

EXCERPT

Dec 1952

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C. ECONOMIC

1. Berlin: For the past several months the Germans have met with increasing difficulty in their efforts to smuggle strategic materials from Latin America into Europe on Spanish and Portuguese ships. Last June Berlin advised German agents in Argentina that "the surveillance by Spanish authorities and enemy agents is constantly being intensified," and issued instructions that contraband drugs should be packed in cases because the latter were less conspicuous than crates.

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In mid-October Berlin issued further precautionary instructions to the effect that "confidential agents who bring along undeclared shipments are to undertake delivery only on board ship to local Spanish confidential agents who will give the password agreed upon in Buenos Aires."

The Germans have now decided to discontinue, at least for the time being, their efforts to import contraband goods on Spanish ships, and apparently on Portuguese ships as well. On 11 December Berlin advised the German Chargé in Buenos Aires:

a. "Because of the apparent compromising of our methods of shipment and the losses that

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have occurred as a result of the seizure of materials on the 'Monte Albertia' and 'Havana',\* and in consideration of neutral Spain, we consider it imperative to discontinue for the time being the shipment of undeclared or wrongfully declared goods. If you agree with us, please instruct Buecker [Chief German purchasing agent for drugs, industrial diamonds, mica and platinum in Latin America] to make no further purchases. Tell him to report to us through the Embassy (by enciphered mail) the goods and the balance of media for foreign exchange which he has on hand."

b. "We wish to investigate the possibility of resuming shipments after a certain interval. We are still greatly interested in importing-- specifically from Chile--insulin and pituitary

\*The Spanish ship "Monte Albertia," which sailed from Buenos Aires on 16 August, carried twelve pieces of platinum (5,651 grams) embedded in plaster of Paris in false bottoms of boxes manifested as gall paste; 125 kilograms of anterior-lobe powder, 5 kilograms of posterior-lobe powder, and two envelopes which contained information from U. S. publications. The "Habana," also of Spanish registry, left on 1 October and carried 2 kilograms of platinum covered with lead and hidden in a radio set. At least part of the items on each ship were seized by the British at Gibraltar.

-7-

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powders. Accordingly, please encourage voluntary offers of neutral agents [to smuggle such drugs into Europe], but specify clearly that payment can be undertaken only after the goods have been examined in Germany."

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