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Secret Warfare in Neutral Austria during the Cold War

Summary

In 1990, the existence of a secret anti-Communist stay-behind army in Italy, codenamed 'Gladio' and linked to NATO, was revealed. Subsequently, similar stay-behind armies were discovered in all NATO countries in Western Europe as well as in neutral countries, including Sweden, Finland and Switzerland. Based on parliamentary and governmental reports, oral history, and investigative journalism, the essay argues that neutral Austria also operated a stay-behind army during the Cold War which was linked to NATO and the CIA.

1. Introduction

During the Cold War, secret anti-Communist stay-behind armies existed in all countries in Western Europe. Set up after World War II by the US foreign intelligence service CIA and the British foreign intelligence service MI6, the stay-behind networks were coordinated by two unorthodox warfare centres of the North Atlantic Treaty Organisation (NATO), the 'Clandestine Planning Committee' (CPC) and the 'Allied Clandestine Committee' (ACC). Hidden within the national military secret services, the stay-behind armies operated under numerous codenames such as 'Gladio' in Italy, 'SDRA8' in Belgium, 'Counter-Guerrilla' in Turkey, 'Absalon' in Denmark, and 'P-26' in Switzerland. These secret soldiers had orders to operate behind enemy lines in case of a Soviet invasion; in some countries, in the absence of a Soviet invasion, they linked up with extreme right-wing groups and fought the Communist and Socialist parties with terrorism.¹

The existence of the NATO stay-behind armies were revealed in Italy during the summer of 1990. Italian judge Felice Casson, who had been working in Rome in the archives of the Italian military secret service SISMI (Servizio Informazioni Sicurezza Militare, previously known as SID: Servizio Informazione Difesa) to investigate right wing terrorism, stumbled across documents proving the existence of an international stay-behind network linked to NATO. Casson found out that the stay-behind army in Italy was codenamed 'Gladio', or 'Sword'. "From July until October 1990, I was the only one who knew something", Casson later recalled, "this could have been unfortunate for me".² Casson survived and informed the Italian Senate of his far-reaching discovery. A special investigative

¹ For an international analysis of the stay-behind armies, see Daniele Ganser: *Operation Gladio. NATO's Secret Stay-behind Armies and Terrorism in Western Europe* (London: Frank Cass 2005). German translation: *NATO Geheimarmeen in Europa. Inszenierter Terror und verdeckte Kriegsführung* (Zürich: Orell Füssli, 2008). Also available in Italian, French, Greek, Turkish, Slovenian and Finnish.

² No author specified, 'Spinne unterm Schafsfell. In Südeuropa war die Guerillatruppe besonders aktiv – auch bei den Militärputschen in Griechenland und der Türkei?', *Der Spiegel*, No. 48, 26 November 1990. Note: all translations other than from English original hereafter are by the author who bears the responsibility for their accuracy.

Senate committee under Senator Libero Gualtieri ordered Italian Prime Minister Giulio Andreotti of the Christian Democratic Party (DCI) to take a stand, whereupon the latter handed a ten-page report to the Senate commission on 24 October 1990, entitled 'The so called "Parallel SID"—The Gladio Case'. This report officially confirmed for the first time that secret, so-called 'stay-behind armies' linked to NATO existed across Western Europe.

Andreotti revealed that after the war, the Italian military secret service and the CIA had set up a so-called 'stay-behind army', which, together with the secret armies of other nations, was supervised and coordinated by two hitherto unknown secret unconventional warfare centres at NATO's Supreme Headquarters Allied Powers Europe (SHAPE), known as the Clandestine Planning Committee and the Allied Clandestine Committee: "Once the clandestine resistance organisation was constituted, Italy was called upon to participate . . . in the works of the CCP (Clandestine Planning Committee) as of 1959, operating within the ambit of SHAPE". Thereafter, "in 1964 the Italian secret service also entered the ACC (Allied Clandestine Committee)".³

General Vito Miceli, a former senior member of the NATO Security Office that oversaw operations and a former director of the Italian military secret service, could hardly believe that the prime minister had publicly revealed the Gladio secret, and shortly before his death in October 1990 protested: "I have gone to prison because I did not want to reveal the existence of this top-secret organisation. And now Andreotti comes along and tells it to Parliament!"⁴

As the Italian press raised strong criticism against the anti-Communist conspiracy, prime minister Andreotti, in an attempt to defend himself, highlighted the fact that similar secret stay-behind armies existed across Western Europe, with the CIA and the MI6 linking the secret armies to NATO. Subsequent investigations revealed the existence of secret anti-Communist stay-behind armies in the NATO countries Germany, Turkey, Greece, Portugal, Spain, the Netherlands, Belgium, Luxemburg, Denmark, and Norway. When France tried to deny its involvement in the international stay-behind network, Andreotti mercilessly declared in public that officers of the French military secret service had also clandestinely participated in the most recent ACC meeting, which had taken place in Brussels on 23 and 24 October 1990 under the chairmanship of General Raymond Van Calster, chief of the Belgian military secret service SGR (Service Général de Renseignement), whereupon also Paris had to confirm the reality of a French stay-behind army.

Upon learning of the discovery of the secret NATO armies, the parliament of the European Union (EU) in November 1990 drafted a resolution

³ Franco Ferraresi, 'A Secret Structure Codenamed Gladio', Italian Politics. A Review (1992), p.30. Ferraresi quotes directly from the Andreotti document, which was published by the Italian daily L'Unita in a special edition on 14 November 1990. Jean Francois Brozzu-Gentile, in his book on Gladio, also includes the entire document 'Il SID parallelo - Operazione Gladio' in his appendix. See Jean Francois Brozzu-Gentile, L'affaire Gladio (Paris: Editions Albin Michel 1994).

⁴ Italian political magazine Europeo, 16 November 1990.

sharply criticizing the fact that “these organisations operated and continue to operate completely outside the law since they are not subject to any parliamentary control”. As NATO, the CIA and MI6 refused to comment or provide details on the international stay-behind networks and their links to right-wing extremists, the EU parliament “called for a full investigation into the nature, structure, aims and all other aspects of these clandestine organisations.” The EU parliament was alarmed that the secret soldiers might have - in the absence of a Soviet invasion - engaged in psychological warfare in Europe during the Cold War in order to discredit Communist and Socialist parties through false flag terrorism. Therefore the EU parliament in its resolution “condemned the clandestine creation of manipulative and operational networks” and called for a full investigation into “illegal interference in the internal political affairs of the countries concerned, the problem of terrorism in Europe and the possible collusion of the secret services of Member States or third countries.”⁵

2. The discovery of the secret army in Austria in 1996

The discoveries of the secret anti-Communist armies in all countries of Western Europe created significant political embarrassment. When in Germany socialist parliamentarian Hermann Scheer learned of the links of the secret soldiers to right-wing extremists, including former members of the SS, he demanded that this mysterious “Ku-Klux-Klan” had to be investigated at the highest levels, “because the existence of an armed military secret organisation outside all governmental or parliamentary control is incompatible with the constitutional legality, and therefore must be prosecuted according to the criminal law.”⁶ The German SPD in late 1990, shortly before the national elections, sharply criticized the CDU government of Chancellor Helmut Kohl, hoping to profit from the scandal at the polls. Yet when Scheer and other SPD parliamentarians were discretely informed by the German secret service BND that the socialists during their time in government had also covered up the secret army, the criticism faded away together with the request for an investigation.

In neutral Austria the discovery of a secret army linked to NATO and the CIA was an equally sensitive affair. In the beginning the Austrian government firmly insisted that such a secret army did not exist in Austria in response to questions of Austrian parliamentarians. “Does your ministry have any knowledge on activities of a Gladio secret service or some other NATO-linked secret service on Austrian territory?” parliamentarian Peter Pilz of the Austrian Green party in the context of the European discoveries had asked the Austrian Chancellor, the Austrian Minister for Home Affairs, the Austrian Minister for Foreign Affairs and the Austrian Defense Minister in 1991. This important question was answered with a short but misleading “No” by all authorities. Only Defense Minister Werner

⁵ Debates of the European Parliament, November 22, 1990. Official transcripts.

⁶ Quoted in Leo Müller, *Gladio. Das Erbe des Kalten Krieges. Der NATO Geheimbund und sein deutscher Vorläufer* (Hamburg: Rowohlt, 1991), 14.

United States launch a full-scale investigation into the violation of Austria's "permanent neutrality".¹² Yet the USA swiftly made counter accusations and declared that successive Austrian governments had been well informed of the reality of the secret CIA army. Richard Helms, CIA operative in Europe after the war and director of the CIA from 1966 to 1973, stressed that: "The entire Austrian government from Chancellor Leopold Figel [in office from 1945 to 1953] onwards knew of these arms caches and the whole operation. What the Americans have done here was highly welcome to the Austrian government. The government was not only informed of the arms caches but also ... of the stay-behind operation."¹³

The CIA had cooperated closely with the British secret service MI6 when it came to setting up and running the stay-behind armies in Western Europe. In Italy, for instance, the stay-behind army "Gladio" had been equipped and funded by the CIA, while the MI6 was responsible for much of the training. Also members of the Swiss stay-behind P26 regularly flew to Great Britain to train with the MI6 the techniques of secret warfare. Therefore, when the CIA arms caches were discovered in Austria in 1996 also the British embassy in Vienna was dragged into the scandal. The British confirmed that they had played a role in the Austrian stay-behind army, but insisted that the British stay-behind arsenals in Austria had already been emptied in the 1960s both "with the full consent and cooperation" of the Austrian government.¹⁴

In July 1965 the Austrian police had indeed discovered a British stay-behind arms cache in an old mine close to Windisch-Bleiberg after it had tracked down weapons that had appeared illegally on the black market. The scandal had forced the British officials at the time to explain why they had secretly set up arms caches in neutral Austria and in the wake of the talks the British government, similar to the CIA thirty years later, had handed a list with specifics of the location of 33 Gladio arms caches over to the Austrian government. The depots were emptied and the arms transferred to the regular Austrian army. Bilateral relations were strained. But the affair had rested on a low noise level.¹⁵

3. The CIA refuses to hand out documents on the stay-behind

The revelations in 1996 offered Austria the chance to confront the delicate history of the stay-behind army and its links to NATO, right-wing extremists or even acts of terrorism. "The discovery of the US arms caches offer us now the possibility of a complete historical clarification" Rudi Anschober of the Green party stressed in

¹² Ian Traynor: *Britain pressed to reveal arsenals: Austria demands truth on Allies' cold war tactics*. In: British daily *The Guardian* January 22. And Hella Pick: *Britain hid arms in cold war Austria: Allies relied on former Waffen SS personnel to repel potential Soviet invasion - US weapons may now be in the hands of neo-Nazis*. In British daily *The Guardian*, January 27 1996.

¹³ Austrian political magazine *Zoom*, Nr. 4 /5, 1996: *Es muss nicht immer Gladio sein. Attentate, Waffenlager, Erinnerungslücken*, p. 18.

¹⁴ International news service *Reuters*, January 29 1996.

¹⁵ Austrian political magazine *Zoom*, Nr. 4 /5, 1996: *Es muss nicht immer Gladio sein. Attentate, Waffenlager, Erinnerungslücken*, p. 12.

parliament. "Still in 1991 Interior Minister Löschnak had denied all these incidents upon the inquiry of the Green Party. Now it is high time to help the historical truth to break through."¹⁶

The Austrian Ministry of the Interior formed a committee under Michael Sika with the task to investigate the Austrian stay-behind and the secret arms caches. Yet Sika faced serious obstacles. "Only very scarce information was being made available by the American side on the strategic significance of the arsenals", the members of the committee stressed in their report. "It was declared [by the US], the plans for the caches had been discovered by chance and that nothing was known about the existence of written documents from the period in which the caches were erected", concluding that "More details could not be found out." The Sika investigation was therefore reduced to some interviews in the neighbourhood where the arms caches had been found. "Through questioning the population in the vicinity of the arms caches it was learned that the depots were erected in the 1950s by the US Army under the strictest secrecy." With a certain frustration the Austrians noted that "It must be put on the record that the commission was not provided with any documents from the American side which would have allowed to clarify problems with respect to an Austrian cooperation or an Austrian knowledge of the existence of the arms caches. The documents made available exclusively designate the location and content of the arms caches but say nothing on the political and strategic context."¹⁷

The Sika investigation was a disappointment, largely due to the refusal of the USA to cooperate and provide the relevant data. Yet the Austrians did not give up. In order "to help the historical truth to break through", and above all to clarify the question if and in what manner the Austrian stay-behind members had cooperated with NATO and the CIA, Austrian historian Oliver Rathkolb of Vienna University, a member of the Austrian commission investigating the CIA arms caches, placed a request based on the Freedom of Information Act (FOIA) in order to gain access to the relevant CIA documents. Yet in 1997 the Chairman Agency Release Panel of the CIA declined Rathkolb's FOIA request on security grounds. Due to the refusal of the United States the Austrian commission into the CIA arms caches and the secret army was left crippled and its members correctly concluded that "In order to reach a rigorous clarification access to the relevant documents, especially in the United States, would be desirable."¹⁸

The Freedom of Information Act is a US law which allows for the full or partial disclosure of previously unreleased information and documents controlled by the United States government. It was signed into law by President Lyndon B.

¹⁶ Homepage of the Austrian Green Party. <http://www.t0.or.at/gruene/green/0376.html>

¹⁷ *Bericht betreff US Waffenlager*. Oesterreichisches Bundesministerium für Inneres. Generaldirektor für die öffentliche Sicherheit. Mag. Michael Sika. 28 November 1997. Wien., p. 6. Hereafter quoted as *Sika 1997 report*. Compare also the appendix to the Sika report: *Beiträge zum Abschlussbericht der Kommission zur Untersuchung der amerikanischen Waffendepots in Oesterreich*. Rathkolb, Rauchsteiner, Karner (eds.), p. 7

¹⁸ *Sika 1997 report*, p. 10

Johnson on September 6, 1966 and went into effect the following year. The idea of the law was to make the actions of the US government, including the CIA, transparent and accountable both to the US population and populations abroad. Yet the act also defines several exemptions when records must not be made available to the public, including security grounds.

It is now clear that it is very difficult to gain access to US documents on the secretive stay-behind armies in Europe. Immediately after the discovery of the stay-behind armies in Europe the National Security Archive (NSA) at George Washington University in the USA tried to shed some light on Operation Gladio and in 1991 filed a FOIA request. Yet the CIA refused to reveal any stay-behind documents. In 1996 Oliver Rathkolb, as mentioned above, placed his FOIA request, which was declined a year later. In 2000 I placed a FOIA request with the CIA, whereupon the CIA raised FOIA exemptions B1 and B3 relating to top secret operations and replied that 'The CIA can neither confirm nor deny the existence or non-existence of records responsive to your request'.¹⁹

I appealed this decision of the CIA and once again wrote to Kathryn Dyer, the Information and Privacy Coordinator of the CIA. I argued that 'The documents that were withheld must be disclosed under the FOIA, because the secrecy exemptions (b)(1) and (b)(3) can only reasonably refer to CIA operations which are still secret today'. Arguing that this was no longer the case I concluded: 'If you, Mrs. Dyer, raise FOIA secrecy exemptions (b)(1) and (b)(3) in this context, you unwisely deprive the CIA from its voice and the possibility to take a stand in a Gladio disclosure discourse, which will take place regardless whether the CIA decides to participate or not'.²⁰ In February 2001 the CIA replied that 'Your appeal has been accepted and arrangements will be made for its consideration by the appropriate members of the Agency Release Panel. You will be advised of the determinations made'. The CIA stressed that the Agency Release Panel deals with appeals 'on a first-received, first-out basis', and that the process could take some time as at 'the present time, our workload consists of approximately 315 appeals'.²¹ More than eight years later the author has still not had a reply from the CIA nor has he received the relevant documents from the US on the stay-behind armies in Europe.

¹⁹ Letter dated 28 December 2000 of the CIA to Daniele Ganser concerning Gladio FOIA request number F-2000-02528.

²⁰ Letter dated 23 January 2001 of the author to Mrs. Dyer at the CIA.

²¹ Letter dated 7 February 2001 from the CIA's Information and Privacy Coordinator Kathryn I. Dyer to the author.

4. The creation of the Austrian stay-behind after World War Two

Due to the absence of official documents and the refusal of the CIA to cooperate it is very difficult for historians, including the author, to reconstruct the history of the Austrian stay-behind army. At the same time the subject is relevant to the understanding of Austria's Cold War history, and therefore at least an attempt shall be made hereafter to draw a first outline of the history of Austria's secret army. Clearly, more research is needed on the subject, ideally supported by official documents.

As in all countries of western Europe the birth of the Austrian stay-behind was influenced by the experiences made in World War Two. Members of the Norwegian stay-behind have stressed that the swift occupation of their country by German troops during World War Two had caused such a national trauma, that after the end of the war several Norwegians secretly set up a stay-behind. They included Vilhelm Evang, the director of the Norwegian Intelligence Service (NIS), as well as Jens Christian Hague, the Norwegian defense minister. After the war both Evang and Hague were convinced that Norway had to be better prepared for a potential invasion and occupation and therefore needed a stay-behind.

The Austria experience of World War Two was of course different. Austria was annexed to the Third Reich before World War Two started. In March 1938 Hitler's army marched into Austria and the country was integrated into the German alliance without that a single shot was fired. Parts of the German speaking Austrian population lined up as cheering crowds along the streets as Hitler's army came. Hitler, who himself was an Austrian, recruited among the Austrian population for his war efforts. The Austrian population was split on the issue. Some eagerly supported Hitler, with around ten percent of the population joining Hitler's party NSDAP (National Sozialistische Deutsche Arbeiter Partei). Others joined Hitler's regular army or the German Special Forces SS (Schutzstaffel). A smaller group of the Austrian population strongly opposed Hitler and the fascist ideology. Numerous Austrian critics died in concentration camps or were hanged.

After the defeat of Germany and its allies including Austria the victorious alliance of Great Britain, France, the United States and the Soviet Union occupied each a part of Austria. The occupation experience for Austria therefore came after 1945. Unlike unfortunate Germany a division of the country along the lines of the occupying forces or the erection of a "Berlin wall" could be avoided in Austria. All four powers withdrew in 1955 after the Soviet Union had been guaranteed that Austria would never join NATO and agreed to remain neutral.

The decade from 1945 to 1955 in which the United States and Great Britain occupied parts of Austria was the period in which the secret anti-communist stay-behind army was set up also in Austria. As in other countries the CIA and MI6 in their sensitive mission relied upon right wing extremists in order to guarantee for a strict anti-communist ideology and equipped them with guns and explosives hidden in secret arms caches, some of which were discovered in 1996.

At the time it was very difficult to keep a secret. The first Austrian stay-behind, or at least parts of it, was revealed already in 1947 when a fascist stay-

behind network was discovered. The so-called "Soucek-Rössner conspiracy", named after its fascist leaders, led to the arrest of a number of right wing extremists. During trial both Soucek as well as Rössner testified that they had recruited and trained "partisan units" for the eventuality of a Soviet invasion. Above all they insisted to the disbelief of many Austrians that they were carrying out the secret operations with the full knowledge and support of the US and British occupation powers. Secret arms caches and communication equipment was found and secured. The judges decided that Soucek and Rössner were the main responsible officials of the conspiracy and sentenced them to death in 1949. Yet thereafter events suddenly took a surprising turn: Theodor Körner, Austrian President from 1951 bis 1957, pardoned the right-wing conspirators under mysterious circumstances whereupon they were freed and continued to follow their right wing agenda.²²

After the scandal both CIA and MI6 continued to set up and run their secret anti-communist army in Austria. MI6 Royal Marine officers Michael Giles and Simon Preston ranged among the agents deployed to the alpine country to train the secret network. A picture of them "in the Austrian Alps 1953-1954" next to arms caches was displayed in the Secret Wars exhibition in the Imperial War Museum London in 1999 which I visited.²³ Giles and Preston confirmed to author Michael Smith that throughout the late 1940s and early 1950s the British and Americans had set up stay-behind units in Western Europe in preparation for an expected Soviet invasion. The British at the time were regarded as the leading experts in secret warfare. Giles and Preston had been trained at Fort Monckton near Portsmouth in England where the MI6 instructed its agents in the use of codes, explosives, machine guns and covert operations. "We were made to do exercises, going out in the dead of night and pretending to blow up trains in the railway stations without the stationmaster or the porters seeing you," Preston related his training in unorthodox warfare. "We crept about and pretended to lay charges on the right part of the railway engine with a view to blowing it up."²⁴ Then they were flown to Austria with the task to recruit and train Austrian agents. Furthermore they also oversaw the "underground bunkers filled with weapons, clothing and supplies" which had been set up by MI6 and the CIA.²⁵

The Austrian press interviewed former MI6 agent Simon Preston in 1996 in order to find out more details about his secretive mission in the neutral country. Preston explained that together with three other officers he had been sent to Austria in early 1952 by the British secret service with the task to set up six arms caches in Austria. Preston recalled that in order to heighten the secrecy only one

²² Austrian political magazine *Zoom*, Nr. 4 /5, 1996: *Es muss nicht immer Gladio sein. Attentate, Waffenlager, Erinnerungslücken*, p. 98.

²³ Secret Wars exhibition in Imperial War Museum London, visited by the author in May 1999.

²⁴ Michael Smith: *New Cloak, Old Dagger: How Britain's Spies Came in from the Cold*. (London: Gollancz, 1996), p. 117. Based on interviews with Simon Preston on October 11 1995, and with Michael Giles on October 25 1995.

²⁵ Smith, *Old Dagger*, p. 118.

Austrian secret soldier had been informed of a specific arms cache respectively. This Austrian stay-behind member would have led the British officers to the secret arms depots in case of an emergency. In case of war or a domestic emergency the British agents would have been parachuted into the zone equipped with a list of local fierce anti-communists belonging to the secret army. Preston related that the arms from the British stay-behind caches had also been used in the 1956 uprising in Hungary on the other side of the Iron Curtain. While the governments of the United States and Great Britain officially spoke of "containment" with regard to the Soviet controlled countries of Eastern Europe, the secret services of Washington and London practiced a "roll back" and encouraged opposition movements in several Eastern European nations. Yet all these covert action operations failed as Moscow and the KGB cracked down brutally on all opposition movements.²⁶

5. The code name of the Austrian stay-behind army OWSGV

As indicated above, the stay-behind armies set up by the CIA and MI6 across Western Europe operated under different code names such as "Gladio" in Italy, "P26" in Switzerland or "Rocambole" in Norway. It seems that in Austria the stay-behind used the cover name "Österreichischer Wander- Sport- und Geselligkeitsverein, short OWSGV, thus "Austrian Hiking Sports and Social Club". As of today it remains unclear who the commander of the Austrian stay-behind was, among the names that have been suggested are Fritz Molden and Franz Olah. Olah himself confirmed that he was involved in the Austrian stay-behind, yet he did not say whether his function exactly was. He also confirmed that OWSGV was used as a cover name: "Under this name we bought cars. In several regions of Austria we installed communication centres", Olah confirmed and explained that "special units were trained in the use of weapons and plastic explosives."²⁷

Franz Olah, who was born in 1910 and died recently on September 4, 2009, is a well known person in Austria's political life. A valuable biography on his life was presented by Wilhelm Svoboda.²⁸ Olah rejected the radical right and during World War Two was imprisoned by the Gestapo. After the war he fought the Communists and was active in the Austrian Labour Unions. The CIA trusted Olah and hoped that he could keep the Communist influence in the Austrian Unions at a minimal level. When in October 1950 the Austrian communist workers went on strike in Vienna, Olah was among those who crushed the strike. In 1963 Olah served one year as Austrian Minister of the Interior. His involvement in the OWSGV was kept secret and was only revealed after the end of the Cold War.

²⁶ Simon Preston in an interview with the Austrian daily *Die Presse*, April 12 and 13 1996.

²⁷ German daily *Frankfurter Allgemeine Zeitung*, January 23 1996.

²⁸ Compare: Svoboda, Wilhelm: *Franz Olah: Eine Spurensicherung* (Wien: Promedia Verlag, 1990).

Olah made it very clear that the OWSGV stay-behind was not limited to become operational only in case of a Soviet invasion but had been set up also to run clandestine domestic operations against Austrian Communists in the absence of a Soviet invasion: "It wasn't our intention to fight communism in the Soviet Union but to fight against the attempts of communism in our own country. We took weapons. We also had modern plastic explosives that were easy to handle. I had a small arsenal of weapons in my office. There must have been a couple of thousand people working for us."²⁹ As in all countries of Western Europe the secret army spread across the entire territory and also in Austria armed clandestine units were equipped with communication tools and stationed in each of Austria's nine provinces, as Olah related. The military supplies came from his American contacts in the CIA. "Only very, very high politicians and some members of the union knew about it," Olah related.³⁰

The exact role of the Austrian secret army OWSGV in the breaking up of the Communist strike in October 1950 remains unclear, but it is confirmed that the stay-behind was involved in this domestic operation. At the time Austria was still under Allied occupation. Shortly before the strike a radical new law had been passed freezing all salaries, while at the same time prices of consumer goods were heightened. This left workers and people on the street with much less money in their purse, whereupon massive protests ensued. Still in 1996 Olah was convinced that in 1950 the Austrian Communists had wanted to stage a coup and take over power in Austria. In his eyes he had saved Austria from the tyranny of a Communist dictatorship, while segments of the Austrian left blame him for having used his secret army OWSGV with brutal force and support of the CIA to kill a democratic manifestation.

Olah and other members of the Austrian stay-behind repeatedly travelled to the United States and cultivated their contacts to the CIA. After the secret army was exposed in Austria in the 1990s Olah insisted that the Austrian government at the time had been informed of the conspiracy and the secret stay-behind arsenals. Most Austrians rejected Communism, and strong distrust towards the Austrian Communist Party (Kommunistische Partei Österreichs, KPÖ) was widespread. As Minister of Interior Olah spied on his fellow citizens and set up secret files on allegedly more than one million individuals, including also Ministers and the Austrian Chancellor himself. When this was revealed in the 1960s Olah confessed to having set up the files and had to step down as Interior Minister.³¹

Allegedly more influential in the stay-behind network than Franz Olah was journalist Fritz Molden, another prominent figure of the Austrian stay-behind. Born in 1924 Molden fought the Nazis after Hitler annexed Austria. During World War Two he was forced to fight for the Nazis on the Soviet front, but deserted in

²⁹ Jonathan Kwitny: *The CIA's Secret Armies in Europe. An International Story*. In: *The Nation*, April 6 1992, p. 446.

³⁰ Jonathan Kwitny: *The CIA's Secret Armies in Europe. An International Story*. In: *The Nation*, April 6 1992, p. 446.

³¹ Austrian daily *Der Standard*, April 24 1991.

1944 to join the Italian resistance "Fiamme Verde". During that period Molden established contacts with the US wartime secret service Office of Strategic Services (OSS) and the later CIA director Allen Dulles, stationed in Bern in neutral Switzerland during the war. After the war the USA awarded Molden the "medal of freedom" and gave him the reckless task of setting up a secret stay-behind army in Austria, including the part which was occupied and administered by the Soviet Union.

Like all other attempts to carry out covert action operations in the territory controlled by the Red Army and the Soviet secret service KGB also this one failed. The network erected by Molden in the Soviet zone was discovered by the Soviets already in 1948 and closed down. Molden had to emigrate in a hurry to the United States. Working at the Austrian consulate in New York Molden continued to cultivate his contacts to the CIA. He married Joan Dulles, the daughter of Allen Dulles, and thereafter served as a principal link between the CIA and the Austrian stay-behind army.

Austrian historian Siegfried Beer of the Karl-Franzens University in Graz found that the role of US secret services in Austria from 1945 to 1955 had been significant, backing his research with documents from the National Archives in Washington on stay-behind member Fritz Molden who seems to have played a key role in the stay-behind as well as the spreading of anti-Soviet and pro-US propaganda.³² Upon his return to Austria in 1950 Molden took over his father's publication firm and edited the Austrian daily newspaper *Die Presse*. In the 1950s and 1960s Molden ranged among the most influential editors of newspapers in Austria and tried, unsuccessfully, to buy the *Kronen Zeitung*, a very popular Austrian daily. In 1964 Molden started to publish books in his own Fritz Molden Verlag, which however went bankrupt in 1982 and led to an early autobiography.³³

6. Terrorism in Tirol

Next to his activities as a journalist, publisher and member of the Austrian stay-behind Fritz Molden in the 1950s and 1960s remained actively involved in the promotion of the reintegration of southern Tirol. The German speaking Tirol valley after World War One in 1919 had been cut away from defeated Habsburg-Austria and was given to Italy. Still today German-speaking Southern Tirol is part of Italy, despite the fact that numerous inhabitants of Southern Tirol would like to become independent of Italy and strengthen their bonds to Austria. Fritz Molden, who supported the independence movement in Southern Tirol, took part in numerous diplomatic debates on the issue.

The question of Südtirol is a delicate topic in both the Cold War history of Italy as well as Austria as tensions in the valley included acts of violence and also terrorism. Whether the stay-behind army of Austria or the stay-behind army of

³² Austrian political magazine *Zoom*, Nr. 5, 1998, p. 13. For the debate on Molden compare also *Zoom* Nr. 1, 1999 and *Zoom* Nr. 3 1999

³³ Compare: Fritz Molden: *Der Konkurs: Aufstieg und Fall eines Verlegers* (Hamburg: Hoffmann und Campe, 1984).

Italy were involved in these acts of terrorism remains a matter of debate, as no next to no documents are available on the question. There are, however, speculations that some of the bomb attacks in the valley which attempted to destabilize the region and influence the political climate were linked to the secretive stay-behind network.³⁴ Among others General Manlio Capriata, who from February to June 1962 headed office R of the Italian military secret service SIFAR which ran Operation Gladio, testified after the discovery of the secret armies to the Italian parliamentary commission that Italian Gladiators had secretly engaged in operations in the disputed territory Southern Tirol, called Alto Adige by the Italians.

"I confirm that the V section, thus the organization S/B [stay-behind] and thus the CAG [Centro Addestramento Guastatori, Italian stay-behind headquarters in Sardinia] had an anti-subversive function for the case that the forces of the left should come to power", the Italian General testified to the Italian Senators. "During my time in office the anti-Italian movement in Alto Adige was going on. In April 1962 I was contacted by General De Lorenzo", the director of the Italian military secret service SIFAR, "who told me that he had activated the elements in Alto Adige, referring to paramilitary units trained at the CAG and resident in the Alto Adige." The Italian military secret service thus seems to have been involved in covert action operations in Südtirol, using its stay-behind network. "He told me that the means available in the area had been insufficient ... and that thus one had had to draw upon particular forces. As far as I am concerned, and by this I mean as for my time in office, this was the only time when in Alto Adige the forces trained at the CAG were activated."³⁵

After the discovery of the Austrian stay-behind Molden confirmed that the Austrian stay-behind, in exact parallel to other secret armies in Western Europe, had had a twofold strategic purpose of resisting a Soviet invasion as well as to prevent the coming to power of a Communist government in Austria. Molden furthermore suggested to the press that the 79 CIA arms caches discovered in Austria in 1996 full of guns, explosives and radio equipment contained each material for 150 stay-behind guerrillas, meaning that the Austrian stay-behind was supplied with arms and explosives for around 12'000 men.³⁶ "My knowledge is that the Austrian government was never officially informed. That's an important distinction from saying that no Austrian knew about it", Molden elaborated in 1996.³⁷

³⁴ Compare: Peterlini, Hans Karl: *Bomben aus zweiter Hand. Zwischen Gladio und Stasi - Suedtirols missbrauchter Terrorismus*. (Bozen: Edition Raetia, 1992). And: Elisabeth Baumgartner, Hans Mayr, Gerhard Mumeleer: *Feuernacht. Suedtiroler Bombenjahre*. (Bozen: Edition Raetia, 1992).

³⁵ *Senato della Repubblica. Commissione parlamentare d'inchiesta sul terrorismo in Italia e sulle cause della mancata individuazione dei responsabili delle stragi: Stragi e terrorismo in Italia dal dopoguerra al 1974*. Relazione del Gruppo Democratici di Sinistra l'Ulivo. Roma June 2000, p. 42.

³⁶ Austrian political magazine Zoom, Nr. 4 /5, 1996: *Es muss nicht immer Gladio sein. Attentate, Waffenlager, Erinnerungslücken*, p. 34.

³⁷ International news service Reuters, January 22 1996.

According to Molden the Austrian government had not only silently agreed to the secret CIA operation but had explicitly asked for it: "It was part of a broad-based resistance strategy in case of a Soviet occupation and was initiated in a top-secret operation by the Austrian government." While parliament had clearly not given the government the orders for such clandestine cooperation Molden on the Austrian television stressed that "This was and Austrian initiative. I myself took part in the operation. And of course the Austrian government knew of it - I myself have talked about it to Chancellor Leopold Figel (in office from 1945 to 1953) and his Secretary of State and later Secretary of Defense Ferdinand Graf."³⁸ According to Molden also Interior Minister Helmer, in office from 1945 to 1959, had been informed. Helmer during his time in office directed the paramilitary police, the so-called "B-Gendarmerie". The concerned members of the Austrian government had already died at the time Molden gave the interview and could no longer be questioned.

7. Was the stay-behind army dominated by right-wing extremists?

As of today a full list of all the members of the Austrian stay-behind army and their biography is not available. It is therefore impossible for historians to describe all members of the secret army and their ideological orientation. What is known is that all members had to be convinced anti-Communists. Many were Catholics, who abhorred the atheism of Communism as well as the dictatorial regimes in Eastern Europe. Both Franz Olah and Fritz Molden, as outlined above, were opposed to fascism. But others, as the press found, were right-wing extremists, but it is unclear how dominant their position was within the stay-behind network. The presence of right-wing extremists in the Austrian stay-behind caused concern in and outside Austria, according to the British newspaper *The Guardian*. "Confirmation that Washington sought out and relied upon members of Hitler's Waffen SS, the force which implemented the Holocaust, has caused widespread shock here."³⁹

The most prominent right-wing extremists in the Austrian stay-behind was Wilhelm Höttel. Born in 1915 Höttel had started his right wing career in 1934 when he became director of the secret service of the Nazis, the so called "Security Service" ("Sicherheitsdienst", SD), in Austria's capital Vienna. In this function Höttel tracked down Jews and Communists. After Austria was annexed by Hitler in 1938 Höttel increased this activism. Charged with being too extreme and having dubious contacts Höttel faced investigations during the war and was suspended from the SD. In 1942 he joined the dreaded SS and compiled reports ("Judenberichte") on how efficiently the genocide of the Jews was progressing, particularly in Yugoslavia. Diligent at this task Höttel was promoted and became

³⁸ Paul Mazurka: *CIA Waffendepots in Oesterreich*. In Austrian periodical *Die Linke*, Nr. 2, February 1996.

³⁹ British daily *The Guardian*, January 27 1996.

chief of the Nazi secret service in southeast Europe from where he targeted the Balkans and Italy.⁴⁰

Shortly before the end of the war Höttel, aware that the fortunes had turned and Hitler would lose the war, offered his services together with other Nazis to the United States. The United States Counter Intelligence Corps (CIC) arrested him and transferred him to the Nürnberg trials. Originally designed to track down and arrest Nazis after the war in Europe, the CIC clandestinely engaged in the recruitment of fascist war criminals for new anti-communist tasks in the stay-behind armies in Germany and Austria. Among the most prominent recruits of CIC ranged General Klaus Barbie, the "butcher of Lyon", and General Reinhard Gehlen, whom the CIA installed as the first chief of the German secret service BND. On trial Höttel appeared as the crown witness against other senior Nazis including Adolf Eichman, Hitler's close collaborator for the holocaust. Höttel testified that Eichman had told him in August 1944 "to write a report for Himmler on the total number of Jews killed." Höttel confirmed that in another report Eichmann had "estimated the number of Jews killed at six millions of which four millions were killed in the concentration camps of the East while another two millions were killed through shootings above all by the Security Police SD", the secret service in which Höttel had served.⁴¹ Höttel confirmed that Eichman had told him "to have millions of Jews on his conscience."⁴² After having made these testimonies crown witness Höttel served only two years in jail for having been a Nazi collaborator and in October 1947 was released. Eichmann escaped to Latin America but in Argentina in 1960 was spectacularly captured by Israel's secret service Mossad, abducted to Israel, put on trial, found guilty and hanged.

After his release CIC recruit Höttel was assigned to set up the so-called invasion net, or "I Net", which was a top secret branch of the anti-communist stay-behind army in Austria. When the CIA networks were discovered after the end of the Cold War Höttel confirmed that right wing activists together with "local patriots" had secretly operated in the Austrian stay-behind. "I knew about them [arms caches] but really the Americans were looking for local people to bury the weapons, guns and grenades because they knew the best places. This whole business was very important for the Americans."⁴³ The rationale for the United States to recruit Hitler's hangmen was obvious, Höttel explained in interviews: "The SS were confirmed anti-communists, and the Americans felt they could be relied on to fight the Russians." With pride he indicated that his network had been very well equipped by the CIA for the United States had delivered "state of the

⁴⁰ French daily *Le Monde*, April 24 1996.

⁴¹ Austrian political magazine *Zoom*, Nr. 4 /5, 1996: *Es muss nicht immer Gladio sein. Attentate, Waffenlager, Erinnerungslücken*, p. 79.

⁴² French daily *Le Monde*, April 24 1996.

⁴³ British daily *The Sunday Times*, January 28 1996.

art" weaponry. Höttel confirmed that Franz Olah and his OWSGV stay-behind had been the principal link to the United States.⁴⁴

When the Austrian public in the 1990s learned that the stay-behind arms caches hidden in mountain meadows and forests across the country next to explosives, hand grenades and machine guns also contained gold coins to be used by the secret army as solid currency in times of war a gold rush started. Höttel claimed that some of the gold was also used to pay the stay-behind soldiers directly, as allegedly it was "the safest way for the Americans to pay people." Thereafter exited treasure hunters kept asking Höttel where exactly the secret caches were buried while the 80 year old lamented: "I wish they would leave me in peace."⁴⁵

Conclusion

Still today only fragments of the history of secret warfare in Austria during the Cold War are known and the full story of the secret networks and their clandestine operations remains yet to be told. Clearly the role of the stay-behind was not limited to setting up arms caches and waiting for the Soviet invasion. Some have suggested that the members of the secret network were peculiar characters with next to no importance to Austria's recent history, which therefore should not be taken too seriously by academic research. Others have stressed that further research is necessary on the role of right-wing extremists in the network and on domestic operations.

Austrian journalist Markus Kemmerling sharply criticized the US for setting up a secret army in neutral Austria and recruiting right-wing extremists to fight Communism. As "a consequence, though often not directly intended, of the recruitment of Nazis by the US and other secret services these circles were able to stage a comeback", Kemmerling claims, as "these Neo-Nazi structures set up in the 1950s and the 1960s lead directly to today's Neo-Nazi organizations" in Austria which were involved in numerous scandals. "Thus for instance last year [1995] a large amount of weapons and explosives were found in the belonging of a German Nazi terrorist who for some time had also been suspected to be behind the letter bomb terrorists" which terrorized Austria in the early 1990s. "These weapons came with all probability from a Gladio arms depot."⁴⁶ The investigation into the stay-behind army forces historians to take a closer look at right-wing extremism in neutral Austria.

Furthermore the history of the stay-behind armies in Austria and other countries of Western Europe should lead to a debate about the secret side of US foreign policy in Europe during the Cold War. US journalist Arthur Rowse, formerly on the staff of the *Washington Post*, was one of the very few Americans

⁴⁴ British daily *The Guardian*, January 27 1996.

⁴⁵ British daily *The Sunday Times*, January 28 1996.

⁴⁶ Austrian political magazine *Zoom*, Nr. 4 /5, 1996: *Es muss nicht immer Gladio sein. Attentate, Waffenlager, Erinnerungslücken*, p. 1.

who wrote about the stay-behind armies in the USA.⁴⁷ As there was little coverage in the US media of the issue most Americans still today do not know that the CIA operated secret armies in Austria and other countries of Western Europe. "As long as the US public remains ignorant of this dark chapter in US foreign relations, the agencies responsible for it will face little pressure to correct their ways", Rowse rightly found, and concluded: "The end of the Cold War ... changed little in Washington. The US ... still awaits a real national debate on the means and ends and costs of our national security policies."⁴⁸

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⁴⁷ Arthur Rowse: *Gladio. The Secret US War to subvert Italian Democracy*. In: *Covert Action Quarterly*, No. 49, Summer 1994.

⁴⁸ Arthur Rowse: *Gladio. The Secret US War to subvert Italian Democracy*. In: *Covert Action Quarterly*, No. 49, Summer 1994

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