

Admiral Canaris of the Abwehr & WWII Spies in Lisbon

By N. L. Taylor

German Spy Rings

MI5, MI6, SOE are common household names for most English speakers, especially for fans of John Le Carré, the mastermind of spy stories and a member of the Intelligence and Counter-Intelligence clique himself. The British spy network during WWII has indeed been much-documented in newsreels, books, and spy films.

On the other hand, the German spy network in Britain was limited, despite certain Nazi sympathies in high places during the War. Spying on the British, on home-ground, was directed from the German Legations in Dublin, Lisbon, and Oslo as well as from Hamburg. The number of German agents in Britain itself was small, their information unreliable and most of their communications were under strict surveillance.

It was Admiral Wilhelm Canaris, the diminutive Head of the Abwehr, the German Intelligence Service, who had hand-picked six European capitals for developing the German spy-ring: Madrid, Lisbon, Berne, Ankara, Oslo, and Budapest. He felt that these were worth building up as a long-term investment, because it seemed unlikely that any of these cities would be occupied by either the Germans or the Allies and that, consequently, the diplomatic bags would continue to fly, officials would continue to come and businessmen continue to go. He added to their number the Vatican, which had its own sovereign status, its own ciphers, and its own representatives all over the world. Brussels, Warsaw, Sofia, Bucharest, the Hague, and Paris were mere short-term options, which he knew would be isolated when Germany declared war.¹

¹ Colvin Ian. *Hitler's Secret Enemy: Admiral Canaris: Patriot or Traitor*, p. 77 Great Pan, 1957

Before the War began, the Abwehr had built a wide range of contacts worldwide. It had developed links with the Ukrainians opposed to the Soviet regime; conducted meetings with Indian nationalists who were trying to free themselves from British imperialism; and established an information-sharing agreement with the Japanese. Richard Sorge was a well-known spy working for the Abwehr in Tokyo who was tried there and beheaded for treason.² There was even some significant penetration into heavy industry in the United States and data was collected by the Abwehr concerning American military capacity and contingency planning there.³



Admiral Wilhelm Canaris

Canaris and Die Schwarze Kapelle

When the Abwehr was reorganized, Canaris was put in command and took care to surround himself with a loyal staff, notably his second-in-command, Hans Oster and Section II Chief, Erwin von Lahousen. None was a member of the Nazi Party except Rudolf Bamler, whom Canaris kept on a short leash, with restricted access to operational information. Canaris had good reason to do this because, unknown to the High Command and Hitler, he had peppered his chief operational and administrative staff with men more loyal to him than to the Nazi Government.

² Leverkuehn, Paul (1954). *German Military Intelligence*. pp 64-66. New York: Frederick A. Praeger Inc.

³ *Ibid*, p.98

Whilst, outwardly, Canaris appeared to be the model of intelligence-gathering efficiency, evidence exists that he secretly opposed, and actively worked against, the wishes of Hitler. Canaris, his deputy Oster, and the Chiefs of *Abwehr* sections I and II were all heavily involved in what was later dubbed The Black Orchestra (*Die Schwarze Kapelle*),⁴ which was a plot to overthrow the Nazi regime from the inside. Canaris' operational decisions, his choice of appointments and their decisions, and, crucially for the Third Reich, the input each plotter had into *Abwehr* operations, were all tainted by these secret dealings.

The Iberian Peninsula's Neutrality

On the white cliffs of Dover, in the sands of El Alamein, and on the banks of the Volga at Stalingrad stand monuments to the three main turning points of WWII: places to commemorate where and when the barrage of Hitler's fire was halted. But if we are asked why it was that Hitler stopped at the Pyrenees and how Spain and Portugal remained neutral, there is no simple answer.⁵ Spain stayed neutral despite strong sympathies with the Axis partners: Portugal maintained neutrality despite its lengthy alliance with the British. Conversations from this period between Franco and Admiral Canaris remain a mystery since none were recorded, but the Spanish government later expressed gratitude to the widow of Canaris at the conclusion of WWII by paying her a pension.⁶ One thing we do know is that it was undoubtedly Canaris' scheming over the years that saved the Straits of Gibraltar from being commanded by German Forces and the whole Iberian Peninsula from invasion, war and ensuing destruction.

⁴ Not to be confused with the Red Orchestra (*Die Rote Kapelle*) - a largely communist-organised plot to overthrow the Nazi Regime from the inside. See: *Penguin Dictionary of the Third Reich*, London, 1997 for a listing of *Abwehr* officers involved in both.

⁵ Colvin, *op cit* p.123

⁶ Rich, Norman (1973). *Hitler's War Aims Ideology: The Nazi State and the Course of Expansion*. p. 174: W.W. Norton. New York

Canaris in Lisbon

What was Canaris looking for in Lisbon? Since just before the beginning of the war, the scene in the city had drastically changed. The Portuguese were still visible in their usual haunts, seemingly leading their usual lives at work or enjoying the *Café-Society*, but a massive influx of foreigners, some very wealthy refugees or spies or both, others miserably poor refugees or spies, had warped the ambiance of the town. Canaris could not have been oblivious of what was happening there. He had his spies at work everywhere: *“Lisboetas looked at the uninvited guests with a sense of sad and passive wonderment. Too reserved to protest, they were nonetheless deeply shocked by the intrusion of the refugees on their social customs and values.”*

It was in the cafés that the writer Arthur Koestler, himself a refugee in Lisbon for seven weeks, would find the inspiration for his book *Arrival and Departure*, in which Lisbon was referred to not by name but rather by the term “Neutralia.”⁷ The refugees were not just Jewish families and individuals. Among the others were successful industrialists, intellectuals, and artists, who were horrified and confused by the new turn of events. The reasons why they found themselves on the National Socialism Black List could not always be fathomed. The list ran for pages and pages, covering the whole alphabet from “*A, for Austrian Monarchist, to Z, for Zionist Jew. Every European nation, religion, party was represented in that procession, including German Nazis of Strasser’s oppositional faction and Italian Fascists in disgrace.*”⁸

From the middle of WWII, Canaris, as if in expiation of his powerlessness to alter the destructive will of Hitler, would often fly to Spain or Portugal. He was particularly fond of Algeciras and a photograph shows him at the end of 1942 at the Hotel Reina Maria Christina, rubbing shoulders at the New Year's Eve Ball with British

⁷ Koestler, Arthur. *Scum of the Earth*. Autobiography. 1941. Jonathan Cape

⁸ Koestler, *op cit*

officers from Gibraltar.⁹ What did he do when in Lisbon? Who did he meet? How did he work with the then German Ambassador, Baron Hoyningen-Huene, half-English through his mother's lineage, Swiss-born, a complex mixture at the best of times, and his team at the German Embassy? Canaris made flying visits to Lisbon that were repeated more than could, perhaps, be justified by his official duties as Head of Germany's all-powerful Intelligence Service.¹⁰

Having said that, we do know that several military operations under Abwehr supervision did threaten Portuguese neutrality. The Abwehr spies' foot-work was key both in Berlin for the planning phase and on the ground in Portugal, for the implementation of these undertakings. *Operation Felix*, centred on Gibraltar, the *Führer Directive No. 18* and *Operation Isabella* were Nazi German plans that, while never executed, were designed to strangle Britain through Portugal. With an eye on Allied shipping, Canaris' men certainly oversaw German U-Boat operations off the Portuguese coast: the neutral steamers *Ganda*, *Corte Real* and *Cassequel* were sunk. The *Serpa Pinto*, full of Jewish refugees, was also stopped and boarded in 1944 in the mid-Atlantic by submarine U-541, but the ship was ultimately allowed to proceed after the German naval authorities declined to approve its sinking. Planes carrying refugees, civilian travellers and child evacuees from the Commonwealth States also came under Luftwaffe fire. In June 1943, a commercial airliner carrying the actor Leslie Howard was shot down over the Bay of Biscay by the German air force after taking off from Lisbon. This was a case of mistaken identity, most likely because one of the passengers bore a strong resemblance to Churchill who was believed to be heading back to London from North Africa at that time. Further plans to place bombs in passenger planes were known to have been halted upon orders from Canaris.

⁹ Colvin, *op cit* p. 157

¹⁰ Kahn, David. *Hitler's Spies: German Military Intelligence in World War II*. 1978. New York: Macmillan.

Many German WWII spies active in Lisbon have been identified. The Czech, Paul Fidr muc (codename Ostro), was the man who wangled a widow's pension for Mrs Canaris out of Franco. He became a naturalised German and was sending false reports to the Abwehr out of Lisbon, giving the impression that he had a team of 4 or 5 agents working for him. Kuno Weltzien was businessman in Lisbon, representing the Krupp company. He is believed to have been responsible for communicating details of the plane on which Leslie Howard was travelling. Weltzien was in contact with Gastao de Freitas Ferraz who was one of two Portuguese radio operators working on a codfish fleet support vessel in the Atlantic. Ferraz almost succeeded in alerting the Germans to the armada of General Patton *en route* to North Africa. Johnny Jebsen (the heir to the Jebsen & Jebsen Hamburg shipping family), was an anti-Nazi German intelligence officer and British double agent who recruited Dusan Popov in Estoril.¹¹

The story of Juan or Joan Pujol García is interesting because he was in contact with Canaris and his team in Lisbon. Pujol (14 February 1912 – 10 October 1988), was a Spanish-Catalan who, with his wife, contacted the British and American Intelligence Agencies in the Iberian Peninsula with the intention of becoming Allied spies, but were rejected. Undeterred, Pujol created a false identity as a fanatically pro-Nazi Spanish government official and successfully became one of Canaris' spies. He was instructed by the Abwehr to travel to Britain and to recruit additional agents; instead he moved to Lisbon and, pretending to be in London, created bogus reports about Britain from a variety of sources, including tourist guides to Britain, train timetables, cinema newsreels, and magazine advertisements. He began inventing fictitious sub-agents who could be blamed for any false information and mistakes he might make.¹²

¹¹ For information about Popov, see <https://www.bbc.com/reel/playlist/unheard-of?vpid=p086k1bl&ocid>

¹² Neill Lochery, *Lisbon: War in the Shadows of the City of Light, 1939-45*. Chapter 18. Hachette, UK

His reports were intercepted by the British and seemed so credible that MI5 launched a full-scale spy hunt. In February 1942, when he approached the United States Naval Attaché in Lisbon, the British had already realised that someone had been misinforming the Germans and had appreciated the value of Pujol's work.

The Allies finally brought Pujol on board when the Germans spent considerable resources attempting to hunt down a fictitious convoy that Pujol had brought to the attention of German Intelligence. Codenamed Garbo by the British, Pujol was moved to London and worked with his handlers to further confuse the Germans. His fictitious spy network was so efficient and verbose that his German handlers were overwhelmed and made no further attempts to recruit any additional spies in the UK, according to the Official History of British Intelligence in World War II.¹³ Pujol's reports helped convince the Germans that the D-Day landings would take place in the Pas-de-Calais, not Normandy.¹⁴

The beginning of the end

At the beginning of 1943, we know that Canaris was not a happy man: he knew of all the soundings from his spies and the hollow echoes that reached him from Berne, from Ankara, and from Lisbon and had every reason to be pessimistic. He knew that the Allies were prepared to accept no less than unconditional surrender. “*With the Allies and their unconditional surrender policy, Canaris foresaw the end of Germany, regarding it as the deserved punishment of destiny for the barbarities of the National-Socialist system,*” as General-Major von Lahousen, his faithful right-hand man at the Abwehr, is quoted as having said after the war, at the Nuremberg Trials.¹⁵

¹³ F.H. Hinsley. *British Intelligence in the Second World War Vol II* (HMSO Official Histories Book 2). 2016

¹⁴ <https://www.bbc.com/news/uk-37483023>

¹⁵ Colvin, *op cit*.

Strangely enough, it was a minor incident that resulted in the dissolution of the Abwehr. The event came to be known as the “Frau Solf Tea Party”. Hanna Solf was the widow of a former Colonial Minister under Kaiser Wilhelm II and ex-Ambassador to Japan. She had long been involved in the anti-Nazi intellectual movement in Berlin, known as the “Solf Circle”. At a tea party she hosted on 10 September 1943, a new member was included into the circle, a handsome young Swiss doctor named Paul Reckzeh. Unknown to all, he was a Gestapo agent.

The members of the Solf Circle were all rounded up on 12 January 1944. Eventually all those who were involved in the Solf Circle, except Frau Solf and her daughter, were executed.¹⁶ Hitler had long suspected that the Abwehr had been infiltrated by anti-Nazi defectors and Allied agents and the Solf Circle arrests all but confirmed it. Despite the efforts of the Abwehr to shift the blame, Hitler had had enough of Canaris. He summoned the chief of the Abwehr for a final interview and accused him of allowing the Abwehr to “fall to bits”. Canaris quietly agreed “*that it was not surprising, as Germany was losing the war.*”¹⁷

Not every German was enamoured with espionage and counter-espionage in general. The German Ambassador in Lisbon, Baron Oswald Hoyningen-Huene, at the time of the alleged plot to kidnap the Duke of Windsor in Portugal, made known his dislike for the darker side of such activities. His fear was that his relationship with Salazar and the country’s neutrality would be compromised.¹⁸ He even argued for a reduction of Abwehr agents in Lisbon but Canaris had none of it.

After the war

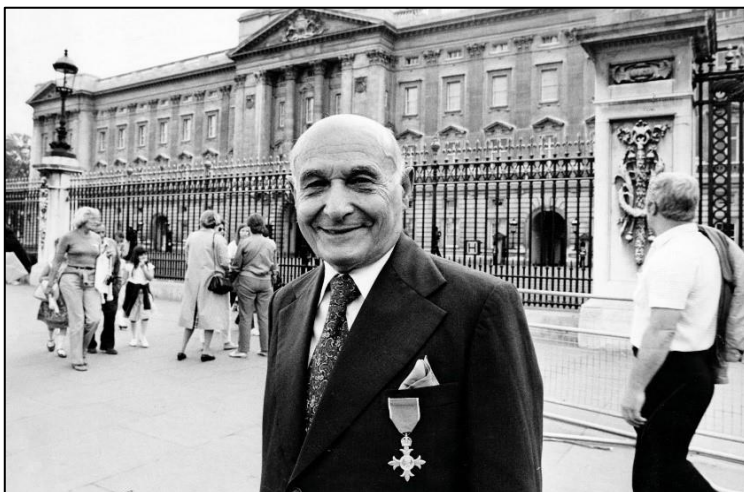
A post-war examination of German records found that no fewer than 62 of Pujol's reports had been included in intelligence dispatches given to

¹⁶ Shirer, William (1990). *The Rise and Fall of the Third Reich*. p. 1025 MJF, New York

¹⁷ Bassett, Richard. *Hitler's Spy Chief: The Wilhelm Canaris Betrayal*. Pegasus Books, New York, 2011

¹⁸ Lochery, op cit. p. 154

Hitler. The Germans paid Pujol no less than US\$ 340,000 to support his network of non-existent agents. After the War, Pujol, fearing reprisals from surviving Nazis, faked his death in 1949 in Angola, with the help of MI5, although he was briefly resurrected thanks to Anthony Blunt, the Soviet spy who had penetrated MI5 at the time of Philby & Co. Pujol was the only double-agent to have been awarded medals from both sides during WWII, the Iron Cross from the Germans and an MBE from the British.



Juan Pujol García, MBE

Conclusion

What makes a man or woman want to be a spy? Your guess is as good mine. Pujol was unique amongst all Britain's double-agents, having deliberately set out to become one. The rest were enemy agents who had been discovered and turned, allowed only to work under strict surveillance. According to Hannan, the answer certainly speaks of personal ambition, a need to fight for freedom, for free speech, for personal autonomy, in a nutshell, for democracy; also, the need to be an actor on the world stage in time of great historical turmoil. Others, however, had a personal axe to grind.

Many historians agree that the Abwehr had a poor reputation for the quality of its work and for its unusually decentralized organization.¹⁹ Some reports simply were not believed by the German High Command. Whatever successes it enjoyed before the start of WWII, there were virtually none once the War began and, worse, the British successfully ran 19 double agents through the Abwehr, feeding false information and duping the German intelligence service up to the very end.²⁰

Other explanations for the failings of the Abwehr could have been the Allied success in deciphering the German Enigma Machine, thanks to the code-breakers at Bletchley Park. During the August and September 1942 engagements in North Africa against Rommel, this largely explains Montgomery's success, as British signal deciphering was superior to that of the Germans.²¹

American historian Robin Winks says that the Abwehr was “an abysmal failure, failing to forecast Operations Torch, Husky or Overlord”.²² English historian Hugh Trevor-Roper says it was, “rotten with corruption, notoriously inefficient, [and] politically suspect”. He adds that this was because of the “negligent rule” of Admiral Canaris, who was “more interested in anti-Nazi intrigue than in his official duties”. Historian Norman Davies agrees with this observation and says that Canaris “was anything but a Nazi enthusiast”. According to Trevor-Roper, for the first two years of the War the Abwehr was a “*happy parasite that was borne along ... on the success of the German Army*”.²³

¹⁹ Leverkuehn, *op cit* p. 37

²⁰ Howard, Michael *British Intelligence in the Second World War: Strategic Deception*. p. 49 Cambridge University Press.

²¹ Blandford, Edmund L. [*SS Intelligence: The Nazi Secret Service*](#). pp 23-24. 2001. Castle Books, Edison, NJ:

²² Winks, Robin W. *Cloak & Gown: Scholars in the Secret War, 1939–1961*. Yale University Press

²³ Blandford, *op cit* p. 23-24

If all this appears somewhat cloak-and-dagger-like to us today, let us stop to think for a moment what would have happened if Admiral Canaris and his men at the Abwehr had been more ruthless and more determined to serve the interests of Hitler in the context of Portugal's neutrality. Would Hitler have invaded Iberia; would Portugal have been swallowed up by Spain; would WWII have gone on for much longer? We can only speculate.

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