

Rieth Silent On Mission To Buy Europe Oil Land Owned In U.S.

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New York, May 26.—Dr. Kurt Rieth, Nazi diplomat assigned to purchase for the Reich a number of American-owned European oil properties, remained incommunicado today in his \$600-a-month Waldorf-Astoria suite, refusing telephone calls.

Meanwhile, well-informed New York sources close to South American developments, disclosed that Dr. Rieth's first activities in this hemisphere shortly after his arrival last March already had borne fruit by stimulating the work of the Nazi Party in Chile, and giving rise to anti-United States propaganda in that country.

A few days after Dr. Rieth arrived at Rio de Janeiro, the Chilean government was surprised to learn that four German diplomats were holding an unheralded conference in Santiago. It is reliably reported that Dr. Rieth was present. The other four Nazis were Baron Ed-

mund von Thermann, German Ambassador to Argentina, who had just returned from Berlin; Wilhelm von Schoen, Ambassador to Chile; Willy Noebel, Minister to Peru; and Ernst Windler, Minister to Bolivia. The German diplomats were very secretive.

Rieth Then Came to U. S.

By March 21 the conference ended and Von Thermann departed for southern Chile, where German activities are strong. The following day Dr. Rieth entered the United States at Brownsville, Tex.

Since that conference, Chile's Nazi party, the Popular Socialist Vanguard, formerly the National Socialist Party, has been more active. On May 18 armed party members raided a radical party headquarters, and one radical was killed. The Chilean Nazis, known as Gray Shirts, train under retired army officers.

Also, since the Santiago conference, propaganda in some Chilean newspapers has shifted from anti-British to anti-United States. This shift duplicates one instituted in Argentina.

The Germans plant their propaganda in the newspapers through the Transocean News Service, which enjoys a good play because it gives the service free of charge.

U. S. Officials Consulted

Germany is offering to buy all United States branch plants in the countries of Europe it has occupied.

One New York bank has already consulted the State Department and the Treasury regarding an offer received from German sources to acquire such properties on a large scale. It is reported that the prices offered are not unreasonable. They are certainly more reasonable than the 30 or 35 per cent of face value at which Germany since 1931 has been buying up its own dollar bonds in this country.

As a result of such repurchasing the total of \$1,100,000,000 of German municipal, government or industrial bonds held in the United States ten years ago has sunk to about \$80,000,000. American private investors took a loss of about \$75,000,000 on such securities. American bankers who had granted short-term credits to Germany lost much less.