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MEMORANDUM

Buenos Aires, September 23, 1943

SOFINA INTERESTS IN ARGENTINA

This memorandum has been prepared with reference to the Department's instruction No. 3681 of January 4, 1943 (enclosing Treasury Investigation Request Argentina No. 1) and it supplements the Embassy's despatches No. 9370, of March 16, 1943 and No. 9654 of April 8, 1943, relative to the activities in Argentina of SOFINA. The Embassy has delayed until this date in submitting a complete report in answer to all the questions raised in the subject Treasury Investigative Request since it was felt that it could not completely express its views on many of the points raised with any reasonable degree of certainty. As both the Department and Treasury are aware, the Embassy has had Cia. Argentina de Electricidad (CADE) under investigation for a considerable period of time. Due to the peculiarity of the local CADE position and the many complexities entering into any study concerning this system it has been difficult to make decisions concerning the steps which were to be requested to be taken by the CADE officials. Many requests have been made of the CADE officials and practically all have been complied with. Accordingly the Embassy is prepared at this time to say that the CADE has been extremely cooperative and that so far as the Embassy can ascertain it is engaged in no activities inimical to Allied interests here.

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 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHODS EXEMPTION 3028
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2001 2007

I. COMPANIES IN ARGENTINA ASSOCIATED WITH SOFINA

A. The Smaller Companies.

It would indeed be presumptuous for the Embassy to attempt to outline the world wide interests of SOFINA (Societe Financiere de Transportes et des Interprises Industrielles), since better information is available to the Department and the Treasury than to the Embassy on this part. However, the Embassy is able to roughly outline the Argentine interests of SOFINA. The principal SOFINA interest in Argentina is the Companis Argentina de Electricidad (CADE). As is known, this Argentine corporation is wholly owned by the CHADE (Compania Hispano Americana de Electricidad), Until 1920, the electric and gas utilities at present held by the CADE were owned by the Deutsche Uebersee Elektrizitats-Gesellschaft. However, this company found itself in such bad shape after the first world war that a reorganization was necessary. Accordingly, the CHADE was formed to hold the assets of this company. It is understood that the original capital was English, Belgian, Swiss and Spanish. The Germans were paid partly in shares. However, the Embassy believes that in the early days of the Nazi regime, many if not all of the German shares in CHADE were sold to outside interests, pursuant to decrees promulgated by Dr. Schacht. At any rate, CADE, has assured the Embassy that it is making no remittances to Germany. (See Embassy's despatch No. 9654m of April 8, 1943).

FOR COORDINATION WITH *State*

1. This matter has been discussed...

SOFINA is said to hold 15% of the CHADE stock and CHADE, according to the Embassy's information, owns 5% of SOFINA's common stock. However, the important link between SOFINA and the CADE is the fact that the SOFINA has the management contract of the CADE properties in Buenos Aires. The CADE, mentioned above, owns the electric operating plant in Buenos Aires and the CADE stock is entirely owned by the CHADE. The CADE was formed during President Justo's regime at his insistence. He thought that instead of having the physical operating properties owned directly by CHADE, that an Argentine entity to hold these properties should be formed with its entire stock owned by the CHADE.

The CADE has three wholly owned operating subsidiaries, Cia. Explotadora de Usinas de Gas Bernal, Cia de Gas La Plata and Cia de Electricidad de la Provincia de Buenos Aires. SOFINA (not CADE) is said to control Cia. General de Industrias y Transportes, which performs certain supply, mechanical and repair services for CADE. SOFINA owns the Societe d'Electricite de Rosario (SER) and its subsidiary company, Cia General Argentina de Luz y Fuerza. These two companies furnish electricity and gas to Rosario in the Province of Santa Fe.

Another important SOFINA interest is in the Transport Corporation of the City of Buenos Aires (for details concerning this corporation, its organization, see Embassy's despatch No. 10152, of May 14, 1943 and enclosures). This interest is held through the Anglo Argentine Tramways, which owns one-third of the Transport Corporation. The SOFINA interest is through the Compagnie Generale des Tramways de Buenos Aires, which is a principal shareholder in the Anglo-Argentine Tramways.

Anglo-Argentine Tramways has three subsidiaries, namely Sociedad Argentina de Transportes e Industrias Anexos (SATIA), Sociedad Argentino Britanica de Inmuebles y Anexos (SABIA), and Cia Argentina de Talleres Industriales, Transportes y Anexos. The first mentioned subsidiary formerly ran the bus lines owned by the Anglo-Argentine Tramways. The second subsidiary owns the office building in which the offices of the Anglo-Argentine Tramways and the Transport Corporation are located. The third subsidiary, commonly known as CATITA, manufactures electrical tramway and bus equipment for the Anglo-Argentine Tramways Company and the Transport Corporation and in addition maintains repair shops. As the Department and Treasury are aware, the Transport Corporation has been intervened by the Ramirez Government. The Transport Corporation is very unpopular locally. It is thought that the idea for such an organization originated with the Anglo-Argentine Tramways and there have been many rumors to the effect that the law under which the Transport Corporation was organized was brought about by the use of heavy bribes on the part of the Anglo-Argentine Tramways. The Embassy has had little contact with the Anglo-Argentine Tramways since the predominant interests in it are British and this Embassy has left it up to the British Embassy to see that this company adhered to the economic warfare policies of our Governments. There are attached statements of the SOFINA companies (except CADE) mentioned herein, giving the authorized capital, the paid in capital, the

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reserves and the names of the officers and directors (insofar as the Embassy has been able to determine them).

In addition to the above the SOFINA group has formed three corporations in this country known as La Lealtad, Custodia and Fiducia. The first, La Lealtad is, according to Mr. Andre BAUSILI, Financial Adviser of the CADE and affiliates, inoperative, have no assets and although the reason for its formation was not made clear it would appear that CADE does not desire to dissolve this company since it feels that there may be some possible use for it in the future. Possibly it is visualized that it could be used to replace SOVALLES, if "something should happen" in Panama.

The corporation, Custodia S.A. de Comercio, Finanzas y Inversiones Industriales, at present has no assets and was set up to receive the assets of Sovalles. Sovalles as the Department knows, is the Panamanian holding company which took over the assets of SOFINA when Belgium was invaded.

CADE dividends payable to Sovalles are at times allowed to accrue in the CADE BOOKS and from time to time Sovalles instructs CADE to make certain payments in this country from the dividend account. It is the desire of the CADE officials to have no connection whatsoever with Sovalles and to make no entry on their books of payments on behalf of Sovalles.

Therefore, when such requests come through from Sovalles the amount involved is first paid to Fiducia, S.A. Comercial, Financiera y de Inversiones Industriales, which makes the corresponding payments to third parties. Fiducia was set up expressly for this purpose and has no other function.

A branch of a certain Dutch company is registered in this country known as Algemeene Financieele en Industrieele Maatschappij, N.V. (ALFINA), Balcarce 160. This is a company controlled by the SOFINA group whose only asset in this country is the building of the Sociedad de Electricidad de Rosario.

B. CADE

Of all the SOFINA interests in Argentina CADE is by far the most important. This company has its office at Balcarce 184, and R.S. Pena 832, Buenos Aires. It has an authorized and subscribed capital of 290,000,000 gold pesos (1 gold peso equals 2.27 paper pesos). Its local reserves amount to 3,856,739.78 paper pesos. The president is Dr. Carlos Meyer Pelligrini, the first Vice President is Dr. Alberto Hueyo, the second Vice President and the Director General is Ing. Rene T. Brosens, the Secretary is Dr. E. Garcia Merou, and the director delegates are as follows: Andres Bausili, Ing. Marcell Dechamps, Ing. Zacarias Nurnberg, and Dr. Rafael Vehils. The directors are Dr. T. L. Arata, Roberto Fraser, Dr. C. M. Mayer, E. C. L. Meynell, Dr. A. E. Shaw, C. A. Tornquist, and Dr. C. M. Vela. The "sindaca" is A. M. Drysdale. E. A. Cambo represents the CHADE in the management.

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1. The Management and Directors

Dr. Carlos Meyer Pellegrini is one of the most prominent attorneys in Buenos Aires and was a former deputy, cabinet minister and interventor. Prior to the war, he had many connections (directorships) with German firms, among them the Banco Aleman Transatlantico, Thyssen-Lametal and La Germano-Argentina, Cia. de Seguros. All of these connections had been severed prior to the United States' entry in the war except his post as President of La Germano-Argentina. The Embassy in its talks with CADE representatives made it abundantly clear that Dr. Carlos Meyer Pellegrini's association with La Germano-Argentina was looked upon with extreme disfavor. Later an interview was arranged with Dr. Meyer Pellegrini by an officer of this Embassy in which he asked whether he should resign this post, pointing out that he was pro-Allied, that his father had founded the company, et cetera. He was told that he should resign immediately, which he did. A copy of his letter to the Embassy is enclosed. His present business connections are as follows: President Cia. Argentina de Electricidad, President "Don Federico"; President Custoria, S.A. de Comercio, Finanzas e Inversiones Industriales; President Colamina; President La Lealtad S. A. Comercio y Financiera; Power of Attorney for Argentina Fideicomisaria; Director of La Esmeralda, Capitalizacion; Director of S. A. Inmobiliaria Comercial y Financiera; Secretary Fimasa; and Sindico of "La Margarita".

CADE is controlled by "Heineman" men, namely Brosens, Bausili, Dechamps, and Vehils. All, except Bausili and Vehils, who are Spaniards, are Belgians, and so far as is known, they are all pro-Allied. Brosens is the manager and makes the local decisions, he is Heineman's chief representative, has been extremely cooperative in all requests which the Embassy has made and when Heineman and Auchincloss were in Buenos Aires in October 1942, they promised officers of the Embassy that Brosens would carry out all the Embassy's requests and if he did not, such failure to comply should be communicated directly to Heineman through the Department. The only complaint which the Embassy can make in regard to Brosens was the fact that he appeared, from intercept information, to have been remitting money re relatives in Belgium (see Ber-Fin- 33453/42). However, when questioned concerning this, it appeared that he had remitted no funds but had merely instructed SOFINA in Belgium, to pay Belgian francs from a credit account held in his favor by SOFINA. He stated that he was not replenishing this account in any way and would have no more communication with enemy territory. His present business connections are: Second Vice President and General Director Cia. Argentina de Electricidad, First vice president, Explotadora de Usinas de Gas; Power of Attorney, Algemeene Financieele en Industrieele Maatschappij, N. V. (ALFINA); Power of Attorney, Electricidad de la Provincia de Buenos Aires, Ltda; First Vice President, Cia. General de Industrias y Transportes; First Vice President, Cia. de Gas de la Plata, Secretary Fiducia, Secretary, Custodia.

The Embassy has little information concerning Dr. Alberto Hueyo, except that in addition to his position as First Vice President of the CADE he is President of Mercado Central de Frutas and a director in Sudamericana, Cia. de Seguros de Vida. There is nothing to indicate that he is not pro-Ally

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The Embassy has very little information concerning Dechamps. He is said to be pro-Allied. His present business connections are as follows: Director Delegate, Cia. Argentina de Electricidad; Second Vice President, Cia. Explotadora de Usinas de Gas; Power of Attorney, Algemeene Financieele en Industriele Maatschappij, N.V. (AFINA) and of Electricidad de la Provincia de Buenos Aires; Second Vice President and Director Delegate, Cia. General de Industrias y Transportes; Director, Cia. De Gas de la Plata.

The Embassy has little information concerning Murnberg, and such inquiries as the Embassy has made have led to the belief that he is pro-Allied. In addition to his CADE directorship, he is associated with the following firms, all of which are connected with the CADE or SOFINA:

Cia. Primitiva de Gas de Buenos Aires, Ltda.
Explotadora de Usinas de Gas
Cia. de Electricidad de la Provincia de Buenos Aires, Ltda.
Cia. General de Gas de la Plata.

Dr. E. Garcia Merou is a well-known attorney, pro-Allied, according to all the Embassy's information, and a former minister for foreign affairs. He has been rumored as a possible successor of Admiral Storni in the Ramirez Government. In addition to his CADE connections there follows a list of the companies with which he is connected together with the position held:

Cia. Suizo Argentina de Electricidad, Director
Cia General Argentina de Luz y Fuerza, President
La Equitativa, Capitalizacion, President
La Equitativa del Plata, Cia. de Seguros, Director
La Buenos Aires, Cia. De Seguros, Director
Telegrafico Telefonica del Plata, Secretary
Cia. Argentina de Electricidad, Secretary
Explotadora de Usinas de Gas, President
Formio Argentino, Secretary
Telegrafico Telefonica Comercial, Director
Cia. de Electricidad de Los Andes, Director
Cia General de Industrias y Transportes, Secretary
Cia. General de Fosfros Sudamericana, Director
Cia. de Gas de La Plata, Secretary
Arminas, Director
Inmobiliaria, Comercial y Financiera, Director
Editorial Sud Americana, Vice President.
Sedalana, Director
Libreria del Colegio, President
Fiducia, President
Fimansa, Director
Red Argentina de Emisoras Splendid, Director
Union Telefonica del Rio de la Plata, Local Director
Comerfina, Director
Financiera Comercial e Inmobiliaria del Plata, President

It will be noted that many of the companies named are subsidiaries of or are connected with SOFINA.

Most of the Embassy's conversations have been carried on with Andres Bausili, who is a Spaniard, and who is extremely intelligent. Bausili handles the financial work for CADE

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and its associated companies. According to rumor, there appeared to be some doubt concerning Bausili's sentiments at the beginning of the war, but the Embassy has nothing other than rumor to indicate that he was not pro-Allied. There appears to be no doubt but that he is now pro-Allied. The Embassy has found him to be extremely cooperative in all respects. He is said to have thought highly of Franco, but there is no current information to confirm that he presently holds such a belief. He is closely connected with Francisco de A. Cambo (who represents CHADE interests on the Government Committee), and it is rumored that he is Cambo's illegitimate son - this the Embassy has been unable to confirm. Bausili's connections are:

Cia Argentina de Electricidad, Director Delegate
Explotadora de Usinas de Gas, Director
Algemeene Financieele en Industriele Maatschappij N.V.
(ALFINA), Power of Attorney
Electricidad de la Provincia de Buenos Aires, Ltda.,
Power of Attorney
Cia General de Industrias y Transportes, Director
Cia de Gas de la Plata, Director
Editorial Sud Americana, Director
Libreria del Colegio, Director
La Lealtad, Secretary
Custodia, Director
Fiducia, Director
Corporacion de Transportes de la Ciudad de Buenos Aires,
Director
Sud America Terrestre y Maritima, Director

With respect to Dr. Rafael Vehils, it is said that on the occasion of the death of his son, one of the first messages of condolence was a personal message from General Franco. It should be noted, however, that certain Argentines who are well known to the Embassy insist that, to their bewilderment, in spite of all the evidence to the contrary and in spite of his apparent like for present-day Spain and the "Hispanidad" movement, he is certainly not pro-Hitler but seems very friendly to the democracies. When Heinemann and Auchincloss were in Buenos Aires they insisted that the Embassy could count upon Dechamps and Vehils one hundred percent. Vehils is presently confined to his home in connection with the Argentine Government's investigation of CADE which is mentioned below. His business connections are:

Cia. Argentina de Electricidad, Director Delegate
Explotadora de Usinas de Gas, Secretary
Cia. de Electricidad de la Provincia de Buenos Aires, Ltda.
Power of Attorney
Cia General de Industrias y Transportes, Director
Cia. de Gas de la Plata, 2nd Vice President
Editorial sud Americana, Director
Libreria del Colegio, Director
La Industrial-Papelera, Director

It will be noted that both Vehils and Bausili are directors of Editorial Sudamericana. This is a publishing house established in Argentina during the Spanish revolution and is in no way connected with the CADE. Libreria del Colegio is also a private venture and is not connected with CADE or SOFINA.

/Dr. T. L. Arata

Dr. T. L. Arata is a professional director and "sindico". Because of the fact that he was "sindico" for the "El Fenix Sudamericano", he was designated a Special Blocked National. However, he has since resigned his "El Fenix Sudamericano" post and the Embassy has recommended that his name be deleted from the list of Special Blocked Nationals. His business connections are:

Cia. Argentina de Servicios Publicos, President
Soc. Argentino Britanica de Inmuebles y Anexos, Trustee
La Continental, S.A. de Capitalizacion, Director
Cia. Argentina de Electricidad, Director
P. Pesqueria Gardella, President.
Credito Ferrocarrilero e Inmobiliario, Trustee
Argentina de Transportes e Industrial Anexas, SATIA, Secretary
Argentina de Navegacion A. Gardella Ltda., Director
La Continental, Cia. De Seguros, 2nd Vice President
La Negra Maschwitz Rey, Ltda., Vice President
La Criolla, Secretary
Victoria, Cia. de Colonizacion, Director
Ernesto Tornquist y Cia., Ltda., Director
Cia. de Electricidad del Este Argentino, Director
Cia. de Electricidad de los Andes, Director
Corporacion de Transportes de la Ciudad de Buenos Aires,
Treasurer
Eldorado, Director
Formio Argention, Trustee
Revista de Jurisprudencia Argentina, Director Delegate
Fibrocemento Monolit, Director
Sudametal, President
Libreria del Colegio, Vice President
Editorial Sudamericana, Director
Impresora Argentina, Director
Aguas Corrientes de la Provincia de Buenos Aires, "tds.
Vice president
Condor, S. A. Petrolera, President
Cia. Azucarera Tucumana, Director
Talleres Metalurgicos San Martin, Director
Industria, S. A., Vice President
Industrias Yuvena, President

Roberto Fraser is the dominating figure in "Alpargatas", the well-known Anglo Argentine concern which makes shoes, textiles, rubber goods, et ceters. Fraser is one of the most successful businessmen in Argentina. It is doubtful that he has too much to say in the running of CADE. There follows a list of his business connections:

La Forestal Argentina, Director
Cia. Argentina de Electricidad, Director
El Globo Ltda. Director
Fabrica Argentina de Alparagatas, President and Manager
Ferrum, Director
La Buenos Aires, Cia. de Seguros, Secretary

Dr. C. M. Mayer, is probably the most prominent lawyer in Argentina actively practising at the present. He has many American and British clients. The Embassy has reported sufficiently on Dr. Mayer in its despatches concerning Anilinas Alemanas versus Electroclor. We have not been overly pleased at the attitude which he has shown on some occasions. However,

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there can be no doubt but that he is pro-Allied. His business connections are as follows:

Cia Internacional de Radio, President
Union Telefonica del Rio de la Plata, Ltda., local
Vice president
Argentina de Navegacion Dodero, Vice president
Mattaldi-Simon Ltda., Sindico
Cia. Argentina de Electricidad, Director
National Lead Company Director
Noel y Cia., Ltda., Secretary
Frigorifico Armour de la Plata, Vice President
Inmobiliaria Comerical y Financiera, Vice President
Comercial de Relojeria, Director
Editorial Sudamericana, President
Industrias Quimicas Argentina Duperial, Director
Montevideo Telephone Col, Ltd. President
Comerfina, Director
Financiera Comerical e Inmobiliaria del Plata, Director
La Industrial Papelera, Director
Los Naranjos, Secretary
Productos Quimicos Ciba, Director

E.C.L. Maynell is a partner in Roberts Meynell and is the local representative of the Bank of England. Meynell no doubt is an excellent banker and we have found him cooperative on banking matters. On occasions he has appeared to be more concerned over British investments in Argentina than in carrying out the program of economic warfare. His business connections are:

Mackinnon y Coelho Ltd., Director
Minera Aguilar, Director
Inmobiliaria Doninium, President
F.C. Eran Sud de Buenos Aires, Local Director
F.C. Oeste de Buenos Aires, Ltda., Director
Corporacion Financiera Argentina, Director
Diadema Argentina, Vice President
Ehlert Nash Motors, Director
Cia. General de Fosforos Sudamericana, Vice President
Invad. Director
F.C. Bahia Blanca al Noroeste Ltda., Local Director
Corporacion Britanica, President
Cia. Argentina de Electricidad, Director

Dr. Alejandro E. Shaw is a partner in Shaw Strupp & Cia. He stands very high in his own estimation and apparently in the estimation of some Argentines. He has some of the characteristics of the camelion and believes that he is able to change his political thoughts to coincide with those propounded by the government in power. The Financial Control Section of the Embassy does not consider him the most trustworthy partner in Shaw Strupp y Cia. He is a professional director as is disclosed by the following:

La Agraria, Cia. de Seguros, 1st Vice President
Cia. de Grandes Hoteles, Trustee
Cia. Argentina de Electricidad, Director
Cotecnica, Director
Argentina de Transportes e Industrias Anexas (SATIAO)
Vice President
La Continental, Cia. de Seguros, 1st Vice President

/ Interamericana

Interamericana, S.A. President
Talleres Metalurgicos San Martin, Trustee
Cia. Territorial Rio de la Plata, Director
Cia General de Comercio e Industria, Director
Editorial Sudamericana, Secretary
Inversiones Mobiliarias e Inmobiliarias del Plata, President
Drogueria Franco Inglesa, Director
Productos Alimenticios Argentinos, Director

There is little reason to doubt the pro-Allied sentiments of Carlos Alfredo Tornquist. He is a director in Ernest Tornquist & Cia., Ltda. (prominent Argentina bank) and is also a director in some twenty other Argentine concerns as follows:

Cia Sansinena, Vice President
Cia. de Grandes Hoteles, Secretary
Cia. Fundadora Fotolitofono, Director
Cia. Argentina de Electricidad, Director
La Continental, Cia. de Seguros Director
Formio Argentino, Vice President
Cia. Internacional de Radio, Vice President
La Criolla, Director
Piccardo 7 Cia. Ltda., Vice President
Ernesto Tornquist y Cia., Ltda., Director
Cia. Territorial Rio de la Plata, President
Minas del Rio Grande, Director
Cia. General de Comercio e Industria, Director
Cia. Argentina de Pesca, Director
Fibrocemento Monolit, President
Editorial Estampa, Director
Talleres Metalurgicos San Martin, President
Pirjua, President
Ferrum, President
Financiera y Maritima Sudamericana, President
Indyas, Director
Argentina de Navegacion Dodero, Director

Dr. C. M. Vela, in addition to his directorship in CADE, is a director of the Banco de la Nacion Argentina. In view of our experiences with the Bank of the Nation, this directorship does not commend him. However, we have nothing to indicate that Dr. Vela is other than pro-Allied. He has no other business associations known to the Embassy.

The "Sindic", A. M. Drysdale, is a professional "Sindic" (trustee) and is trusted by the British Embassy, which is familiar with his operations since he is a British subject. His connections are as follows:

La Republica, Trustee
El Condor, Trustee, Cia. De Seguros
Inversiones Sud Americanas, Trustee
Cia. de Electricidad de Dolores, Trustee
Cia. de Electricidad de Corrientes, Trustee
Brown Boveri, Trustee
Argentaria, Trustee
Cia. Argentina de Electricidad
The Review of the River Plate, Trustee
Instituto Italo Argentino de Seguros Generales, Trustee
Inmobiliaria y Financiera Ltda.
Canteras El Sauce, Trustee
Hotel Cataratas del Iguazu, Trustee

/ Guillermo

Guillermo Johnston y Cia. Ltda., Trustee
Ingenio Azucarero Cruz Alta, Trustee
La Inmobiliaria Agricultura Ganadera Miguel Mugueta, Trustee
Calvet y Cia. Ltda., Trustee
Elaboracion General del Plomo, Trustee
Cruz del Norte, Trustee
Crosse y Blackwell (Argentina) Ltda., Vice President
Productos Quimicos Ciba, Trustee
Henry Simon Ltda. Trustee
The British Supply Co., Trustee
Lysaght's, Director
Calegonia Argentina, Cia. de Seguros, Trustee
Cia. Argentina Metalurgica Estano Aluminio, Trustee
Vidrieria Argentina, Trustee
Wm. Cooper & Nephews (South America) Ltd. Director
El Yatay, Trustee
Samainver, Trustee
James Company, Ltd. Trustee
Investagaciones Geofisicas Schlumberger, Trustee
Dr. Scholl, Director
Hoteles Argentinos, Trustee
Pquin Ltd. Power of Attorney
Rosovsky y Gutman, Treasurer
Indusmer, Trustee
Argentina de Navigacion Dodero, Trustee

2. The Executive Board and the Committee

The CADE is operated by what is known as an Executive Board; that Board is composed of the following:

General Manager and
Vice President
Managers

Assistant Managers

Mr. Rene T. Brosens, E. Sc
Mr. Andres Bausili
Mr. Rafael Vehils
Mr. Marcelo Dechamps
Mr. Zacarias Nurnberg
Mr. Carlos Rossi
Mr. Guillermo Arndt
Mr. Enrique Boelcke
Mr. Jose M. Hernandez
Dr. Gualterio G. Meyer
Mr. Carlos Brunner
Mr. Leon Ronce

It will be noted that all of these people are SOFINA men and they carry out the orders given by Dannie Heineman in New York

In addition to the Executive Board of the CADE there is what is known as a Committee whose membership is as follows:

Chairman
Vice Chairman
Directors

Dr. Francisco de A. Cambo Batlle
Mr. Dannie Heineman, M. Sc
Dr. Rudolpho G. Bindschedler
Mr. Maurice Bock y de France
Dr. Jose M. Casaboy Torras
Mr. Henry Spciael
Dr. Juan Ventosa y Calvell

/Substitutes

Substitutes

Mr. Achille Cordier
 Mr. Lucien Janlet
 Mr. Gaston Praet
 Mr. Valentin Ruiz Senen
 Mr. Charles K. Wilmers *

The functions, purposes and powers of such committee members together with the manner of their selection are set up in Article nos. 12-22 and No. 23 of the Statutes of the CADE. A translation of such statutes follows:

Article 16. The Committee is composed of a minimum of three nominal members and three substitutes and from this body the President is elected.

Article 17. The members of the Committee can be elected or dismissed from office by a stockholders meeting established with the quorum mentioned in articles twenty-two and twenty-three, by the majority of votes of the common stockholders present, preferred stockholders having no vote.

Article 18. The members of the Committee hold office for two years, half are replaced every year, and can be reelected.

Article 19. To be a nominal member of the Committee it is necessary to deposit as guarantee in the Company, in a bank or in another entity authorized by the directorate or the Committee, to the order of the Company, at least 250 shares of common stock. While the committee member holds office, these shares are intransferable.

Article 20. The members of the Committee exceptionally may reside abroad, and the Committee can hold its sessions in Buenos Aires or in any other part of the American continent, provided that, in the latter case, it exercise no power contrary to the law of the government of the country in which the meeting is held.

Article 21. The decisions of the Committee should be based on a majority vote of the members present. A member of the Committee may be represented by another member in a meeting through written authorization, or authenticated telegram, but still retaining his inherent responsibilities. When the meetings are held in Buenos Aires, this fact is to be noted in the Committee minute book, which will be kept in Buenos Aires, certified by the Secretary of the Directorate.

When the Committee meeting is held in a foreign country, its decisions and minutes should be registered by the Argentine Consul, or by notary public, or other action equivalent to notarizing, in accordance with the laws of that country, and an authentic and legalized copy of the minutes should be sent to the Directorate to be inserted, duly certified by the Secretary of the Directorate, in the Committee minute book. In case of urgency, the Committee may make its decisions known by telegram, visaed by the Argentine Consul.

/Article 22

Article 22. It is the duty of the Directorate, without interference of the powers delegated to the Committee and shareholders to:

- a) Direct and administer with broad powers all transactions of the company;
- b) Assume the legal representation of the corporation through the President, Vice-President, Director General, Delegated Director or Directors, and one or more alternate Directors or Managers, in accordance with (a) of Article 24 and in accordance with specific regulations and nominations made by the Directorate.
- c) Purchase, sell, or negotiate real estate, patents, create mortgages, securities, or any other real property, and to practice all other acts of property alienation which are of convenience to the company
- d) Sign with the national provincial or municipal authorities, contracts of concessions for the provision of public or private service which constitutes the object of the company; to terminate, lease or negotiate the concessions for the provisions of this service; alter prices, tariffs or conditions of these services; initiate or abandon any branch of the business, and create, participate in, or combine with other corporations or entities, existing or about to exist, within the dispositions of Article 338 of the Commercial Code.
- e) Collect and receive all debts to the Corporation; borrow or pay off debts; settle all judicial or extrajudicial problems; bind the company in arbitrations; remit, accept, endorse, discount letters, receipts, notes and other commercial documents to the order of bearer, accept or cancel mortgages, securities or any other real property; sign receipts; remit checks against deposits; open current accounts; give guarantees which are necessary to the better development of the corporate aims (within the limits established by law) letters of credit, accept covenants, allotment of properties; grant annuities; receive property in payment; make bills; insure the property of the company; endorse policies; and practice all other acts of administration necessary for the good of the company.
- f) Acquire or lease the assets of other industrial establishments or assume their assets and debts.
- g) Establish branches within or outside of the country.
- h) Issue the authorized shares and establish their date of maturity
- i) Issue within or outside of the country debentures with special or floating guarantee, in accordance with the dictates of existing laws.

- j) Nominate one of its member to replace the Director General, and establish his powers, responsibilities and remuneration. Nominate him or delegate directors (for special duties) and establish, in accordance with the Director General, his or their duties, powers and remuneration. Accounting should be given at the general shareholders' meeting of the remuneration given to the Director General or Special Delegate or Delegates.
- k) Nominate, if convenient, one or more alternate Directors or one or more Managers, give them the necessary powers, fix the remuneration, and replace them when deemed advisable.
- l) Create or dissolve positions, establish the remuneration and pension; appoint, transfer or dismiss sub-managers or other employees; recommend some of his functions and establish his remuneration.
- m) Confer special or general powers and revoke them.
- n) Present annually to the assembly, a memorandum on the progress of the company, the general balance sheet, and all the company's operations and inventory, and recommend to the assembly the dividend to be given to the shareholders and other matters which should be considered by this body.
- o) Decide during the fiscal year what provisional dividends should be paid from liquid profits received, and chargeable to the account of dividends distributed at the year's end, based on all liquid and earned profits. These provisional dividends may not be larger than the proportion established in Article 41 (b) of the statutes. All payments of provisional dividends are subject to the provisions of the Commercial Code.
- p) Dictate the various internal workings relative to the function and organization of the various departments and personnel of the company.

Nevertheless, regarding all matters specified under letters c,d,f,g,h,i,j,k, and o, the previous approval of the Committee, created under Article 16, is required to give validity to the decision of the Directorate.

Article 23. It is the duty of the Committee:

- a) To resolve with the approval of the Directorate on matters mentioned under letters c,d,f,g,h,i,j, k, and o of Article 22.
- b) To be informed as completely as possible on all transactions of the Company, and ask the Directorate, when considered convenient, to send to any person, firm or association which it designates, complete information on the transactions of the Company in general or any other particular transactions.

(c)

- c) To delegate its functions totally or partially when thought necessary, to a Committee member, or to any other person who may be a member of the Directorate. In both cases the Delegate can attend the Directors meetings and, in case the full powers of the Committee were given to him, the Delegate can express the resolution of the Committee, as foreseen in the last paragraph of Article 22 and in clause a) of this article, in that meetings of the Directorate of the Company, confirming said resolution by letter directed to the Company, the duplicate of which certified by the Secretary of the Directorate, will be inserted in the minute book of the Committee referred to in Article 21.
- d) To summon at any time a general meeting to settle any matter for which a Committee meeting may be called.

In addition to the members of the Board and Committee mentioned above, there is in Buenos Aires a r. Marcel Ronge who is one of the European managers of SOFINA. He is the Vice President of the Cia. General de Tranvias de Buenos Aires; he is a member of CADE's Board; and he is presently in the United States. Mr. Ronge has published some pro-Allied pamphlets, and has been very cooperative with this Embassy. The Department will recall that he took appropriate steps to remove A. M. Delfino from the Board of CATITA.

3. The Investigation of the CADE by the Argentine Government

The Embassy has on the whole found the CADE representatives very cooperative. It must be remembered that the CADE is an extremely large and important entity insofar as Argentina is concerned. It is necessary that CADE employ many skilled technicians who cannot be easily replaced. The Department no doubt is aware of the present difficulties of CADE in Argentina. The Ramirez Government, in what might possibly be described as attacks on foreign capital, and in its attempts to show that democracy is corrupt, has taken steps against practically all of the foreign-owned utility companies operating in Argentina. It has intervened CADE, some of its officers, including Brosens, were for a time prisoners (Vehils is presently confined), and various books and records of the company has been seized. All this has been done by the Government in its attempt to establish that CADE bribed certain government officers to obtain its franchise. It is rumored that a payment of some 10,000,000 Argentine paper pesos was made to certain officials of the Castillo regime to increase the length of the CADE franchise. The Embassy has no proof that such a bribe was ever paid and merely mentions this as rumor. In connection with the franchise investigation, the Embassy mentions the fact that the Germans are rumored to have looked at this franchise with covetous eyes in the past. Apparently, the German game is to suggest nationalization to the Argentines in the hope that German firms would replace General Electric and Allied concerns as principal suppliers of materials. Many people who do not deny that bribes probably passed to government official in connection with the CADE franchise, seem inclined to think the present treatment of CADE is German

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inspired. The Embassy has nothing on this other than the unfounded rumor, but thinks the story may be true. The difficulties of CADE, insofar as the Ramirez Government is concerned, are mentioned here for the information of the Department. Also, in view of these difficulties, the Embassy has hesitated to call upon the CADE officers for certain detailed information in recent days in view of the fact it might be prejudicial to that company's interests, since it is in some difficulty already and, as has been said, has been intervened. Also the present difficulties have influenced the Embassy in regard to giving instructions for the dismissal of employees, as is explained below.

II The TREASURY INVESTIGATIVE REQUEST

With the above as general background information, there follows a report on the questions set forth in the Treasury Investigative Request. The numbers used below correspond to those appearing in such Request:

1. CADE and SOFINA PERSONNEL

(a) It is definitely known that three of the persons mentioned in the corresponding question of the Treasury Investigative Request are no longer in the employ of CADE. Erwin Lammel has died, and G. Rettner and C. Dietz have been dismissed. Kappes, who is a naturalized Argentine citizen is still employed by CADE. However, he is working directly under Fuld, who is discussed below. CADE officials insist that Kappes could not be replaced unless they were able to obtain engineers elsewhere and this they say they are not able to do. They question that Kappes is a Nazi and have stated that if so, he is in a position where he could do them no harm working for them.

Also, it appears that Kappes has worked in the financial department of CADE and according to Bausili, is familiar with the payments which the company and its affiliates have made. Bausili points out that if Kappes were presently dismissed, he would be able to do the company a great deal of harm by denunciations and by giving "certain information" to the Government investigators. In view of the fact the CADE is presently faced with the Government intervention and investigation mentioned above, the Embassy told Bausili that the matter of Kappes' discharge would not be pressed for the time being, but that when the present difficulty has blown over, the Embassy expects that he will be discharged.

CADE officers were reluctant to take steps with Karl Holzer, stating that it would be a difficult matter to replace him. However, after lengthy conversations on this point they promised to dismiss him.

Maximo Pahlke (Proclaimed List) is no longer connected with the CADE system in any way. The only connection which he ever had, according to the Embassy's information, was the directorship of the Bernal Gas Company, an affiliate of CADE. At the shareholder's meeting, held on April 27, 1943, he was not reelected to the Board of Directors. In connection with the dismissal of Pahlke, it is observed that had he been included on the Proclaimed List earlier in

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the game the chances are that CADE would have brought about his dismissal.

(b) Seven of the employees whose dismissal was requested by the British have actually been dismissed, according to a memorandum received from Andres Bausili, an officer of CADE. Those known to have been dismissed are:

C. Graebel
C. Dietz
G. Schmidt
Kluschals
G. Aust
Ziezke
Hoepfner

There follows the names of six employees, together with a short history, also mentioned in the list of the British Embassy, who were still employed by CADE as late as September 1, 1943:

Otto Wiemann, who was born in Germany on March 10, 1883, and is still a German national, has been in Argentina since October 24, 1919, and an employee of CADE since June 21, 1920. His present position is Chief Engineer of the Transformer Section. It is the understanding of this Embassy that during the last war he acted in the service control of the railroads of the German Army in Libau, Latvia, from 1916 to 1917 and Jeumont, France, from 1917 to 1918. It is the opinion of the officers of CADE that this individual has Nazi leanings although they do not consider him as dangerous.

Conrado Jahn, who was born in Austria on January 31, 1887, is a naturalized Argentine citizen and has been an employee of CADE since July 1, 1920. At present he is the Chief Engineer of the Compania General de Industrias y Transportes (C.I.T.R.A.). He is considered an excellent engineer by his employers and as far as they know, he does not sympathize with the present regime in Germany. They claim that the work which he performs does not place him in a position to commit acts of sabotage. CADE officials consider him a very useful man with a special ability for manufacturing products locally which were formerly imported and they consider that it would be very difficult if not impossible to find a replacement for him.

Maximo Otto, born in Buenos Aires on December 13, 1889, is an Argentine national and has been an employee of CADE since May 5, 1919. At present he is the Chief Load Dispatcher of the company and it is felt that he sympathized with Germany although he has not been known to express this opinion to any of his employers.

German Keilich, born in Lechwitz, Czechoslovakia, and a Czechoslovakian national, has been in Argentina since March 26, 1927, and has been employed as engineer in charge of all warehouses. According to the report presented to this Embassy by CADE, he was, at the outbreak of war, on leave in Germany, where he was drafted into the German Army for service in Vienna. Shortly afterwards he was released from military service due to his age and received permission to return to Buenos Aires. He returned to

/Buenos Aires.

Buenos Aires in April 1940. Due to these circumstances he was not given his former job as engineer in charge of mechanical maintenance of one of the CADE power stations to avoid any possibility of sabotage. He is in no position to commit such acts in his present position and his employers feel that he is a diligent and useful employee, and replacement would be difficult in case he were dismissed. The Embassy considers him a Nazi.

Curt Helmuth Rollshoven, who was born in Riga, Latvia, January 15, 1897, has been in Argentina since July 12, 1922, is a naturalized Argentine citizen and has been employed by CADE since August 16, 1937. His present position is assistant to the chief buyer. His employers consider him a good employee and claim that he is in no way pro-Nazi and that his work would not permit him to indulge in activity detrimental to the interests of the company. The Embassy's information relative to Rollshoven's political sympathies does not coincide with that of his employers.

Carlos Holzer, who was born in Gersdorf, Austria, on March 18, 1901, and is still an Austrian national, has been in Argentina since August 30, 1926, and an employee of CADE since November 15, 1926. His present position is chief of the drafting and designing department. His employers consider his services satisfactory and to the best of their knowledge has never expressed any interest or sympathy for the present regime in Germany.

CADE maintains that if the above-mentioned employees are fired, they will be in a position to make things more difficult for them by giving denunciations to the Government. While there is some merit in this contention, the Embassy instructed CADE to dismiss these employees as soon as replacements could be found. However, at the insistence of CADE it was agreed that these employees could be dismissed gradually in order to avoid too much risk in "precipitating" the situation feared by CADE.

(c) The Embassy has been advised that the employees who have been dismissed in recent months by CADE have been replaced by pro-Allied employees, and we have no information to indicate that such is not the case.

(d) In the Treasury Investigative Request further information was requested regarding the political leanings and connections of certain alternate directors, in the CADE system, having German or Swiss background. The following report on these four individuals has been prepared by CADE for this Embassy:

Guillermo P. Arndt was born in Hamburg, Germany, and has resided in Argentina for more than thirty years, having become a naturalized Argentine citizen four years ago. His employers consider him of excellent character and against the present regime in Germany.

Enrique Boelke is an Argentine citizen by birth of German descent. His employers consider his character as excellent and have no reason to believe that his sympathies are pro-Nazi. It is understood that his brother, who was living in

/Germany

Germany until 1935, left that country to take up residence in Holland, due to his antagonism to the Nazi regime in Germany. CADE officials report that this individual has, in the past, been in a position to side with the Germans to the detriment of the company - they refer to 1941, at the time of the feared Nazi "putsch" in Argentina - but, they state, he has always shown the greatest loyalty to the company. The Embassy has information indicating that Boelke is a Nazi, but such information is not sufficiently definite to warrant asking CADE to dismiss him.

Federico Fuld was born in Germany of Jewish ancestry and has lived in Argentina for more than twenty-five years. He is at present an Argentine citizen and his employers consider his sympathies as being decidedly anti-Axis.

Carlos Brunner is a Swiss citizen by birth and has lived in Argentina for many years. His employers consider his sympathies as being entirely pro-Ally.

The directors of CADE have pointed out to this Embassy that although the above-named four individuals are alternate directors of CADE, they have never, since the beginning of the war, acted as directors. Their nomination is purely a matter of form in order to fulfill the by-laws of the company and they have no influence in the decisions of the board of acting directors.

(e) Mr. Andre Bausili has informed this Embassy that he has not been able to find any evidence of pro-Axis activities among the employees of S.E.R. (Societe d'Electricite de Rosario) However, Mr. Bausili has made it clear that he did not have sufficient information to vouch for the sympathies of all of them.

The Embassy feels that the CADE and SOFINA representatives cannot be held responsible for the Nazi and pro-Axis sympathies in the Corporacion de Transportes de la Ciudad de Buenos Aires. It must be remembered that the SOFINA interest in the Transport Corporation is through the Anglo-Argentine Tramways which owns approximately one-third of the Corporation. In addition to the Anglo-Argentine Tramways, they are representatives of the state and city administration, and other transport companies. As the Department and Treasury will recall, the Anglo-Argentine Tramway group has seven out of nineteen directors on the Transport Board. Mr. Bausili has informed this Embassy that among the group with which he and his colleagues come into contact no evidence has been found of pro-Axis sympathies among the employees. However, he states, and the Embassy confirms with a reasonable degree of certainty, that in the management of the Corporacion de Transportes de la Ciudad de Buenos Aires there are Axis sympathizers and the same is true of employees. But, as stated above the SOFINA group can in no way be held responsible for them.

2. BANKING? INSURANCE AND TRANSACTIONS WITH FRANCE

The Treasury Investigative Request states that S.E.R. (Societe d'Electricite de Rosario) maintained a bank account in the Banco Frances e Italiano (reclaimed list). When the CADE people were questioned concerning this, they first said that such could not be true, inasmuch as their affiliated

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companies had been instructed not to have any such dealings. However, they subsequently informed the Embassy that a check had disclosed that S.E.R. maintained an account with the Banco Frances e Italiano. However, they furnished the Embassy with a letter showing that such account had been closed. Translations of such letters are attached.

During the conversations with the CADE representatives, the Embassy asked that CADE present statements showing the companies with which its insurance was held, the maturity date, et cetera. Attached are photostatic copies of a very complete statement presented to this Embassy by CADE showing the amount of insurance carried for the last few years with the various local insurance companies, which have been divided into class according to the nationality of the insurance companies. The attached statements show when the various insurance policies will expire over the next five years. It appears that the insurance presently held with Proclaimed Listed companies was effected prior to such companies being included in the List. When presented with the table in question the Embassy asked the CADE representatives if consideration had been given to cancelling the insurance presently held with Proclaimed Listed companies. The CADE representative stated that such consideration had been given but that cancellation had not been effected in the past because it would entail considerable monetary sacrifice. When asked how much of a monetary loss cancellation at this time would mean, the CADE representatives stated that it would cost them approximately 11,500 Argentine pesos. At the suggestion of the Embassy they agreed to cancel all insurance policies presently outstanding with Proclaimed Listed companies.

With further regard to the activities of CADE which may be misinterpreted by the Treasury Department, the directors of CADE have presented this Embassy with a memorandum concerning a certain transaction with France, the detail of which are as follows:

On May 16, 1940, CADE received 2,000 electric meters from France on the steamship Lipari, which had been ordered by CADE on December 20, 1939. These meters were invoiced at US\$2,269.45. The CADE directors claim that they did not know at that time to whom payment was to be made and therefore, deposited this amount in the Societe Generale to be held at their disposal. They later received a letter dated September 1, 1942, from Mr. Bessat, Manager of the Sociedad Argentina de Medidores, Cervino 4429, Buenos Aires, asking in his capacity as representative of the Cie. pour la Fabrication des Compteurs et Materiel d'Usines a Gaz, Eau, Electricite, 12 Place des Etats Unis, Montrouge, France, which had supplied these meters, to transfer the amount mentioned in francs to that company. CADE immediately made application to the Central Bank for permission to remit the amount involved which was granted within two days. The Societe Generale was, therefore, instructed to remit the funds which was done on September 10, 1942. This Embassy was not consulted in this matter.

3. THE TRANSPORT CORPORATION: RELATION BETWEEN CADE?
BRACH? AND BELBERG: POSSIBLE CONFUSION OF CADE
WITH "A.E.G."

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With respect to the Treasury Investigative Request for further information concerning the ownership, connections, and personnel of the other firms which joined the Anglo-Argentine Tramways in forming the Corporacion de Transportes de la Ciudad de Buenos Aires, apart from the Argentine Government and the City of Buenos Aires, attention is directed to the Embassy's Despatch No. 10152 of May 14, 1943. So far as the Embassy is aware, there is no close connection between Bemberg, Bracht, and CADE. It is true that each of these concerns has money invested in the Corporacion de Transportes de la Ciudad de Buenos Aires. The Embassy's information is to the effect that a syndicate headed by CADE and in which the Bemberg and Bracht interests participated, advanced 40,000,000 Argentine pesos to the Corporacion de Transportes. The Embassy's information is to the effect that CADE's share was 25,000,000 and that 15,000,000 was divided among the other two interested groups. This loan is to be repaid by public fares. as the Department and Treasury are aware, Bemberg, Bracht, and CADE are all important sources of Argentine capital. The exact relation, if any, between Bemberg and CADE is not known at this time. It is believed that such relation is of no significance. The Bembergs are said to hold a few CHADE shares, but it is believed that such holdings, compared to the total, are negligible. Apparently, the only connection between CADE and Bracht is the fact that Federico Bracht's brother is on the board of CHADE in Spain. It is known that the CADE interests considered at one time the purchase of SUDAM, which was later sold to Arturo Lopez Perez. (See Embassy's despatches Nos. 9170 of March 2, 1943 and 10154 of May 14, 1943.) However, as stated, that sale was not consummated to the Bemberg and CADE group. The fact that the two have participated jointly in two or three transactions is no indication of a close tie-up between them, but may be explained on the basis that both are good sources of Argentine capital. The Bembergs, the Brachts, and CADE are always on the "look out" for good investments and their loan to the Corporacion de Transportes merely represented a business venture on their part. In connection with such loan, the Embassy has picked up a rumor which may be of interest, to the Department and which appears to be revealing insofar as the present Argentine Government is concerned.

It is the Embassy's understanding that when the above-mentioned loan was made there was a provision for a director of the Transport Board representing this group of creditors. After the Revolution, when the Corporacion was intervened, the interventor and the Government gave consideration to the appropriate person to represent this interest. Rumor has it that the Government reasoned that since the loan in question was to be repaid by public fares, the public should be represented on the Transport Board (instead of by a representative picked by those making the loan) and since the Government represented the public it was entitled to another representative - an interesting point on corporate finance and creditor's representation.

It is pointed out in the Treasury Investigative Request that certain instances have come to the attention of the Treasury Department in which CADE acted as an agent for proclaimed - listed nationals in the purchase of materials in

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in the United States. The files of the Embassy show no evidence of any such activity and the CADE directors have vehemently denied that such was true. Accordingly, the Embassy would appreciate receiving proof in this respect before taking action. In this connection, the Embassy would like to point out that, while it is not familiar with the source of the Treasury Department's information, it is possible that there may be some confusion as a result of intercepted letters addressed to Cia. Argentina de Electricidad in c/o a post office box (casilla de correo). The Embassy feels that in many instances these are addressed to A.E.G. Cia Argentina de Electricidad (Proclaimed List). Certain intercepts of a most incriminating nature concerning letters coming directly from Germany appear in the files of this Embassy with no indication that the addressee is on the Proclaimed List. This would indicate that the office of censorship has considered the addressee to be CADE and confused this company with the A.E.G. This Embassy has been unable to find any relation between the facts mentioned in these incriminating intercepts and the CADE system. Accordingly, it has reason to believe that some of the charges against CADE have arisen out of the confusion in the office of censorship between the two companies.

4. CADE? SHAW-STRUPP and CESAR DANON

The Treasury Investigative Request points out that Alejandro Shaw is on the CADE Board, and request information regarding the relationship between CADE? SOFINA, and Shaw, Strupp & Co. Shaw is a professional director and is on the board of directors of fifteen Argentine companies (see list given above). He has the reputation among certain Argentines of having a good business head, he is socially prominent and it is for these reasons that he has been asked to sit on the CADE board and not because there is any other relationship between CADE and Shaw, Strupp & Co.

The Treasury Investigative Request asks for further information regarding Cesar Danon who has sent to New York for collection a large number of checks from Yugoslavia through Shaw, Strupp & Co. In February of this year, Shaw Strupp & Co. reported to this Embassy that Cesar Danon had come to them through remittances made to him by the Swiss Bank Corporation, New York through Shaw, Strupp & Co. about the middle of last year. Their report indicates that he was formerly a resident of the city of Sarajevo, Yugoslavia, and fled to this country during the invasion. Shaw, Strupp & Co. claim to have seen confirmation of this statement at the Yugoslavian Legation and also a certificate confirming his pro-Allied sentiments. The commercial relation of Shaw, Strupp & Co. with Mr. Danon is confined to paying him the remittances which were made from New York and also receiving from him certain checks which he had bought in Yugoslavia and kept as a reserve. To the best of their knowledge, Cesar Danon is now residing in Buenos Aires, Address: Callao 86.

An officer of this Embassy has interviewed Cesar Danon, who claims to be a native of Yugoslavia, having been born in Sarajevo of Jewish ancestry. He is 32 years old. He stated that he had been an engineer and was in business in Sarajevo before the war as an importer of industrial machinery, importing mainly from Czechoslovakia and Austria. When

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the Germans took Sarajevo, most of his property was confiscated, but he managed to purchase a number of dollar checks from friends and three months after the occupation, escaped with these checks to Italy. He stayed in Spallato, Italy, for five or six months and from there left by plane for Spain, arriving in Argentina in June of 1942 by boat. He claims that he paid no money to the Italians to effect his escape and that he was helped by a certain organization which worked through the Vatican. He stated that his travelling expenses were remitted to Italy from Yugoslavia through the Black Market. Since arriving in Argentina, he has not worked or obtained a position with any firm. According to his statement, for many years he maintained a considerable amount of money in the Chase National Bank and the Swiss Bank Corporation of New York and now lives on the funds which he is able to obtain from these blocked accounts. He claims to be pro-Allied and this Embassy has no reason to believe otherwise.

Since arriving in Buenos Aires, he has always done his banking with the firm of Shaw, Strupp & Co. (who are believed to hold many accounts for Central European refugees), with the exception of a small current account which he maintains in the First National Bank of Boston. He stated that he has a sister who is still in Yugoslavia, who on occasions has written to him through the International Red Cross. He admitted having communicated by cable frequently with an individual in an Italian concentration camp, who apparently is allowed to correspond with his sister. He is endeavoring to arrange for her to come to Argentina but so far as can be ascertained, no ransom payments are involved.

This Embassy has no adverse information regarding Cesar Danon and would interpose no objection to the release of the dollar checks which have been sent in for collection into his blocked account.

5. THE SPANISH WHEAT DEAL

It is the understanding of this Embassy that CADE has had no part in the financing of the most recent Spanish-Argentine Trade Agreement. In the past CADE has financed the purchase of two large shipments of wheat bought by the Spanish Government. This arrangement is explained by the fact that CADE is 100% owned by CHADE. CHADE is a Spanish holding company legally domiciled in Spain. CADE has accumulated a considerable debt to CHADE by reason of accrued dividends, office expenses, taxes, and other obligations. Since 1936 when the Civil War started, CADE allowed its taxes and dividends to accrue. This resulted in a total debt of some 23,000,000 Argentine pesos by the beginning of 1941, 13,000,000 of which were taxes owed to the Spanish Government and 10,000,000 of which were dividends owed to its shareholders. There is nothing to keep the Spanish Government from demanding the payment of these taxes at any time, and if such a demand had been made, it would have been faced with a severe financial blow, since CADE did not have the necessary amount of cash to pay off this debt at one time. In 1941 the Spanish Government decided to purchase 35,000,000 Argentine pesos worth of wheat and CADE was asked to finance this purchase by paying the Argentine Government 25,000,000 paper pesos - 23,000,000 were to represent the above-mentioned debt owed in Spain and 12,000,000 would /represent

represent a loan to the Spanish Government, which would be used to future years to pay off taxes and dividends as they accrued. CADE explains this advance saying that it hoped to accumulate enough pesetas so that it would not have to make further remittances during the war. Under this arrangement, CADE was to pay the Central Bank 7,000,000 Argentine pesos annually for five years and the Spanish Government was to cancel the tax debt and establish peseta credits for the balance, allowing payment of dividends, et cetera. Since the approximate annual payment which CADE had to make to CHADE for dividends, expenses, taxes, et cetera, amounted to some 4,000,000 pesos annually, this arrangement would furnish CADE with sufficient pesetas to pay off all its debts until the end of 1943. CADE states, in connection with this "Wheat Deal" that so far as it knew all the wheat was to be used by Spain and none was to go to the enemy. Furthermore, they argue with some persuasion that this arrangement was only entered into after the British agreed to grant the necessary navicerts for the shipment of the wheat to Spain.

The Embassy's information is to the effect that approximately 40% of this wheat went to the Axis. Furthermore, it is reported that negotiations for this deal were stalled when von Thermann returned to Argentina from Germany in March of 1941. At that time he reportedly called at the Casa Rosada and privately handed over to Acting President Castillo a letter from Hitler which, according to the Embassy's information, brought the negotiations to completion. Nevertheless, the Embassy feels that the local CADE officials had no knowledge of any German interest in this deal. Whether CHADE and SOFINA had knowledge is another question. The Department and Treasury may care to question Mr. Heineman further on this point.

At the end of 1941 the Spanish Government again decided to purchase 160,000 tons of wheat from Argentina. CADE was again approached and asked to finance this purchase. While CADE at the time was not in a position to furnish cash for this purchase the Argentine Government agreed to accept Argentine 4% bonds, located in London, in payment for the wheat involved. The Spanish Government paid the equivalent amount in pesetas to CHADE in Spain. Before the arrangement was consummated, full authority was obtained from the British Government to allow the withdrawal of the bonds in question.

It can be seen from this that CADE has accumulated sufficient pesetas in Spain to cover its expenses and debts in that country for some time to come. The directors of CADE assured this Embassy that it was not exempt from the clearing provisions of the recent Spanish-Argentine trade agreement - there being no need for such action since CADE had no need to acquire pesetas, having a more than sufficient quantity to meet its commitments for some years to come.

B. RELATIONS WITH ENEMY TERRITORY

This Embassy has found no contact, direct or indirect, between SOFINA, CADE, its affiliates or personnel and enemy occupied countries other than outlined herein and in the cited despatches.

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Once again this Embassy would like to call to the attention of the Department the possible confusion which may exist between Compania Argentina de Electricidad and A. E. G. Compania Argentina de Electricidad (Proclaimed List) as mentioned under No. 3. Furthermore, this Embassy would like to emphasize the fact that during its investigation of CADE's activities, the officers and directors of this company, especially Mr. Andres Eausili and Mr. Rene Brosens, have been most cooperative and have followed the suggestions made by the Embassy.

(signed) James H. Mann

Harry L. Smith

Enclosure 1-E to Despatch
No. 12563, dated October 28,
1943 from American Embassy,
Buenos Aires.

COPY

ARGENTINA DE TALLERES INDUSTRIALES, TRANSPORTES Y ANEXOS S.A.
Cia. CATITA

Objectives: Construction of buses, cars, accessories, street cars and transportation vehicles in general, repair of same, heating, refrigeration - also the manufacture of accessories and supplies for all industries, etc.

Address: Zepita 3220, Buenos Aires, Argentina
Telephone: U.T. 31, Barracas 3661

Existence: 50 years

Date legally founded: April 21, 1927

Reforms: March 6, 1935; March 31, 1939; June 24, 1940;
January 24, 1941; and October 9, 1941.

Inscription in public register: June 15, 1927

Balance as of December 31, 1941 (15th fiscal year)

Approved by shareholders: April 28, 1942

Published in the official bulletin: July 24, 1942 (All amounts
are given in Arg. pesos.)

Authorized capital m/n	12,500,000
Subscribed capital "	12,500,000
Paid-in capital "	12,600,000
Legal reserves "	108,409.03
Reserve "	344,008.53
Surplus brought forward "	27,535.36
Net profit of year "	491,315.53
Total surplus "	512,650.89

Pres: Dr. J. M. Paz Anchorena; Vice Pres.: Ing. Marcelo Ronge; Tres: C. A. Mohr; Sec. Leon Ronge; Directors: Ing. R. F. Apeseche, Ing. A. B. Gatti, Henri Spaciael, Antonio Santamarina (h), Trustee: F. E. Sero, Commercial Manager, Ing. J. Luro Nadal; Technical Sub-Manager, Ing. R. J. Lopez Estrada.

ARGENTINA DE TRANSPORTES E INDUSTRIAS ANEXAS (S.A.T.I.A.)
Sociedad

Objectives: Bus service

Address: Paseo Colon 185, Buenos Aires, Argentina
Telephone U. T. 54-5232

Date legally founded: December 6, 1936

Reforms: February 14, 1935

Inscription in public register: February 8, 1927

Balance as of December 31, 1941 (15th fiscal year)

Approved by shareholders: April 28, 1942

Published in the official bulletin: August 11, 1942

Authorized capital	m/n	5,000,000
Subscribed capital	"	4,000,000
Paid-in capital	"	4,000,000
Reserve	"	2,818,161.19
Surplus brought forward	"	1,996,965.12
Net loss of year	"	597.44
Total surplus	"	1,997,362.56

Pres.: Antonio Santamarina; Vice Pres. Dr. A. E. Shaw;
Sec. Dr. T. L. Arata; Tres. C. A. Mohr; Directors: Marino
Jalakis; Engineer Bernardo Laurel, Engineer Marcelo Ronge,
Leon Ronge; Trustee: Dr. J. E. Lozano; Manager and power-
of-attorney for the Committee: Alfredo Waller.

COPY

ARGENTINA BRITANICA DE INMUEBLES Y ANEXOS (S.A.B.I.A.) Sociedad

Objectives: Real estate and land, etc.
Address: Paseo Colon 185, Buenos Aires, Argentina
Telephone U.T. 34-5232

Date legally founded: January 11, 1927
Inscription in public register: March 24, 1927
Balance as of December 31, 1941: (15th fiscal year)
Approved by shareholder: April 28, 1942
Published in the official bulletin: August 1, 1942

Authorized capital	m/n	4,000,000
Subscribed capital	"	4,000,000
Paid-in capital	"	4,000,000
Legal reserves	"	48,508.73
Surplus brought forward	"	280,536.24
Net loss of year	"	109,900.33
Total surplus	"	170,635.91

Pres. Dr. Norberto Lainez
Vice president. Engineer Marcelo Ronge
Director: Alfredo Waller
Secretary: Leon Ronge
Treasurer: Julio Sanchez Sorondo
Trustee: Dr. T. L. Arata

COPY

CORPORACION DE TRANSPORTES DE LA CIUDAD DE BUENOS AIRES

Objective: Passenger transportation in Capital

Address: Avenida de Mayo 819, and Avenida R.S. Pena 570
Buenos Aires
Telephones: U.T. 34-4041/7031 and 33-8123

Created under Lay No. 12,311 of October 2, 1936

Statutes and regulations approved by Governmental Decree
No. 124,647 of February 2, 1938

Capital (tentative figure) mn/	670,684,470.80
Authorized capital	
National capital "	38,718,594/09
Municipal capital "	100,527,242.03
Private capital "	522,437,040.08

President: Dr. R. Corominas Segura
Vice President: Almirante (Admiral) M. Domecq Garcia
Vice president: Dr. (engineer) M. F. Castello
Secretary: Ing. Carlos Agote
Treasurer: Dr. T. L. Arata
Directors: Ing. Roberto Danly
Andres Bausilla
Ing. R. Benjumea y Burin
Delgado Benitez
Marinao de Foronda
Ing. M. M. Garcia Torre
Ing. Atanasio Iturbe
D. L. Lacroze
Vicente Pino
E. Sanchez Terrero
Tomas Shaw
Secretary: Jose Murray
Trustee: Dr. Federico Harilacs
Manager General: Ing. Antonio Vaquer
Sub-manager: Francisco Garcia Olano
Administrative Manager: Mariano Jalikis
Commercial Manager: L. B. Perkins
Consulting Engineer: Ing. Bernardo Laurel

COPY

ELECTRICIDAD DE LA PROVINCIA DE BUENOS AIRES LTDA.-Cia. de

Home office: River plate house, 12 and 13 South Place,
London, England

Branch Office: Balcarce 164, Buenos Aires, Argentina
Telephone U.T. 38-1901

Date legally founded: April 24, 1912

Inscription in public register: July 6, 1942

Balance as of December 31, 1941

Published in official bulletin: July 6, 1942

Capital of Home office	
Authorized capital	£ 1,000,000
Subscribed capital	£ 1,335,589
Paid-in capital	£ 1,335,589
Capital assigned to Branch Office: None	
Reserve	m/n 2,267,514.13
Net profit of year	" 611,175.39

Powers-of-attorney: Rene Brosens
Andres Bausili
Rafael Vehils
Marcelo Dechamps
Zacarias Burnberg
J. Hernandez Suarez
G. G. Meyer
Enrique Boelcke
Carlos Rossi
Guillermo P. Arndt

COPY

EXPLOTADORA DE USINAS DE GAS, S.A., Cia.

Objectives: Production of gas, antiseptics and disinfectants

Address: San Martin and Neuve de Julio Quilmes (F.C.S.
Buenos Aires)
Telephone U.T. Quilmas 278

Offices in Buenos Aires: Balcarce 184

Date legally founded: October 23, 1923

Reforms: December 29, 1932

Inscription in public register: March 11, 1934

Balance as of December 31, 1941 (19 fiscal year)

Approved by shareholders: April 24, 1942

Published in the official bulletin: July 2, 1942

Authorized capital m/n 600,000
Subscribed and paid-in capital " 600,000

Legal reserves "	7,643.95
Reserve "	155,204.17
Surplus brought forward "	25,587.80
Net loss of year "	15,515.35
Total surplus "	10,072.45

President: Dr. E. Garcia Merou
Vice president (first) Ing. R. T. Brosens
Second vice president: Engineer M. Dechamps
Secretary: Dr. R. Vehils
Directors: E. Boelcke
A. Bausili
Engineer C. Gorriassen
Engineer Z. Nurnberg
L. Pahlke
Trustee: Dr. H. Miguens

COPY

ALGEMEENE FINANCIËLE EN INDUSTRIËELE MAATSCHAPPIJ, N.V.
(Alfina)

Home office: Muntplein 2, Amsterdam, Holland

Branch Office: Balcarce 160, Buenos Aires, Argentina
Telephone: U.T. 33-1901

Date legally founded: November 9, 1931

Inscription in public register: November 14, 1931

Balance as of December 31, 1941

Published in the official bulletin: July 8, 1942

Capital of the Home Office

Authorized capital	Dutch florin	1,000,000
Subscribed capital	" "	1,000,000
Paid-in capital	" "	1,000,000
Capital assigned to Branch Office:	None	
Net profit of year	m/n	230,447.75

Powers-of attorney: Andres Bausili
G.P. Arndt
Rene Brosens
Marcell Dechamps

COPY

CUSTODIA - S.A. de Comercio, Finanzas e Inversiones
Industriales

Address: Avenida R. S. Pena 632, Buenos Aires, Argentina

Existence: 50 years

Date legally founded: September 26, 1940

Reforms: March 7, 1941

Inscription in public register: November 4, 1940

Balance as of December 31, 1941 (2nd fiscal year)

Approved by shareholders: April 21, 1942

Published in official bulletin: June 15, 1942

Authorized capital	m/n	125,000
Subscribed capital	"	25,000
Paid-in capital	"	25,000
Net loss of year	"	1,041.25

President: Dr. C. Meyer Helleggrini

Secretary: R.T. Bresens

Director: Andres Bausili

Trustee: Dr. Hector Miguens

COPY

FIDUCIA - S.A. Comercial, Financiera y de Inversiones
Industriales

Address: Avenida R.S. Pena 832, Buenos Aires, Argentina

Existence: 50 years

Date legally founded: September 26, 1940

Inscription in public register: November 19, 1940

Balance as of December 31, 1941 (2nd fiscal year)

Approved by shareholders: April 21, 1942

Published in the official bulletin: July 24, 1942

Authorized capital	m/n	1,000,000
Subscribed capital	"	200,000
Paid-in capital	"	200,000
Net profit of year	"	11,945.53

President: Dr. E. Garcia Merou

Secretary: Rene Brosens

Director: Andres Bausili

Trustee: Dr. Rodolfo Zavalia Bunge

COPY

INDUSTRIAS Y TRANSPORTES, S.A. Cia.General de

Address: Humberto First 103, Buenos Aires, Argentina
Telephone: U.T. 3342591

Date legally founded: April 27, 1925

Reforms: March 23, 1937; June 22, 1939 and October 9, 1941

Inscription ~~in~~ public register: July 2, 1925

Balance as of December 31, 1941 (17th fiscal year)

Approved by shareholders: April 27, 1942

Published in the official bulletin: June 25, 1942

Authorized capital	m/n	15,000,000
Subscribed capital	"	15,000,000
Paid-in capital	"	15,000,000
Legal reserve	"	543,224/17
Reserve	"	190,915.81
Surplus brought forward	"	104,740.69
Net profit of year	"	1,812,281.13
Total surplus	"	1,917,021.82

President: Dr. Antonio Robirosa
First Vice president: R. T. Bresens
Second Vice President (and Director) Ing. Marcelo Dechamps
Secretary: Dr. E. Garcia Merou
Director: Andres Bausili
Dr. Exequiel Bustillo
Engineer J. M. Hernandez Suarez
Dr. Norberto Lainez
Dr. G. G. Meyer
Engineer Zacarias Nurnberg
Dr. C. Saavedra Lamas
Dr. Rafael Vehils
Dr. E. A. Roca
Trustee: Dr. R. Zavalia Bunge

COPY

LA LEALDAD, S.A. Comercial y Financiera

Objectives: Comercial and financial operaciones in general

Address: Avenida R. S. Pena 832, Buenos Aires

Existence: 50 years

Date legally founded: March 14, 1940

Inscription in public register: May 15, 1940

Balance as of December 31, 1941 (2nd fiscal year)

Approved by shareholders: April 21, 1942

Published in the official bulletin: June 8, 1942

Authorized capital	mn/	200,000
Subscribed capital	"	200,000
Paid-in capital	"	20,000
Net loss of year.	"	1,218.55

President: Dr. C. Meyer Felligrini
Secretary: Andres Bausili
Director: Engineer Roberto Danly
Trustee: Dr. Rodolfo Zavalia Buhge

Enclosure No. 2-E to Despatch
No. 12563 - Oct. 28, 1943
from Buenos Aires, American
Embassy at.

TRANSLATION

Carlos Meyer Fellegrini
Reconquista 478-80
Buenos Aires, Argentina
July 29, 1943

Mr. James H. Mann
Embassy of the United States
Avda. R.S. Pena 567
Buenos Aires

Dear Sir:

I am attaching herewith the original letter received from "La Germano-Argentina" dated July 23, 1943, in which I am notified that my resignation, dated July 2, 1943, has been accepted, and which I submitted to the above-mentioned firm relinquishing the post I held in the same.

I would appreciate it if you would return the attached acceptance letter of my resignation. I am pleased to salute you with my highest consideration.

(signed) Meyer Fellegrini

American Embassy
Buenos Aires, Argentina
August 13, 1943

Dr. Carlos Meyer Fellegrini
Reconquista 478-80
Buenos Aires

Dear Mr. Meyer:

I take pleasure in acknowledging receipt of your communication of July 29, 1943 and of expressing my thanks for your fine collaboration.

I am herewith returning the letter you sent me, since you surely wish to have it for your files.

I avail myself of this opportunity to salute you with my particular esteem.

(signed)
Merwin L. Bohan
Counselor for Economic Affairs

Enclosure No. 3-E to Despatch
No. 12563 - Oct. 29, 1943
from American Embassy at
Buenos Aires, Argentina

TRANSLATION

A. Bausili
Balcarce 184
Buenos Aires, Argentina
July 21, 1943

Mr. James H. Mann
Special Assistant to the Ambassador
American Embassy
Buenos Aires

Dear Mr. Mann:

In accordance with the last conversation I had the pleasure of having with you, I am sending you herewith a letter of the Manager of the Sociedad de Electricidad de Rosario, confirming having closed the current account with the Banco Frances e Italiano para la America del Sur) (French and Italian Bank for South America).

It gives me pleasure to salute you with the highest consideration.

Yours very truly,
(signed) A. Bausili

Sociedad de Electricidad de Rosario
Engineer Abel G. Belleville, Manager
Rosario, July 19, 1943

Mr. Andres Bausili
Balcarce 184
Buenos Aires

My greatly esteemed Mr. Bausili:

Confirming our telephone conversation of today's date, I herewith inform you that the accounts which the Sociedad de Electricidad de Rosario has maintained inmovable, for some time, in the Banco Frances e Italiano para la America del Sud, were closed on the 12th instant.

I avail myself of this opportunity to salute you with highest esteem.

(signed) Abel G. Belleville

SECRET

Therefore, as the firm of SOFINA is suspected of subversive activities, the BETANCOUR group known as financial agents for Franco and the Germans, CHADE known as a subsidiary of the Betancour group and the Andromachos Co. of Barcelona a German controlled chemical firm, these facts indicate that there is definite subversive activities going on under the cover of commerce, probably receiving all instructions from Berlin via Madrid.

SECRET