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DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
UNITED STATES AIR FORCE
WASHINGTON, D. C.

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DIA. EC. USAF

MAR 27

6 APR 1950
INTELLIGENCE
ASSISTANT
NAYM
023819

MEMORANDUM FOR: DIRECTOR, CENTRAL INTELLIGENCE AGENCY

SUBJECT: (Unclassified) German Scientists

1. It has come to the attention of this Headquarters that an observed trend indicates that German scientists, not satisfied with the amount of progress they can make in their homeland, have been organizing groups of technicians and researchers in any foreign country that will permit or encourage their research. Attached as Appendix "A" is a series of reports substantiating this trend.

2. Under existing policy the Joint Chiefs of Staff can exercise no security control over this situation inasmuch as clearance for the departure from Germany can be granted by HICOG within Germany for any period up to but not exceeding thirty days. Only in special cases is JCS clearance requested when the period of travel involved is less than thirty days. On the other hand, if official sanction is not given to the scientists for departure from Germany, there is nothing to prevent their merely walking across the border into either the French or Soviet Zones.

3. The Department of the Air Force has recommended to JIOA that JCS decisions, as now rendered by JIOA, to clear Germans for departure from Germany be based, in addition to clearance from Army, Navy and Air Force, also on concurrence from the State Department and CIA.

4. The Department of the Air Force has also requested Air Attaches to stimulate the flow of information on this subject.

5. The Air Force member of the Scientific Intelligence Committee, Colonel Lester S. Harris, will present this matter for appropriate action at the next meeting of that committee.

FOR THE CHIEF OF STAFF:

C. P. Cabell
Major General, USAF
Director of Intelligence

1 Enclosure
Appendix "A"

"This document contains information affecting the national defense of the United States within the meaning of the Espionage Laws, Title 18 U.S.C., Sections 793 and 794. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law."

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APPENDIX "A"

1. On 18 November 1948, the officer in charge of the American Mission, Bern, Switzerland, sent Secret Dispatch No. 830 to the Department of State, subject, "Proposal for Financing the Work of German and Austrian Scientists and Engineers in Switzerland". The dispatch referred to a memorandum dated 10 November 1948 which referred to the development of military and industrial inventions. The following four men were mentioned in the memorandum: Prof. Dr. GROTSCH, Dr. FUCHS, Prof. MESSERSCHMITT and Col. Gen. GOLLOB. The principle functions of the proposed research and study group were to prepare reports on research and the results achieved in various fields during the war, development of new implements of war, and development of technical inventions for industrial use. One of this group was then supposed to be cooperating with the Swiss military department, and it was pointed out that several inventions and certain scientific research had reached a high stage of development and that these could be completed in the course of only a few months. The memo made a veiled reference to the Paperclip Project and went on to say that the German scientists who were brought to the United States did not disclose all of their projects, but they would be willing to do so if offered an opportunity to develop them in Switzerland.

2. The State Department replied by Secret Dispatch No. 39, dated 2 March 1949, and indicated that the subject proposal was submitted to the Department of the Army and the Research and Development Board of the National Military Establishment. Negative reactions from both organizations were given the State Department. The dispatch went on to say that, apart from the political circumstances involved in any United States-Swiss military and development undertaking in financing the work of foreign nationals in Switzerland, the opinion was held by the military officials that the exploitation of German war-time science and technology has been fairly thorough, not only from the standpoint of documents but also through the employment of Germans in this country. Where German scientists have been employed here on military projects, the work has been under close supervision which would not be possible if they were located physically outside the country. The advantages, therefore, of any possible contribution to American scientific knowledge which this small group of scientists might make would probably be outweighed by the disadvantages of conducting military research remote from this country using former enemy scientists. Indeed, the consensus prevails that the establishment of such a group should be prevented where possible in the interest of national security.

3. Secret Dispatch No. 541 from Bern, Switzerland, American Legation, dated 20 December 1949, on the same subject, stated that Prof. MESSERSCHMITT and his collaborators are at present in Iraq, where they are making arrangements for the establishment of a secret research group and laboratory for the development of military and industrial inventions. The dispatch also described

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Handwritten: Prof. Dr. G. Grotsch, Dr. Fuchs, Prof. Dr. Messerschmitt, Col. Gen. Gollob

a report to the effect that Prof. MESSERSCHMITT was proceeding to Cairo, Egypt, to serve as a consultant there, but that this report was supposed to be deliberately misleading. Colonel Wilhelm FRICK, senior partner of the law firm FRICK, HOFFMAN and KELLER, in Zurich, is reportedly collaborating with the Prof. MESSERSCHMITT group, and among the technicians collaborating with MESSERSCHMITT is a German general of Austrian origin who took over the position in Goering's organization previously held by the famous flyer Udet after the latter committed suicide.

4. The Joint Chiefs of Staff approved a request from HICOG for the clearance of Prof. Willy MESSERSCHMITT's departure from Germany for India on 9 November 1949 and CIA reported on 25 January 1950 the following information:

"Willy MESSERSCHMITT arrived in Bombay on 11 January 1950 from Geneva, Switzerland. He arrived in New Delhi on 13 January 1950. MESSERSCHMITT was accompanied by Herr H. FRITAZE, German expert on pre-fabricated houses, and one Professor HERTZEN, identified as MESSERSCHMITT's production engineer.

"The Government of India's Industry and Supply Minister said recently that the Hindustan Aircraft Company is planning the construction of a new type of fighter aircraft which is to be demonstrated during the middle of 1950. The Government of India hired MESSERSCHMITT for this purpose. In addition, MESSERSCHMITT is expected to advise the Government of India on construction of pre-fabricated houses.

"Sir Frank WHITTLE, a jet pioneer and advisor to the British Overseas Airways Corporation (BOAC) on gas turbine aircraft, is expected to arrive in New Delhi in the near future. The purpose of his visit is to discuss with the Government of India's civil aviation and air force authorities the use of jet aircraft in India.

"Our files reveal no information regarding Herr H. FRITAZE or Professor HERTZEN."

Professor MESSERSCHMITT returned to Germany and subsequently applied for an exit permit to travel to the Netherlands for four weeks for the purpose of conducting a series of lectures in that country. The U.S. Element, Scientific Research Division, HICOG, sponsored the travel and the UK Element, Scientific Research Division, concurred in the sponsorship.

5. The Joint Chiefs of Staff also cleared Dr. Carl WIRTZ on 14 December 1949 for departure from Germany for Spain for one month. Inasmuch as the Department of the Air Force requested that the WIRTZ case be made a test case with concurrence from Army and Navy, HICOG cabled JIOA on 6 February 1950 to state that Dr. WIRTZ had been approved for his visit to Spain only, for one month only, effective 10 March 1950.

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Both Willy MESSERSCHMITT and Dr. Carl WIRTZ are critically important German specialists--MESSERSCHMITT in the field of aircraft production and WIRTZ in the field of nuclear physics. Both names appear in a critical category in the denial lists established and maintained by the Joint Intelligence Objectives Agency.

6. On 3 January 1950, JIOA indorsed to the Department of the Air Force the following information on denial policy:

".....The wishes of the Joint Chiefs of Staff in the matter of handling denial cases can best be interpreted by reference to Enclosure "A" to JCS 1363/54 of 19 April 1949 which indicates that denial to potential enemies is paramount and that movement to secure localities or making them content in the U. S. zone of Germany are desirable means by which denial may be accomplished.

".....It is felt that the denial of exit permits for specialists to go to friendly nations, unless employment in the U.S. is available, defeats one of the aims of the denial program. The question of keeping the specialists content should be considered in making the decision on requests for exit permits to go to any country not behind the iron curtain. Antagonizing a specialist by refusals of permission for short visits may make him susceptible to Russian offers. It must be kept in mind that the only means of positive denial is removal to secure friendly territory. As long as the specialist is in Germany his movement to the Russian zone cannot be positively prevented."

7. This expression of denial policy by JIOA may be open to question in view of the following information in CIA report #SQ-29538, dated 14 November 1949, subject, "Recruiting of German Nuclear Scientists for Argentina":

".....At the beginning of 1949 Prof. W. HEISENBERG, Goettingen, received a letter from one Dr. SCHUMACHER, Buenos Aires, in which the latter asked HEISENBERG to indicate the names of German nuclear physicists who would be prepared to move to Argentina and work on an atomic energy program there.....SCHUMACHER acted on behalf of the Argentinian Government.....HEISENBERG replied to SCHUMACHER, naming two physicists from Goettingen University, Dr. Karl WIRTZ and Prof. F. G. HOUTERMANS.....WIRTZ was informed by HEISENBERG about his correspondence with SCHUMACHER. HOUTERMANS, at this stage, was entirely unaware of it.....

".....In July 1949, WIRTZ informed HOUTERMANS of the Argentinian recruiting attempt.....He also told him that he, WIRTZ, had meanwhile continued to correspond with SCHUMACHER on behalf of HEISENBERG.....It was intended to create an institute of nuclear physics in Buenos Aires with the immediate goal of building a uranium pile. HOUTERMANS was proposed by WIRTZ to direct the institute and was promised a full professorship in connection with this activity.

".....WIRTZ does not actually want to accept the Argentinian invitation, mainly because of his close association with HEISENBERG.....However, WIRTZ told

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HOUTERMANS that he very much wants a free ride to Buenos Aires and back in connection with the Argentinian proposition.....At the end of August 1949, SCHUMACHER answered in the affirmative and extended an invitation to WIRTZ to come to Buenos Aires for the purpose of preparing the emigration there of German nuclear physicists. WIRTZ, who also has an invitation from Spain to go there in the fall of this year, plans to visit Buenos Aires immediately after his Spanish visit. He favors HOUTERMANS' candidacy for Buenos Aires; so does HEISENBERG. HOUTERMANS has reserved his decision.....

"Washington Comment: Prof. Guido Beck, of the Observatorio Astronomico in Cordoba, Argentina, recently announced the arrival in Argentina of the German nuclear scientist Dr. SEELMANN-EGGEBERT, formerly of Tailfingen."

8. CIA report No. SO-34309, dated 20 January 1950, subject, "Argentine Experimental Station in Tierra del Fuego".

".....Tierra del Fuego, Argentina, has been converted into a large government experimental station where huge chemical laboratories have been installed since the removal of the federal penitentiary from Ushuaia. The Argentine army and navy have invested heavy sums in these laboratories.

".....Numerous German chemists and other German technicians have been sent to the area. Also, a large detachment of Italian laborers chosen by an Italian-Argentine commission in Italy and by the Argentine Immigration Delegation has arrived in Tierra del Fuego. Among others, the Argentine Immigration Delegation includes Giuseppe SPINELLI, who served as Italian Minister of Labor under Mussolini.

".....Some of the experiments formerly conducted in Llac-Llao on Lake Nahuel Huapi have been transferred to Tierra del Fuego."

9. The following quotation is from a cable from the Naval Attache in Buenos Aires to CNO (DNI), dated 3 February 1950:

"Contact has been established with Austrian Scientist purported head of atomic energy development in Argentina who claims that bomb development is in final laboratory stages with field trials to start within three weeks, and barring unexpected developments a successful explosion within six months.

"Controlled source has been advised and joint exploitation will be effected. Evaluation possibly true. Details by mail."

(The Directorate of Intelligence, USAF, evaluation on this cable was "Evaluation probably false".)

10. The Department of the Air Force now has under consideration four more cases involving travel to Spain of Combined Allocation List specialists in the fields of optics, metallurgy, physics and physical chemistry. Although it appears that Spain has become a jumping-off point for Argentina, the intentions of these and other specialists cannot be positively determined before their departure.

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11. Information contained in CIA Report No. **RG-36749**, distributed 14 March 1950, and graded possibly true, substantiates a presumption that critically important scientific data producible by German scientists not confined within Germany is being channeled back to USSR by pro-Soviet Germans wherever they gather. This report in particular describes the Argentine funnel and reaches the highest political level in that country.

COPI NO. 2 OF 6 COPIES.

Appendix "A"

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