

Nazi war chest funds world terror

by Thierry Lalevée

A look at François Genoud's financial activities may be the key for understanding the rapid and unexpected conclusion of his trial. If we were to believe his income tax declarations, Genoud would seem to be one of the poorest men in Switzerland. While he declared no more than 23,600 Swiss francs (\$11,000) in 1982, his income collapsed to SFr 16,000 in 1984. No taxes, of course, were paid. As a French television broadcast asked on the eve of the trial, "Who, then, is paying the expenses of the trial?"

Yet retired banker Genoud is known to have at his disposal at least two houses in Lausanne and Villars sur Ollon. During the mid-1970s, he sold to a Hamburg publishing house the rights to Goebbels's work—a deal involving at least 500,000 deutschemarks (\$195,000). Why is even such legally earned income not declared, and why did Genoud feel the need to hide it?

The answer goes back to 1944, and the final collapse of the Third Reich. Genoud's entire life was rededicated to the rebuilding of a Fourth Reich.

On Aug. 10, 1944, top Nazi leaders gathered at the Hotel de la Maison Rouge in Strasbourg, France, including the main military chiefs, the heads of intelligence departments, political, and business leaders. The chairman was a familiar figure: Hjalmar Schacht, Hitler's former economics minister. The agenda was to ensure the survival of Nazism in a post-Third Reich world, without Hitler and without a European base of operations.

The emergency meeting had been contemplated since 1943 when, under the control of Hitler's personal secretary, Martin Bormann, the Nazi regime began creating some 700 dummy firms in Switzerland, Turkey, the Middle East, and South America. By the end of the Strasbourg gathering, these firms had been given enough financial backing to carry out two tasks: to ensure the rapid escape from Europe of the principal Nazi leaders, and to establish a financially sound network that would permit the rebuilding of the Nazi movement in the postwar period.

Though many participants in the meeting have kept their anonymity to the present day, Resistance networks in France soon heard about the role played by a young Swiss by the name of François Genoud. Genoud's name was unknown, but for a report of the French military attaché in Berne in 1940, who warned of his anti-French activities. Arrested

several times during the war by the Swiss Counterintelligence department (see *Documentation*) as a suspected agent of the Abwehr, Genoud always managed to escape. He was able to travel all over occupied Europe. By the end of the war, he had been entrusted on a mission more important than any he had previously undertaken: rebuilding the Nazi movement.

From Switzerland, Genoud traveled to Tangiers, Morocco, the international free-port which had been a haven for the Nazi wartime intelligence services and which, after the war, became the link between Europe and South America, where many former Nazi leaders established themselves. Tangiers was also a center for the international drug and weapons trade. Financially associated with Hjalmar Schacht, Genoud launched new business ventures in Morocco and Cairo.

During the first part of the 1950s, Genoud launched a series of legal battles in France and West Germany, to establish his claim as the sole rightful owner of the writings of all of the Nazi leaders, from Hitler to Goebbels and Bormann. Genoud was able to prove that he was acting on behalf of the families of the Nazis, including Hitler's sister Paula. No one has been able to publish any of the Nazi writings without first negotiating with Genoud.

Genoud was an adviser in all of the main post-war trials of Nazi leaders. It was he and his close-knit group of associates in Munich around the Arabo-Afrika Cie., headed by former SS Captain Reichenberg and SS General Ramcke, who organized the financing of the defense in the trial of Adolf Eichmann in Israel. It was Genoud who picked Eichman's lawyer, just as later he would choose Jacques Vergès for Klaus Barbie.

To cover the real source of his funds, Genoud set up the Arab Commercial Bank in the late 1950s, with Syrian businessman Mardam Bey. The bank was used to finance the activities of the Algerian FLN of Ahmed Ben Bella. The old Nazi money could easily be concealed among the weekly deliveries of FLN contributions coming from France in small-denomination bills. The fact that these contributions crossed the borders through a network led by Egyptian Communist Party founder Henri Curiel, sheds considerable light on what combination of forces has kept Genoud going since 1945. When Genoud relinquished the FLN war chest to the Algerian government in 1979, after a long legal battle, it was worth several billion francs.

By 1973, it was estimated that 80 tons of the Nazi gold circulating worldwide was in the hands of Hitler's heirs. In South America, where Nazis like Barbie and Josef Mengele hid themselves, Nazi money financed the expansion of drug trafficking and the creation of terrorist groups like the M-19 and Shining Path. A financial architect of such operations was Friedrich Schwend, who died in 1975, and who had made millions at the end of the war by counterfeiting dollars. It was Schwend who stood behind Klaus Barbie and the European-based neo-Nazis, led by Italian terrorist Stefano della Chiaie of the "Black Order."