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*General
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HEADQUARTERS 21 ARMY GROUP
FINANCIAL REPORT NO 8 ON GERMANY

FOR THE MONTH OF JUNE 1945

PART I - GENERAL FINANCE

GENERAL

1. The technical Military Government Chain of Command is now established throughout the British Zone, from 21 Army Group Headquarters down through Province and Land/Regierungsbezirk detachments to the man on the ground. This establishment, combined with the improvements in communications which have taken place, has enabled a more general assessment of the financial position to be made than has hitherto been possible.

2. Denazification has not in all cases been completed. Other immediate and localised problems of Finance Officers during the operational period when economic life was at a standstill are now merged with major problems of financing the re-birth of German economic activities essential to Mil Gov. Some of these are:-

- (a) Work in German dockyards for the Royal Navy
- (b) Procurement of supplies for disarmed Wehrmacht personnel awaiting discharge
- (c) Payment of food subsidies
- (d) Production of coal and salt urgently required for Military Government and Allied Countries
- (e) Clearing of docks and waterways
- (f) Production of text books for schools
- (g) Payment of requisitions

3. The present general interim arrangement to meet these problems, is that the Reichsbank makes advances on new accounts to the appropriate German authority to cover expenditure approved by the controlling branch of the British Armed Forces, involving occasionally the transfer of currency from one Branch of the Reichsbank to another, and in the case of Wehrmacht and Ruhr Coal Mine requirements, the supply of Allied Military Marks. Clearly this is a situation which cannot continue and it is desirable to transfer the burden at present being borne by the Reichsbank, to a central German public financial authority at the earliest possible date. Further, no permanent arrangements for the payment of requisitions as a whole can be made until such an authority has been established.

4. It is not yet possible to assess the extent to which the efficiency of operations will be impaired by the release of Finance Officers from the Forces. Emergency Military Government Officers are found to be handicapped by lack of training and experience in Military Government work. As denazification is completed, so we can resort to more extensive measures of indirect administration and fewer Finance Officers will be required on the ground. It is obvious however that in those Kreise where it has been possible to allot a permanent Finance Officer, the Military Government financial programme has made far greater progress than elsewhere.

BANKING

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HEADQUARTERS 21 ARMY GROUP
CIVIL AFFAIRS/MILITARY GOVERNMENT BRANCH
FINANCE SECTION

Report No.8 for GERMANY for month of Jun 45

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BANKING.

5. There has been general progress in extending banking facilities throughout the British Zone during the month and a reasonable number of banks are open in the majority of towns. The extension of the giro clearing areas should follow on the improvements in courier and postal services. In many parts of the zone local clearing arrangements have made good progress. Banking staffs are proving to be very cooperative; indeed, excess of zeal in carrying out Mil Gov instructions has often been observed.

6. The Banks in KIEL have formed a Bankers Association under the chairmanship of MEYER, Director of KIELER SPARKASSE. The association, in conformity with the banks in HAMBURG, has agreed to stop paying interest on sight deposits. The rate of interest on term deposit accounts remains unchanged. A large number of Reich bills is held by the banks both as investments and as security for loans. As no decision has yet been made on the service of Reich debt, the subject is causing great concern in banking circles.

7. Cash reserves and ratios. In the British zone as a whole the currency situation has improved, with three important exceptions. Reichsmark resources of the 21 A Gp area were insufficient to cover the requirements of Wehrmacht payments and the Ruhr coal industry, and the following advances of Allied Military Marks have been made:-

- (a) KIEL 150,000,000 for Wehrmacht pay,
- (b) OLDENBURG 15,000,000 for Wehrmacht pay, Canadian area,
- (c) MUNSTER 100,000,000 for the Ruhr.

8. In 30 Corps Area cash holdings of the Reichsbank Offices at the end of May were about RM 400,000,000. The liquidation of the Wehrmacht, municipal and industrial pay rolls increased materially the demands for currency and there is at present a steady drain on the reserves of this area.

9. It is considered that the Reichsbank's currency holdings in HAMBURG are adequate for the town's present requirements. The Bankbezirk in which RB STADE was formerly situated was truncated by the formation of the BREMEN enclave, but it is not anticipated that there will be any difficulty in arranging for drawings on, and remittances to, BREMEN and WESERMUNDE as formerly. A full statement of the cash position in HAMBURG as at 8 Jun is at Appx A. Similar statements for MUNSTER and OLDENBURG are at Appendices B and C respectively.

10. Deposits and Withdrawals. Now that (P) Detachments have been established under static conditions, it is hoped that various statistics which lack of communications have made it impossible to obtain, will come along more easily. Various general reports indicate that in most areas, deposits are exceeding withdrawals. This tendency is nearly always accentuated when local restrictions are lifted. There are still one or two exceptions where withdrawals continue to outstrip deposits as in Stadt HANNOVER where local officials are still very diffident about raising the local restrictions on withdrawals.

11. Banks in WILHELMSHAVEN have placed the following restrictions on withdrawals from unblocked accounts:-

- (a) Current Accounts RM 500 monthly
- (b) Savings Accounts RM 300 monthly.

These restrictions are not stringently applied, and no requests have been refused for the withdrawal of larger amounts. No restrictions have been placed on unblocked commercial accounts. The Reichsbank at KIEL holds the opinion that restrictions on withdrawals should not yet be completely raised.

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12. There is a tendency for borrowers to repay loans and establish their full title to real property. There is correspondingly little demand for credit by private customers of the banks.

13. Limited giro systems by means of courier are now operating in the rural districts of HANNOVER. A clearing is provided through either HANNOVER or HAMELN. Censored packets are carried by the Mil Gov courier between various kreis centres. No considerable increase in cashless transfers can, however, be expected until a sufficient postal system is restored.

CURRENCY

14. Legal Tender. Cases of discrimination in favour of the Allied Military Mark are still being reported in spite of the provisions of Law 51 in this respect. Most examples can be traced to the unauthorised refusal of canteens and messes to accept Reichsmarks of denominations of 50 and below, when tendered by troops. This factor was mentioned in last month's report but further cases have again been reported. The psychological reaction of the British troops to this situation is spreading to the Germans. The conclusion that the Reichsmark is worth less than the Allied Military Mark is, for the uninformed, very difficult to resist. It is unfortunate that this impression should be gained as a result of ill-considered action, not by the Germans, but by the managers of certain canteens.

15. In RB AURICH Civilians were reported to be demanding the exchange of Reichsmarks for Allied Marks at Banks and Post Offices.

16. In the Province of HANNOVER there were persistent and widespread rumours that the new RM 20 note bearing the swastika on the face would be repudiated. In view of the currency stringency, the considerable stocks of this denomination were necessary for the BARLEYCORN release scheme, and Bank Managers were instructed that there should be no discrimination against these notes pending their withdrawal even though they were politically objectionable.

17. Non-regular currency. At the beginning of June the following return was made of non-regular currencies, issued, presented and outstanding in EMDEN and NORDERN:-

	<u>EMDEN</u>	<u>NORDERN</u>
(a) Total originally issued	RM 120,000	RM 1,220,000
(b) Amounts returned to the Reichsbank or other bank.	<u>111,400</u>	<u>649,523</u>
(c) Amounts still in circulation	<u>8,600</u>	<u>570,477</u>

These and similar issues are being gradually withdrawn in accordance with the policy for non-regular currencies.

18. In the MAGDEBURG area the only issues of non-regular currency were at KLAGENFURT and REICHENBERG. Notes were also printed at EGELN but never issued.

19. A certain number of notes for RM20 issued as NOTGELD by the SACHSISCHE STAATSBANK, DRESDEN have filtered through to the Province of WESTPHALIA and a specimen has been received from GELSENKIRCHEN. This issue was made as recently as the 26th April under the instructions of the Reichstatthalter for SAXONY.

20. Non-regular currency, supposedly counterfeit, in denominations of RM 10, 50 and 100, and numbered respectively, D 2776733, E 06647727 and T 7396475 made its appearance in the British Zone, causing considerable concern to Finance Officers and to Bank managers. It subsequently transpired that these notes were NOTGELD, reported to have been issued by the Reichsbank, SALZBURG, under authority from BERLIN. They are clumsy photographic reproductions of the originals which were numbered as quoted above. As each denomination

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has the same serial number, they are easy to detect. It is understood that the Reichsbank, SALZBURG, has been instructed by Mil Gov to redeem such notes when they are presented for exchange.

21. Reichskreditkassenscheine. Reports continue to be received that limited amounts of Reichskreditkassenscheine are being cashed for discharged members of the Wehrmacht. Instructions have been issued that these transactions are not now permissible.

FOREIGN EXCHANGE

22. Efforts have been made to ensure that Mil Gov Law 53 is brought to the notice of Wehrmacht personnel awaiting discharge in concentration areas. Many minor problems of currency in the hands of displaced persons, have been dealt with by the liaison officer of the nationals concerned, in accordance with Law 53.

23. The experiences of the last few months have confirmed previous reports that Foreign Exchange was rigidly controlled by the Germans before occupation. As a result, in most areas the deliveries of foreign exchange have been small. The largest reported concentration of foreign exchange is at HAMBURG. Details are given at Appendix D.

24. The widely publicised cache of Gold coins supposedly belonging to von RIBBENTROP, was located in SCHLESWIG HOLSTEIN and delivered to the Reichsbankhauptstelle KIEL.

COMMERCIAL INSURANCE

25. Insurance in HAMBURG. Practically the entire insurance activity in the British zone of occupation was centred in HAMBURG, which houses the head offices of the following insurance companies:-

Companies conducting life assurance only	6
Companies conducting health insurance only	4
Companies conducting fire, accident, marine etc. insurance business	13

In addition there are four main branches of companies which have their head offices elsewhere, and a large number of agencies.

26. Generally speaking, insurance activity is confined to the collection of premiums and the payments of claims. Practically no new business has been reported. The usual difficulties due to inadequate communications exist in the collection of premiums. Claims are at present being paid direct into policy holders' bank accounts only.

27. Deutscher Ring A.G. and Deutsche Volksfürsorge. In HAMBURG there are also located the head offices of the Deutscher Ring group of insurance companies and the Deutsche Volksfürsorge. Both these concerns were owned by the German Labour Front and their de-nazification presented a task of considerable magnitude. All the managers of the Deutscher Ring companies have been dismissed or suspended. One of them has already been placed under arrest for continuing to resort to the Ring offices and take part in the management of the business after being suspended from office. The question of the management of the Deutsche Volksfürsorge with its nine million policy holders has not yet been solved.

28. Immediate Problems. The extent of the insurance problem generally in HAMBURG can be seen from the attached Appendix 'E'.

/BLOCKING CONTROL

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BLOCKING CONTROL

29. Satisfactory progress is being made with the blocking of accounts under Law 52. Practical difficulties have arisen, particularly with the certification by a notary of signatures on affidavits. The volume of accounts blocked is so considerable as to make insistence on the signature of a notary both cumbersome and expensive. Authority has, therefore, been given for branch managers of the Reichsbank, or other leading bank appointed as agent for the Reichsbank, to certify the validity of signatures on affidavits. Applications for a special licence have been excluded from this authority.

30. The difficulty of controlling the permissible withdrawals from blocked accounts, when the holder has several accounts at different banks, does not admit of a satisfactory solution at this stage. Instructions have been issued for spot checks to be made periodically in this connection.

31. Where, through caution, or excess of zeal on the part of German bank managers, accounts prove to have been incorrectly blocked, authority has been given to Finance Officers at Provincial and Land/Regierungsbezirk Detachments to order the unblocking of such accounts at their discretion.

PUBLIC FINANCE.

32. Administration. This month has seen the gradual reinstatement of administrative responsibility to higher levels of administration.

33. Immediate Problems. Considerable anxiety is being expressed in financial circles throughout the British area of control on the policy to be adopted with regard to the German public debt, as 80% of the total assets of all financial institutions were invested in Reich securities. In the case of HAMBURG the percentage is as high as 90% and a great deal of pressure is being brought to bear there, in the hope of forcing an early decision. HAMBURG's yearly debt service alone amounts to RM 110,000,000 as compared with the estimated total yearly debt service of the Reich of RM 10,000,000,000. The problem is now becoming especially acute on account of the accumulation of matured short term paper. The whole question is now being considered at a high level, but public confidence is at a low ebb and is beginning to make itself felt in the state of bank deposits.

34. Closely linked with the debt service question is the problem of bridging the rising national deficit. That German authorities at all levels are only too well aware of the situation and of the need for early action, is fully reflected in the many spontaneous proposals received by Military Government detachments for meeting that gap. Briefly these proposals sort themselves into

(a) a surcharge on all income taxes, to be known as AUFBAUABGABE (Reconstruction Tax)

and (b) a reduction in the pay of all German officials.

In the Province of HANNOVER, the Oberpräsident stated that enquiries made by him indicated that the proposals had the approval of most classes of the community. It was also pointed out that for the lower salary classes, the increase in tax involved, roughly corresponds to the contribution, formerly paid to Nazi organisations now suppressed. No changes in the pre-occupation rates of taxation and salaries have however been permitted pending the issue of policy decisions from higher authority.

35. Yet a further problem of a more local character is the restitution of the former key grants (Schlüsselzuweisungen) to balance out local budget deficits. An almost unrestrainable keenness on the part of German financial officials at provinces to under take this task themselves is discernible in reports received. Until the restitution of the key grants, which is dependent upon policy decisions on the public debt and a centralised government, budget requirements not covered by income are continuing to be met by bank advances at all levels.

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36. Current Developments. Whilst all budgets are performed a reflection of the low level of economic activity throughout the entire British zone, it is evident that serious attempts are being made to resuscitate the administrative machinery and explore all possible avenues of public revenue. In HAMBURG, for example, a financial advisory committee has been set up, consisting of the Oberpräsident, the Direktor of the Reichsbank, and the City Treasurer, to advise the Bürgermeister on all public finance matters. All proposals, involving policy as well as all budgets, are considered by the committee in the first instance before submission to Military Government. A similar committee has been formed in KIEL for the Province of SCHLESWIG-HOLSTEIN.

37. To a large extent the all round improvement in public revenue compared with earlier months can be attributed to the above measures, though, of course, pre-occupation levels have by no means been reached. The collection of taxes generally is still being hampered by the non-operation of the Giro and Postscheck systems, but it appears that the public are meeting their tax commitments freely and no attempts of tax evasion have been reported. On the other hand, the flow of revenue into customs and excise offices is little more than a trickle by reason of the low level of trade activity.

38. From the scattered evidence available, it would appear that income from taxation is approximately 40% of pre-occupation levels in agricultural districts and 25% in the case of areas where industry formerly predominated. It is, of course, impossible to assess, even very approximately, the repercussions of present conditions on expenditure, as provinces and regions are now bearing the brunt of commitments formerly borne by the Reich.

39. Relief. Relief payments in various forms continue to be the heaviest expenditure item in all municipal budgets as a result of the discontinuance of prohibited payments. There is a considered feeling that the present rates require adjustments not only in the light of present conditions but to ensure uniformity of application. Scales in use at present are under investigation; several Oberpräsidenten have already submitted their proposals and it is hoped to apply a uniform scheme throughout, varying only as to whether the district is country or town.

40. Social Insurance. Wherever the administrative machinery permits, contributions to government insurance schemes and payments of benefit continue on a pre-occupation basis. Employers and workers contributions, at present the sole income of the various insurance funds, are, of course, considerably below normal. In the case of the RUHR Miners' Benevolent and Pensions Fund (Ruhrknappschaft), the situation could only be met by an all round reduction in the rates of benefit paid. The question is, however, being energetically pursued with a view to arranging for financial grants pending reinstatement of the former Reich subsidies.

41. Enquiries into the social insurance position in HAMBURG revealed the rather interesting fact that the allied bombing had the twofold effect of compelling the authorities there to delegate to employers the payment of unemployment benefits to their employees whenever they were unable to reach their place of work as a result of enemy action. These payments were to be refunded by the local labour offices at the first opportunity, but on Allied occupation considerable sums were found to be owing to employers under this heading.

42. Oberfinanzpräsidium DANZIG-WESTPREUSSEN. A number of officials and a quantity of records belonging to the above Präsidium have been located in LÜBECK. The records are contained in chests and were landed in ROSTOCK. A large number of the chests is said to be still in the General Customs House there. The remainder, 70 in number, the majority of which are said to contain the personal effects of officials, are under Military Government control in the Finanzamt at LÜBECK.

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43. War Contribution to the Reich. This item was included in all Land and provincial budgets to represent the amount deducted by the Reichshauptkasse from the periodical key grant remittances. The basis of the war contribution was to be 15% of the Reich key grant. It has been reported that the deductions made just prior to Allied occupation bore no relationship to the published percentage, and that the financial officials responsible for the preparation of the budgets had never been able to understand how the most recent calculation had been arrived at.

44. Reich Credits in aid of Aircraft Production. Ledger accounts headed 'Kredit-Anteil-Konto' were found in the books of principal banks over a widely dispersed area. All these bank credits were in favour of aluminium and aircraft production firms. It appears that up to the beginning of 1942 these factories were financed direct by the German Air Ministry through its own bank, the Bank der Deutschen Luftfahrt. In early 1942 the German Air Ministry stopped this practice and "invited" banks to participate in the granting of these facilities, so that the Bank der Deutschen Luftfahrt might use its resources solely for advances to research institutes and banks connected with them. All arrangements were made by the Bank der Deutschen Luftfahrt through whom the factories continued to deal. Special preference appears to have been given to the Junkers concerns. The principal participants were the Dresdner Bank, and to a lesser extent the Deutsche Bank. Although there was no compulsion to take up this business, it appears that a certain amount of pressure must have been brought to bear, as the scheme was not popular with the banks, although no loss was ever sustained. In principle, however, as large a proportion as possible of the participation taken up, was passed on to other banks, who in turn did the same. The rate of interest earned by the banks was 5½%, that is 2% above the Reichsbank discount rate. The credit was a floating one, called up by the Bank der Deutschen Luftfahrt as required. The total amount taken up by the Dresdner Bank at any one time was RM 400-500 million, but subsequently the credit for the entire Reich dropped to RM 200 millions as a result of the surplus of liquid resources of industry generally towards the end of the war.

DE-NAZIFICATION.

45. The de-Nazification programme has not been finally completed because Field Security have been quite unable to vet immediately the vast numbers of Fragebogen submitted to them, but those officials who were in the automatic removal or suspension categories have been dealt with.

46. Nazi influence in the banking industry, particularly at the lower levels, appears to have been small. Except in the case of such institutions as the Bank der Deutschen Arbeit, little difficulty has been experienced in finding efficient substitutes for those officials removed. The situation in Public financial institutions has been quite different. Pressure was undoubtedly brought to bear on all government employees to join the Party and it has been reported that many rose to the NCO ranks requiring suspension without ever having been ardent Nazis. Similarly, greater numbers than had been expected have had to be suspended as a result of having served outside the Reich.

47. No relaxation of the regulations has so far been permitted but it has recently been reported that revenue collection in SCHLESWIG-HOLSTEIN has been impeded by removals and suspensions. In HAMBURG large numbers have been dismissed but as the number of officials employed was considered to be greatly in excess of requirements, no serious repercussions are anticipated. The staffs in the Public Administration there numbered 40,000 as opposed to 18,00 in pre-war days.

PRICES, WAGES and BLACKMARKETS.

48. Close liaison has been maintained with the Labour and Trade and Industry Sections of Military Government with regard to these subjects, for

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which they are primarily responsible. No major changes have been reported and the only black market of importance is in food, liquor, and cigarettes in HAMBURG.

PART II - PROPERTY CONTROL

GENERAL

49. There has been a material increase in the volume of Property Control work during the month. The most widespread problem appears to be that of property which has been looted, or confiscated, or the subject of duress. In the case of real estate alone, the lists of properties which have been confiscated from Jews run into hundreds of names, and the work of collecting information has hardly yet been started.

PROPERTIES TAKEN INTO FORMAL CONTROL

50. Properties taken into formal property control and for which property records have been forwarded to this Headquarters now number 92, compared with 15 last month. These are made up as under:-

United Nations Nationals' Property	7
German State Property	1
Nazi Party Property	77
Looted Property	5
Abandoned Property	2
	<hr/>
	92
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This may seem a very small number for the whole of the British area of occupation, even bearing in mind that many party properties are occupied by troops. But it is evident from reports received that many more properties have actually been taken into control, there is however a considerable time lag in the receipt of Property records at this Headquarters. This is partly due to slow communications, but far more to the fact that Property Control officers are faced with so much work that, provided properties are satisfactorily safeguarded and custodians appointed, the transmission of records often has to be postponed.

PROPERTIES OF UNITED NATIONS NATIONALS

51. A list of properties, mainly business enterprises, on which reports have been forwarded to SHAEF during the month, is given at Appendix F.

GERMAN STATE PROPERTY

52. The records of the HAUPTTREUHANDSTELLE OST have been taken into control at BÜCKEBURG, Land SCHAUMBURG-LIPPE. This was a Branch of the Office of the Commissioner for the Four Years Plan (beauftragter für den Vierjahresplan) and was set up in 1939 to deal with the administration of Polish properties confiscated by the Reich.

53. Considerable sums of money were found in KIEL, as under:-

Pay for German Agents

Gold Coin	Napoleons	19.920
	Turkish pounds	4.070
Notes of twelve different countries, approximately		£ 200.000
Wehrmacht Funds		RM 900.000

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54. Various studs and remount depots have been found. The responsibility for these has been passed to the appropriate Service, after appointing suitable Custodians where necessary.

PROPERTY OF NAZI PARTY

55. NAZI Properties taken into formal control include buildings, newspaper plants, film projectors and similar items.

56. Until Labour Section of Mil Gov is able to assume its full responsibility for DAF organisations (excluding financial institutions), Property Control officers have been taking "first aid" measures. The types of organisations include housing estates, food processing plants, a publishing business, shops, offices and the Co-operative Movement.

57. Co-operative Movement

(a) In 1941 all co-operative organisations in GERMANY and AUSTRIA were handed over to the DAF. A holding company was created to hold the capital of all the subsidiaries, and the organisation consisted briefly of:-

Holding Company	Gemeinschaftswerk der DAF GmbH
Wholesale Business	Deutsche Grosseinkaufs GmbH
Factory undertakings	Gemeinschaftswerk Industriebetriebe GmbH
Transport undertakings	Deutsche Transport GmbH
Coal Business	Gemeinschaftswerk Kohlenhandel GmbH
Retail Shops	Gemeinschaftswerk Versorgungsring GmbH (some 135 of these, each with the name of a different town).

(b) It is understood that no distribution of profits has taken place except for an annual birthday present to HITLER of RM 1,000,000.-

(c) First aid measures have been taken in HAMBURG, which is the seat of the Head Office, and Heinrich EVERLING, a former President of the old co-operative movement, has been appointed manager.

PROPERTY OF BLACK LISTED PERSON

58. A request was received to permit payment of funeral expenses for an SS man and his family from a blocked account. Authority was given for payment of reasonable expenses on production of the undertaker's bills, the balance of the account remaining blocked under General Order No.1, paragraph 27.

LOOTED PROPERTY

59. Church Bells

(a) It appears that most of the valuable Church bells in EUROPE are in HAMBURG. There are four dumps of bells, one of which includes bells from the NETHERLANDS and BELGIUM, which have been identified by the representatives of the two countries. Available records indicate that 1,853 metric tons of the less valuable NETHERLANDS bells were melted down between June 1943 and January 1944. All bells including those of German origin are being taken into Property Control.

(b) Some 1,800 Church bells are at a copper foundry at LUNEN, Provinz WESTPHALIA. These are mostly German bells, but include some Polish and Italian bells. The German bells were in process of being handed back to German Churches on authority given by Ninth US Army. This has been stopped, and all these bells are now being taken into Property Control.

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60. Russian and Polish horses

- (a) Numbers of Russian horses have been found in the Provinces of WESTPHALIA and SCHLESWIG-HOLSTEIN. In the former Province, the horses were from the UKRAINE. Many of the horses were sold to German farmers for cash, and it would, therefore, appear that the farmers had a good title to them. Russian officers were, however, collecting horses from the farmers preparatory to moving them to the USSR. The movement of these horses has been stopped in both Provinces, as it raises important questions of principle on the subject of restitution. The matter is now in abeyance pending directions from higher authority.
- (b) Various lots of Polish horses have also been found and these are being cared for by Polish officers and men, under the supervision of the Service concerned.

61. Confiscations by Gestapo in HAMBURG

- (a) Interrogations and some good sleuthing work have resulted in a considerable amount of information on unofficial looting of cash and valuables by the Gestapo in HAMBURG from their prisoners. The Gestapo was also concerned in official sales of Jewish Property.
- (b) These official sales produced total receipts of RM 25,348,000.- of which RM 4,397,000 still remain in a bank account of the Oberfinanzkasse which has been blocked. Two other items, together RM 237,000, which originated from the sales, receipts and had been placed in a personal account, have also been blocked. The remainder of the sales proceeds were remitted to BERLIN, presumably for use as state revenue. Records showing detailed origin are available for only a very small part of this money.
- (c) Unofficial loot amounting to some RM 49,000 in cash, RM 418,000 in blocked bank balances and roughly £ 2,000 of currency of eleven different countries, as well as a collection of small personal valuables has been recovered. The records of the owners' names appear complete.

62. Hamburger Grundstücksverwaltung GmbH

- (a) This was formed in 1938 chiefly to administer Jewish real property in HAMBURG confiscated by the Reich. It was controlled by ardent Party members.
- (b) Profits were derived from charging 5% commission on the gross income, and these now amount to some RM 80,600. They were at the disposal of the Reichsstatthalter for charity, but nothing has been distributed.
- (c) The total net income of the various properties now amounts to RM 459,000; a separate account has been kept for each property.
- (d) The records of this concern are valuable, as all official records of the treatment of Jews and their properties, which were kept at the office of the Oberfinanzpräsident, were destroyed prior to the occupation.
- (e) The concern is being taken into Property Control.

63. Miscellaneous items of looted Property

- (a) Antiques, tapestries, curios and furniture which were warehoused in the barracks at PADERBORN in Provinz WESTPHALIA. An inventory is not yet available.

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- (b) Two boxes of silver - 45 items - trays, cups, candlestick holders and similar articles. These have French and Polish markings. They were deposited by soldiers at the Kreissparkasse in RECKLINGHAUSEN in WESTPHALIA shortly before occupation.
- (c) 27 ingots of tin each approximately $\frac{1}{2}$ cwt marked "Product of Banka Nederland India", in OSNABRÜCK.
- (d) Jewellery at HANNOVER, probably of NETHERLANDS origin; no inventory yet available.
- (e) 20 tons of Belgian Nickel Coins (probably mutilated) in HAMBURG.
- (f) Dock equipment at DIESTEL dock, HAMBURG, from the NETHERLANDS.
- (g) Property in HAMBURG which was originally acquired in 1916 by the Jewish Congregation and used by them as Welfare Offices. Now entered in the Grundbuch as Reich property, and until recently a Gestapo office. As the property is vacant and there is urgent need of a Jewish Welfare Centre, the Jewish congregation is being allowed to reoccupy the property, without any undertaking to restore the title.
- (h) Polish machinery in the Hermann GÖRING Werke and at the firm of LILPOP, RAU and LÖWENSTEIN, both near BRAUNSCHWEIG.

ABANDONED PROPERTY

- 64. (a) Gold coins of a probable value of some $\text{¥} 2,000,000$ have been unearthed in SCHLESWIG-HOLSTEIN. Information on the subject received from SHAEF indicates that only a small part of the cache has been discovered.
- (b) Seven pictures, thought to be of some value, some tapestries and furniture were found in the same area and have been taken into control. The pictures are believed to have hung in the private office of RIBBENTROP at the Foreign Office in BERLIN.
- (c) Gold coin and Gold and Silver bullion of an estimated value of RM 1,500,000 are in a mine at GOSLAR in Land BRAUNSCHWEIG. Considerable work will be necessary to get this but owing to damage to the mine.

MISCELLANEOUS PROPERTY

- 65. "FAIRPLAY STIFTUNG." See Appendix G attached.
- 66. Westbank NV. The books, records and management of the above Bank are now in HAMBURG. Originally it had offices in BRUSSELS and ANTWERP, and is owned by the Bank der Deutschen Arbeit. SHAEF Mission to BELGIUM has been informed.
- 67. Files belonging to the German Military Government for BELGIUM and Northern FRANCE have been found at GÖTTINGEN in Province of HANNOVER.

CURRENT DEVELOPMENTS

- 68. Various instructions have been issued during the month based on experience gained and the more interesting are listed below.

/69.

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Conrad

D R A F T T A B - Evaluation of the loot.

1. The Reichsbank made periodic reports on the value of the loot as it was disposed of. Recapitulation of the nine such "partial reckonings" made shows the following proceeds actually received:

Bank notes of foreign countries	RM 14.220.057,11
Gold and silver coin and bullion	6.934.669,70
Good jewelry and precious metal ware	1.107.686,84
Dental gold and broken jewelry	1.074.351,00
Securities and postage stamps	<u>175.681,97</u>
TOTAL VALUE	RM 23.512.444,62
Expenses of disposition	<u>56.662,66</u>
TOTAL NET PROCEEDS	RM 23.455.781,96

2. Assuming the average value and composition of successive deliveries constant, these actual proceeds may be extrapolated to provide an estimate of the total value of the 76 deliveries. Since these nine "partial reckonings" cover practically complete disposal of the first 44 deliveries - plus partial disposal of the next 14 - it seems fair to assume that this recapitulation of actual proceeds represents roughly 65% of the total value of all deliveries.

3. On these assumptions the value and composition of the 76 deliveries would be estimated as follows:

Bank notes of foreign countries	RM 21.88 millions
Gold and silver coin and bullion	10.67
Good jewelry and precious metal ware	1.70
Dental gold and broken jewelry	1.65
Securities and postage stamps	<u>.27</u>
TOTAL VALUE	RM 36.17 millions

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Diamonds
Pearls
Dental Gold
Securities

6. The total proceeds from sale of the loot, covering the first forty-four shipments RM 23,455,782.

7. Von Krosigk and other members of the Ministry of Finance knew about this transaction.

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Guerra

Trieste, 5 January 1945.

Classification: 1/44 Top Secret PK

TOP SECRET

Feb 1945

To the Reichsfuehrer, SS and Reich Minister of the Interior
Heil Hitler

From: 1

Reichsfuehrer,

I am taking the liberty of submitting to you in the enclosed a report on the economic development of the Action Reinhardt, as you, Reichsfuehrer, ordered in your letter of 23.9.1943 that I should have this completed and submitted by 31.12.1943. However the recognition given me for the Action also impels me to give you, Reichsfuehrer, an account of the economic side, in order that you, Reichsfuehrer, may thereby see that in this respect also, the work was in order. Though SS Obergruppenfuehrer Pohl has not yet had time to take over, I nevertheless hope that these data will be of assistance.

My winding up and my relief is necessary because I carried out this activity within the framework of the SS and it must therefore be wound up in a proper manner in regard to the competent Reich authorities. The Action Reinhardt was extremely dangerous.

In addition, however, a certain odium still rests upon me to the effect that in all economic matters I do not maintain the necessary order, and in this respect I must advance indisputable proof that this not so.

The accounting is composed of two parts:

- 1.) The economic part of the Action Reinhardt with the subdivisions
 - a) Accounting and delivery of the assets seized and
 - b) Accounting of the assets attained by the work.
- 2.) The Settlers' Economic Association, the conduct of whose economy also rested on my work, and which is now being transferred to civilian hands.

There is one additional factor to be added to the total accounting of "Reinhardt" which is that the vouchers dealing with it must be destroyed as soon as possible after the data have already been destroyed by all other works concerned in this matter. With regard to the SWG (Settlers' Economic Association), the question is not only the financial order, but also a transfer so that this institution may be maintained for the settlers.

Only after I have been relieved of both matters will my functions in both be terminated.

I request, Reichsfuehrer, that you lay down a deadline by which the final winding up has to be completed on the spot on the basis of my data.

I have taken the liberty of sending a copy to SS Obergruppenfuehrer Pohl.

Heil Hitler

Yours obediently

(sgd) GLOBONIK

(Signature)

Reichsfuehrer, SS,
Trieste, 10 Jan. 1945.
Classification: 1/44 Top Secret

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MINISTRY OF DOCUMENTS
GENERAL DEPARTMENT OF DOCUMENTS

Top Secret

1st copy

Reichsamt of the Action Reinhardt.

... in the SS-Economic and Administrative Head Office -
... which I am in charge of and of which I have not been

... is divided into four spheres:

- 1. The organization itself
- 2. The organization of labour
- 3. The organization of property
- 4. The organization of movable goods and landed property

... was to get hold of the people with the
... and to cause as little economic damage as possible
... by methodically appropriate measures.

... Considerable damage occurred only in
... the position, the methods applied
... entirely wrong.

... to carry out the action in Litzmannstr. (Lods)
... transfer.

... provided for this action from seized goods,
... are considered as Reich property, have been removed com-
... of surveillance in each camp a small farm was
... by an expert.

... regularly as paid to him so that he can maintain the small

... camps, to which essential was

... to be created:

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PARTIAL RECONSTRUCTION OF THE WORKING CONDITIONS IN THE CONCENTRATION CAMPS

- 2) Erection of work places with all the working equipment, such as the installation of machinery, power supply, etc.
- 3) The organization of provisions, by making use of the T.I.'s as well as by the erection of farms in the vicinity of the camps.
- 4) Equipment for the establishment of adequate sanitation and hygiene.
- 5) Security measures.
 - a) achieved by adequate security precautions
 - b) by organizing a security organization within the camp
 - c) by adequate guarding

For this purpose the SS guards were developed, the overwhelming majority of whom carried out their duties satisfactorily for the Germans.

Their reliability was to be increased by mixing these guards with Reich German guards from the concentration camps.

- d) The preconditions for a satisfactory security system were created by these camps being taken over by the concentration camp department of the SS Economy and Administrative Head Office.

6) The proper administration and methodical treatment were made possible thanks to extensive training of the German leading personnel. It became apparent that the working capacity of the Jews in the camps was constantly increasing.

7) By the erection of a works management and factory conditions the technical and commercial aspects were ensured.

For this purpose the "Osti" was created, as second works management the German Equipment Works (Deutsche Ausrüstungswerke).

A total of 18 works was established; it was intended to add more. About 52,000 workers were available.

These conditions of work made it possible to accept urgent orders both from the Armament Inspectorate and from Speer, the Reich Ministry, and thus to replace bombed out works.

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...and the German ... other concerns ...

... The number of order ... was fully occupied up to ... for 2 1/2 months.

Exploitation of Property

The exploitation of property which was carried out by Reinhardt has been completed.

Seizure of Property

The seizure of property for exploitation of land property is divided into:

1) Property such as ... materials, etc. handed over by the 'Gabi' ...

2) To date the ... a further 7-8 million Reich ...

3) This seizure and ... that all these were effected and ... with the help of Jews without cost to the ...

4) Seizure of ... and abroad in that the camp inmates were ordered to ... which then carried out the recovery ... of 11,000,000 Reich ... at least half of which ... Moreover, since it was also possible to discover ... abroad, this action could have brought ...

5) Real estate ... to the Real Estate Administration of the Government ... All the above mentioned arrangements were functioning ... as I received an indication from the ... that a potential transfer might be possible ... to finally settling and consolidating the ... and for this purpose have ...

The measures taken ... follow:

1) On the 13.8.1943 ... Camp of Frensdorf was handed over ... Obergruppenfuhrer ... of 14.8.1943 - (Chief 1/Pr./B - Enclosure)

2) On the 7.9.1943 ... with SS Obergruppenfuhrer ... over of 10 SS ... District as subsidiary ... Concentration Camp ... the further handling ... of further working ... The kind of ... Concentration Camp ... This ... brought about by ... and as ... (see also note of ... of ...)

3) ...

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303413

1. SS Gruppenführer Pohl
2. SS Gruppenführer Pohl
3. SS Gruppenführer Pohl
4. SS Gruppenführer Pohl
5. SS Gruppenführer Pohl
6. SS Gruppenführer Pohl
7. SS Gruppenführer Pohl
8. SS Gruppenführer Pohl
9. SS Gruppenführer Pohl
10. SS Gruppenführer Pohl

On 22.10.43, SS Gruppenführer Pohl stated that I was appointed as first manager of the camp by the second manager and a third manager will be appointed. My relief was also approved. I am relieved of my duties only to my supervisor and called his attention to his supervisory duties. I hereby created all the conditions for the continuation of the camp. The conditions of security existed and were guaranteed by the SS Gruppenführer of the Concentration Camp. The relief has not yet been effected.

On 22.10.43 the workers were withdrawn from the labour camps and the work was stopped. The Camp leaders were not informed of this action although the responsibility rested with them. I was thus impeded in my supervisory duties. I instructed the Camp leaders to carry out the winding up and to continue with the contracts and/or transferring stocks.

Before the evacuation of the camp, General Schindler of the Army, the Colonel, General, arranged with the Camp Leaders on the basis of an agreement from SS Gruppenführer Trüper, that

- a) in future only annual contracts were to be given to the labour camps.
- b) he had received the assurance on 2.11 that a further 10,000 Jews were to be removed for annual work.

It was no longer possible to carry out with this arrangement.

(sgd) Globocnik.

SS Gruppenführer and Lt. General of Police.

These enclosures are the papers mentioned in SS Gruppenführer Globocnik's letter of the 5.1.43. They have been taken out to facilitate depositing.

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Entry Finance
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303414

On the Administrative Development of the Action Reinhardt

I. All the assets acquired as a result of this Action were centrally mustered by an administration set up by me, duly classified and booked. The latter extends to the Government-General. The personnel came from the SS Economic and Administrative Head Office (A.H.).

The utilization and winding up of the assets was carried out on the basis of directives by the Reichsführer SS. During the course of the Action this was summed up in a directive of 26.9.42 and 12.43, and the SS Economic and Administrative Head Office was given the task of winding up with regard to the Reich authorities.

The assets I collected were regularly delivered to the SS Economic and Administrative Head Office against receipts, and they in turn passed on the assets to the Reichsbank, the Reich Ministry of Finance, textile concerns, etc.

On the orders of the Reichsführer SS, necessary articles could be removed for the maintenance of persons of the German race. The Reichsführer SS forbade any appropriation for the purposes of the SS.

What is remarkable about the accounting is that no hard and fast basis for the amount collected existed, as the collection of the assets was carried out under orders and only the decency and honor, as well as the surveillance, of the SS men used for this purpose could guarantee a complete delivery. However, what was seized and collected and received by the Department Reinhardt was listed and delivered without error and with the greatest accuracy. A preliminary examination up to 1.1.43 by SS Obersturmbannführer Vogt of the SS Economic and Administrative Head Office has already taken place and has revealed perfect order. For the balance, the preliminary examination has still to be carried out.

In accordance with an agreement with the Reich Ministry of Finance, this preliminary examination is final and the vouchers and data will be destroyed in accordance with Security regulations, except that the Reich Accounting Office.

II. The assets accounted for are divided into:

1) Sum of Reichsmark 20.210

The entire expenditure transport costs, dues, etc. incurred as a result of this Action were covered from these receipts. By far the greater portion was placed at the disposal of the SS Economist in the Government-General and the amounts were credited to the Action Reinhardt in Reichsmark by the SS Economic and Administrative Head Office by an accounting transaction and handed over to the Reichsbank.

A small portion was used for foreign currency purposes as a credit for various economic enterprises. Also credited by the SS Economic and Administrative

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303:15

... by an accounting transaction.

... differences arising from increases in price of urgently required raw material... were covered. All these transactions were done with the consent of the SS Economic and Administrative Head Office. A further amount was... the disposal of the Concentration Camp... building, operations, to develop the... and to obtain the necessary agri-... Exact accounts were... these were always confirmed by me, and... covering this will also be attached to... The accounts were kept by the... Chief of the Concentration Camp and... kept separate from my administration,... Administration Lublin by... the SS Economic and Administrative Head... The authority which finally takes over the... will have to reimburse Reinhardt for those...

... in bank notes or coined gold was... sorted, and also handed over to the... via the SS Economic and Administrative...

... jewelry, watches and such like were sorted according to their value and delivered to the SS Economic and Administrative Head Office. On orders from this office, watches of non-precious metals were handed over to the troops, spectacles were repaired and placed at the disposal of wounded persons, and utensils of no value were principally handed over to Submacht authorities to cover urgent needs. The necessary transfer vouchers are available.

... textiles, garments, underclothing, bed feathers and... were collected and sorted according to their quality. The sorted articles had to be searched for hidden valuables and finally disinfected. More than 1,900 wagons were then placed at the disposal of the authorities named by the Reich Ministry of Economy by order of the SS Economic and Administrative Head Office. Out of these stocks not only foreign workers were clothed but a large portion was... for re-manufacture. No case of sickness became... although these garments frequently came from... suffering from spotted typhus. The disinfection therefore was inadequate.

... most garments were separated and by order of the... SS were used for supplying persons of... These were also sorted according to... they could be used and then either given... or to concentration camps... or else taken to places... for supplying inmates.

... of special kind, such as... and delivered...

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Other articles received, such as soap, washing materials, clothing, and cutlery, and the like, were used in the Jewish camps; glass, old iron articles, etc., were sent to the salvage centers for re-manufacture.

The food brought on the transports was used to help alleviate the Jewish camps.

Personal furniture and household utensils were re-possessed and mainly put at the disposal of settlers. The furniture was also loaned to the SS and Subsequent authorities against the collection bills. Inferior goods were either destroyed or given to the population as a reward for good work or for desert, etc.

It was attempted to take from articles which could not be used parts such as locks, hinges, and the like, to use these elsewhere.

Accounting pertaining to the loaned articles were forwarded monthly to the Higher SS and Police Chief.

In accordance with the order of the Reichsfuhrer SS of 22.12.42, all Jewish markets are now closed, evaluated and passed on. The market is hardly any more left now.

Equipment which was necessary for carrying out the action, such as blankets, camp equipment, vehicles, and such like, which had been repossessed at the action obtained, is still on hand.

The equipment has been registered. A detailed list, however, will be made as to what purpose it is to serve.

The total value of the articles received is, according to the attached list, approximately 18,000,000 Reichsmarks. However, certain values have been assured, so that the total value is likely twice as much, quite apart from the value of the articles obtained which are in short supply, such as tobacco, etc. which have more than 1,000 wagons have been made available to the Jewish camps.

(signed) GLOBECCHE

SS Gruppenfuhrer
and the General of Police

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303417

Partial translation of
Document 4022 - PS

- 1 -

Precious Metals

236 Gold bars	2,909.08	Kg	a RM 2,800.--	--	RM 8,147,104.--
2134 Silver bars	18,733.69	"	" " 40.--	--	" 749,347.6
Platinum	15.44	"	" " 5,000.--	--	" 77,200.--
					<u>RM 8,973,651.6</u>

Foreign Currency in Notes:

USA Dollars	1,081,521.40	a RM 2.50	RM 2,703,803.50
English Pounds	15,616.11	" 9.30	" 145,512.80
Palestine Pounds	4,922.50	" 9.30	" 45,779.25
Canadian Dollars	8,966.25	" 2.50	" 22,415.62
Poulof	2,454,278.35	" -.10	" 245,427.84
French Francs	1,468,486.35	" -.05	" 73,424.31
Swiss Francs	119,302.33	" 5.80	" 691,953.51
Lira	6,465.08	" -.10	" 646.50
Protectorate Croon	1,725,601.50	" -.10	" 174,560.15
Turkish Pounds	39.50	" 1.90	" 75.05
Belgie	12,449.25	" -.40	" 4,979.70
Ind	55,975.54	" -.02	" 1,119.51
South African Pounds	119.4	" 4.40	" 525.80
Dutch Guilder	133,986.95	" 1.33	" 178,202.64
Leves	9,925,421.--	" -.01	" 59,954.21
Australian Pounds	55.--	" 2.50	" 137.50
Dinars	435,641.--	" -.05	" 21,782.05
Karbowenetz	134,169.--	" -.10	" 16,416.90
Porgosa	28,392.40	" -.60	" 17,035.50
Slov. Croons	105,538.35	" -.10	" 10,353.84
Finchmas	4,672,119.70	" -.01	" 97,508.29
Swedish Croons	4,377.--	" -.60	" 2,626.20
Norwegian Croons	775.--	" -.60	" 465.--
Argentinian Pesos	977.55	" 1.--	" 977.55
Pesos	1,271.--	" 2.40	" 3,050.40
Finish Marks	1,110.--	" -.05	" 57.--
Denish Croons	1,270.--	" -.52	" 660.40
Brazilian Milreis	33.--	" -.09	" 5.67
Thailand Pounds	20.--	" 4.40	" 88.--
Litas	175.--	" -.10	" 17.50
Yen (Japanese)	4.--	" -.50	" 2.--
Rs	20.--	" -.10	" 2.--
Paraguayan Pesos	14.--	" -.60	" 7.20
Cuban Pesos	57.--	" -.60	" 28.20
Uruguayan Pesos	1.--	" -.60	" -.60
Bolivian Pesos	3.40	" -.60	" 2.70
Mexican Pesos	3.--	" -.50	" 1.50
Albanian Francs	195.44	" -.10	" 19.54
Rhodian Pounds	8.--	" 4.--	" 32.--
New Zealand Pounds	-.10	" 2.--	" 2.--
Algerian Francs	30.--	" -.10	" 3.--
Lux. Francs	40.--	" -.50	" 20.--
Javan Guilder	10.--	" 1.30	" 13.--
Dunkig Guilder	1,038.--	" 1.--	" 1,038.--
Columbian Pesos	1.--	" -.60	" -.60
Mozambique Escudos	1.--	" -.60	" -.60
Manchukuo Cents	15.--	" -.50	" 7.50
Chinese Dollars	1.--	" 1.50	" 1.50
			<u>RM 6,521,224.13</u>

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Agency in gold column

Agency	Value	Rate	RM
USA Dollars	249,771.50	4.20	1,049,040.30
English Pounds	610.--	20.40	12,444.--
Roubles	159,023.--	2.15	425,813.95
Austrian Crown	13,230.--	-.85	62,245.--
French Francs	18,870.--	1.62	62,969.40
Belgian Francs	3,485.--	1.--	23,485.--
200 Esc	20,000.--	1.--	200.--
Swiss Francs	6,970.--	16.50 (f.20 Frs)	23,001.--
Dutch Guilder	6,614.--	10.--	66,140.--
Italian Lira	5,740.--	-.50	1,870.--
Spanish Peseta	2,925.--	2.3	1,950.--
Portuguese Escudo	3,75.--	3.50	1,462.12
Yugoslav Dinar	2,740.--	-.58	876.--
Czech Koruna	30.--	1.50	15.--
Polish Zloty	1,377.50	1.50	588.75
Japanese Yen	1.--	20.40	81.68
Chinese Yuan	905.--	17.-- (f.10 Ft)	1,538.50
Indonesian Rupiah	7.--	20.40	142.80
Philippine Peso	41.--	-.50	20.50
Thai Baht	30.--	11.20 (f.10 Kr)	33.60
Siamese Baht	33.--	11.20 (f.10 Kr)	61.60
Malayan Ringgit	33.--	1.50	75.--
Malay Dollar	80.--	1.--	80.--
Indonesian Dollar	2,060.--	-.50	1,030.--
Indonesian Rupiah	360.--	11.20 (f.10 Kr)	403.20
Indonesian Dollar	17.--	10.--	170.--
Indonesian Dollar	2.--	1.50	1.--
Indonesian Dollar	10.--	4.20	42.--
Indonesian Dollar	111.50	4.20	468.--
Indonesian Dollar	20.--	1.50	10.--
Indonesian Dollar	1.--	5.--	5.--
Indonesian Dollar	180.--	1.62	291.60
Indonesian Dollar	1.--	1.80	1.--
Indonesian Dollar	1.--	4.20	4.20
Total			RM 1,736,554.12

Agency in gold column

Average in RM RM

12,000	King, gold, with brilliants and diamonds	1,500.--	23,824,508.--
2,000	Gold wrist-watches	250.--	2,254,750.--
3,000	Men's gold pocket watches	500.--	1,840,400.--
2,500	Watches with brilliants & diamonds	3,500.--	1,232,000.--
1,500	Gold earrings with brill. and diam.	250.--	429,000.--
2,000	Gold brooches with brill. and diam.	2,000.--	4,994,000.--
1,000	Single large brilliants	1,000.--	130,000.--
2,000	Individual brilliants	100.--	251,137.--
1,000	Individual diamonds	50.--	672,931.--
1,000	Single large brilliants	100.--	29,100.--
1,000	Men's gold wrist-watches	100.--	66,000.--
500	Gold fob watches with brilliants	500.--	229,000.--
1,200	Gold watches of platinum & brill.	1,200.--	327,600.--
250	Gold fob watches	250.--	87,250.--
	Total		36,387,765.--

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	brought fwd.	Average	\$M
362 -	pieces gold watches with brill. & diam.	1.24	38,277,788.00
27 -	bracelets with brill. & diam.	600.00	217,200.00
40 -	Gold bracelets	250.00	6,750.00
18 -	Gold bracelets	350.00	11,000.00
114.20 kg -	Gold bars, 999.9, brilliant	1.00	2,700.00
63 -	Gold watches	1,000.00	6,000,000.00
4 -	Gold watches	1,000.00	8,000.00
3 -	Gold watches	1,000.00	1,500.00
4 -	Gold watches	600.00	2,400.00
4 -	Gold watches	1,300.00	5,200.00
4 -	Gold watches	1.00	1,000.00
12 -	Gold watches	800.00	9,600.00
1 -	Gold watch	2.00	200.00
1 -	Gold watch	16.00	160.00
50 -	Gold watches	400.00	20,000.00
7 -	Gold watches	10.00	611,250.00
1 -	Gold watch	600.00	600.00
1 -	Gold watch	60.00	180.00
1 -	Gold watch	2.00	207,250.00
1 -	Gold watch	3.00	9,175.00
1 -	Gold watch	2.00	700.00
1 -	Gold watch	1.00	300.00
1 -	Gold watch	1,000.00	4,000.00
1 -	Gold watch	1,000.00	3,207.00
1 -	Gold watch	1,000.00	750.00
1 -	Gold watch	1,000.00	111.00
1 -	Gold watch	1,000.00	6,045.00
1 -	Gold watch	4,000.00	5,572.00
1 -	Gold watch	1,000.00	3,200.00
1 -	Gold watch	10.00	615.00
1 -	Gold watch	2.00	650.00

12,650,000.00

- 4 -

of clothing, underclothing, hat for those
 and value of an average value of \$M 28,000,000.00
 as average value of \$ 20,000,000.00
 48,000,000.00

High Circulation

1 -	High Circulation	\$M	73,252,000.00
1 -	High Circulation	\$	8,893,412.00
1 -	High Circulation	\$	4,502,000.00
1 -	High Circulation	\$	1,775,000.00
1 -	High Circulation	\$	10,000,000.00
1 -	High Circulation	\$	1,000,000.00

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Reinhardt* also
Secret*

Initialed H

Field-Command Post, SC Nov. 1943
Personal Staff, Reichswehr SS
Correspondence Administration
File No. Secret 155

Rubber
Stamp

Higher SS and Police Chief in the Adriatic Coast
Area of operations,

SS Gruppenfuhrer GLOBOCNIK

Dear GLOBOCNIK,

I confirm receipt of your letter dated 4-11-43
and your notification regarding the termination of
action Reinhardt. Also I thank you for the portfolio
you sent me.

I express to you my thanks and my acknowledgment
for the great and unique services which you have per-
formed to the entire German people by carrying out the
Reinhardt action.

Hail Hitler!

Sincerely yours

H.H. (H. Himmler)

Chief of Command 1021 PG

2nd August, 1946

I am thoroughly conversant with
the fact that the above is a true and
correct copy of the original.

(1947)

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 Authority AND 765072
 By IE NARA Date 8/3

RG 260
 Entry Finance
 Box 423

General

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*Monthly Report
 May 1945*

III FURTHER EVIDENCE ON DISPOSITION OF S.S. LOOT
 BY REICHSBANK

A. SUMMARY.

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 Authority WWD 775059
 By SL NARA Date 1/7/97

1. The story of the SS loot given in the April Monthly Report has been supplemented in important details by Reichsbank records received from Magdeburg and by further interrogation of the Chief of the Reichsbank Precious Metals Department.

2. The Reichsbank received some 76 deliveries of SS loot between August 1942 and February 1945. Sale of about half the loot realized RM 24,000,000, suggesting a total value approaching RM 50,000,000. Over half the value of sales was accounted for by foreign notes, gold and securities bought directly by the Reichsbank.

3. The participation of Vice-President PUHL and other Reichsbank officials is further attested by the records and the interrogation.

B. MAGDEBURG RECORDS.

1. Sixteen sacks of records of the Reichsbank Precious Metals Department were found at Magdeburg. Two, labelled "WEIMER", contained the records of the SS transactions.

2. These records showed that the first of the 76 deliveries of loot by the SS, was made on 26 August 1942 and the last on 27 January 1945. Cashiers were instructed to transfer sales proceeds to the account "MAX HEILIGER."

3. Nine interim reports on sale of the loot had been sent to the SS, the first dated 19 September 1942 and the last dated 24 November 1944. Worksheets for a tenth report showed that various securities ranging back to the 5th delivery (1942) were still in process of liquidation. Participation of

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Degussa and the Mint in smelting jewelry is shown by numerous receipts.

4. Total value of sales shown by the nine reports is RM 23,900,940, (i.e., \$ 9,560,000 converted from gold RM), which is confirmed by Albert Thoms, chief of the Precious Metals Department. If Thoms' estimate that only about half the loot had been sold is correct, the total value approaches RM 50,000,000. It is likely that the unsold loot found at Merkers includes a greater share of the less readily convertible items--jewelry, gold teeth, etc.--and a smaller share of bars, coins, and paper money.

5. Over half these sales, according to Thoms, is accounted for by direct purchase of foreign notes, gold, and securities by the Reichsbank itself. The main items of loot in order of importance and the office through which they were sold are:

- a. Foreign notes and coin - Sorten Department
- b. Jewelry - Berlin Pawnshop
- c. Gold - Precious Metals Department
- d. Securities - Wertpapier Department
- e. Other
 - Silver and) - Precious Metals Department
 - Old coins)
 - Rings over)
 - 90% gold con-) - Prussian Mint (poorer rings
 - tent and) sold to Degussa through
 - Damaged gold) the Pawnshop)

C. OFFICIALS IMPLICATED.

1. Thoms named the following Reichsbank officials as "in the know" concerning the SS loot:

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- a. Direktorium: PUHL
KRETZSCHMANN
- b. Kassendezernent: FROMMKNECHT
- c. Hauptkasse: PEPLAU 1st director
KROPP 2nd "
EGGERT alternate
LENBACH "
MEISTER "
REISSNER "
RUTHS "
- d. Precious Metals Dept:
(cashiers) BAUTZ KULIGK
BECKER MÖCK
KRAUSE THIMM
VORMELCHER

2. The cashier of the Berlin Pawnshop was KIESEWETTER.

3. SS men involved were Brigade-Führer FRANK and Obergruppenführer WOLFF, who made the arrangements; MELMER, SCHULZE? FURCH, and SCHULZ, who made the deliveries. FURCH replaced MELMER as deliveryman beginning with Delivery No. 53, August 1944.

4. PUHL is clearly implicated by a memo in the files of the Precious Metals Department, written by KROPP, 2nd director of the Hauptkasse, 31 March 1944: "On the basis of a confidential verbal agreement between Vice-President PUHL and the head of a Berlin government bureau, the Reichsbank has undertaken to sell the domestic and foreign money, gold and silver coins, precious metals, securities, jewelry, watches, precious stones and other valuables acquired by this bureau. These articles will be handled under the code-word 'MELMER'".

D. OPINION CONCERNING NAZI PARTY INFLUENCE ON REICHSBANK

1. The Bank was always reluctant to handle a business it considered out of its line, according to Thoms. The Bank

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accepted the SS business in 1942 on SS Brigade-Führer FRANK'S assurance to PUHL that there would be only a few small deliveries. The deliveries however went on and on.

2. If PUHL had refused to handle the loot for the SS, Thoms believed the SS would have asked GÖRING, as director of the Four-Year Plan, to force him. The Four-Year Plan directed the disposition of all gold and foreign exchange. It was interested in the SS loot as a means of realizing additional gold and foreign exchange for war economy needs.

3. When in the spring of 1944 GÖRING sought to have the Bank handle the "considerable" loot of the Trustee Office for the Occupied East, the Bank successfully begged off on grounds of insufficient personnel. Thoms believes this loot was sold to GÖRING'S satisfaction through a commission of German jewelers.

4. Five deliveries of loot from Warsaw SS chief SEIBEL in December 1944 and January 1945, totalling over 30,000 RM, were accepted by the Bank and handled on the same basis as the MELMER deliveries.

5. Thoms spoke of LANGE as the political leader in the Bank. He knew of no dismissals by LANGE but said that of course people had to join the Party to keep their jobs.

E. SIGNED STATEMENT BY ALBERT THOMS.

To complete the record, Thoms was asked to write in his own words an account of the SS affair and the personalities concerned. His signed account follows:

"In autumn (?) 1942 I heard from Reichsbankdirektor PEPLAU--first director of the Hauptkasse in Berlin--that Reichsbankdirektor FROMKNECHT wished to talk with me about gold business. Herr Fromknecht told me that after an arrangement between Vice-President PUHL, Obergruppenführer SS WOLFF and

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Brigadeführer SS FRANK, the Reichsbank had to take care of the sale of booty-goods from the Reichsführer SS-Wirtschaftsabteilung (Economic Department). He added that there were expected only some deliverings.

"The amounts for the delivered valuables had to be transferred according to the order of the Reichsführer SS to the Reichshauptkasse (Treasury) for the account of the Reichsminister of Finance--"MAX HEILIGER." The whole affair should be treated confidential so that only the leading persons of the Hauptkasse (Reichsbankdirektor PEPLAU, Direktor EROPP and the other substitute directors) and those people who worked in the Precious Metals Office were informed about it.

"The valuables were brought by Obersturmführer MEINER and later on by Sturmführer FURCH who wore always civilian clothes.

"As it was known in the Bank that the amounts for the booty-goods from the Wehrmacht, who had to send the valuables directly to the Reichshauptkasse (Treasury), were also put to the credit of the Reichsminister of Finance, it was evident that the Reichsbank only had to take upon itself the character of a trustee and that the Reichsführer SS wished the work of counting and assorting to be made by the Reichsbank.

"All jewelry, gold and silver ornaments and damaged gold (Bruchgold) were delivered to the Städtisches-Leihamt (Pawnshop) in Berlin. Gold wedding rings were sent for smelting to the Preussische Staatsmünze (Mint) in Berlin. Foreign notes and currency, gold coins and gold bars, German notes were directly bought by the Reichsbank.

"The Reichsbank acted as intermediary in the unusual business in jewelry. When at later times the Haupttreuhandstelle Ost (Trustee Administration for Occupied East) intended to give

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such material to the Bank to handle, the Bank refused, although the Four-Year Plan had consented beforehand to this plan.

"In all important gold transactions the Four-Year Plan had the leading and decisive role. Without the consent of the Four-Year Plan, the Reichsbank Direktorium could not dispose of gold or--as far as I know--foreign currency notes in larger amounts.

"The management of banking business was in the hands of Vice-President PUHL and Reichsbankdirektors WILHELM, KRETZSCHMANN and BAYRHOPFER as members of the Reichsbankdirektorium.

"The special managers for transactions in gold and foreign currency notes were--after Puhl and Wilhelm--Reichsbankdirektor REINEL and Direktor JAHNKE.

"The leading man in cash-affairs--after Reichsbankdirektor Bayrhoffer--was Reichsbankdirektor FROMMKNECHT.

"The political and social management was under Vice-President LANGE assisted by Direktor JAENE.

"The representatives of the employees of the Bank in political and social affairs were Herr HELMBOLDT and Herr KATSCH; the officials of the Bank were similarly represented by Reichsbankdirektor ROSENBERG-LIPINSKY and Direktor OBERKAMPF. "

_____/s/ Thoms _____
Head, Precious Metals Dept.,
Reichsbank, Berlin

Frankfurt/Main
29 May 1945

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Entry Finance
Box 423SECRETV. DISPOSITION OF S.S. LOOT BY REICHSBANK.A. SUMMARY.

1. The Reichsbank appears to have acted as the personal agent of Himmler in converting SS loot into orthodox financial assets. The Bank concealed these activities by the use of cover names. The loot was received for the account of an individual called MELMER; its value after assessment was credited to the account of MAX HEHLIGER. Only about a dozen persons knew these code names.

2. Also implicated in handling the loot are the Reich Finance Minister, the Mint, the Reichs Pawnshop, and the precious metals firm Deutsche Gold- und Silber Scheideanstalt, Degussa, (associated with I.G. Farben through certain agreements) and an important agency of the German "East Asia Consortium".

B. CONTENTS OF S.S. LOOT FOUND AT MERKERS.1. At the mine.

a. When the Kaiseroda saltmine at Merkers, Germany, was found by US forces on 8 April 1945, it contained not only a gold hoard but a special pile identified by Albert Thoms, chief of the Precious Metals Dept., Reichsbank, Berlin, as S.S. loot. This loot consisted of 189 containers, suitcases, boxes, etc., and 18 bags. The lot was carefully piled in a corner of the cave, separate from the other items, occupying an area about 20 ft. by 30 ft.

b. Each container bore a packing slip showing contents. Each bore a shipping tag of the sender: Deutsche Reichsbank, Hauptkasse, (1) Berlin C 111. Each tag bore the name "Melmer"; the number assigned to the suitcase, box, package or bag; and the weight.

c. Some suitcases and boxes were wired together. Some had sprung open.

2. Examination of contents in Reichsbank, Frankfurt.

a. About half the containers were opened on 17 April 1945 after removal from the mine and further examination was made on 7 May 1945. The containers held every conceivable kind of personal article of value and considerable currency.

b. A rough list is as follows:

Ornamental silver - trays, candlesticks, etc.
(231 lbs. of it in one suitcase alone)
Flat silver - knives, forks, spoons
Passover cups and candlestick holders, silver
Gold and silver dental work, some melted down
(full bags)
Watch chains and cases, gold and silver
Cigarette cases, gold and silver, some with engraved names, some with names scratched out
Powder puff cases
Silver thimbles
Opera glasses
Spectacle frames

Monthly Report
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Box 423**S E C R E T**

Rings, gold and silver and with precious stones -
wedding, engagement, anniversary, etc. - strung
on strings or wires.
Necklaces and strings of beads - apparently diamond,
pearl, silver, gold.
Earrings.
Bracelets.
Stickpins.
Curlings.
Tiaras.
Coins and currency of many nations and denominations -
including 10 and 20 dollar gold pieces, silver pounds
sterling, US and British paper money, great amounts
of Polish zloty.
Silk stockings.

c. Case 71, for example, contained 1,536 brace-
lets of gold, silver and lacquer. There were 2,656 gold watch
cases listed in one box. There were coins and currency total-
ing 850,300 Polish zloty in a suitcase. A box with a shipping
tag dated 15 September 1944 listed 600 pieces of table silver.
Silver dental work weighing nearly 22 lbs. were in one suit-
case.

d. A suitcase of ornamental silver had the
stamp of the Danzig Main RR station, 31 March 1944. A couple
of suitcases actually had what looked like "SS" written in
red pencil on an outside label; one of these contained the
231 lbs. of silver items noted before.

e. The 18 bags contained gold and silver bars.

C. FIRST STATEMENT BY ALBERT THOMS.

Albert Thoms, Reichsbankrat, chief of the Precious
Metals Department of the Reichsbank, was in charge of storing
the Reichsbank gold hoard and other valuables including this
S.S. loot in the Kaiseroda salt mine at Merkers. He was
found attempting to get away from the mine and taken into
custody. In his first interrogation, 12 April 1945, he
made the following reference to the S.S. loot:

"The first time we brought coins and gold which
took four days to unload. The second shipment was unloaded
in about two days. The silver and gold articles in the
cases came from the S.S. Economic Department. We got orders
to hold them here because they were in danger of being de-
stroyed by bombing. All the cases in one corner came from
the S.S. I think they came from the East. The Reichsbank
was approached on the matter of keeping the articles in the
mine."

D. SECOND STATEMENT BY ALBERT THOMS.

Thoms elaborated a little in his interrogation on
18 April 1945:

"The total of precious metals in Merkers was around
RM 500,000,000 perhaps more, not including the S.S. holdings
there. The deposit of S.S. was kept only for last year.
This is an innovation. The stuff was turned over and the
Reichsbank took only the weight of the contents from a
scale. The contents were then put in bags and sent to the
municipal pawnshop. This institution made an appreciation of
the value to the Reichsbank which reported it to the Reichs
Finance Minister."

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"The pawnshop already had paid about 7,000,000 to 10,000,000 RM through the Reichsbank to the Finance Minister. The stuff in Markers was given to the Reichsbank but not yet pawned."

"Reichsbank notes and foreign currency notes turned over by the S.S. were bought directly by the Reichsbank at full value."

"The pawnshop sold the silver, gold teeth, etc., from the S.S. abroad."

E. THIRD STATEMENT BY ALBERT THOMS.

Arrangements to have Thoms stay in Frankfurt were made so he would be available for questioning in regard to gold control books covering the Markers hoard. After a study of the available records, Thoms was interrogated again on 6 May 1945. The following information was obtained:

1. Arrangements to handle the loot.

Thoms retracted his statement of 18 April 1945 that the handling of S.S. loot by the Reichsbank was an "innovation" of last year. A reference to his gold books now in our hands, recalled to him that the account began in 1942. It started when S.S. Brigade Führer FRANK telephoned the Reichsbank Vice-President FUHL. S.S. Brigade Führer WOLF was also involved in the arrangements. Reichsbankdirektor FROMMNECHT instructed Thoms to receive the deliveries. During the past two and a half years upwards of 60 deliveries were made. The deliveries varied in size.

2. How the Reichsbank disguised its participation.

The loot was received for the account of an individual called MELMER. The value of the loot after assessment was credited to the Account of an individual called MAL HEILIGER. These names were used as cover for the S.S. or S.S. Reichsführer Himmler. Thoms and his clerks were not allowed to write "S.S." in the books. The accounts are listed somewhat illegibly in the gold books we have; a rough compilation of MELMER entries which Thoms helped identify is shown below under the value of loot. Thoms said only five or six persons in his department knew the identity of these accounts.

3. How the Reichsbank received the loot.

Melmer came as a private individual with truckloads of suitcases, boxes, packages, bags, etc. He received a receipt from Thoms or a clerk for the itemized contents of each container. Once or twice Thoms noted a container stamped "Konzentrationslager". Once some Polish zloty came in wrappers of the Emissions Bank, Lublin. Thoms, however, claims to have regarded the stuff as ordinary "booty" or spoils of war from Jews and other peoples in the Occupied East. Of concentration camps he claimed to have known only of Dachau and Oranienburg until his recent trip with the A/Director, Finance Division, to Buchenwald.

4. How the Reichsbank "cashed in" the loot for the S.S.

a. Ordinary Wehrmacht booty went to the Reichshauptkasse, or Treasury; and coins and currency seized by the Wehrmacht were bought by the Reichsbank. In the case of S.S.

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loot, however, the Bank handled everything, coins and currency and personal booty. Gold and silver bars and currency were bought by the Bank at full value. Of the precious metals for re-smelting, some, usually small items like gold rings, went to the mint and were smelted. Larger items for re-smelting went mostly to the Reich pawnshop; the biggest share of these items was probably smelted by Degussa, which paid a higher price for precious metals for re-smelting than the Mint, and was the biggest firm in the precious metals business. Some of the better jewelry was sold abroad instead of being melted.

b. Melmer's deliveries thus went through the Precious Metals Dept., were bought by the Bank (bars and currency) or by the Mint (gold rings), or by the Pawnshop (personal booty) for resale (a) abroad (some jewelry) or (b) to Degussa (larger items). Credit from all these sales was transferred via Giro to the Minister of Finance for the Konto MAX HEILIGER, i.e. the account of the SS.

5. Value of SS loot handled by Reichsbank since 1942

a. The total value of Melmer's 60 or more deliveries should be accounted for by the total amount already "cashed in" and credited to the account of Heiliger, plus the value of the unsorted loot found in Merkers. Thoms estimates very cautiously that the Konto Heiliger ran up to around 7,000,000 to 10,000,000 RM. He estimates the Merkers loot at roughly half of all Melmer's deliveries. If this loot ran at about the same value as lots already cashed in, the total handled by the Bank would be between 14,000,000 and 20,000,000 RM. (i.e. \$ 5 - 8 Million converted from Gold RM).

b. A compilation of "Melmer" entries in books now on hand shows only the equivalent of 1,400,000 dollars, broken down as follows:

	<u>fine grams gold</u>
Received direct from Melmer:	
On hand 1 March 1945	20,823.2
Previously released	390,864.8
Smelted by Degussa (all released)	866,730.2
	<u>1,278,418.2</u>

6. Degussa. (Deutsche Gold-und Silber- Scheideanstalt)

a. Degussa's Berlin premises were destroyed by bombing late in 1944. Thoms believes the vaults were not destroyed and important records would have been kept there. The Berlin transactions were recorded there and not at the headquarters in Frankfurt.

b. Normally, Degussa was allotted 200 kilograms of gold a month by the Reichsbank for industrial uses. In addition, the firm was allowed to maintain a large stock of gold--Thoms first said it might have been as high as 2,000 kilograms (6,000,000 RM), later said it was less. Any surplus over anticipated needs was to be returned to the Reichsbank. The stock was for dental, chemical, photographic uses, etc. Since August 1944 no gold has been allotted for industrial purposes, so that Degussa's stock may be low.

c. Degussa figures prominently in Metallgesellschaft records seized at the castle of the Duchess of Hesse.

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S E C R E T

This firm was not only largest in precious metals but also had agreements with Farben and Metallgesellschaft for producing gas masks and other items. After the German attack on Russia, Degussa helped transmit German mail to Japan and USA; mail was flown in Italian planes to Rio de Janeiro for stamping and postmarking and thence dispatched. Degussa has an office in Shanghai which handles affairs of the German "East Asia Consortium".

7. conclusion.

The sums estimated by Thoms appear an understatement for the loot handled by the Reichsbank since 1942. Certainly, they cannot begin to represent the total extent of the operations of the SS "economic department" which for 12 years has disposed of the personal and household valuables of millions of racial and political victims of the calculated Nazi policy of extermination. ✓

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Entry Finance
Box 423*General***D R A F T T A B - Evaluation of the loot.**

1. The Reichsbank made periodic reports on the value of the loot as it was disposed of. Recapitulation of the nine such "partial reckonings" made shows the following proceeds actually received:

Bank notes of foreign countries	RM 14.220.059,11
Gold and silver coin and bullion	6.934.669,70
Good jewelry and precious metal ware	1.107.686,84
Dental gold and broken jewelry	1.074.351,00
Securities and postage stamps	<u>175.681,97</u>
TOTAL VALUE	RM 23.512.444,62
Expenses of disposition	<u>56.662,66</u>
TOTAL NET PROCEEDS	RM 23.455.781,96

2. Assuming the average value and composition of successive deliveries constant, these actual proceeds may be extrapolated to provide an estimate of the total value of the 76 deliveries. Since these nine "partial reckonings" cover practically complete disposal of the first 44 deliveries - plus partial disposal of the next 14 - it seems fair to assume that this recapitulation of actual proceeds represents roughly 65% of the total value of all deliveries.

3. On these assumptions the value and composition of the 76 deliveries would be estimated as follows:

Bank notes of foreign countries	RM 21.88 millions
Gold and silver coin and bullion	10.67
Good jewelry and precious metal ware	1.70
Dental gold and broken jewelry	1.65
Securities and postage stamps	<u>.27</u>
TOTAL VALUE	RM 36.17 millions