian Firms in Brazil

64-3011-E Spanish Firms in Brazil

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64-3011-F French Firms in Brazil

64-3012 Gen ral File lative to Radio Stati in Brazil

64-3012-A General File German Radi Stati in Brazil

64-3012-A-2 The Cas

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64-3012-C Italian Radi Stati in Brazil

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64-3012-E Spanish Radi ta in Brazi

64-3012-F French Radi tions in Brazil

64-3012-H Ameri Rad tati in Brazil

64-3012-M Portuguese Radio Stations in Brazil

64-3014 General Fil Submarine Activitie Brazil

64-3014-A Ge Submarine Acti tie Brazil

64-3014-C Italian Submarine Activities in Brazil

64-3014-F French Submarine Activities in Brazil

64-3016 General Fil Plant Surveys in Brazil

64-21970 The Werner Christoph Wal th Case

64-23309 The Apfel Sabotage Case

64-29 Integralist Party aka the Green-Shirt Moveme

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64-200-205 Communist Party of Brazil

64-211-205 Soviet Diplomatic Activities in Brazil

64-29833-205 Police Matters in Brazil

64-309-205 Smuggling Activities in Brazil

b. Administrative Files

64-4480 General Office Administrative File for Brazil

64-4984 Monthly Office Reports from Brazil

64-4670 Post Reports on Living Conditions in Brazil

67-383703 Personnel File for the Legal Attache's Office in Brazil filed under the caption "Embassy, Rio de Janeiro, Brazil." The Inspection Reports submitted relative to this office are in a separate folder.

64-4123-204 Informant File for Brazil

c. Monographs

"Totalitarian Activities in Brazil Today" — General monograph covering various phases of the Bureau's work in Brazil. Published December, 1942; 242 pages.

"SIS Office, Rio de Janeiro, Brazil" — Monograph containing photographs of the SIS Offices in Rio de Janeiro.

"Communist Movement in Latin America" — General monograph covering Communism in Latin America; pages 25 to 27 deal with the Communist Party in Brazil. Published January, 1946.

"German Espionage in Latin America" — General monograph on German espionage activities. Pages 49 to 99 cover these activities in Brazil. Published June, 1946.

"The Japanese in Latin America" — General monograph covering Japanese activities. Pages 143 to 164 deal with the Japanese in Brazil. Published November 1945.

"Clandestine Radio Stations Utilized by the German Espionage System." General monograph setting forth the organization and activities of the early German radio circuits and including all such circuits in Brazil. Published February 1942; 17 pages.

F. CANADA

1. SIS Facilities and Objectives

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64-4918; 64-388351)

2. Major Accomplishments

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Through this arrangement, the Bureau has also been able to cover the activities of American Communists during their visits to Canada. In this connection, the information [redacted] regarding the activities of William Z. Foster and Robert Thompson during their visit to Toronto from May 31 to June 3, 1946, was of value in the Bureau's continued coverage of the American Communist movement. Information was similarly obtained regarding Paul Robeson's visit to Winnipeg in February, 1947. (100-3-1448) b7D

(S [redacted] b1 b7D

[redacted] (64-200-2430203) b1

3. Personnel

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NAME	SIS No.	CITY	DATE	ASSIGNMENT
[redacted]	[redacted]	Ottawa	1/44 to date	Official
		Ottawa	5/42 - 1/44	Official

4. Bibliography

a. Investigative Files

64-200-243 Communist Party of Canada

64-211-243 Soviet Diplomatic Activities in Canada

100-342972 "Corby Case"

b. Administrative Files

64-4918 General Office Administrative File for Liaison Office, Ottawa, Ontario

64-4984-243 Office Monthly Reports for Liaison Office, Ottawa, Ontario

64-4725 Post Reports Regarding Canada

67-380351 Combined Office Personnel File and Inspection File. Filed under title "Liaison, Ottawa, Ontario."

F. CHILE

1. SIS Facilities and Objectives

SIS coverage of Chile was first started in October, 1940, with the assignment of one agent to Santiago in an undercover capacity. Coverage was subsequently augmented until October, 1943, when forty-three agents were stationed in various parts of the Republic. In August, 1946, when the final reduction of personnel began, eleven agents were under assignment in Chile.

Following the establishment of the Legal Attache's office in Santiago, the Bureau's representatives attached to the Embassy were furnished space in the building which was occupied by the other Embassy offices. The agents who were assigned to various consulates throughout Chile were likewise afforded space in the consular offices.

The objectives of SIS in Chile were largely those of an intelligence agency in identifying Axis agents and determining their activities. The incriminating information which was developed was turned over to the Chilean officials through diplomatic channels in order to bring pressure on the Chilean Government to abandon its policy of neutrality and to weed out the individuals who made Chile one of the principal centers of Axis activities.

The excellent relatinns with the Chilean Police, which were developed by the Bureau's representatives, gave our agents the opportunity to influence, and in part direct, some of the Chilean investigations of Axis activities and to assist indirectly in the prosecution of some of the charges developed through those investigations.

2. Major Accomplishments

a. German Activities

In Chile the German intelligence service established, and throughout World War II endeavored to maintain, an information service and means of communication between the Western Hemisphere and Germany. These activities were aided by the extent to which the Germans had already penetrated into almost every field of Chilean life through the establishment of a large German colony, and through the formation of extensive commercial relations. As the Republic of Chile was the next to the last Latin American country to sever relations with Germany, many of the Nazi agents who had become firmly established were able to continue their activities against the Allied Powers.

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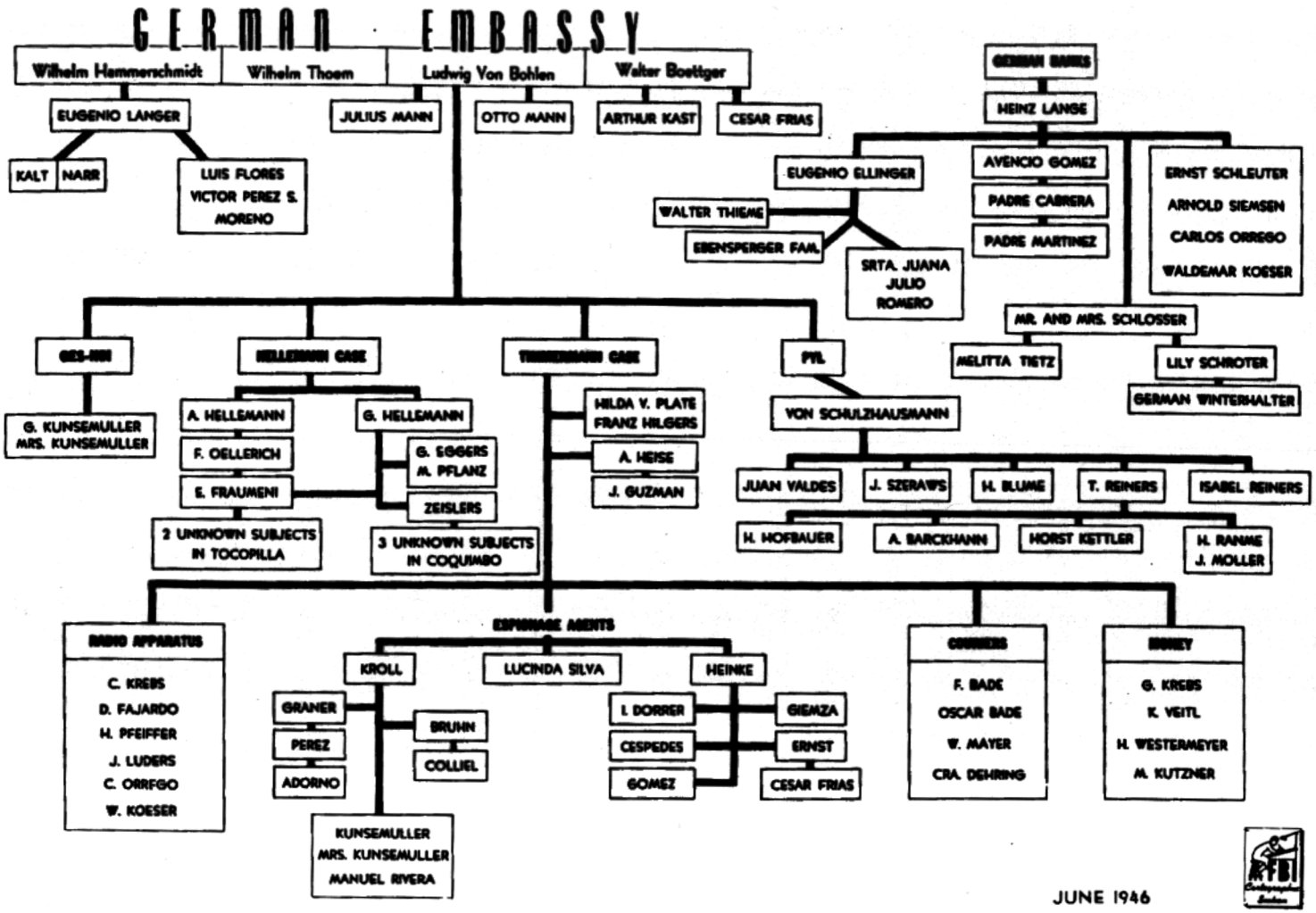
German Espionage Organization in Chile



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The fact that relations were not broken by Chile until January, 1943, and the repatriation of Axis Diplomatic Representatives was further delayed until September, 1943, aided the enemy agents in continuing their activities.

Evidence of major activities on the part of the German Intelligence Service was noted in Chile as early as 1940. The ramifications of the espionage organizations centered in that country were so extensive that the leaders directed and controlled agents located throughout Latin America.

German espionage activities in Chile were first sponsored by German diplomatic personnel. General Friedrich Wolf, who was appointed German Military Attache in July, 1940, was the principal Abwehr representative. Following Wolf's transfer to Argentina on December 6, 1942, he was succeeded in command of Abwehr activities by Major Ludwig Von Bohlen, the German Air Attache. Von Bohlen continued and extended the Abwehr intelligence activities and at the time of his repatriation on September 29, 1943, he was said to have been of the opinion that he had established an espionage organization which would be able to remain in operation throughout the war providing Germany with vital information from throughout the Western Hemisphere.

The groundwork for the breach of relations with the Axis nations on the part of Chile was laid by the Bureau's SIS representatives. On October 8, 1942, Chile was confronted with the statement made in a speech by Assistant Secretary of State Sumner Welles that she was "stabbing her neighbors in the back" by allowing spies to operate in her territory to the detriment of the Western Hemisphere. The President of Chile knew to what Welles was referring. It was the clandestine radio station PYL which had been in contact with Germany for more than a year supplying shipping and intelligence information furnished by members of an espionage ring, which included Ludwig Von Bohlen, the Air Attache of the German Embassy.

The officials of the Chilean Government were aware of these activities because a comprehensive memorandum on the subject had been prepared by SIS Agents on June 30, 1942, and delivered to them through diplomatic channels. The material contained in the memorandum consisted of decodes of clandestine messages sent and received by the station and the results of investigations of the various subjects conducted by SIS, all correlated into a factual story of espionage and potential sabotage on the part of the Axis in South America. (64-3112-A-2-126)

A few days after Welles's speech the President of Chile reorganized his cabinet eliminating Barros Jarpa, the Foreign Minister who appeared to have been partially responsible for the delay in acting on the espionage charges, and on October 25, 1942, the round-up of Axis

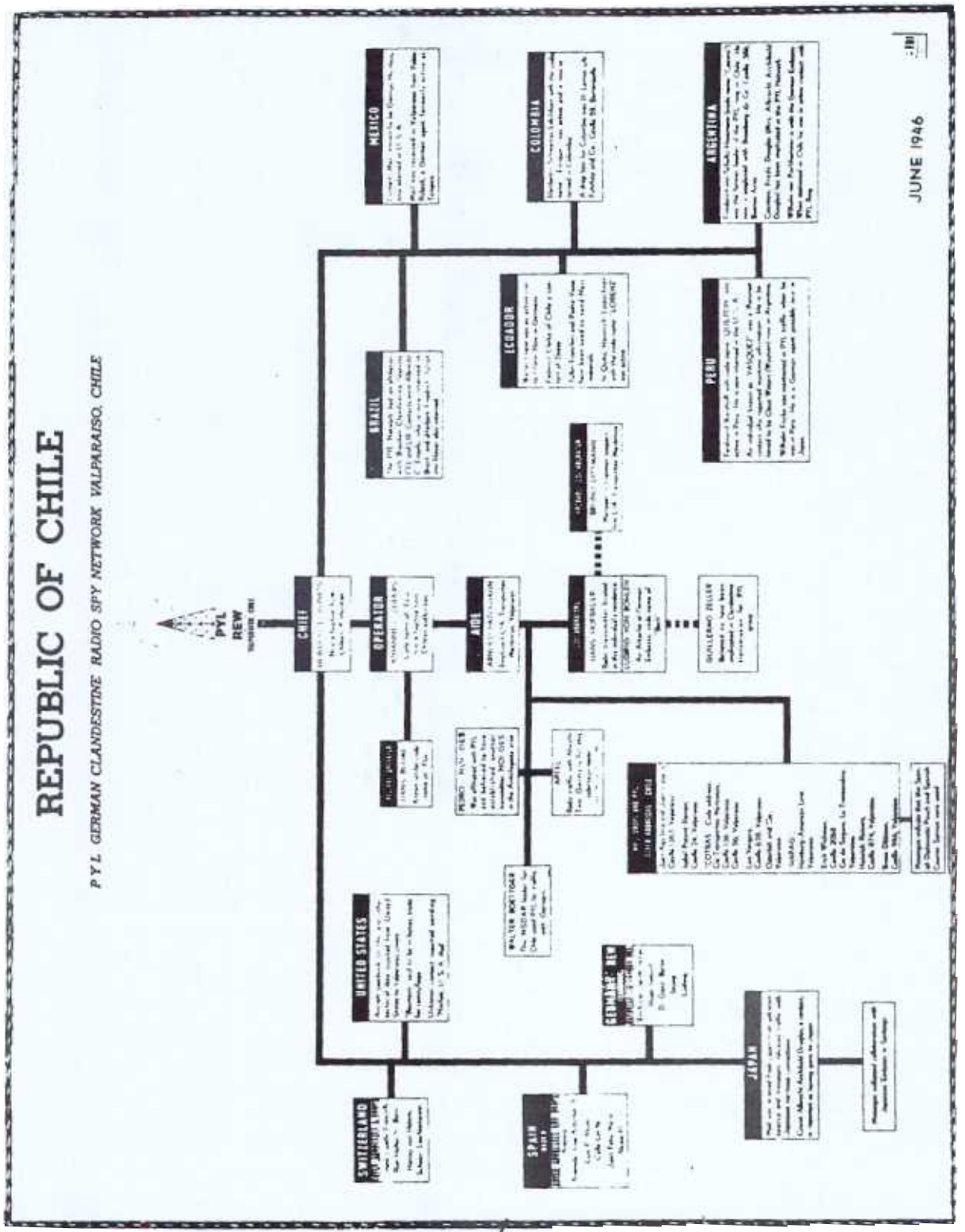
spies began. This round-up was also carried out under direction of SIS agents acting through [redacted] who had been serving as one of their confidential informants. (64-3101; 64-3104-A) b7C b7D

The memorandum on the PYL group, which was prepared by SIS, was also instrumental in causing further pressure to be brought on Chile to break relations with the Axis nations. This memorandum was published on November 3, 1942, by the Inter-American Emergency Advisory Committee for Political Defense, whose headquarters were in Montevideo, Uruguay. The Committee received the memorandum through diplomatic channels, and the representatives of the various Latin American countries who comprised it voted overwhelmingly to make public the information regarding the manner in which Chilean territory was being utilized to the detriment of the Western Hemisphere. (64-35145; 64-3112-A)

1. PYL Radio Ring This ring, known by the call letters of the radio station PYL, began operations early in 1941, utilizing a clandestine radio transmitter located near Valparaiso, Chile. Von Bohlen organized the operating group and the ring was placed under the immediate supervision of Friedrich Von Schulz-Hausmann. The latter individual was a German National who had been associated with the North German Lloyd Line on the west coast of South America for several years. After 1935, he had resided in Valparaiso, Chile. Prior to the establishment of the PYL transmitter, Von Schulz-Hausmann submitted information to Germany through the facilities of Trans-Radio Chilean and All-American Cables. He received instructions from Germany and intelligence from the United States through a post office "drop box."

The actual installation and operation of the PYL transmitter was carried out by Johannes Peter Szeraws, a German radio operator who had entered Chile illegally in 1939 as a deserter from a German ship.

The PYL station was used not only to transmit information gathered by Von Schulz-Hausmann and his associates, but also for information of an urgent nature involving other group leaders such as Ludwig Von Bohlen and Albert Julius Von Appen, a sabotage agent. The station also sent information received from German agents from Mexico and the United States. The PYL organization served as a clearing house for information, acting as an intermediary for communications between Germany and the United States and Latin America. It likewise maintained contact with similar Nazi units in Argentina and Brazil, as well as with foreign intelligence operators in Germany, Spain, Switzerland, and Japan.


REPUBLIC OF CHILE
P Y L GERMAN CLANDESTINE RADIO SPY NETWORK VALPARAISO, CHILE
PYL
REW
CHIEF
OPERATOR
AIDE
MEXICO
BRAZIL
COLOMBIA
ECUADOR
PERU
ARGENTINA
UNITED STATES
SWITZERLAND
SPAIN
JAPAN
JUNE 1946

In addition to being of assistance to the German Government, members of the PYL organizations also made maritime reports available to certain Japanese agents in Chile. This was done under express authority from Berlin.

During October, 1941, Von Schulz-Hausmann left Chile for Argentina without giving a reason for severing his connections with the North German Lloyd Line. It was reported that he was dissatisfied with the work of the German agents operating in Chile. From Buenos Aires, he advised the German Intelligence Service that he could be contacted through his new employer, the firm of Bromberg and Company. Von Schulz-Hausmann was taken into custody by the Argentine police in November, 1942, but was subsequently released. On April, 1945, he was again detained and in December of that year, while still in custody, he committed a suicide.

After Von Schulz-Hausmann left Chile, Heinrich B. Reiners became the leader of the PYL group. Reiners was a German National who had resided in Chile since 1935. He operated a maritime freight office in Valparaiso and made frequent trips up and down the Chilean coast for the purpose of contacting German sympathizers who supplied him with shipping information. Reiners was assisted by his wife, Isabelle Piderit de Reiners, who was active in forwarding correspondence from various espionage agents in the Western Hemisphere, as well as from agents in Shanghai. Reiners continued to direct the activities of the PYL group until October, 1942, when he fled to Argentina and from there to Germany.

Reiners was also assisted by Hans Blume, a German National, who served as manager for Trans-Radio Chilena in Valparaiso. When Blume was sought by Chilean authorities for question in October, 1942, he took refuge in the Germany Embassy and subsequently fled to Argentina. There he became associated with Johannes Siegfried Becker and Gustav Edward Utzinger in the operations of a network of clandestine radio stations until August, 1944, when he was apprehended by the Argentine authorities.

SIS representatives located the PYL transmitter and developed information regarding the individuals involved in the activities of the ring. When the Chilean Government finally took action in October, 1942, on the basis of the information furnished them, the Bureau's representatives were able to direct the round-up of Axis agents through [redacted] Of the persons arrested as a result of these raids, seven were released due to the fact that there were, at that time, no adequate statutes in Chilean law covering this type of violation, particularly in regard to Chilean

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citizens. Ten other individuals were interned and warrants were issued for Von Schulz-Hausmann, Blume, Reiners, and Szeraws who had left Chile for Argentina.

In the trials conducted by the Chilean Government, it was ascertained that the only legal violation of which the subjects were guilty under then existing Chilean law was the Electrical Services Law, which prohibited the clandestine installation of radio stations. Although the court proceedings were instituted during October, 1942, the Minister of the Court of Appeals at Valparaiso did not conclude his case until December 6, 1944. At that time Hans Hofbauer, the owner of the farm on which the PYL station was installed was convicted of a violation of the Electrical Services Law. Consideration was also given to the institution of extradition proceedings against the other subjects involved in the installation of the radio station, but who had fled from Chilean jurisdiction.

By detaining and questioning persons involved in the PYL group, the Chilean authorities interrupted for a brief time work of the German Intelligence Service in Chile. Ludwig Von Bohlen made an analysis of the entire trial proceedings and of the evidence presented at the trial for the purpose of insuring that future operations would not be subject to discovery by Chilean or Allied intelligence agencies. In this memorandum, Von Bohlen listed the following observations:

(1) The cardinal mistake was the insufficiency of the original key and the transmission of the second key together with the first, which permitted the code to be broken.

(2) After the receipt of the Legal Attache's memorandum by the Chilean Government, considerable time was available in which to conceal all clues, but proper steps were not taken in spite of the orders issued in this regard.

(3) Mistakes had been made in the selection of personnel.

(4) Too many people knew of the location of the transmitter as well as its activities.

(5) Dependability and the necessary characteristics suitable for such work are more important in the selection of co-workers than good technical ability.

(6) When it appears that a clandestine station has been discovered, the persons principally involved should disappear and arrangements for such an eventuality should be planned in detail.

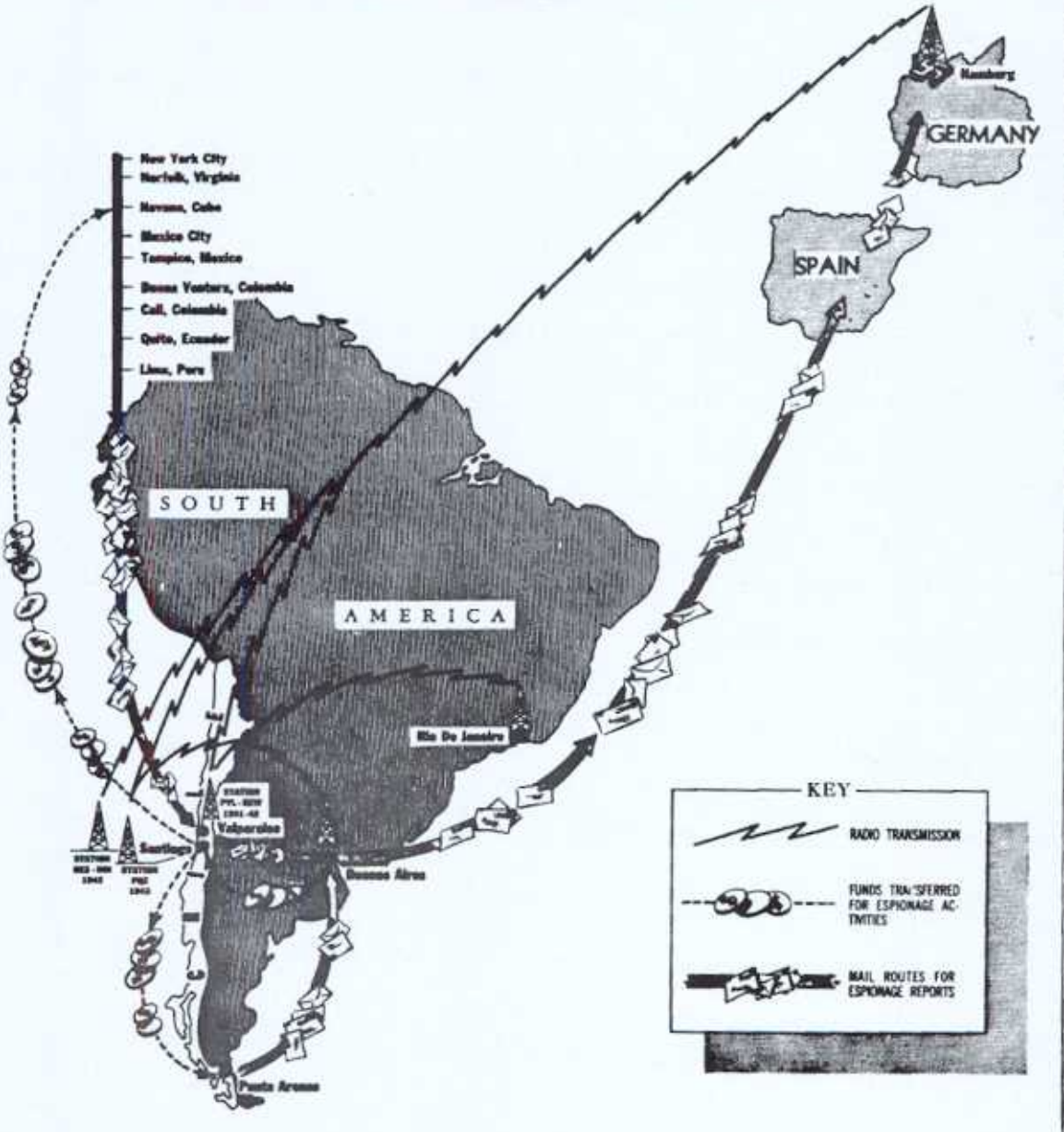
The breaking up of the PYL group did not terminate German activities in Chile, and other groups continued to operate. The disclosure of the identities of the persons connected with the ring, however, largely terminated their usefulness as espionage agents. The publicity given to the Nazi espionage activities in Chile and the Chilean Government's inability to bring prosecution in such instances, resulted in new security laws being enacted which permitted prosecution of future cases in the Chilean courts. (65-35145; 64-3112-A)

(2) The Apfel Sabotage Case. One of the groups of German agents indirectly connected with the PYL ring, but whose messages were transmitted over the PYL station was the so-called Apfel Sabotage Ring. This group has been treated in part under the section on Brazil. The ring was so named because the first indications of its existence came from decoded PYL messages addressed to or sent by an individual whose code name was "Apfel." It was suspected that this was the code name for Albert Julius Von Appen, who was arrested and held for questioning at the time the PYL agents were rounded up in October, 1942. From the information available, however, it was impossible to prove this condition and Von Appen was released. Shortly afterwards, however, due to the developments of the war, he, along with other Germans, was placed under restricted residence rules. In March, 1945, under further questioning, Von Appen admitted that he was "Apfel" and was in charge of German sabotage in Chile, Peru, and Argentina.

Von Appen was a German national who had been a resident in Chile since 1937, as an inspector for the Hamburg-American Line. In 1939, he was recruited for sabotage work by Joachim Rudloff, a German Army officer who arrived in South America with the specific mission of recruiting sabotage agents. Von Appen was recommended to Rudloff by Dietrich Niebuhr, the German Naval Attache in Argentina. As a result, he was sent to Germany in 1939, where he was trained in sabotage work. At Von Appen's suggestion, the Germans also recruited Kurt Heuer, an inspector for the Hamburg-American Line in Peru, as a member of the ring. Arrangements had previously been made for Wilhelm Lange of Buenos Aires, Argentina, to take charge of sabotage operations in Argentina. Lange, however, was unable to return to Germany for instruction, and he was trained by Von Appen upon the latter's return to the Western Hemisphere. Arrangements were also made by the Germans for Karl Otto Gohl to handle sabotage in Sao Paulo, Brazil. Brazilian activities were subsequently placed under the charge of Georg Konrad Friedrich Blass, alias "Dr. Braun," who was to direct German sabotage in Brazil and the northern part of South America.

Von Appen and his associates were in possession of explosives and other equipment with which to conduct their campaign of sabotage.

German Espionage Communication Channels Involving the Republic of Chile



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After Von Appen returned to the Western Hemisphere, however, the German Foreign Office and Admiralty issued specific instructions that no hostile actions should be committed against the South American countries at that time in view of the then existing political situation. Arrangements were subsequently made whereby Blass in Rio de Janeiro was to be notified of any change in instructions. Blass in turn was to notify Von Appen. Since no additional instructions were ever sent, the extensive sabotage organization established throughout South America was never called upon to fulfil its functions.

Von Appen had been tentatively identified as "Apfel" prior to his arrest in 1942. Upon his release the Bureau's representatives continued to follow his activities closely. They were therefore, in a position to assist the Chilean police when he was reinterrogated in March, 1945. When confronted with the information compiled by SIS, he confessed. At that time Von Appen admitted that his group included Kurt Heuer in Peru, Boris Dreher of Brazil who was then residing in Chile, Bruno Johannsen and Oscar Poensgen of Colombia, and Ernst Gerhard Karl Roggemann of Venezuela. The Legal Attaches in the various countries immediately made available to the local governments the information which they had compiled regarding the various members of this sabotage ring. Additional interrogations of the individuals identified by Von Appen, rooted out the remaining members of the organization. Each step in the investigation, detention, and the prosecution of the individuals involved was the result of investigation by the Bureau's SIS representatives.

The Chilean Government did not prosecute Von Appen and his associates as it appeared that no actual sabotage had been committed, and there was no adequate legislation in existence to cover their activities. Expulsion decrees, however, were issued against Von Appen, Dreher, and Heinrich Hallbauer; and these agents were expelled from Chile for internment in the United States and subsequent repatriation to Germany. (64-23309; 65-35145)

(3) PQZ Case. Following the disclosure of the PYL group to the Chilean Government and the subsequent inactivity of that ring and its affiliates, there were no clandestine radio transmitters in operation between Chile and Germany from July, 1942, until late April, 1943, when contact was again established. A transmitter then began operations in Santiago, Chile, utilizing the call letters PQZ.

The activities of the PQZ group were also under the direction of Ludwig Von Bohlen, who made available the funds necessary for the station's operation. This organization had the best trained personnel

and the finest equipment of any Nazi group operating in South America. The agents of this ring had several means of communication with Germany available to them, including the German diplomatic pouch and couriers aboard Spanish ships. More than ninety individuals were involved in the activities of this group. Its sphere of operation extended not only throughout Chile, but also into Peru, Bolivia, and Argentina.

Von Bohlen remained in charge of the PQZ activities until his repatriation to Germany on September 29, 1943. At that time his principal assistant, Bernardo Timmermann, a Chilean citizen of German extraction who had been very active in the work of the organization for several months prior to Von Bohlen's departure, assumed control. Von Bohlen turned over to Timmermann more than $200,000 in United States currency, as well as substantial funds in South American currencies.

SIS investigations developed that several individuals whose pro-German activities had been followed for several years were connected with this radio ring. These investigations were complicated by the fact that the transmitter was not utilized after October 27, 1943. It subsequently developed that operations had ceased at that time because the season of the year was not favorable for the transmission of messages to Germany and because it was desired to protect the organization from disclosure to the Chilean Government.

The PQZ ring was identified as a continuation of the German group previously active in Chile when it was recognized that the transmissions emitted from the station were sent in a style very similar to that used at the time the PYL station was in operation. Investigations developed that the operator of the PQZ station was Guillermo Kunsemuller (Rothmann), a Chilean citizen of German extraction who was serving in the Chilean Air Force. Kunsemuller's previous activities are discussed in connection with the NOI Radio Station.

On February 14, 1944, the results of the investigation conducted by SIS representatives were furnished to the Chilean Government through diplomatic channels. On the basis of these data the Chilean authorities immediately proceeded to round-up the remaining members of the German organization. Further assistance was also lent the Chilean Government by the SIS Agent assigned to police liaison work. This Agent gave valuable aid in suggesting lines of interrogation of the various subjects which produced information of interest to the office of the Legal Attache. Through his intervention valuable data were obtained, which would otherwise have been overlooked by the Chilean authorities due to their poor understanding of espionage activities, and their lack of training in handling such matters.

With the detention of Guillermo Kunsemuller, the operator of the PQZ transmitter, evidence was obtained implicating his associates and the location of the radio equipment, which had been concealed to avoid confiscation by the authorities, was ascertained. Kunsemuller revealed his immediate superior to be Augusto Kroll (Goll), who had been previously identified as being involved in espionage work. Under interrogation, Kroll revealed the true leader of the organization to be Bernardo Timmermann. As the various subjects were interrogated, the full membership of the group was disclosed. Various cells composed of subchiefs operating under Timmermann had been utilized in obtaining information regarding ship movements, security matters relating to Peru and other South American countries, as well as data relative to the United States and United States activities in South America. Over sixty persons were detained by the authorities for interrogation, and some thirty other persons were implicated in the organization.

After Timmermann's arrest, he revealed the hidden location of $174,150 in United States, Chilean, and Argentine currency, as well as bonds valued at $27,500 which were confiscated by the Chilean Government. A search of the Timmermann residence revealed a well-equipped photographic laboratory which had been used by Timmermann in preparing photographs of documents for transmission to Germany through the espionage ring operating in Argentina. Documents seized at the house included reports submitted by various agents, receipts signed by agents for financial expenditures, blank Chilean Carnets, various passports including blank Chilean and Spanish passports which were to be utilized in assisting German nationals with technical experience to return to Germany, various official seals, governmental papers from Chile and Bolivia, and other material. Among the documents found in Timmermann's possession was the memorandum by Ludwig Von Bohlen setting forth the mistakes made by agents involved in the PYL matter.

Early in 1945, all but four of the original group arrested for espionage activities in the PQZ case were released on bail. Timmermann, Kunsemuller, Kroll, and Eugenio Ellinger, who was also a fugitive from arrest in connection with the PYL case, remained in custody. Not all of the twenty-six subjects of the PQZ case were convicted in the Chilean courts; however, Kunsemuller received a sentence of seven years in prison, Timmermann five years and Kroll and Ellinger four years each. The remaining convictions carried sentences of two years or less. The breaking up of the PQZ ring removed the last important German operations from Chilean soil. (64-25150)

(4) <u>NOI Radio Station</u>. Another German-Sponsored clandestine radio station forced out of activity by SIS representatives was the one known by the call letters NOI.

This station broadcasted from Santiago and was on the air from March 11, 1942, to July 26, 1942, operating during the latter part of the time the PYL transmitter was also in service.

The station was first believed to be a part of the PYL group, but its status was not determined or the station located prior to the suspension of transmissions. SIS decodes developed the fact that the operator of the NOI transmitter utilized the code name "Pedro." Subsequent investigations indicated that the operator of this station had probably been Guillermo Kunsemuller Rothmann.

Kunsemuller is a Chilean citizen of German extraction, who went to Germany in 1928 with his parents. Here he went to school and later joined the German Air Force. At the age of twenty-one in 1938, he elected to become a Chilean citizen and was discharged from the German Army. In December, 1941, he returned to Chile as a German agent under instructions to set up a clandestine radio station. Soon after his arrival in Santiago, Kunsemuller contacted Isabel Piderit de Reiners of the PYL group for additional funds with which to construct a transmitter. Within a short time after his return to Chile, Kunsemuller joined the Chilean Air Force and on March 27, 1942, was made a Corporal. Such technical information as came to his attention through his military position, he furnished to Germany In turn, he received various instructions over his radio circuit.

The information regarding the set up of the NOI transmitter was not learned until Kunsemuller's arrest by the Chilean police in February, 1944, in connection with his activities as radio operator for the PQZ group. At that time it was ascertained that the NOI transmitter was discontinued because of the investigations conducted by the Bureau's SIS representatives. In July 1942, Johannes Peter Sqeraws of the PYL ring removed the radio apparatus from Kunsemuller's residence because the Allied authorities had delivered the memorandum concerning PYL activities to the Chilean Government and it was believed that Kunsemuller might be compromised, inasmuch as the memorandum contained a reference to the radio operator known as "Pedro", the cover name used by him. After the NOI transmitter was dismantled and concealed, Kunsemuller remained in Santiago in an inactive status until the organization of the PQZ ring. (64-25150; 64-40962; 64-3112-A-2)

(5) Guillermo Hellemann (Crewe). The solution of an important espionage investigation relating to the activities of Guillermo Hellemann (Crewe) and his wife, Anna Bracenkampe de Hellemann, came about when evidence found in the possession of Bernardo Timmermann disclosed that they had acted as agents for Ludwig Von Bohlen. The activities of the Hellemanns had been observed by SIS representatives since 1941, when it was ascertained that technical magazines from the United States were being

received at Casilla 3290, Santiago, Chile and that secret writing letters from other cities in Chile were being forwarded to this Post Office box.

Through highly valuable contacts developed by SIS agents with sources in the Chilean postal system, it was possible to obtain and study the secret writing letters in this case, most of which were addressed to Anna Hellemann. These communications were written by her husband, who as a traveling salesman secured shipping information which he forwarded to his wife in secret ink. Anna Hellemann was ascertained to be in close contact with the German Embassy in Santiago. Following the arrest of Timmermann and the procurement of evidence regarding the Hellemanns' associations with Von Bohlen, both Hellemann and his wife were arrested by the Chilean police. Hellemann made a complete confession outlining his activities in establishing a maritime espionage reporting ring in the northern section of Chile.

Late in August, 1944, the Chilean authorities conducted a thorough investigation at Tocopilla, Iquique, and other cities in the northern part of Chile, arresting six of Hellemann's agents and completely breaking up the organization. The Chilean authorities were materially assisted by the SIS representative assigned to the American Consulate in Antofagasta, who through confidential informants had previously established the identities of Hellemann's associates. When this information was furnished to the Chilean police, it enabled them to speedily round up the subjects involved.

In order to prevent legal action to bring about the release of Guillermo Hellemann, the facts of the case were presented personally to President Juan Antonio Rios. President Rios authorized an expulsion ordered for Hellemann, providing for the latter's deportation to Peru aboard the personal plane of the United States Military Attache stationed at Santiago. Hellemann was immediately transferred to the United States for internment. This was the first instance in which the Chilean authorities authorized the expulsion of a German national to the United States for internment. They had previously viewed such a procedure as a violation of sovereign rights and had declined to cooperate with the United States in this phase of the internment program.

Anna Bracenkampe de Hellemann remained in custody at Santiago until December, 1944, when she was released on bond. She was subsequently sentenced to two years imprisonment. (64-3104-A-637; 64-3100-A-314; 64-20514)

(6) <u>Heinz August Luning Case</u>. Heinz August Luning, a German espionage agent who was executed in Cuba in 1942, maintained contact with individuals in Chile. The Luning Case will be discussed more fully in the section on Cuba.

During the investigation of Luning by SIS representatives in Cuba and the interrogation of him, it was ascertained that he had received a communication from Chile regarding the operation of a clandestine radio transmitter. Luning also received a check for $1,500 from Santiago, Chile. Through investigation, it was ascertained that this money was forwarded to Luning through Alfredo Klaiber Maier, a German national who was manager of the Banco Germanico in Santiago. This individual was known to have collaborated closely in espionage matters with both Abwehr and Sicherheitsdienst agents.

This information together with the results of the investigations conducted by the Bureau's representatives in Chile was furnished to the Chilean Government. As a result, the Chilean authorities apprehended Alfredo Klaiber Maier, Guillermo Dorbach Burg, and Ludwig Russ Benziger. At the time of their arrest these persons were found to be in possession of information concerning United Nations shipping facilities and technical data concerning the Chilean Air Force. All three were interned by the Chilean Government. During the investigation of the case on the part of the Chilean authorities, Carlos Robinson, a Chilean national, was also arrested. Robinson's name was signed to the cablegram addressed to Luning from Chile making inquiry regarding the status of his proposed radio station. Robinson was released, however, because of the inadequacy of the Chilean laws to cover the situation. (64-1009; 65-44610)

(7) Chilean Internment Program. The fact that Chile did not have satisfactory laws with which to combat the Fifth Column danger was forcefully brought to the attention of that Government through the revelations made by SIS investigations. In October, 1942, the President of Chile instructed his Minister of Interior to draft adequate legislation covering espionage and sabotage activity within the country. At the request of the Minister of Interior the SIS representative who served as Liaison agent between the American Embassy and the Department of Interior consulted on three different occasions with the Legal Advisor to the Minister regarding this matter. The Bureau's representative furnished the Legal Advisor practical advice concerning the drafting of counter-espionage and counter-sabotage laws based on the Bureau's experience in these matters in the United States. (64-3100-763; 64-4187-271)

The Chilean Congress adopted an internment law on December 31, 1942. Immediately upon severing relations with the Axis countries, the Chilean Government issued orders for the internment of approximately one hundred sixty-nine individuals regarded as dangerous to Hemispheric defense. At the expiration of the internment period on July 4, 1943, new internment orders were issued for only about twenty-five of this number. Due to subsequent developments which indicated that the Axis was still endeavoring

to use Chile as one of the bases for its espionage system, the Chilean Government again ordered the internment of approximately eighty-nine individuals. Since this number by no means covered all of the Axis nations who might be regarded as dangerous, the Bureau's representatives in Chile found it necessary to make adequate arrangements to continue following the activities of the other known German and Japanese agents.

The Chilean Internment Program could not be regarded as real internment. It was rather a matter of regulated residence. Under this system, the individuals involved were forced to leave their regular homes and take up residence in designated small towns where they were required to report to the appropriate local officials once or twice a day. This plan was effective in some respects; however, it was open to abuses and on occasion some of the internees, through political influence, were able to have themselves relegated to certain localities which suited their own convenience. (Monograph-Japanese in Latin America; page 117)

b. Japanese Activities in Chile

Japanese activities in Chile were definitely of secondary importance in comparison with German matters. The Chilean angles of the Japsa Case, and the Tomiya Koseki and Shozo Murai directed espionage activities have been previously mentioned in the section on Argentina.

In addition to those cases, the principal incident of importance involving the Japanese in Chile was the burglarizing of the home of Dr. Lawrance Kinnard on the night of August 2, 1942. Dr. Kinnard was the Cultural Attache of the United States Embassy in Santiago. Investigation showed that Luis Alero Inostroza was involved in the burglary. Under questioning, Inostroza admitted that he had been acting under the instructions of Goro Miyasaki, a Japanese national who had been long under suspicion as an espionage agent. Inostroza indicated that he had worked for Miyasaki previously in Panama and Peru, and that he had attempted to secure papers and documents which would be useful to the Japanese. He admitted having previously robbed the Rumanian Legation at Lima, Peru, at the behest of Miyasaki, securing papers which the latter desired.

According to information received, Miyasaki believed the American Cultural Attache in Santiago to be connected with the United States Intelligence Service; and this burgulary was planned in an attempt to secure documents which might be of value to the Japanese.

Miyasaki had been suspected of espionage activities as far back as 1938, when he was arrested and found to be in possession of documents of military value. He was under investigation by SIS agents when the burglary of Dr. Kinnard's residence occurred. The information in the possession of

the Legal Attache's Office was furnished to the Chilean officials and was largely responsible for Miyasaki's expulsion from Chile in September, 1942. (64-3100-B-112 64-3104-B-139)

c. The Communist Movement

(1.) Local Communist Activities The Communist Party in Chile was one of the largest Communist organizations outside of the Soviet Union. Coverage of its activities, therefore, was important to a complete understanding of the Communist movement in Latin America. By March, 1944, the Communists had eighteen Deputies in the Lower House of the National Legislature out of a total of one hundred forty-seven. The Party also had three members in the Upper House from a total of forty-six. In a field of organized labor, the Communists exercised control equalled only by the Socialist Party and seven Party members held positions on the eighteen member National Advisory Council of the Confederation of Workers in Chile. At that time, the Confederation represented approximately 300,000 Chilean workers and reliable estimates indicated that forty per cent of the directorates of the affiliated Unions were Communist controlled.

The importance of the Communist Party in Chile was indicated by the appointment of Carlos Contreras Labarca, Secretary General of the Party and also a member of the Chilean Senate, as one of the delegates to the San Francisco Conference in April, 1945. Contreras Labarca took a relatively important part in the Chilean Delegation, but aroused some enmity among Chilean "leftists" for his failure to oppose the admission of Argentina to the United Nations as advocated by Chilean Foreign Minister Joaquin Fernandez.

Toward the end of the war, the Chilean Communists began again to attack United States "imperialism." This attitude was reflected in its 16th Plenary Session held June 3, 1945, at which time plans were formulated for attacking this "danger." Considerable capital was later made by the Party of a mine disaster in a Braden Copper Company installation which killed some three hundred fifty-six laborers. This incident became the basis for numerous charges against United States firms alleging failure to provide safety facilities.

On December 8, 1945, the 13th National Congress of the Chilean Communist Party was held. At that time leaders from the principal Communist Parties of Latin America attended the Chilean Party Congress and plans were formulated for Latin American Communist policies. Arrangements were developed fo

concerted propaganda against the United States and for agitation against so-called reactionary capital. It was reported that the resolutions adopted had been suggested by the Soviet Embassy in Mexico, D. F.

The spring of 1946, brought numerous labor troubles in Chile, including strikes of coal and nitrate miners, railroad workers, and dock laborers. Police action was necessary to restore order and in one Santiago incident the police fired into a crowd killing several people. These labor troubles resulted in a serious split between the Socialists and Communists factions of the Confederation of Chilean Workers headed by the Socialist, Bernardo Ibanez. The Communists attempted to oust Ibanez from his position but hoped to adjust the difficulties between Socialists and Communists rather than split the Labor organization. During the latter part of 1946, however, this became impossible and the Confederation was split into two groups. Through one of the top leaders from the Socialist faction, the Bureau was able to keep fully informed on negotations for reuniting the labor movement. (64-24773)

The Communist Party of Chile supported Gabriel Gonzalez Videla in the November, 1946, Presidential election and as a result was allocated three cabinet posts in the new Government. Information developed by the Bureau's representatives shortly thereafter revealed considerable dissension between Gonzalez Videla and the Communists, and indicated that they might not be included in the Government for more than six months. The validity of this information was demonstrated in the early spring of 1947, when the Communist's participation in the Government was terminated.

The Bureau's representatives in Chile found it necessary not only to follow the activities of the local Communist Party, but also to cover the activities of the various prominent foreign Communist refugees such as Victorio Codovilla of Argentina, who resided in Chile after his exile from Argentina. Other foreign Communists were attracted to Chile to attend Communist schools. There they studied courses in Communist Theory, Radio, and Public Communications and other matters essential to the operation of public utilities in the event of insurrection.

The Chilean Communist Party was an example of a well-run, successful Communist organization . Through informants inside the Party, the Legal Attache's office was able to secure accurate advance reports on proposed changes in policy, most of which during the last eighteen months of SIS operations affected, in some manner, the United States and its foreign policy. Through our coverage of Communist matters in Chile, it was possible to keep the Embassy and the State Department fully and adequately advised of the developments in the Chilean Communist movement. (61-200-207)

(2) Soviet Diplomatic Activities. Diplomatic relations between Chile and the Soviet Union were established on December 11, 1944. Representatives from both countries were designated in the late summer of 1945, but Soviet Ambassador Dimitri Zuhkov and his party did not arrive in Chile until mid-April, 1946. Within a short period of time an office of the Soviet News Agency "Tass" was opened in Santiago. The early indications were that this Embassy would assume much of the importance previously vested in the Soviet Missions in Colombia and Uruguay.

The Bureau's representatives followed the activities of the Soviet Diplomatic and Commercial representatives and ascertained that they were not as important as had been anticipated. In spite of the strength of the Chilean Communist Party, the Soviet Embassy was not received with complete friendliness; and by the time the Legal Attache's Office was closed on February 24, 1947, the Chilean Embassy in Moscow was complaining that its relations with the Kremlin were not at all satisfactory. (64-211-207).

d. Cooperation of Other Branches of the Embassy.

The files built up by the Legal Attache's Office in Santiago were utilized to a great extent by Embassy officials who were responsible for maintaining the Black List. In several instances companies and individuals were put on the Black List directly because of information developed by SIS personnel without the necessity of additional investigation by the Black List Section of the Embassy. This was particularly true of the individuals or firms connected with Heinz August Luning of Cuba, and the PYL Radio Ring. Manuel Tapia, Carlos Robinson, Heinrich B. Reiners, Friedrich Von Shulz-Hausmann, Compania Transportes Maritimos, and the firm of Neef and Irritier were outstanding examples of the direct contribution of SIS to the placement of persons and firms on the Black List. (64-3112-A; 64-1009).

Predicated upon a request of the Foreign Economic Mission and the State Department, the Office of the Legal Attache in Chile, as well as in other countries, conducted an extensive and intensive investigation ferreting out German assets and technicians in the Western Hemisphere. In addition considerable investigation was conducted to ascertain the exact extent of Japanese holdings in Chile. The interest exhibited by other United States agencies necessitated extensive inquiries into these matters.

In June 1944, one of the SIS representatives assigned in Santiago was able to save the Navy Department from possible embarrassment. Through his contacts, he ascertained that the janitor employed at the United States Consulate at Arica, Chile, had been selling waste paper trash to Cesar Gacitua, the head of the Chilean Department of Investigations in that area. It was known that certain codes used by the United States Navy had been obtained by the Chileans in this manner, but it was not believed that the

material obtained would allow those who had it to decode Naval traffic. Inquiries disclosed that the Chilean official involved was in search of information regarding the activities of American officials merely out of curiosity and there was no evidence of his being associated with Axis agents. The discovery of this matter, however, enabled the American representatives to take appropriate security measures to prevent such material from falling into the hands of unauthorized persons. (64-30465-7).

3. Personnel.

The following Special Agents and Special Employees were assigned to SIS work in Chile:

NAME	SIS	CITY		ASSIGNMENT
[redacted]				
[redacted]		Santiago		b2
		Santiago		b7C
		Valparaiso		
		Arica		
		Santiago		
		Valparaiso	8/44 - 12/44	Undercover
		Osorno	4/43 - 12/43	Undercover
		Valparaiso	11/41 - 9/42	Undercover
		Concepcion	10/42 - 12/43	Official
		Tocopilla	10/42 - 4/44	Official
		Santiago	4/45 - 12/45	Official
		Santiago	1/43 - 12/43	Undercover
		Santiago	2/42 - 9/43	Official
		Santiago	3/42 - 10/42	Undercover
		Santiago	3/45 - 8/46	Police Liaison
		Santiago	7/43 - 12/44	Undercover
		Santiago	12/42 - 5/43	Undercover
		Santiago	9/44 - 6/45	Undercover

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NAME	SIS	CITY	DATE	ASSIGNMENT
		Santiago	6/44 - 9/44	Undercover
		Antofagasta	9/44 - 3/45	Undercover
		Antofagasta	3/45 - 11/45	Undercover
		Valparaiso	8/45 - 6/46	Official
		Chuquicamata	1/43 - 5/43	Plant Survey
		Santiago	5/44 - 11/44	Official
		Antofagasta	11/44 - 2/45	Official
		Santiago	8/43 - 4/44	Undercover
		Santiago	3/46 - 9/46	Official
		Santiago	8/43 - 2/44	Undercover
		Santiago	12/44 - 7/46	Undercover
		Valparaiso	8/44 - 9/45	Official
		Antofagasta	9/42 - 7/43	Official
		Santiago	10/44 - 8/46	Legal Attache
		Santiago	3/43 - 9/43	Undercover
		Puerto Montt	4/42 - 2/43	Undercover
		Valparaiso	12/41 - 12/43	Official
		Santiago	11/42 - 11/43	Official
		Santiago	2/45 - 2/47	Official
		Santiago	4/44 - 10/44	Undercover
		Santiago	3/42 - 6/42	Undercover
		Santiago	4/43 - 4/44	Undercover
		Santiago	10/44 - 3/47	Official
		Valparaiso	4/43 - 8/43	Official
		Coquimbo	8/43 - 12/43	Official
		Santiago	5/43 - 9/44	Undercover
		Santiago	2/45 - 11/45	Undercover
		Valparaiso	2/43 - 12/43	Undercover
		Santiago	7/42 - 8/43	Undercover
		Osorno	10/43 - 12/43	Official
		Chanaral	1/43 - 3/43	Plant Survey
		Santiago	12/41 - 7/42	Undercover
		Valdivia	9/42 - 8/43	Official
		Santiago	1/43 - 3/43	Plant Survey
		Santiago	1/43 - 3/43	Plant Survey
		Santiago	9/43 - 1/44	Official
		Santiago	4/46 - 3/47	Official
		Santiago	2/41 - 10/41	Undercover
		Santiago	8/43 - 5/44	Undercover
		Punta Arenas	9/42 - 1/44	Official
		Santiago	3/43 - 8/43	Undercover
		Santiago	6/43 - 10/44	Official
		Santiago	12/42 - 5/44	Official

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NAME	SIS	CITY	DATE	ASSIGNMENT
		Santiago	4/43 - 12/43	Official
		Antofagasta	12/43 - 10/44	Official
		Valparaiso	4/43 - 12/43	Official
		Santiago	2/43 - 8/43	Official
		Osorno	9/42 - 10/43	Official
		Santiago	1/43 - 9/43	Undercover
		Santiago	9/43 - 2/44	Undercover
		Santiago	7/45 - 10/45	Official
		Santiago	1/43 - 4/43	Plant Survey
		Santiago	1/43 - 1/44	Undercover
		Valparaiso	12/42 - 8/43	Undercover
		Valdivia	8/43 - 8/44	Undercover
		Santiago	1/43 - 3/43	Plant Survey
		Concepcion	6/41 - 1/42	Undercover
		Santiago	8/43 - 10/44	Undercover
		Santiago	4/45 - 12/45	Official
		Santiago	10/43 - 1/45	Police Liaison
		Santiago	9/43 - 9/44	Official
		Valdivia	9/44 - 11/44	Official
		Santiago	11/44 - 5/46	Official
		Valparaiso	2/42 - 7/43	Official
		Santiago	2/44 - 11/44	Legal Attache
		Santiago	6/43 - 7/43	Official
		Santiago	1/44 - 10/44	Undercover
		Santiago	1/45 - 4/46	Undercover
		Santiago	7/44 - 9/46	Undercover
		Santiago	2/43 - 8/44	Official
		Santiago	10/40 - 11/40	Official
		Concepcion	3/42 - 10/42	Undercover
		Santiago	3/43 - 2/45	Official
		Valdivia	4/43 - 12/43	Official
		Santiago	12/40 - 1/41	Undercover
		Santiago	8/43 - 1/44	Undercover
		Valparaiso	4/43 - 7/44	Official
		Santiago	9/41 - 9/43	Legal Attache
		Santiago	7/43 - 12/43	Official
		Concepcion	8/42 - 12/43	Undercover
		Santiago	5/46 - 2/47	Official
		Santiago	6/42 - 5/43	Undercover
		Concepcion	11/43 - 7/44	Official
		Valdivia	7/44 - 9/44	Official
		Santiago	9/44 - 5/45	Official
		Santiago	1/46 - 8/46	Official
		Chuquicamata	1/43 - 3/43	Plant Survey
		Valdivia	4/43 - 11/43	Official
		Valparaiso	8/43 - 10/44	Undercover

4. Bibliography.

a. Investigative Files

64-3100 General Miscellaneous File on Chile

64-3100-A General German File on Chile

64-3100-B General Japanese File on Chile

64-3100-C General Italian File on Chile

64-3100-D General Communist File on Chile

64-3100-E General Spanish File on Chile

64-3100-F General French File on Chile

64-3100-G General British File on Chile

64-3100-H General American File on Chile

64-3100-I General Hungarian File on Chile

64-3100-J General Rumanian File on Chile

64-3100-K General Swiss File on Chile

64-3100-L General Swedish File on Chile

64-3100-M General Austrian File on Chile

64-3101 General Political File on Chile

64-3102 General Economic File on Chile

64-3103 General Social File on Chile

64-3104 General File on Foreign Agents in Chile

64-3104-A German Agents in Chile

64-3104-B Japanese Agents in Chile

64-3104-C Italian Agents in Chile

64-3104-D Communist Agents in Chile

64-3104-E Spanish Agents in Chile

64-3104-F French Agents in Chile

64-3104-G British Agents in Chile

64-3105 General Propaganda File on Chile

64-3105-A German Propaganda in Chile

64-3105-B Japanese Propaganda in Chile

64-3105-C Italian Propaganda in Chile

64-3105-D Communist Propaganda in Chile

64-3105-E Spanish Propaganda in Chile

64-3105-F French Propaganda in Chile

64-3105-G British Propaganda in Chile

64-3105-H American Propaganda in Chile

64-3105-M Portuguese Propaganda in Chile

64-3106 General File on Foreign Penetration in Chile

64-3106-A German Penetration in Chile

64-3106-B Japanese Penetration in Chile

64-3106-C Italian Penetration in Chile

64-3106-D Communist Penetration in Chile

64-3106-E Spanish Penetration in Chile

64-3106-F French Penetration in Chile

64-3106-G British Penetration in Chile

64-3107 General File on Sabotage in Chile

64-3107-A German Sabotage in Chile

64-3107-C Italian Sabotage in Chile

64-3107-E Spanish Sabotage in Chile

64-3108 General File on Foreign Residents in Chile

64-3108-A German Residents in Chile

64-3108-B Japanese Residents in Chile

64-3 08-C Italian Re id its in Chile

64-3108-D Communist Residents in Chile

64 08-E Spanis Residents in Chile

64 08-F Fre ch Residents in Chile

64-3108-G British Residents in Chile

64- 108-H Ame Rasid in Chile

64-3108-K Swiss Residents in Chile

64-3110 Ge File Military and Na Ma in hil

64-3111 General File Foreign Fi in Chile

64-3111-A German Firms in Chile

64-3111-B apa Firms Chile

64-3111-C talian Firms in Chile

64-3111-E panis Firms in Chile

64-3111-F Fr ch Firms in Chile

64-3111-G Britis Firms in Chile

64-3112 General File Radi tati in Chile

64-3112-A German Radio Stations in Chile

64-3112-A-2 PYL Radi Circui

64 112-B apanes Radi Stati hil

64-3112-C talian Radio Stati in Chile

64-3112-E Spanis Radi tati in Chile

64-3114 General File Submarine Activiti in Chile

64-3115-E Spanish Telephone Surveillance in Chile

64-3116 Plan Surveys in Chile

64-200-207 Communis Movement in Chile

64-211-207 Soviet Diplomatic Activities in Chile

65-54145 PYL Radio Case. Some of the reports regarding this case are also contained in 64-3112-A and 64-3112-A-2.

64-25150 The PQZ Radio Ring

64-23309 APFEL Sabotage Case

64-24773 Confederation of Workers of Chile

64-309-207 Smuggling in Chile

b. Administrative Files

64-4468 General Office Administrative File for Chile

64-4984-207 Monthly Reports submitted by Legal Attache's Office, Santiago, Chile.

64-4725 Living Conditions in Chile

67-383717 General Office Personnel File. Filed alphabetically as "Embassy, Santiago, Chile". The inspection reports for this office are filed separately.

64-29833-207 Police Matters in Chile

64-4123-207 Informant File for Chile

c. Monographs

"Totalitarian Activities in Chile Today." General monograph covering various phases of the Bureau's work in Chile. Published March, 1943; 266 pages.

"SIS Office (Santiago)." Contains photographs of the Legal Attache's Office and facilities in Santiago.

"Communism Movement in Latin America." Published January, 1946 - General monograph covering Communism on a hemispheric basis, pages 27-28 dealing particularly with the Communist Party of Chile.

"German Espionage in Latin America." Printed June, 1946. General monograph on German espionage in the countries of Latin America, pages 99 to 135 covering German subversive activities in Chile.

"Japanese in Latin America." General monograph on Japanese activities in the important Latin American countries. Published November, 1945, pages 195 to 117 pertaining to Chile.

H. COLOMBIA

1. SIS Facilities and Objectives.

In view of the strategic location of Colombia, with particular reference to the Panama Canal, it was considered especially important that the Bureau be aware of Axis activities in that country. One agent was sent to Colombia in an undercover capacity in August of 1940 who served for a short time prior to the assignment of a Legal Attache to the U. S. Embassy at Bogota. Coverage was steadily increased until a peak was reached in November of 1943 at which time twenty Special Agents were assigned to Colombia. An agent was stationed in the Consulate at Barranquilla, Colombia, as Vice-Consul; another was assigned in the same capacity at Cali, Colombia, and still another at Medellin, Colombia. (64-4471; 64-4316)

A radio transmitter and receiver was maintained at the Embassy in Bogota by the Bureau which not only enabled rapid communication with the Bureau but also served as a relay station between the Bureau and more distant South American countries. The office was closed in March, 1947. (64-4471)

2. Major Accomplishments.

a. German Activities.

Among the achievements especially noteworthy were the activities carried on by the Bureau's representatives to counteract subversive influences in Colombia which resulted in the passing of legislation by the Colombian Congress to control Nazi activities in that Republic, restricting Axis nationals from any point within one hundred and fifty kilometers of the strategic coastal areas and designating an Alien Property Custodian to supervise the confiscation of alien property. Reports submitted by the Bureau's Legal Attache resulted in such information being turned over to the Colombian authorities by the American Ambassador to Bogota, influencing in part the action taken by that Republic. (64-3200-253; 64-3204-A-585; 64-3204-115)

In practically all instances in connection with the Proclaimed List of Certain Blocked Nationals doing business in the Republic of Colombia, the SIS Division of the Bureau submitted various reports to the State Departmen and other interested agencies concerned with the preparation and maintenance of the United States Proclaimed List. These reports were largely instrumental in causing scores of individuals of pro-Axis character to be placed on the black list. Among them were Fritz Fuhrop, a known Nazi mail drop in Colombia; Adolfo and Walter Held, influential and wealthy individuals of Nazi sentiment who were acting as Nazi supply agents, assisting the Nazi cause in the storage of materials and equipment throughout the Republic; Kurt Palmer; Emil Pruefert; Hans Bauman; James Rankin; and many other individuals. (Colombian Monograph)

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Action was taken in late 1942 relative to the deportation and repatriation from Colombia of some fifty-five Nazi or Colombian-born German individuals whose presence in Colombia was felt by the Colombian Government to be undesirable. The information concerning these individuals had been furnished the Colombian Government by the Legal Attache connected with the American Embassy at Bogota. Consideration was also given to raising objections to some twenty-three of these individuals during the process of their repatriation to Germany so that they might be permanently interned in the United States. [redacted]

(S)

The Bureau was responsible for the arrest and detention in Colombia of one Dietrich Becker Von Pless, a former German Army officer of Manizales, Colombia, who claimed connection with members of the German Gestapo in Colombia and ultimately furnished information concerning Japanese and Nazi military and naval preparations. Von Pless, subsequently, through the intervention of the Bureau's representative at Bogota, was delivered to United States military authorities at Panama for internment for the duration of the war. (64-3204-A-1332)

The work of SIS in the Republic of Colombia was particularly effective in obtaining information regarding German nationals and pro-Nazis in Colombia, which information was the basis for expulsion or internment orders against a number of these individuals. There follow summaries of the outstanding of these cases:

(1.) Heriberto Schwartau Eskildsen. One of the most notable cases was that of Heriberto Schwartau Eskildsen. This individual, born in Colombia of German parents, became indoctrinated with Nazi ideology at an early date. He was baptized in Germany, obtained most of his education in that country, and acted and lived as a German at all times until it later appeared to his best interests to try to claim Colombian citizenship.

Schwartau was identified as an espionage agent by SIS when information concerning the travels of one "Enrique" was sent over the clandestine radi station PYL in Chile. This information was checked with actual travels found to have been made by Schwartau and led to the positive conclusion that Schwartau was, in fact, "Enrique", and was communicating with the agents operating station PYL. To clinch Schwartau's identification as an espionage agent, secret writing letters addressed to a drop box in Chile used by the PYL agents were intercepted and the handwriting thereon was found by the FBI Laboratory to be identical with Schwartau's handwriting. After a thorough investigation of Schwartau, the facts concerning him were turned over to the Colombian authorities who took him into custody on November 20, 1942. Schwarta stoutly denied all accusations against him and retained a lawyer prominent in the Conservative Party to fight his case in the Colombian courts. However, the evidence obtained was so convincing that the President of Colombia issued an expulsion order against Schwartau, who was thereafter expelled to Panama and subsequently brought to the United States. He was later interrogated by Special Agents of the FBI and after being apprised of the amount and nature

of the evidence available regarding his espionage activities, Schwartau gave a long and detailed confession regarding his recruitment, training and activities as a German espionage agent. (64-3112-A-2)

(2.) Max Vogel. Another individual whose expulsion by the Colombia authorities was based on information regarding his activities supplied by the SIS was Max Vogel, a German national and long-time resident of Bogota. For years, Vogel had been the closest friend of George Nicolaus in Bogota. Nicolaus returned to Germany in 1939, received espionage training and went to Mexico via Bogota in 1940 to engage in extensive espionage activities as an agent of the Berlin Ast. When he stopped off in Bogota, Nicolaus made arrangements for his old friend, Max Vogel, to forward communications which the latter was to receive from Nicolaus in Mexico to various post office boxes to be used as drops, located in Peru, Chile, and Brazil. Vogel not only agreed to do this but also consented to send some of Nicolaus' letters to certain of his own private drop boxes which he, Vogel, used for forwarding his commercial mail to Germany. Some of the letters passing between Nicolaus and Vogel were intercepted, and it was found that Vogel was also holding some of Nicolaus' belongings. This information was turned over to the Colombian authorities who arrested Vogel and confiscated his correspondence, copies of which were made available to the Bureau. This correspondence showed clearly Vogel's extensive work on behalf of Nicolaus and also revealed that Vogel, himself, had engaged in somewhat amateurish attempts at espionage, although he had not received any specialized training for this work in Germany. He forwarded certain oil production figures relating to Venezuela to Nicolaus and also reported on the activities of Hans Joaquin Harders, another German agent in Bogota of whom Nicolaus was extremely jealous. Vogel was thereafter expelled by the Colombian authorities and interned in the United States. (64-20616; 65-16273-2643)

(3.) The Hermann Heinrich Rullhusen Bischoff Case. This case which, for administrative purposes, was designated by the code word "Rule Case", was developed as a result of the identification by SIS Agents and the Technical Laboratory of Hermann Heinrich Rullhusen in Bogota, Colombia, as the writer of a secret writing letter addressed to the drop box, George Morse, c/o Sres. Santos Mora Ltda., Caixa Postal 527, Lisbon, Portugal. Rullhusen was identified by a thorough investigation into his background and comparison of the facts established with certain facts set out in the secret writing letter. Thereafter, specimens from Rullhusen's typewriter were obtained and forwarded to the FBI Laboratory where the typewriting on the secret writing letter was identified. It was found that Rullhusen was working out of the Bremen Ast and had been recruited by Johannes Bischoff, a prominent cotton man of Bremen, Germany, who was also one of the principals in the Bremen espionage headquarters. Because of Johannes Bischoff's connections, it was deemed peculiar that he had given thirty thousand dollars to his cousin, Ludwig Bischoff, in Dallas, Texas, to commence a cotton firm in that city. Further investigation in both Colombia and the United States

revealed that Rullhusen and Ludwig Bischoff had been in constant communication during 1940, 1941 and 1942. Ludwig Bischoff had forwarded letters received from Johannes Bischoff bearing the return drop address, Caixa Postal 527, to Rullhusen, and had also forwarded various amounts of money from time to time to Rullhusen after such money was transferred to Ludwig Bischoff by Johannes Bischoff.

It was also determined that Ludwig Bischoff had forwarded radio parts to Rullhusen, which parts could be used to construct a radio transmitter. It was known from the secret writing letter that Rullhusen had a clandestine transmitter, and it was believed that he had built this transmitter with the radio parts sent to him by Bischoff. These radio parts were sent to Rullhusen ostensibly because Rullhusen was engaged in the radio business. However, investigation into Rullhusen's background failed to reveal that he had engaged either in the radio or cotton businesses at the time Ludwig Bischoff was writing to him about such matters.

The Colombian authorities indicated that Rullhusen would be expelled from Colombia, and in December, 1943, the facts in this case were furnished to the Department of Justice for consideration as to the prosecution of Ludwig Bischoff and possibly Rullhusen on espionage conspiracy charges. (64-20083)

Rullhusen was expelled from Colombia in May, 1944 and interned in the United States. Upon interrogation he admitted his recruitment and training as a German espionage agent in Bremen during 1940, and identified one of his fellow trainees, Waldemar Othmer. Othmer had been under investigation in the United States under strong suspicion as an agent, and with the information supplied by Rullhusen he was apprehended and admitted engaging in espionage in the United States. He was sentenced to thirty years in a federal prison in June, 1944. Rullhusen and Ludwig Bischoff were named as co-conspirators in a secret espionage indictment when it was found that Bischoff had also sent money to another German agent in the United States named Simon Koedel on instructions of Johannes Bischoff from Bremen. Koedel was arrested and charged with espionage. (100-30234)

(4) Ludolf Oscar Max Poensgen (Koch). Poensgen was among the six most dangerous individuals expelled from Colombia on April 15, 1944 to Panama and turned over in Panama to the custody of the United States Army authorities. Subsequently Poensgen was brought to the United States, where he was interviewed at New Orleans, Louisiana by Bureau representatives. Poensgen had long been under investigation by SIS representatives in Colombia and was a known German sabotage agent, having been identified as the individual referred to in PYL messages at Valparaiso, Chile as "P" in a message referring to "P" and "J". The "J" is known to have referred to another known German agent, namely Bruno Johansen, who was in an internment camp in Colombia having, like Poensgen, been entirely neutralized. (64-20010)

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(5.) Internment Program. As a result of information obtained and correlated by SIS in Colombia, the Alien Enemy Control Unit of the Department of Justice, through its representative, [redacted] decided that one hundred and forty-one individuals in Colombia, both German nationals and Colombian citizens, were sufficiently dangerous to warrant their expulsion and internment in the United States or internment in Colombia. Thereafter, the United States Embassy in Bogota, in conference with Colombian officials agreed upon a list of forty individuals to be expelled from Colombia for internment in the United States, all of these being German nationals. Other dangerous individuals, most of them Colombian citizens by naturalization or birth, were to be interned or restricted within Colombia.

The Internment-Deportation Program in Colombia was to have been effected in the early part of February, 1944; however, due to the unsettled political situation in Colombia, the program was delayed, principally because of the threatened revolution and impending political changes. Beginning in April, 1944, principally at the insistence of SIS representatives through United States Ambassador Arthur Bliss Lane, the internment and expulsion program got under way. Individual dossiers were prepared and furnished the Ambassador, resulting in approximately 150 Axis nationals being interned and on April 15, 1944, six of those considered most dangerous were expelled. In this group were six known German agents all of whom were turned over to United States Army authorities in Panama. (105-4891)

b. Spanish Falange Activities

By virtue of information gathered and prepared concerning the nature and extent of the activities of the Spanish Falange in Colombia, the Bureau was in part responsible for the removal or transfer of the former leader of the Spanish Falange for the Republic of Colombia, the ex-Secretary to the Spanish Legation, Manuel Onos de Plandolit, to the Republic of Panama. Plandolit was the known Spanish Falange leader, and reports concerning his and other Falangists' connivance with Naxi elements in Colombia were called to the attention of the Spanish Minister on several occasions. Such action on the part of SIS was believed to have been largely instrumental in causing Plendolit's removal. (64-3204-E-13, 14; Colombian Monograph)

c. Communist Activities

With an active Communist Party and an aggressive Soviet Legation, the coverage of Communist and related matters in Colombia was given a high priority by the American Ambassador who delegated all such matters to the Legal Attache, forbidding other agencies of the Embassy from entering such investigations.

Apart from its position in the international Communist movement, the Colombian Communist Party, which changed its name to the Partido Socialista

Democratico (Socialist Democratic Party) held a position of importance in domestic Colombian affairs out of proportion to its actual size. This influence came through its control of important labor groups such as the Petroleum Workers Union and the Confederation of Workers of Colombia, as well as through its political strength derived from its active support of the Liberal Party. Following the end of the war, however, the Communists suffered several political set-backs and when the split in the Liberal Party gave the May 1946 elections to the Conservatives, the Communists lost most of their influence with the Government. After this defeat at the polls, dissention developed within the ranks of the Communist Party, and by the time the Legal Attache's Office closed, there were definite indications of an impending rupture in the Party.

Through a combination of circumstances, it was possible for the Bureau's representatives to secure excellent informants within the Communist Party organization. Some of the best of these were Spanish Communists who furnished some of the most significant information in the possession of the Bureau concerning the background and operations of the Communist Party of Spain. The handling of Communist investigations by SIS Agents was performed with such completeness that Ambassador Wiley on several occasions complimented the Bureau on the thoroughness and accuracy of its coverage. (64-200-208)

d. Platinum Smuggling

Representatives of the Office of the Legal Attache in Bogota from time to time compiled information relating to the activities of smugglers and contrabandists dealing in platinum in the Republic of Colombia. Various agencies of the United States Government viewed the activity of smugglers of platinum from Colombia to Axis hands as one of the principal forms of subversive activity. As a result of the SIS investigation of platinum smugglers, information concerning them was furnished by the United States Embassy to the Colombian Government which indicated that it would take stringent action against the smugglers and deport those who were engaged in such activity. A list of seventeen individuals whom the Legal Attache at one time considered to be the principal smugglers was furnished to the Colombian Government, and arrangements were made for the expulsion of these individuals regardless of their nationality.

The activity of SIS representatives in this connection was regarded by the United States State Department and the Naval and Military authorities as of the utmost importance with respect to Colombian platinum getting into the hands of the enemy and was therefore of vital significance with regard to the Allied war effort.

[redacted] of the Office of Economic Warfare, who conducted a survey of the platinum smuggling situation in Colombia, commented that he

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found that the FBI in Colombia was the only agency capable of taking any action with respect to the legal control of smuggling. He highly praised the FBI representatives and stated that they knew all of the smugglers in Colombia and had complete files on them and the only remaining question was what action should be taken. Action was taken on the part of the Colombian Government to curb the flow of platinum from the Republic to Axis agents by legislation directed against contrabandists and native private operators from whom the bulk of the platinum was sold to illegal agents. Under this legislation, all platinum in the Republic was controlled through the Banco Central or an official government agency set up for its control.

As an instance of SIS cooperation with officials in the United States, the trial of Dr. Ferdinand Kertess in New York City is cited. Kertess was under indictment for the violation of the Neutrality Laws, through illicit traffic of platinum, rhodium and other precious metals with the Axis nations. SIS representatives in Colombia assisted materially in "clinching" the conviction of Kertess through tracing a quantity of these materials from the United States through Colombia and Chile. An important part of the evidence dealt with the tracing of a shipment during December, 1941, from New York to Cali, Colombia routed through an intermediary, one Theodor Barth, a German national and chief buyer of platinum for Germany prior to World War II. Evidence of the receipt of the metal on the part of Barth and further shipment to Axis nations was established in Colombia and strongly influenced the jury in the conviction of Kertess.

SIS representatives in Ecuador and Colombia developed sufficient information concerning the activities of platinum smuggling from Colombia to Ecuador by Gilberto de los Rios and Isaac Villata, which, when turned over to the Ecuadoran authorities at Quito, Ecuador, resulted in the arrest of these individuals on March 7, 1944. At that time these individuals were found to be in the possession of 10 pounds of platinum which had been illegally transported from Colombia to Ecuador. This platinum in the black market in Ecuador was worth considerably over $10,000. Signed statements were obtained from both of these individuals in which they admitted purchasing the platinum in Cali, Colombia, five pounds each from Victor Ccorog and Paisa Velez, both of Condoto, Colombia.

SIS representatives in Colombia and Ecuador, for a considerable period of time, investigated the smuggling of platinum from Colombia to Ecuador by Elias Kelil Nader. Information developed was turned over to the Comandante of the Carabineros in Quito, Ecuador. As a consequence, Nader was apprehended in the early part of 1944 by Ecuadoran officials and contraband platinum weighing about three pounds which was found in his possession, was confiscated. He stated that the platinum was owned by Neftali Ramirez of Bogota, Colombia, and in a signed statement admitted having transported the platinum from Colombia to Ecuador, from which place he attempted to sell it to various individuals in Havana, Cuba and Buenos Aires, Argentina, at contraband prices.

In October of 1943 Neptali Ramirez Almeida of Pasto, Colombia, brought two grams of platinum to Quito, Ecuador, which he left with Vicente Puertas as a sample which would be used to interest buyers in purchasing platinum. Puertas and four others attempted to obtain buyers for platinum which would be brought to Ecuador clandestinely by Ramirez. SIS representatives, through investigation of these activities, were able to obtain information which when presented to the Ecuadoran authorities, resulted in all five of the individuals being apprehended on March 28, 1944. Signed statements were taken at that time in which they admitted their participation in the platinum black market. However, in view of the fact that none of the individuals were apprehended at the time they actually transported the platinum into Ecuador, they were released.

SIS representatives in Colombia investigated the activities of Jacobo Cohen, proprietor of Laboratorios Dentalia, Medellin, Colombia, the largest platinum dealer in that city. Cohen became a Colombian citizen on March 30, 1940, at which time he declared that he was a Greek citizen and displayed a Greek passport issued at Havana, Cuba. Evidence was obtained which indicated that Cohen was actually a Syrian citizen and obtained his passport fraudulently in Havana, Cuba. Comparison of Cohen's fingerprints with those on file in Havana, Cuba, established that Cohen was identical with an individual in Cuba who registered as a Syrian national.

Cohen sold platinum to many individuals who were known to be smugglers, including Rosendo Lopez, a member of the Harold Ebury smuggling ring, who was apprehended at Ipiales, Colombia, January 18, 1944, at which time he was found to be in possession of platinum which he intended to smuggle into Ecuador.

Alderado Farias, a well-known smuggler who was apprehended in Lima, Peru, in June, 1944, admitted in his signed statement that he had purchased from Cohen 22 pounds of platinum for approximately $21,000, which he had smuggled to Buenos Aires, Argentina. On the basis of these facts which were developed by SIS representatives, the Colombian Government took under consideration denaturalization proceedings against Cohen.

Numerous reports were received that large quantities of platinum were being smuggled from Colombia to Argentina, which in turn, were being transported to Europe where they were diverted to the Axis military machine. In April, 1944, the American Ambassador to Colombia requested, through the State Department, that four Bureau Agents be dispatched to Colombia to intensely investigate platinum smuggling in that country. By October, 1944, this activity was so thoroughly investigated that the American Ambassador was able to present sufficient evidence of these activities to the Colombian Government which resulted in four aliens being designated for deportation, four additional aliens being declared persona non grata, and denaturalization proceedings were initiated against a naturalized Colombian. Furthermore, through the information furnished by the American Ambassador, the

Colombian Government promulgated a decree which established rigid control over platinum production and traffic. Also, approximately twenty individuals were recommended for consideration for inclusion on the Proclaimed List of Certain Blocked Nationals. In one case alone, approximately 100 pounds of platinum were accounted for and over eight pounds of platinum with a black market value of approximately $9,000, were recovered. Due to the satisfactory progress of the investigation, the four Bureau Agents who had been sent to Colombia in May, 1944 to cover this case were recalled in October, 1944. (64-27423)

e. Colombian Political Situation

During the time the Bureau had representatives in Colombia, the various revolutionary intrigues were closely followed through the utilization of high governmental contacts, police liaison work, and confidential informants. The political scene in Colombia was probably more involved than in most of the other Latin America countries and the American Ambassador was kept currently advised of the situation by Bureau representatives.

(S) [redacted]

[redacted] (64-4471-40) (S)

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3. Personnel

The following Special Agents and Special employees were assigned to SIS work in Colombia:

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NAME	SIS	CITY	DATE	ASSIGNMENT
[redacted]		Bucaramanga	4/42 - 8/43	Official
		Bogota	5/42 - 10/42	Undercover
		Bogota	2/43 - 12/43	Undercover
		Bogota	11/42 - 1/44	Undercover
		Bogota	9/43 - 12/43	Undercover
		Bogota	7/42 - 5/43	Undercover
		Bogota	9/43 - 6/44	Official
		Barranquilla	6/41 - 8/42	Undercover
		Bogota	3/45 - 3/47	Official
		Bogota	4/44 - 6/44	Police Liaisc
		Bogota	2/44 - 12/44	Undercover
		Bogota	6/45 - 4/46	Undercover
		Bogota	2/45 - 4/47	Undercover
		Bogota	6/42 - 1/45	Legal Attache

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Barranquilla	7/42 - 4/44	Official
Bogota	3/46 - 3/47	Official
Bogota	9/43 - 11/43	Undercover
Bogota	7/43 - 10/43	Police Liaison
Bogota	11/42 - 5/45	Undercover
Cali	5/44 - 11/45	Official
Bogota	11/41 - 9/42	Undercover
Bogota	2/43 - 3/43	Undercover
Cali	3/43 - 3/44	Official
Medellin	6/45 - 12/45	Official
Bogota	1/44 - 12/44	Undercover
Medellin	11/41 - 5/42	Undercover
Bogota	4/42 - 10/42	Official
Bogota	2/45 - 12/45	Official
Bogota	7/45 - 11/45	Official
Bogota	4/42 - 1/43	Undercover
Bogota	10/40 - 11/40	Undercover
Barranquilla	11/40 - 5/41	Undercover
Cali	12/42 - 7/43	Undercover
Bogota	1/45 - 3/46	Undercover
Bogota	9/44 - 10/45	Police Liaison
Bogota	1/44 - 6/44	Police Liaison
Bogota	12/45 - 8/46	Legal Attache
Bogota	12/44 - 4/47	Police Liaison
Medellin	1/43 - 7/43	Undercover
Cartagena	2/43 - 11/43	Official
Bogota	11/43 - 12/44	Official
Cartagena	10/43 - 11/43	Official
Bogota	8/43 - 11/43	Undercover
Barranquilla	3/42 - 10/42	Undercover
Bogota	6/44 - 9/45	Official
Medellin	7/42 - 3/43	Undercover
Medellin	7/42 - 12/43	Official
Bogota	5/44 - 11/44	Official
Bogota	12/41 - 9/42	Official
Bogota	8/40 - 10/40	Official
Bogota	8/45 - 9/46	Undercover
Cali	5/43 - 11/44	Official
Bogota	8/42 - 11/42	Official
Bogota	10/43 - 11/43	Undercover
Bogota	10/42 - 8/43	Legal Attache
Barranquilla	7/43 - 11/43	Undercover
Cali	10/45 - 11/45	Official
Bogota	11/45 - 3/47	Legal Attache
Cali	10/41 - 10/42	Undercover
Bogota	4/43 - 3/44	Police Liaison
Bogota	4/43 - 5/43	Plant Survey

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Bogota	3/43 - 2/45	Undercover
Bogota	12/44 - 1/46	Legal Attache
Bogota	1/43 - 12/43	Undercover
Bogota	3/43 - 9/43	Undercover
Cali	3/46 - 3/47	Official
Bogota	6/44 - 11/44	Official
Barranquilla	11/44 - 6/46	Official
Bogota	5/44 - 10/44	Official
Barranquilla	12/41 - 8/42	Undercover
Bogota	5/44 - 12/44	Official
Bogota	2/41 - 7/42	Official
Bogota	5/44 - 9/44	Official
Travel		
Barranquilla	6/45 - 6/46	Undercover
Bogota	5/43 - 12/43	Official
Bogota	11/40 - 1/41	Official
Barranquilla	1/44 - 2/45	Official

4. Bibliography

a. Principal Investigative Files

64-3200 General Miscellaneous File on Colombia

64-3200-A Miscellaneous File on German Activities in Colombia.

64-3200-B Miscellaneous File on Japanese Activities in Colombia.

64-3200-C Miscellaneous File on Italian Activities in Colombia.

64-3200-D Miscellaneous File on Communist Activities in Colombia.

64-3200-E Miscellaneous File on Spanish Activities in Colombia.

64-3200-F Miscellaneous File on French Activities in Colombia.

64-3200-G Miscellaneous File on British Activities in Colombia.

64-3200-H Miscellaneous File on American Activities in Colombia.

64-3200-K Miscellaneous File on Swiss Activities in Colombia.

64-3200-L Miscellaneous File on Swedish Activities in Colombia.

64-3200-N Miscellaneous File on Austrian Activities in Colombia.

64-3201 General File Covering Political Matters in Colombia

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64-3202 General File Covering Economic Matters in Colombia

64-3203 General File Covering Social Matters in Colombia

64-3204 General File Covering Foreign Agents in Colombia

64-3204-A German Agents in Colombia

64-3204-B Japanese Agents in Colombia

64-3204-C Italian Agents in Colombia.

64-3204-D Communist Agents in Colombia.

64-3204-E Spanish Agents in Colombia.

64-3204-F French Agents in Colombia.

64-3205 General File on Propaganda in Colombia

64-3205-A German Propaganda in Colombia

64-3205-B Japanese Propaganda in Colombia.

64-3205-C Italian Propaganda in Colombia.

64-3205-D Communist Propaganda in Colombia.

64-3205-E Spanish Propaganda in Colombia.

64-3205-F French Propaganda in Colombia

64-3206 General File on Foreign Penetration in Colombia

64-3206-A German Penetration in Colombia.

64-3206-B Japanese Penetration in Colombia.

64-3206-C Italian Penetration in Colombia.

64-3206-D Communist Penetration in Colombia.

64-3206-E Spanish Penetration in Colombia.

64-3206-F French Penetration in Colombia.

64-3206-G British Penetration in Colombia.

64-3206-K Swiss Penetration in Colombia.

64-3207 Sabotage in Colombia

64-3208 General File on Foreign Residents in Colombia

64-3208-A German Residents in Colombia

64-3208-B Japanese Residents in Colombia.

64-3208-C Italian Residents in Colombia.

64-3208-D Communist Residents in Colombia.

64-3208-E Spanish Residents in Colombia.

64-3208-F French Residents in Colombia.

64-3208-G British Residents in Colombia.

64-3208-H American Residents in Colombia.

64-3208-J Rumanian Residents in Colombia.

64-3208-K Swiss Residents in Colombia.

64-3210 Military and Naval Matters in Colombia

64-3211 Foreign Firms in Colombia

64-3211-A German Firms in Colombia.

64-3211-B Japanese Firms in Colombia.

64-3211-C Italian Firms in Colombia.

64-3211-E Spanish Firms in Colombia.

64-3211-F French Firms in Colombia

64-3212 Radio Stations in Colombia

64-3212-A German Radio Stations in Colombia

64-3212-B Japanese Radio Stations in Colombia.

64-3212-C Italian Radio Stations in Colombia.

64-3212-E Spanish Radio Stations in Colombia.

64-3212-F French Radio Stations in Colombia.

64-3214 Submarine Activities in Colombia

64-3216 Plant Surveys in Colombia

64-27423 Platinum Smuggling in Colombia

64-200-208 The Communist Party in Colombia, known as the Partido Socialista Democratica (Social Democratic Party)

64-211-208 Soviet Diplomatic Activities in Colombia

64-20083 "Rule Case"

100-34561-208 Labor Conditions in Colombia

64-24773 Confederation of Workers in Colombia

64-29833-208 Police Matters in Colombia

97-4-4881-9 Summary Memoranda prepared for the American Ambassador at Bogota, Colombia giving background and up-to-date information as of November 1, 1944, on the following subjects:

"Revolutionary Movements and Anti-American Organizations", 10 pages.
"German Activities in Colombia", 38 pages.
"Italian Activities in Colombia", 11 pages.
"Platinum Smuggling in Colombia", 11 pages.
"French Activities in Colombia", 4 pages.
"Spanish Activities in Colombia", 8 pages.
"Communist Activities in Colombia", 29 pages.

b. Administrative Files

64-4471 Office Administrative File for Legal Attache's Office, Bogota, Colombia.

64-498-208 Office Monthly Reports for Legal Attache's Office, Bogota, Colombia.

64-46290 Living Conditions in Colombia.

67-383633 Office Personnel File for Legal Attache's Office, Bogota, Colombia, filed under "Embassy, Bogota, Colombia." The inspection reports for this office are filed separately.

64-4123-208 Informant File for Colombia

c. Monographs

"Totalitarian Activities in Colombia Today." General monograph

covering various phases of the Bureau's work in Colombia. Published March, 1942; 282 pages.

"The Communist Movement in Latin America." General monograph covering Communism in Latin America on a hemispheric basis. Pages 28 to 29 deal specifically with the Communist Party in Colombia. Published January, 1946; 150 pages.

"The Japanese in Latin America." General monograph on Japanese activities in the various Latin America republics. Pages 70 to 76 pertain to the Japanese in Colombia. Published November, 1945; 179 pages.

I. COSTA RICA

1. SIS Facilities and Objectives

Due to the efforts of the Germans to organize and gain footholds in Latin America it was considered essential by the Bureau that arrangements be made for adequate coverage of German and related Axis activities in Costa Rica.

SIS coverage of conditions in Costa Rica began in February, 1941 through the utilization of one Special Employee and later was enlarged to such an extent that by September, 1943, eight Special Agents were working in the country under the direction of the Legal Attache with offices in the U. S. Embassy at San Jose. This number had been reduced to two Agents by July, 1946 when steps were taken to close the office due to the withdrawal of the Bureau from the foreign intelligence field.

A radio station was maintained in the Embassy by the Legal Attache with which the Bureau was constantly in contact.

2. Major Accomplishments

a. Early Coverage

A rather complete check of all communications of interest to the Bureau was made by the Bureau undercover representatives who used their own company, the Caribbean Packing Company, as their cover. Through the cooperation of [redacted] in Costa Rica [redacted] surveillances were conducted on the Argentine and Spanish Legations and the residences of suspected persons. Through this same informant these Bureau representatives were permitted to monitor all radio [redacted] messages in and out of Costa Rica.

Until a Bureau representative was placed in the United States Embassy SIS undercover agents were provided with all censorship material on mail entering or leaving the country through the assistance of another informant, [redacted] After the Bureau established official representation in the Embassy, however, this type of coverage was no longer needed inasmuch as it was secured through Embassy representatives.

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The undercover representatives referred to above were also able to secure information on events taking place in the [redacted] b7D This was done through another [redacted] who was an employee of the [redacted] and it proved to be of extreme importance concerning the political and financial

conditions of the Republic. It was through this source that the Bureau learned of the necessity for the loan of $2,000,000 which the United States Government made to the Costa Rican Government in the Fall of 1942. Considerable agitation had been created by the followers of the opposition presidential candidate because of the critical financial situation and this agitation made it imperative that the Government secure financial assistance.

It was also learned through the source above mentioned that the Costa Rican President desired to inform himself concerning the attitude of the United States Government with respect to the confiscation or expropriation of property of aliens within the country but did not wish to approach the Embassy directly for this information. As a result, information was dispatched to the State Department which in turn, we were informed, advised the Minister to approach the President of Costa Rica and give his consent to the contemplated move. This consent was verbal and did not satisfy President Calderon Guardia. He, however, refused to approach the Minister because of the cool relations which had existed between the two for some time. Again the Bureau was informed of the situation, and the State Department was notified of the situation.
(64-2000-262, 62-2100-1044)

b. German Activities

With respect to the Republic of Costa Rica, the Bureau during 1942 and 1943 was able to maintain very good coverage. This was true to a large extent even when SIS operations were strictly by undercover representatives. This permitted the submission over a period of several months of information concerning the many persons in that country who were self-expressed pro-totalitarian in sentiment and others who, though not self-expressed as such, were known to be pro-totalitarian because of their activities. The greater proportion of these individuals possibly were not actively pro-Hitler except with respect to verbal propaganda, but the information submitted on them enabled United States agencies and the Costa Rican Government to know just who should be watched during times of danger and stress. (64-2104-197, 198, 199; 64-2104-E-170 and 64-2100-E-197)

Through the efforts of the Bureau Agents and employees, the propaganda methods employed by the German Club and the German School were ascertained. This information was a major factor in the closing of those organizations by the Costa Rican Government. During 1942 and 1943 approximately 390 individuals (including some families of the deportees) were deported from Costa Rica for internment in the United States. Many of these were withdrawn from the country as a result of information furnished by SIS personnel. Some of the most important individuals who were deported from Costa Rica were the following:

Otto F. Wimmer	Oscar Kasch
Victoria Tradt	Rudolf Lidgens
Ingo Kalinowsky	Adolfo Sandweg
Max Pasohka	Max Efinger
Walter Arend	Rudolf Peters

(64-2108-A-105,106; 64-2104-643)

During the summer of 1942 there was a rumor that the Nazi saboteurs, Walter Kappe, Reinbold Rudolf Barth and Joseph Schmidt, were at large in Costa Rica. The Costa Rican Government published a full page advertisement offering rewards for information leading to the capture of the saboteurs dead or alive, and pictures of the men originally furnished by the Bureau were published. As a result of the advertisement many rumors sprang up which of necessity had to be investigated but the men in question were not apprehended, and it was never ascertained that the saboteurs were ever in Costa Rica. However, as a result of the search and suggestions by Bureau personnel, aliens were subsequently moved inland to the interior of the country away from the coastal area.

(64-2104-A-1005,1006; 98-1449-586,781)

Bureau personnel gathered considerable commercial and financial information in the Republic which was of inestimable value in the equitable functioning of the United States Proclaimed List of Certain Blocked Nationals Among those individuals and firms who were placed on the list as a result of information furnished by the Bureau were the following:

Amano Cia.	Franz Amrheim
Dr. Jose Corvetti	Emilio Dorsam
Max Efinger	Libreria Lehmann y Cia.
Richard Neumann	Guillermo Niehaus y Cia.

(64-211-A-278,283,318; 64-2104-A-99-X1-444,520,598; 64-2101-178; 64-1005-16)

Information concerning the activities of Axis Nationals in Costa Rica was so thorough and was distributed in sufficient quantities to have been instrumental in convincing the Costa Rican Government of the necessity of continuing the suspension of constitutional guarantees. The suspension of those guarantees permitted deportation of enemy nationals which procedure would otherwise have been impossible.

(64-2101-84)

c. Communist Activities

The Communist Party of Costa Rica, later known as "Vanguardia Popular", is recognized as a legally organized political party. In July,

1931, a group of Costa Ricans, led by the young lawyer Manuel Mora Valverde, organized a political party known as "The Bloc of Workers and Farmers". The group began an intensive organizational campaign which soon resulted in the establishment of branches in Alajuela, Port Limon, Heredia, Puntarenas, Desanparados, and San Joan de Tibas. Approximately one year after the "Bloc" was founded, the name was changed to "The Communist Party of Costa Rica."

In March, 1932, the Communist Party of Costa Rica announced a program of minimum demands. All political power was to be placed "in the hands of the working classes" and it was asked that councils of workers and farmers should be created. It was stated that there should be a revision of all contracts and agreements between Costa Rica and "national or foreign capitalists". Legislation was advocated which would permit national expropriation of lands and it was stated, "There will be a socialized expropriation of State lands by poor farmers." It was also declared that, "Continuous and concentrated work will be carried on which will result in the formation of a Gran Republica Socialista Sovietica en el Continente Americano (Great Socialist Soviet Republic on the American Continent)." In advertising its May Day celebration of 1933, the Party referred to itself as a "Section of the Communist International".

Under the leadership of Manuel Mora, Secretary General of the Party, the Communist Party in Costa Rica followed a policy of condemning "Yankee Imperialism" and United States interests in Costa Rica. In 1940, Mora published a booklet entitled "Nuestra Soberania el Frente del Departamento del Estado" (Our Sovereignty Against the Department of State), which attacked "Yankee Imperialism" and the United States Department of State. In this booklet is found Mora's statement that: "If our continent were to be menaced by an invasion of the Nazis we will be in accordance with defense; however, this will be a defense against Germany and not for the purpose of being chained by the magnates of Wall Street."

When the Soviet Union was invaded by Germany the Party dropped its campaign against "imperialist" nations and called for support of the United Nations in combating Nazi oppression.

Subsequent to the announced dissolution of the Third (Communist) International in June, 1943, the Communist Party of Costa Rica held a conference which dissolved the Party and created in its stead the Vanguardia Popular. Soon after, Manuel Mora advised the "Daily Worker" newspaper in New York City that the Party had been dissolved and that by the same act Vanguardia Popular had been organized, incorporating the "organisms and militants" of the Communist Party, and "without substantial variation" in program and statutes. Mora further advised the "Daily Worker" that on June 22, 1943, Vanguardia Popular would publicly honor the Red Army, the Soviet people, and Stalin.

The Party obtained control of the directorate of the Confederation of Workers of Costa Rica and, in the form of a "broad, popular party", made great gains in voting strength and in the number of Party members holding elective and appointive positions in the government.

During May, 1944, it was announced that diplomatic relations had been established between Costa Rica and the Soviet Union. Constantine Oumansky, the Soviet Ambassador to Mexico was also designated Minister to Costa Rica. He was killed in an airplane accident, however, when en route to Costa Rica to present his credentials on January 25, 1945. Following his death, no further attempts were made to assign a Soviet Minister to Costa Rica before our SIS representatives withdrew from that country.

Bureau coverage of the Vanguardia Popular (Communist) Party of Costa Rica during the summer of 1946 revealed that it was working with Nicaraguan exiles to assist them in overthrowing Nicaragruan President Samoza. In return, it expected a free hand in organizing Nicaraguan labor according to the ideas of Communist leader, Manuel Mora of Costa Rica, and Vicente Lombardo Toledano of Mexico. Mora had conferred with Nicaraguan revolutionaries in Mexico in March, 1946, and maintained local liaison in Costa Rica through Ernesto Ludovico Carlos Rechnitzer, offering arms and men to assist an uprising.

Beginning in May, 1946, Costa Rican Communists began collecting small arms and ammunition, aided by Party funds and even assistance from Colonel Victor Carrillo, a Communist sympathizer on the staff of President Teodoro Picado. Picado, who feared his own government might be overthrown, counted on Communist help to repel it and was in turn almost completely dominated by them.

When Bureau operations in Costa Rica ceased August 15, 1946, Manuel Mora and the Communists had a free hand in controlling the labor movement in that country. Their success in this field was consummated in December, 1946, when Vicente Lombardo Toledano held the important Conference of the Central Committee of the Confederation of Latin American Workers in San Jose. (64-200-209)

d. Spanish Falange Activities

During 1942 Bureau Agents in Costa Rica definitely ascertained that Falangist propaganda was being sent from Spain to Costa Rica by means of the Spanish diplomatic pouch. This material was addressed to the Spanish Minister but the name of Don Sabastian Naranjo, Secretary of the Spanish Legation, appeared on the inner envelope. Naranjo was regarded for many months as head of the Falangist movement in Costa

Rica. Rumors arose to the effect that he had been replaced late in 1942, but investigation never showed this to be so. (64-2105-E)

e. Political Affairs

Beginning in the summer of 1942 the Costa Rican political party in power and the opposition party became active in campaigning, looking forward to the election to be held on February 13, 1944. This election campaign caused considerable "mud slinging" on the part of both parties, and it was difficult for many months to determine who might be the presidential candidates. In connection with the political campaign the Communist Vanguardia Popular Party was extremely active and threw its weight behind the party in power after a great many laws beneficial to labor had been passed by the Costa Rican Congress at the instigation of the President.

The February 13, 1944, presidential elections resulted in the election of Teadoro Picado. SIS personnel had kept the Bureau supplied with information predicting this outcome. Preceding the election on February 6, 1944, there was a minor riot in which it was variously reported that from one to five persons were killed and over thirty-two injured. The opposition became quite active following the election outside of Costa Rica in an attempt to enlist the aid of various Central American Governments in a plan to unseat President-elect Picado. SIS followed all these activities and the information reported was accurate and in considerable detail.

Reports on the changing situation were constantly submitted by SIS personnel, and the interested United States agencies were kept advised of each new development. For the period of one week prior to the election and two weeks subsequent thereto, the Bureau maintained hourly radio contact for twenty-four hours a day with the Bureau radio located in San Jose. The situation for several weeks prior to the actual election was extremely tense, and SIS personnel constantly contacted all informants and investigated any reports concerning the possibility of revolutionary plots. Constant reporting accompanied all investigations, and all interested agencies were kept advised of developments. (64-2101-642)

f. Miscellaneous

Efforts of Bureau representatives in Costa Rica permitted MID in Panama and the Costa Rican Police to confiscate $60,000 in counterfeit Panamanian revenue stamps which were being manufactured in Costa Rica. Information furnished by the Bureau also permitted the apprehension of the individuals involved. (64-2500-30205)

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3. Personnel

The following Special Agents and Special Employees were assigned to SIS work in Costa Rica:

Name	SIS	City	Date	Cover
		San Jose	5-45 - 2-46	Official
		San Jose	5-43 - 11-43	Official
		San Jose	10-45 - 3-46	Official
		San Jose	5-42 - 8-42	Undercover
		San Jose	7-42 - 1-45	Undercover
		San Jose	7-41 - 5-42	Official
		San Jose	9-42 - 10-43	Undercover
		San Jose	2-43 - 11-43	Official
		San Jose	1-44 - 3-45	Legal Attache
		San Jose	1-46 - 8-46	Legal Attache
		San Jose	3-45 - 11-45	Legal Attache
		San Jose	7-43 - 2-44	Legal Attache
		Puerto Limon	2-43 -12-43	Official
		San Jose	2-41 - 1-44	Undercover
		San Jose	10-44 - 3-45	Undercover
		San Jose	1-43 - 12-43	Official
		San Jose	8-42 - 7-43	Legal Attache

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64-2100-A General File on German Activities in Costa Rica.

64-2100-B General File on Japanese Activities in Costa Rica.

64-2100-C General File on Italian Activities in Costa Rica.

64-2100-D General File on Communist Activities in Costa Rica.

64-2100-E General File on Spanish Activities in Costa Rica.

64-2100-F General File on French Activities in Costa Rica.

64-2100-G General File on British Activities in Costa Rica.

64-2100-H General File on American Activities in Costa Rica.

64-2100-K General File on Swiss Activities in Costa Rica.

64-2100-N General File on Austrian Activities in Costa Rica.

64-2101 General File on Political Affairs in Costa Rica.

64-2102 General File on Economic Matters in Costa Rica.

64-2103 General File on Social Matters in Costa Rica.

64-2104 General File on Foreign Agents in Costa Rica.

64-2104-A German Agents in Costa Rica.

64-2104-B Japanese Agents in Costa Rica.

64-2104-C Italian Agents in Costa Rica.

64-2104-D Communist Agents in Costa Rica.

64-2104-E Spanish Agents in Costa Rica

64-2104-F French Agents in Costa Rica.

64-2104-G British Agents in Costa Rica.

64-2105 General File on Propaganda in Costa Rica.

64-2105-A German Propaganda in Costa Rica.

64-2105-C Italian Propaganda in Costa Rica.

64-2105-D Communist Propaganda in Costa Rica.

64-2105-E Spanish Propaganda in Costa Rica.

64-2105-F French Propaganda in Costa Rica.

64-2105-G British Propaganda in Costa Rica.

64-2105-H American Propaganda in Costa Rica.

64-2106 General File on Foreign Penetration in Costa Rica.

64-2106-A German Penetration in Costa Rica.

64-2106-B Japanese Penetration in Costa Rica.

64-2106-C Italian Penetration in Costa Rica.

64-2106-D Communist Penetration in Costa Rica.

64-2106-E Spanish Penetration in Costa Rica.

64-2106-F French Penetration in Costa Rica.

64-2106-G British Penetration in Costa Rica.

64-2107 Sabotage in Costa Rica.

64-2108 Foreign Residents in Costa Rica.

64-2108-A German Residents in Costa Rica.

64-2108-B Japanese Residents in Costa Rica.

64-2108-C Italian Residents in Costa Rica.

64-2108-D Communist Residents in Costa Rica.

64-2108-E Spanish Residents in Costa Rica.

64-2108-F French Residents in Costa Rica.

64-2108-G British Residents in Costa Rica.

64-2108-H American Residents in Costa Rica.

64-2108-I Hungarian Residents in Costa Rica.

64-2108-K Swiss Residents in Costa Rica.

64-2108-N Austrian Residents in Costa Rica.

64-2110 Military and Naval Matters in Costa Rica.

64-2111 General File on Foreign Firms in Costa Rica.

64-2111-A German Firms in Costa Rica.

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64-2111-D Communist Firms in Costa Rica.

64-2111-F French Firms in Costa Rica.

64-2111-G British Firms in Costa Rica.

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64-2111-K Swiss Firms in Costa Rica.

64-2112 Radio Stations in Costa Rica.

64-2112-A German Radio Stations in Costa Rica.

64-2112-C Communist Radio Stations in Costa Rica.

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64-2114 Submarine Activities in Costa Rica.

64-2115 [redacted] Surveillances in Costa Rica.

64-2116 Plant Surveys in Costa Rica.

64-309-209 Smuggling in Costa Rica.

64-200-209 Communist Party in Costa Rica.

64-24773 Confederation of Workers of Costa Rica.

100-341561-209 Labor Conditions in Costa Rica

b. Administrative Files.

64-4582 Office Administrative File for Legal Attache's Office San Jose, Costa Rica.

64-4984-209 Monthly Reports of Legal Attache's office San Jose, Costa Rica.

64-29833-209 Police Matters in Costa Rica.

64-4123-209 Informant File in Costa Rica

64-4958 Living Conditions in Costa Rica.

67-383710 Office Personnel File for Legal Attache's Office, filed under "Embassy, San Jose, Costa Rica." The Inspection Reports for this Office are filed separately. (64-4123-209 Informant file for Costa Rica.)

c. Monographs.

"Totalitarian Activities in Costa Rica Today." General monograph covering the Bureau's work in Costa Rica. Published September, 1943; 210 pages.

"Communist Movement in Latin America." General monograph on Communism in Latin America, treated on a hemispheric basis. Pages 29 and 30 deal specifically with the Communist Party in Costa Rica. Published January, 1946; 158 pages.

"The Japanese in Latin America." General monograph covering Japanese activities in the various countries of Latin America. Pages 160 to 161 deal specifically with the Japanese in Costa Rica, published November, 1945.

"Labor-Communist Movement in Central America." Unpublished monograph which deals in part with labor and Communism in Costa Rica. Prepared as of Fall 1946. Proof copy filed in Bureau Library.

J. CUBA

1. SIS Facilities and Objectives

SIS coverage in Cuba was inaugurated in July, 1940, when two undercover Agents were assigned to Havana at the time the Pan American Conference was held in that city. At the termination of the Conference, one undercover representative was retained. Coverage was continued on an undercover basis until February, 1942, when the first Police Liaison Agent was sent to Havana. The following July, the Legal Attache's Office was opened and in the succeeding months our personnel was expanded until October, 1943, when nineteen Agents were assigned to Cuba. In August, 1946, at which time the final reduction in personnel was started, there were ten representatives on the Island.

Most of the SIS Agents were assigned to Havana. For some time, however, it was found necessary to maintain coverage through the American Consulates in Camaguey and Santiago de Cuba. In February, 1944, adequate sources of information in these regions were developed to the point where they could be handled from Havana and the representatives who had been assigned to the Consulates were withdrawn.

In Havana the Legal Attache's Office was furnished space in the same downtown building which housed most of the other Embassy offices. On September 23, 1942, a Bureau radio station was installed and due to the amount of traffic at the height of its operation, it was necessary to assign two radio operators to that post.

During the first eighteen months, the objectives of SIS coverage in Cuba were limited largely to the procurement of information regarding the identies and activities of Axis agents and sympathizers and to following the general political trends among revolutionary groups. With the assignment of official personnel, these objectives were broadened to include collaboration with the National Police and cooperation in the investigation of cases of mutual interest, in both security and criminal matters.

Prior to the entry of the United States and Cuba into the war, Axis agents had almost a free hand in carrying on their activities in Cuba. Following the declaration of hostilities, the Cuban Government interned some of the more prominent Axis nationals and subsequently confined most of the remaining individuals thought to be dangerous to the conduct of the war. This internment program broke up the organized pro-Axis rings but SIS Agents continued to follow the activities of the other subjects who had come under suspicion of being in sympathy with the enemy.

As the emphasis on pro-Axis coverage diminished due to the progress of the war and the controls put into effect by the Cuban Government, the Bureau's representatives found it necessary to shift more of their attention to the involved political situation and to the growing Communist danger. The Communist Party in Cuba, known under the name Popular Socialist Party, is the

strongest and most influential Communist group in the Caribbean area. As such, knowledge of its activities is of vital importance to the United States Government. By the time the Legal Attache's Office in Havana was closed in April, 1947, our Agents had built up excellent coverage of Communist and Soviet activities.

2. Major Accomplishments

a. German Activities

(1.) Control of German Nationals. Prior to the entry of Cuba into the war on December 9, 1941, the Germans had a well organized colony on the island. There were 4,061 German aliens resident there, who, together with 88 naturalized Germans made a total of 4,149. In addition to these there were 30,361 persons of German extraction. Most of the Germans were located in the province of Havana and many of them were refugees who hoped to eventually enter the United States. A rough estimate of the permanent German colony in Cuba was 1,000, most of whom lived in the city of Havana.

The permanent German colony in Cuba was systematically organized and controlled by the Nazis through the German Legation and various German sponsored organizations. These organizations included:

Nazional sozialistiche Deutsche Arbeiter Partie (German National Socialist Workers' Party),

Deutscher Verein (German Club),

Deutscher Bund (German Bund),

Deutsche Arbeitsfront (German Labor Front),

Winterhilfswerk (Winter Relief Work),

Deutsche Schule (German School), and

Hitler Jugend (Hitler Youth).

In addition to these organizations there were also a native Cuban Nazi party which existed from 1938 to September 27, 1940, and a Union Nacional Ukraniana Cich. (National Ukrainian Union), which were active on behalf of the German government. ("Totalitarian Activities in Cuba Today", pp 65-75)

Through the Bureau's undercover representatives, data were obtained regarding the principal figures in these organizations and that information was transmitted to the State Department. Shortly after the entry of Cuba into the war the Cuban authorities interned 104 individuals sympathetic with the Germans who were deemed to be dangerous to the Hemispheric defense or to the national stability of Cuba. This group

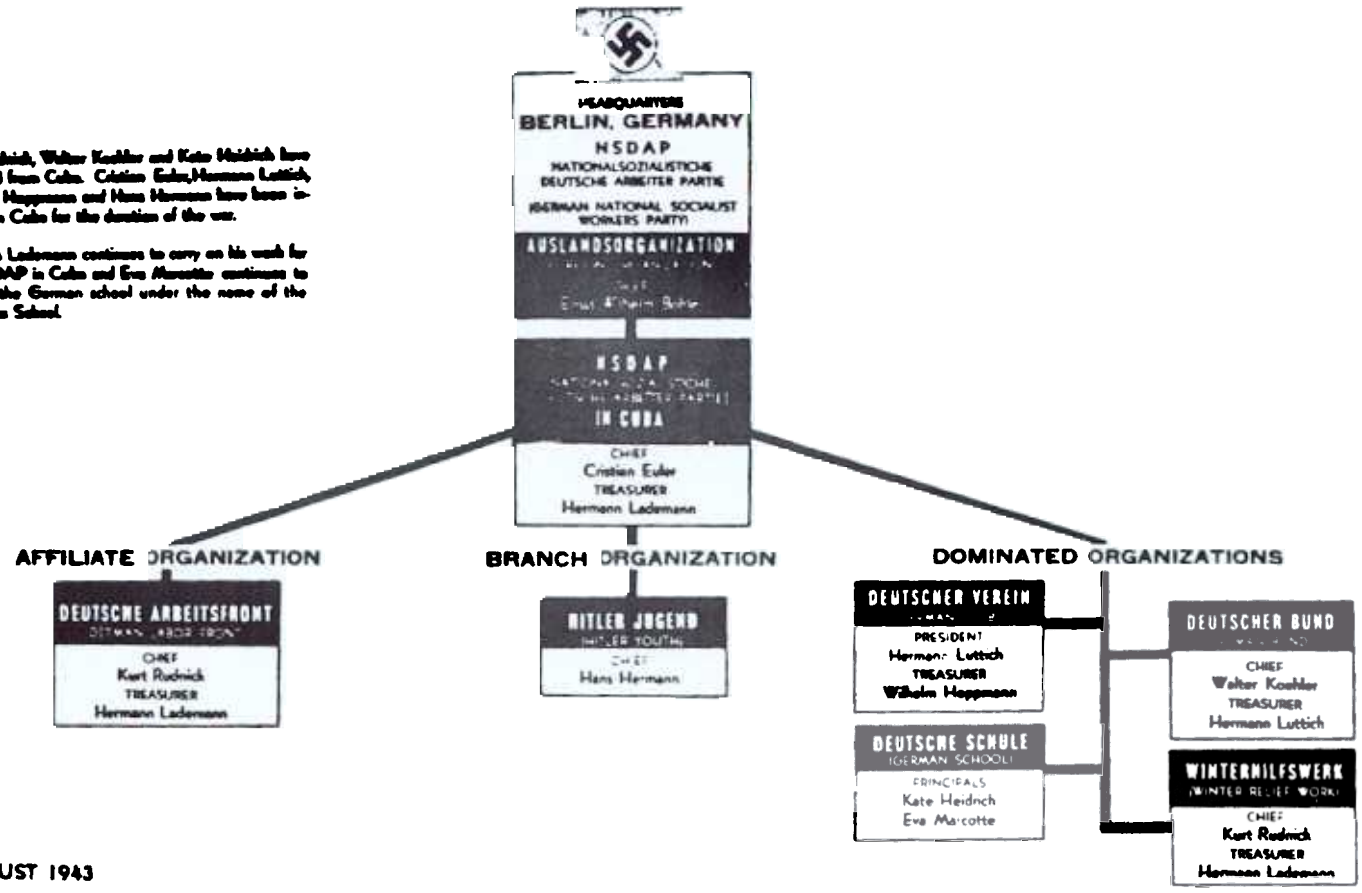
REPUBLIC OF CUBA

Organization in Cuba of the

FOREIGN ORGANIZATION OF THE GERMAN NATIONAL SOCIALIST WORKERS PARTY

Kurt Rudnick, Walter Koehler and Kate Heidrich have departed from Cuba. Cristian Euler, Hermann Luttich, Wilhelm Hoppmann and Hans Hermann have been interned in Cuba for the duration of the war.

Hermann Lademann continues to carry on his work for the NSDAP in Cuba and Eva Marcotte continues to operate the German school under the name of the Columbus School.



AUGUST 1943

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contained 65 German nationals. In February, 1943, when the Joint Cuban-American Internment Program was inaugurated, additional arrests were made and 52 Germans and 2 Austrians were among those interned as a result of the round-up. (64-26025)

The internment program will be discussed later, but it is worthy of note at this point that while the Bureau in no way participated in the administration of the internment program or in the selection of persons to be arrested, many of these arrests were made on the basis of information obtained by the SIS representatives and made available to the appropriate American and Cuban authorities.

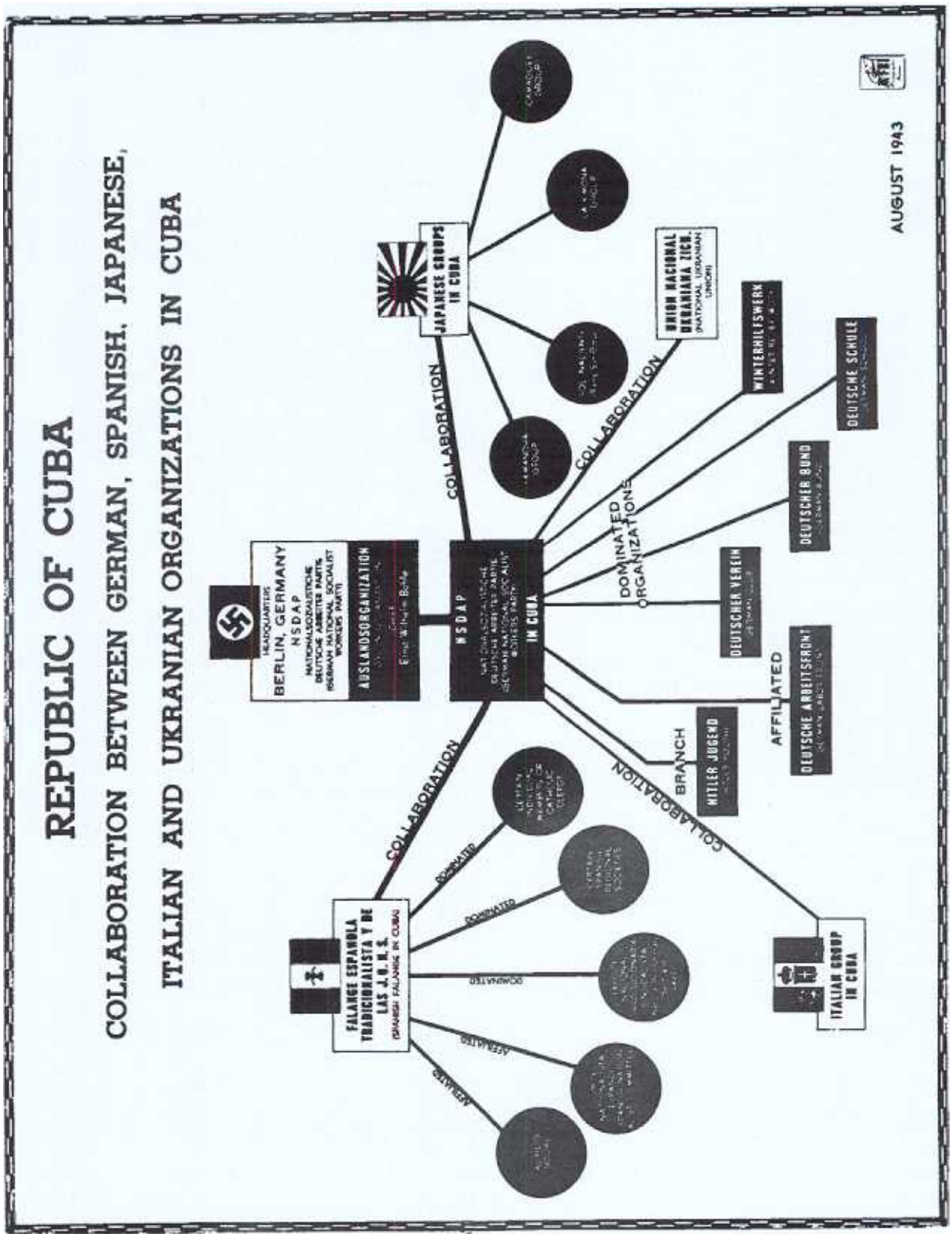
(2) Alcase - Alejandro Urzaiz Gusman. An example of the work performed by SIS representatives in covering the activities of potentially dangerous aliens was the case of Alejandro Urzaiz Gusman. In this case, as in other similar instances, the Bureau representatives in Cuba worked closely with SIS Agents in other countries of Latin America and with Agents in the Bureau's domestic field. b7D

Urziaz Gusman was known through [redacted] to be a German agent and to have received funds from the German espionage system prior to his departure for the Western Hemisphere on September 22, 1943. He was thought to be a possible pay-off agent for the Germans although he was a Spanish national and traveled on an official Spanish passport as Secretary General of the Exterior Bank of Spain. His trip from Europe involved an eight-weeks' stay in Cuba and another eight-weeks' visit to Mexico prior to his entrance into the United States where he remained for about fifteen weeks waiting to embark for Spain. From the time he arrived in the Western Hemisphere until his departure, he was under surveillance by SIS personnel or by Agents of the domestic field.

Urziaz Gusman was allowed to enter the United States in the hope that his possible contacts here could be ascertained. Coverage of his activities, however, failed to disclose any violation of United States laws and he was allowed to depart with the understanding that he would be removed from the ship at Trinidad by the British and interned.

When interrogated by the British and an SIS Agent, Urziaz Gusman furnished considerable information of value but did not admit his pro-German operations. He was subsequently taken to the United Kingdom for internment and it was ascertained that the Spanish Foreign Minister personally interested himself in an effort to secure the subject's release. Further evidence of the importance of this individual was obtained when it was learned that German espionage officials had evinced considerable interest in obtaining his release from the British internment camp.

Close surveillance and intensive investigation of this individual by SIS Agents revealed how the subject had evasively transferred $25,000


REPUBLIC OF CUBA
COLLABORATION BETWEEN GERMAN, SPANISH, JAPANESE, ITALIAN AND UKRANIAN ORGANIZATIONS IN CUBA
HEADQUARTERS
BERLIN, GERMANY
NSDAP
NATIONALSOZIALISTISCHE DEUTSCHE ARBEITER PARTEI
(GERMAN NATIONAL SOCIALIST WORKERS PARTY)
AUSLANDSORGANIZATION
NSDAP
IN CUBA
COLLABORATION
FALANGE ESPAÑOLA TRADICIONALISTA Y DE LAS J.O.N.S.
(SPANISH FALANGE IN CUBA)
DOMINATED
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COLLABORATION
JAPANESE GROUPS IN CUBA
COLLABORATION
UNION NACIONAL UKRANIANA ZICH.
(NATIONAL UKRANIAN UNION)
WINTERHILFSWERK
DEUTSCHE SCHULE
DEUTSCHER BUND
DEUTSCHER VEREIN
DOMINATED ORGANIZATIONS
AFFILIATED
DEUTSCHE ARBEITSFRONT
BRANCH
HITLER JUGEND
COLLABORATION
ITALIAN GROUP IN CUBA
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from Spain to Cuba in contravention of the existing currency laws. This sum was reportedly deemed necessary by Urzias Guzman to carry on his intended activities for the Germans. These investigations also disclosed that he likewise transferred approximately $16,000 of this amount from Cuba to Mexico. The transfer of these funds was disclosed through intensive searches of cable communications.

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The extensive investigation of this subject did not result in the trial and conviction of a Nazi agent nor did his interrogation produce a confession due to the fact that the basic reports came from [redacted] and therefore could not be utilized in questioning him. The information developed regarding his currency transfers was useful, however as the ostensible pretext for which he was interned by the British and immobilized for the remainder of the war. (64-25958)

(3) Heinz August Luning Espionage Case. The most important German investigation handled by SIS Agents in Cuba and the only instance in which an espionage agent was executed by a Latin American government was the case of Heinz August Luning.

Luning was born in Bremen, Germany, in 1911, of a German father and an Italian mother. In 1936 he visited New York City where he was engaged in the export business. During the same year he visited the Dominican Republic and the following year returned to that country where he established another export business. He subsequently went back to Germany.

In the Spring of 1941 Luning was contacted by German espionage representatives who arranged for his espionage training which involved principally the use of secret inks and the construction and operation of a radio transmitter. At the completion of his training he was given an alias of "Enrique Luni," furnished a Honduran passport and given an assignment in Havana, Cuba.

Luning arrived in Havana on September 29, 1941. There he established himself as the owner of a small women's apparel shop and proceeded to furnish shipping information to his principals in Germany through secret ink communications. He endeavored to establish contact with Germany by radio, but was unsuccessful due to his inability along technical lines and his inability to procure some of the necessary equipment.

On August 31, 1942, Luning was arrested and his equipment seized by the Cuban National Police in cooperation with SIS representatives. His arrest was the outcome of the investigation of the Mouts (Mutz) Secret Writing Ring which centered in Lisbon, Portugal. British Censorship submissions had been received for nearly a year covering the mail drops used by Luning in sending information to Portugal. An analysis showed that these letters emanated from Havana, several different names of alleged addressors were used and the messages were sent to various addressees in Spain and Portugal. Photographic copies of the secret writing messages were prepared by the Bureau's technical laboratory and leads were set out for investiga-

tion. The arrest of Luning was largely the result of the vigorous investigative attention devoted to this case by the Bureau and its SIS representatives. At the time of his arrest Luning gave a full confession of his activities and furnished detailed information regarding what he knew of German intelligence activities in South America.

The evidence against Luning was presented to the Cuban Military Courts and he was convicted on the charge of having acted as a German espionage agent. He was sentenced to death and executed on November 10, 1942.

Luning's confession involved Carlos Robinson of Santiago, Chile, from whom he had received a communication inquiring about his radio transmitter. As a result Robinson, a Chilean citizen, was taken into custody by the Chilean authorities. It was ascertained, however, that he had been but an innocent intermediary who had acted on behalf of Alfredo Klaiber who, as has been previously mentioned, in the section on Chile, was manager of a German bank in Santiago.

Luning also implicated Antonio Lopez of Buenos Aires, Argentina. Lopez' name had been given to Luning by his superiors in Germany as an intermediary for mail. Although Lopez was never used as an intermediary he was arrested and held by the Argentine authorities.

The investigation of this case served to furnish invaluable data concerning the German espionage training system, details as to the German shortwave broadcasting code, the type of German clandestine radio construction and the methods and routes of departure from Germany used by German agents. It also produced detailed descriptions of other espionage "students" being trained in Germany and furnished numerous addresses of intelligence interest throughout South America. It likewise furnished positive proof that certain Latin American diplomats in Europe were indiscriminately furnishing passports to foreigners for a price. Finally, the Luning case served to instill respect in the law enforcement agencies of Latin America for the intelligence and censorship services of the Allies. (65-44610)

b. Japanese Activities

The Japanese in Cuba did not constitute a serious threat to Hemispheric defense due to their small numbers and the fact that the most important Japanese nationals were immobilized by internment shortly after the opening of hostilities.

The last census prior to the war showed that the Japanese population in Cuba totaled 798. The majority of these individuals came from the lower classes and were engaged in agricultural pursuits in scattered areas throughout the republic.

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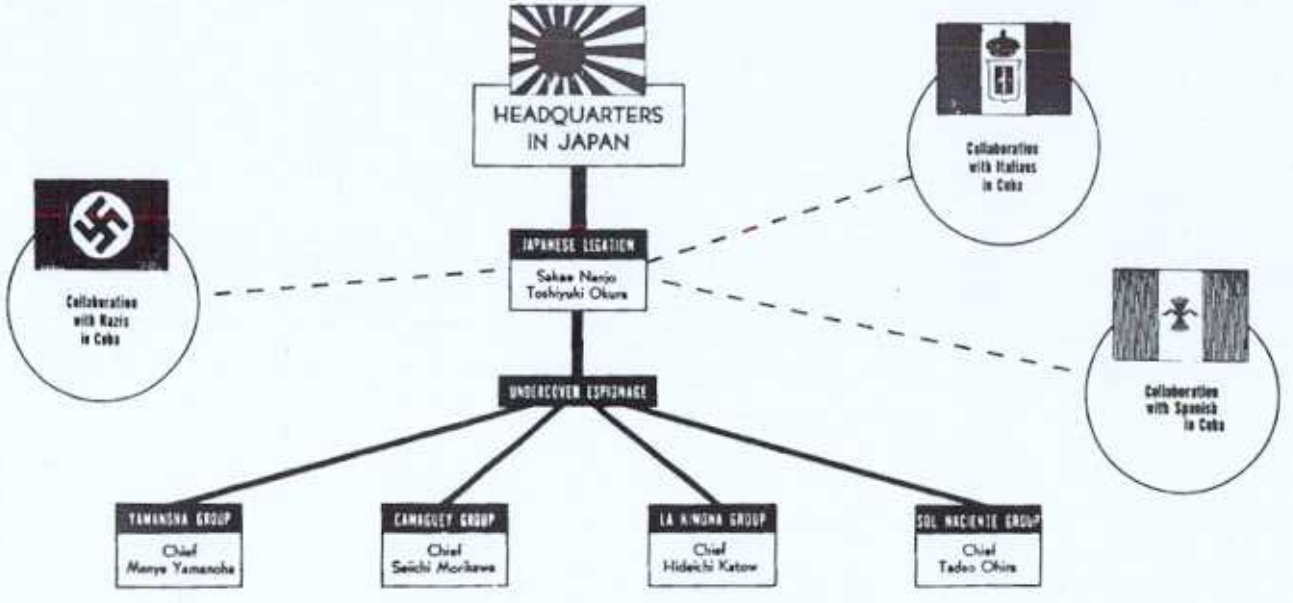
REPUBLIC OF CUBA

Organization of

JAPANESE ESPIONAGE AND PROPAGANDA IN CUBA



Sakae Nanjo and Toshiyuki Okura were ousted from Cuba after the declaration of war by Cuba on December 9, 1941. Under the joint United States and Cuban internment program which was put into effect on February 2, 1943, all male Japanese between the ages of 15 and 55 years were interned for the duration of the war. Seiichi Morikawa, Manye Yamanoha, Hideiche Katow and Tadao Ohira were interned.

NOVEMBER 1945

SECRET

Japanese espionage and propaganda activities in Cuba were directed from the Japanese Legation in Havana. These activities were carried on largely through four groups known as the Yamanoha Group, the "Sol Naciente" (Rising Sun) Group, "La Kimona" Group, and the Camaguey Group, and through the Asociacion Japonesa de Cuba (Japanese Association of Cuba).

The Yamanoha Group operated from the home of Manye Yamanoha in Havana. This individual maintained contact with the Japanese Legation, the Italian, Japanese, and German leaders in Havana, and the leaders of the Spanish Falange. Meetings were held in his home prior to the declaration of war between Cuba and Japan at which many of the Germans most strongly suspected of engaging in Nazi activities were present. After the war declaration these meetings were no longer held openly, but espionage suspects continued to frequent the house.

Manye's wife, Elizabeth Karbe de Yamanoha, is a German. She was intimately associated with many Germans in Havana who were pro-Nazi. Their daughter, Maria Yamanoha, was a member of the Hitler Youth in Havana and also the Compania de Arte Ascenicon Italiano Grupo Cultural Artistico, an organization headed by Prince Camilo Ruspoli and Amando Barletta, leaders of Fascist activities in Cuba. All three Yamanohas, as well as most of the persons who frequented their home, were interned by the Cuban Government.

The "Sol Naciente" Group operated from the firm of that name in Havana. This company was managed by Tadao Ohira and Hugo Rinzo Ohira. Both of these individuals maintained contact with the Japanese Legation and with the groups centering around the Yamanoha family and "La Kimona" Group. They were both interned by the Cuban Government.

"La Kimona" was a dyeing and cleaning establishment operated by Hideichi Katow. The group centering around this establishment ceased to be active after the owner of the establishment and most of the groups members were interned.

The Asociacion Japonesa de Cuba was organized among the Japanese colony in Cuba to strenghten the bonds between the Japanese in Cuba and those in the homeland, It was a center of Japanese propaganda activities until December 7, 1941, when it was dissolved by the consent of its members. (64-1208-B; 64-1204-B)

Following Pearl Harbor and the declaration of war by Cuba on the Axis on December 9, 1941, some fifty of the leading Japanese on the Island were interned for the duration of the war. The remainder were at large until February 2, 1943, at which time the joint United States-Cuban Internment Program was inaugurated and the Cuban Government ordered all Japanese males between the ages of fifteen and fifty-five apprehended and interned.

This general round-up netted some 300 aliens and by the end of the war 346 Japanese internees were confined. This program effectively eliminated Japanese activities in Cuba. Although the Bureau's SIS representatives did not participate in the internment program, the investigations made and the reports submitted by our agents were largely utilized by the Cuban and American Governments in determining which aliens should be interned. (64-26025)

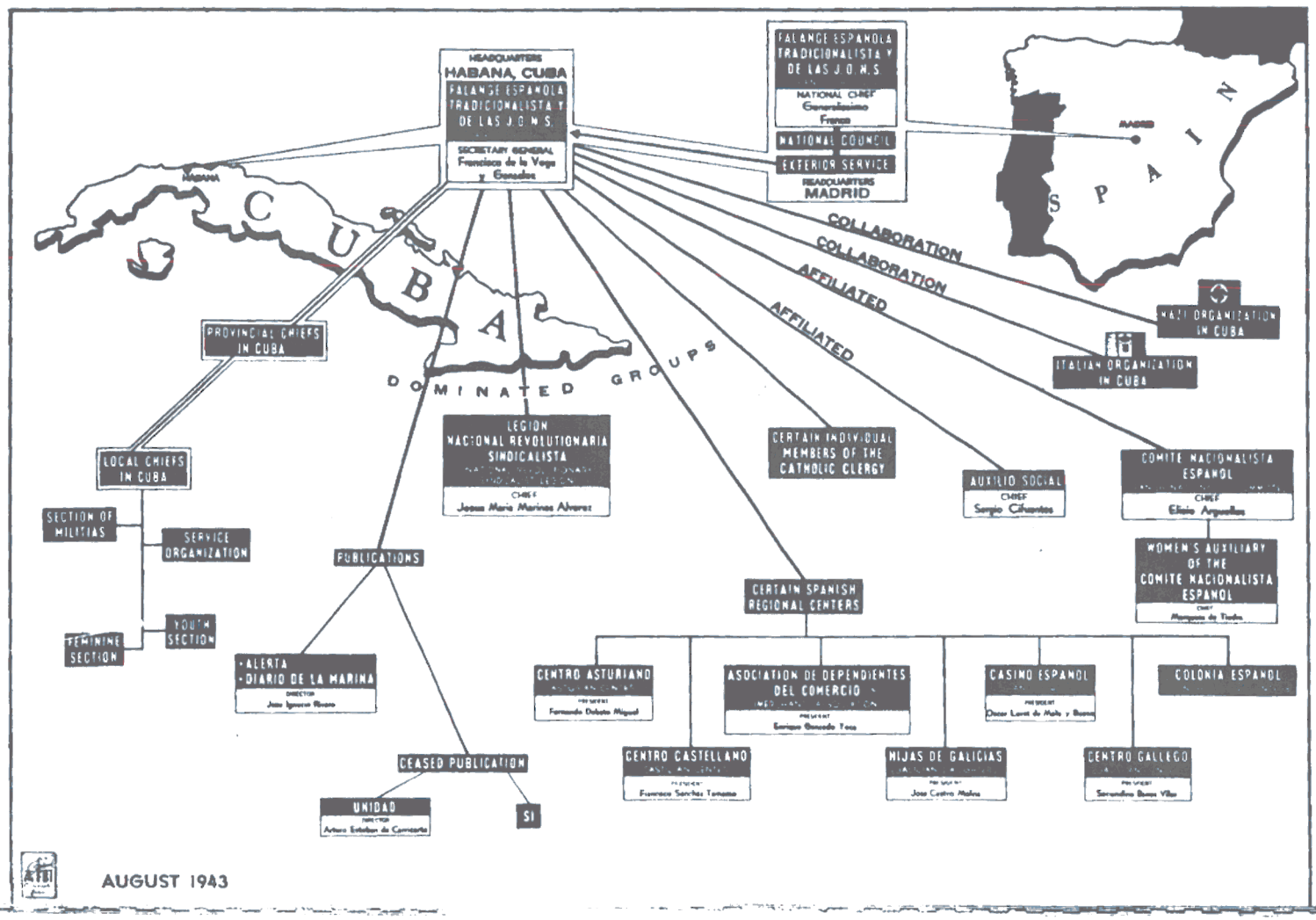
c. Spanish Activities. Cuba was one of the principal countries in which the Spanish Falange was particularly active. There are almost a half million persons on the Island who were either born in Spain or are of recent Spanish background and ancestry. The situation was dangerous in that five to ten per cent of the Spanish residents were considered to be ardently pro-Nazi and that between a minimum of 10,000 and a maximum of 40,000 were members of the Falange. (Totalitarian Activities in Cuba today; p 114)

The Spanish Falange exercised an influence out of proportion with its numerical strength in Cuba. This was the result of the fact that the Falange could count among its members or their sympathizers, persons who were prominent in Cuban life. Influence was exercised in the Cuban Senate through Elicio Arguelles Menocal and Jose Manuel Casanova Divino. The movement was also represented in the press through Jose Ignacio Rivero y Alonso and Raul Maestri, the Director and Assistant Director respectively of the "Diario de la Marina," the principal newspaper of Havana. the Falange also exercised influence with the Cuban Army and Navy through former Major Juan Serra y Cardona and Navy Lieutenants Amelio del Marmol y Varona and Alfred Terry. The Spanish Falange also was influential in the Cuban courts and particularly strong pressure was brought to bear in the prosecution of various Falangists. Many of the arrests and trials of these Falangists resulted in clean bills of health being given to the persons arrested with a bar to further prosecution on the same charges.

In view of the pro-Nazi sympathies of the Falange and its influence in Cuba, it was necessary for the Bureau's SIS representatives to identify as many as possible of the individuals who were active in this movement. Following the illegalization of the Falange in February, 1942, the Legal Attache's office in Havana investigated 175 cases involving Falangists who had gone underground. Prosecutions of Falangists in the Cuban courts were not successful in view of the tremendous influence brought to bear on behalf of the defendants by wealthy members or sympathizers of the organization. Investigations conducted by the Bureau's representatives and action taken by the Cuban courts together with aroused public opinion, however, forced the Falange to confine its activities to underground operations. ("Totalitarian Activities in Cuba Today", pp 137-184;64-186-210)

REPUBLIC OF CUBA

SPANISH FALANGE ORGANIZATION IN CUBA



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SECRET

d. Communist Movement

(1) Local Communist Activities. The Communist Party in Cuba was undoubtedly the strongest and most influential Communist group in Latin America. It was financially secure, had powerful propaganda media in its newspapers, radio stations, and public houses, and had well grounded Marxist leaders who were active in molding Communist policy in nearby countries. The Cuban Communists were also in close touch with the Communist Party in the United States.

The strategic locality of Cuba in the Western Hemisphere made that country a logical connecting link between the United States and South America. The firm hold which the Communists have gained in Cuba made it vitally necessary for the American Government to be well informed regarding the identities and activities of the principal Cuban Communists.

The Cuban Communist Party was first organized in 1925, at which time the Communist elements joined forces with various labor groups and began to seek influence through the medium of Cuban labor organizations. In its early years the Party was outlawed by the Government and was forced to operate underground. This period saw concerted activity among the Communist organizers and shock troops and the Party's progress was marked by strikes, violence, and political maneuvering.

Although the ostensible leaders of the party were Blas Roca, Juan Marinello, and Lazaro Pena, the most influential figure was Fabio Grobart, alias Abraham Sinovich, who was said to actually direct the operations of the Cuban Communists. It was reported that prior to 1933, Grobart was a paid agent of the Soviet Union under instructions to establish Communism in Cuba. After the legalization of the Party and the removal of the necessity for secrecy, Grobart emerged as the real chief and director of the Communist Party whose leaders have been said to obey his orders without question.

In January, 1944, the name of the Communist Party was changed to Popular Socialist Party in an effort to increase its influence and expand its membership on a broader basis than had been possible under the classic type Communist Party. It then became an even more forceful influence in the fields of labor and politics. During the latter part of the administration of President Batista, the Communists formed an integral part of the coalition government and Juan Marinello, the titular head of the Party, was a member of President Batista's cabinet. In exchange for Party support, the Batista Government granted the Communists concessions of many sorts.

In the June, 1944, presidential elections, the Communists supported Batista's hand-picked candidate, Carlos Saladrigas. When the candidate of the opposition group, Ramon Grau San Martin, won the election, the Communists soon formed a coalition with him in order not to lose the advantages which they had gained under the Batista regime. By the time the SIS program in Cuba was abandoned, the Communists had been able to continue their activities virtually unhampered by the government.

Enlargement Showing Detail of Button

Actual Size of Button

IDENTIFICATION BUTTON OF THE POPULAR SOCIALIST PARTY, THE COMMUNIST PARTY ORGANIZATION IN CUBA.

JANUARY 1946

Through the medium of newspapers and other publications and through their radio broadcasts, the Communist Party carried on intensive propaganda activity. The "Editoral Paginas", a Communist bookshop in Havana, carried a complete line of Communist literature which was supplied to individuals and organizations not only in Cuba but throughout Latin America. The Communist newspaper "Hoy" appeared daily and was considered by the Communists to be one of the Party's most powerful propaganda outlets. In March, 1943, the Communist Party purchased a powerful radio station "Mil Diez" for $100,000 and offered the listeners programs of attractive musical presentations by highly paid artists, news broadcasts emphasizing Russian items, and well done dramatic presentations containing Communist propaganda. During the summer of 1946 the party purchased a second radio station, CMHM, in Cienfuegos. It was reportedly the Party's intention to purchase other stations in Cuba and to eventually form a Caribbean network.

Blas Roca, the Secretary General of the Popular Socialist Party, published a book entitled, "The Fundamentals of Socialism in Cuba." This book was heralded by Party leaders as an outstanding document for the study and qualification of Party militants. This book has been considered by the Cuban Communists to rank alongside the "History of the Communist Party (b) of the U.S.S.R." in importance.

The installation of the Soviet diplomatic mission in Havana during July, 1943, gave decided impetus to Communist Party activities in Cuba. The Soviet Legation injected itself into Communist Party activities through contacts with Communist front organizations, and it was learned by SIS representatives that Soviet diplomatic personnel on occasion counseled the Party in the adoption of certain tactics and policies.

The Communists penetrated and dominated numerous "front" groups in Cuba. The labor movement was dominated by the Communists through the powerful Confederation of Cuban Workers which, prior to the termination of the SIS program, consistently followed a policy identical with the Communist Party line. During that period the Cuban Ministry of Labor was also totally dominated by Communist militants. By June, 1946, the Popular Socialist Party claimed a membership of 151,921 of which 87,223 had been issued membership carnets and 37,569 paid dues regularly. Only 14,000 of these persons, however, were considered to be Party "militants."

SIS coverage of Communist activities in Cuba was highly successful in spite of the fact that during most of the time these investigations had to be carried out in the face of the patronizing attitude and official support of the Cuban Government for the Communist Party. ("Communism in Cuba"; 64-200-210)

Communist investigations were also made more difficult by the fact that after December, 1945, the Communists constantly and violently attacked the Bureau as a "reactionary" organization interfering in Latin American policies. Groundless charges of this nature indicated that apparently the Communists had been able to secure but little information regarding the Bureau'

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REPUBLIC OF CUBA
COMMUNIST FRONT ORGANIZATIONS

COMMUNIST THIRD INTERNATIONAL IN MOSCOW, USSR

COMMUNIST PARTY OF CUBA
HEADQUARTERS IN HABANA
FABIO GROBART
Agent in Cuba of Third International
BLAS ROCA
Secretary General

ANTI-FASCIST NATIONAL FRONT

CASA DE LA CULTURA Y ASISTENCIA SOCIAL
(HOUSE OF CULTURE AND SOCIAL ASSISTANCE)

JUVENTUD REVOLUCIONARIA CUBANA
(CUBAN REVOLUTIONARY YOUTH)

ASOCIACION PRO-ENSEÑANZA POPULAR DE LA MUJER
(WOMAN'S POPULAR EDUCATIONAL ASSOCIATION)

ASOCIACION PROTECTORA DEL HIJO DEL DESOCUPADO
(PROTECTIVE ASSOCIATION FOR CHILDREN OF THE UNEMPLOYED)

ASOCIACION PROTECTORA DEL PRESO
(PROTECTIVE ASSOCIATION FOR CONVICTS)

CLUB CULTURAL DEPORTIVO MELLO
(MELLO CULTURAL SPORTS CLUB)

AUGUST 1943

FBI

SECRET

385-A

SIS operations. (64-200-210-285 to 324, 332, 334, 340X)

Through excellent police cooperation and informant and technical coverage the Legal Attache's Office received detailed information concerning all important Communist Party activities and meetings. Close attention was given by the Bureau's representatives in Cuba, as well as in other Latin American countries, to the travels of Juan Marinello, Blas Roca, Nicholas Guillen and other Cuban Communist leaders who have traveled throughout the continent assisting the other Communist Parties in matters of organization, policy, and plans.

Considerable attention was afforded the Confederation of Workers of Cuba which was dominated by the Communists and which, through strike threats, extorted large amounts of money from fearful Cuban industrialists. (64-24773)

As an example of the extent to which police contacts were of value in completing Communist coverage, it may be noted that through the assistance of Dr. Israel Castellanos, the Director of the National Bureau of Identification of the Cuban Government, access was had to the official list of the Communists and Communist voters in Cuba. These registration lists were compiled during the June, 1944, elections showing that the Communist registration for all provinces totaled 122,283. From the names, descriptions, and thumb prints available, Dr. Castellanos was in a position to produce fingerprint and other records on file for those Communist registrants who had criminal records, who were members of the Cuban Army and Navy, who had received permits to carry guns, or who had been naturalized as Cuban citizens. (64-200-210-142)

Officials in the United States Embassy in Havana were greatly interested in following the Communist movement in Cuba and relied on the Legal Attache's office to keep them advised of current developments. The Bureau's representatives kept the Ambassador promptly informed by memoranda of the important happenings in the Communist movement. On occasion the Embassy officials requested specific information concerning Communism and on October 1, 1945, the Legal Attache furnished the Ambassador a fifty page memorandum summarizing the Communist movement in Cuba which had been prepared a the latter's suggestion. (64-200-210-242,246)

The report prepared by one of the Bureau's representatives covering the Third National Assembly of the Popular Socialists Party in January, 1946, was particularly singled out by an Embassy official as being of extreme interes and value. This Assembly of the Communists was held from January 24 to January 28, 1946, and was preceeded by a series of secret meetings held by the Cuban Party leaders and William Z. Foster, National Chairman of the Communist Party of the United States. Through regular informant coverage the Bureau's representatives ascertained that the purpose of these secret meetings was to change the Party line in Cuba and in this connection Foster forced his position in reference to the errors of Browder's "revisionism" on the Cuban

leaders. As a result Blas Roca, the Secretary General of the Party, was forced to admit publicly in his first address to the assembly that such errors had been made by the Cuban Communists and that the fault was entirely his. This type of information developed by the Bureau's representatives through their extensive Communist coverage was of great value to the Embassy in Havana and the State Department. (64-200-210-353)

(2) Soviet Diplomatic Activities. Although the Cuban Government officially recognized the Soviet Union in October, 1942, it was not until April, 1943, that Maxim Litvinoff presented his credentials as the first accredited Russian representative to Cuba. By March, 1944, there were twenty-five persons on the staff of the Soviet Legation in Havana including the Press Attache, who was active in disseminating Russian propaganda. The size of the Soviet Legation staff in Havana, which was out of proportion with the ostensible Russian interest in Cuba, was considered to be a good indication of the importance with which the Soviets regarded that Island. (64-211-210)

The Bureau's SIS representatives followed closely the activities of the Soviet Legation. Through excellent sources, information was received covering the Legation's financial transactions and the movement of Soviet couriers, as well as the Legation's interest in the Cuban Communist movement. As has been previously indicated, Soviet diplomatic personnel advised the Cuban Communists in the adoption of certain tactics and policies. The Legation also assisted in financing the Communists weekly magazine "Tiempo en Cuba" and arranged for the Jewish Communist paper "La Palabra Hebrea" to receive free news service via Press Wireless from Moscow. It was also reported that the Legation furnished Russian and Communist literature to the Communist bookstore "Editoral Paginas." The Soviets further endeavored to extend their influence in Cuba through such front organizations as the Cuban Soviet Cultural Institute.

In December, 1946, the Soviet Charge d'Affaires arrived in Havana from Montevideo and apparently inaugurated a check-up among Legation personnel. Following his arrival nearly the entire Legation staff was changed, although there had been no appreciable changes in policy when SIS operations closed on April 4, 1947.

Information was also developed by the Bureau's representatives that the Soviets were developing an intelligence system in that country. According to this information Lucio Losa Gonzalez, a Spanish Communist, and Palko Lukas Burath, a Hungarian Communist, collected information for the use of the Soviet Legation. There were also indications that certain Jewish Communists in Cuba were attempting to gather information allegedly for the use of that Legation. One of these, Marcus Ruthkievich, was known to be a close contact of Fabio Grobart, the unofficial head of the Cuban Communists. Ruthkievich was known to identify himself as "Number 800" when contacting Grobart, and it appeared that the two were endeavoring to obtain information regarding the taking of photographs by invisible rays. Through SIS sources which were able to furnish this type of information, the Embassy in Havana and the State Department were kept appraised of the unpublicized activities of the Soviet Legation. (64-211-210; "Communism in Cuba")

e. Joint Cuban-American Internment Program.

In February, 1943, the American and Cuban Governments worked out a Joint Internment Program whereby the Cubans would intern enemy aliens and other individuals deemed dangerous to the security of the Hemisphere. The costs of maintaining these individuals in concentration camps were defrayed in part by the United States. In return the American Government through the Embassy in Havana and the Alien Enemy Control Unit of the Department of Justice participated in the selection of individuals to be interned and had the right to inspect the internment camps to see to it that the internees were treated according to predetermined standards. (64-26025; 64-1208)

The Bureau and its SIS representatives did not participate in this internment program and had no responsibility for its conduct. The duties of the Legal Attache's Office were limited in this matter to the submission of information regarding the activities of suspected pro-Axis individuals, and the decision regarding their internment was left up to the Embassy and the Alien Enemy Control Unit. Through Police contacts, however, the Bureau's representatives were able to secure copies of the fingerprints of all of the internees for a check through the records of the Identification Division. (64-26025-4X)

As a result the confinements made in connection with this program and the internments ordered by the Cuban Government after the opening of hostilities, some 547 individuals were interned in Cuba. From this total 16 individuals were subsequently exchanged with enemy countries, 25 were placed on liberty, and 8 died. As of March 11, 1945, there were still 498 persons interned in Cuban concentration camps.

The following figures were furnished regarding the 498 individuals interned.

		Total
Concentration camp for men		
White men	133	
Japanese	342	
		475
Concentration camp for women		
Women	17	
		17
Havana Jail or Sick		
White men	5	
Japanese	1	
		6
		498

(64-26025-10)

Apart from the individual Japanese, SIS reports were furnished on most of these internees.

f. Travel Control Program.

Since Cuba is close to the United States and Cuban visas were easy to obtain, there were many questionable individuals arriving in Cuba from Europe and South America throughout the war with the hope of eventually entering the United States. The relative ease with which passengers could travel directly from Cuba to Mexico presented a situation which logically required a check of persons initiating international travel in Cuba. The Nazi persecution of persons in Europe brought about the entrance into Cuba of a great many refugees. This gave rise to a large and remunerative business in Cuba in the handling of illegal traffic of European immigrants. This illicit business enriched many Cuban politicians and government officials. The three principal operators of this type of business in Havana were Oscar Adriano de la Caridad Cainas Milanes, Arnold Spatz, and Aaron Henry Fromer.

Since many of the Europeans arriving in Cuba hoped to enter the United States, most of the individuals engaged in the illicit traffic of refugees in Cuba maintained contact with similar individuals in the United States who endeavored to obtain American visas for their clients.

An example of the usual case of handling the entrance of a European refugee into Cuba was as follows: A person living in Europe who desired to arrange the transportation of a refugee from Europe to Cuba got in touch with an individual such as Aaron Fromer. He in turn communicated with his contact in the travel agency in Lisbon or Madrid who made arrangements with the main office of Garcia and Diaz, the agents for the Spanish Trans-atlantic Steamship Line, to accept the passage of the refugee from Europe to Havana. When this was accomplished the main office of Garcia and Diaz cabled its Cuban branch that it was permissible to accept Fromer's money for the passage of the refugee. The minimum charge for the passage was $375. For his services Fromer received $100 which he charged whether or not he successfully arranged the passage. The steamship company countenanced this procedure because its representative who made the arrangements for the passage received certain fees for his actions in the matter. In a legitimate deal, a refugee in order to get into Cuba had to deposit $500 with the Cuban Immigration Department and $2000 had to be deposited in a bank as a safeguard against the refugee's becoming a public charge. The $2000 deposit was avoided by Fromer by merely obtaining a letter from a bank stating that such a deposit had been made. Fromer secured these letters from the Banco Nunez in Havana at a cost of approximately $225 each. The lawyer's fee for obtaining immigrant's visa was approximately $150. Fromer received approximately $850 to cover his fee, cable expenses, immigration bond, and the above-mentioned bank and visa fees. This was the minimum charge, but the cost in certain cases was more depending upon the difficulties incurred.

The business handled by Fromer can best be explained by outlining a specific case. In June, 1940, Fromer was put in touch with Bruno Dickmann by Leo Taub, a New York lawyer handling refugee matters. Dickmann, at that time, was in Panama accompanied by Alexander Hermann, a German who had a visa for Chile, but who could not use it because the Chilean Government was not then permitting the entrance of Europeans. On July 3, 1940, Fromer contacted Dickmann and Hermann in Panama and took them to Managua, Nicaragua,

where he obtained for Hermann Honduran citizenship papers, a diplomatic passport, and an appointment as Honorary Consul of Honduras in Havana. All of these papers were obtained in spite of the fact that Hermannhad never been in Honduras and could not speak Spanish. Fromer then took Dickmann and Hermann to Havana where they gained entrance into Cuba without further difficulty. ("Totalitarian Activities in Cuba Today" pp 78-80)

In view of this situation, it was of vital importance for the American Government to obtain information regarding the so-called refugees and other travelers arriving in Cuba. As a result of the excellent cooperation existing between the Legal Attache's Office and officials of the Cuban National Police, the Customs, Immigration, and Port Control authorities, and the Steamship Company, the Bureau's representatives were able to effect searches, seizures, interrogations, and detentions of passengers and crew members arriving aboard the ships stopping in Cuban ports. Passengers disembarking at those ports were interrogated by Cuban authorities in cooperation with representatives of the Legal Attache's Office and the names of the passengers were checked against the records on file in the Embassy for pertinent information.

As an example of the volume of passenger traffic checked in this manner, it should be noted that the Spanish ship "MARQUES DE COMILLAS" was but one of two Spanish vessels which called every six weeks at the port of Havana. On one of its voyages in the latter part of 1944, it carried 243 passengers to Cuba. The majority of these persons remained on the Island for residential or business purposes, while the remainder were largely in transit to other Latin American countries.

In conjunction with National Police, SIS personnel interviewed all disembarking passengers in Cuba other than Cuban nationals. Complete background and passport data were obtained and an effort made to constantly develop information of intelligence value. Highly useful information concerning political affairs in Europe was made available through the interview

The Travel Control Program also resulted in developing information regarding individuals who were expected to come to the Western Hemisphere from Europe and who were pro-Axis in sympathies. The data developed through this process was forwarded to the Bureau and to the interested SIS offices in Latin America. (64-25123)

g. Cuban Political Matters.

The Legal Attache's Office in Havana also gathered information concerning political trends in Cuba which, by their nature, would influence the relations existing between the United States and Cuba and as such would effect the security of the United States. These investigations included cases pertaining to various political leaders and movements. Reports were also made available to the American Ambassador regarding members of the Cuban diplomatic corps.

The effectiveness of SIS coverage of political matters in Cuba was demonstrated by the ample evidence collected indicating that Ramon Grau San Martin would be elected president of Cuba in the elections of 1944.

Following Dr. Grau's election, the Cuban political situation continued to be highly unstable. During January, 1945, a series of bombings swept Havana. The perpetuators could not be found and Government officials claimed that these incidents were inspired by anti-Grau elements who were trying to embarrass and discredit the new government.

On March 16, 1945, the Cuban police arrested 36 men including Jose E. Pedraza, former Chief of the Cuban National Police. This group primarily represented the followers and officials of the Batista regime. The Grau Government immediately set in motion a wave of publicity stating that a "dangerous revolutionary plot" had been thwarted. SIS sources disclosed that the alleged "revolutionary plot" was merely a fictitious claim which enabled the Grau government to seize the individuals whom it regarded as dangerous. (64-1201-880,909)

Between the time Dr. Grau became President of Cuba and the first of June, 1946, approximately 35 or 40 political murders were committed by revolutionary groups friendly to, or previously associated with, Dr. Grau's Administration. One of these murders, involving the death of Eugenio Lanillo, was reported by reliable SIS sources to have been connected with graft on the part of high dignitaries of the Grau regime including Paulina Alsina v de Grau, the first lady of the Republic. Juan de Cardenas, former head of the Cuban Bureau of Investigation who was reliably reported to be the murderer of Lanillo, was allowed to escape to Mexico because of his threat to expose various Grau officials. This situation was indicative of the degree of law and order maintained in Cuba during the early part of Grau's administration. (64-1201-1129,1152)

After Dr. Grau's inauguration as President, frequent rumors arose to the effect that former President Fulgencio Batista was connected with various revolutionary plots. One such revolutionary plot came to a head at 2:00 a.m. on May 17, 1946. Approximately 40 civilians armed with machine guns attempted to seize Camp Columbia, the Cuban Army headquarters located on the outskirts of Havana. The Cuban Army received advance notice of this attempt and it was suppressed. It is of interest to note that the reports from Bureau representatives in Cuba were the only ones submitted by a United States Government agency which promptly and correctly reported the attempted coup d'etat. SIS sources accurately reported that this attempt had been planned by the Cuban Revolutionary Legion "Legion Revolucionaria" and by the followers of Abelardo Manco, the revolutionary leader. Mario Salabarria, the former head of the Alien Enemy Investigative Section of the Cuban National Police, who was then the leader of the Legion Revolucionaria, was also involved. Salabarria had opposed the Grau government ever since he was removed as Chief of the Section of Investigations of Enemy Aliens for a report in which he accused several Grau government officials of graft. While many accusations were made that ex-President Batista was involved in this

attempted revolt, effective SIS coverage of political matters disclosed that Batista was not implicated in the affair thus making available to the Embassy the correct facts of the Cuban political situation and eliminating the necessity for extensive investigation by the Bureau of another one of the reports of Batista's alleged revolutionary activities most of which had been largely unfounded. (64-1201-1150)

The highlights of the political scene in Cuba were promptly and efficiently reported by the SIS representatives in Havana. The high state of fluidity of the Cuban political situation demanded constant attention to the development and maintenance of reliable informants. As a result of the effective handling of these sources of information, the Bureau's Agents in Havana were able to keep the Ambassador and the Bureau promptly advised of all the important developments.

h. Criminal Investigations.

In addition to investigations of Security Matter cases, the Bureau's representatives in Havana also followed out leads in many of the criminal cases originating in the Domestic Field. While the volume of leads in criminal cases was high, most of the important parts of the investigations were conducted by the Domestic Field and the function of the SIS agents in Cuba was to follow the Cuban angles. Several of these cases involved violation of the Selective Service Act. Inasmuch as most of these Selective Service cases involved the following of only a few leads, the turn-over in these cases was high and the Havana Office was the second of the Bureau's foreign offices in the number of these cases handled, having been exceeded only by the Mexico City Office.

In addition to these cases, the Bureau's representatives in Havana also covered leads in such important cases as the Reactivation of the Capone Gang, The Interstate Machinery Corporation Case (the Garsson-May Prosecution), and the action that subsequently lead to the deportation from Cuba of "Lucky" Luciano.

i. Relations With the Cuban Police.

As has been previously pointed out, the Bureau's representatives in Cuba maintained excellent relations with the Cuban National Police and the Cuban Government expressed its appreciation for the assistance rendered by the Bureau when it bestowed upon the Director the Order of Police Merit with the Distinctive White of the First Class Order on November 30, 1942, and by decorating Special Agent [redacted] with the Medal of Police Merit in December of the same year. b7C

Prior to the organization of the Bureau's Havana Office, the investigative facilities of the Cuban National Police were of small positive value to the wartime work of the allies. Subsequent to the establishment of the highly satisfactory liaison with the Cuban Police by the Bureau's representatives, there was a consolidation of all enemy activity investigations into one bureau of the National Police. The agents selected for this bureau of the Cuban National Police were given a course of instruction by SIS representatives. The new bureau through its coordinative functions furnished an efficient and valuable means of cooperation which was utilized by the SIS Office in Havana in connection with various investigations requiring informati

in the possession of various Cuban governmental agencies.

The close relationship which existed between SIS representatives and the Cuban Police, in practical effect, placed that organization at the Bureau's disposal in covering investigations. This arrangement permitted the handling of a tremendous volume of work with a relative small number of SIS agents, inasmuch as the Cuban police were able to cover many angles of both security and criminal investigations which were pending in the Havana Office.

One of the most notable features of this relationship was that the good will and cooperation was continued in spite of the change in Cuban police personnel which were attendant upon the inauguration of Dr. Grau's Administration. (64-29822-210)

3. Personnel

b2

The following Special Agents and Special Employees were assigned to SIS work in Cuba:

NAME	SIS	CITY	DATE	ASSIGNMENT
		Havana	4/43 - 12/43	Undercover
		Havana	7/42 - 12/42	Undercover
		Santiago	9/42 - 1/44	Official
		Havana	1/44 - 9/44	Official
		Havana	7/44 - 9/44	Undercover
		Havana	7/40 - 5/43	Undercover & Official
		Havana	9/42 - 11/44	Official
		Havana	1/44 - 4/44	Undercover
		Havana	4/45 - 8/45	Undercover
		Havana	9/42 - 2/45	Undercover
		Havana	1/46 - 3/46	Undercover
		Havana	7/46 - 3/47	Undercover
		Havana	9/42 - 10/42	Official
			5/43 - 8/43	Official
		Antilla	10/42 - 5/43	Official
		Havana	6/45 - 1/46	Official
		Havana	6/44 - 8/44	Official
		Havana	9/42 - 1/45	Official
		Havana	11/41 - 7/42	Undercover
		Havana	3/46 - 6/46	Official
		Havana	9/42 - 11/43	Official
		Havana	1/46 - 4/47	Official
		Havana	6/45 - 9/45	Undercover

b7C

b2

NAME	SIS	CITY	DATE	ASSIGNMENT
		Havana	10/42 - 9/44	Official
		Havana	10/43 - 11/43	Official
		Havana	7/42 - 6/44	Undercover
		Havana	7/40 - 9/40	Undercover
		Havana	2/43 - 7/43	Official
		Havana	7/42 - 10/43	Legal Attache
		Havana	8/44 - 4/47	Undercover
		Havana	5/44 - 2/46	Police Liaison
		Havana	8/44 - 11/45	Police Liaison
		Havana	5/42 - 12/43	Undercover
		Havana	3/44 - 6/45	Official
		Santiago	12/41 - 7/42	Undercover
		Havana	7/46 - 5/47	Legal Attache
		Havana	5/45 - 11/45	Official
		Havana	11/42 - 5/44	Official
		Havana	5/44 - 11/44	Official
		Cienfuegos	10/42 - 4/43	Official
		Camaguey	4/43 - 1/44	Official
		Havana	1/44 - 3/44	Official
		Havana	6/45 - 4/47	Official
		Havana	7/45 - 8/46	Official
		Havana	1/43 - 3/43	Plant Survey
		Havana	7/41 - 11/41	Undercover
		Havana	1/46 - 7/46	Legal Attache
		Havana	3/46 - 3/47	Official
		Havana	8/43 - 11/43	Official
		Havana	3/43 - 3/45	Undercover
		Havana	2/43 - 11/43	Official
		Havana	11/44 - 11/45	Legal Attache
		Havana	7/42 - 12/42	Official
		Havana	2/47 - Date	Official
		Havana	2/46 - 5/47	Official
		Havana	3/45 - 9/45	Undercover
		Havana	2/42 - 12/43	Police Liaison
		Havana	11/42 - 6/45	Official
		Havana	4/46 - 5/47	Official
		Havana	12/43 - 2/45	Undercover
		Havana	11/44 - 6/46	Undercover
		Havana	12/43 - 11/44	Legal Attache
		Havana	12/42 - 1/46	Official

4. Bibliography

a. Principal Investigative Files

64-1200 General miscellaneous file on Cuba

64-1200-A Miscellaneous File on German Activities in Cuba

64-1200-B Miscellaneous File on Japanese Activities in Cuba

64-1200-C Miscellaneous File on Italian Activities in Cuba

64-1200-D Miscellaneous File on Communist Activities in Cuba

64-1200-E Miscellaneous File on Spanish Activities in Cuba

64-1200-F Miscellaneous File on French Activities in Cuba

64-1200-G Miscellaneous File on British Activities in Cuba

64-1200-H Miscellaneous File on American Activities in Cuba

64-1200-I Miscellaneous File on Hungarian Activities in Cuba

64-1201 General File on Political Matters in Cuba

64-1202 General File on Economic Matters in Cuba

64-1203 General File on Social Matters in Cuba

64-1204 General File on Foreign Agents in Cuba

64-1204-A German Agents in Cuba

64-1204-B Japanese Agents in Cuba

64-1204-C Italian Agents in Cuba

64-1204-D Communist Agents in Cuba

64-1204-E Spanish Agents in Cuba

64-1204-F French Agents in Cuba

64-1204-G British Agents in Cuba

64-1204-I Hungarian Agents in Cuba

64-1205 General File on Foreign Propaganda in Cuba

64-1205-A German Propaganda in Cuba

64-1205-B Japanese Propaganda in Cuba

64-1205-C Italian Propaganda in Cuba

64-1205-D Communist Propaganda in Cuba

64-1205-E Spanish Propaganda in Cuba

64-1205-F French Propaganda in Cuba

64-1205-G British Propaganda in Cuba

64-1205-H American Propaganda in Cuba

64-1205-L Swedish Propaganda in Cuba

64-1206 General File on Foreign Penetration in Cuba

64-1206-A German Penetration in Cuba

64-1206-B Japanese Penetration in Cuba

64-1206-C Italian Penetration in Cuba

64-1206-D Communist Penetration in Cuba

64-1206-E Spanish Penetration in Cuba

64-1207 General File on Sabotage in Cuba

64-1207-A German Sabotage in Cuba

64-1207-B Japanese Sabotage in Cuba

64-1207-C Italian Sabotage in Cuba

64-1207-D Communist Sabotage in Cuba

64-1207-E Spanish Sabotage in Cuba

64-1207-F French Sabotage in Cuba

64-1208 General File on Foreign Residents in Cuba

64-1208-A German Residents in Cuba

64-1208-B Japanese Residents in Cuba

64-1208-C Italian Residents in Cuba

64-1208-D Communist Residents in Cuba

64-1208-F French Residents in Cuba

64-1208-G British Residents in Cuba

64-1208-H American Residents in Cuba

64-1208-I Hungarian Residents in Cuba

64-1208-K Swiss Residents in Cuba

64-1208-J Rumanian Residents in Cuba

64-1210 General File on Military and Naval Matters in Cuba

64-1211 General File on Foreign Firms in Cuba

64-1211-A German Firms in Cuba

64-1211-D Communist Firms in Cuba

64-1211-E Spanish Firms in Cuba

64-1211-F French Firms in Cuba

64-1212 General File on Radio Stations in Cuba

64-1212-A German Radio Stations in Cuba

64-1212-B Japanese Radio Stations in Cuba

64-1212-E Spanish Radio Stations in Cuba

64-1214 General File on Submarine Activities in Cuba

64-1214-A German Submarine Activities in Cuba

64-1215 General File on Telephone Surveillances in Cuba

64-1215-F French Telephone Surveillances in Cuba

64-1216 General File on Plant Surveys in Cuba

64-200-210 Communist Party of Cuba, aka. Popular Socialist Party

64-211-210 Soviet Diplomatic Activities in Cuba

64-309-10 Smuggling Activities in Cuba

65-44610 Heinz August Luning Espionage Case

64-186-210 Spanish Falange in Cuba

65-691 George Yakichi Osawa Espionage Case

64-29833-210 Police Matters in Cuba

100-34561-210 Labor Conditions in Cuba

64-24773 Confederations of Workers in Cuba

64-25123 Foreign Travel Control in Latin America

64-2605 Internment Program in Cuba

b. Administrative Files

64-64-61 General Office Administrative File for Cuba

64-4984-210 Office Monthly Reports from Cuba

64-4685 Post Reports on Living Conditions in Cuba

67-383654 Office Personnel File for the Legal Attache's Office in Cuba filed under the caption, "Embassy, Havana, Cuba," The Inspection Reports submitted relative to this Office are filed separately.

64-4123-210 Informant File for Cuba.

c. Monographs

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"Communism in Cuba" - Specific monograph on Communism and Labor in Cuba. Published July, 1946; 142 pages.

"Communist Movement in Latin America" - General monograph covering Communism in Latin America treated on Hemispheric basis. Page 30 deals specifically with the Cuban Communist Party. Published January, 1946.

"German Espionage in Latin America" - General monograph on the important phases of German Espionage in Latin America. Pages 195 to 197 deal with the Heinz August Luning case. Published June, 1946.

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"SIS Office, Havana, Cuba" - Photographs of the Bureau's offices and facilities in Cuba.

K. CURACAO, NETHERLANDS WEST INDIES

1. SIS Facilities and Objectives

Curacao's strategic location in the Caribbean and proximity to Venezuela's vital oil industries has made it an important and vulnerable location. During the period of Germany's successful warfare in the Caribbean, Curacao became an important countersubmarine base.

A Special Agent of the Bureau arrived in Curacao, N.W.I., on August 24, 1944, to assume the duties of Liaison Officer with the existing Dutch Government officials and other United States Government intelligence agencies already established there. He was known as the Legal Attache connected with the Office of the United States Consul General, and effected an active and beneficial liaison relation with the Dutch and United States Military authorities. He furnished informative data concerning the production and activities of the active oil companies of Curacao and Aruba, N.W.I. Also he reported on the existing tense relations between Curacao and near-by Venezuela emphasizing the increasing overtures of the Venezuelan Government toward the populace of the N.W.I. in enabling the natives to become Venezuelan citizens for a nominal sum thus permitting them to evade Dutch Military service on the basis of their Venezuelan citizenship. The office was closed on December 20, 1945. (66-16292)

2. Major Accomplishments

During the relatively short time that the Bureau maintained coverage in Curacao it was possible for the Legal Attache to cover in addition to the above, many leads in German matters and to check numerous reports of submarine activities in that area as well as to determine in reality what a small influence the Germans had in the area, particularly in the oil industries.

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3. Personnel

NAME	SIS	CITY	DATE	ASSIGNMENT
[redacted]	[redacted]	Curacao	8/44 - 12/45	Official

4. Bibliography

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64-4984-298 Office Monthly Reports for Legal Attache's Office, Curacao, N.W.I.

67-393165 Office Personnel File for Legal Attache's Office filed under, "Curacao, Netherlands West Indies."

64-29833 Police Matters in Curacao

L. DOMINICAN REPUBLIC

1. SIS Facilities and Objectives

SIS coverage of the Dominican Republic began in November 1941 with the assignment of one undercover agent to that country to determine the extent of Axis activities. A Legal Attache was later appointed and an office was opened in connection with the U. S. Embassy, located in Trujillo City from which the activities of the Bureau were conducted. Peak coverage in the Dominican Republic was attained in June of 1943 at which time four agents were assigned to the country. This number had been reduced to one by July, 1946, at which time it was decided to close the office.
(64-4503)

Due to the strategic location of the Dominican Republic, it was deemed necessary that Bureau coverage be established and maintained in order to determine Axis activities which existed or which might have come into existence. A number of rumors had reached the Bureau to the effect that President Trujillo held pro-Axis sympathies.

2. Major Accomplishments

a. Internal Political Trends

During the period of SIS coverage, Dominican Republic political leaders living in exile plotted the overthrow of the Trujillo government. Extensive coverage by SIS informants in the Caribbean area, who were connected with the revolutionary elements, enabled the Bureau to carefully follow developments and coup d'etat efforts. The revolutionary factions in opposition to President Rafael Leonidas Trujillo did not seem to possess sufficient strength to engage in any positive action against Trujillo. Trujillo apparently maintained effective control of the Dominican Republic and reports of suppression of dissident elements within the country by various measures, including murder, were reported to the Bureau.

The United States State Department was interested in denying the sale of arms to either the Dominican Republic or its sister country of Haiti because it was considered likely that the availability of arms to either country would result in bloodshed,

revolution or war. Through Bureau representatives in the Dominican Republic and the other Latin American countries the Bureau was able to report information of interest concerning the efforts of Colonel Rodolfo Bosch (Pearson), Inspector General of the Dominican Army, and Salvador Cobian (Parra) to obtain arms for the Dominican Republic in Brazil, Argentina and Chile. It was ascertained that the Dominican corvette, the SS "COLON" arrived at Rio de Janeiro, Brazil, on March 30, 1946, and was loaded with arms and ammunition destined for the Dominican Republic. Bureau observers noted that this ship was loaded with 300 cases of rifles and 1200 cases of ammunition and that the shipper of this consignment was listed as the Brazilian Ministry of War. Some of the cases were marked for the General Supply Headquarters of the Dominican Army. This shipment of arms reached Ciudad Trujillo in the Dominican Republic on April 25, 1946. Bureau observers in the Dominican Republic noted that Salvador Cobian (Parra), a Dominican Republic Army major also arrived with the shipment aboard the "COLON." Colonel Rodolfo Bosch who was suspected of having engineered the above deal was reported to be in Santiago, Chile, for the purpose of purchasing more munitions for the Dominican Republic. This information was promptly forwarded to the interested United States government agencies and SIS Agents continued to follow this matter until such time as the office of the Legal Attache was closed on August 16, 1946. (64-23554)

b. German Activities

German activities in the Dominican Republic were, for the most part, confined to a small amount of anti-U.S. and pro-Axis propaganda. The names of numerous individuals believed involved in such propaganda were furnished to the American Ambassador for his information. (64-1300-D; 64-1304-A)

c. Communist Activities

During December, 1943, Salustino Quintela Sarille boarded the sailing vessel "16th of August" at Ciudad Trujillo, Dominican Republic, proceeding to Progreso, Mexico. The Bureau representative, through the cooperation of the Dominican police, ascertained that immediately prior to the sailing of the vessel a Communist leader handed to Quintela various communications intended for delivery to Communists in Mexico.

As a result of the interception of the material handed to the courier Quintela, the names of various individuals were ascertained and investigation was continued to ascertain the extent of their activities in the Communist movement, particularly from an international standpoint. Among the reports which the courier was to take to Mexico were reports on conditions in Spain, obtained upon interview of passengers and crew members of Spanish vessels which had previously arrived in the Dominican Republic. The subject matter of these reports indicated a possible connection of the individuals involved with subjects of other Spanish Communist cases in the Western Hemisphere involving the activities of couriers and the use of secret writing in transmitting similar material throughout the Western Hemisphere. (64-28024)

Until November, 1945, Communist activities in the Dominican Republic had centered principally within the ranks of the Spanish refugees who arrived in the Dominican Republic in large numbers during 1939 and 1940. Numerous front organizations as well as the Spanish Communist Party flourished among this refugee element until the summer of 1944, when the Dominican Government ceased to tolerate this form of activity. Thereafter Communist activities in the Dominican Republic dwindled and there was a large scale exodus of the Spanish refugee population from the Dominican Republic to Mexico and Venezuela. Many of these Communists later proceeded to France where they worked with the Spanish Republican movement directed against Franco. (64-200 Sub 211)

Through close liaison with the Dominican police and through the development of independent Bureau sources, the Bureau's representative in the Dominican Republic was able to present a clear picture of the Communist movement in that country and to advise the American Embassies in Mexico and Venezuela of the identities and relative importance of the Spanish Communists who travelled from the Dominican Republic to those countries.

When a report was circulated in the Dominican Republic that the Syndical Communist Party of the Dominican Republic had been organized on November 11, 1945, the Legal Attache immediately developed information showing that the leader of this party was an obscure Spanish Communist who was being used by the Dominican Government to induce exiled labor leaders to return to the Dominican Republic in the belief that a free labor party had been established.

The Dominican Government also hoped that this move would minimize criticism coming from foreign countries describing Trujillo as a fascist dictator. It was established that the party actually never had any legal existence and when its leader failed in his efforts he allegedly went over to the side of the labor leaders and on January 31, 1946, he was arrested by the Dominican police.

d. Spanish Falange

Officially, the Spanish Falange in the Dominican Republic was dissolved in September, 1939. However, rumors persist to the effect that the Falange continued to exist in the Dominican Republic as an underground organization and a reliable source of information reported that secret meetings were held from time to time, although investigation did not disclose where the meetings were held. Another reliable source reported that a meeting was held during the latter part of June or the early part of July, 1943, in the branch of the Spanish Legation located at Avenida Bolivar #24, Ciudad Trujillo, Dominican Republic, attended by 56 persons including two women. This meeting was reported to have been in charge of Manuel Resumil Aragunde, who directed a discussion of various matters which included the question as to what policy was to be adopted in obtaining more members and whether such new members for the Falange should be obtained from discontented Spanish refugees. It was also reported that during the summer of 1943 Maria de Jesus Antonieta de Armenteros, one time head of the Feminine Section of the Falange in the Dominican Republic, stated privately that she had recently had contact with the Supreme chiefs of the Falange in Spain and that she had continued to deal with these Falange leaders.

On April 29, 1938, the first members of the Spanish Falange in the Dominican Republic were sworn into membership at Ciudad Trujillo. On September 23, 1938, the first members of the Falange were sworn into membership into the organization at San Pedro de Macoris. Other members were sworn in at Santiago and Barahona, Dominican Republic on November 27, 1938, and February 10, 1939, respectively. It was reported that on January 29, 1939, the Feminine Section of the Spanish Falange came into being at Ciudad Trujillo.

One source stated that the Spanish Falange was organized in this country with the object of raising money and furnishing moral support for the benefit of General Francisco Franco and his struggle in the Spanish Civil War. For the most part Falange members in the Dominican Republic were drawn from the Old Spanish Colony, individuals who had entered the country and had made modest fortunes in business ventures. It was said that since this Spanish group was composed principally of fairly well-to-do property owners, they naturally endorsed the Falange program of anti-Communism which was represented in Spanish American as being a threat to property owners. As in other Latin American countries, the organization of the Spanish Falange came about through the activities of the "Falange Exterior" in Spain which disseminated pro-Falange propaganda in Latin America and administered the affairs of the Falange organizations abroad.

In the Dominican Republic the various units of the Falange organization raised approximately the sum of $58,000, which was forwarded to Spain during the Spanish Civil War. Various meetings were held throughout the Republic, and on occasions members of the Falange appeared in uniform which was characterized by the blue shirt and crossed straps.

All of the information developed was furnished to the State Department and other interested agencies to assist in evaluating the strength of pro-Axis influences in the Dominican Republic.
(64-186-211)

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3. Personnel

The following Special Agents and Special Employees were assigned to SIS work in the Dominican Republic:

Name	SIS	City	Date	Cover
		Ciudad Trujillo	8/42-10/43	undercover
		Ciudad Trujillo	1/24/46-8/17/46	Legal Attache
		Ciudad Trujillo	7/42-6/43	Legal Attache
		Ciudad Trujillo	11/41-8/42	undercover
		Ciudad Trujillo	1/4/45-2/12/46	Legal Attache
		Ciudad Trujillo	5/5/43-10/11/44	Legal Attache
		Ciudad Trujillo	5/9/43-10/11/44	Legal Attache

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Name	SIS	City	Date	Cover
[redacted]		Ciudad Trujillo	4/43-11/43	undercover
		Ciudad Trujillo	10/26/44-1/11/45	Legal Attache
		Ciudad Trujillo	7/13/44-11/27/44	official

4. Bibliography

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64-1300-A General File on German Activities in the Dominican Republic.

64-1300-B General File on Japanese Activities in the Dominican Republic.

64-1300-C General File on Italian Activities in the Dominican Republic.

64-1300-D General File on Communist Activities in the Dominican Republic

64-1300-E General File on Spanish Activities in the Dominican Republic.

64-1300-F General File on French Activities in the Dominican Republic.

64-1300-H General File on American Activities in the Dominican Republic.

64-1300-J General File on Roumanian Activities in the Dominican Republic

64-1300-N General File on Austrian Activities in the Dominican Republic.

64-1301 Political Affairs in the Dominican Republic.

64-1302 Economic Matters in the Dominican Republic.

64-1303 Social Matters in the Dominican Republic.

64-1304 Foreign Agents in the Dominican Republic.

64-1304-A German Agents in the Dominican Republic.

64-1304-B Japanese Agents in the Dominican Republic.

64-1304-C Italian Agents in the Dominican Republic.

64-1304-D Communist Agents in the Dominican Republic.

64-1304-E Spanish Agents in the Dominican Republic.

64-1304-F French Agents in the Dominican Republic.

64-1305 General File on Propaganda in the Dominican Republic.

64-1305-A German Propaganda in the Dominican Republic.

64-1305-C Italian Propaganda in the Dominican Republic.

64-1305-D Communist Propaganda in the Dominican Republic.

64-1305-E Spanish Propaganda in the Dominican Republic.

64-1305-H American Propaganda in the Dominican Republic.

64-1306 General File on Foreign Penetration in the Dominican Republic.

64-1306-A German Penetration in the Dominican Republic.

64-1306-B Japanese Penetration in the Dominican Republic.

64-1306-C Italian Penetration in the Dominican Republic.

64-1306-E Spanish Penetration in the Dominican Republic.

64-1307 Sabotage in Dominican Republic.

64-1308 General File on Foreign Residents in the Dominican Republic.

64-1308-A German Residents in the Dominican Republic.

64-1308-B Japanese Residents in the Dominican Republic.

64-1308-C Italian Residents in the Dominican Republic.

64-1308-D Communist Residents in the Dominican Republic.

64-1308-E Spanish Residents in the Dominican Republic.

64-1308-F French Residents in the Dominican Republic.

64-1308-H American Residents in the Dominican Republic.

64-1310 Military and Naval Matters in the Dominican Republic.

64-1311 General File on Foreign Firms in the Dominican Republic.

64-1311-A German Firms in the Dominican Republic.

64-1312 Radio Stations in the Dominican Republic.

64-1314 Submarine Activities in the Dominican Republic.

64-1316 Plant Surveys in the Dominican Republic.

64-200-211 Communist Party in Dominican Republic.

b. Administrative Files

64-4503 Office Administrative File for the Dominican Republic.

64-4984-211 Office Monthly Reports for the Dominican Republic.

67-383661 Office Personnel File for the Dominican Republic, filed under "Embassy, Ciudad Trujillo, Dominican Republic." The inspection reports for this office are filed separately.

64-29833-211 Police Matters in the Dominican Republic.

64-4123-211 Informant file for the Dominican Republic.

c. Monographs

"Totalitarian Activities in the Dominican Republic Today." General Monograph on various phases of the Bureau's work in the Dominican Republic. Published November, 1944; 118 pages.

"Japanese in Latin America." General Monograph covering Japanese activities in the countries of Latin America. Page 69 refers to the Japanese in the Dominican Republic. Published November, 1945; 179 pages.

"The Communist movement in Latin America." General Monograph covering Communism on a hemispheric basis. Page 30 deals specifically with the Communist movement in the Dominican Republic.

"SIS Office, Ciudad Trujillo, Dominican Republic." Photographs of the Bureau's facilities and offices in the Dominican Republic.

M. ECUADOR

1. SIS Facilities and Objectives

Early in 1941 a Bureau agent was located in Ecuador on temporary assignment in connection with a special mission concerning police training. As a result of his activities Carlos Arroyo del Rio, the President of Ecuador, and the State Department of the United States jointly requested the assignment of a Bureau agent to Ecuador on a permanent basis to handle the training of Ecuadorian police. Immediately upon his arrival in Ecuador the Bureau representative conferred with President Arroyo and as a result of this conference it was determined that it would be possible to devote a great deal of time to intelligence work in addition to the police training to be undertaken. This representative was assigned to the Embassy and as a result of action by Ambassador Boz Long he was designated the Legal Attache of the American Embassy. When the Ambassador notified the State Department of this title designation, it was shortly thereafter adopted in other countries and finally the State Department instructed each of its Embassies in South America to designate Bureau representatives as Legal Attaches. When the importance of the work being done by the office of the Legal Attache became apparent to the Ambassador, the Embassy requested additional personnel be furnished the office in order that its activities could be expanded.

Within one year the office changed from one agent with a borrowed typewriter to a well equipped office similar to one of the Bureau's smaller Field Offices. The photostat machine and facilities of the Bureau Office were the only ones available in Ecuador. A Bureau radio station was installed in a penthouse on the third floor of the Embassy building in a very advantageous position and its contacts with the Bureau were always clear and powerful. This station originally operated under oral permission from President Arroyo inasmuch as any such station was illegal in Ecuador which prohibits the transmission of any messages in telegraphic code. This permission was reduced to writing by the Minister of Public Works although the location and operation of the station was unknown to nearly all of the high government officials. Space was reserved for this station even though several other missions and official Embassy personnel could not be housed and the Embassy always permitted complete freedom in the operation of this station and at no time questioned Bureau representatives as to the manner or frequency of its use. The value of this station became apparent when, during the revolutionary movement of May 1944, it was the only contact between Quito and the outside world. At that time it was the only means of rapid communication available to the Ambassador and the Military and Naval Attaches as well as to the Bureau's representatives. (64-4291; 80-646-212; 64-3300-565)

Peak coverage in Ecuador was reached during July and August, 1943, when sixteen agents were assigned to the country. This total had been reduced to seven agents by July, 1946, when the final closing of the office was started. The office was closed on March 12, 1947. (64-4291)

2. Major Accomplishments

a. German Activities

The representative who was sent to Quito, Ecuador, in December of 1941 to aid the Ecuadorian Government in police training work and to keep a close watch on totalitarian activities there, became so well versed in the latter that the Ecuadorian Government temporarily forgot the original purpose for which the representative had been assigned there, and frequently called upon him for suggestions in regard to handling totalitarian activities. Before long, President Carlos Arroyo del Rio, in order to have someone connected with the Government who understood totalitarian and subversive activities, more or less made the representative a member of his cabinet by issuing to him an authorization form addressed to all officials - civil, military, and police, notifying them that he was the adviser to the Ecuadorian Government on totalitarian and subversive activities, and that problems of that nature should be discussed with him. This placed the SIS representative in a position to obtain a wealth of information and to suggest internment policies, means, procedures, and sites of internment.

The Minister of Government, Aguilar Vasquez, frequently requested conferences with Bureau personnel concerning matters pertaining to the treatment of Axis nationals and other technical matters. It should be noted that the Minister of Government is the ranking official in the Ecuadorian Cabinet and his decisions were responsible for nearly all of the steps taken against Axis nationals. (64-3304-A)

Colonel Hector Salgado, Chief of the Carabineros of Ecuador, was developed as a most valuable contact. Through his assistance it was possible to arrange for the detention of dangerous Axis nationals at which time they would be questioned thoroughly by Colonel Salgado or his assistants and the information made available to Bureau representatives. In January, 1943 Colonel Salgado came to the United States at the invitation of the Bureau for the purpose of acquiring training and an insight to methods employed by the Bureau in crime prevention, espionage, and sabotage investigations. Salgado spent eighty-two days in the United States and upon returning to Ecuador highly praised the efficiency and organization of the Bureau. (64-20676)

The investigative efforts of the Bureau in Ecuador during the early months of 1942 consisted principally in the determination of the Nazi setup in Ecuador and the collection of general intelligence information concerning Nazi leaders and followers. Both the Naval and Military Attaches had been conducting work of this nature since 1938 and their files proved to be a starting place for the Bureau's activity. (64-3300-A)

In March, 1942 the State Department advised that boats would be sent to the West Coast of South America in the near future to repatriate dangerous Axis nationals and in the next few months extensive investigation was carried out by our office in connection with these repatriations. From this time all relations became extremely close between the Office of

Seguridad and the Office of the Legal Attache in the preparation of lists of persons whose expulsion was desired. At the same time representatives from the Bureau office and from the Embassy were in daily conference with the Office of Foreign Relations and as a result of these various contacts practically dictated the list of persons who were expelled on each boat.

On the "ATOLIN" which sailed from Guayaquil, April 7, 1942, were 38 Germans and 10 Japanese, 42 of whom were considered dangerous. Ten days later on the first sailing of the "ACADIA," April 17, 1942, there were deported 224 Axis nationals including officials who, with their families numbered 58, the majority of whom were undesirable. Subsequent to the first sailing of the "ACADIA" the list of undesirables in Ecuador was completely revamped in daily conferences with numerous sources of information and when the same boat returned on May 8, 1942, an additional list of 118 Germans including their families had been prepared. Representatives of the Bureau office were in complete charge of these embarkations and arrangements were made for the deportees' finger impressions to be taken aboard ship at the time of their departure. Through the Identification Section comparisons were thereafter made and it was determined that in each instance the persons designated actually departed and no substitutions had been made. (64-3304) (64-3308-8)

When the time came for deporting the 389 interned Axis nationals, our representative, who was a quasi-official of the Ecuadorian Government, had a free hand. It was so free that the Spanish Minister who handled the affairs of the Axis nationals complained in a letter to the Spanish Foreign Minister in Spain that in reality, the United States was expelling the Axis nationals and not the Ecuadorian Government, that events had reached the tragic state when within a short time of the sailing hour for the Axis nationals, the President's representatives turned to our representative and asked were there any others he desired to have deported.

Our office was successful in obtaining the movement of scores of Axis nationals away from the West Coast of Ecuador where they could be especially dangerous in the event submarine warfare ever began on a large scale in that area. In January of 1942 the Santa Elena peninsula which contained the United States base at Salinas was declared a military zone and scores of Axis nationals were forced to leave that section and to reside inland.

In September of 1942 most of the important Nazis of Manta were ordered to leave that coast town and go inland. They were all employees of the largest German firm in Ecuador, Casa Tagua. A rumor reached the President that employees of this firm were supplying gasoline to submarines lying off the Pacific coast and he asked that his office of Seguridad investigate these rumors. It followed that the Office of the Seguridad informed the President that there was such a danger and that these persons should be removed from the coast. (64-3314-A-1)

A list of dangerous Germans residing in Guayaquil was prepared by the Office of the Legal Attache and this matter was discussed with the President by the Ambassador. The President stated that any list presented by our office would be acted upon as presented.

The Bureau was successful in obtaining action in a great many individual cases. Anneliese Unold long suspected of being a possible Nazi agent was ordered interned but after consultation with our office her internment was deferred in order that we might get information from her husband, the leading Nazi in Ambato. (64-3304-A-540)

Although many individuals considered dangerous to the security of the Western Hemisphere were removed from Ecuador during 1942 and others considered dangerous were relegated to remote areas within the country, it became apparent that activities favoring the Axis cause were continued by those individuals who were allowed to remain within the country. Investigation disclosed that German elements were receiving assistance through the German Ayuda and through the German Winter Relief Funds. This assistance was handled in southern Ecuador by Ernesto Panse, a German national who had been relegated to Cuenca, Ecuador and through Max Rueff, a German national employed in the Spanish Embassy where he was placed in charge of German affairs in Ecuador. The activities of all German elements were followed closely and, as a result of the extensive investigative endeavor in this regard, a list of individuals deemed dangerous to the security of the Republic of Ecuador was compiled by the Legal Attache for the purpose of presentation to the Government, through the Embassy, in an endeavor to effect their deportation from the country for internment in the United States. This action met with favorable results inasmuch as the Government approved the deportation of a majority of those individuals, which deportation was effected on December 30, 1943, and 44 German nationals were placed aboard the S. S. Madison at Salinas, Ecuador for removal to the United States for internment. By this action it was believed that the last remaining threat against the security of the country had been removed. Ernesto Panse and his brother, Eduard Panse, both strong sympathizers with the Nazi regime were removed as was Otto Heinrich Carstangen who managed the Otto Wolfe Oil Company which organization was believed to have assisted in espionage activities in Ecuador. (64-24184-177)

In December, 1941 the Transocean News Service was closed by order of the Ecuadorian Government. This news service was known to have been subsidized through the German Legation and [illegible] news releases were forwarded to the Transocean News Service direct from Germany. Although the operation of the News Service had ostensibly been discontinued, it was noted that two local papers in Quito carried news items which were not obtained from Allied releases. Extensive investigation revealed the clandestine operation of the Transocean News Service through Max Rueff, a German national employed in the Spanish Embassy. It was ascertained that an Ecuadorian citizen, Luis Bertulfo Rivadeneira, was receiving news releases by short wave from Germany which releases were being made available to radio operators employed by the local newspapers and subsequently released to the public of Ecuador through the

local press. When information concerning the activities of Rueff were made available to the Ecuadorian authorities he was immediately ordered expelled from the country, as a result of which he was removed to the United States where he was interned. Seven Ecuadorian nationals were involved in the clandestine operation of the Transocean News Service and upon interview admitted that their activities had been financed by Rueff. Rueff stated to the authorities that his action in operating the news service was not against Ecuador but that his activities were directed against the United States. (64-20268)

Our office also conducted considerable investigation concerning the evidence of clandestine radio stations and effected the only closing of an Ecuadorian radio station in history when the "Estacion Amazonica" was closed on June 15, 1942. A raid was made after a direct appeal to the President and a large powerful 250 watt RCA sending apparatus was found intact. It was obvious that the station had been in recent use and that a telegraph key had been used contrary to Ecuadorian law and without license. The station was housed in illegitimate surroundings and all of the equipment was covered with heavy drapes. The owner of the station was a Conservative, unfriendly to the Government. It had been operated principally by known Falangists who had been active in Nazi activities. The strength of this station would have permitted its direct communication with Germany. (64-3312; 64-3312-E-2)

An important achievement in 1943 related to activity by the Ecuadorian Government in locating and confiscating assets of Axis firms which had been concealed. This program was materially assisted by SIS representatives in Ecuador inasmuch as one of our Special Agents was appointed an honorary captain in the Carabineros by Colonel Hector Salgado. This Agent had at his disposal a troup of Carabineros who were assigned to the exclusive task of locating concealed property and assets. Great benefit was received by the Bureau as a result of this representative's activities in this regard inasmuch as it placed at his disposal documents belonging to blacklisted firms and the records of Axis nationals who were suspected of subversive and espionage activities. An example of the results of this undertaking was the instance of examination of documents belonging to Casa Tague, a blacklisted German firm, and Saice, an Italian firm, which resulted in the recovery of concealed assets in excess of two hundred thousand sucres. (64-20676-66)

b. Italian Activities

Italians in Ecuador were never well organized nor were they prominent in commercial or political activities. The majority of the Italian residents in the country were established residents for many years and made Ecuador their adopted native country. There has never been a closely knit Fascist organization. A few individuals such as Luigi Fossatti, Luigi Enrico Razzini and Piero Luigi Galloti were identified as being strong Fascist sympathizers. These individuals were removed from the country and interned in the United States. (64-3304-C) (64-24184-177)

c. Japanese Activities

The measures taken against Japanese subjects in Ecuador were unique because of the fact that there were very few of them and because the President of Ecuador seemed to have a special hatred for them. During January, 1942, 20 odd Japanese were interned at Riobamba and at the President's request a Bureau representative discussed their internment with the Governor of Riobamba and made suggestions as to the control of their activities. All of the Japanese in the country, with the exception of one, were expelled during the spring months on the "Etolin" and "Acadia" and this one Japanese earned the right to remain because of his relation to an Ecuadorian woman. Through the efforts of our office this single Japanese subject was thereafter interned at a remote settlement on the Colombian border. (64-3300-B)

After a report had been received concerning the possibility of this one Japanese participating in bacterial warfare, arrangements were made with the Minister of Government to effect a raid on his home in Maldonado (64-3304-B-43) and at a laboratory where he was formerly employed in Guayaquil. (64-3304-B-44). It was believed that this was probably the first raid on two simultaneous points made by the investigative authorities of Ecuador and the Bureau agent who proceeded to Maldonado by mule to interrogate the Japanese subject was armed with numerous documents from the Minister of Government. It is interesting to note that the Ecuadorian authorities did not trust their own provincial chiefs and that the orders carried by the Bureau agent were to be presented to the provincial chief only a few minutes prior to the time of the raid to prevent any notification or bribing. At the same time a raid was made on the laboratory in Guayaquil where this Japanese chemist had been formerly employed. (64-3304-B-43)

Although evidences were found which would indicate that the laboratory had been used for the illegal manufacture of toxins, which information proved of interest to the Minister of Government, it was found that there was no equipment in the laboratory which would have permitted its use in the preparation of fever cultures. (64-3304-B-44)

d. Communist Activities

The Communist Party which was outlawed in Ecuador by Presidential Decree in 1936 continued its activities in a clandestine manner, assisted by the advice of several leaders such as Ricardo Parader and Neptali Pacheco Leon who had studied in Russia. SIS investigations revealed that in 1942 Vicente Lombardo Toledano was invited to Ecuador for a series of speeches, as a result of which the Confederation of Workers of Ecuador was formed. This group, representing 100,000 members, or seventy-five per cent of Ecuadorian labor, was headed by Pedro Antonio Saad, who was also chief of the Communist Party and the backbone of Communist activities in Ecuador. Many of the instructions formerly received by the Party from Moscow via Argentina or Uruguay apparently now came from Mexico. In this connection, there was definite indications that Saad, a prominent labor leader, had

access to the Mexican diplomatic pouch in communicating with Lombardo Toledano on labor and political matters.

In December, 1943, the Party invited the Argentine Communist youth leader, Cesar Cascallar (Carrasco), to assist in organizing youth groups for the purpose of creating a united left front. After joining forces with the Socialists and Revolutionary Socialist Parties in an "Ecuadorian Democratic Alliance," it was instrumental in overthrowing the administration of Arroyo del Rio in the May, 1944, revolution, resulting in the reinstating of President Velasco Ibarra. During the revolution, 200 Communist laborers were able to lead 20,000 workers in Guayaquil against the Government. In return for their assistance, the Communists were permitted to operate openly with some assurance that they would be permitted to legalize the Communist Party in Ecuador by having a clause inserted into the new constitution by the National Assembly then in power. The Constitutional Assembly of ninety-two members was dominated by the Democratic Alliance, twelve of whose members were Communists. In addition, Communists were selected for the Cabinet and advisory posts of Minister of Government, Minister of Education, Sub-Comptroller of Economics and Assistant in the Press Office of the President.

Agitation of the Communists for recognition of Russia resulted in resolutions being passed both in the Cabinet and in the Assembly, urging the President to establish relations with the Soviet Union. Indications were that President Velasco Ibarra would act upon the recommendation to recognize Russia in early 1945.

In furtherance of their program, the Ecuadorian Communists received propaganda booklets from Cuba, Mexico and Russia, distributing them through Communist bookstores in principal Ecuadorian cities. They published their own semi-monthly newspaper "Adelante" and two student publications. Until August, 1944, they also made intermittent use of a small tabloid sheet. They infiltrated and dominated small "free" groups of Ecuadorian refugees. These Communist organizations, propaganda meetings and personalities, as well as the Communist influence in the constantly maneuvering Ecuadorian Government, received detailed coverage by SIS representatives.

SIS investigations reflected that from November, 1944, until February, 1945, Communist representatives to the Ecuadorian Constitutional Assembly influenced several Leftist decrees passed by this body and also managed to place in the new constitution many articles which were in accordance with Communist aims. At the closing of this Assembly on March 10, 1945, the Communist Party had suffered a considerable loss of prestige and influence in the political life of the nation. Since the majority of Communist leaders were occupied during these months in the Constitutional Assembly, Party organizational work suffered and Party progress insofar as the recruiting of new members was concerned, was at a standstill. As of March, 1945, the Communist Party's influence and power had declined from the high mark it attained in September, 1944.

In the early part of 1945, Bureau representatives determined that the Communist Party was trying to effect the establishment of diplomatic relations between Ecuador and Russia, as well as attempting to cause the severance of relations between their country and Franco Spain. Communist propaganda was being received from Russia, Cuba and Mexico and distributed through local bookstores and the Confederacion de Trabajadores de Ecuador (Workers Federation of Ecuador) was completely controlled by the Communist Party.

In the early part of 1946, indications were that the Communist Party was in its weakest condition since the revolution of May, 1944; however, they still continued to express opposition to alleged United States "imperialism" in Latin America, especially with regard to their opposition of the lease of the Galapagos Islands by Ecuador to the United States.

By early 1947 the Communist Party of Ecuador had become one of the weakest and most ineffective in the Western Hemisphere, according to Bureau coverage close to the Party. It had no newspaper or propaganda medium and depended on its control of labor for its existence.

During July and August, 1946, it planned unsuccessfully to overthrow the Velasco-Ibarra Government and sought liberal and leftist coalition support, although only the Liberal-Radical Party responded. For their pains, several Communists including the labor leader, Pedro Saad, spent some time in jail.

In September rumors were rife that the Soviet Government was negotiating in Colombia for fishing rights in the Ecuadoran-controlled Galapagos Islands, but the Ecuadoran Government vigorously denied their truth and our investigations failed to show any agreement had been reached.

In October, 1946, a reliable Bureau informant in Ecuador revealed that the Communist Party had created a sabotage plan for use in the event of hostilities between the United States and Russia. It was to be directed principally against American interests and holdings.

After several delays a National Communist Congress was held in Quito November 16, 1946, to perfect an underground organization to operate under any eventuality and handle international relationships. (64-200 Sub 212)

e. Local Political Activities

Through the Bureau's many contacts and confidential informants, it was possible for Bureau representatives to keep abreast of the many and varying revolutionary intrigues and plots. The Ambassador, Hon. Robert M. Scotton, was at all times kept informed for which he verbally expressed his appreciation to the Director on November 2, 1945. During the revolution of May 28-29, 1944, practically all of the information concerning the revolution

and its ramifications which was reported by the Ambassador had been furnished by the Legal Attache's Office. It was sent by the Ambassador to the State Department via Bureau radio facilities. (64-3301)

3. Personnel

The following Special Agents and Special Employees were assigned to SIS work in Ecuador:

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NAME	SIS NO.	CITY	DATE	ASSIGNMENT
		Quito	5/42-11/42	Undercover
		Quito	7/45- 3/47	Police Liaison
		Quito	8/42-10/43	Official
		Quito	6/43-10/43	Official
		Guayaquil	8/44- 1/45	Official
		Quito	6/43-10/43	Undercover
		Cuenca	9/43- 2/44	Undercover
		Guayaquil	10/43- 3/44	Undercover
		Quito	1/46- 3/47	Legal Attache
		Quito	2/43- 2/45	Police Liaison
		Guayaquil	4/45- 8/46	Official
		Quito	2/43- 8/43	Legal Attache
		Quito	7/44- 2/45	Official
		Quito	5/42- 5/43	Legal Attache
		Quito	5/43-10/43	Undercover
		Quito	5/43- 1/44	Official
		Manto	2/43- 6/43	Official
		Quito	6/43- 1/44	Official
		Guayaquil	5/43- 6/44	Official
		Guayaquil	8/45-11/45	Undercover
		Quito	5/43- 1/44	Undercover
		Quito	1/42- 9/42	Undercover
		Guayaquil	5/43- 8/43	Undercover
		Quito	12/41-12/42	Legal Attache
		Guayaquil	5/46- 2/47	Police Liaison
		Guayaquil	10/43- 3/45	Official
		Quito	3/45-10/46	Legal Attache
		Guayaquil	2/42- 6/42	Undercover
		Quito	3/44- 6/45	Police Liaison
		Quito	5/43-11/43	Undercover
		Guayaquil	9/41- 9/43	Official
		Guayaquil	8/42- 1/43	Undercover
		Quito	3/43- 4/43	Plant Survey
		Quito	10/43-10/44	Legal Attache
		Quito	3/42- 2/43	Undercover
		Guayaquil	1/42- 7/42	Undercover
		Quito	11/43- 9/44	Undercover
		Quito	8/41- 6/42	Undercover
		Quito	7/45- 9/46	Official

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NAME	SIS NO.	CITY	DATE	ASSIGNMENT
		Quito	9/42- 9/43	Official
		Quito	6/40- 9/40	Official
		Guayaquil	4/43-12/43	Official
		Quito	8/42- 5/43	Undercover
		Quito	5/43-12/43	Official
		Quito	1/44-12/44	Police Liaison

4. Bibliography

a. Investigative Files

64-3300 General Miscellaneous File on Ecuador

64-3300-A Miscellaneous File on German Activities in Ecuador.

64-3300-B Miscellaneous File on Japanese Activities in Ecuador.

64-3300-C Miscellaneous File on Italian Activities in Ecuador.

64-3300-D Miscellaneous File on Communist Activities in Ecuador.

64-3300-E Miscellaneous File on Spanish Activities in Ecuador.

64-3300-F Miscellaneous File on French Activities in Ecuador.

64-3300-G Miscellaneous File on British Activities in Ecuador.

64-3300-H Miscellaneous File on American Activities in Ecuador.

64-3300-J Miscellaneous File on Rumanian Activities in Ecuador.

64-3300-K Miscellaneous File on Swiss Activities in Ecuador.

64-3300-N Miscellaneous File on Austrian Activities in Ecuador.

64-3301 General File Covering Political Matters in Ecuador

64-3302 General File Covering Economic Matters in Ecuador

64-3303 General File Covering Social Matters in Ecuador

64-3304 General File Covering Foreign Agents in Ecuador

64-3304-A German Agents in Ecuador.

64-3304-B Japanese Agents in Ecuador.

64-3304-C Italian Agents in Ecuador.

64-3304-D Communist Agents in Ecuador.

64-3304-E Spanish Agents in Ecuador.

64-3304-F French Agents in Ecuador.

64-3304-G British Agents in Ecuador.

64-3305 General File Covering Foreign Propaganda in Ecuador

64-3305-A German Propaganda in Ecuador.

64-3305-B Japanese Propaganda in Ecuador

64-3305-C Italian Propaganda in Ecuador.

64-3305-D Communist Propaganda in Ecuador.

64-3305-E Spanish Propaganda in Ecuador.

64-3305-F French Propaganda in Ecuador.

64-3305-G British Propaganda in Ecuador.

64-3305-H American Propaganda in Ecuador

64-3306 General File Covering Foreign Penetration in Ecuador

64-3306-A German Penetration in Ecuador.

64-3306-B Japanese Penetration in Ecuador.

64-3306-C Italian Penetration in Ecuador.

64-3306-D Communist Penetration in Ecuador.

64-3306-E Spanish Penetration in Ecuador.

64-3307 General File Covering Sabotage in Ecuador

64-3307-A German Sabotage in Ecuador

64-3308 General File on Foreign Residents in Ecuador

64-3308-A German Residents in Ecuador

64-3308-B Japanese Residents in Ecuador.

64-3308-C Italian Residents in Ecuador.

64-3308-D Communist Residents in Ecuador.

64-3308-E Spanish Residents in Ecuador.

64-3308-F French Residents in Ecuador.

64-3308-H American Residents in Ecuador.

64-3308-J Rumanian Residents in Ecuador.

64-3308-K Swiss Residents in Ecuador

64-3308-M Austrian Residents in Ecuador.

64-3310 Military and Naval Matters in Ecuador

64-3311 General File on Foreign Firms in Ecuador

64-3311-A German Firms in Ecuador.

64-3311-C Italian Firms in Ecuador.

64-3311-E Spanish Firms in Ecuador.

64-3311-F French Firms in Ecuador.

64-3312 General File on Radio Stations in Ecuador

64-3312-A German Radio Stations in Ecuador.

64-3312-C Italian Radio Stations in Ecuador.

64-3312-E Spanish Radio Stations in Ecuador.

64-3316 Plant Surveys in Ecuador

64-200-212 The Communist Party in Ecuador

64-29833-212 Police Matters in Ecuador

64-309-212 Smuggling in Ecuador

100-341561-212 Labor Conditions in Ecuador

b. Administrative Files

64-69 Office Administrative File for Legal Attache's Office, Quito, Ecuador.

64-4984-212 Office Monthly Reports for Legal Attache's Office, Quito, Ecuador.

64-4694 Living Conditions in Ecuador.

67-383701 Office Personnel File for Legal Attache's Office for Quito Embassy, Quito, Ecuador. The inspection reports for this office are filed separately.

64-4123-212 Informant File for Ecuador.

c. Monographs

"Totalitarian Activities in Ecuador Today." General monograph covering various phases of the Bureau's work in Ecuador. Published June, 1942; 121 pages.

"The Communist Movement in Latin America." General monograph on Communism in Latin America treated on a hemispheric basis. Page 31 deals specifically with the Communist Party Ecuador. Published January, 1946; 158 pages.

"The Japanese in Latin America." General monograph on Japanese activities in the various countries of Latin America. Pages 79 to 83 refer to the Japanese in Ecuador. Published November, 1945; 179 pages.

"SIS Office, Quito, Ecuador." Photographs of the Bureau's Office and facilities in Ecuador.

H. - El Salvador

1. SIS Facilities and Objectives

As was true in the other Latin American countries, it was deemed necessary for the protection of the hemisphere that Bureau coverage be established in El Salvador in order that activities of Axis followers could be determined. Coverage was first inaugurated on an undercover basis in June 1941. From the informative standpoint, however, this was quite effective, as the cover used by one of the agents was [redacted] b7E
This man had resided in El Salvador before employment by the Bureau, and had several contacts in high government circles. [redacted] was an actual occurence, and of course would normally give him a great deal of free time and the opportunity to travel throughout the various sections of the country without arousing suspicion.

Information submitted by the man above referred to caused the American Minister, although he did not know the source of the information, to doubt its veracity because he said it presupposed an insight into the minds of certain government officials who were known for their inscrutability. However, the close family connections of the above-said representative permitted access to such information, and it was proven correct on many occasions. (One informant of this Bureau representative was [redacted] Another was [redacted] b7C
and still another was [redacted] b7D

The Bureau by March, 1944 had one man in an official capacity and one man in an undercover capacity in the Republic of El Salvador. The country is extremely small, and this representation was able to satisfactorily handle anything having to do with subversive activities, internal security and possible espionage. El Salvador never had a known instance of enemy directed sabotage.

The Office in El Salvador was closed in September, 1946. (64-4560)

2. Major Accomplishments

a. Axis Activities

During 1942 indisputable evidence was submitted by the Bureau's representative who was attached to the American Embassy (then, a legation) that Manfredo Pincherli and Antonio Daglio, leaders of the Free Italian Movement, were rabid Fascists prior to El Salvador's entrance into the war. The aforesaid representative secured copies of "Ahora", a Falange publication, containing the photographs of the German, Italian and Spanish Ministers with Pincherli and Daglio and other Fascists. This information was verified through subsequent questioning of deportees who continued to remain firm Fascists, and who were deported largely as a result of information submitted by Bureau personnel. (100-155054-2, 64-2604-C-16)

Approximately ninety-eight persons were deported from El Salvador after that republic declared war upon the Axis countries immediately subsequent to Pearl Harbor. Seventy-one of those individuals were deported during 1942, and information furnished by SIS representatives was of considerable assistance in compiling the lists of individuals to be deported. Alberto Bendix, Ernest Groskorth, Rudolph Kuny, Pablo Oertel, Werner Hepperle, Paull Fax, Otto Hergert, Heriberto Wilmes, Walter Deininger, and Karl Augusto Schmidt were a few of the deportees on whom quantities of information were furnished. (64-2604-A-82, 65, 31, 64-2611-4, 61-7756-32, 64-2606-6, 64-2604-B-4, 64-2604-8, 64-2600-20X)

During 1942 and 1943 Bureau personnel in the Republic of El Salvador submitted a wealth of information dealing with financial and commercial transactions of Axis nationals. This information aided considerably in a more equitable operation of the United States Proclaimed List of Certain Blocked Nationals. The following are a few of the individuals and firms on the List on whom the Bureau submitted much information: Carlos Freese, Carlos Koch, Nottebohm Trading Company, Federico Geissler and Benjamin Tanabe. (64-2604-A-72, 64-2604-3, 64-2611-6, 64-2606-A-23).

At least one of the laws passed in El Salvador in 1942 relating to enemy aliens was due in some part to information furnished by, and the activities of, Bureau personnel. This was a law restricting travel of Axis citizens and the transportation of merchandise from or to persons on the Proclaimed List or from Axis nationals. (64-2600-72)

b. Spanish Falange Activities.

During 1943 SIS representatives in El Salvador devoted considerable time to a thorough survey of French and Spanish activities and organizations. Emile DeTruit, head of the Free French in El Salvador was developed into an informant concerning French activities, and an employee [redacted] in El Salvador was developed into an informant concerning Spanish activities with emphasis on activities of [redacted] tion in behalf of the Germans and the Falange. Through this latter informant, SIS personnel were successful in obtaining two of the [redacted] codes. Inasmuch as the Spanish Government did not maintain a diplomatic mission in Honduras, the interests of the Axis nationals there were handled by the Spanish Legation in El Salvador. In this respect considerable information concerning the handling of funds for the Axis nationals in Honduras was obtained. (64-29197)

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c. Local Political Coverage.

As was the case in many Latin American countries during the time the Bureau was in the foreign intelligence field, the pot of political intrigue in El Salvador was constantly boiling with revolutionary plots and counter plots. By reason of the fact that Bureau representatives had developed contacts in high places in the major political factions, it was possible to keep the American Ambassador informed of the various political developments even to the point of advising him beforehand when revolutionary attempts could be expected.

d. Communist Activities.

El Salvador recognized the Soviet Union April 21, 1945, but made no effort to exchange Ministers. It suppressed the Communist movement vigorously after 1931 and was one of the four Latin American countries which had no Communist Party. When a strike movement threatened in May, 1946, expulsion orders were issued for the Communist labor agitator, Fernando Antonio Santa Maria, and several other suspected Communists. When a general strike occurred in September, 1946, it was blamed by the government on Communists operating from Guatemala and Mexico, and some 75 persons were arrested or deported. (64-200 Sub 226)

3. Personnel

The following Special Agents were assigned to SIS work in El Salvador:

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Name	SIS	City	Date	Cover
[redacted]		San Salvador	6/24/42-9/17/43	Legal Attache
		San Salvador	1/3/45-4/5/47	Legal Attache
		San Salvador	3/24/45-9/13/46	under cover
		San Salvador	7/29/43-6/1/44	Legal Attache
		San Salvador	8/28/42-5/23/43	under cover
		San Salvador	6/41-7/42	under cover
		San Salvador	5/3/44-11/16/45	Legal Attache
		San Salvador	8/18/44-10/19/44	under cover
		San Salvador	8/41-7/42	under cover

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64-2600-A General File on German Activities in El Salvador.

64-2600-B General File on Japanese Activities in El Salvador.

64-2600-C General File on Italian Activities in El Salvador.

64-2600-D General File on Communist Activities in El Salvador.

64-2600-E General File on Spanish Activities in El Salvador.

64-2600-F General File on French Activities in El Salvador.

64-2600-G General File on British Activities in El Salvador.

64-2600-H General File on American Activities in El Salvador.

64-2600-N General File on Austrian Activities in El Salvador.

64-2601 Political Affairs in El Salvador.

64-2602 Economic Matters in El Salvador.

64-2603 Social Matters in El Salvador.

64-2604 General File on Foreign Agents in El Salvador.

- 64-2604-A German Agents in El Salvador.
- 64-2604-B Japanese Agents in El Salvador.
- 64-2604-C Italian Agents in El Salvador.
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- 64-2604-F French Agents in El Salvador.
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64-2605 General File on Propaganda in El Salvador.

- 64-2605-A German Propaganda in El Salvador.
- 64-2605-B Japanese Propaganda in El Salvador.
- 64-2605-C Italian Propaganda in El Salvador.
- 64-2605-D Communist Propaganda in El Salvador.
- 64-2605-F French Propaganda in El Salvador.
- 64-2605-H American Propaganda in El Salvador.

64-2606 General File on Foreign Penetration in El Salvador.

- 64-2606-A German Penetration in El Salvador.
- 64-2606-C Italian Penetration in El Salvador.

64-2606-D Communist Penetration in El Salvador.

64-2606-E Spanish Penetration in El Salvador.

64-2606-F Franch Penetration in El Salvador

64-2607 Sabotage in El Salvador.

64-2608 Foreign Residents in El Salvador

64-2608-A German Residents in El Salvador.

64-2608-B Japanese Residents in El Salvador.

64-2608-C Italian Residents in El Salvador.

64-2608-E Spanish Residents in El Salvador.

64-2608-F French Residents in El Salvador.

64-2608-H American Residents in El Salvador.

64-2610 Military and Naval Matters in El Salvador.

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64-2611-A German Firms in El Salvador.

64-2611-B Japanese Firms in El Salvador.

64-2611-C Italian Firms in El Salvador.

64-2612 Radio Stations in El Salvador.

64-2616 Plant Surveys in El Salvador

64-200-226 Communist Party in El Salvador.

100-341561-226 Labor Conditions in El Salvador

b. <u>Administrative Files.</u>

64-4560 Office Administrative File for Legal Attache's Office, San Salvador, El Salvador.

64-4984-226 Monthly Reports for Legal Attache's Office, San Salvador, El Salvador.

64-4664 Living Conditions in El Salvador.

67-383713 Office Personnel File for Legal Attache's Office, filed under Embassy, San Salvador, El Salvador." The inspection Reports for this office are filed separately.

64-29333-226 Police Matters in El Salvador.

64-4123-226 Informant File for El Salvador.

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"SIS Office, San Salvador, El Salvador". Photographs of the Bureau's office and facilities in El Salvador.

"Labor-Communist Movement in Central America." Unpublished monograph which deals in part with labor and Communism in El Salvador Prepared as of Fall 1946. Proof copy filed in Bureau Library.

O. ENGLAND

1. SIS Facilities and Objectives

At the request of the State Department the Bureau's foreign liaison facilities were extended to London, England, on November 16, 1942, where an office was equipped as part of the American Diplomatic Mission under the title Office of the Legal Attache. The activities of the Bureau's representative in London grew to the point where it was necessary in March, 1943, to assign additional personnel making a total of two Special Agents and two stenographers. After the European phase of the war was terminated the staff was again, in September 1945, reduced to one Special Agent and one stenographer.

The main objectives in assigning a liaison agent to London, in addition to regular police liaison, were the establishment of an even closer cooperation between the English Intelligence Services and the Bureau, the developing of information pertinent to the internal security of the United States, and the highlighting, to the Allied armies, matters in which the Bureau had a primary interest, such as cases of treason involving United States citizens, in order that the Bureau would be assured of receiving pertinent information as soon as it became available. (64-4727)

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2. Major Accomplishments

a. [redacted]

Probably the major accomplishment of the London Office, particularly during the war years, was the securing of information known as [redacted] material from the British. This is [redacted] and proved to be the most valuable single source of information of the Bureau in its espionage coverage. The [redacted] material is the decode of various German clandestine radio messages containing espionage intelligence. Bureau Agents began negotiations in November, 1942, with the British to secure this material. They received permission to review decodes of these German intercepts in February, 1943. However, certain restrictions were imposed, one of which was that no copies could be made and the agents were permitted only to indicate those messages which they believed of interest to the Bureau which were then to be paraphrased by the British, sent to their New York Office, paraphrased again, and forwarded to the Bureau. When such messages finally arrived at the Bureau, they were of little use because the original texts had undergone such a complete change. Subsequently, the Bureau agents adopted the procedure of copying the German intercepts surreptitiously as they received them. (62-76229)

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b. Cocase

As an example of the effectiveness of the [redacted] information, the Cocase is cited. Tom-X (Dieudonne Costes), who had been recruited by the Germans as an espionage agent [redacted] stated that Paul Cavaillez would be sent to Argentina to assist him in sending information to Germany by radio. The Bureau thought that Cavaillez' plan had been abandoned until the Bureau agents in London saw [redacted] intercepts indicating that he was attempting to carry out his mission. On April 3, 1944, Berlin sent a message to Lisbon indicating that "Y" was going from Paris to Lisbon to secure a U. S. visa. On April 4, Berlin said "X" was Cavaillez and described him. Reference was made to the message of the previous day, and it was stated that "X" and "Y" were identical. The Germans later used the cover name of Gastor for Cavillez. From still another [redacted] message, the instructions given Cavaillez were secured. Cavaillez, through Costes, endeavored to advise the Germans that he would be ready to transmit messages to the Germans on March 1, 1945. He was to operate from the United States, instead of Argentina.

On July 19, 1945, Cavaillez was indicted in the Southern District of New York in an indictment covering five counts. Cavaillez entered a plea of guilty to two counts of violation of Trading with the Enemy Act, and one count on violation of the Presidential Freezing Order in that he had in his possession funds of an enemy nation which he had smuggled into the United States upon his arrival. He was sentenced to five years each on the three counts to run concurrently. (64-20026)

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c. War Room Liaison

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During the early summer of 1945, the Bureau's representative in London had attempted to arrange for the assignment of a Bureau Agent to the War Room in London. [redacted] (S)

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d. French Intelligence Service

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(64-20026)
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e. [redacted] b2

During the war [redacted] comprised of United States State, Army and Navy Departments and British Intelligence, exchanged communications intelligence information. In March of 1946 it was deemed advisable by the participating organizations to revamp the agreement. The Director of the FBI had become a member of the policy board of [redacted] in the United States and it was this board which governed the exchange of communications intelligence with the British. Meetings were held in London to work out a new agreement with the Bureau's Liaison Agent in London representing the Bureau in the meetings. As a result of the new agreement drawn, the Bureau subsequently received pertinent material on all intercepted communications. (64-31870)

f. Post-War Liaison

Subsequent to the close of the European phase of the recent war, the close liaison which had been developed between the Bureau and the intelligence services and police agencies of England was continued. Excellent relations were obtained and are continued in the field of exchange of information about Russian activities and Russian espionage. It is contemplated that such close liaison in all matters will indefinitely be continued and that a Bureau Liaison will remain in London indefinitely, attached to the U. S. Embassy as Legal Attache. (64-4727)

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3. Personnel

The following Special Agents were assigned to SIS work in England:

NAME	SIS	CITY	DATE	ASSIGNMENT
		London	1/43 - 11/43	Official
		London	3/43 - present	Legal Attache
		London	1/44 - 8/45	Legal Attache
		London	11/42 - 2/44	Legal Attache

4. Bibliography

a. Investigative Files

64-29833-241 Police matters file

b. Administrative Files

64-4727 Office Administrative File

64-4984-241 Office Monthly Reports File

67-383682 Office Personnel File filed under "Embassy, London, England. The Inspection Reports for this office are filed separately.

64-29833-241 Police Matters in England.

P. FRANCE

1. SIS Facilities and Objectives

Two agents of the Bureau were sent to France during September, 1944 attached to the Supreme Headquarters of Allied Expeditionary Forces (SHEAF). The objectives of these agents was to see that special "targets" of interest to the Bureau were listed by the Army Intelligence Units in order that the Bureau would be assured of obtaining full information when it became available. This staff was gradually increased and as the Army moved forward, several of the Bureau's Agents went with it into Germany.

A Liaison Office was established in the U. S. Embassy at Paris during June, 1945, and the duties of the Bureau's Legal Attache in charge thereof consist of maintaining contact, for mutual cooperation purposes, with all sections of the French Police, the International Criminal Police Commission and the British Intelligence Service. (66-16300)

2. Major Accomplishments

a. Dawson Case

The two agents in France, assisted by six additional agents who arrived later and moved on into Germany with the advance of the Allied troops, were given the first opportunity to interview all American citizens in the European area who were accused of collaborating with the Axis. The agents had been furnished with the names of treason suspects.

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An interesting example of this type of case is the Francis Washington Dawson case. Dawson was an American citizen and a former employee of the United States Embassy in France. He was arrested in Paris following the discovery of incriminating documents in an abandoned German Staff car which implicated Dawson in what were treasonable activities against the United States. [redacted] (S) reopened American Embassy in Paris became interested in Dawson because of his former connection with that Embassy and the OSS representatives, fearing embarrassment, turned the matter over to our agents. The latter two secured the complete story on Dawson from the French and by interrogation of subject. They discussed the matter with Ambassador Jefferson Caffery and by judicial and diplomatic handling of the case, managed to bring it to a conclusion to the satisfaction of all concerned. (65-54191)

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b. Liaison Office Established at U. S. Embassy

At the request of Ambassador Jefferson Caffrey, two of the Bureau's Special Agents were assigned as Attaches to the United States Embassy in Paris at which post they began their liaison duties on June 30, 1945. The agents assigned to SHEAF, including those who had moved on into Germany were withdrawn in October, 1945, as a result of a recommendation by General L. Seibert, G-2 Chief, European Theatre, that the total Bureau

personnel in Italy, France, Germany, and Austria be reduced to a total of two agents. This recommendation was approved by General Eisenhower. The files maintained by these agents were turned over to the two agents who remained in the Embassy in Paris as liaison agents.

During April, 1947, the personnel in the Paris Office was reduced to one Special Agent and one stenographer. The Legal Attache has maintained contact and mutual cooperation with all sections of the French Police, the International Criminal Police Commission, which has its headquarters in Paris, as well as with sections of the U. S. Embassy of which he is a part. In addition, the Legal Attache has continued to keep the Bureau informed concerning political matters in France, including a general picture of Communist activities. In this connection, as well as for criminal matters, liaison with the British Intelligence Service has been maintained. On numerous occasions the Legal Attache has by cable obtained information from Bureau Headquarters concerning people or organizations with whom the Ambassador was in contact, thereby enabling the Ambassador to conduct this Government's business fully aware of the background of the individuals or organizations with whom he was dealing. (66-16300)

3. Personnel

The following Special Agents were assigned to SIS work in France:

Name	SIS No.	City	Date	Assignment
		Paris	9/44 - 6/45	Army
		Paris	1/45 - 6/45	Army
		Paris	5/45 - 6/45	Army
		Paris	9/44 - 10/45	Army
		Paris	1/45 - 6/45	Army
		Paris	5/45 - 6/45	Army
		Paris	5/45 - 10/45	Army
		Paris	7/45 - 4/47	Official
		Paris	5/45 - 6/45	Army
		Paris	5/45 - 6/45	Army
		Paris	7/45 - Present	Legal Attache
		Paris	1/45 - 6/45	Army
		Paris	5/45 - 8/45	Army

4. Bibliography

a. Investigative Files

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64-29833-231 Police Matters File

b. Administrative Files

66-16300 Office Administrative File

64-4984-231 Office Monthly Reports File

67-400571 Office Personnel File filed as "Liaison, Paris, France". The Inspection Reports for this Office are filed separately.

Q. GERMANY

1. SIS Facilities and Objectives

In June, 1945, several of the Bureau's Agents attached to the Army moved into Germany from France and liaison units were opened in Germany in coordination with Army activities in that area. Agents were eventually stationed at Frankfurt, Berlin, Heidelberg and Freising. Eight agents were assigned to Germany until October, 1945, when all of them were withdrawn and the office closed as a result of a recommendation by General Edwin L. Siebert, G-2, Chief, European Theater, that the total personnel of the Bureau in Italy, France, Germany, and Austria be reduced to a total of two Agents. This recommendation was approved by General Eisenhower and in view of the fact that the Bureau's operations could not be adequately handled with such limited personnel the Army liaison project was abandoned and the office closed.

During the time the Bureau's Agents were in Germany they were attached first to SHAEF and later to its successor, the United States Group Control Council (USGCC). They were assigned proper office and living facilities by the Army.

The principal objective of the Bureau's Agents in Germany was to handle investigations of treason cases involving American citizens in the European area and to cover the specific "targets" furnished them by the Bureau in connection with incompleted investigations. They also obtained material of interest in connection with the Bureau's investigations in the Western Hemisphere which material was available to the Allied Intelligence Services in Europe. The Bureau's representatives also engaged in the interrogation of prisoners and the inspection of captured archives in order to develop information of interest regarding German Intelligence operations in the Western Hemisphere. (66-16320)

2. Major Accomplishments

a. Interrogation of Nazi "Bigwigs" and Intelligence Chiefs

Bureau Agents attached to the Berlin office interrogated Hermann Goering, Walter Schellenberg, Major Friederich Busch, Captain Wilhelm Ahlrichs and many of the more important German Ambassadors to the United States and Latin American countries. From these individuals there were secured some interesting observations on Nazi opinion of the FBI and German espionage efforts against the United States. A review of the interrogation reports of these individuals as well as countless documents located in Abwehr espionage headquarters permits the conclusion that every Nazi espionage agent of any importance who came to the Western Hemisphere and attempted to

operate here was detected by the Bureau or by Latin American police with whom SIS cooperated. Hermann Goering complained that the FBI was too observant in detecting invading spies and as a result the Nazis never were able to develop a spy network in the United States. He remarked, however, that the best sources of information from the United States were newspapers, magazines and radio speeches. He stated that the greatest mistake in American security was the printing of information and radio comments which were broadcast openly. (61-8199)

Major Friederich Busch, head of the American Division of the Abwehr specializing in espionage in air matters, told of his suspicion that William Siebold in the Duquesne case was controlled by the FBI, which was broadcasting messages from Duquesne and his group. He said, however, that when he attempted to get this point across to his superiors and to German technicians, he was brushed aside. His argument was that the United States had radio detection finders which would preclude Siebold's chances of broadcasting undetected for any length of time, but the official German attitude was that since Germany had failed to develop any such technique in radio location it was impossible for other countries to have made such advances. Busch claimed that the arrest of the Duquesne gang in New York caused such a furor in Germany that Foreign Minister Von Ribbentrop went to Admiral Canaris, Head of the Abwehr, and told him that if the United States declared war upon Germany as a result of this incident he, Canaris, would be held personally responsible. (65-37193-295,309)

Kapitanleutnant Wilhelm Ahlrichs of the German Navy was assigned the mission of taking the eight Nazi saboteurs from Germany to France and embarking them secretly on U-boats bound for the United States. He told Bureau agents that when he met these men in Germany he soon concluded that their mission would not succeed. He described them as interested only in getting to the United States with the huge sums of money entrusted to them and in having a good time. He said they argued among themselves and, in fact, one of them, Dasch, threatened to turn Berger in to the FBI when he got to this country. Dasch was extremely indiscreet in France and, in fact, when arrested by German police while awaiting departure because he did not have proper identity cards, he blurted out the whole story of his mission although it was supposed to have been kept highly secret. Ahlrichs added that when the news of the arrest of the saboteurs got back to Germany, Admiral Doenitz, in charge of all German U-boats, withdrew permission for the German Intelligence agencies to send any additional agents by U-boat. This prohibition was removed by Doenitz seven months later. Ahlrichs claimed that he warned the saboteurs about the FBI because most of them were members or closely affiliated with the German-American Bund and he told them the FBI had a special squad watching German-American Bund activities. (65-56469; 98-10288-3472,3474)

Walter Schellenberg, head of Section 6 of RSHA, the organization which took over the handling of espionage of the Abwehr in 1944, told of suspicions that information sent over short wave radio from the United States by Nazi agents who, in fact, were controlled by the FBI, was in fact coming from them and that they had been "doubled." He said the trouble was that these agents were handled by competing intelligence groups in Germany who refused to believe that their men had gone sour and who continued to forward the radioed messages to interested agencies in order to keep themselves in favor with the authorities. (100-103569)

b. Arrest of Hans Karl Albrecht Blum

This individual was arrested in Hamburg, having been located by one of the Bureau's Agents assigned to Germany. Blum was an Abwehr man who recruited and sent to the United States several well-known Nazi agents including Ernst Friedrich Lehmitz and Wilhelm Albrecht von Rautter. Blum claims he did not know that Lehmitz had been arrested and convicted of espionage nor did he know that Von Rautter had met a similar fate. He said the information received from these individuals did not amount to much. (65-56166)

c. Captured Documents

In the comparatively short time that the Bureau's Agents operated in Germany, they sent back material of extreme interest. This material included records obtained from the Auslands organization headquarters which were summarized and consist of a long list of United States citizens who returned to Germany in 1937, 1938 and 1939, and were interviewed upon their arrival in Germany by AO officials. Among other things they were asked to list the German social groups to which they belonged in the United States. Many indicated that they had been Bund members. There were a considerable number listed who claimed to be connected with NSDAP branches in several of the large cities in the United States. (66-16320-14)

Through the efforts of one of the Agents, the Bureau received eight mail sacks full of material captured at Ast Dijon. This material included, among other matters, a complete description of the operation of a German branch intelligence office through 1944. These data were extremely valuable in assisting materially in completing the Bureau's picture of the German espionage system. (62-64427-1101; 65-48824-58x1, 58x2)

A large counterfeiting headquarters operated by the Germans was located and among the things discovered by the Agents was a complete volume of passports. This volume was referred to the FBI Laboratory. (65-47826-360;297)

The Bureau had for some time been aware of the activities of Nest Bremen. That Nest was a large German espionage headquarters functioning in Bremen. It was of particular importance to the Bureau because most of the agents dispatched by the Nazis against the Western Hemisphere were trained and sent out from that Nest. United States Naval authorities located the complete records of the Nest hidden in a salt mine near Bremen. One of the Special Agents who had been attached to the Bureau's Army liaison unit in Germany, was in Bremen at the time of this discovery and prior to his recall had an opportunity to examine these records. He noted complete dossiers on numerous Nazi agents whose names he recognized and, in addition, files on several others who apparently had been trained to operate in the United States but whose names were unfamiliar to him. He made arrangements with the Naval authorities to have copies of these records forwarded to the Bureau through Naval Intelligence in Washington, D. C. (65-54179)

d. Requests from United States Army for Information

The Bureau Agents in Germany handled a large number of requests from Army authorities for information concerning Germans being considered for minor Government positions under the Allied Military Government. The Bureau was able to supply derogatory information about several of these who were confirmed Nazis in the United States and who were deported. (66-16320-13, 16)

e. German Espionage Activities in the American Embassy, Berlin

The American Embassy in Berlin functioned, of course, until the outbreak of war in December, 1941. Then American affairs were handled in Germany by the Swiss. One of the Bureau's Agents in Germany learned from the former supervisor of the criminal police in Germany that the Gestapo had three German-born informants who worked as employees of the American Embassy up until the time of closing to deliver all United States mail to the Gestapo, and also to furnish important diplomatic information secured in the Embassy to the Gestapo. After the American Embassy closed arrangements were made by the Gestapo so that all mail coming to the Swiss Embassy on American matters was also furnished to them.

Through United States Intelligence officials in Germany, a top secret report was secured by the Bureau's Army liaison unit which concerned German penetration of the American Embassy. One Johannes Gaenzer, who was connected with the German counterespionage and penetration section of the Abwehr, told of the efforts and success had by the Germans in penetrating the American Embassy in 1941. Gaenzer explained that much valuable information was obtained from the Embassy by stealing. He pointed out that during the luncheon period neither the rooms nor the safes of some members of the

Embassy were securely locked. He added that what the Abwehr considered important intelligence information was openly displayed on desks and an Abwehr agent would remove such material during the lunch hour for photostating, after which the documents were returned. Gaenzer recalled that an especially valuable document secured was a blue covered book which contained the United States Naval Code (subsequently in force for another two or three weeks) as well as exact details of the United States Naval building program. This book was photostated page by page in several sections. (62-62650)

f. Russian Matters

The Bureau's Agents in Germany closely followed the spread of Russian influence in all of the occupied territories and came upon definite evidence that Russian Intelligence was operating in the American occupied zone in Germany in efforts to discredit the United States regime and to set up Communist-dominated local governments. One theory advanced was that the Russians hope that when the United States withdraws its occupation forces so much unrest can be stirred up throughout Germany that it will be necessary for the United Nations Organization to step in and handle the matter by force. Under United Nations regulations the nearest member of the Organization would be called upon to do this. This would be Russia and, therefore, the Russian armed forces would eventually be able to assume control of all Germany. (64-200-232; 64-31609; 61-3499-153)

3. Personnel

The following Special Agents were assigned to SIS work in Germany:

NAME	SIS	CITY	DATE	ASSIGNMENT
[redacted]	[redacted]	Berlin	6/45 - 10/45	Army
		Freising	6/45 - 10/45	Army
		Berlin	6/45 - 10/45	Army
		Heidelberg	6/45 - 10/45	Army
		Berlin	3/46 - 6/46	Official
		Berlin	7/40 - 10/41	Official
		Heidelberg	6/45 - 10/45	Army
		Frankfurt	6/45 - 9/45	Army
		Freising	6/45 - 10/45	Army
		Frankfurt	6/45 - 10/45	Army

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4. Bibliography

66-16320 Office Administrative File Liaison Office, Frankfurt, Germany

67-388763 Office Personnel File filed under caption, "Liaison, Frankfurt, Germany."

64-4984-232 Office Monthly Reports for Liaison Office, Frankfurt, Germany

64-31758 Living Conditions

R. GUATEMALA

1. SIS Facilities and Objectives

The first Special Agent to be sent to Guatemala in the latter part of December, 1940, returned to the Bureau Headquarters in January of 1941. This assignment was in an undercover capacity. The same agent returned to Guatemala in September of 1941 and remained until January of 1942, again in an undercover capacity. The first open assignment of Bureau personnel in Guatemala was in August, 1942, at which time the Bureau was successful in placing men in the United States Embassy in Guatemala in the capacities of Legal Attache and Assistant Legal Attache. By July of 1943, a total of six Special Agents were operating in Guatemala; two in the Embassy and four undercover. As a result the Bureau's operations in that country were greatly facilitated through coordination between men in official capacities and Bureau representatives working undercover. This arrangement, of course, allowed complete cooperation with Bureau operations in the United States. The Bureau representative who was first attached to the United States Embassy in the position of Legal Attache was very successful in establishing extremely beneficial relations with General Ordonez, Director General of the Guatemalan National Police. This agent so firmly established himself that General Ordonez insisted on personally handling all the Agent's requests no matter how minor they might have been in nature. The Bureau in addition, and at the request of the Guatemalan Officials, made certain recommendations for the establishment of a crime laboratory in that country. The establishment of the laboratory did not materialize, however, due to the fact that war shortages of equipment prevented it. The Guatemalan Office was closed on April 4, 1947. (64-2204-A-354)

The objectives in sending Special Agents to Guatemala were to develop information pertaining to the extent of penetration by Axis nationals, to develop sufficient information and evidence to have dangerous Axis nationals and Axis agents interned or jailed, and in general develop the cooperation of the local governmental officials and police to the greatest degree possible for the furthering of the common Allied cause in the prosecution of the war.

2. Major Accomplishments

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a. Internment Program

One of the Bureau's first representatives used the cover [redacted] He spent several months in Guatemala and operated so well that he was able to travel freely and develop informants in all classes of Guatemalan society. He submitted invaluable information on the operations of the Proclaimed List "fincas" and activities of Axis nationals. (64-2111-26; 64-2111-A-65) Several of the individuals

about whom he submitted information were subsequently deported, repatriated, or interned. The following are a few of the individuals on the United States Proclaimed List of Certain Blocked Nationals about whom he submitted information: Martin Frey, Conrado Franke, Alberto Hartleben, Martin Knoetzsch, La Perle, S. A., and Nottebohm and Company (64-2206-A-47,23; 64-2200-77; 64-2201-26; 64-2204-A-196,232; 64-2204-E-23; 64-2604-3). Information submitted by the above-mentioned representative was also instrumental in retaining certain individuals on the Proclaimed List, although pressure was exercised by German and Guatemalan political interests in an attempt to effect their removal. A case in point was that of Walter Widman. (64-2204-A-318,359)

Another Bureau representative working under cover used the cover [redacted] This Agent spent as much time as possible in the Coban area of Guatemala, which was referred to as "Guatemala's Sudentenland" or "Guatemala's Little Germany." It would have been impossible for an American or even many Guatemalans to have spent any length of time in that area without arousing the suspicion of the Germans who were very closely organized. However, under the cover of [redacted] the agent was able to spend several months in that area without arousing suspicion. As a result, official records of several German organizations in that area were secured.

Bureau representatives in Guatemala were able to secure not only records of the German organizations in the Coban area, but also throughout the other areas in Guatemala in which the Germans were congregated. These records include membership lists of the NSDAP, individuals who voted in the Nazi plebiscite in 1938, lists of "trusted" Germans, membership lists of the German Club, and membership lists of the German School which was very closely associated and affiliated with the German Club and the NSDAP operations. (64-2200-A; 64-2204-A)

In addition to the attention paid the Germans in Guatemala, intensive and thorough surveys were conducted by SIS personnel of French, Italian, Japanese, and Spanish activities and organizations in that country. Although the surveys indicated lack of intensive activity on the part of these organizations at the time the surveys were conducted, that negative information was of considerable value as an indication of what had previously existed and which might be revived. In connection with the survey of Spanish activities in Guatemala, Bureau Agents were able to secure all issues of "Amanecer," the official magazine of the Spanish Falange in Guatemala, which had discontinued publication in 1940. Although the magazine had not been published for many months at the time copies of it were secured, the issues contained the names of approximately two hundred members of the Falange in the Republic and also listed the leaders and most important members, many of whom were still in the country and active. It also contained photographs

of various members, set forth the oath of the Falange, gave a list of contributors to various Falange operations; et cetera. (64-2200-F-18; 64-4123-627; 64-2100-1127; 64-2208-E-4)

The Germans residing in Guatemala maintained the strongest, the largest, and the most efficiently organized Nazi colony in Central America from 1933 until the war. As was to be expected, though officially outlawed in 1939, the organization continued its activities underground in so far as possible. Arrest and internment of the most active pro-Nazis began immediately subsequent to Guatemala's declaration of war in December, 1941, and continued until the last deportation on January 1, 1944. In this program SIS personnel played a large part and investigated and obtained all possible information concerning the Nazi organization in Guatemala.

On October 24, 1943, when sixty-eight German nationals were deported from Guatemala to the United States as dangerous enemy aliens, our representatives were made responsible for the over-all handling of all details of the deportation. This entailed arranging for arrests, questioning of all deportees, obtaining fingerprints, photographs and physical examinations, and providing guards and proper detention quarters. The deportation included 119 persons; the balance over and above the 68 previously mentioned being made up of the families of the deportees who desired to join their husbands and fathers in internment in the United States. Separate reports were submitted on each deportee and these enabled the Bureau to conduct further intelligent questioning of the deportees after internment in the United States. As a result, the Bureau obtained further detailed information on Nazi activity in Guatemala and Central America.

The manner in which SIS personnel handled this project brought voluntary praise and commendation, not only from the ship's officer to whom the deportees were delivered, but also from the American Ambassador in Guatemala, the visiting United States Congressmen, and Mr. Breckinridge Long, Assistant Secretary of State. The latter also commended and praised SIS activities along these lines in other Latin American countries.

Including the deportations of October, 1943, a total of 866 individuals were deported or repatriated from Guatemala during the period from January 1, 1942, to January 1, 1944, inclusive. This total included the wives and families of deportees and repatriates. Some of the most important deportees were: (64-20466-1; 64-24184-112)

Johann Fischer	Conrado Franke	Oscar Koch
Martin Frey	Otto Hartleben	Josef Murb
Kurt Paulke	Errique Hertzsch	Federico Nottebohm

Investigation of [redacted] and several members of her family was carried on for several months by SIS personnel in Mexico, Central America, Argentina, and Colombia, and by Bureau agents in New York and Newark, New Jersey. One member of the family was deported from Guatemala to the United States for internment and subsequent repatriation to Germany; another member of the family was repatriated directly from Guatemala to Germany and subsequently was reported to have broadcast on short-wave from Germany to Guatemala. It was established that [redacted] was engaged in smuggling certain small items out of the United States for resale in Guatemala and because of the background of the family, the belief was held that espionage activities were possibly also in operation. [redacted] and the members of her family were under active surveillance and complete coverage was maintained on cables and correspondence. The case was finally closed when it was determined satisfactorily that no espionage operations existed. (64-20843) b7C

Under date of February 1, 1944, 15 additional persons, 7 wives and 8 children of German Nationals departed from Guatemala via Pan American Airways for an internment camp in the United States. Each subject had been very carefully investigated by SIS personnel at Guatemala and the evidence presented was sufficiently conclusive to warrant the deportation of these people from Guatemala to subsequent confinement in the United States. This was a continuation of work by SIS personnel which reached its peak under the deportation program in 1943. The work done by the SIS personnel in Guatemala relative to the deportation of dangerous Axis Nationals was so successfully and satisfactorily done that a letter of commendation was received by the Bureau from Breckenridge Long, Assistant Secretary of the State Department.

The deportation program in Guatemala conducted by the SIS personnel was highly effective in preventing subversive activities in that country and in other Central American Republics.

b. Espionage Investigations

(1.) Manuel Enrique Panella de Silva. Panella de Silva was sent to Guatemala March 21, 1942, as a correspondent of the EFE Spanish News Agency. SIS personnel developed information showing that he had spent the years from approximately 1934 to 1940 in Germany; that he did many things which indicated he was pro-Falange and pro-Nazi. As a result of this information the subject was under constant observation during the time he spent in Guatemala. The close coverage of his movements and operations resulted in his being a failure in so far as his work as a Spanish correspondent and possible Nazi agent was concerned.

In October 1943, De Silva was offered a transfer to New York City by the head of the EFE News Agency in Madrid, Spain. Information previously

secured and distributed by the SIS personnel is believed to have at least prevented De Silva from securing a visa for entrance into the United States. Further evidence developed by SIS personnel placed De Silva under consideration of the Department of State for deportation as an undesirable alien in the Western Hemisphere.

The State Department, on considering the evidence submitted by the Bureau's SIS personnel, rendered a decision against the subject and requested that he be deported from the Western Hemisphere as an undesirable individual operating in this area. Under date of October 12, 1944, De Silva left Guatemala en route to Spain. He issued many bitter protests against being deported and carried his efforts to the extent of sending a lengthy cable to President Roosevelt asking the President to intercede in his behalf. However, all this was of no avail and De Silva was forced to leave the Western Hemisphere. (65-47053)

(2) Jose Gregorio Diaz. Diaz, an outspoken opponent of Jorge Ubico, former President of Guatemala, was at one time the Guatemalan Minister to Berlin. Subsequent to this he held a similar post in France. In 1942 he became Minister to Nicaragua and then Minister to Ecuador. Information obtained by SIS personnel from the decodes of the German clandestine radio station HDZ, which operated between Argentina and Germany, reavealed that in mid-November 1943, Germany instructed its agents in Argentina to establish contact immediately with Diaz, who, according to the message, had worked for the Germans for two years while in Germany and was a positive Nazi in sympathy. He was given a cover name and was apparently provided with a password to identify any agent calling upon him.

On following this case closely SIS personnel learned that in January 1944, Argentina replied to Germany to the effect that they had no collaborators in Ecuador and, therefore, could not make contact with Diaz. Investigation of Diaz' activities failed to show that he engaged in activities which could be considered inimical to the welfare of the Allied war effort.

The subject later returned to Guatemala where he was under SIS observation. Diaz was known to aspire to the presidency of Guatemala and he felt that he could never achieve this end without United States backing. It may be that this belief on his part served to keep him from engaging in activities on the behalf of the Nazis.

(3.) [redacted] In 1944 the War Department requested the Bureau to surveil [redacted] who was going on a trip to Guatemala [redacted] advised that [redacted] had, in the past, [redacted] of considerable

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value and that he claimed he was to make contact in Guatemala with one Eberhart Bedenklich to secure from Bedenklich the complete details of the German supreme command plans. An undercover agent traveled with [redacted] from the United States through Mexico to Guatemala and [redacted] was under close surveillance during the entire stay there.

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[redacted] turned over a 60-page typewritten report on German plans [redacted] which he stated he had received from Bedenklich and also furnished a report on an alleged mission of German agents, traveling throughout Latin America. However, the surveillance and investigation of [redacted] by the Bureau revealed that he was a complete fraud, that he had not received any report from Bedenklich, that he had not paid $2,500 for the report as claimed, but had pocketed the money himself. Full details were furnished to [redacted] on interview with [redacted] was convinced that [redacted] was a fraud. [redacted] was so taken back by the information possessed by [redacted] that he was unable to answer most of the questions put to him.

[redacted] was dismissed but [redacted] recommended against prosecution for fraud against the Government because of unfavorable publicity which would probably result. High officials of [redacted] expressed their gratefulness for the fine cooperation that was furnished by the Bureau in this case and stated they were extremely indebted to the Bureau in assisting in this matter and so ably covering all of [redacted] activities. (65-16107)

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(4.) Zato John George Michel Guadagni. SIS personnel developed information showing this subject to be a former Italian espionage agent [redacted] in Africa. He entered Guatemala during August of 1942 to accept work as an engineer on the new Pan American Airways air field there. After being engaged about six months on this project he obtained employment with the United States Engineers on the Pan American highway construction and he was active on this project until early 1944.

Nothing definite was known about this subject when he departed from the United States on a British passport on his way to Guatemala. SIS personnel later secured information reflecting that the subject had been engaged [redacted] but that this was subsequent to his having been employed by the Italians in espionage work; that he also had been engaged in smuggling jewelry.

The subject was born in Italy and later became a Canadian citizen when his parents moved to Canada and became naturalized there. During the Italio-Ethiopian War he went to Italy and became engaged in Italian espionage. From evidence developed it appeared that [redacted] employed the subject for espionage purposes during 1940 and 1941 after he had been used for the same purpose by the Italians, and evidently the subject [redacted] at the time he was working for them by continuing to submit information to the Italians.

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During the subject's sojourn in Guatemala he was kept under constant observation by SIS personnel. Because of the close coverage maintained the subject was unable to engage in any espionage activity in Guatemala.

In the spring of 1944 the subject approached the SIS personnel in Guatemala with a proposition in that he had "come to the end of his rope" because his job had terminated with no prospect of another one, and because he anticipated either being deported from Guatemala or interned by the British authorities. He admitted serving the Italians [redacted] as an espionage agent. His proposition was that he would be willing to act in an undercover capacity to gather information concerning Axis espionage in Latin America. When the subject approached SIS personnel the opportunity was taken to thoroughly interview the subject and considerable information concerning his past activities was secured. The subject at that time also furnished a code which he said was given to him in Buenos Aires but which upon examination appears to be of the same type in use by the Italian espionage system.

The subject was transported from Guatemala to Miami, Florida, on June 10, 1944, where he was taken into custody by the Immigration and Naturalization Service inasmuch as he did not have valid travel papers for entry into the United States. He was subsequently interned at Kenedy Texas. (64-21413)

c. Communist Activities

From 1931 to July, 1944, during the regime of General Jorge Ubico, the then President of Guatemala, Communist activities in this country were completely suppressed and known Communist leaders were either imprisoned or executed. Federico Ponce, Ubico's successor, also followed the same procedure for a four-month period. The Revolutionary Board, however, which controlled the affairs of the Guatemalan Government from October 20, 1944, until March 15, 1945, did permit a number of alleged Communists to enter the Republic.

As of July, 1946, the Communist Party was still outlawed in Guatemala, and there was no distribution of Communist propaganda in schools nor among the laboring element, in general. However, the Confederacion de Trabajadores de Guatemala (Workers Confederation of Guatemala), which was an affiliate of the Confederacion de Trabajadores de America Latina (Workers Confederation of Latin America), was composed of a number of individuals who though not known to be Communists had Communist leanings and traits. On April 19, 1945, Guatemala diplomatically recognized the Soviet Union; no diplomatic missions, however, was established as a result of such recognition.

While it was reported as of May 1, 1947, there was no organized Communist group or Soviet Mission in Guatemala, there had been occasional allegations of Communist activity. Through excellent liaison with Guatemalan

Police and informants in political and labor circles, our Attache and Liaison Officer kept abreast of all these scattered developments.

In July, 1946, there appeared several copies of what purported to be a letter written March 18, 1945, by Guatemalan President Juan Arevalo to the Charge d'Affaires of the Soviet Embassy in Mexico. The tenor of the letter implied close cooperation between Arevalo and that Embassy. Our investigation revealed that the so-called letter was a fabrication of certain Guatemalan political exiles who hoped thereby to discredit the Arevalo Administration.

In September, 1946, our Attache in Paris developed information that the Guatemalan Ministries in Paris and Moscow were considering allowing a number of Spanish Communists in France to travel to Guatemala. Continued coverage of the matter failed to show that any agreement was reached.

The Fall of 1946 brought considerable labor unrest which was of special interest to the Bureau and the Embassy in view of the extension of the influence of leftist labor leader, Vicente Lombardo Toledano, into Central America, and indications that efforts were being made to weaken the Arevalo Government. On October 3 a strike of United Fruit Company workers began under leftist management. It was terminated October 26, 1946, when the government gave strikers 72 hours to return to work. In November, 1946, a strike threatened in the powerful Railroad Workers Union when several unionists resigned claiming corruption in its leadership. The Union demanded that the resigned unionists be discharged from railroad jobs. A severe crisis was averted when the railroad transferred several dissident workers to its El Salvador line. The result was an order of the government in December, 1946, banning work stoppages. (64-200-213)

d. Political Coverage

As was the case in many of the other Latin American countries, the Bureau's SIS personnel followed closely the political developments in Guatemala and promptly reported developments to the Bureau and State Department representatives who were in Guatemala. In many instances Bureau agents were able to know in advance of planned attempts at overthrowing the government. This was particularly true insofar as the revolutions occurring in Guatemala during 1944 were concerned. This coverage was continued until the closing of the Bureau's SIS office on April 4, 1947.

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e. Criminal Cases

(1.) [redacted], Selective Service Fugitive. [redacted] was an American citizen from Chicago, Illinois, who left the United States and went to live in Guatemala. He was declared a fugitive under the Selective Service Laws and was located in Guatemala by SIS

operatives and thereafter unofficially deported to the United States on November 20, 1943. He was subsequently brought to trial before a Federal Court at Saint Louis, Missouri, and was given one year's probation on the stipulation that he accept the terms of the probation and be inducted into the United States Army. [redacted] reluctantly accepted these terms. (25-154199) b7C

(2.) Robbery of U.S. Mail Between U.S. and Guatemala. In March, 1944, the United States mail arriving in Guatemala was known to have been tampered with and certain pieces were missing. The SIS representative at Guatemala was present at the opening of subsequent mail sacks which were suspected to have been robbed and he transmitted to the Bureau seals for examination by the FBI Laboratory. The Laboratory found out that the seals had been broken and there apparently had been no effort to conceal the fact. Investigation in this matter was conducted which has brought about certain safeguards to be used in the future to prevent further tampering with the mail between the United States and Guatemala.

3. Personnel

NAME	SIS	CITY	DATE	ASSIGNMENT
[redacted]		Guatemala City	11/45 - 8/46	Undercover
		Guatemala City	1/43 - 12/43	Undercover
		Guatemala City	8/43 - 4/44	Undercover
		Guatemala City	8/43 - 9/44	Legal Attache
		Guatemala City	6/44 - 4/45	Undercover
		Guatemala City	1/46 - 10/46	Legal Attache
		Guatemala City	12/40 - 1/41	Undercover
		Guatemala City	9/41 - 1/42	Undercover
[redacted]		Guatemala City	4/44 - 10/44	Official
		Guatemala City	10/43 - 9/44	Official
		Guatemala City	8/42 - 1/43	Undercover
		Guatemala City	6/44 - 11/45	Legal Attache
		Guatemala City	11/42 - 7/43	Undercover
		Guatemala City	2/42 - 7/42	Undercover
		Guatemala City	5/43 - 11/43	Undercover
		Guatemala City	5/43 - 10/43	Undercover
		Guatemala City	12/40 - 12/42	Undercover
		Guatemala City	2/45 - 4/47	Police Liaison Legal Attache
[redacted]		Guatemala City	3/45 - 4/46	Official
		Guatemala City	5/46 - 8/46	Official
		Guatemala City	8/42 - 7/43	Legal Attache

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4. Bibliography

a. Principal Investigative Files

64-2200 General Miscellaneous File on Guatemala

64-2200-A Miscellaneous File on German Activities in Guatemala

64-2200-B Miscellaneous File on Japanese Activities in Guatemala

64-2200-C Miscellaneous File on Italian Activities in Guatemala

64-2200-D Miscellaneous File on Communistic Activities in Guatemala

64-2200-E Miscellaneous File on Spanish Activities in Guatemala

64-2200-F Miscellaneous File on French Activities in Guatemala

64-2200-G Miscellaneous File on British Activities in Guatemala

64-2200-H Miscellaneous File on American Activities in Guatemala

64-2200-N Miscellaneous File on Austrian Activities in Guatemala

64-2201 General File on Political Matters in Guatemala

64-2202 General File on Economic Matters in Guatemala

64-2203 General File on Social Matters in Guatemala

64-2204 General File on Foreign Agents in Guatemala

64-2204-A German Agents in Guatemala

64-2204-B Japanese Agents in Guatemala

64-2204-C Italian Agents in Guatemala

64-2204-D Communist Agents in Guatemala

64-2204-E Spanish Agents in Guatemala

64-2204-F French Agents in Guatemala

64-2204-H American Agents in Guatemala

64-2204-K Swiss Agents in Guatemala

64-2205 General File on Propaganda in Guatemala

64-2205-A German Propaganda in Guatemala

64-2205-D Communist Propaganda in Guatemala

64-2205-E Spanish Propaganda in Guatemala

64-2205-F French Propaganda in Guatemala

64-2205-G British Propaganda in Guatemala

64-2205-H American Propaganda in Guatemala

64-2206 General File on Foreign Penetration in Guatemala

64-2206-A German Penetration in Guatemala

64-2206-D Communist Penetration in Guatemala

64-2206-F French Penetration in Guatemala

64-2206-H American Penetration in Guatemala

64-2207 General File on Sabotage in Guatemala

64-2208 General File on Foreign Residents in Guatemala

64-2208-A German Residents in Guatemala

64-2208-B Japanese Residents in Guatemala

64-2208-C Italian Residents in Guatemala

64-2208-E Spanish Residents in Guatemala

64-2208-F French Residents in Guatemala

64-2208-H American Residents in Guatemala

64-2208-N Austrian Residents in Guatemala

64-2210 Military and Naval Matters in Guatemala

64-2211 General File on Foreign Firms in Guatemala

64-2211-A German Firms in Guatemala

64-2211-E Spanish Firms in Guatemala

64-2212 General File on Radio Stations in Guatemala

64-2216 Plant Surveys in Guatemala

64-309-213 Smuggling in Guatemala

100-341561-213 Labor Conditions in Guatemala

64-29833 Police Matters in Guatemala

64-200-213 Communist Movement in Guatemala

b. Administrative Files

64-4524 Office Administrative File for Legal Attache's Office, Guatemala City

64-4984-213 Office Monthly Reports for Legal Attache's Office, Guatemala City

64-4785 Living Conditions in Guatemala

67-383659 Office Personnel File for Legal Attache's Office filed under caption "Embassy, Guatemala City, Guatemala". The Inspection Reports for this office are filed separately.

64-4123-213 Informant File for Guatemala

c. Monographs

"Totalitarian Activities in Guatemala Today" General monograph covering various places of the Bureau's work in Guatemala. Printed July, 1944.

"Communism in Latin America" General monograph on Communism treated on a hemispheric basis. Page 31 deals especially with the Communist Movement in Guatemala. Published January, 1946.

"Labor-Communist Movement in Central America" Unpublished monograph which deals in part with labor and Communism in Guatemala. Prepared as of Fall 1946. Proof copy filed in Bureau Library.

S. HAITI

1. SIS Facilities and Objectives

Bureau representation in the Republic of Haiti was begun, insofar as regular SIS activities were concerned, in January, 1942, at which time a Special Agent was sent to that country as an advisor to the local police. This agent was subsequently attached to the U. S. Embassy at Port-au-Prince, Haiti, as Civil Attache. By May, 1943, three agents were assigned to Haiti. This number was reduced to two, a Civil Attache and an assistant, by February, 1945, and had been further reduced to only the Civil Attache by the time the office closed on April 28, 1947. Objectives in the coverage in Haiti were the development of contacts to enable this country to be aware of Axis penetration and control in Haiti and the obtaining of sufficient evidence to have any existing Axis threat eliminated. (64-4555)

2. Major Accomplishments

a. Internment Program

Subsequent to the declaration of war on the Axis during December, 1941, the Republic of Haiti conducted a program looking toward the internment of dangerous alien enemies in that country. The internment program terminated with the deportation to the United States of thirteen of the twenty-three most dangerous Germans in the country. The remainder were not considered sufficiently dangerous and were liberated by the government of Haiti. To a great extent many of the internments were brought about based upon information indirectly supplied to the Haitian government by the Civil Attache representing the Bureau. During 1943, information contained in the files of the Civil Attache at Port-au-Prince, Haiti, was reviewed for all matters of interest concerning individuals who had been interned by the local authorities as dangerous Axis Nationals and deported to the United States for further internment. Dossiers were prepared on each alien enemy who had been so interned, and the information was made available to the Alien Enemy Control Unit of the Department of Justice in appropriate cases. The activities of those aliens released by the Haitian government were followed by the Bureau's representatives in Haiti. (64-1401)

b. Political Coverage

During 1943 detailed information was gathered through the sources of the Civil Attache relative to an impending plot to assassinate President Elie Lescot by a group organized and led by a Dominican Consul in Haiti who was alleged to be acting at the instigation of President Trujillo of the Dominican Republic. The Bureau's Civil Attache informed the United States Ambassador fully and he expressed his appreciation to the Civil Attache for the coverage of this matter which might have led to serious difficulties between to two countries and could have effected United States relations with them.

A plot to assassinate President Elie Lescot was broken up on October 6, 1944, by positive action of the Port-au-Prince Police and March 1, 1945, a National Military Tribunal sanctioned the following sentences as a result of a secret trial of the eight conspirators: Two individuals were sentenced to death, two were sentenced to fifteen years imprisonment, two were sentenced to three years imprisonment, two were released for lack of evidence, and one individual was acquitted. The death sentences were later carried out. The Bureau representatives were able to follow these developments and keep the Bureau and the State Department representatives informed of day to day developments.

On January 7, 1946, students and professors of Port-au-Prince schools struck in protest to the closing by the Government on January 4, 1946, of the student radical newspaper, "La Ruchi", and also in protest against the continuance of President Lescot in office. By January 11, 1946, this strike had spread throughout the entire republic of Haiti and gathered widespread support. On January 11, 1946, President Lescot was forced to resign and a Military Commission assumed control of the government. President Lescot and his family, as well as many members of his cabinet, fled the country. The intriguing developments leading up to and following the deposing of President Lescot were closely followed by Bureau representatives who promptly reported developments. (64-23641)

c. Communist Activities

Subsequent to the political fall of President Lescot on January 11, 1946, the Military Committee in control held an election on May 12, 1946, for the purpose of electing candidates for the new Haitian legislature. The extreme leftist elements in Haiti were legally defeated in this election, and with the aid of the Communists staged demonstrations in protest of their defeat. Various persons were killed and wounded in the demonstrations that followed the elections. On May 27, 1946, the Military Committee declared martial law in Haiti in an effort to counteract the activity of the leftist candidates who continued to incite the populace. Twenty-three members of the Committee for National Defense, an organization of defeated leftist candidates, including Juste Constant, Secretary of the Communist Party of Haiti, were arrested and charged with conspiracy against the government.

There was no Communist movement of importance in Haiti until after the overthrow of the Lescot Government. Almost immediately thereafter the Legal Attache in Port-au-Prince reported the foundation of two Communist political parties. The one called the Communist Party of Haiti was described as being very small and as looked upon with disfavor by the Communist Parties of the other Latin American countries. The other party was known as the Popular Socialist Party of Haiti and was organized

by Max Hudicourt, a Haitian Communist of long standing, who was later elected as a senator. Hudicourt had been in exile in the United States prior to January, 1946, the date of the overthrow of the Lescot government in Haiti.

The group known as the Communist Party of Haiti supported the Estime Administration which was elected in August, 1946, and through its influence in the senate succeeded in getting passed a resolution favoring establishment of diplomatic relations with Russia. No tangible result appeared, however, subsequent to the passage of this resolution indicating any change with relations with Russia.

When the SIS office in Haiti closed in April, 1947, Juste Constant, Secretary General of the Communist Party, had just resigned the previous month and all indications were that significant changes in the organization were underway. (64-200-217)

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3. Personnel

The following Special Agents were assigned to SIS work in Haiti:

NAME	SIS	CITY	DATE	ASSIGNMENT
		Port-au-Prince	2/45 - 7/46	Legal Attache
		Port-au-Prince	1/42 - 4/43	Legal Attache
		Port-au-Prince	9/40 - 11/40	Official
		Port-au-Prince	1/43 - 12/43	Official
		Port-au-Prince	6/44 - 11/44	Official
		Port-au-Prince	2/45 - 4/45	Legal Attache
		Port-au-Prince	10/41 - 8/42	Undercover
		Port-au-Prince	7/41 - 10/41	Undercover
		Port-au-Prince	1/43 - 4/43	Undercover
		Port-au-Prince	7/46 - 5/47	Legal Attache
		Port-au-Prince	8/43-- 7/44	Legal Attache

4. Bibliography

a. Principal Investigative Files

64-1400 General Miscellaneous File for Haiti

64-1400-A German Activities in Haiti

64-1400-B Japanese Activities in Haiti

64-1400-C Italian Activities in Haiti

64-1400-D Communist Activities in Haiti

64-1400-E Spanish Activities in Haiti

64-1400-F French Activities in Haiti

64-1400-H American Activities in Haiti

64-1401 Political Matters in Haiti

64-1402 Economic Matters in Haiti

64-1403 Social Matters in Haiti

64-1404 General File on Foreign Agents in Haiti

64-1404-A German Agents in Haiti

64-1404-B Japanese Agents in Haiti

64-1404-C Italian Agents in Haiti

64-1404-D Communist Agents in Haiti

64-1404-E Spanish Agents in Haiti

64-1404-F French Agents in Haiti

64-1405 General File on Propaganda in Haiti

64-1405-A German Propaganda in Haiti

64-1405-D Communist Propaganda in Haiti

64-1405-F French Propaganda in Haiti

64-1405-H American Propaganda in Haiti

64-1406 General File on Foreign Penetration in Haiti

64-1406-A German Penetration in Haiti

64-1406-C Italian Penetration in Haiti

64-1407 Sabotage in Haiti

64-1408 General File on Foreign Residents in Haiti

64-1408-A German Residents in Haiti

64-1408-B Japanese Residents in Haiti

64-1408-C Italian Residents in Haiti

64-1408-F French Residents in Haiti

64-1408-G British Residents in Haiti

64-1408-H American Residents in Haiti

64-1408-J Rumanian Residents in Haiti

64-1408-K Swiss Residents in Haiti

64-1410 Military and Naval Matters in Haiti

64-1411 General File on Foreign Firms in Haiti

64-1411-A German Firms in Haiti

64-1411-C Italian Firms in Haiti

64-1411-F French Firms in Haiti

64-1412 Radio Stations in Haiti

64-1414 Submarine Activities near Haiti

64-1416 Plant Surveys

64-309-217 Smuggling Activities in Haiti

64-200-217 Communist Movement in Haiti

100-341561-217 Labor Conditions in Haiti

b. Administrative Files

64-4555 Office Administrative File for Legal Attache's Office, Port-au-Prince, Haiti

64-4984-217 Office Monthly Reports for Legal Attache's Office, Port-au-Prince, Haiti

64-4684 Living Conditions in Haiti

64-4123-217 Informant File for Haiti

64-29833-217 Police Matters in Haiti

c. Monographs

"Totalitarian Activities in Haiti Today". General monograph covering various phases of the Bureau's work in Haiti, published March, 1946

"The Communist Movement in Latin America". General monograph covering Communism in Latin America, treated on a hemispheric basis, published January, 1946, page 31 refers to the Communist Party in Haiti.

"The Japanese in Latin America". General monograph covering Japanese activities in Latin America. Published November, 1945; page 68 refers to the Japanese in Haiti.

T. HONDURAS

1. SIS Facilities and Objectives

To successfully carry out the responsibilities which had been placed upon the Bureau by Presidential directive, in connection with intelligence matters in the Western Hemisphere, it was considered necessary to arrange for coverage of Honduras along with the other countries of Latin America. The first Special Agent was sent to Honduras in June, 1941, in an undercover capacity and this number was later increased to three. The Bureau was seriously handicapped in attempting to carry out the duties assigned by not being able to place a representative in the country to operate in an official capacity until September, 1944. All Bureau activity was carried on by representatives acting in undercover capacities without benefit of a representative acting in conjunction with the Honduran Government or an Attache in the American Embassy. From September, 1944 until April, 1947, at which time the Bureau office closed, the Bureau had a Legal Attache assigned to the U. S. Embassy in Tegucigalpa, Honduras. As in the other countries of the Western Hemisphere, the objectives for agents sent to Honduras were to determine the extent of Axis penetration, to uncover Axis agents, and to determine the identities of collaborators and sympathizers. (64-4576)

2 Major Accomplishments

a. Internment Program

Bureau personnel in Honduras during 1942-1943 submitted considerable information on individuals who were deported for internment in the United States. This information generally consisted of reports concerning movements and activities of Axis nationals and suspected persons. A total of 129 persons were deported from Honduras during this period. This figure included the wives and families of the individuals being interned in the United States. A few of the more important Axis nationals sent to the United States for internment were:

Eric Paysen	Enrique Faasch
Detlef Paysen	Federico Januschek
Werner Richbieth	Walter Bolle

Several individuals and firms including Hoehm and Faasch, Casa Konke, Juan Doborow, and Karl Koster were subsequently placed upon the United States Proclaimed List of Certain Blocked Nationals after information concerning them had been submitted by the Bureau. (64-2311-A-3027; 64-2304-12, 10; 64-2300-61)

In addition to the foregoing, an internment of particular interest concerned one Hans Wallhaeusser who was a German national of approximately 49 years of age, and who came to Honduras in 1930 from Germany. He secured

employment with the United Fruit Company. SIS personnel developed the fact that Wallhaeusser became a Nazi propagandist, and organized and distributed such propaganda throughout Honduras. He also secured information and reported upon the activities of Germans in Honduras to the German authorities in Europe. He was a close associate of pro-Nazi Germans in Honduras and was the unofficial leader of the Nazi Club in San Pedro Sula. He was also a member of the Auslands Institute of Stuttgart, Germany. This evidence developed by SIS personnel was responsible for having the subject interned. (65-32409)

b. Communism

Investigations by SIS personnel showed that there was very little organized Communist activity in Honduras. There were individual Communists. In 1925 there appeared some evidence of Communist propaganda and attempts of organization of labor groups. However, since 1933 when Tiburcio Carias became President, no reports have been received concerning Communist activity on any organized basis in Honduras. Information was developed by SIS personnel indicating possible attempts at a revival of Communist activity in the north coast region; however, evidence was lacking as to any success in this regard. There were indications that the late Constantin Cumansky, Russian Ambassador to Mexico, intended to extend the Communist sphere of influence in the Central American Republics. Communism was energetically suppressed by the Cari b7C government during the time SIS had representatives in Honduras. (64-20 b7D)

c. Coverage of Political Activity

Through the development of confidential informants and reliable sources of information the Bureau was kept well informed concerning political matters in Honduras. In this connection a Bureau representative was able to secure information and advise the Bureau in advance of other intelligence services of the intended assassination of President Tiburcio Carrias Andino on November 21, 1943. This agent through his informants was able to secure information and report on the manner in which the plot was discovered and frustrated two days before schedule and was able to give the names of the individuals involved. This agent was also able to secure the names and numbers (approximately 350) of the political prisoners in the jails of Honduras, including their terms, some of which had extended for ten to twelve years, and the places of their incarceration. It is of particular interest to note that this information evidently was never secured by any other intelligence agency operating in that Republic. Such coverage was maintained until the time the Bureau Office was closed in April, 1947. (64-2301-84)

d. Alleged Misconduct of Embassy Secretary b7C

[redacted] United States Embassy at Tegucigalpa, Honduras, was charged [redacted] in Honduras, with attempting to extort $25,000 from Magnus Zepelin, a

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wealthy German who resided in San Pedro Sula, Honduras. The money was to be paid [redacted] in exchange for certain official favors which he was to grant Zepelin, resulting in the protection of Zepelin's property and also arranging matters so that Zepelin would not be interned as a German national. The State Department manifested acute interest in this allegation developed by SIS and requested the Bureau to investigate and ascertain the facts in the case.

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Bureau SIS personnel were informed [redacted] that the pay-off which was to occur was called off. [redacted] contacted Zepelin at San Pedro Sula on or about December 6, 1944, in an attempt to arrange for the payment of the money, but before he could bring the subject up, Zepelin told him that he was "all set" and had nothing to worry about, and [redacted] and all the Americans in Honduras "could go to hell."

On December 11, 1944, [redacted] contacted the subject, [redacted] in Tegucigalpa, Honduras, and advised him of his conversation with Zepelin, at which time [redacted] said that [redacted] told him that a decision was pending at the State Department relative to the Germans in Latin America. [redacted] indicated that it would probably take two months to definitely formulate and determine the nature of this decision, and that, therefore, [redacted] should take no further action at the present time. According to [redacted] indicated that if the State Department agreed to the deportation of additional Germans, then Zepelin would be a logical person to list for deportation at which time [redacted] could reapproach Zepelin as to the pay-off of $25,000. The bank accounts of [redacted] and Magnus Zepelin were checked with negative results. The facts in the case were summarized and submitted to the State Department. (64-30243)

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3. Personnel

The following Special Agents were assigned to SIS work in Honduras:

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NAME	SIS	CITY	DATE	ASSIGNMENT
[redacted]		Tegucigalpa	10/44 - 12/44	Undercover
		Tegucigalpa	4/45 - 4/47	Legal Attache
		Tegucigalpa	7/42 - 2/43	Undercover
		Tegucigalpa	3/42 - 7/42	Undercover
		Tegucigalpa	7/42 - 5/43	Undercover
		Tegucigalpa	5/43 - 12/44	Undercover
		Tegucigalpa	3/43 - 8/43	Undercover
		Tegucigalpa	9/44 - 8/46	Legal Attache
		Tegucigalpa	6/41 - 7/42	Undercover

4. Bibliography

a. Investigative Files

64-2300 General Miscellaneous File on Honduras

64-2300-A General File on German Activities in Honduras

64-2300-B General File on Japanese Activities in Honduras

64-2300-C General File on Italian Activities in Honduras

64-2300-D General File on Communist Activities in Honduras

64-2300-E General File on Spanish Activities in Honduras

64-2300-F General File on French Activities in Honduras

64-2300-G General File on British Activities in Honduras

64-2300-H General File on American Activities in Honduras

64-2300-K General File on Swiss Activities in Honduras

64-2300-L General File on Swedish Activities in Honduras

64-2301 Political Matters in Honduras

64-2302 Economic Matters in Honduras

64-2303 Social Matters in Honduras

64-2304 General File on Foreign Agents in Honduras

64-2304-A German Agents in Honduras

64-2304-B Japanese Agents in Honduras

64-2304-C Italian Agents in Honduras

64-2304-D Communist Agents in Honduras

64-2304-E Spanish Agents in Honduras

64-2304-F French Agents in Honduras

64-2304-G British Agents in Honduras

64-2305 General File on Propaganda in Honduras

64-2305-A German Propaganda in Honduras

64-2305-E Spanish Propaganda in Honduras

64-2305-H American Propaganda in Honduras

64-2306 General File on Foreign Penetration in Honduras

64-2306-A German Penetration in Honduras

64-2306-B Japanese Penetration in Honduras

64-2306-C Italian Penetration in Honduras

64-2306-E Spanish Penetration in Honduras

64-2306-F French Penetration in Honduras

64-2306-G British Penetration in Honduras

64-2307 Sabotage in Honduras

64-2308 General File on Foreign Residents in Honduras

64-2308-A German Residents in Honduras

64-2308-C Italian Residents in Honduras

64-2308-E Spanish Residents in Honduras

64-2308-F French Residents in Honduras

64-2308-H American Residents in Honduras

64-2308-K Swiss Residents in Honduras

64-2308-N Austrian Residents in Honduras

64-2310 Military and Naval Matters

64-2311 General File on Foreign Firms in Honduras

64-2311-A German Firms in Honduras

64-2311-C Italian Firms in Honduras

64-2311-F French Firms in Honduras

64-2311-G British Firms in Honduras

64-2312 General File on Radio Stations in Honduras

64-2316 Plant Surveys in Honduras

64-29833-218 Police Matters in Honduras

100-341561-218 Labor Conditions in Honduras

64-200-218 Communist Movement in Honduras

64-309-218 Smuggling in Honduras

b. Administrative Files

64-4576 Office Administrative File for Legal Attache's Office, Tegucigalpa, Honduras

64-4984-218 Office Monthly Reports for Legal Attache's Office, Tegucigalpa, Honduras

64-4632 Living Conditions in Honduras

67-400520 Office Personnel File filed under caption "Embassy, Tegucigalpa, Honduras". The Inspection Reports for this office are filed separately.

64-4123-218 Informant File for Honduras

c. Monographs

"Totalitarian Activities in Honduras Today". General monograph covering the various phases of the Bureau's work in Honduras. Published September, 1942.

"The Communist Movement in Latin America". General monograph covering Communism in the countries of Latin America treated on a hemispheric basis. Published January, 1946; page 32 deals with Communism in Honduras.

"The Japanese in Latin America". General monograph covering Japanese Activities in Latin America. Published November, 1945; pages 57 and 58 deal with the Japanese in Honduras.

"Labor-Communist Movement in Central America". Unpublished monograph which deals in part with labor and Communism in Honduras. Prepared as of Fall 1946. Proof copy filed in Bureau Library.

U. Italy

1. S.I.S. Facilities and Objectives

In cooperation with the War Department, for liaison purposes, an Agent was assigned on October 1, 1943, with the Advance Intelligence Group of the A.F.H.Q. which progressed as the Italian campaign advanced. With the taking of Rome, an office was established in that city and a total of seven agents and one stenographer were assigned to work in close cooperation with the Army. One of the main purposes of this liaison was to afford the Bureau an opportunity to promptly interview individuals suspected of treason, for collaborating with the Axis, and to gather evidence in such cases.

In July, 1945, one Special Agent was assigned to the reopened U. S. Embassy in Rome as Legal Attache for regular liaison work.

The Special Agents assigned to Army liaison were recalled from Italy in October, 1945, as a result of a recommendation by General Edwin L. Siebert, G-2 Chief, European Theatre, that the total personnel of the Bureau in Italy, France, Germany and Austria be reduced to two Agents. The Bureau could not properly operate in such a large area with two Agents and all were consequently withdrawn.

The Legal Attache assigned to the U. S. Embassy in Rome continued in that position in regular police liaison work until October, 1946, at which time the office was closed. (66-16294)

2. Major Accomplishments

a. Brackx Espionage Case

The FBI liaison unit attached to the Army in Rome developed several important cases for the Bureau. One of the two most important was the case involving Captain Laurent Brackx, German espionage agent, who was indicted for treason and tried in New York for espionage against the United States in April, 1945. Brackx was convicted of this charge and sentenced to eleven years in prison. A great deal of evidence against Brackx was secured by the Bureau's agents in Rome. Max Ponzo of the Italian Naval Intelligence Service who recruited Brackx for his espionage mission was brought to the United States at the insistence of the Bureau and he testified at the trial against Brackx. (65-28933)

b. Pound Treason Case

Another of the more important cases investigated by Bureau Agent's in Italy was that of the treason case against Ezra Pound, an American citizen, who acted as one of the chief Fascist propaganda agents against the United States. Bureau Agents in Italy interviewed Pound and located a considerable amount of material in Italy concerning his propaganda activities for the Axis. Original records of payments by the Italian Government to Pound were located as well as the original broadcast records made by Pound in radio studios in Rome. These were forwarded to the Bureau and turned over the Department of Justice for use in the treason trial of Pound. Pound was indicted for treason but was

placed in an institution for the insane prior to conviction. The indictment against him is still outstanding. (100-34099)

c. Informant Coverage and Investigation of Local Matters

The liaison unit in Rome was of considerable assistance to the United States Embassy in investigating numerous individuals who, after the end of the war in Europe claimed to be United States citizens and applied for visas to return to the United States. In addition, the Liaison Agent assigned to the Embassy was very successful in developing information of value on the extremely delicate Yugoslav political situation and the conflicting claims between Yugoslavia and Italy on the Port of Trieste and the Province of Venezia Giulia. These informants revealed that Marshal Tito of Yugoslavia was conducting a Soviet-inspired reign of terror in that country. (64-4123-233)

Liaison was maintained on friendly terms with the various Army Intelligence units up to an including the time of the closing of the office in October, 1946. By the time the office was closed informants had been developed in the [redacted], and [redacted] which is [redacted] in Rome. (64-4123-233)

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3. Personnel

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NAME	b7C	SIS	CITY	DATE	ASSIGNMENT
[redacted]			Travel		
			Algera	10/43 - 11/45	Army
			Travel	8/44 - 3/45	Army
			Travel	6/44 - 9/45	Army
			Rome	6/45 - 10/45	Army
			Rome	7/45 - 11/45	Army
			Rome	3/45 - 4/45	Army
			Rome	7/45 - 11/45	Army
			Rome	7/45 - 10/46	Official

4. Bibliography

66-16294 Office Administrative File for Rome, Italy.

67-405022 Office Personnel File for Legal Attache's Office, Rome, Italy filed as "Embassy, Rome, Italy". The inspection reports for this office are filed separately.

V. JAMAICA, BRITISH WEST INDIES

1. SIS Facilities and Objectivies

The first Special Agent to be assigned to Liaison duties at Jamaica arrived at that post in March of 1942 and the Bureau maintained one Special Agent at that place until the office was closed on April 13, 1944. The purpose of such assignment was for liaison with the British Censorship Station maintained at that point. The Censorship at Jamaica included the questioning of crews and passengers on ships as well as all mail clearing through that point. (64-4729)

2. Major Accomplishments

a. Censorship Liaison

Due to the fact that the Bureau had a representative in Jamaica during the major portion of time consumed by the European phase of the recent war, the Bureau had close observation of all censorship material and the results of questioning of suspicious individuals traveling through or entering Jamaica were also made available. Some of the individuals interrogated by the British at Jamaica were interned at that point for the duration of the war. The reasons for such internments and copies of interrogations were made available to the Bureau. As a result of the close cooperation existing during the pertinent period, the Bureau was able to have names placed on the British censorship watchlist which aided in the following of the activities of those individuals in whom the Bureau was interested. This was especially helpful in many of the Bureau's espionage and neutrality act cases investigated during the SIS program. (64-4729)

b. Benjamin Katz

In the case of Benjamin Katz, who arrived in Jamaica, December 6, 1942, it was determined through the Bureau's SIS representative that false passports had been used by this individual. Katz had corresponded with a New York law firm regarding his entry into the United States which would have in all probability been allowed had the SIS representative not been in a position to investigate the matter in Jamaica. (64-25196)

3. Personnel

The following Special Agents were assigned to SIS work at Jamaica, B.W.I.

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Name	SIS No.	City	Date	Assignment
[redacted]		Kingston	3-43-9-44	Official
		Kingston	3-42-4-43	Official

4. Bibliography

a. Investigation Files

64-29533 Police Matters File

b. Administrative Files

64-4729 Office Administrative File for Jamaica, B.W.I.

64-4984-219 Office Monthly Reports File for Jamaica, B.W.I.

64-4915 Living Conditions in Jamaica, B.W.I.

67-383650 Office Personnel File filed as Liaison, Kingston, Jamaica.

W. JAPAN

1. SIS Facilities and Objectives

On September 2, 1945, the first Special Agent arrived at Yokohama, Japan, with the first echelon of the Counter-Intelligence Corps of the Army. He was followed on September 15, 1945, by a Bureau Inspector and another Special Agent who arrived in Tokyo with Brigadier General Elliott E. Thorp in command of intelligence activities in the Asiatic Theater. The objectives of these two agents, the Inspector having returned to the Bureau after a short time, were to see that special "targets" of interest to the Bureau were listed by the army Intelligence Units in order that the Bureau would be assured of obtaining full information when it became available, and to maintain on-the-spot liaison with the army in order to investigate cases in which the Bureau had a primary interest such as treason cases relating to persons collaborating with the Japanese. The liaison post at Tokyo was closed on August 30, 1946, inasmuch as such close liaison was no longer deemed necessary. (66-16335)

2. Major Accomplishments

a. Tokyo Rose

One of the major accomplishments of the liaison agents in Japan was the complete investigation conducted in the case involving Ikuko Toguri, popularly known as "Tokyo Rose". This woman's activities received wide publicity in the United States during the war. Toguri was interviewed by Bureau Agents and a signed statement was secured from her setting forth her background and the history of her work with the Japanese in their propaganda efforts. On July 28, 1948, the Attorney General of the United States instructed that she be brought to the United States and it is to be expected that in all probability that an indictment and prosecution will follow. (61-11000)

b. [redacted]

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Another case which caused considerable interest was the treason case involving [redacted], who collaborated with the Japanese during the period of his internment at Camps Surugadai and Bunka in Japan. Bureau Agents furnished a complete report in instant case and although the case was presented to the Department of Justice no indictment was authorized. (61-11249)

c. Sunset Case

In the filed of German-Japanese activity, the Bureau's representatives at Tokyo were able to secure a considerable quantity of information concerning the Sunset Case, which originated at Lisbon, Portugal, and which involved members of the Japanese Diplomatic Staff in that city. One of those involved

was Masutaro Inoue. This man was interviewed by a Bureau Agent in Tokyo in May, 1946, at which time he admitted his connection with Fritz Cramer, also implicated in the case. (65-55523-189)

d. Political Affairs

By letter dated May 24, 1946, one of the Agents assigned in Tokyo transmitted to the Bureau a memorandum covering the events in Japan from 1931 leading up to the war with the United States. Also included was a copy of a signed statement of Shigenori Togo, Minister of Foreign Affairs in the Tojo Cabinet from October 18, 1941, to September 1, 1942. Togo's statement is interesting in connection with the Pearl Harbor inquiry in that he covered the negotiations between the United States and Japan from his knowledge as Minister of Foreign Affairs. His statement outlines the course of action followed by the Japanese during the negotiations leading up to the attack on Pearl Harbor. Of particular interest in this statement is the reference to the note of Cordell Hull on November 26, 1941 which, Togo stated, was accepted by the Japanese as an ultimatum from the United States. (100-97-1-464)

e. Communist Activities

In addition to the information referred to above, the Bureau representatives at Tokyo also secured a large volume of material concerning general intelligence matters such as the Communist Party of China, the Communist Party of Japan, the personnel and activities of the Soviet Military Mission in Japan and data concerning the Japanese intelligence system during the war.

3. Personnel

The following Special Agents were assigned to SIS work in Japan:

NAME	SIS	CITY	DATE	ASSIGNMENT
[redacted]	[redacted]	Tokyo	3/46 - 9/46	Army
		Tokyo	12/45 - 7/46	Army
		Tokyo	9/45 - 9/46	Army

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4. Bibliography

a. Investigative Files

61-11000 Tokyo Rose Treason Case

61-11249 [redacted] Treason Case b7C

b. Administrative Files

66-16335 Office Administrative File

67-409533 Office Personnel File filed under "Liaison, Tokyo, Japan"