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## From the Archives

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# Arnulfo Arias: the record of a Nazi

*The following is drawn from documents available in the National Archives in Washington, D.C. Emphasis and Spanish accents have been added by EIR. The numbers following each excerpt refer to the National Archives (NA) code under which each document is filed.*

### 'Heil Hitler!'

The most explicit indictment of Arias as a Nazi came out of his own mouth, according to a "strictly confidential" report sent to the U.S. State Department by then U.S. Ambassador to Chile Claude G. Bowers, entitled "Subversive Activities and Statements of Arnulfo Arias," in which an informant holds "an interesting and significant interview with Arnulfo Arias, former president of Panama, in the latter's hotel room on September 7, 1942."

The agent above mentioned entered Dr. Arias's room with the Nazi salute and the greeting "Heil Hitler!" which was answered in kind by the Panamanian. . . . Arnulfo Arias started off by attacking the "imperialistic" policy of the United States in Panama and the "false and hypocritical" democracy of the United States. . . . Questioned specifically as to his opinion concerning the outcome of the war, Dr. Arias stated that formerly he had believed in the possibility of Allied Victory, but that during recent months, the triumphs of Hitler in Russia and North Africa had changed the international situation, that Russia would be completely "liquidated" during the winter, and that with the forthcoming Axis victory the day was arriving when "we shall be free". . . .

Finally, when questioned as to whether he was a partisan of Nazism, Arias said that above everything he was a Panamanian, but that if the Nazis should cooperate in "our emancipation" (presumably of Panama and other Latin American states), he would be their fervent admirer.

(Sept. 12, 1942, NA 819.001. Arias, Arnulfo/311)

One year after Arias was deposed from power, the U.S. embassy in Panama sent a dispatch (No. 3126) to the State Department, which contained a detailed intelligence evaluation of Arias's pro-Nazi activities. The dispatch itself is now missing from the State Department archives, yet a quote

from it survives in an Office of Naval Intelligence report (R-473-42, index guide 104-300):

Enrique García de Paredes, an employee of the *Compañía Internacional de Seguros*, recently returned from a business trip to Chile, states that he had a long interview with Arnulfo Arias, deposed president of Panama, in which Arias stated to him that the German Ambassador in Santiago, Baron von Schön, had proposed to him that he go to Berlin, take with him such elements of his previous administration in Panama as would consent to go, and set up there the Panamanian Government in exile. That the German Ambassador in Santiago had one million pesos available for the expenses of this movement. That he had not decided to accept as he still had high hopes of returning to power in Panama shortly.

(Oct. 16, 1941, NA 702.1921/12)

During Arias's presidency, he was indicted by his own family members, brother Harmodio and nephew Roberto, for being a Nazi sympathizer, as identified in the following letter from the U.S. embassy in Panama to U.S. Undersecretary of State Sumner Welles, and in a State Department memorandum:

This morning Harmodio Arias came to see me and we had a long talk. . . . He stated in the first place that what he had to say was extremely embarrassing to him, as it had to do with his brother. . . . He finally said to me as clearly as any one could, without using the definite words I am employing, that he felt that Arnulfo was in some way committed to the Nazis and was definitely playing their game. . . . He said that if the United States enters the war he fears that we shall have a most difficult situation here. . . .

(July 7, 1941, NA 819.00/2134 1/2)

Roberto Arias, the nephew of the President of Panama, came in to see me day before yesterday. . . . said that his uncle's paper *La Tribuna* is decidedly pro-Nazi. . . . [Roberto] Arias says that his uncle has sent police into all of the shops who advertise with their paper and has made inventories of their stocks with the warning that they would be unable to replenish their stocks if their sympathies did not change. . . . Arias says that the Germans have convinced his uncle that the canal should be international and not belong to any country. . . .

(Feb. 8, 1944, NA 819.00/2-841)

Arnulfo Arias met with Adolf Hitler in 1937, and the following confidential memorandum was prepared by the U.S. Office of Military Intelligence (G-2):

[Arias's] minister to Germany, **Francisco Villalaz**, obtained for him an audience with Adolf Hitler in Berlin in 1937. Villalaz has much influence in Ber-

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*“At Berlin, Dr. Arias was treated as an important and influential personality and received by Hitler, Goering, Goebbels, Himmler and others of the most powerful and strategically placed Nazis . . . . Arnulfo became a Nazi convert, body and soul, and on returning to Panama, established a Nazi political party, National Revolutionary Party.”*

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lin. . . . President Arnulfo Arias appointed two pro-totalitarians as his secretaries—**Dr. Cristóbal Rodríguez**, General Secretary, and **Antonio Isaza Aguilera**, private secretary. Both have been rather outspoken in their totalitarian views, and they were chosen, it is said, precisely for this reason. . . . In 1936 [Isaza] was appointed Consul General to Hamburg, occupying this post until this year. In Germany he engaged in illegal speculation of currency using his diplomatic immunity to advantage. He has direct contact with the German Legation and is very pro-Nazi.

(October 1941, NA 819.00/2106)

Two months later, “an informant” to the FBI filed the memorandum which follows here:

Dr. Villalás carefully made inquiries in Panama as to local conditions there, and by a stroke of luck found out that the brother of the then President of Panama was suffering from a bad case of dictatorship. It was no problem to the Nazis, and lost no time reaching this man, Dr. Arnulfo Arias, a young Panama City physician and only brother of Harmodio Arias, then serving the presidential term 1932-36, and bringing young Dr. Arias to Berlin.

At Berlin, Dr. Arnulfo Arias was treated as an important and influential personality and received by **Hitler, Goering, Goebbels, Himmler** and others of the most powerful and strategically placed Nazis. This visit of Dr. Arias was solemnly stated to have “no political significance,” but in fact it was a typical Nazi job. Dr. Arias was under the sympathetic and calculating tutelage of Nazi specialists and with typical German thoroughness, he was given a short but intensive course in Nazi public administration and party organization. In these matters the intermediary between him and his Nazi hosts and patrons was Francisco Villalás. So extraordinary was the interest shown

in Dr. Arias, that the late U.S. Ambassador to Germany, Mr. Dodd, could not help noticing what was going on. His written commentary on this intrigue of the Nazis was a masterpiece of observation. The predictions therein contained, based on the Ambassador’s scrutiny, have been to date amazingly secret. When Arnulfo left Germany he visited Italy and with German recommendations was received by the Fascist with open arms and given an opportunity to see the inside workings of the Fascist government under the personal guidance of **Achille Staraci**. Arnulfo became a Nazi convert, body and soul, and on returning to Panama, established a Nazi political party, National Revolutionary Party.

A report of the State Department’s Division of the American Republics, titled “Anti-American and Pro-Axis Activities of Arnulfo Arias,” dated Nov. 2, 1943 includes the following:

To an informant of the Embassy [of the United States in Santiago, Chile], Arias stated that in his opinion the true German patriot is incarnate in Hitler. He expressed complete faith in the triumph of Nazism. Ambassador Bowers reported that there was evidence of the possibility of Japanese funds being used to assist Arias in propaganda efforts and explained that there was no doubt that Arias was in Santiago working as an agent for the enemy.

Arias surrounded himself with Nazi sympathizers, as demonstrated by the following descriptions of his closest friends and cabinet members, taken from a biographical sketch of the President’s most intimate circle of friends, prepared by the U.S. embassy in Panama:

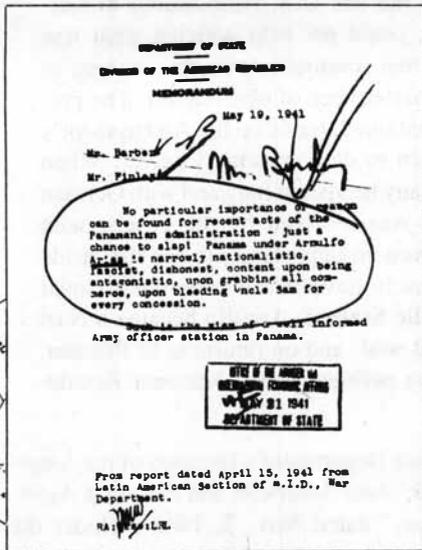
**Julio Ernesto Heurtemate** is a loud-mouthed young man, of French descent, blatantly pro-Nazi and anti-American. He studied in Paris and later at the Wharton School of Finance, University of Pennsylvania. For months [his wife] has been under suspicion as being an agent for the Nazis. . . .

**Manuel María Valdes**. He is a close personal friend of President Arnulfo Arias . . . [and] is openly pro-Nazi and convinced that Germany will win the war. . . .

**José “Pepe” Ehrman** has been closely associated with Arnulfo Arias for the past ten years. For several years previous to 1940, he was Secretary of the Panamanian Legation in Paris, and was also secretary to Arnulfo when he was Minister to Italy. It is said that he often accompanied Arnulfo on his visits to Germany, and there became imbued with Nazi ideas. . . .

**Colonel Olmedo Fabrega** is the Aide-de-Camp and a close personal friend of President Arias. He is an enthusiastic supporter of the Axis Powers.

(May 31, 1941, NA 819.00/2133)



In 1941, the State Department branded Arnulfo Arias (right) a Nazi; but today, they have made him their candidate to overthrow the government of Panama.

In a confidential assessment of the Arias government by the military intelligence division of the War Department General Staff, his “pro-Axis” and “anti-American” sympathies are noted repeatedly:

The only national organization closely patterned along the lines of Nazism is the National Revolutionary Party of which Dr. Arnulfo Arias, President of the Republic, is the leader. . . . The present policy of the Arias administration appears to be one of support of the ideology of the Axis powers. . . .

Throughout his period in exile in the early and middle 1940s, Arias traveled extensively around the continent, always working in close coordination with known Nazi agents and attempting to forge a Nazi support apparatus wherever he went. On Oct. 10, 1942, U.S. Ambassador to Chile Bowers sent the following “strictly confidential” airgram to the Secretary of State:

The Panamanian Minister has received the following report from a confidential source considered by him to be most reliable: On September 22 Arnulfo Arias had a long conversation with **Guillermo Izquierdo Araya** and **Roberto Vega Blanlot**, both active officials of the Chilean Nazi party. Furthermore,

Arias receives mail from **Manuel Olamedo**, a high official of Transocean in Buenos Aires, who was expelled from Chile in August of this year.

In April 1942, Philip W. Bonsal of the U.S. embassy in Caracas wrote a memorandum to the Secretary of State, noting:

The Department has learned from unofficial sources that Arias left Mexico with definite plans for entering Argentina, where he hopes to affiliate himself with Axis sympathizers and to set himself up as the symbol of “American aggression.”

### Links to drugs and gambling

A U.S. Military Intelligence report of Feb. 11, 1941, details President Arias’s interest in establishing a gambling haven in Panama, a project for which he anticipated substantial personal gain:

President Arias apparently concentrated his activities during January on the distribution of gambling concessions in which he is reported to have a large interest. He made several trips to the interior, allegedly to investigate the agricultural possibilities of certain provinces. However, the main object of these visits,

it has been learned, was to lay the foundation for the construction of tourist hotels [to contain gambling concessions] at different points of the interior.

(Feb. 11, 1941, NA 819.00/2120)

On Feb. 1, 1943, U.S. Navy Intelligence in Panama sent an urgent, "confidential" report to the Office of Strategic Services on the arrival of Arias intimate **Dr. José Rafael Wendehake** to Panama from Venezuela, where he had been residing, together with Arias:

Dr. José Rafael Wendehake . . . during the Arnulfo Arias regime, not only was the beneficiary of extensive gambling concessions granted by the then President, but a reliable informant has stated that he also was protected in his illicit narcotics sales. This office . . . believes that Wendehake's presence in Panama constitutes a definite threat to the security of the United States. Wendehake is the logical person to solidify the ranks of those disgruntled racketeers with whom he was associated under the Arias regime.

(OSS Confidential, c.i.d. 28776)

Another Arias intimate during his presidency, according to a U.S. embassy in Panama report of May 1941, was:

**Julio López Masegosa** . . . a close personal friend of President Arnulfo Arias and a member of the "inner circle." He is . . . prominent in the gambling rackets, from which it is said he receives cuts and concessions. Masegosa is a first class racketeer. . . .

(May 31, 1941 NA 819.00/2133)

Arias's brother Harmodio identified the links between the Arias presidency and the criminal underworld, in an interview with the U.S. embassy in Panama, described in a letter to then U.S. Undersecretary of State Sumner Welles. Summing up Harmodio's viewpoint, the letter stated:

Anything in the nature of an apparent victory for this Government would make the gangsters and racketeers who are running it so sure of themselves that they would be doubly difficult for us to deal with in the future.

(July 7, 1941, NA 819.00/2134 1/2)

An Office of Naval Intelligence report of March 21, 1942, contains details of the illegal activities of Arias's crony, **Nicolás Ardito Barletta**, the former mayor of Panama City, former head of Panama City police force, and father of the recent President of Panama, Nicolás Ardito Barletta:

Nicolás Ardito Barletta and others of his former compatriots in the mayoralty of Panama City finally indicted for abuse of office . . . their activities as such constituted part of the reign of terror for alien merchants, which existed while Barletta was in office.

The District Attorney in his petition mentioned instances of Chinese merchants being forced to sell out for a song or else face arbitrary imprisonment. Barletta is specifically being accused of collusion in these extortions, an offense bearing a penalty of from one to seven years in prison and a perpetual ban from holding public office.

(March 21, 1942, ONI report serial 86-42, monograph 102-200)

### 'Unmistakably anti-American'

On Feb. 11, 1942, J. Edgar Hoover, head of the Federal Bureau of Investigation, sent a "personal and confidential" letter "by special messenger" to Col. William J. Donovan, head of the OSS, in which he stated:

Information from a . . . reliable source has been received to the effect that Arnulfo Arias arrived at Havana, Cuba . . . [and] that Arias has been associating in the past with a Japanese espionage agent by the name of **Dr. George Osawa**. Dr. Osawa is alleged to have stated that Arnulfo Arias, during his visit to Havana, upon the occasion of his being deposed as President of the Republic of Panama, visited the above city for the purpose of meeting with **Rafael Trujillo**, Dictator and President-elect of the Dominican Republic, and **Fulgencio Batista**, President of Cuba, with a preconceived plan of effecting a bloc between the Dominican Republic and against the United States. The exact nature of this bloc or coalition has not been determined.

On July 22, 1942, the American ambassador to Venezuela, Corrigan, sent the following confidential telegram to the State Department:

Arnulfo Arias, who is unmistakably anti-American, left Caracas at the end of April. He was here for eleven weeks and when he left he had in his possession a visa which had been issued under the direction of the President of Brazil, entitling him to permanent residence in that country. Because of his anti-American sympathies he would possibly be more dangerous in those countries which still have relations with the Axis powers. His contacts with Panama would be easier from any country along the west coast.

A Military Intelligence report from the War Department General Staff wrote in July 1941:

President Arias devoted much of his time and energy during his visit to Costa Rica to an endeavor to sell the Costa Rican people on his program of advanced nationalism, the principal point of which, it became apparent to American residents there, is hatred of the people of the United States.

On Sept. 12, 1942, U.S. Ambassador to Chile Bowers sent a report on Arias's "Subversive Activities and Statements" to the Secretary of State, reporting on the exiled Arias's conversation with an informant:

Arnulfo Arias started off by attacking the "imperialistic" policy of the United States in Panama and the "false and hypocritical" democracy of the United States. He said that the Good Neighbor Policy was only a weapon used to strangle the smaller Latin American nations economically. At some length he developed the theme that the nations of Latin America must emancipate themselves from United States influence and "control," and that after the imminent German victory, liberators such as O'Higgins, San Martin and Bolivar will arise to fight the "hypocritical policy of the Good Neighbor". . . . When asked whether he considered it desirable at this time to attempt a movement for the emancipation of Panama from the North Americans, the ex-President of Panama replied that such a movement must await the time when "our enemy" is debilitated and when other nations are in a position to help Panama. Thereupon he launched into a long tirade in favor of the internationalization of the Panama Canal.

(Sept. 12, 1942, NA 819.001 Arias, Arnulfo/311)

In his Oct. 1, 1940 inaugural speech, Arias openly threatened the United States:

As Panama has ceded its territory to the United States to construct the Canal, Panama also can cede territory to the Germany of Adolf Hitler, so that they can construct here what they wish and can help us against Imperialism.

The next day, in a radio address to the Panamanian nation, Arias repeated:

The United States knows that . . . the Republic of Panama may be small and weak and lack material resources for the defense of its rights, but on the other hand *it could, in case of reprisal, affect the high interests of the United States by granting concessions in its territory to other powerful countries which would have material force to defend it.* [Emphasis by U.S. Ambassador William Dawson. Panama, Oct. 5, 1940. Airmail letter No. 681]

(Oct. 2, 1940, NA 819.001 Arias, Arnulfo/49)

### **A racist and anti-Semite**

In 1933, as health minister in his brother Harmodio's government, Arnulfo Arias presented legislation for the sterilization of Blacks and for euthanasia of the elderly. This was the same year that Hitler imposed mass sterilization in Ger-

many. Highlights of Arias's 1940 presidential campaign included the recommended "purification of the race" through sterilization of Blacks and prohibitions on immigration of Blacks, Orientals, and Jews into Panama. In his inaugural address, Arias declared:

The words democracy, liberty, liberalism, are so bandied about that they have no meaning. . . . The demagogic concept that all men are free and equal is biologically without foundation.

A State Department memorandum just before Arias's overthrow, notes that his government was planning to issue a decree clarifying bans on immigration against certain races and nationalities:

The Decree-Law serves to confirm earlier reports that President Arias planned to bar all the Jews from business in Panama. The promulgation of the Decree-Law may be expected to encourage a panic similar to that in which the Chinese were persecuted early this year. . . . There will be rich booty for the Arias Administration if the persecution of the Jews is started. (Sept. 29, 1941, NA 819.55J/4)

Repeated reports of massacres of Jewish families resident in Panama during the Arias administration have surfaced, the details of which are as yet unavailable. In the book *Holocaust in Panama*, by Aristides Iván Hassan R., one of the 12 Panamanian police members of the elite death squad formed under the Arias government reportedly confessed to the mass execution of 13 German Jewish families in the region of Cotito, province of Chiriqui, where Arias today owns vast tracts of land. The remains of what are believed to be 18 bodies, were found in Cotito in a mass grave. Skulls with bullet holes and German-made dentures were unearthed.

Although no scandal was ever raised at the time about massacres of Jewish families in Panama, other mass murders by Arias's police were reported. According to a War Department General Staff report of July 14, 1941:

On July 3, 1941, the Panama police massacred 12 of the 23 Swiss and German agricultural-religious colonists at Cotito, Province of Chiriqui, about 20 miles south of the Costa Rican border. Three of the colonists—an 82-year-old man and two boys—escaped unhurt. The remainder, six women and two children, were wounded by the fire of the police, and four of them are still in grave condition in the hospital at David.

The general opinion prevails in all circles that the attack on these people was hardly justified and it has created indignation in all quarters.

(July 14, 1941, NA 819.00/2136)