

## THE NAZI RAT-LINES

# Time to Rid America Of the 'Dulles Complex'

by William F. Wertz, Jr.

### Introduction: Setting the Stage

On Aug. 10, 1944, about two months after the June 6 D-Day landing of the Allies in Normandy, France, less than a month after the unsuccessful July 20 attempted assassination of Adolf Hitler, and eight months before the death of U.S. President Franklin D. Roosevelt on April 12, 1945, a secret meeting took place in Nazi-occupied Strasbourg, France at the plush Maison Rouge Hotel, to plot the survival and eventual resurgence of the Nazi apparatus in the post-war period.<sup>1</sup> The meeting was organized by Martin Bormann, the head of the Nazi Party Chancellery, who became Hitler's designated successor.

Although Bormann did not personally attend the conference, he was represented by Dr. Friedrich Scheid, who was a lieutenant-general in the Waffen-SS and also a director of the industrial company Hermsdorf & Schomburg. In 1942, Scheid held an important position in Albert Speer's Ministry

of Armaments and Munitions, and at the end of 1942, I.G. Farben's Dr. Walther Schieber, Chief of the Armaments Delivery Office, put him in charge of the bureau of "Industrial Independence," in which position he had far-reaching responsibility for the Nazi arms industry.

Before the meeting, Bormann had confided to Dr. Scheid, "The steps to be taken as a result of this meeting will determine the post-war future of Germany. German industry must realize that the war cannot now be won, and must take steps to prepare for a post-war commercial campaign which will in time ensure the economic resurgence of Germany."

According to an agent who attended the meeting and who was described as someone who "had worked for the French on German problems since 1916," Dr. Scheid told participants on behalf of Bormann: "The battle of France is lost to Germany and now the defense of the Siegfried Line is the main problem. . . . From now on, German industry must take steps in preparation for a post-war commercial campaign, with each industrial firm making new contacts and alliances with foreign firms. This must be done individually and without attracting any suspicion. However, the party and the Third Reich will stand behind every firm."

Scheid continued: "The ground must now be laid on the financial level for borrowing considerable sums from foreign countries after the war." As an example of a practice which proved very useful in the past, he cited the fact that "patents for stainless steel belonged to the Chemical Foundation, Inc., New York, and the Krupp Company of Germany jointly and that the United States Steel Corporation, Carnegie Illinois, American Steel & Wire, National Tube, etc., were thereby under an obligation to work with the Krupp concern." He

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1. According to a Reuters wire story published in 1996, a three-page U.S. intelligence document released by the National Archives, which reports on this meeting, was sent from Supreme Headquarters of the Allied Expeditionary Force to the U.S. Secretary of State in November 1944. The document was sent by the Office of the Assistant Chief of Staff, G-2, on Nov. 7, 1944 and was entitled "Secret Service Report No. EW Pa 128." The meeting is reported in *Martin Bormann, Nazi in Exile*, by Paul Manning, and in *The Murderers Among Us, The Wiesenthal Memoirs*, edited by Joseph Wechsberg. As reported in an article entitled "General Eisenhower: 'Interesting Document,'" in *Junge Welt*, Dr. Scheid fled from Berlin in April 1945 and was interned by the Soviet occupation forces from June 1945 until Dec. 31, 1945. He was subsequently named the German director of the Management Board of the Soviet Joint Stock Company (SAG). He died in 1949.



*These top Nazis escaped via the “rat-lines” or helped other war criminals to escape (from top left to bottom): Heinrich Müller, Walter Rauff, Klaus Barbie and Martin Bormann.*

also cited the Zeiss Company, the Leica Company, and the Hamburg-Amerika line as typical firms that had been especially effective in protecting German interests abroad and gave their New York addresses to the industrialists at this meeting.

The meeting was attended by representatives of several German firms: Dr. Kaspar represented Krupp; Dr. Tolle represented Röchling; Dr. Zinderen represented Messerschmitt; Drs. Kopp, Vier, and Beerwanger represented Rheinmetall; Captain Haberkorn and Dr. Ruhe represented Büssing; Drs. Ellenmayer and Kardos represented Volkswagenwerk; and engineers Drose, Yanchew, and Koppshiem represented various factories in Posen, Poland, including Drose, Yanchew & Co., Brown-Boveri (which was part-owned by General Electric and International Telephone and Telegraph), Herkuleswerke, Boschwerke, and Stadtwerke. Also attending were Captain Dornbach, head of the Industrial Inspection Section at Posen, Dr. Meyer, an official of the German Naval Ministry in Paris, and Dr. Strassner of the Ministry of Armament in Paris.

A representative of the armaments ministry, Dr. Bosse, presided over a smaller second meeting with Scheid and representatives of Krupp and Röchling, who were told the war was lost and would continue only until the unity of Germany was guaranteed. He said they must prepare themselves to

finance the Nazi Party when it went underground.

“From now on,” Bosse said, “the government in Berlin will allocate large sums to industrialists so that each can establish a secure post-war foundation in foreign countries. Existing financial reserves in foreign countries must be placed at the disposal of the [Nazi] party so that a strong German empire can be created after the defeat. It is almost immediately required that the large factories in Germany establish small technical offices or research bureaus which will appear to be absolutely independent and have no connection with the factory. These bureaus will receive plans and drawings of new weapons, as well as documents which they will need to continue their research. Under no circumstances may they fall into the hands of the enemy. These special offices are to be established in large cities where security is better, although some might be formed in small villages near sources of hydroelectric power, where these party members can pretend to be studying the development of water resources for the benefit of any allied investigators. The existence of these bureaus will only be known to a small circle of industrialists and to the leaders of the party. Each bureau will have a liaison officer [*Verbundungsman*] to the party. As soon as the party becomes strong enough to re-establish its control over Germany, the industrialists will be paid for their efforts and cooperation by concessions and orders.”

The agent's report further stated: "These meetings seem to indicate that the prohibition against the export of capital, which was rigorously enforced until now, has been completely withdrawn and replaced by a new Nazi policy whereby industrialists with government assistance will export as much of their capital as possible abroad. Previously, exports of capital by German industrialist to neutral countries had been accomplished secretly and by means of special relations. Now the Nazi party stands behind the industrialists and urges them to save themselves by getting their capital out of Germany and at the same time to advance the Party's plans for its post-war operations. This freedom given to the industrialists further cements their relations with the Party, by granting them a measure of protection.

"The German industrialists are not only buying agricultural property in Germany, but placing their funds abroad, particularly in neutral countries. The two main banks, through which this export of capital operates are the Basler Handelsbank and the Schweizerische Kreditanstalt of Zurich. Also there are a number of agencies in Switzerland, which for a five percent commission buy property in Switzerland, using a Swiss cover."

Dr. Bosse closed the meeting by observing that "after the defeat of Germany, the party leadership expects that some members will be convicted as war criminals. Thus preparations must now be made to place the less prominent leaders as 'technical experts' in various key German enterprises."

At the meeting, the decision was made to set up an elaborate network of flight capital front corporations through which to transfer financial assets held by the SS (Schutzstaffel) into neutral countries including Spain, Argentina, Portugal, Sweden, Turkey, and Switzerland. The code name for this operation, "whereby industrialists with government assistance will export as much of their capital as possible," was Operation Eagle Flight. Among the key figures who would play a role in this flight capital operation were Hitler's commando, Otto Skorzeny, who personally attended the meeting, and, after the war, former Reichsbank President and Nazi Economics Minister Hjalmar Schacht.

## The Dulles Complex

Contrary to most "official" histories of the Maison Rouge meeting and the subsequent Nazi evacuation of assets and personnel from Europe, this was not a secret German plot. The Strasbourg meeting already had the endorsement of the international Synarchist financier apparatus, and Anglo-American Synarchist operatives, typified by Allen and John Foster Dulles, were already hard at work, forging the "separate peace" with their German Nazi friends. The very British, American, French, Swiss, and Benelux Synarchist financiers and cartel bosses who helped put Hitler in power to build the Nazi war machine to fight the "war to end all wars" against the Soviet Union, were fully engaged in the plan to scrap Hitler, but retain much of the German Nazi infrastructure, particularly the banking and cartel elites. To this end, they

created the Nazi "rat-lines"<sup>2</sup> in league with Martin Bormann.

This pro-Nazi international financier faction, which put Hitler in power in 1933, opposed Roosevelt's election in that same year, and then plotted unsuccessfully to overthrow him in a military coup d'état in 1934. Even after this plot, financed by the du Ponts, General Motors, and Morgan Bank, was exposed by Gen. Smedley Butler, Roosevelt's opponents continued to work with the Nazis, whom they expected would attack the Soviet Union. However, when it became apparent that Hitler would strike westward first, they began to change their attitude. It was only after Winston Churchill's decision to seek an alliance with the United States against Hitler in order to preserve the British Empire, that this faction would be forced to work with Roosevelt to win the war, once the Japanese attacked Pearl Harbor on Dec. 7, 1941.

However, this was only a temporary alliance, given that the Synarchist agenda before and during the war continued to be totally opposed to that of Roosevelt. For example, in 1940 a U.S. intelligence document entitled "'Synarchie' and the policy of the Banque Worms group," reported that the program of the Synarchists was "to work for the ultimate complete control of all industry by international finance and industry." The group hoped to create a Franco-German industrial bloc which would effect a fusion with Anglo-Saxon industry after the war. It desired "a speedy conclusion to the war, the continuation of which they believe could only lead to the ruin of the heavy industrial interests." Its policy toward Germany was "to eliminate Hitler, Goebbels and Himmler with his Gestapo and thus facilitate the formation of an Anglo-Franco-German economic bloc."

After the U.S. defeat of the Imperial Japanese Navy in the Battle of Midway Island on June 4-7, 1942, and the Soviet defeat of the Nazis in the Battle of Stalingrad on Feb. 3, 1943, it was clear to Bormann, to his allies at I.G. Farben, and to its Anglo-American cartel partners, that Hitler was going to lose the war. They, therefore, began to lay the globalized financial and political basis for a new universal fascist order without Hitler, in the post-war, post-Roosevelt period as envisioned by the Banque Worms group.

As early as 1943, Bormann began to transfer Nazi gold through Franco's Spain to Argentina. Preparations for transforming Hitler's now inevitable defeat into a post-war Nazi resurgence were accelerated with the Aug. 10, 1944 meeting at the Maison Rouge Hotel. Bormann anticipated that the preparations would have to be concluded by mid-May 1945, within days of when the Nazi surrender actually occurred. The reason that there was no continued rear-guard Nazi military resistance in the Alpine Redoubt after the surrender, as some feared, was the fact that this plan was put into effect.

On the Anglo-American side, with the death of President

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2. The routes by which Nazi war criminals escaped to South America and Southwest Asia (the Middle East) were called "rat-lines." A rat-line is the rope ladder reaching to the top of the mast of a ship, the last place of safety for an escaping rat when the ship is going down.

Roosevelt on April 12, 1945, a coup was launched in the U.S. intelligence community by the pro-Nazi U.S. faction of the British-centered financial oligarchy.<sup>3</sup> Roosevelt's intent after the war, as reported by his son Elliott Roosevelt in his book *As I Saw It*, was to use American System methods of economic development to end all forms of colonialism and to create a community of principle among sovereign nation-states based upon his Good Neighbor Policy. Roosevelt's policy was in direct opposition to that of Churchill, which was to preserve the British Empire.

Roosevelt had wanted to dismantle such Nazi cartels as I.G. Farben, whereas the British and their agents in the United States, such as Allen and John Foster Dulles, wanted to preserve the pre-World War II cartel arrangements under imperial Anglo-American control. Roosevelt, a believer in American System Hamiltonian principles, created the Bretton Woods financial system to replace the Nazi-controlled Bank for International Settlements (BIS), which was based upon the Anglo-Dutch system of independent central banking. His Synarchist opponents, however, insisted on the continued operation of the BIS, and plotted to dismantle the Bretton Woods system as soon as they could muster the political power to do so.

While Roosevelt had been committed to maintaining his World War II alliance with the Soviet Union, the British and

3. William F. Wertz, Jr., "The Plot Against FDR: A Model for Bush's Pinochet Plan Today," *EIR*, Jan. 21, 2005.

their allies in the United States, centered on the Dulles brothers, launched a global campaign against the Soviet Union, utilizing protected Nazi networks. At the war's conclusion, as advocated by Lord Bertrand Russell, they even contemplated a pre-emptive nuclear war against the Soviet Union, in order to impose a New World Order and eliminate the sovereign nation-state. This policy of pre-emptive nuclear warfare, which Vice President Dick Cheney is attempting to revive today, was only abandoned when the Soviets broke the Anglo-American nuclear monopoly by developing a thermo-nuclear bomb.

The anti-Soviet campaign continued throughout the Cold War, which was launched by Churchill and his ally President Harry Truman. Although the Soviet Union was the nominal target, the real target was the American System tradition of Franklin Roosevelt, whose advocates were accused by Truman's stooge Sen. Joseph McCarthy of being pro-communist, for opposing the Synarchist policy.

The cultural complement to the Dulles-run Nazi rat-lines and the drive to overthrow the Bretton Woods, was the creation of the Congress for Cultural Freedom. The purpose of the CCF, which was run by Allen Dulles's faction at the CIA, was not de-Nazification, but just the opposite. By promoting fascist ideologues like Friedrich Nietzsche and Nazi Party member Martin Heidegger, the Dulles-controlled CCF intended to ensure that no future FDR could ever emerge in the United States or continental Europe.

During the Cold War, the policy of protecting and utiliz-

## Dulles and Schacht: A Synarchist Love Affair

On Oct. 20, 1930, the cream of the Anglo-American foreign policy establishment gathered in New York City for a dinner, celebrating the signing of the Young Plan, which launched the Bank for International Settlements (which would soon be funding the Nazis). The two guests of honor at the gala, sponsored by the Foreign Policy Association, were none other than John Foster Dulles and Hjalmar Schacht. Introducing Schacht to the admiring audience of New York bankers and Anglophilic foreign policy mavens, Dulles reminisced about his first encounter with Dr. Schacht, in 1923, when the streets of Germany were filled with "Red revolutionists," and Germany was at the height of hyperinflationary panic.

"It was a time," Dulles said, "when almost everyone with whom I talked in Germany—and I talked to the leading bankers and industrialists—felt that the situation was hopeless, and that the only thing to look forward to was a world-wide catastrophe which would wipe the slate clean,

and while causing all nations to start again from primitive beginnings, would at least give Germany an even chance." Dulles continued, "Of all that I met in Berlin, Dr. Schacht alone looked forward with hope to the future and felt it worthwhile to do something, to try to save something out of the wreckage which everybody else felt was permanent. I sat in his rooms in Berlin at this time that I refer to, when our conversation was interrupted by the rattle of the machine guns sweeping the streets of Berlin. His thoughts were not on that, but his mind was working on plans for financing the importation of essential raw materials into Germany which would again put industry in motion. That is the quality which brought him to leadership and which permitted him later to perform the miracle of stabilizing German currency through the Rentenmark, at a time when this was impossible by all the rules of economics and finance. . . . It was ostensibly based upon land. Any economist or financier will tell you that you cannot maintain a stable currency based upon land, and they are right, because the Rentenmark, purporting to be based upon land, really was based upon and drew its stability from confidence in the integrity and intelligence and in the character of Dr. Schacht."—*Jeffrey Steinberg*

ing Nazis had a profound impact on the methods employed by elements of the Dulles-controlled U.S. intelligence agencies both in the United States and abroad. Roosevelt's Dulles-led opponents proceeded to incorporate Nazi personnel and Nazi-style methods in their post-war crusade against communism. The impact of this policy can still be seen today, in the Beastman methods adopted by the Cheney-Bush Administration in the so-called war on terrorism.

After the Bretton Woods system was dismantled by the Nixon Administration in 1971, under the influence of George Pratt Shultz, the first generation of Nazi war criminals who had been protected by Dulles, participated in the creation of a second-generation Fascist International, which included Chilean fascist dictator Augusto Pinochet's Operation Condor.<sup>4</sup> And today, with an onrushing global financial and economic collapse worse than the 1930s, there is an attempt to give birth to a third-generation Fascist International, to be used to enforce the fascist economic policies of the same Shultz, who is the present-day controller of both the George W. Bush Administration and California Governor Arnold Schwarzenegger, whom Shultz is grooming to be an American Hitler.<sup>5</sup>

If the United States is to return, under Lyndon LaRouche's leadership today, to the role that Roosevelt envisioned it playing after the defeat of fascism in World War II, the nation will have to be freed from the "Dulles Complex," the international Synarchist faction which not only protected Nazi war criminals in the post-World War II period, but also used them as a private covert mercenary army, and has emulated their criminal anti-human mentality and practice ever since, as evidenced most recently in the Satanic detention and interrogation methods employed at Abu Ghraib and Guantanamo Bay prisons. This is the apparatus which the late Pope John Paul II referred to as the "structures of sin."

### Martin Bormann and the Nazi Gold

Beginning in 1943, Bormann, who was Hitler's personal secretary and chief accountant, directed an operation to transfer Nazi gold to Argentina to finance the activity of the Nazi international in the post-war period. There was a secret fund at the Reichsbank in Berlin, which Bormann discovered in 1943. Walter Funk, who replaced Hjalmar Schacht as president of



Martin Bormann

4. William F. Wertz, Jr., "Nazis, Operation Condor and Bush's Privatization Plan," *EIR*, March 25, 2005; and Wertz, "Luis Posada Carriles Gives the Lie to George Bush's 'War on Terrorism,'" *EIR*, June 17, 2005.

5. Shultz's current wife, Charlotte Shultz, is Arnold Schwarzenegger's chief of protocol. Also see William F. Wertz, Jr., "MSIA: Anatomy of a Fascist Intelligence Operation," *EIR*, Feb. 25, 2005.

the Reichsbank in 1939, was in charge, and Otto Skorzeny, Hitler's commando, aided in many of the shipments to the Reichsbank. Bormann began dipping into the fund and shipping it out of Germany with the help of Skorzeny. The money was shipped to southern Spain, where U-boats transferred it to Argentina.

Gen. Wilhelm von Faupel, the head of the Berlin-based Ibero-American Institute and Nazi Ambassador to Franco Spain in 1936,<sup>6</sup> managed the shipment of the Nazi gold from Spain to Argentina with the aid of Capt. Dietrich Niebuhr (Abwehr chief in Buenos Aires until expelled in 1941) and Gottfried Sandstede (chief of the Gestapo in Argentina), whom Evita Duarte (later Evita Perón) had helped escape from Argentina to Spain in 1941. Niebuhr supervised the transfer of the shipments to the U-boats. Nazi records show that as much as 550,000 ounces of gold, 3,500 ounces of platinum, 4,638 carats of diamonds, hundreds of works of art, and millions in gold marks, pounds sterling, dollars, and Swiss francs were sent aboard six U-boats to Argentina.



Wilhelm von Faupel

General Faupel was known as the I.G. Farben General. He had extensive experience in Ibero-America and Spain before Hitler came to power in 1933. He served in Argentina in 1911-13, returned to Germany when World War I began, and coordinated espionage and sabotage for Germany in Spain. After the war he returned to Argentina and then also served in Brazil and Peru. In 1934, Hitler appointed him head of the Ibero-American Institute in Berlin. He planned and coordinated the Franco revolt against the Second Spanish Republic in 1936, and then became Hitler's ambassador to Franco Spain later the same year. Once Franco consolidated power, the Nazis then used Spain as a means of receiving needed raw materials, including oil from I.G. Farben cartel partner Standard Oil during the war, and also as a means of penetrating Ibero-America through the Spanish Falange and the Council of Hispanidad.<sup>7</sup>

Had the Axis powers not been defeated in the Battle of Midway and in the Battle of Stalingrad, von Faupel's Ibero-

6. See William F. Wertz, Jr., "The Cristero War on Mexico: Synarchism Then and Now," *EIR*, July 25, 2003 and Wertz, "The Nazi-Instigated National Synarchist Union of Mexico: What It Means for Today," *EIR*, July 9 and July 16, 2004.

7. Other pro-Nazi German military officers deployed to Ibero-American countries prior to World War II: Capt. Ernst Röhm, organizer of the Nazi Storm Troopers, went to Bolivia in 1925 as "special advisor" to the Bolivian Army. Aviation officer Fritz Hammer went to Colombia, where he later organized Nazi espionage and economic infiltration. General Bohnstedt became head of the military academy in El Salvador and official instructor to the Salvadorean Army. General Reinecke, General Kundt, and many other officers of the German General Staff became active in Chile, Paraguay, and Peru.

American Institute had planned to utilize the Nazi-instigated National Synarchist Union (UNS) of Mexico to carry out military operations against the United States, including the option of an invasion of the U.S. Southwest states where the UNS was highly organized. When the United States and the Soviets prevailed, von Faupel's focus shifted to collaboration with Bormann to prepare for the post-war period.

On May 22, 1944, two weeks before the D-Day Allied landings in Normandy, von Faupel wrote to one of his agents in Berlin:

“Reichsleiter Bormann, who has received two reports from von Leute and the Argentine General Pistarini, insists that the shipments to Buenos Aires be resumed forthwith. Ask General Adolf Galland to place two aircraft at our disposal, solely for flying at night, and inform Rudel and Hanna Reitsch. The bearer of this letter and Kuster must start preparations at once. Köhn must come to Madrid with the first available plane to help Sandstede, who has been ordered to report to me tomorrow.”<sup>8</sup>

The gold was shipped to Ludwig Freude, who deposited it in four Argentine banks—the Banco Germánico, Banco Alemán Transatlántico, Banco Tornquist, and the Banco Alemán—in the name of Eva Duarte. There were four partners on the accounts: Freude for von Faupel, Ricardo von Leute (director of the Banco Alemán Transatlántico) for Bormann, Dr. Heinrich Dörge (councillor of the Central Bank of Argentina and a former aide to Hjalmar Schacht), and Ricardo Staudt. Staudt was an Argentine citizen of German birth, who had been designated a war criminal by the French government after World War I.

Bormann sent von Faupel and Sandstede to Argentina in the Spring of 1943, after the defeat at Stalingrad, to arrange the receipt. They arrived in Buenos Aires on May 2, 1943 and immediately contacted Ludwig Freude.

## The Global I.G. Farben-Martin Bormann Empire

After the Allied invasion of Normandy in June 1944 and the failed assassination attempt against Hitler on July 20, 1944, Martin Bormann clearly decided that no time was to be lost in preparing for the post-war survival of the Nazi Party and its industrial allies.

Immediately after receiving a report on the Aug. 10, 1944 Maison Rouge Hotel meeting, Bormann placed a call to Georg von Schnitzler of I.G. Farben, with whom he discussed the need to secretly countermand Hitler's order for the destruction of German industry at the war's close. Von Schnitzler and I.G. Farben's president, Hermann Schmitz, had both helped Hitler come to power in 1933. But they were now working with Bormann to prepare for a Hitlerless post-war era.

Ever since 1941, Bormann had headed up the Nazi Foreign Organization. But through his alliance with I.G. Farben,

he also had access to a much more extensive international network. I.G. Farben's office in Berlin was under the direction of Dr. Max Ilgner, nephew of Hermann Schmitz. It had offices and representatives in 93 countries. Its contact men throughout the world were called I.G. *Verbindungsmänner* (liaison officers), all of whom were Nazi Party members, which made Bormann their chief. Bormann would use both of these organizations to coordinate his flight capital operations.

In setting up the post-war Nazi financial empire, Bormann met frequently with Hermann Schmitz, who was the master of financial camouflage. Schmitz was given the title of “secret councillor” to the Nazi Party and to Bormann.

In the last months of the war, Bormann set up 750 new corporations in neutral countries, using the technique perfected by I.G. Farben. A national of each country was the nominal head of each corporation, and the board was a mix of German administrators and bank officials. The companies were owned by Germans who possessed bearer bonds, which required no registration of identity, as proof of stock ownership. A breakdown by U.S. Treasury investigators of these new German firms was as follows; Portugal, 58; Spain, 112; Sweden, 233; Switzerland, 214; Turkey, 35; Argentina, 98.

In addition to overseeing these 750 new corporations, Bormann kept apprised of the corporate activities of I.G. Farben, which had numerous subsidiaries in the neutral nations that would play a critical role in the operation of the Nazi rat-lines, including 8 subsidiaries in Argentina, 3 in Portugal, 4 in Sweden, 6 in Switzerland, and 14 in Spain.

I.G. Farben controlled many Spanish firms directly or through Unicolor SAIG. Farben owned 51% of the stock in Sociedad Electroquímica de Flix, whose manufacturing processes were under license from I.G. Farben. Química Comercial y Farmaceutica S.A. was a subsidiary of I.G. Farben. Farben Unicolor S.A. represented 16 German firms having interlocking directorates with several large Spanish chemical companies. There were also two prominent German-owned banks in Spain.

As of February 1945 there were 987 joint stock companies in Spain controlled completely by German capital. Two thousand Spanish companies, many of them with branches and affiliates in North and South America, had German directors on their boards.

As late as the Summer of 1944, I.G. Farben had built four new chemical plants in Madrid. In March 1944, the company completed a synthetic oil plant in Pueblonuevo del Terrible near Cordoba. This plant had a Spanish name, Calvo Sotelo, but it was completely owned by I.G. Farben. In the Summer of 1944, I.G. Farben built a magnesium plant in Santander. Other German plants—steel, textile, munitions, and mines—existed in Catalonia, Asturias, the Basque country, and Galicia.

In Argentina, Fritz Mandl virtually controlled the munitions industry on behalf of I.G. Farben. Mandl was an armament manufacturer in Germany who invested heavily in an Argentine government program to expand its armaments

8. Ladislav Farago, *Aftermath*, p. 202.

industry. Swedish Synarchist Axel Wenner-Gren set up Krupp and I.G. Farben fronts throughout South America and especially in Argentina. Alfredo Moll, the son-in-law of the president of the Central Bank of Argentina, was the director of Anilinas Alemanas, the I.G. Farben subsidiary in Argentina.

Besides Anilinas Alemanas, the principal direct subsidiaries of I.G. Farben in Argentina were Bayer and Tosca. Monopol and Indunidas were two cloaked Farben enterprises. In addition Farben had cartel arrangements with Química Merck and Química Schering. Farben officials were also connected, through interlocking directorates, with German firms operating in the electrical, iron and steel, and construction industries.

The Farben/Bormann financial empire extended into several other Ibero-American nations, including Brazil and Peru, where von Faupel had been active before World War II. Many of these nations would provide refuge for escaping Nazi war criminals after the war, and in the case of Chile would launch the neo-Nazi Operation Condor in 1975.<sup>9</sup>

On Sept. 8, 1944, President Roosevelt, who had intended to dismantle this entire I.G. Farben global apparatus, had sent a letter to Secretary of State Cordell Hull in which he said: "The history of the use of the I.G. Farben trust by the Nazis reads like a detective story. Defeat of the Nazi army will have to be followed by the eradication of those weapons of economic warfare."

However, after his death, despite a trial of 24 executives of I.G. Farben, the decartelization envisioned by Roosevelt was thwarted by the pre-war Anglo-American cartel-partners of the Nazis.<sup>10</sup> With the launching of the Cold War by Churchill and his puppet Truman, the Anglo-American cartels moved to protect the Nazi financial operations, even as Dulles helped Bormann and other Nazi war criminals to escape to Southwest Asia and South America. The Nazis' financial and political assets would be useful in both the Cold War against the Soviet Union and in the effort to dismantle Roosevelt's Bretton Woods system.

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9. In Brazil, the chief centers of Nazi activities were the Farben concerns of Aliança Commercial de Anilinas Ltda. and A. Química Bayer of Rio de Janeiro. The Brazilian Farben executive, Hammers, was a leading liaison officer; in Peru, Dr. Friedrich Bank and Guillermo Corvejo, executives of the Farben Compañía General de Anilinas, were both key I.G. Farben liaison officers; in Chile, Werner Siering, manager of Farben Bayer, reorganized the Nazi/I.G. Farben intelligence operation in Chile in 1935 and was secretary of the Chilean Nazi party; in Venezuela, Alfred Becker and Arnold Margerie, executives of the Farben La Química Bayer in Caracas, supervised Army Liaison and Nazi Party operations throughout the Caribbean; in Ecuador, L.E. Brückmann, head of the Farben concern of Brückmann and Company of Guayaquil, was also the Nazi consul. His fellow Farben executives, the manager Herr Tetke and the treasurer Herr Ruperti, were the leading Nazi Party organizers in Ecuador; and in Mexico, the chief executive of the Farben concerns Compañía General de Anilinas, La Unión Química, and Casa Bayer, was Baron von Humboldt, who was also chief of the Mexican Nazi Gestapo.

10. Wertz, *op cit.*, *EIR*, Jan. 21, 2005.

## Operation Sunrise and the Rat-Lines

The shift away from Roosevelt's post-war perspective began in earnest on the U.S. side immediately after his death, with the conclusion of the Operation Sunrise negotiations carried out by Allen Dulles, the Office of Strategic Services (OSS) station chief in Bern, Switzerland, with SS Gen. Karl Wolff, to effect a separate peace with the Nazis in Northern Italy.

Dulles arrived in Bern in November 1942 and immediately began to meet with emissaries of Himmler's SS, such as Prince Max von Hohenlohe-Langenburg; Reinhard Spitzky, an SS officer attached to the Foreign Ministry; and Carl Langbehn, Himmler's personal attorney. It is also likely that he established contact with Hjalmar Schacht, who since 1943 frequently travelled to Switzerland as Nazi Minister Without Portfolio.

In the 1930s, both Allen and John Foster Dulles openly supported Hitler and functioned as lawyers for the Anglo-American-Nazi cartels. For example, in 1936, the J. Henry Schroder Bank of New York entered into a partnership with the Rockefellers, forming Schroder, Rockefeller and Co., Investment Bankers. The partners included Avery Rockefeller, nephew of John D. Rockefeller; Baron Bruno von Schroder in London; and Kurt von Schroder, an officer of the SS Death's Head Brigade and the head of the J.H. Stein Bank of Cologne, Germany, which directly funded SS chief Heinrich Himmler. The lawyers for the company were John Foster Dulles and Allen Dulles of the law firm Sullivan and Cromwell. Allen Dulles was also a member of the board of the new company

Gerhardt Westrick, the head of International Telephone and Telegraph (ITT) in Germany, was also a pre-war associate of Allen and John Foster Dulles. Walter Schellenberg, head of the Gestapo's counterintelligence service (SD), and Baron Kurt von Schroder were members of the board.

Schellenberg worked closely with I.G. Farben chief Hermann Schmitz, who, like Kurt von Schroder, was on the board of the BIS. John Foster Dulles was the attorney for I.G. Farben's U.S. subsidiary, American I.G., which Sosthenes Benn, the head of American ITT, bought up during the war, in order to avoid expropriation by the U.S. government.

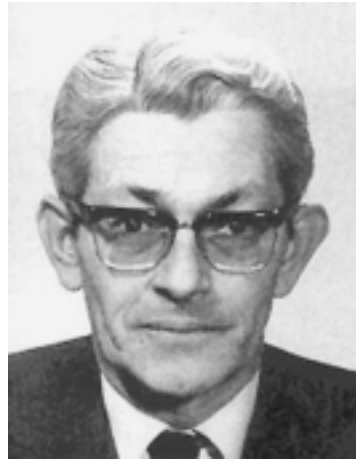
Dulles was also a personal acquaintance of Martin Bormann before the war.

In his negotiations with Dulles, SS General Wolff expressed his hope that the "decent" and "idealistic" members of the SS and the Nazi Party would be able to play a role in the reconstruction of Germany after the war, and that they would be protected by the Anglo-Americans and utilized in a projected war against the Soviet Union. To two of his SS subordinates, Wolff confided: "We'll get our Reich back again. The others will begin to fight amongst themselves eventually and then we'll be in the middle and can play off one against the other."

Wolff, who had been Himmler's chief of staff, and thus Himmler's liaison to Hitler, had been sent to Italy with express



Deutsches Historisches Museum



*The Dulles brothers, Allen (left) and John Foster (center), were key figures in setting up and perpetrating the Nazi rat-lines, along with top spook James Jesus Angleton (right), Allen Dulles's protégé. This was the core of the anti-Roosevelt faction in U.S. intelligence.*

orders to contact the Allies. Bormann was informed by Wolff of his discussions with Dulles.

The separate peace negotiated between Dulles and Wolff was concluded on May 2, 1945, just five days before the general surrender at Rheims. Even though Roosevelt had insisted on an unconditional surrender of the Nazis, the understanding established between Dulles and Wolff clearly involved an agreement to protect the Nazi apparatus, despite the fact that some of the most prominent Nazis would have to be sacrificed.

In the post-war period, while some of the most prominent Nazis were prosecuted at Nuremberg by the International War Crimes Tribunal, others were helped to escape through the "rat-line." Some escaped to the Middle East, at least temporarily, but most escaped through Argentina to the southern cone of South America, where there was already significant Nazi organization prior to World War II. Other fascists stayed behind in Europe under NATO control in the Gladio networks, for the ostensible purpose of preventing communists from coming to power in Europe.

Wolff himself was protected as part of the deal. With the help of Dulles, he narrowly missed being included among the defendants at Nuremberg. In 1949, he was prosecuted by the British, but was acquitted after receiving affidavits from Dulles and others on his behalf. Only in 1962, after the Adolf Eichmann trial in Israel, was he found guilty by a West German court, on charges that he had helped plan the extermination of the Jews. But even then, after a brief sentence in jail, he was released.<sup>11</sup>

11. A State Department memorandum dated Sept. 17, 1947 was cabled to Germany by State's head of security Jack Neal in response to an inquiry on how to handle war criminals who claimed that they had been involved with Operation Sunrise. The memorandum reads: "Officials concerned with Operation Sunrise report no, repeat no, promises furnished. However, these officials are of the opinion . . . that allies owe some moral obligation in return for aid performed and risks taken, therefore, definite consideration should be

## Two U.S. Intelligence Services

The protection of Nazi war-criminals was not initially U.S. policy. The involvement of Allen Dulles in promoting the Nazi rat-lines reflected a split in the United States between those who were still loyal to the post-war vision of Roosevelt versus those like Dulles and his protégé James Jesus Angleton, who were themselves allied with the pre-war Anglo-American-Nazi cartels. In Angleton's case, his father, Hugh Angleton, had been the representative of National Cash Register in Italy before the war.

At war's end, Allen Dulles was under suspicion for his pro-Nazi loyalties. For example, in 1945, the U.S. Treasury Department accused him of laundering funds from the Nazi Bank of Hungary to Switzerland. Similar charges were made against his agent Hans Bernd Gisevius, who had worked as an OSS agent while serving at the Reichsbank. Dulles, of course, was a close friend of the American Director of the Nazi-controlled Bank for International Settlements in Basel, Switzerland, and was in close contact with top Nazi banking officials, including Hjalmar Schacht.

Nonetheless, with the death of Roosevelt, Dulles was able to create an intelligence network in Germany loyal to him and his objectives. As a result, by 1946, there were, in effect, two U.S. intelligence services in Germany. The Department of Army Detachment (DAD) took orders from those in the institution of the U.S. Presidency still loyal to Roosevelt. Dulles's men, on the other hand, were centered in the War Department's Strategic Services Unit (SSU). They were also known as the War Department Detachment (WDD) or the Document Disposal Unit (DDU).

While the DAD (the CIA's predecessor) hunted Nazis, Dulles's clique recruited them. Region IV of the U.S. Army's 66th Counter Intelligence Corps (CIC) in Munich helped the

given to those favorable aspects when weighing any war crimes with which they are charged." (Christopher Simpson, *Blowback*, p. 93.)





*Avery Dulles, S.J., the son of John Foster Dulles, was a protégé of Bishop Alois Hudal, the Nazi Roman Catholic prelate who coordinated the rat-lines for Allen Dulles. Avery worked closely with Hudal, and remains a center of corruption in the Church today.*

DDU recruit ex-Nazis and smuggled them out of Germany via the 430th CIC in Austria to Italy, whence they would escape to Argentina and elsewhere.

James Jesus Angleton was well positioned to facilitate this Dulles operation. In November 1944, he was appointed head of the X-2 British-American Special Counter Intelligence unit (SCI-Z) in Rome. In April 1945, he was appointed head of X-2 in all of Italy and then in December 1945, after the Dulles-Wolff negotiations, he was appointed head of SSU in Italy. In November 1947, Angleton returned to Washington, D.C., where he became the Assistant Director for Special Operations at the new CIA.

Dulles resigned from the OSS after the war and returned to New York, where he rejoined his brother John Foster Dulles's law firm, Sullivan and Cromwell, and soon went to work for a large number of clients in Argentina, which was the key nation in Ibero-America to and through which Nazi war criminals would escape. In 1950, he became head of planning for the CIA and then the CIA's Deputy Director. In 1953, he was appointed CIA Director by President Eisenhower. When Eisenhower's farewell address in 1960 warned the American people of the dangerous power of the "military-industrial complex," he knew whereof he spoke, since his own Administration was riddled with what could be best referred to as the "Dulles Complex"—even though he, as President, defied the Anglo-American factions on numerous occasions.

## The Role of Avery Dulles

Avery Dulles, the son of John Foster Dulles and the nephew of Allen Dulles, is now a Roman Catholic Cardinal, and was also implicated in the Nazi rat-lines. In 1940, he converted to Catholicism. During the war he joined the Naval Reserve as an intelligence officer. His official biographies say

that he received the Croix de Guerre in 1945 for liaison work with the French Navy. Later in that same year while serving in Naples, Italy, it is said that he contracted polio. He was discharged from the Navy in 1946 with the rank of lieutenant, and later returned to the United States, where he entered the Novitiate of the Society of Jesus in Poughkeepsie, New York on Aug. 14, 1946.

This chronology places Avery Dulles operating as an intelligence officer in Italy in 1945-46, during which time his Uncle Allen concluded the Operation Sunrise negotiations with the Nazis, and Allen's protégé Angleton was head of Counter Intelligence for Italy as a whole.

While in Italy, Avery Dulles came under the direct guardianship of Bishop Alois Hudal, who, as we shall see, was the Nazi Roman Catholic prelate who coordinated the Nazi rat-lines for Allen Dulles. Thus, not only did Allen Dulles and Angleton run the Nazi rat-lines from the top, but they had an inside intelligence operative in the person of "Brother Avery," working closely with Bishop Hudal.<sup>12</sup> These were the circumstances under which Avery Dulles, a center of corruption in the Roman Catholic Church today, began the process which culminated in his being appointed Cardinal.

Another monk, who like Avery Dulles was under the guardianship of Bishop Hudal, was Adolf Martin Bormann, the eldest son of Martin Bormann and the godson of Adolf Hitler. Adolf Martin had taken monastic vows and, following a preliminary course in the Federaun Monastery near Villach, Austria, was under the patronage of Bishop Hudal. Bormann's eldest daughter, Ute Eva, had taken the veil in Santa-Giulia Monastery.

## Gehlen, Schacht, and Skorzeny

After the war, the Dulles-Angleton faction selected three key Nazis—Reinhard Gehlen, Hjalmar Schacht, and Otto Skorzeny—to work with them against the Soviet Union.

Gehlen, who had been Hitler's top spy on the Eastern front, worked with the CIA, which was established in 1947, and its predecessors immediately after the war. Gehlen's organization was headquartered south of Munich at Pullach, Germany. He worked here with the CIA until 1956, when he became the chief intelligence officer for the new West German government.

Schacht, George Shultz's favorite fascist, had been an asset of the Anglo-Americans since the Versailles Treaty following World War I. He helped create the Anglo-American-Nazi cartels in the 1920s; then he helped bring Hitler to power in 1933 and was the president of the Reichsbank and the Nazi

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12. L. Bezymensky, *Tracing Martin Bormann*, 2001, p. 93. Bezymensky is a former major in Soviet Intelligence and later became a journalist. He interviewed Russian and German officers and officials and researched relevant documents in West German, East German and Soviet archives. He reports as follows: "Hudal was the guardian not only of Brother Martin (Adolf Martin Bormann to the laity), but also of another monk, Brother Avery, John Foster Dulles's son."



*Left to right: Hjalmar Schacht, Reinhard Gehlen, and Otto Skorzeny, three leading Nazi figures who were hand-picked by the Dulles-Angleton faction in U.S. intelligence to work with them in the Cold War against the Soviet Union.*

economics minister. In these positions he was responsible for the war mobilization and the fascist slave-labor policy of the Nazi regime.

Nonetheless, after the war he was acquitted at Nuremberg, against the votes of the Soviets and the Americans, with the Soviet members of the Tribunal insisting on publishing their dissent. Schacht was later convicted and sentenced to eight years in prison by a German denazification court, but won an appeal due to the intervention of John J. McCloy, the U.S. high commissioner in Germany.

Still adhering to his fascist views, Schacht would then be rehabilitated by his Anglo-American controllers, and his economic policies would be defended, as a result of his acquittal, as the basis for the post-1971 Anglo-Dutch financial system.<sup>13</sup>

Skorzeny worked with Martin Bormann during the war to transport Nazi gold out of Germany to fund Nazi operations in the post-war period. He also worked with Gehlen. In January 1945, Gehlen contacted Skorzeny, whom he asked to secretly bury copies of his anti-Soviet intelligence files in three locations in Bavaria, to be used to bargain with the Allies after the war.

When he turned himself in to the U.S. forces at the war's conclusion, Skorzeny stressed his desire to continue the fight against the Soviet Union and communism. He was placed on trial before an American war crimes tribunal, but having offered his services to the Dulles faction, he was acquitted. Given his role in the Nazi regime, others still wanted to prosecute him. The German Ministry for Reconstruction and Politi-

cal Liberation determined to try him before a denazification court. Also the government of Czechoslovakia requested his extradition for prosecution in that country for war crimes.

However, just before being extradited in 1948 to Czechoslovakia, Skorzeny escaped from a German internment camp at Darmstadt with the help of his friend Gehlen and the Dulles faction of the U.S. Counter Intelligence Corps.

On Sept. 2, 1948, shortly after Skorzeny escaped from Darmstadt, Schacht was released from prison. The two would soon meet in Madrid, where many Nazis had fled after the war. In fact, it was estimated that as many as 16,000 Nazis lived in Madrid by 1950 under Franco's protection.

Schacht's job was to help recover the hidden assets of the Nazi treasure. He and Skorzeny formed a worldwide business partnership. Skorzeny soon was handling the Spanish interests of Klöckner AG, the Wolff trust, the Feldmühle Paper Co., the Messerschmitt works, the Krupp conglomerate, the H.S. Lucht Co., and others. He asked SS Col. Leon Degrelle, who had been Belgium's leading Rexist Nazi collaborator, to aid him in handling German interests in Spain. In 1954, after he divorced his wife, Skorzeny married Countess Ilse von Finkenstein, a niece of Hjalmar Schacht.

Another key Nazi operative who came under the protection of Allen Dulles and worked with Skorzeny was the Swiss Nazi François Genoud, a prominent official of the pro-Nazi National Front for Switzerland. Genoud worked closely with Martin Bormann in the transfer of millions of marks from German to Swiss banks. By 1943, he was in regular contact with SS General Wolff and with Allen Dulles. Several reports place Genoud in contact with Klaus Barbie, the "butcher of Lyon," during the Operation Sunrise negotiations.

After a brief legal detention following the war, Genoud worked with Schacht and Skorzeny in Southwest Asia, including Egypt, and also helped launch the Buenos Aires-based Nazi magazine *Der Weg*, which was produced by Ludwig Freude. In conjunction with Skorzeny, he was deeply involved in arms sales to the French Secret Army Organiza-

13. In late 1971, Lyndon LaRouche debated New York Queens College Professor Abba Lerner, who explicitly defended the economic policies of Hjalmar Schacht as the basis for the transformation of Roosevelt's Bretton Woods system by President Richard Nixon on Aug. 15, 1971. Lerner claimed that had Schacht's economic policies been applied properly, Hitler "would not have been necessary." LaRouche identified Lerner's defense of Schacht as advocacy of universal fascism.

tion (OAS), which attempted to assassinate President Charles de Gaulle. Genoud came into possession of Bormann's notes of his talks with Hitler and published them after the war.

## 'Die Spinne' and Odessa

At war's end, Skorzeny had organized a network called Die Spinne (The Spider) to help members of the SS (Schutzstaffel—Defense Detachment) escape Germany. Members of the SS belonged to the Nazi Party and were responsible for enforcing Nazi policies. There were three components to the SS: the Allgemeine-SS, which played a political and administrative role, including the enforcement of racial purity laws; the SS Death's Head organization, which ran the concentration camps; and the Waffen-SS, which was an elite military organization. The Sicherheitsdienst (SD—Security Service) was part of the SS, as was the Gestapo (Geheime Staatspolizei—Secret State Police).

On Sept. 30, 1946, the Nuremberg International War Crimes Tribunal declared the SS a criminal organization, stating: "The SS was used for purposes which were criminal, involving the persecution and the extermination of the Jews, brutalities and killings in concentration camps, excesses in the administration of occupied territories, the administration of the slave labor program and the maltreatment and murder of prisoners of war."

It was this criminal organization which was preserved by Skorzeny's Die Spinne, which maintained the escape route from Germany via Austria to Italy. The U.S. 66th CIC, Region IV, listed the leading members of the organization as Skorzeny; Hasso von Manteuffel; Helmut Beck; SS Capt. Franz Röstel; and Hermann Lauterbacher, formerly a member of the staff of SS leader Himmler. (Lauterbacher would later work with Skorzeny in Egypt.) Röstel obtained a Syrian passport, changed his name to Haddad Said, and directed the escapees from his headquarters in Munich and Lindau. Lauterbacher, along with Franz Spögler, a former officer of the Security Service (SD) in Italy and a close friend of Mussolini's mistress, handled the affairs of Die Spinne in Italy, overseeing the so-called monastery route between Austria and Rome. This route culminated in Collegio Teutonico di Santa Maria dell' Anima in Rome, where Msgr. Alois Hudal, Bishop of Eila, welcomed the escapees.

Skorzeny also organized the Brotherhood of former SS men, which eventually became known as Odessa, a code word meaning Organization for the Release of Former SS Members (Organization der Entlassene SS Angehörige). The legal arm of Odessa was known as HIAG, the Mutual Aid Association of Former SS Members (Hilfsgemeinschaft auf Gegenseitigkeit). This organization was the legal successor to the SS. Its membership in West Germany numbered 20,000 former SS soldiers, and by 1951 it had an extensive network, with former members of the SS in France, Belgium, Holland, Italy and other nations.

On the Italian side, Odessa was headed by Prince Pinatelli and other personalities of the former Italian Fascist Party,

such as Giorgio Almirante, who along with Prince Junio Valerio Borghese and Il Duce's sons, Vittorio and Romano Mussolini, was a leader of the Italian Social Movement (MSI), founded on Dec. 31, 1946. Immediately after the war, Borghese had been rescued by James Jesus Angleton. Vittorio Mussolini later escaped to Argentina.

Another important organization, which functioned as part of Skorzeny's Odessa operation, was the Kameradenwerk. It was organized by SS Col. Hans Ulrich Rudel, who was based in Argentina after the war. Rudel was the most successful air ace in the Luftwaffe, during the war. On June 8, 1948, he arrived in Argentina on a flight from Rome arranged by Bishop Hudal, bearing a Red Cross passport under the name Emilio Meier. In Argentina he became the head of Juan Perón's Air Force, in the pay of Argentina's National Institute of Aeronautics.

In 1951 he returned to Germany, where in 1953 he collaborated in a failed neo-Nazi coup plot led by Werner Naumann, who after Hitler's death had been appointed Propaganda Minister of the short-lived new Nazi government by Martin Bormann. Rudel helped to establish the Deutsche Reichspartei, which was the precursor to the National Democratic Party of Germany (NPD), the leading neo-Nazi party in Germany today.

In the 1970s and 1980s, Rudel was involved in selling arms to and acting as an advisor to Augusto Pinochet of Chile, Alfredo Stroessner of Paraguay, and the "Cocaine Generals" in Bolivia, where Klaus Barbie was the head of internal security.

## The Vatican Connection

The corrupt network in the Vatican which ran the Nazi ratline into Ibero-America involved primarily Austrian Bishop Hudal, Croatian priest Krunoslav Draganovic, a number of pro-Mussolini fascist Italian cardinals and bishops, including the Archbishop of Milan, Cardinal Ildebrando Schuster, and Genoa Archbishop Giuseppe Siri, and a network of corrupt priests under the control of primarily Hudal and Draganovic. Archbishop Siri of Genoa was Walter Rauff's contact in setting up Bishop Hudal's escape-network in that city.

In Ibero-America, there was also a network of corrupt Catholic Church officials who were ideologically committed to the Nazi ideology of Hispanidad, which had been propagated by von Faupel's Ibero-American Institute in Berlin.<sup>14</sup> In Argentina, this included Cardinal Antonio Caggiano and



Bishop Alois Hudal

14. See Wertz, *op cit.*, *EIR*, July 9, 2004.

his ally the bishop of Tucumán, Agustín Barrere, who met with French Cardinal Eugene Tisserant in 1946 and told him that they would help French Nazi collaborators to escape to Argentina. Cardinal Tisserant, a well-known anti-communist, was the secretary of the Congregatio pro Ecclesia orientali, a special unit of the Vatican which coordinated its policy in Eastern Europe.

The rogue elements in the Vatican involved in running the Nazi “rat-lines,” were those right-wing anti-Christian nominal Catholics who supported the Nazis, Mussolini, and/or Francisco Franco in Spain. These are the same so-called Catholics, like William F. Buckley, Jr., who hated the late Pope John Paul II, as much as they hated Pope John XXIII and Pope Paul VI. They defended Hitler’s anti-Semitism and Gestapo tactics on the same grounds that they supported the Spanish Inquisition of Tomás de Torquemada. Contrast this with the policy of the late Pope John Paul II, who helped Jews escape persecution in his native Poland, and who did so much to establish ecumenical relations with Jews during his papacy.

A number of writers attempt to attribute responsibility for the activity of these rogue elements within the Catholic Church to Monsignor Giovanni Montini, who later became Pope Paul VI. Montini was Pope Pius XII’s Under Secretary of State for Ordinary Affairs. However, at least two of these same authors acknowledge that “Montini deservedly has a reputation as an anti-Fascist.”<sup>15</sup>

In fact, Pope Paul VI, as expressed in his encyclical *Populorum Progressio*, in which he proclaimed that “development is the new name of peace,” was a principled supporter of President Franklin Roosevelt’s anti-colonial economic development policy and an opponent of the fascist economics of Schacht and the Dulles faction.

Forced to operate under a Hitler-allied fascist Mussolini government before and during the war, the Vatican was in a position so precarious that it could not exercise control over pro-fascist Synarchist elements operating under the cover of the Church. After the war, with the death of Roosevelt, the Vatican was penetrated by the Dulles-Angleton intelligence faction, which, as the new occupying power, ran its own pro-Nazi operations contrary both to Roosevelt’s intent and to that of the Vatican itself.

That Bishop Hudal did not have the support of the Vatican in his Nazi rat-line activity is further confirmed by the fact that he himself complained bitterly that Montini mistreated him. Moreover, he never claimed that his own activity was sanctioned by Montini or Pope Pius XII.

Bishop Hudal was himself a Nazi, who in 1935 published a pro-Nazi book entitled, *The Foundations of National Socialism*. In 1942, he authored a pamphlet entitled “Europe’s Religious Future,” in which he argued that Christianity must use Nazism to fight the twin dangers of liberalism and Bolshevism, both of which, according to him, were inspired by the

15. Mark Aarons and John Loftus, *Unholy Trinity, How the Vatican’s Nazi Networks Betrayed Western Intelligence to the Soviets*, p. 19.

Jews. He also held a Golden Nazi Party membership badge.

As reported above, Hudal was the guardian of both Martin Bormann’s eldest son, Adolf, who was preparing to become a Jesuit priest, and of Avery Dulles. Adolf Martin received his first name from his godfather, Adolf Hitler. After the war he served for years as a missionary in the Congo, but then asked for reassignment to South America. When the Vatican denied the request, Adolf resigned from the priesthood on July 24, 1971, and married a former nun. They both then went to work as missionaries to the Indians of Brazil and Bolivia, where it was possible for him to see his father.

Bishop Hudal was the Rector of the Pontificio Santa Maria dell’ Anima. During the war, he served as Commissioner of the Episcopate for German-speaking Catholics in Italy, as well as Father Confessor to Rome’s German community. He often spoke about the unity between the Catholic Church and the Nazi government. Hudal had contacts with the German Red Cross, the Dulles-Angleton wing of the U.S. OSS, British Intelligence, and was well connected to Die Spinne and Odesa. Hudal and Draganovic also worked with Reinhard Gehlen.

Once the war ended, Hudal in his official capacity as Spiritual Director of the German People visited all the German POW camps. Word soon spread of his role in helping Nazis to escape. U.S. intelligence agencies under Dulles-Angleton control knew of his mission and helped provide transportation, living quarters, and even identity papers.

Among the most prominent Nazi war criminals to escape helped by Hudal and Draganovic were the following:

**Martin Bormann** escaped to a safe house in Denmark and was later transported from northern Germany to Munich.<sup>16</sup> From there he crossed into Austria and then finally to a Franciscan monastery in Genoa, Italy. From Italy he travelled to Argentina, where he remained until Juan Perón was forced from power in 1955. Some specialists maintain that he died in Paraguay in 1959. According to other authors, Bormann was still alive in 1974 and is said to have often visited Colonia Dignidad in Chile while in exile. This Nazi sanctuary functioned during Operation Condor as a torture center for Pinochet’s DINA secret service.

**Heinrich Müller**, the head of the Gestapo and senior general of the Waffen-SS, met with Bishop Hudal, who found quarters for him until he could escape. He later boarded an Argentine ship in Naples and settled initially in Peru with the help of SS Col. Friedrich Schwendt. Müller worked directly

16. Bormann, with the help of Heinrich Müller, left behind a trail of false evidence which purported to show that he had died in Berlin. One of the witnesses who claimed to have seen Bormann’s dead body being removed from a tank in Berlin was Juan Piñar, a Spanish soldier who was part of a Blue Division unit, which accompanied Bormann as he left the bunker of the Reichschancellery.

The fact that on Sept. 30, 1946 the International War Crimes Tribunal at Nuremberg sentenced Bormann *in absentia* to death by hanging, “when and if apprehended,” indicates clearly that the Tribunal thought that he was still alive and had escaped.

with Bormann and became the chief of security for the Bormann organization after the war. Müller helped Skorzeny organize the secret services of Egyptian President Gamal Abdel Nasser and Libyan President Muammar Qaddafi.

**Walter Rauff**, head of the SD in Milan, and the inventor of the mobile gas vans used to gas as many as 250,000 Jews to death, was apprehended at the conclusion of the war, but was then released to the custody of “S Force Verona,” an OSS unit working with the British-American “Special Counter Intelligence” team in Italy (SCI-Z), headed by Angleton. Rauff escaped in 1948 to Syria, where he was an advisor to the secret police and chief bodyguard of the President, and then to Chile via Ecuador. In Ecuador, he had a job with the I.G. Farben firm Compañía Bayer. Bishop Hudal was a close friend of Rauff beginning around 1943. Monsignor Don Giuseppe Bicchierai, Secretary to Milan’s Cardinal Schuster, sheltered Rauff in the convents of the Holy See, before his departure from Italy. Bicchierai, like Rauff, had been involved in the Operation Sunrise negotiations. Rauff, who died in May 1984, was an advisor to Pinochet’s DINA beginning in 1975.

**Friedrich Schwendt**, an SS colonel who worked with Rauff, had been involved in Operation Wendig, counterfeiting millions of bank notes for the Nazis. He escaped to Peru. He later helped plan the U.S. “Bay of Pigs” invasion of Cuba from the Dominican Republic, and worked closely with Rauff and Barbie in money-laundering and arms-trafficking.

**Klaus Barbie** was “the butcher of Lyon,” France, where as chief of intelligence and the Gestapo, he was responsible for the torture and killing of 26,000 people. He fled after the war from France to Germany, where he was recruited by the Dulles-controlled faction of the U.S. Counter Intelligence Corps. On March 22, 1951, he was smuggled from Germany through Austria to Genoa by the CIC, from where he was shipped to Argentina and then settled in Bolivia in 1951. In 1952, and again in 1954, the Military Tribunal of Lyon sentenced him to death *in absentia*. In 1964, under the alias Klaus Altmann, he was put in charge of Bolivian internal security forces. After another coup in 1970, he continued as a security consultant to the government. And then after the “Cocaine Coup” in Bolivia in 1980, Barbie was appointed once again the head of Bolivian internal security. This was during the time period when Bolivia belonged to Pinochet’s Operation Condor.

**Franz D. Paul Stangl**, the commandant of the Treblinka death camp, escaped with help from Hudal. Stangl initially went to Southwest Asia, where he worked with Skorzeny and Gehlen, spending time in Syria. He then moved to Brazil where he worked in the São Paulo Volkswagen factory until 1967, when he was captured.

**Josef Mengele**, the infamous Auschwitz doctor, lived in Argentina under the protection of Hans Ulrich Rudel, until Skorzeny moved him to Paraguay in 1959 where he became a security advisor to President Stroessner. He died in Brazil in 1979.

**Adolf Eichmann** escaped to Genoa and was hidden in a

monastery under Archbishop Siri’s control with the help of Hudal. He then sailed on June 14, 1951 to Argentina, where Carlos Fuldner found him a job at Mercedes Benz. In Argentina, both Eichmann and Mengele were under the protection of the neo-Nazi Tacuara group, which was advised by the anti-Semitic Argentine priest Julio Meinvielle. One of the leaders of Tacuara was Horst Eichmann, son of Adolf Eichmann. The Israeli Mossad caught Eichmann in 1960, and brought him to trial in Israel. As head of Section IV B-4, the Gestapo office in charge of extermination of Jews, Eichmann was a direct subordinate of Heinrich Müller.<sup>17</sup>

## Eastern European Nazi Collaborators

In addition to the German Nazis who escaped, many of the escapees were Eastern European collaborators of the Nazis, whom the British and Dulles wanted to utilize against the communist partisan leader Josip Broz Tito in Yugoslavia, and elsewhere in Eastern Europe, as part of the Cold War. Three of the priests who were active in organizing the Nazi rat-lines were themselves Nazi war criminals from Croatia.

Croatian Father Krunoslav Draganovic was Secretary of the Confraternity of San Girolamo in Rome, and used this institution as his base of operations. In 1932 he studied at the Papal Oriental Institute and the Jesuit Gregorian University in Rome. He stayed until 1935 working in the Vatican Archives. He then became secretary to Bishop Ivan Saric of Sarajevo, who during the war was known as the “hangman” of the Serbs during the massacres perpetrated by the Croatian fascists, the Ustashi.



Fr. Krunoslav Draganovic

Father Draganovic was himself an Ustasha colonel and war criminal. He was an officer of the committee responsible for the forced conversion of Orthodox Serbs to Catholicism and the forced requisitioning of food during the Nazi offensive on Kozara Mountain. He was also vice president of the Ustashi’s Office of Internal Colonization.

In August 1943, Draganovic returned to Rome, where he represented the Ustashi and the Croatian Red Cross. In late 1944, Draganovic began to visit the camps in Italy where Croatians were housed. He used American travel papers and

17. Other prominent Nazi war criminals who escaped include: Eduard Roschmann, who was responsible for the death of some 40,000 Jews in the ghetto of Riga in Latvia. He died in Paraguay in 1977; Erich Priebke, who participated in the shooting of 335 Italians in the Ardeatine Caves massacre in 1944, escaped to Argentina. He was extradited in 1996; Alois Brunner, a senior officer in the Jewish deportation program. He worked with Skorzeny in Egypt after the war; Joseph Schwamberger, commander of three concentration camps in Poland; Dr. Gerhard Bohne, the administrator of Hitler’s euthanasia program; and Dr. Carl Värnet, who conducted surgical experiments on homosexuals at the Buchenwald concentration camp.

travelled in an American car. He also had close relations with the Minister of Internal Affairs in Italy, Dr. Migliore, who directed the Italian secret service.

Father Draganovic was considered the alter ego of Ante Pavelic, the fascist leader of Croatia. In July 1947 the Yugoslavs requested Draganovic's extradition, but the request was denied. His younger brother Kresimir escaped to Argentina. Pavelic, who was sheltered by the British government, himself arrived in Buenos Aires on Nov. 6, 1948.

In addition to Draganovic, the two other major fascist Croatian priests involved in the rat-lines were Father Cecelja and Father Dragutin Kamber. Cecelja was a professed Fascist who organized 800 peasants to assist the Nazi occupation of Croatia, officiated at the swearing-in ceremony of Croatian Nazi quisling Ante Pavelic while being aware of the Budak proclamation to kill one-third of the Serbs. He was deputy military vicar to the Ustashi militia with the rank of lieutenant colonel. He was registered as a war criminal himself. Father Kamber set up the concentration camp at Doboje and became its commandant.<sup>18</sup>

## Juan Perón's Faustian Deal

It is not the purpose of this article to provide a comprehensive assessment of Argentine President Juan Perón or the Peronist Party which survives him in Argentina today. Today, forces that emerged from that party, under the leadership of President Néstor Kirchner and others, are waging a determined fight against the fascist economic policies of the International Monetary Fund, a fight which reflects the positive institutional commitment to social justice and economic development of the party founded by Perón.

During World War II, Argentina, with its von Faupel-trained military was officially neutral. The British benefitted from Argentine neutrality, because it allowed Argentina to ship food to Great Britain throughout the war without Nazi interference. Argentina's neutrality, however, led the United States to provide military assistance to Argentina's regional rival Brazil, while denying Argentina the same. As a result, Argentina made a number of unsuccessful attempts to obtain military assistance from the Nazis. Only when it became absolutely clear that the Axis powers had lost the war did Argentina finally declare war on them on March 27, 1945.

Clearly, Juan Perón himself had mixed motivations respecting his participation in the rat-line. On the one hand, he hoped to bring as many as 4 million European immigrants to Argentina after the war. He also put an emphasis upon the recruitment of skilled workers, technicians, and scientists.

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18. Three other priests who were part of the Draganovic operation were: Father Dominik Mandic, the official Vatican representative at San Girolamo, who was a senior official in the Franciscan order. He arranged the printing of false identity papers on the Franciscan press at San Girolamo; Monsignor Karlo Petranovic, who later lived in Canada, worked out of Genoa, shipping out war criminals; and Father Gallov, a Hungarian Catholic Priest, was central to forging Red Cross papers, using aliases and false nationalities.



Argentina National Archives

*Rodolfo Freude (left) with Juan and Evita Perón in 1946. Freude's father, Ludwig, was a crucial player in the shipment of Nazi gold to Argentina. Rodolfo became President Perón's personal secretary.*

Perón had in mind the economic benefits to Argentina of increasing its total population and also of expanding the skilled component of the work force.

On the other hand, there is no doubt he was a witting participant in bringing Nazi war criminals to Argentina from 1947 until 1950. This decision was undoubtedly influenced by Perón's nationalist opposition to British imperialism and his adaptation to pro-fascist elements in Argentina, including in the Roman Catholic Church, with whom he had allied to gain power in 1943. Ironically, however, the Nazi rat-line was run by the same Anglo-American imperialists Perón otherwise opposed.

After the war was concluded, during a military revolt against him in September 1945, Perón was forced to rely heavily upon the Bormann apparatus for his political survival. To avoid detention, he initially escaped for three days to the Summer home of Ludwig Freude. After Perón was arrested, Freude, who had been a crucial player in the shipment of Nazi gold to Argentina, helped finance the mobilization organized by Evita Duarte to effect his release. In October, Perón would marry Evita, in whose name the Nazi gold had been deposited. Freude then became the main conduit for German contributions to Perón's 1946 Presidential election campaign. Moreover, his son, Rodolfo, became Perón's personal secretary.

After Perón's election in 1946, Rodolfo Freude became head of the Presidential Information Bureau (a presidential secret service) and of the new Central State Intelligence Agency (CIDE). Perón's involvement in the Nazi rat-line would then be coordinated by Rodolfo Freude.

As President, Perón protected Ludwig Freude from demands for repatriation to Germany. Rodolfo's brother-in-law, Werner Kōnnecke, who had been the accountant for the Nazi intelligence network in Argentina during the war, was arrested, but then released by Perón with no charges. Also, SS Capt. Siegfried Becker, the head of SD operations in the entire Southern Cone of South America, was briefly arrested at the end of the war, but was cleared of charges after Perón became President.

## Evita Perón's Trip to Europe

On June 6, 1947, Evita Perón began a tour of Europe, one of the purposes of which was to coordinate the network for

helping Nazis relocate in Argentina and other countries in South America. The first stop on her tour was Spain, where Gen. Francisco Franco greeted her. While in Spain, she reportedly met with Nazis connected to Otto Skorzeny, who in 1947 was still under Allied detention and would only escape in 1948. Skorzeny himself arrived in Argentina no later than January or February 1949. There he would first train the Buenos Aires police in Nazi interrogation methods, and then oversee the training of the police throughout Argentina.

After next visiting Rome, Evita then went to Rapallo, a town near Genoa, where she met Alberto Dodero, owner of an Argentine shipping fleet. On June 19, 1947 the first of Dodero's ships, the *Santa Fe*, arrived in Buenos Aires, carrying a cargo of Nazis. Over the next few years, Dodero's boats carried thousands of Nazis to South America.

The most important meeting Evita was to have in Rapallo was with Martin Bormann himself. According to the Argentine Catholic Intelligence Agency, led by Fathers Egido Esparza and Andrés Canale, Bormann's passage to Argentina after the war was arranged by Evita Perón, who met with him, the Argentine Salesian Army Chaplain José Clemente Silva (the brother of Perón's close friend Gen. Oscar Silva), and the Bishop of Genoa, Giuseppe Siri. Evita was accompanied by two Italian generals, Graziani and Cassiani, and Commendatore Giovanni Maggio. Silva provided the travel documents.

As a result of this meeting, Bormann sailed in 1948 on the *Giovanna C*, disguised as a Jesuit priest by the name of Juan Gómez. Like other fugitives, he entered Argentina, coming from Genoa on a second-class ticket, with forged Vatican documentation. When he arrived on May 17, 1948, he was received by Ludwig Freude. Once in Argentina he registered under a Jewish name as Eliezer Goldstein.<sup>19</sup>

Evita then went to Geneva to meet key figures from the Nazi escape apparatus, including a Swiss diplomat, Jacques Albert Cuttat, who had worked at the Swiss Legation in Argentina from 1938 to 1946. Swiss files accused Cuttat of maintaining wartime contacts with known Nazis. During the war, the Swiss Central Bank and a dozen Swiss private banks maintained gold accounts in Argentina. Among the account holders was Cuttat. Nonetheless he was promoted to chief of protocol of the Swiss Foreign Service after his return from Argentina to Switzerland.

## Delegation for Argentine Immigration in Europe

After Evita's trip, centers of Perón's Delegation for Argentine Immigration in Europe (DAIE) were set up in Genoa

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19. The Peróns kept all but a quarter of the Nazi gold, which they gave to Bormann. All four of the partners listed as trustees on the bank accounts in which the original Nazi gold was deposited were later killed. In 1949, Dörge was found dead; in December 1950, Leute was found murdered. A few months later, Staudt was dead, and in 1952, Freude was found dead, having drunk poisoned coffee.

and Bern. The Genoa office was set up by Father José Clemente Silva. Carlos Fuldner arrived there in December 1947.

In Bern, the center was set up by Perón's Ambassador to Switzerland, Benito Llambi, a retired major, who was a member of the secret GOU lodge which carried out the coup in Argentina with Perón in 1943. The office was directed by Carlos Fuldner, Herbert Helfferich, and Dr. Georg Weiss. A police report described them as "110% Nazis." Weiss was a guided missile scientist. Helfferich joined the Nazis in 1933, and was the Director of Public Works for Hitler. After escaping to Argentina, he was sent back to Bern as an agent of Rodolfo Freude's Presidential Information Bureau. Carlos Fuldner was the son of German immigrants to Argentina who returned to Germany to study. In 1931, Fuldner joined the SS and later was recruited into the SD Foreign Intelligence Branch. On March 10, 1945, Fuldner, who rose to the rank of an SS captain, fled to Madrid with a planeload of stolen art. He then moved to Bern, where he posed as a representative of the Argentine Civil Air Transport Authority.

The head of the Swiss Federal Police, Heinrich Rothmund, and the former Swiss intelligence officer Paul Schaufelberger participated in the activities of the Argentine immigration service in Bern. Rothmund worked for Justice Minister Steiger, who became President of Switzerland in 1945. Rothmund became the Swiss delegate to the International Refugee Organization from April 1945 to September 1947. Fuldner introduced Rothmund to Father Draganovic.

On Aug. 31 1948, Bishop Hudal sent a letter to Juan Perón requesting 5,000 visas for German and Austrian soldiers. Hudal's main assistant was Capt. Reinhard Kops, a Nazi military intelligence officer. Kops worked in liaison with Perón's DAIE offices in Genoa. Hungarian Father Edoardo Doemeter of San Antonio parish in Genoa worked with Kops. He signed Eichmann's Red Cross passport application. Kops himself later fled to Argentina, where he was employed by *Der Weg*, a monthly magazine written and read by Nazi fugitives. It was produced from the Dürer-House bookshop owned by Ludwig Freude. In 1949, Kops convinced Hudal to write an article for the publication.

A secret U.S. Army report written in 1948 said that the Swiss government made a profit by providing Nazis with phony documents needed to flee to Argentina. KLM Royal Dutch Airlines may have illegally flown suspected Nazis to Argentina, while Swissair acted as a booking agent.

## Argentine Immigration Office in Buenos Aires

Santiago Peralta, a Nazi-trained, skull-measuring anthropologist was appointed to head Immigration by Perón in 1946. In 1932, he had studied applied anthropology in Germany. He published a virulently anti-Semitic book in 1943, *The Action of the Jewish People in Argentina*. In 1946, he published a second anti-Semitic book, *The Influence of the Arab People in Argentina*, in which he contrasted the benefits of promoting Arab immigration against the disadvantages of admitting Jews. After one year as head of immigration, he

was dismissed by Perón on June 7, 1947 and replaced by Pablo Diana. This was one day after Evita left for Europe.

A review of the key personnel involved in Perón's Immigration Office in Buenos Aires, makes it absolutely clear that Perón was not the unwitting victim of a plot by others to bring Nazi war-criminals to Argentina through the back door. Besides the aforementioned Nazis, Fuldner, Helfferich and Weiss, the key personnel involved were as follows:

**Pierre Daye:** A Belgian Rexist party parliamentary leader and war criminal. In mid 1948, Daye set up the Society in Argentina for the Reception of Europeans (SARE), in a building owned by the archbishopric of Buenos Aires. The archbishop was Cardinal Primate Santiago Luis Copello, a sympathizer of the French Vichy regime, supporter of Franco, and regular visitor at the German Embassy in Buenos Aires during the war. Pierre Daye was in touch with Leon Degrelle, leader of the Belgian Rexist party, who was hiding out in Franco's Spain. Degrelle, who worked closely in Spain with Otto Skorzeny, would also collaborate with Francoist Blas Piñar's New Force. In mid-1949, Daye created a Center of Nationalist Forces, which involved the pro-Mussolini Italian Franciscan Father Eusebio, who had helped Vittorio Mussolini, Il Duce's son, escape to Argentina in 1947.

**René Lagrou,** founder and leader of the Flemish SS, condemned to death by a war tribunal in Antwerp. He had wide-ranging powers at Immigration and was a founding member of SARE.

**Jan Durcansky,** a war criminal from Czechoslovakia, who escaped to Argentina with his brother Ferdinand, also a war criminal, and became an informant for Perón's secret service and a founding member of SARE. His appointment to Immigration was signed by Perón. Request for extradition by Prague was turned down in 1960.

**Charles Lesca,** an Argentine-born French war criminal on the directorates of various right-wing publications such as *Action Française*, *Frontières*, and *Combats*. He was editor of the anti-Semitic magazine *Je Suis Partout*. At the liberation of Paris, he escaped to Berlin and then to Madrid, where he organized the first "rat-line" to Argentina for agents of the SS.<sup>20</sup>

In 1949, after Charles Lesca's sudden death on Jan. 11,

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20. Other key personnel included: Jacques de Mahieu, veteran of the Waffen-SS Charlemagne Division, recruited French volunteers. Perón named him national secretary of the Higher School of Peronist Leadership; Gino Monti de Valsassina, the Italo-Croatian Count of Monti, was an ex-member of Hitler's Luftwaffe and a former spy for Nazi military intelligence; Branko Benzon, the wartime Croatian ambassador to Berlin and Budapest, became advisor to Perón's Public Health Ministry and worked at the German Hospital in Buenos Aires. He accompanied Perón into exile in 1955; Georges Guilbaud, a French war criminal, was a close confidant of Vichy President Pierre Laval and Marshal Pétain. He joined Freude's secret service and became one of Perón's main economic aides; Leonard de Roover, a Belgian war criminal, was recruited to the Information Bureau and became the link between Freude and Immigration; Radu Ghenea was the pro-Nazi former Romanian Ambassador to Madrid and a friend of Fuldner and Daye; and Víctor de la Serna, a Spanish journalist who fought in Franco's Blue Division.

Perón began to withdraw from the operation. Immigration Commissioner Pablo Diana was replaced by former GOU mastermind Col. Enrique González. There was a charge that too many landing permits had been given to Jews, which violated Directive 11, which restricted Jewish immigration. An inquest was conducted by the Ethnic Institute during which even Fuldner was questioned.

By the Spring of 1949, the Bern operation was shut down and the Genoa operation was terminated in 1950. This was approximately the time in which a rift began to develop between Perón and Spain's Franco. Perón's attempt to go back on his Faustian deal with the Nazi international and chart an independent course would be a contributing factor in his overthrow by the British in 1955.

## The U.S. Involvement

Declassified documents establish clearly that the Nazi rat-line run by Bishop Hudal and Father Draganovic worked directly with the Dulles/Angleton British faction of U.S. intelligence. Special agent Paul Lyon, of the 430th Counter Intelligence Corps in Austria, worked with Draganovic in late 1947. Draganovic agreed to smuggle CIC informants to Argentina at a price of \$1,500 per head. In return, the CIC assisted him, through another U.S. intelligence agent, Robert Bishop, who was chief of the eligibility office at the International Refugee Organization (IRO) in Rome. According to one source, Bishop "had also been a member of Angleton's operation."<sup>21</sup>

In July 1948, the CIC agreed to smuggle Draganovic's fugitives out of Germany to Austria, in return for his assistance in obtaining Argentine visas for persons of interest to the U.S. government.

In 1995, Col. James V. Milano authored a book in which he claimed self-servingly that the rat-line he ran from 1945 to 1950 only helped Red Army deserters and Soviet refugees, but not Nazi war criminals to escape. Milano, who was part of the 430th CIC and was head of the 7769th Military Intelligence Service, admitted that he ran a rat-line out of Salzburg, Austria from 1945 to 1950. He claimed that Klaus Barbie was smuggled out only after he retired and shut down his rat-line.

Milano reported that the records of his rat-line, with the exception of two reports by Capt. Paul Lyon, which somehow survived, were deliberately burned, to protect those who were smuggled to South America. He admitted that Barbie was smuggled out through Genoa by the 66th CIC via the 430th CIC in Austria, utilizing the services of Draganovic. Barbie was escorted to Genoa by George Neagoy, who succeeded Paul Lyon. Neagoy joined the CIA in 1951.

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21. Bishop had worked on a variety of clandestine projects with Dulles-Angleton ally Frank Wisner in Istanbul, Bucharest, and Rome since at least 1944. According to CIC agent Lyon, during the 1948 Italian election campaign, Bishop attempted to use the rat-lines as a large-scale paramilitary operation, by providing "large numbers of underground troops, military supplies, sea evacuation, air evacuation and the like" for clandestine warfare against the communists. This is an early example of the use of the stay-behind Gladio networks of the rat-lines. (Simpson, *op cit.*, p. 195.)



One of the U.S. documents written in 1948 by Paul Lyon which survived reads as follows:

“Through the Vatican connections of Father Draganovic, Croat, DP Resettlement Chief of the Vatican Circle, a tentative agreement was reached to assist in this operation. The agreement consists of simply mutual assistance, i.e., these agents assist persons of interest to Father Draganovic to leave Germany and, in turn, Father Draganovic will assist these agents in obtaining the necessary visas to Argentina, South America, for persons of interest to this Command. . . .

“It may be stated that some of the persons of interest to Father Draganovic may be of interest to the Denazification policy of the Allies; however, the persons assisted by Father Draganovic are also of interest to our Russian ally. Therefore this operation cannot receive any official approval and must be handled with minimum amount of delay and with a minimum amount of general knowledge.”

This document, which admits involvement with Nazi criminal Draganovic, in smuggling Nazi criminals wanted by the “Denazification policy of the Allies” to Argentina, is itself a cover-up, since the involvement of Dulles and Angleton in the rat-lines begins immediately after Operation Sunrise in 1945, as evidenced by the case of Walter Rauff cited above, and Milano’s own admission that he ran his rat-line beginning in 1945.

Draganovic was only dismissed by U.S. intelligence in 1962. His dismissal slip merely said: “No longer useful to the Vatican or to the U.S.” In 1967, Draganovic returned to Yugoslavia where he died in 1982.

## The Case of Egypt

An early example of how the Nazis were used by the Dulles-Angleton British faction as a private mercenary army, as was done later in the 1970s in Chilean dictator Augusto Pinochet’s Operation Condor, is the case of Egypt. As this case makes clear, terrorism today under an Islamic cover should not be taken at face value. Just as Osama bin Laden was an Anglo-American Synarchist asset during Zbigniew Brzezinski’s and Bernard Lewis’s “Afghansi” war against the Soviet Union in the 1970s, Islamic terrorists were trained after World War II by those Nazis who escaped Europe on the Nazi rat-line run by Allen Dulles on behalf of his Anglo-American Synarchist financier controllers.

Just as in many Ibero-American nations, the Nazi presence in Southwest Asia was extensive prior to the war. Hitler’s closest ally in the Mideast was the Grand Mufti of Jerusalem, Haj Amin el-Husseini. After the war, thousands of Nazis escaped to the Mideast through the Nazi rat-lines. By 1947, Swiss-based Nazi International leader François Genoud had reorganized the Mideast intelligence sections of the defeated Third Reich. In the early 1950s at the Cairo Windsor Hotel, one could regularly run into such people as Genoud, the Grand Mufti, and SS Gen. Karl Wolff. Skorzeny himself arrived in Cairo in 1952.

As early as 1951, Dulles dispatched Kermit Roosevelt

to Cairo to open secret negotiations with Col. Gamal Abdel Nasser and his Society of Free Officers.

The case of Nasser is even more clear than the complex case of Juan Perón in Argentina. Nasser was a genuine nationalist, opposed to the British Empire, who wanted to develop his country and defend the sovereignty of the developing nations. He became a victim of the Cold War, and of the split in U.S. intelligence between the Roosevelt tradition and the “Dulles Complex.” His political maneuvering included using the Nazis whom he had inherited from his predecessor, Gen. Mohammed Naguib. Later, he would break from their Anglo-American controllers and turn to the Soviet Union for support.

In sending Kermit Roosevelt to Cairo, Dulles wanted to protect Anglo-American interests in Egypt, as the monarchy of King Farouk crumbled. In 1953, Dulles turned to Gehlen, who in turn subcontracted the CIA mission of training an Egyptian security force to Otto Skorzeny. Over the next 18 months, Skorzeny used CIA money to recruit Nazi advisors to train the Egyptian security services. Among his aides were Hermann Lauterbacher, a member of the SS and former deputy leader of the Hitler Youth, and Franz Bünsch, who wrote an anti-Semitic tract entitled *The Sexual Habits of Jews*. Bünsch, a veteran of Eichmann’s SS “Jewish Affairs” office, was Gehlen’s resident chief in Cairo.

Skorzeny initially operated as military advisor to Gen. Mohammed Naguib. While in Egypt, he also met frequently with Nasser, who took power in 1956. During this same period, Schacht was travelling from one Arab country to another in his capacity as economic advisor to the Shah of Iran and the Saudi royal family.

Among those recruited by Skorzeny to train the Egyptians were SS Gen. Oskar Dirlewanger, the “butcher of Warsaw”; SS Col. Adolf Eichmann; SS Gen. Wilhelm Farmbacher; Panzer Gen. Oskar Munzel; Leopold Gleim, former chief of Hitler’s personal guard and Gestapo security chief of German-occupied Poland; Joachim Dämpling, former chief of the Gestapo in Düsseldorf; Dr. Hans Eisele, chief medical officer at Buchenwald concentration camp; and Heinrich Willermann, former medical director at the Dachau concentration camp.

Another Nazi who joined Skorzeny’s project in Egypt was Alois Brunner, a.k.a. “Georg Fischer.” Brunner had once been Eichmann’s top deportations expert for the entire Reich, personally implicated in the murder of 128,500 people. He was convicted by the French government *in absentia* of crimes against humanity and sentenced to death. He remained in Cairo until 1962 and then returned to Damascus.

Skorzeny trained an Arab foreign legion in commando tactics. This secret unit was comprised of 400 former Nazis and Gestapo veterans and used a training base at Bilbeis in the Delta.

When Nasser took over, Gleim became his State Security Cadre (KSSC) commander; Dämpling his advisor on Special Activities, whose responsibilities included the secret police and the concentration camps at Abu-Sabal and El-Kanater; and Bernhardt Bender, the former chief of the Wehrmacht

security division in the Ukraine during World War II, was chosen to head the Egyptian Security police, the organization in charge of the prisons.

German scientists were also recruited for the military program. When this program came to public light and was criticized, it was supported by Averell Harriman, at the time U.S. Assistant Secretary of State, who argued that if the Nazis left Egypt, the Soviets would come in.

The team utilized by Skorzeny to train the Egyptians had been provided to him by Gen. Heinrich Müller. Colonel Qaddafi of Libya then asked Nasser to make the Nazi team of advisors available to him as well.

## Conclusion

As we have demonstrated conclusively, after World War II, Allen Dulles and James Jesus Angleton and the Anglo-Dutch banking faction which they represented, moved immediately to protect their Nazi allies, in order to overturn Franklin Roosevelt's American System vision of the post-war world, and replace it with a form of universal fascism.

Allen Dulles and his brother John Foster were lawyers for the Anglo-American-Nazi cartels prior to the war. They worked directly with Hjalmar Schacht ever since the signing of the Versailles Treaty, and the companies they represented worked with the Nazis even during World War II.

After the war, Dulles and Angleton worked directly with a rogue network within the Roman Catholic Church, including Nazis like Bishop Alois Hudal and Nazi war criminals like Father Dragonovic, to protect and utilize Nazi war criminals.

While the constitutionally established institutions of the United States government were trying to capture and prosecute Nazi war criminals, Dulles, Angleton, and their loyalists were recruiting and protecting Nazi war criminals as assets to overthrow those very same U.S. institutions.

This process of overthrowing the U.S. Constitutional commitment to the General Welfare, which Dulles and his circle spearheaded, has continued into the present day under the direction of George Pratt Shultz.

It is no accident that the Nazi war criminals protected by Dulles and Angleton played a leading role in enforcing Shultz's Schachtian economic policies in Chile and throughout the Southern Cone of Ibero-America under Operation Condor. Similarly, if successful, the attempt on the part of the Shultz-controlled Bush Administration to implement the Chilean model for privatization of Social Security in the United States would necessarily be a foot in the door to fascism here. That is the threat posed by Shultz's Arnold Schwarzenegger, whose father was a Nazi and who has personally expressed his own admiration for Hitler. Schwarzenegger is a modern-day Hollywood version of fellow Austrians Adolf Hitler and Otto Skorzeny.

That is why Lyndon LaRouche has insisted that either we win the current battle to defeat Bush's drive to impose the Chilean model of privatization of Social Security in the United States, or we will all end up in concentration camps.

The "Dulles Complex" is an oligarchical, Synarchist cancer, which must be excised from the U.S. body politic, if the United States and the world are to survive the present crisis.

With the cold coup d'état carried out through voter suppression on Nov. 2, 2004 by the controllers of George W. Bush, Shultz and his Synarchist banker friends, think they have the opportunity they have been waiting for.

But they are wrong. As the May 23 defeat in the U.S. Senate of the "nuclear option" demonstrates, Bush's manic drive to push through Social Security privatization has already proven to be the biggest mistake of his political life—and may lead to his downfall. It is time that the "Dulles Complex," which ran the Nazi rat-lines after World War II and which is plotting to impose fascism in the U.S. and the world today, is finally defeated.

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