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Subject: THE SECRET TREATY of FT HUNT (Why We Are in The 4th Reich)

Date: Apr 29, 2007 7:14 PM

# The Secret Treaty of Fort Hunt

An article by Carl Oglesby

William Shirer closed his 1960 masterpiece, *The Rise and Fall of the Third Reich*, with the judgment that the Nazi regime "had passed into history,"<sup>1</sup> but we cannot be so confident today. On the contrary, the evidence as of 1990 is that World War II did not end as Shirer believed it did, That Nazism did not surrender unconditionally and disappear, that indeed it finessed a limited but crucial victory over the Allies, a victory no less significant for having been kept a secret from all but the few Americans who were directly involved.

## The Odessa and its Mission

Hitler continued to rant of victory, but after Germany's massive defeat in the battle of Stalingrad in mid-January 1943, the realists of the German General Staff (OKW) were all agreed that their game was lost. Defeat at Stalingrad meant, at a minimum, that Germany could not win the war in the East that year. This in turn means that the Nazis would have to keep the great preponderance of their military forces tied down on the eastern front and could not redeploy them to the West, where the Anglo-American invasion of Italy would occur that summer. Apparently inspired by the Soviet victory, President Franklin Delano Roosevelt and Prime Minister Winston Churchill announced at Casablanca, on January 24, 1943, their demand for Germany's unconditional surrender and the complete de-Nazification of Europe.<sup>2</sup>

Within the German general staff two competing groups formed around the question of what to do: one led by Heinrich Himmler the other by Martin Bormann.<sup>3</sup>

Himmler was chief of the SS (*Schutzstaffel*, "protective echelon"), the blackshirted core of the Nazi party that emerged as Hitler's bodyguard in the late 1920s and grew into the most powerful of the Nazi political institutions. After the

failure of the attempted military coup of July 20, 1944, which wounded but did not kill Hitler, the SS seized all power and imposed a furious blood purge of the armed services in which some seven thousand were arrested and nearly five thousand.<sup>4</sup> The SS was at that point the only organ of the Nazi state.

Himmler's plan for dealing with the grim situation facing Nazism found its premise in Hitler's belief that the alliance between "the ultra-capitalists" of the U.S. and "the ultra-Marxists" of the Soviet Union was politically unstable. "Even now they are at loggerheads," said Hitler. "If we can now deliver a few more blows, this artificially bolstered common front may suddenly collapse with a gigantic clap of thunder."<sup>5</sup> Himmler believed that this collapse would occur and that the U.S. would then consider the formation of a new anti-soviet alliance with Nazi Germany. The Nazis would then negotiate "a separate peace" with the United States, separate from any peace with the USSR, with which Germany would remain at war, now joined against the Soviets by the United States.

But Martin Bormann, who was even more powerful than Himmler, did not accept the premise of the separate-peace idea. Bormann was an intimate of Hitler's, the deputy fuhrer and the head of the Nazi Party, thus superior to Himmler in rank. Bormann wielded additional power as Hitler's link to the industrial and financial cartels that ran the Nazi economy and was particularly close to Hermann Schmitz, chief executive of I.G. Farben, the giant chemical firm that was Nazi Germany's greatest industrial power.

With the support of Schmitz, Bormann rejected Himmler's separate-peace strategy on the ground that it was far too optimistic.<sup>6</sup> The Allied military advantage was too great, Bormann believed, for Roosevelt to be talked into a separate peace. Roosevelt, after all, had taken the lead in proclaiming the Allies' demand for Germany's unconditional surrender and total de-Nazification. Bormann reasoned, rather, that the Nazi's best hope of surviving military defeat lay within their own resources, chief of which was the cohesion of tens of thousands of SS men for whom the prospect of surrender could offer only the gallows.

Bormann and Schmitz developed a more aggressive self-contained approach to the problem of the looming military defeat. The central concept of which was that large numbers of Nazis would have to leave Europe and at least for a time, find places in the world in which to recover their strength. There were several possibilities in Latin America, most notably Argentina and Paraguay; South Africa, Egypt, and Indonesia were also attractive rear areas in which to retreat.<sup>7</sup>

After the German defeat in the battle of Normandy in June 1944, Bormann took the first external steps toward implementing concrete plans for the Nazis' great escape.

An enormous amount of Nazi treasure had to be moved out of Europe and made

safe. This treasure was apparently divided into several caches, of which the one at the Reichsbank in Berlin included almost three tons of gold (much of it the so-called tooth-gold from the slaughter camps) as well as silver, platinum, tens of thousands of carats of precious stones, and perhaps a billion dollars in various currencies.<sup>8</sup>

There were industrial assets to be expatriated, including large tonnages of specialty steel and certain industrial machinery as well as blue-prints critical to the domination of certain areas of manufacturing.

Key Nazi companies needed to be relicensed outside Germany in order to escape the reach of war-reparations claims.

And tens of thousands of Nazi war criminals, almost all of them members of the SS, needed help to escape Germany and safely regroup in foreign colonies capable of providing security and livelihoods.

For help with the first three of these tasks, Bormann convened a secret meeting of key German industrialists on August 10, 1944, at the Hotel Maison Rouge in Strasbourg.<sup>9</sup> One part of the minutes of this meeting states:

*The [Nazi] Party is ready to supply large amounts of money to those industrialists who contribute to the post-war organization abroad. In return, the Party demands all financial reserves which have already been transferred abroad or may later be transferred, so that after the defeat a strong new Reich can be built.*<sup>10</sup>

The Nazi expert in this area was Hitler's one-time financial genius and Minister of the Economy, Dr. Hjalmar Horace Greeley Schacht, available to Bormann even though he was in prison on suspicion of involvement in the anti-Hitler coup of 1944. According to a U.S. Treasury Department report of 1945, at least 750 enterprises financed by the Nazi Party had been set up outside Germany by the end of the war. These firms were capable of generating an annual income of approximately \$30 million, all of it available to Nazi causes.<sup>11</sup> It was Schacht's ability to finesse the legalities of licensing and ownership that brought this situation about.<sup>12</sup>

Organizing the physical removal of the Nazis' material assets and the escape of SS personnel were the tasks of the hulking Otto Skorzeny, simultaneously an officer of the SS, the Gestapo and the Waffen SS as well as Hitler's "favorite commando."<sup>13</sup> Skorzeny worked closely with Bormann and Schacht in transporting the Nazi assets to safety outside Europe and in creating a network of SS escape routes ("rat lines") that led from all over Germany to the Bavarian city of Memmingen, then to Rome, then by sea to a number of Nazi retreat colonies set up in the global south.

The international organization created to accommodate Bormann's plans is most often called "The Odessa," a German acronym for "Organization of Veterans of the SS." It has remained active as a shadowy presence since the war and may indeed constitute Nazism's most notable organizational achievement. But we must understand that none of Bormann's, Skorzeny's, and Schacht's well-laid plans would have stood the least chance of success had it not been for a final component of their organization, one not usually associated with the Odessa at all but very possibly the linchpin of the entire project.

## Enter Gehlen

This final element of the Odessa was the so-called Gehlen Organization (the Org), the Nazi intelligence system that sold itself to the U.S. at the end of the war. It was by far the most audacious, most critical, and most essential part of the entire Odessa undertaking. The literature on the Odessa and that on the Gehlen Organization, however, are two different things. No writer in the field of Nazi studies has yet explicitly associated the two, despite the fact that General Reinhard Gehlen was tied politically as well as personally with Skorzeny and Schacht. Moreover, Gehlen's fabled post-war organization was in large part staffed by SS Nazis who are positively identified with the Odessa, men such as the infamous Franz Alfred Six and Emil Augsburg of the Wannsee Institute. An even more compelling reason for associating Gehlen with the Odessa is that, without his organization as a screen, the various Odessa projects would have been directly exposed to American intelligence. If the Counter Intelligence Corps (CIC) and the Office of Strategic Services (OSS) had not been neutralized by the Gehlen ploy, the Odessa's great escape scheme would have been discovered and broken up.

At 43, Brigadier General Reinhard Gehlen was a stiff, unprepossessing man of pounds when he presented himself for surrender at the U.S. command center in Fischhausen. But there was nothing small about his ego. "I am head of the section Foreign Armies East in German Army Headquarters," he announced to the GI at the desk. "I have information to give of the highest importance to your government." The GI was not impressed, however, and Gehlen spent weeks stewing in a POW compound before an evident Soviet eagerness to find him finally aroused the Americans' attention.<sup>14</sup>

Gehlen became chief of the Third Reich's Foreign Armies East (FHO), on April 1, 1942. He was thus responsible for Germany's military intelligence operations throughout Eastern Europe and the Soviet Union. His FHO was connected in this role with a number of secret fascist organizations in the countries to Germany's east. These included Stepan Bandera's "B Faction" of the Organization of Ukrainian Nationalists (OUN/B),<sup>15</sup> Romania's Iron Guard,<sup>16</sup> the Ustachis of Yugoslavia,<sup>17</sup> the Vanagis of Latvia<sup>18</sup> and, after the summer of 1942, "Vlassov's Army."<sup>19</sup> the band of defectors from Soviet Communism marching behind

former Red hero General Andrey Vlassov. Later on in the war, Gehlen placed one of his top men in control of Foreign Armies West, which broadened his power; and then after Admiral Wilhelm Canaris was purged and his *Abwehr* intelligence service cannibalized by the SS, Gehlen became in effect Nazi Germany's over-all top intelligence chief.

## The Great Escape

In December 1943, at the latest, Gehlen reached the same conclusion about the war that had come upon Bormann, Schacht, Skorzeny, and Himmler. Germany was losing and could do nothing about it. Several months later, Gehlen says, he began quietly discussing the impending loss with a few close associates. As he writes in his memoir: "Early in-October 1944 I told my more intimate colleagues that I considered the war was lost and we must begin thinking of the future. We had to think ahead and plan for the approaching catastrophe."<sup>21</sup>

Gehlen's strategic response to *Gotterdammerung* was a kind of fusion of Himmler's philosophy with Bormann's more pessimistic Odessa line: "My view," he writes, "was that there would be a place even for Germany in a Europe rearmed for defense against Communism. Therefore we must set our sights on the Western powers, and give ourselves two objectives: to help defend against Communist expansion and to recover and reunify Germany's lost territories."<sup>22</sup>

Just as Bormann, Skorzeny, and Schacht were beginning to execute their escape plans, so too was Gehlen: "Setting his sights on the Western powers," and in particular on the United States, Gehlen pursued the following strategic rationale: When the alliance between the United States and the USSR collapsed, as it was bound to do upon Germany's defeat, the United States would discover a piercing need for a top-quality intelligence service in Eastern Europe and inside the Soviet Union. It did not have such a service of its own, and the pressures of erupting East-West conflict would not give it time to develop one from scratch. Let the United States therefore leave the assets assembled by Gehlen and the FHO intact. Let the United States not break up Gehlen's relationship with East European fascist groups. Let the United States pick up Gehlen's organization and put it to work for the West, the better to prevail in its coming struggle against a Soviet Union soon to become its ex-ally.

Gehlen brought his top staff people into the planning for this amazing proposal. Together, during the last months of the war, while Hitler was first raging at Gehlen for his "defeatist" intelligence reports, then promoting him to the rank of brigadier general, then at last firing him altogether (but promoting into the FHO directorship one of Gehlen's co-conspirators), Gehlen and his staff carefully prepared their huge files on East Europe and the Soviet Union and moved them south into the Bavarian Alps and buried them. At the same time, Gehlen began building the ranks of the FHO intelligence agents. The FHO in fact was the only

organization in the whole of the Third Reich that was actually recruiting new members as the war was winding down.<sup>23</sup> SS men who knew they would be in trouble when the Allied forces arrived now came flocking to the FHO, knowing that it was the most secure place for them to be when the war finally ended.<sup>24</sup>

When Gehlen's plans were complete and his preparations all concluded, he divided his top staff into three separate groups and moved them (as Skorzeny was doing at the same time) into prearranged positions in Bavaria. Gehlen himself was in place before the German surrender on May 7, hiding comfortably in a well-stocked chalet in a mountain lea called Misery Meadow. Besides Gehlen, there were eight others in the Misery Meadow group, including two wounded men and three young women. For three weeks, maintaining radio contact with the two other groups, Gehlen and his colleagues stayed on the mountain, waiting for the American army to appear in the valley far below. "These days of living in the arms of nature were truly enchanting," he wrote. "We had grown accustomed to the peace, and our ears were attuned to nature's every sound."<sup>25</sup>

## **Destruction of the OSS**

Gehlen was still communing with nature when William Donovan, chief of the Office of Strategic Services (OSS), arrived in Nuremberg from Washington, dispatched by the new president to assist Supreme Court Justice Robert Jackson. Harry S. Truman had made Jackson the United States's chief prosecutor with the International Military Tribunal (IMT), established to try the Nazis' principal military leaders. Donovan's OSS was to function as an investigative arm of the IMT.

By the last half of the war if not before, President Roosevelt and Donovan were convinced that the U.S. needed a permanent intelligence service and that this service, like the OSS, should be civilian rather than military. They were convinced too that the OSS should be its foundation. On October 31, 1944, Roosevelt directed Donovan to prepare a memo on how such a service should be organized.<sup>26</sup>

Donovan consulted on this assignment with his colleague Allen Dulles, a force unto himself as wartime chief of OSS operations in Bern. Dulles advised Donovan to placate the military by proposing that the new agency be placed automatically under military command in time of war.<sup>27</sup> Donovan's proposal incorporated this idea,<sup>28</sup> but only in order to state all the more strongly the case for civilian control and for making the OSS the basis of the new organization. As he wrote in his memo to Roosevelt of November 18, 1944, "There are common-sense reasons why you may desire to lay the keel of the ship at once.... We now have [in the OSS] the trained and specialized personnel needed for such a task, and this talent should not be dispersed."<sup>29</sup>

Donovan proposed establishment of a civilian intelligence service responsible directly to the President and the Secretary of State, the chief mission of which would be to support the President in foreign policy. Except for the civilian Secretaries of War and the Navy, Donovan's plan did not even include a place for military representation on the advisory board, and he was careful to specify that the advisory board would merely advise and not control. The new service was to be all-powerful in its field, being responsible for "coordination of the functions of all intelligence agencies of the Government." The Donovan intelligence service, in other words, would directly and explicitly dominate the Army's G-2 and the Navy's ONI.<sup>30</sup>

Naturally, therefore, the Donovan plan drew an intense attack from the military. One G-2 officer called it "cumbersome and Possibly dangerous."<sup>31</sup> Another referred to the OSS as "a bunch of faggots."<sup>32</sup> Nor was the FBI's J. Edgar Hoover silent. Hoover had fought creation of the OSS perhaps more bitterly than the military and had insisted throughout the war on maintaining an FBI intelligence network in Latin America despite the fact that this was supposed to be OSS turf.<sup>33</sup>

Certain elements within Army intelligence were not only opposed to Donovan's plan but were also beginning to formulate their own notions of what a post-war intelligence system should be like.

Roosevelt sent the Joint Chiefs of Staff ultra-secret copies of Donovan's proposal along with Roosevelt's own draft executive order to implement it. On January 1, 1945, the Chiefs formally reported to Roosevelt their extreme dissatisfaction with this scheme and leaked Donovan's memo to four right-wing newspapers, which leapt to the attack with blaring headlines accusing FDR and Donovan of conspiring to create "a super Gestapo." This attack put the Donovan plan on hold, and the death of FDR on April 12, 1945 destroyed it.<sup>34</sup>

In early May 1945, president for less than a month, Truman made the OSS the American component of the investigative arm of the IMT. It is one of the fascinating conjunctions of this story that Donovan should have left for Nuremberg just as Gehlen was coming down from his mountain. It is one of its riper ironies that Donovan would soon resign from Jackson's staff in a disagreement over trying German officers as war criminals, which Donovan objected to but Jackson and Truman supported.<sup>35</sup> Had Donovan lent his energies to the trial of Nazis within the German officer corps, he might have confronted the very adversaries who would shortly take his place in the American intelligence system, not only militarizing it, but Nazifying it as well.

## **Gehlen Makes his Move**

Gehlen had been on the mountain for exactly three weeks and the war had been

over for almost two weeks when he decided on May 19 that it was time to make contact. He left the three women and the two wounded men at Misery Meadow and with his four aides began the decent to the valley town of Fischhausen on Lake Schliersee.

On the same day Soviet commissioners far to the north at Flensburg demanded that the United States hand over Gehlen as well as his files on the USSR. This was the first the U.S. command had heard of Gehlen.<sup>36</sup>

Gehlen and company took their time, staying three days with the parents of one of his aides and communicating by radio with those who had remained at Misery Meadow. On May 22, Gehlen at last decided the moment was right. He and his aides marched into the Army command center and represented themselves to the desk officer, a Captain John Schwarzwaldler, to whom Gehlen spoke his prepared speech:

"I am head of the Section Foreign Armies East in German Army headquarters. I have information to give of the highest importance to your government." Schwarzwaldler had Gehlen and his group jeeped to Miesbach where there was a[n] OSS detachment. There Gehlen once again gave his speech, this time to a Captain Marian Porter: "I have information of the greatest importance for your supreme commander." Porter replied, "So have they all," and shunted him and his cohorts off to the prison camp at Salzburg.

Gehlen's disappointment at this reception was keen and his biographers all say he never forgot it, "lapsing," as one puts it, "into near despair" as he "presented the strange paradox of a spy-master thirsting for recognition by his captors."<sup>37</sup>

Recognition was inevitable, however, since the CIC was trying to find him. By mid June at the latest, his name was recognized by a G-2 officer, Colonel William H. Quinn, who had Gehlen brought to Augsburg for his first serious interrogation. Quinn was the first American to whom Gehlen presented his proposal and told of his staff dispersed at several camps in the mountains as well as the precious buried archives of the FHO. Unlike Captain Porter, Colonel Quinn was impressed. He promptly passed Gehlen up the command chain to General Edwin L. Sibert.

Sibert later recalled, "I had a most excellent impression of him at once." Gehlen immediately began educating him as to the actual aims of the Soviet Union and its display of military might." As Sibert told a journalist years later, "With her present armed forces potential, he [Gehlen] continued, Russia could risk war with the West and the aim of such a war would be the occupation of West Germany."<sup>38</sup>

Acting without orders, Sibert listened to Gehlen for several days before informing Eisenhower's chief of staff, General Walter Bedell Smith.<sup>39</sup> Smith and

Sibert then continued to develop their relationship with Gehlen secretly, choosing not to burden Eisenhower with knowledge of what they were doing "in order not to compromise him in his relations with the Soviets."<sup>40</sup> Eisenhower in fact had strictly forbidden U.S. fraternization with Germans.

Gehlen was encouraged to resume contact with his FHO comrades who were still at large in Bavaria, releasing them from their vow of silence. Gehlen was sufficiently confident of his American relationships by this time that he dug up his buried files and, in special camps, put his FHO experts to work preparing detailed reports on the Red Army for his American captors. Well before the end of June he and his comrades were "discharged from prisoner of war status so that we could move around at will."<sup>42</sup> They were encouraged to form a unit termed a "general staff cell" first within G-2's Historical Research Section, then later in the Seventh Army's Intelligence Center in Wiesbaden, where they worked in private quarters and were treated as VIPs.<sup>43</sup>

Indeed, a partly declassified CIA document recapitulated this story in the early 1970s, noting at this time:

*Gehlen met with Admiral Karl Dognitz, who had been appointed by Hitler as his successor during the last days of the Third Reich. Gehlen and the Admiral were now in a U.S. Army VIP prison camp in Wiesbaden; Gehlen sought and received approval from Doenitz too!*<sup>44</sup>

In other words, the German chain of command was still in effect, and it approved of what Gehlen was doing with the Americans.

Gehlen's biographers are under the impression that it took six weeks for someone in European G-2 to notice and recognize Gehlen in the POW cage, that Sibert did not tell Smith about finding him until the middle of August, and that it was much later still before Sibert and Smith conspired to circumvent Eisenhower to communicate their excitement about Gehlen to someone at the Pentagon presumably associated with the Joint Chiefs of Staff.<sup>45</sup> But documents released in the 1980s show that this part of Gehlen's story raced along much more quickly. Already on June 29, in fact, the Pentagon had informed Eisenhower's European command that the War Department wanted to see Gehlen in Washington.<sup>46</sup>

It was a fast time. By no later than August 22, one of Gehlen's top associates, Hermann Baum was forming what would become the intelligence and counterintelligence sections of Gehlen's new organization. Gehlen himself, with retinue, was departing for Washington in General Bedell Smith's DC-3 for high-level talks with American military and intelligence officials. And the whole concept of the deal he was about to offer his conquerors had been approved by a Nazi chain of command that was still functioning despite what the world thought and still does think was the Nazis' unconditional surrender.<sup>47</sup>

Gehlen arrived in Washington on August 24 with six of his top FHO aides and technical experts in tow.<sup>48</sup> World War II had been over about a week, the war in Europe about three and a half months.

## The Secret Treaty of Fort Hunt

As Gehlen and his six men were en route from Germany to Washington, Donovan's OSS troubles became critical. On August 23, Admiral William Leahy, chief of the JCS, the President's national security adviser and a man who despised Donovan, advised Truman to order his budget director Harold Smith to begin a study of the intelligence question. Stating "this country wanted no Gestapo under any guise or for any reason."<sup>49</sup> Truman may not have known that the Gestapo's Odessa heirs were landing in the lap of the Pentagon even as he spoke. Smith in any case responded to Truman's directive by asking Donovan for his OSS demobilization plans. Now, too late. Donovan tried to fight. The Gehlen party, "Group 6," was checking out its very comfortable accommodations at Fort Hunt at the very moment at which Donovan, writing from a borrowed Washington office, fired back a memo to Smith defending the OSS and its right to live:

*Among these assets [of the OSS] was establishment for the first time in our nation's history of a foreign secret intelligence service which reported information as seen through American eyes. As an integral and inseparable part of this service, there is a group of specialists to analyze and evaluate the material for presentation to those who determine national policy.*<sup>50</sup>

Much more significant than the question of the adequacy of U.S. intelligence on the Soviet Union, however, was the question of civilian versus military control of the intelligence mission. Germany and England had fought this battle in the 19th century, the military capturing the intelligence role in Germany and the civilians maintaining a position in England. Throughout the summer and fall of 1945, this same battle raged in the U.S. government.<sup>51</sup> The battle for intelligence control was indeed the background for the arrival of Gehlen and his six aides at Fort Hunt, where Gehlen's party was housed and Gehlen himself provided with an NCO butler and several white-jacket orderlies.<sup>52</sup>

A momentous relationship was established at Fort Hunt, one that had the profoundest effects on the subsequent evolution of United States foreign policy during an exceptionally difficult passage of world history. The period of the Cold War as a whole, and more especially its early, formative years - from Gehlen's coming aboard the American intelligence service until he rejoined the West German republic in 1955 -- was laden with the peril of nuclear war. On at least one occasion, in 1948,<sup>53</sup> Gehlen almost convinced the United States that the Soviet Union was about to launch a war against the West and that it would be in

the U.S. interest to preempt it.

Clearly it is important to know who made and authorized the decisions that led to our national dependency on a network of underground Nazis, yet because the relevant documents are still classified this central part of the Gehlen story still cannot be reconstructed.

From the handful of published books about the Gehlen affair (none of which cite their sources on this point) we can list only seven Americans who were said to be involved with Gehlen at Fort Hunt:

- Admiral William D. Leahy, chief of staff and Truman's national security advisor.
- Allen Dulles, OSS station chief in Bern during the war.
- Sherman Kent, head of OSS Research and Analysis Branch and a Yale historian.
- General George V. Strong, head of Army G-2.
- Major General Alex H. Bolling of G-2.
- Brigadier General John T. Magruder, first head of the Army's Strategic Services Unit, a vulture of OSS.
- Loftus E. Becker, a lawyer associated with G-2 and the Nuremberg war-crimes operation; the CIA's first deputy director.

We do not know if these people were involved as a committee, if they talked with Gehlen and his six aides a lot or a little, separately or all at once, or if they sent their own aides to work out the details. We do not know how a POW-interrogation was transformed into a bargaining process. Above all, we do not know what kind of communication the U.S. participants in the Fort Hunt-Gehlen talks had with the political authorities to whom they were responsible. Leahy is the only one who had obvious contact with President Truman. But there is nothing in the revealed record to indicate that he ever discussed Gehlen or the Fort Hunt deal with Truman, or took the least trouble to explain to Truman the implications of hiring a Nazi spy network. We have no idea, for that matter, how Leahy himself saw it.

What we do know is the outlines of the Gehlen deal itself, however it was hammered out and however it was or was not ratified by legal, political authority. That is because Gehlen himself laid out its terms in his autobiography, *The Service*. Gehlen says in this work (which has been attacked for its inaccuracies) that the discussion ended with "a gentleman's agreement," that the terms of his relationship with the United States were "for a variety of reasons never set down in black and white." He continues, "Such was the element of trust that had been built up between the two sides during this year of intensive personal contact that neither had the slightest hesitation in founding the entire operation on a verbal agreement and a handshake."<sup>54</sup>

According to Gehlen, this agreement consisted of the following six basic points. His language is worth savoring. "I remember the terms of the agreement well," he wrote:

"1. A clandestine German intelligence organization was to be set up, using the existing potential to continue information gathering in the East just as we had been doing before. The basis for this was our common interest in a defense against communism."

"2. This German organization was to work not 'for' or 'under' the Americans, but 'jointly with the Americans.'"

"3. The organization would operate exclusively under German leadership, which would receive its directives and assignments from the Americans until a new government was established in Germany."

"4. The organization was to be financed by the Americans with funds which were not to be part of the occupation costs, and in return the organization would supply all its intelligence reports to the Americans." (The Gehlen Organization's first annual budget is said to have been \$3.4 million.<sup>55</sup>)"

"5. As soon as a sovereign German government was established, that government should decide whether the organization should continue to function or not, but that until such time the care and control (later referred to as 'the trusteeship') of the organization would remain in American hands."

"6. Should the organization at any time find itself in a position where the American and German interests diverged, it was accepted that the organization would consider the interests of Germany first."<sup>56</sup>

Gehlen acknowledges that the last point especially might "raise some eyebrows" and make some think that the U.S. side "had one overboard in making concessions to us." He assures his readers that actually "this point demonstrates better than any other Sibert's great vision: he recognized that for many years to come the interests of the United States and West Germany must run parallel."<sup>57</sup>

Gehlen and his staff left Fort Hunt for Germany on July 1, 1946, having been in the United States for almost a year. They were temporarily based at Oberursel then settled into a permanent base in a walled-in, self-contained village at Pullach near Munich. Gehlen set up his headquarters in an estate originally built by Martin Bormann.<sup>58</sup> There a start-up group of 50 began to turn the "gentlemen's agreement" of Fort Hunt into reality. The first order of business being staff, Gehlen's recruiters were soon circulating among the "unemployed mass" of "former" Nazi SS men, the Odessa constituency, to find more evaluators, couriers and informers.<sup>59</sup> Gehlen had "solemnly promised in Washington not to employ SS and Gestapo men."<sup>60</sup> although it will be noted that Gehlen includes no

such provision in his list of terms. There is not the least question that he did recruit such men, supplying them with new names when necessary.

Two of the worst of them were Franz Six and Emil Augsburg. Six was a key Nazi intellectual, and both Six and Augsburg were associated with the Wannsee Institute, the Nazi think-tank in Berlin where SS leader Reinhard Heydrich, in January 1942, announced "the Final Solution to the Jewish Question." Both of them had commanded extermination squads roving in East Europe in pursuit of Jews and communists. and both had gone underground with the Odessa when the Third Reich crumbled. Augsburg hid in Italy, then returned in disguise when Gehlen called. Six was actually captured by Allied intelligence, tried at Nuremberg and imprisoned, only to be sprung to work with Augsburg running Gehlen's networks of East European Nazis.<sup>61</sup>

From the edge of total defeat Gehlen now moved into his vintage years, more powerful, influential and independent than he had been even in the heyday of the Third Reich. Minimally supervised first by the War Department's Strategic Services Unit under Fort Hunt figure Major General John Magruder, and then by the SSU's follow-on organization, the Central Intelligence Group under Rear Admiral Sidney Souers,<sup>62</sup> the Org grew to dominate the entire West German intelligence service. Through his close ties to Chancellor Konrad Adenauer's chief minister, Hans Globke, Gehlen was able to place his men in positions of control in West Germany's military intelligence and the internal counterintelligence arm. When NATO was established he came to dominate it too. By one estimate "some 70 percent" of the total intelligence take flowing into NATO'S military committee and Allied headquarters (SHAPE) on the Soviet Union, the countries of East Europe, the rest of Europe, and indeed the rest of the world was generated at Pullach.<sup>63</sup>

Not even the establishment of the CIA in 1947 and the official transfer of the Pullach operation into the West German government in 1955 (when it was retitled the Federal Intelligence Service, BND) lessened the reliance of American intelligence on Gehlen's product.<sup>64</sup> From the beginning days of the Cold War through the 1970s and beyond, the United State's, West Germany's, and NATO's most positive beliefs about the nature and intentions of the Soviet Union, the Warsaw Pact, and world communism would be supplied by an international network of utterly unreconstructed SS Nazis whose primary purposes were to cover the escape of the Odessa and make the world safe for Naziism.

## **The Cost of the Fort Hunt Treaty**

Gehlen's story has many branchings beyond this point. These include several spy scandals that exposed his operation as dangerously vulnerable to Soviet penetration. They include the pitiful spectacle of U.S. CIC agents pursuing Nazi fugitives on war-crimes charges only to see them summarily pardoned and hired

by Gehlen. They include the dark saga of Klaus Barbie, the SS "Butcher of Lyon" who worked with the Gehlen Organization and boasted of being a member of the Odessa. They include assets of Operation Paperclip, in which right-wing forces in the U.S. military once again savaged the concept of de-Nazification in order to smuggle scores of SS rocket scientists into the United States. They include continuation of the civilian-vs.-military conflict over the institution of secret intelligence and the question of politically motivated covert action within the domestic interior. They include above all the story of the enormous victory of the Odessa in planting powerful Nazi colonies around the world -- in such countries as South Africa where the enactment of apartheid laws followed; or several countries in Latin America that then became breeding grounds for the Death Squads of the current day; and indeed even in the United States where it now appears that thousands of wanted Nazis were able to escape justice and grow old in peace.

In making the Gehlen deal, the United States did not acquire for itself an intelligence service. That is not what the Gehlen group was or was trying to be. The military intelligence historian Colonel William Corson put it most succinctly, "Gehlen's organization was designed to protect the Odessa Nazis. It amounts to an exceptionally well-orchestrated diversion."<sup>65</sup> The only intelligence provided by the Gehlen net to the United States was intelligence selected specifically to worsen East-West tensions and increase the possibility of military conflict between the U.S. and the Soviet Union. It was exactly as the right-wing pairs had warned in 1945 when they were aroused by Donovan's proposal for a permanent intelligence corps, warning their readers that a "super spy unit" could "determine American foreign policy by weeding out, withholding or coloring information gathered at his direction."<sup>66</sup> It was exactly as Truman had warned when he demobilized the OSS with the observation that the U.S. had no interest in "Gestapolike measures." The fact that this lively concern for a police-state apparatus should have been focused on the relatively innocuous OSS while at the same time the red carpet was being rolled out for Gehlen's gang of SS men must surely count as one of the supreme wrenching ironies of the modern period.

Another dimension of the cost the Gehlen deal is the stress it induced within American institutions, weakening them incalculably. The Gehlen Organization was the antithesis of the Allied cause, its sinister emergence on the scene of post-war Europe the very opposite of what the western democracies thought they had been fighting for.

Perhaps at least we can say that, despite Gehlen and despite the military, the United States did after all finally wind up with a civilian intelligence service. The National Security Act of 1947 did embody Donovan's central point in creating a CIA outside the military. But in fact the Gehlen Org substantially pre-empted the CIA's civilian character before it was ever born. The CIA was born to be rocked in Gehlen's cradle. It remained dependent on the Org even when the Org turned into the BND. Thus, whatever the CIA was from the standpoint of the law, it

remained from the standpoint of practical intelligence collection a front for a house of Nazi spies.

The Org was not merely military, which is bad, not merely foreign, which is much worse, and not merely Nazi, which is intolerable; it was not even professionally committed to the security of the U.S. and Western Europe. It was committed exclusively to the security of the Odessa. All the Gehlen Org ever wanted the U.S. to be was anti-communist, the more militantly so the better. It never cared in the least for the security of the United States, its Constitution or its democratic tradition.

It is not the point of this essay that there would have been no Cold War if the Odessa had not wanted it and had not been able, through the naive collaboration of the American military Right to place Gehlen and his network in a position that ought to have been occupied by a descendant of the OSS. But it was precisely because the world was so volatile and confusing as of the transition from World War II to peacetime that the U.S. needed to see it, as Donovan put it in his plaintive appeal to Truman in the summer of 1945, "through American eyes." No Nazi eyes, however bright, could see it for us without deceiving us and leading us to the betrayal of our own national character.

Second, there was no way to avoid the Cold War once we had taken the desperate step of opening our doors to Gehlen. From that moment on, from the summer of 1945 when the Army brought him into the United States and made a secret deal with him, the Cold War was locked in. A number of Cold War historians on the left (for example D.F. Fleming and Gabriel Kolko) have made cogent arguments that from the Soviet point of view the Cold War was thrust upon us by an irrational and belligerent Stalin. The story of the secret treaty of Fort Hunt exposes this "history" as a self-serving political illusion. On the contrary, the war in the Pacific was still raging and the United States was still trying to get the Soviet Union into the war against Japan when General Sibert was already deep into his relationship with Gehlen.

The key point that comes crashing through the practical and moral confusion about this matter, once one sees that Gehlen's Organization was an arm of the Odessa, is that, whether it was ethical or not, the U.S. did not pick up a Gift Horse in Gehlen at all; it picked up a Trojan Horse.

The unconditional surrender the Germans made to the Allied command at the little red schoolhouse in Reims was the surrender only of the German armed services. It was not the surrender of the hard SS core of the Nazi Party. The SS did not surrender, unconditionally or otherwise, and thus Nazism itself did not surrender. The SS chose rather, to seek other means of continuing the war while the right wing of the United States military establishment, through fears and secret passions and a naivete of its own, chose to facilitate that choice. The

history that we have lived through since then stands witness to the consequences.

## References

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1. William Shirer, *The Rise and Fall of the Third Reich* (New York: Simon & Schuster, 1960), p. 1140.
2. *Ibid.*, p. 1033 fn. Enunciation of this policy surprised and upset some U.S. military leaders who feared it would prolong the war. See, for example, William R. Corson (USMC ret.), *The Armies of Ignorance: The Rite of the American Intelligence Empire* (New York: Dial Press, 1977), pp. 8-10.
3. William Stevenson, *The Bormann Brotherhood: A New Investigation of the Escape and Survival of Nazi War Criminals* (New York: Harcourt Brace Jovanovich, 1973).
4. *Op. cit.* n. 1, p. 1072.
5. *Ibid.*, pp. 1091-92
6. This discussion of Bormann's strategy is based mainly on Glenn B. Infield, *Skorzeny: Hitler's Commando* (New York: St. Martin's Press, 1981); and *op. cit.*, n. 3.
7. My summary of the Nazi survival plan is based on *op. cit.*, n. 3; Infield, *op. cit.*, n. 6; Ladislav Farago, *Aftermath: Martin Bormann and the Fourth Reich* (New York: Simon & Schuster, 1974); Charles Higham, *American Swastika* (New York: Doubleday, 1985); Brian Bunting, *The Rise of the South African Reich* (New York: Penguin, 1964); and Simon Wiesenthal, *The Murderers Among Us* (New York: McGraw-Hill, 1967). On "neo-Nazi" colonies in the Near and Middle East and South America, see Wiesenthal, pp. 78-95.
8. Infield, *op. cit.*, n. 6. p. 192.
9. *Ibid.*, p. 179; and Wiesenthal, *op. cit.*, n. 7. pp. 87-88.
10. Wiesenthal, *op. cit.*, n. 7, p. 88. Also quoted in Infield, *op. cit.*, n. 6, p. 183.
11. Infield, *op. cit.*, n. 6, p. 183.
12. Schacht, who had lost favor with Hitler in 1938, was acquitted of war-crimes charges by the Nuremberg Tribunal. He was later convicted of being a "chief Nazi offender" by the German de-Nazification court at Baden-Wurttemberg, but his conviction was overturned and his eight-year sentence lifted on September 2, 1948. Infield, *op. cit.*, n. 6.
13. Infield, *op. cit.*, n. 6, p. 16.
14. Heinz Hohne and Hermann Zolling. *The General Was A Spy* (New York:

- Richard Barry, Coward McCann & Geoghegan, 1973), p. 54; and E.H. Cookridge, *Gehlen, Spy of the Century* (New York: Random House, 1971), p. 120.
15. Christopher Simpson, *Blowback* (New York: Weidenfeld and Nicolson, 1988), p. 160 ff. Simpson's is the best book on the Gehlen matter so far published.
  16. *Ibid.*, pp. 254-55.
  17. *Ibid.*, pp. 180, 193.
  18. *Ibid.*, pp. 10, 207-08.
  19. *Ibid.*, pp. 18-22. Also see Hohne and Zolling, *op. cit.*, n. 14, pp. 35-37; Cookridge, *op. cit.*, n. 14, pp. 56-58.
  20. Cookridge *op. cit.*, n. 14, p. 79.
  21. Reinhard Gehlen, *The Service* (New York: World, 1972), p. 99.
  22. *Ibid.*, p. 107.
  23. Cookridge, *op. cit.*, n. 14, pp. 103, 106.
  24. I do not know of an estimate of the size of the Foreign Armies East (FHO) as of the end of the war. Cookridge, *op. cit.*, n. 14, p. 161, says that by 1948, when the Gehlen Organization was probably back up to war-time speed, its key agents "exceeded four thousand." Each agent typically ran a net of about six informants, Cookridge, *op. cit.*, n. 14, p. 167. Thus, the total Gehlen net might have numbered in the range of 20,000 individuals
  25. *Op. cit.*, n. 21, p. 115.
  26. Corson, *op. cit.*, n. 2, pp. 6, 20; Anthony Cave Brown, *The Last Hero, Wild Bill Donovan* (N.Y.: Vintage Books, 1982), p. 625; U.S. Senate, "Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities," Book IV, Supplementary Staff Reports on Foreign and Military Intelligence (known as, *The Church Report*), p. 5.
  27. Cookridge, *op. cit.*, n. 14, p.130.
  28. Brown, *op. cit.*, n. 26, p. 626.
  29. Cookridge, *op. cit.*, n. 14, p. 131.
  30. William M. Leary, ed., *The Central Intelligence Agency: History and Documents* (Atlanta: University of Atlanta Press, 1984), pp. 123-25; Corson, *op. cit.*, n. 2, pp. 214-17; Brown, *op. cit.*, n. 26, p. 625.
  31. Brown, *op. cit.*, n. 26, p. 627.
  32. *Ibid.*, p. 170.
  33. Thomas Powers, *The Man Who Kept the Secrets: Richard Helms and the CIA* (New York: Pocket Books, 1981), p. 31.
  34. *Ibid.*
  35. Brown, *op. cit.*, n. 26, p. 744.
  36. This account of Gehlen's surrender is based on Hohne and Zolling, *op. cit.*, n. 14, pp. 52-56; Cookridge, *op. cit.*, n. 14, pp. 118-21; *op. cit.*, 3, pp. 89-90; *op. cit.*, n. 15, pp. 41-43; and the BBC documentary, *Superspy: The Story of Reinhard Gehlen*, 1974. There are many trivial discrepancies in these four accounts but they are in perfect agreement as to the main

thrust.

37. Cookridge, *op. cit.*, n. 14, p. 120.
38. Hohne and Zolling, *op. cit.*, n. 14, p. 58.
39. As to breaking orders, Gehlen is effusive in his praise of "Sibert's great vision.... I stand in admiration of Sibert as a general who this this bold step -- in a situation fraught with political pitfalls -- of taking over the intelligence experts of a former enemy for his own country.... The political risk to which Sibert was exposed was very great. Anti-German feeling was running high, and he had created our organizations without any authority from Washington and without the knowledge of the War Department." *Op. cit.*, n. 21, p. 123.
40. Hohne and Zolling, *op. cit.*, n. 14, p. 58.
41. *Ibid.*, pp. 58-59.
42. *Op. cit.*, n. 21, p. 120.
43. Hohne and Zolling, *op. cit.*, n. 14, p. 58.
44. Undated CIA fragment with head, "Recent Books," apparently published circa 1972, partly declassified and released in 1986 in response to a Freedom of Information (FOIA) suit.
45. Hohne and Zolling, *op. cit.*, n. 14, pp. 56, 58-59.
46. U.S. Army document SHAEF D-95096, September 15, 1946, declassified FOIA release. The routing of this cable through SHAEF HQ raises a question as to whether Eisenhower was really kept in the dark about Gehlen.
47. As Gehlen was about to leave for the United States, he left a message for Baun with another of his top aides, Gerhard Wessel: "I am to tell you from Gehlen that he has discussed with [Hitler's successor Admiral Karl] Doenitz and [Gehlen's superior and chief of staff General Franz] Halder the question of continuing his work with the Americans. Both were in agreement." Hohne and Zolling, *op. cit.*, n. 14, p. 61.
48. There is variance in the literature concerning how many assistants Gehlen took with him to Washington. John Ranelagh, *The Agency: The Rise and Decline of the CIA* (New York: Simon and Schuster, 1986), p. 92; Cookridge, *op. cit.*, n. 14, p. 125; and *op. cit.*, n. 15, p. 42, say it was three while Hohne and Zolling, *op. cit.*, n. 14, p. 61, say four. A U.S. Army note of August 28, 1945 (a 1986 FOIA release) refers to "the 7 shipped by air last week" and that no doubt is the correct number. Another FOIA release, an unnumbered Military Intelligence Division document dated September 30, 1945, originated at Fort Hunt, labels the Gehlen party as "Group 6" and names seven members: Gehlen, Major Alberg Schoeller, Major Horst Hiemenz, Colonel Heinz Herre, Colonel Konrad Stephanus, and two others whose rank is not given, Franz Hinrichs and Herbert Feukner. The number is important for what it says about the nature of Gehlen's trip, Three might be thought of as co-defendants but six constitute a staff. Cookridge, *op. cit.*, n. 14, p. 125, says Gehlen made the trip disguised in the uniform of a one-star American general, his aides disguised as U.S. captains. Hohne and Zolling, *op. cit.*, n. 14, pp. 60-61.

- inflate the rank to two stars but then call the story spurious. Gehlen's memoir says nothing about it.
49. Corson, *op. cit.*, n. 2, p. 239.
  50. *Ibid.*, p. 240.
  51. Ranelagh, *op. cit.*, n. 48, p. 102ff.
  52. BBC documentary, *Superspy*, *op. cit.*, n. 36. Corson, in an interview with the author, said the butler and the orderlies must have been CIC agents. Still, the detail rankles.
  53. Cookridge, *op. cit.*, n. 14, 203; *op. cit.*, n. 15. p. 136.
  54. *Op. cit.*, n. 21, p. 121. Hohne and Zolling, *op. cit.*, n. 14. p. 64, say that the details of this "gentlemen's agreement" were put into writing by the CIA in 1949.
  55. Hohne and Zolling, *op. cit.*, n. 14, p. 65.
  56. *Op. cit.*, n. 21, p. 122.
  57. *Ibid.*, pp. 122-23.
  58. Hohne and Zolling, *op. cit.*, n. 14, p. 119; Cookridge, *op. cit.*, n. 14, p. 155, BBC documentary, *Superspy*, *op. cit.*, n. 36.
  59. Hohne and Zolling, *op. cit.*, n. 14, p. 67.
  60. Cookridge, *op. cit.*, n. 14, p. 144.
  61. *Op. cit.*, n. 15, pp. 17, 46-47, 166, 225; Cookridge, *op. cit.*, n. 14, pp. 242-43.
  62. Hohne and Zolling, *op. cit.*, n. 14, p. 133.
  63. Cookridge, *op. cit.*, n. 14, p. 218.
  64. *Ibid.*, p. 128.
  65. Author's interview with Corson, May, 1986.
  66. Cookridge, *op. cit.*, n. 14, p. 131.

(This article was originally from *CovertAction Information Bulletin*, Fall, 1990)

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