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Authority NND 775052

By JA NARA Date 8-9

RG 260
Entry Finance
Box 29

R I C T E D

DFIN/P(46)198 Revise

ALLIED CONTROL AUTHORITY

FINANCE DIRECTORATE

Draft Memorandum to the Coordinating Committee on Foreign Currencies and Securities in Germany.

1. After observing the report of the German External Property Commission, GMEC/Memo(46)37, concerning foreign securities in Germany, the Coordinating Committee agreed, at the meeting of 22 August 1946 CORC/M(46)43, No. 46C, to return the matter to the Finance Directorate, who, in consultation with the Legal Directorate, was to study this question further, concurrently with that of foreign currencies found in Germany.

2. Question pertaining to foreign holdings, currencies, and securities, are thus unified into a single problem, on which the Finance Directorate has received two communications from the Legal Directorate:

DLEG/SEC(46)96 of 28 May 1946, on securities;
DLEG/SEC(46)208 of 26 September 1946, on currencies.

In these two communications, the French, American and British members of the Legal Directorate expressed the opinion that foreign holdings should be considered German external property, subject to Law No. 5 of the Control Council; the Soviet Delegate was of an opposing opinion.

3. The opinions of the members of the Finance Directorate were split in the same manner.

A. Opinion of the French, American and British members.

Foreign Holdings in General.

4. Adopting the opinion of the French, American and British members of the Legal Directorate, they consider that foreign holdings, currencies, shares, bonds, et cetera, are included in the rights, securities and interests relating to property outside of Germany, in accordance with Articles II and III of Law No. 5, and that this property covers a wide scope, real and personal property, partner shares, credits or debits, et cetera, in accordance with Article X b) of Law No. 5.

5. In fact, foreign shares represent property shares in enterprises outside Germany; foreign bonds are the proof of credit rights on a debtor outside Germany; foreign currencies are means of payment and are legal tender only in those countries outside Germany which issues them. The value of the unit of currency solely depends upon the ability and willingness of the issuing country to redeem in goods and services. The asset, therefore, resolves into a claim against a foreign government and as ^{such} becomes an external asset held by Germans. All these diverse holdings are papers representing rights and interests relative to property located abroad, and inasmuch as they belong to Germans, Law No. 5 put them in the custody of the German External Property Commission.

Specific Case of Foreign Securities.

6. Article IV of the Potsdam Agreement, paragraphs 8 and 9, establishing the fundamental bases for Reparations, states that if a German enterprise is located in the occupation zone of one of the contracting powers, the other powers should relinquish claim to whatever shares of this enterprise may be found in their own zone. Consequently, the shares, depending upon the fate of the enterprise in which they represent shares of ownership, and the factor

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mines German assets allocated for reparations, is not the location of the property, but definitely the location of the property itself. There is nothing opposed to applying this principle to securities of foreign enterprises where they are in the possession of Germans.

7. The Legal Directorate, in answering a question put by the Reparations, Deliveries and Restitutions Directorate, and by unanimous agreement of all four members DLEG/SEC(46)213 of 30 September 1946, declared that property subject to restitution should be included in the property defined by Law No. 5, in a very large sense, and that it was impossible to exclude therefrom personal negotiable securities. Consequently, if securities, without differentiating between German and foreign securities, should be relinquished when there is a question of restitution, nothing should prevent their being handed over when it is a question of reparations for which assets abroad are allocated, insofar as they are German property, and the certificates themselves are proof of this ownership.

8. It therefore results from the Potsdam Agreement and from the unanimous paper DLEG/SEC(46)213 that the foreign securities deposited in Germany are taken in charge by the German External Property Commission and that the latter will have to dispose of them in accordance with the territorial distribution regulations agreed to in the matter of reparations.

Special Case of Foreign Currency.

9. Applying to foreign currency found in Germany the above principles, the French, US and British members of the Finance Directorate proposed to the Coordinating Committee to adopt the following measures:

10. The currencies in question being regarded as German External Property, it will recommend to the Coordinating Committee to approve their distribution according to the following principles:

a) Currencies issued by United Nations which Germany invaded shall be delivered to the Government of those countries, by way of restitution.

b) Currencies issued by Bulgaria, Finland, Hungary and Roumania shall be delivered to the USSR as external assets to which the Soviet Union is entitled by way of reparation.

c) Currency issued by Italy shall be transferred by the occupying powers to the Italian Government without accountability.

d) Currencies issued by the neutral countries and countries with no recognized reparation claims shall be regarded as German external assets in the countries and divided accordingly by way of reparation.

e) Currencies issued by United Nations which have a recognized reparation claim but which were not invaded by Germany shall be regarded as German assets in those countries and delivered to them on that basis.

f) Gold coins shall not be covered by these principles.

g) Paragraphs a), c) and e) will also refer to forged notes, drawings plates and other technical equipment utilised directly for the production of monetary tokens, for issue by Germany in the territories concerned.

h) Items falling within the categories listed in paragraph g), where the country concerned is one of those covered in paragraphs b) and d), shall be delivered to those countries.

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FINANCE DIRECTORATE

DRAFT MEMORANDUM TO THE COORDINATING COMMITTEE ON
FOREIGN CURRENCIES AND SECURITIES IN GERMANY

1. After observing the report of the German External Property Commission, GEPC/Memo(46)37, concerning foreign securities in Germany, the Coordinating Committee agreed, at its meeting of 22 August 1946 CORC/M (46)43, No. 468, to return the matter to the Finance Directorate, who, in consultation with the Legal Directorate, was to study this question further, concurrently with that of foreign currencies found in Germany.

2. Questions pertaining to foreign holdings, currencies and securities are thus unified into a single problem, on which the Finance Directorate has received two communications from the Legal Directorate:

DLEG/SEC(46)96 of 28 May 1946, on securities;

DLEG/SEC(46)208 of 26 September 1946, on currencies.

In these two communications, the French, American and British members of the Legal Directorate expressed the opinion that foreign holdings should be considered German external property, subject to Law No. 5 of the Control Council; the Soviet Delegate was of an opposing opinion.

3. The opinions of the members of the Finance Directorate were split in the same manner.

A. Opinion of the French, American and British members.

Foreign Holdings in general.

4. Adopting the opinion of the French, American and British members of the Legal Directorate, they consider that foreign holdings, currencies, shares, bonds, etc. are included in the rights, securities, and interests relating to property outside of Germany, in accordance with Articles II and III of Law No. 5, and that this property covers a wide scope, real and personal property, partner shares, credits or debits, etc. in accordance with Article X b) of Law No. 5.

5. In fact, foreign shares represent property shares in enterprises outside Germany; foreign bonds are the proof of credit rights on a debtor outside Germany; foreign currencies are means of payment and are legal tender only in those countries outside Germany which issued them. All these diverse holdings are papers representing rights and interests relative to property located abroad, and, inasmuch as they belong to Germany, Law No. 5 put them in the custody of the German External Property Commission.

Specific Case of Foreign Securities.

6. Article IV of the Potsdam Agreement, paragraphs 8 and 9, establishing the fundamental bases for Reparations, states that if a German enterprise is located in the occupation zone of one of the contracting powers, the other powers should relinquish claim to whatever shares of this enterprise may be found in their own zone. Consequently, the shares, depending upon the fate of the enterprise in which they represent shares of ownership, and the factor, which determines German assets allocated for reparations, i

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to the property, but definitely the location of the property is not in opposition to applying this principle to foreign enterprises when they are in the possession of the Government.

7. The Legal Directorate, in answering a question put by the Reparations, Deliveries and Restitution Directorate, and by unanimous agreement of all four members (DLC/SEC(46)213 of 30 September 1946), declared that property subject to restitution should be included in the property defined by Law No. 5, in a very large sense, and that it was impossible to exclude therefrom personal negotiable securities. Consequently, if securities, without differentiating between German and foreign securities, should be relinquished when there is a question of restitution, nothing should prevent their being handed over when it is a question of reparations for which assets abroad are allocated insofar as they are German property, and the certificates themselves are proof of this ownership.

8. It therefore results from the Potsdam agreement and from the unanimous paper DLC/SEC(46)213 that the foreign securities in Germany are taken in charge by the German External Property Commission and that the latter will have to dispose of them in accordance with the territorial distribution regulations agreed to in the matter of reparations.

Special Case of Foreign Currency.

9. Applying to foreign currency found in Germany the above principles, the French, UK and British members of the Finance Directorate proposed to the Coordinating Committee to adopt the following measures:

10. The currencies in question being regarded as German external property, it will recommend to the Coordinating Committee to approve their distribution according to the following principles:

- a. The currencies issued by the United Nations who have suffered from German aggression must be transferred to the Governments of these countries, as restitutions.
- b. The currencies issued by Bulgaria, Finland, Hungary and Rumania are to be transferred to the U.S.S.R., as foreign assets to be allocated to the Soviet Union, as reparations.
- c. The currencies issued by Italy must be transferred by the occupying powers to the Italian Government without any charge.
- d. The currencies issued by neutral countries and countries whose claims to reparations are not recognized are regarded as German external assets in these countries and shall be distributed as reparations in a corresponding manner.
- e. The currencies issued by the United Nations whose claims to reparations are recognized, but who were not annexed by Germany, shall be regarded as German assets in these countries and will be handed over to them as such.
- f. Gold specie does not come under these principles.
- g. Paragraphs a, c, and e, shall also apply to banknotes, designs, cliches and other printing equipment used for making military tokens issued by Germany for the corresponding territories.
- h. The articles included in the class mentioned in paragraph g. in cases where the countries mentioned in paragraphs b. and d. are concerned must be handed over to them.

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DFIN/OSFA/P(47)1

ALLIED CONTROL AUTHORITY
FINANCE DIRECTORATE

COMMITTEE FOR BALANCING OF FOREIGN ACCOUNTS
REPORT TO THE COUNCIL OF FOREIGN MINISTERS

Subjects covered:

- (a) (1. Procedure for Payments for Exports and Imports
- (2. Agreed Principles for Accounting for Exports and Imports.
- 3. Non-availability of a Rate of Exchange for the Mark
- (b) 4. Distribution of Foreign Currency and Foreign Securities Found in Germany.

(a)

1. and 2. PROCEDURE FOR PAYMENTS FOR EXPORTS AND IMPORTS; AGREED PRINCIPLES FOR ACCOUNTING FOR EXPORTS AND IMPORTS

A. Situation on 8 May 1945

Before the capitulation of Germany, all trade with foreign countries and all international financial transactions were under the control of German state organizations. On the collapse of the German State and the total occupation of Germany by the Allies, all foreign trade and all international transactions between Germans and foreign countries were suspended.

B. Reference to the subject in the Potsdam Agreement (to which France is not a party)

The Potsdam Agreement does not refer to the procedure of payment or accounting for imports and exports, except to lay down that payment for essential imports shall have first priority on the proceeds of exports.

C. Present situation: Decisions Taken.

A number of Papers on the implementation of an Interim Import/Export Plan have been considered by the Finance Directorate and the Directorate has agreed on the methods of paying and accounting for imports and exports, which are as follows:

I. Payment (Decisions approved by the Coordinating Committee on 21 January 1947)

In consideration of the fact that the German Mark is not a medium for Foreign Trade and has no rate of exchange against foreign currencies, the Directorate reached the following decisions:

- 1. Exports from Germany shall be valued in US dollars in order to give a measure of the amount of the payment that will be required for them.
- 2. Payments for exports from Germany may, at the discretion of the Zone Commander, be deferred for a period of not more than six months; however, this clause shall not apply to any exports from Germany the terms of payment of which are fixed by a quadripartite agreement.

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Payment may be made either

- (a) in US dollars or other currency acceptable to the Allied Control Authority, or
- (b) in any other currency so long as the Zone Commander assumes the responsibility of converting the full value of exports from Germany from his Zone into US dollars or other currencies approved by the Allied Control Authority or into compensating approved imports into Germany.
- (c) by compensating imports into Germany which will be valued in U.S dollars.

4. Subject to the above conditions, the manner in which exports from Germany are invoiced is left to the discretion of the Zone Commander.

II. Accounting (Decisions approved by the Coordinating Committee on 19 August 1946).

The Finance Directorate has agreed that the principles of accounting for imports or exports shall be as follows:

- 1. Each Zone Commander may open a bank account in his name, which shall be regarded as the special account of the Control Council. The proceeds of exports will be credited to this account and payments for imports debited to it, and the account will be operated under the instructions of the Zone Commander or in any other way approved by the Control Council or agreed between Zone Commanders.
- 2. Each Zone Commander will keep a money accounting record of all exports from and imports into his Zone and the bookkeeping currency for this purpose will be in US dollars.
- 3. In the event of an export or import item being invoiced in currency other than US dollars, it will be accounted for, both in US dollars as bookkeeping currency and in the currency in which payment was actually made.

The French and Soviet Members note that the British and US Authorities have, without quadripartite agreement and in contravention of the principle of a unitary German monetary system, laid down the principle that settlements in respect of trade between their Zones and the French Zone should, from 1 January 1947 onwards, be made in US dollars and not in Marks.

The British and US Members point out that the settlement referred to by the French and Soviet Members relates only to any net balance of the total transactions in interzonal trade and does not affect individual payments which take place in Marks. They consider the settlement of the net balance in US dollars as an unwelcome necessity arising from the fact that Germany is not being treated as an economic unit. It can be avoided, even without economic unity, to the extent the flow of payments passing each way across the interzonal border is kept equal. The British and US Members understand that, insofar as the Soviet Zone is concerned, the flow of interzonal payments has been regulated to ensure that no net balance will arise.

III. Transit rail traffic and telecommunications

The Finance Directorate, being guided by the general principles of accounting for imports and exports, had decided to set up a uniform procedure for transit rail traffic and for telecommunications through Germany, whereby payment for these services is credited to the export receipts of the Zones concerned.

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IV. Method of financing foreign trade.

The four Members note that in the absence of a rate of exchange for the Mark in relation to foreign currencies, the financing of foreign trade in their respective Zones is effected, in practice, on the one hand in foreign exchange for imports and exports purchased and sold in foreign markets at world prices, and on the other hand in Marks for settlement with the German buyers of imports and suppliers of exports at internal controlled prices.

The methods adopted by the various Zone Commanders to implement this system of financing in foreign exchange and in Marks are as follows:

In the British and US Zones, which are treated as one economic area from 1 January 1947, the internal financing of foreign trade is entrusted to a bizonal German body which effects the necessary Mark receipts and disbursements through the German Land Governments by using the existing German banking system. On the foreign exchange side the collection of proceeds of exports and the payments, insofar as possible, of the costs of imports from such proceeds, is entrusted to a Joint Agency of the two Military Governments. To the extent that the proceeds of exports are insufficient to cover the costs of essential imports, the Governments of the UK and US are financing these imports which are necessary to prevent disease and unrest from their own national budgets in the anticipation of being able to recover this expenditure from the proceeds of future German exports.

In the French Zone the operation of foreign trade is entrusted to an autonomous Office of Foreign Trade and the financial results are similar to those in the British and US Zones.

In the Soviet Zone the operation of foreign trade is carried on directly by a department of the Soviet Military Administration. The goods destined for export are put at this department's disposal and the same department also settles for imports. If there should be a surplus of imports, this would result in an excess of Mark receipts which would be credited to the German budget. In the case of an export surplus, there would be a Mark deficit which would be borne by the German budget.

D. State of the discussion at the Directorate level.

In order to complete, on the financial side, the quarterly accounting adopted by the Directorate of Economics for the actual movement of imports and exports, the Finance Directorate is now examining the question of rendering quarterly accounts to show the balance of payments with foreign countries.

E. Present recommendations, plans and general comments

The British, French and US Members wish to draw attention to the fact that the statistics submitted by the Directorate of Economics show a trade deficit of about \$167,000,000 (excluding imports of supplies for the Occupying Forces) for the first six

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months of 1946 and they consider that in the present circumstances it does not appear possible that the Balance of Payments can cover this deficit since the insufficiency of invisible exports and the non-availability of foreign assets render impossible a purely financial solution to this problem. The Soviet Member, noting that the cause of the deficit does not lie in the field of finance, considers that this foreign trade deficit for the first six months of 1946 is caused chiefly by an insufficiency of exports from the Western Zones as a result of the inadequate utilization of the industrial potential in these Zones.

3. NON-AVAILABILITY OF A RATE OF EXCHANGE FOR THE MARK

A. Situation on 8 May 1945

Prior to the capitulation all foreign exchange transactions were controlled by the German State. The situation on 8 May 1945 was that the control over foreign exchange transactions formerly exercised by the German State was superseded by the regulations made by Military Government prohibiting transactions of this nature. In consequence of this, the rates for the Mark against foreign currencies, which had already become extinct by reason of the cessation of communications between Germany and foreign countries, were not revived.

B. Reference to the subject in the Potsdam Agreement (to which France is not a party)

There is no reference to a rate of exchange in the Potsdam Agreement.

C. Present situation

The effect of the absence of a general rate of exchange on the procedure of payment for imports and exports has already been referred to above (Section 1 and 2, para C IV).

The British and US Members wish to note that the absence of a general rate of exchange has impelled their Governments to establish, unilaterally, conversion rates for one special purpose, namely, for making possible remittances from German prisoners of war still held abroad and the encashment of the payment certificates of German prisoners of war who have been repatriated. In the case of the prisoners of war who are/ were held by the British Government, the conversion factor is RM 15 equals £1, and in the case of prisoners of war who were held by the US Government, it is RM 1 equals 30 cents. These conversion factors were established solely in order to facilitate payments which the British and US Governments, as signatories of the Geneva Convention, have undertaken to facilitate for the prisoners of war held by them, and are not in any way intended to be regarded as rates of exchange, either provisional or definitive.

The US Military Government is considering the advisability of using a conversion factor of 3/10ths between the Mark and the dollar as a general guide for fixing the prices of export items having no world price.

The Soviet and French Members draw attention to the fact that a unilateral step has been taken in fixing a rate of exchange for the Mark remittances of German prisoners of war to their dependents in Germany.

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D. State of the discussions of this subject at the Directorate Level

There has so far been no discussion on the Finance Directorate of a rate of exchange for the Mark, either provisional or definitive. The Directorate, however, is considering the question of the fixing of an exchange rate for the payment of compensation to Germans whose assets in Switzerland have been taken over by the Western Allies, in conformity with the Agreement made at Washington between the Western Allies and the Swiss Government.

The Soviet Member notes that the question of compensation to Germans for their foreign assets has not yet been decided by the Allied Control Council.

The Directorate is also considering the question of a rate of exchange for private remittances from foreign countries to Germany.

(b)

4. DISPOSAL OF FOREIGN CURRENCY AND FOREIGN SECURITIES FOUND IN GERMANY

1. Under Decrees issued by the four Zone Commanders and by the Berlin Kommandatura, all foreign currency and foreign securities in Germany are brought under the control of Military Government.
2. The Finance Directorate, the Legal Directorate and finally the Coordinating Committee have discussed the subject of their disposal but have failed to reach agreement; consequently the Coordinating Committee has now removed the matter from the Agenda and decided to inform the four Governments of the situation.
3. The two views are summed up hereunder:

(a) Foreign currency (not subject to restitution)

The British, French and US view is that this currency constitutes a claim on the foreign Governments who issued it and consequently is to be regarded as German assets abroad, to be disposed of in accordance with Control Council Law No.5. The delegates of these three Powers have therefore put forward a plan for the disposal of this currency in a manner which seems to them equitable.

The Soviet view is that foreign currency found in Germany (other than currency subject to restitution) constitutes a means of payment accruing to the German economy as a result of foreign trade and cannot be regarded as German assets abroad. According to this view, the currency in question constitutes part of the resources of the Zone in which it was found and is therefore at the disposal of the Zone Commander.

(b) Foreign securities (not subject to restitution)

The British, French and US view is that these securities constitute titles to property, or claims on debtors, situated outside Germany and consequently are to be regarded as German assets abroad, to be disposed of in accordance with Control Council Law No.5.

The Soviet view is that, in the absence of a special clause in the Potsdam Agreement relating to securities, but in consideration of the fact that these securities were dealt in on the German Stock Exchanges and therefore constitute part of the assets of their holders in Germany, decision on the question of their disposal should be deferred until the final presentation of reparations demands on Germany by the Allies.

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(c) Foreign currency and securities subject to restitution

By a decision of the Directorate of Reparations Deliveries and Restitutions, confirmed by the Coordinating Committee, each Zone Commander is responsible for the custody and disposal of any restitutable property in his Zone.

The British, French and US Members consider that, in view of this decision, each Zone Commander should be asked to send in returns to the Control Council of the foreign currency and foreign securities found in his Zone, in order that looted currency and securities can be identified.

The Soviet Member considers that the question of the procedure for the restitution of foreign currency and securities should be excluded from this Report in view of the fact that this question does not come under the terms of reference of the Report and has not been submitted for examination.

French	<u>P. Renouf</u>
British	<u>D. Oglander</u>
USSR	<u>I. Sliozberg</u>
US	<u>Henry C. Conrad</u>

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Box 36R E S T R I C T E D17 July 1947CORC/P(47)163ALLIED CONTROL AUTHORITYCOORDINATING COMMITTEERestitution of Looted Securities

(Note by the Allied Secretariat)

1. At its 75th Meeting on 16 June 1947 the Finance Directorate as a result of a request from the Directorate of Reparations, Deliveries and Restitution, considered the question of the restitution of looted securities found in Germany, but was unable to reach unanimous agreement. The position of the U.S., British and French Delegations is set forth in Appendix "A" and the position of the Soviet Delegation in Appendix "B".

2. In the opinion of the U.S., British and French Delegations (set forth in Appendix "A") securities removed to Germany from the territories of other countries while such other countries were occupied or effectively controlled by Germany, are presumed to have been acquired or removed by force or duress ("Looted securities"), and are subject to restitution unless this presumption is refuted and it is established that such securities were neither acquired nor removed by force or duress. The U.S., British and French Members agree with the Finance Directorate decision that securities are included in the term property subject to Restitution, but they are of the opinion that the restitution of the securities presents some very special problems requiring special treatment; for example, their identification is more difficult than that of other property. Therefore, in the opinion of the U.S., British and French Members, special procedure for their restitution must be established in accordance with Appendix "A" to this paper. This procedure is not considered inconsistent with the principles agreed to by the Control Council at its meeting of 21 January 1946. (CONL/M(46)2), nor with the principles outlined in CORC/P(46)143.

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3. The Soviet Member considers that a special procedure for restitution of securities must be based on the principles established and inforce at the present time in connection with the restitution of property. In this connection the Soviet Member calls the attention of the Coordinating Committee to the fact that the point of view expressed in the paper submitted by U.S., British and French Members is inconsistent with the principles agreed to by the Control Council at its meeting on 21 January 1946 and the principles stated in CORC/P(46)33. In the Soviet Member's opinion a special procedure for the restitution of securities must be established in accordance with Appendix "B".

Moreover, the Soviet Member informs the Coordinating Committee that the restitution of securities in the Soviet Zone of Occupation is carried out in accordance with quadripartite procedure set up by the Coordinating Committee.

4. This paper is submitted for the consideration of the Coordinating Committee at its 130th Meeting on 23 July 1947.

N.D. KOSTENKO, Lieutenant Colonel

H.A. GERHARDT, Lieutenant Colonel

R.G. RAW

J.M. LOIRET, Lieutenant Colonel

Allied Secretariat

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APPENDIX "A" to
CORC/P(47)163

ALLIED CONTROL AUTHORITY

COORDINATING COMMITTEE

Restitution of Looted Securities

1. The Finance Directorate has examined the question of the restitution of looted securities found in Germany, and the US, UK and French delegates recommend that the following principles be adopted, consistent with the 5 January 1943 Interallied Declaration Against Acts of Dispossession Committed in Territories under Enemy Occupation or Control:

- (a) Securities removed to Germany from the territories of other countries while such other countries were occupied or effectively controlled by Germany, are presumed to have been acquired and removed by force or duress ("Looted Securities"), and are subject to restitution as hereinafter provided unless this presumption is rebutted and it is established that such securities were neither acquired nor removed by force or duress, in which case they shall be subject to the provisions of the 3rd sub paragraph of the second paragraph of Appendix "A" of CORC/P(46)143.
- (b) Such looted securities are restitutable at the earliest practicable date to the government of the country from whose territory they were removed if such country can be identified. Where such identification is not possible, the securities shall be held in safekeeping pending future agreement as to their disposition.
- (c) As a prerequisite to restitution of looted securities to claimant countries which are members of IARA, the governments of such countries shall agree to report to IARA any German interest which may be established in such securities and to dispose thereof in accordance with such intercustodial arrangements as may subsequently be made by IARA.
- (d) Securities which were removed to Germany from countries under German occupation or control without ostensible transfer of title and simply for purpose of safekeeping shall be returned to the government of the country from which they were removed, except that such securities as were previously acquired under circumstances described in 1 (a) above shall be subject to restitution principle specified in 1 (a), (b), and (c).
- (e) The above principles shall not apply to securities whose German ownership is known to ante-date the period of German occupation or effective control of the countries concerned.

2. With respect to the procedure of restituting looted securities, the US, UK and French delegates recommend the following:

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- (a) Governments of countries which were under German occupation or effective control shall be requested to prepare and transmit to the Control Council lists of all securities, irrespective of where issued, which in the estimation of these governments are subject to the provisions of paragraph 1 (a) above. These lists shall group securities according to types, i.e. stocks, bonds, mortgages, etc., and shall contain information concerning the date, circumstances and terms of acquisition as well as data on identifying marks such as registration numbers, etc. Claimant countries shall be asked to certify that to the best of their knowledge, no German interest, direct or indirect, existed in the securities being claimed prior to the period of German occupation or control of claimant country.
- (b) Simultaneously, each Zone Commander shall be asked to submit to the Control Council an inventory on the same pattern as indicated in paragraph 2 (a) above, of foreign securities uncovered in his Zone of Occupation. For this purpose, use shall be made of information submitted by residents of Germany on forms of declaration required by MG law in the respective Zones of Occupation, as well as any other available pertinent information. Zone Commanders shall be asked to inaugurate such investigations as may be necessary to make available for purposes of this inventory full information concerning foreign securities located in Germany.
- (c) Under the authority of the Control Council, a quadripartite Group of Experts shall be established and vested with the following responsibilities:
- (1) Merging the inventories of the four Zones of Occupation.
 - (2) Combining the lists submitted by various countries of securities acquired by Germans.
 - (3) Comparing the merged inventories with the combined lists for the purpose of determining the extent to which identifiable looted securities uncovered in Germany suffice to meet established claims for restitution.
 - (4) Preparing recommendations to the Allied Control Authority, to be submitted to the interested Governments, as to the disposition of non-identifiable looted securities, including the allocation of such securities to the Governments concerned to meet listed claims not satisfied by other looted securities returned.
 - (5) Taking necessary steps to centralise under quadripartite safekeeping securities originally issued in Germany and falling within the provisions of paragraph 1 (a) and 1 (b) above, and making recommendations as soon as possible as to how the principles in this paper can be made effective with respect to these securities.

R E S T R I C T E D

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R E S T R I C T E D

3. Securities as used herein shall include all instruments evidencing participations or interests in enterprises, syndicates or cartels, and all investments, including but not limited to, certificates of stocks, shares, bonds, debentures or indebtedness of Governments, States and public authorities or of commercial undertakings, companies or associations.

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R E S T R I C T E D

Appendix "B" to
CORC/P(47)163

ALLIED CONTROL AUTHORITY

COORDINATING COMMITTEE

Restitution of Looted Securities

1. The Finance Directorate has considered the question of the restitution of securities which were forcibly taken from countries previously occupied by Germany and the Soviet Delegate informs the Coordinating Committee of the following:-

(a) Taking into consideration that the Finance Directorate adopted a decision that "securities are included in the term Property Subject to Restitution" the method of working out the details of restitution of above mentioned papers, is to be guided by the Control Council decision of 21 January 1946, on the question of defining the term "restitution".

(b) Consideration must be given to the order of procedure for restitution of property contained in CORC/P(46)143; the principles of procedure for restitution of securities must be identical with the principles of restitution of property stated in the first part of CORC/P(46)143.

2. The Soviet Delegate recommends that the Coordinating Committee establish the following special procedure for restitution of securities:-

(a) Countries previously occupied fully or in part by the Germany Armed Forces must submit to Control Council the lists of all securities forcibly removed to Germany during the period of occupation, indicating the following:-

1. Type of securities (shares, bonds, etc.)
2. Name and citizenship of the owner of the securities.
3. Information for identification of securities (numbers, series, date of issue and acquisition, etc.)
4. Detailed circumstances and time of forcible removal of securities to Germany.
5. Other (special) particulars.

(b) Control Council Secretariat to send two copies of above mentioned lists to the respective Zone Commanders for the purpose of investigation and consideration of the claims stated in the list.

(c) Foreign securities discovered in various zones must be immediately returned to claimant countries, provided there is sufficient evidence concerning their forcible removal to Germany.

(d) German Securities which belonged to the claimant countries must be deposited until the time when the questions connected with the future of German securities are settled.

3. The above-stated procedure for restitution of securities does not apply to securities which belonged to Germans prior to the period of German occupation.

ACC Policy
Directive 59

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R E S T R I C T E D

CORC/P(47)226 Final

ALLIED CONTROL AUTHORITY

COORDINATING COMMITTEE

Directive No. 57

Disposition of Property Confiscated Under
Control Council Law No. 10 or Legislation
Issued Pursuant to Control Council Directive No. 38

(Note by the Allied Secretariat)

1. At its 147th Meeting on 15 January 1948 the Coordinating Committee approved and signed Directive No. 57
2. A copy of the official text is attached.

R. G. RAW

G. P. GLAIN, Lieutenant Colonel

N. D. KOSTENKO, Lieutenant Colonel

H. A. GERHARDT, Lieutenant Colonel

Allied Secretariat

R E S T R I C T E D

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By JA NARA Date 8-9

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R E S T R I C T E D

ALLIED CONTROL AUTHORITY

CONTROL COUNCIL

DIRECTIVE NO. 57

Disposition of Property Confiscated Under
Control Council Law No. 10 or Legislation
Issued Pursuant to Control Council Directive No. 38

Pursuant to Control Council Law No. 10 and Control Council Directive No. 38, the Control Council directs as follows:

ARTICLE I

All property in Germany of whatever nature arising from the confiscation of property suffered by persons under Control Council Law No. 10 or legislation issued pursuant to Control Council Directive No. 38, shall be disposed of as provided by this Directive.

ARTICLE II

1. Title to property not subject to disposal or use under Article IX having belonged to a trade union, cooperative, political party, or any other democratic organization before it became the property of any person referred to in Article I hereof shall be transferred to such organization provided that it is authorized and its activities are approved by the appropriate Zone Commander.

2. Where retransfer of title to property cannot be made because no existing organization is completely identical with the organization which was the former owner of the property, the title to such property shall be transferred to a new organization or organizations whose aims are found by the Zone Commander to be similar to those of the former organization.

ARTICLE III

Property not subject to disposal or use under Article IX formerly devoted to relief, charitable, religious or humanitarian purposes, shall be disposed of or used so as to preserve its former character if consonant with democratic principles, and for this purpose shall be transferred to the organizations formerly holding title thereto or to a new organization or organizations on condition that, in the latter case, the Zone Commander finds that the aims and purposes of these organizations are similar to those of the old organization and conform to the principle of the democratization of Germany or may, at the discretion of the Zone Commander, be transferred to the Laender or Provinces, subject to the same conditions with respect to disposition or use.

ARTICLE IV

Property transferred in accordance with Articles II and III above shall be transferred without charge, except that the Zone Commanders may, within their discretion, require that the transferee pay or assume liability for any or all debts or any accretion in value of the property in accordance with the same principles as are established in the case of property subject to restitution within Germany to victims of Nazi persecution.

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By JA NARA Date P-9

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R E S T R I C T E D

ARTICLE V

1. Title to property not subject to disposal or use under Article IX or to restoration or transfer pursuant to the provisions of Articles II, and III hereof, or which is rejected by organizations referred to in Articles II, and III hereof shall be transferred to the Government of the Land or Province in which it is located.

2. The Government of the Land or Province may hold and use the property or transfer its use to any administrative district (Kreis or Bezirk) or to a municipality (Gemeinde) within its jurisdiction. The use to which the property is put must fall within the competence of the holder or the transferee and must not be in the opinion of the Zone Commander an improper or unauthorized use of the property.

3. The Government of the Land or Province where the property is situated shall, pursuant to this directive and to the regulations of the Zone Commander, sell any property not held and used in accordance with paragraph 2 of this Article. The net proceeds of any such sale shall be accounted for in the budget of the Land or Province concerned, to be expended in a manner which, in the opinion of the Zone Commander, is not an improper or unauthorized use of the proceeds.

4. The Government of the Land or Province shall, regardless of whether it holds, transfers, or sells the property in accordance with the provisions of this Article, remain responsible for insuring that the property is not used for any purpose which the Zone Commander finds to be inappropriate.

5. When title to the property is transferred to the Land or Province,

a. Specific charges and encumbrances, whether incurred prior or subsequent to confiscation, on properties transferred under this Article shall devolve on the receiving Land or Province up to an amount not exceeding the value of the property transferred, and

b. The receiving Land or Province shall accept liability for the debts of any person whose property it receives under this Article provided, however, that this liability shall not exceed the value of the property of such person received by the Land or Province, taking into account any encumbrances on that property and provided further that in the case of partial confiscation of property no liability for debts, under this paragraph, shall attach until creditors have exhausted all remedies against the person whose property was partially confiscated. The total of such payments of debts of a person for which it has accepted responsibility, shall ultimately be borne by the Governments of the Land or Provinces receiving the property proportionately to the value of the property of such person received by each Land or Province, but it shall not be required that this liability shall be discharged until further directions shall have been issued by the Allied Control Authority, nor that any debts shall be discharged in violation of any principle established by the Allied Control Authority and particularly debts shall not be paid in such manner as to compensate the supporters of the Nazi Party and Regime.

ARTICLE VI

The Zone Commander and in Berlin, Sector Commanders, shall take measures to ensure the disposition and use of the property in accordance with this directive.

- 2 -

R E S T R I C T E D

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ARTICLE VII

Title to property located in Berlin will be transferred to the administrative districts (Verwaltungsbezirke) and shall be disposed of according to the same principles as are herein prescribed for property for the rest of Germany. For this purpose, the powers given to the Zone Commanders will in Berlin be exercised by the respective Sector Commanders. The functions, powers, and obligations placed upon the Government of a Land or Province will in regard to property in Berlin devolve upon the respective administrative districts (Verwaltungsbezirke).

ARTICLE VIII

1. When an order involving confiscation of property has been made against any person either by a tribunal empowered under Control Council Law No. 10 or under procedure lawfully established under Control Council Directive No. 38, the following course shall be observed in each of the four zones:

a. When an order of this kind has been made and has become final, a copy of it shall be transmitted to each of the four zones and sectors, annexing an inventory describing the property of the convicted person in each of the four zones so far as it is known to it.

b. On receipt of this copy and the inventory, copies thereof will be transmitted to all the Land Governments in whose jurisdiction any property of the person subject to the order is situated.

c. The Land Government or Governments concerned shall proceed forthwith to confiscate the property. In the event of partial confiscation of property any Land or Province within the area of original jurisdiction shall take the proper percentage of property from the person's property within its jurisdiction and each other Land or Province outside such area in which other property of the person is located shall have the right under the above rules to confiscate up to the same proportion of his property under its jurisdiction.

2. When the order imposes a fine, that fine will, in the first instance, be levied upon property situated in the Land or Province in which the order has been passed; in the second instance, it will be levied on the property in any other Land or Province of the Zone in which the order has been passed. If any balance remains unpaid, it will be levied in the Land or Province in which the largest amount of the property of the person subject to the order is situated, notice of such fine and of the property of the person convicted being transmitted to the other zones and sectors in the same manner as provided by section 1 a. above.

3. Nothing in this Article shall prevent the person against whom an order has been made from being subjected to further penalties by a new order based on new charges and evidence.

4. All accruals under sub-sections (1) - (3) of this Article shall be treated as if they were property governed by Article III, V AND IX of this directive.

ARTICLE IX

1. The Zone Commander shall destroy property subject to being destroyed as war potential, designate for reparations property subject to reparations, use for the purposes of occupation property subject to such use, and restitute:

a. to the Government concerned, property subject to restitution under the Allied Control Authority definition of restitution;

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b. property of victims of Nazi persecution, in the same way as similar property not included among that of the persons referred to in Article I of this Directive.

2. In order to accomplish the purpose of this Article, the Zone Commander may at any time, set aside or modify any transactions or measures with respect to property transferred pursuant to this Directive, which he deems inconsistent with the aims and spirit of this Directive.

ARTICLE X

The present Directive comes into force from the date of signature.

Done at Berlin, the 15th day of January 1948.

N. C. D. BROWNJOHN
Major General

R. NOIRET
General de Division

G. S. LUKIANCZENKO
Lieutenant General
for M. I. DRATVIN
Lieutenant General

GEORGE P. HAYS
Major General

304302

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 By AM NARA Date 8-5-77

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Liaison
Prop

my

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)
 Economics Division
 APO 742

3 September 1946

MEMORANDUM

SUBJECT: Restitution of Water Transport Equipment

TO : Lieutenant General Lucius D. Clay
 Deputy Military Governor
 Office of Military Government for Germany (U.S.)
 APO 742, U. S. Army

In view of the pressing need in Germany for all forms of water transport equipment, it is recommended that no further restitution be made of such equipment until Water Transport Branch of Transport Division releases equipment no longer required for the purpose of the occupation, and that the restitution missions in Frankfurt (Hochst) be so advised.

Telephone BERLIN 42609

WILLIAM H. SWANSON, JR.
 Brigadier General, General Staff Corps
 Director

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By AY NARA Date 8-5-77

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C O P Y

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U. S. I)
Office of the Deputy Military Governor
APO 742

6 November 1946

TO :

SUBJECT : Restitution of Inland Waterway
Transport Equipment

TO : Director, Economics Division
Director, Transport Division

1. Although there is a critical lack of inland waterway transport equipment in the U. S. Zone of Germany at the present time, it is not felt that Military Government may maintain the German economy at the expense of Allied formerly-occupied countries. At the same time it is known that a large but undetermined volume of German water equipment is now held outside of Germany. Under this situation you are hereby directed as follows:

a. Restitution will not be made of inland waterway transport equipment except to the extent that there is a net balance in the U. S. Zone of Germany of foreign tonnage in favor of the claimant country concerned in excess of the amount of German tonnage held in the claimant country.

b. Where such net tonnage balance is shown to exist with U. S. Zone of Germany (as by appropriate Government Certificate) restitution of such balance will be made without regard to the effect thereof on shipping requirements in the U. S. Zone of Germany.

c. In addition to the restitution of such net tonnage balance, foreign craft held in the U. S. Zone of Germany may be exchanged at any time (on an appropriate tonnage basis) for German craft held in the country concerned should such country wish to effect such exchange.

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d. It shall not be necessary, in calculating a net tonnage balance under the foregoing provisions, to include such water transport equipment, if any, as is determined to be "German enemy assets" subject to Article 6, paragraph A of the Final Act of Paris Conference on Reparation and within the jurisdiction of the claimant country.

e. Restitution Missions in the U. S. Zone of Germany will be advised of the foregoing.

2. Constant review will be maintained to insure full utilization of all inland waterway transport equipment under the control of the U. S. occupation authorities in Germany.

signed: Lucius D. Clay

typed : LUCIUS D. CLAY
Lieutenant General, U.S. Army
Deputy Military Governor

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Authority <u>NND 775119</u>		Entry <u>PROP</u>
By <u>AM</u> NARA Date <u>8-5-99</u>		Box <u>16</u>

27 September 1946

SUBJECT: Restitution of Water Transport Craft

TO : Director, Transport Division
Office of Military Government for Germany (U. S.)
APO 742, U. S. Army

1. In the opinion of the Restitution Branch, Economics Division, the restitution of water transport craft cannot be conditioned on craft-for-craft exchange.

2. Existing quadripartite agreements on restitution (compiled in CORC/P(46)143) fix the procedure for the restitution of all identifiable property without discriminating among transport equipment and other types of property. There is nothing in any of these agreements on restitution that requires a claimant nation to exchange German property held by it as a condition to the receipt of restitution from Germany.

3. Both the Restitution Branch, Economics Division, and the Water Transport Branch, Transport Division, agree that they know of no international agreement of any sort whereby a nation from which water transport craft were removed during the war is required to make craft-for-craft exchange in order to enjoy its rights to restitution from Germany. The case of railway rolling stock cannot be considered analogous, for there is no international agreement on European water transport equipment comparable to the "ECITO pool" on railway rolling stock.

4. Under current quadripartite restitution agreements as interpreted in the Deputy Military Governor's memorandum of 19 June 1946, subject: "Restitution Removals", and as presently applied in the U. S. Zone, the German minimum economy takes priority over restitution in the disposition of all restitutable property removed otherwise than by force. The right to restitution of items in the removal of which the Germans did use force has been characterized quadripartitely, in CORC/P(46)143), as an "absolute" right.

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5. It is therefore submitted by the Economics Division that the requirement of craft-for-craft exchange, as a condition to restitution should be eliminated.

Telephone 42683

W. H. DRAPER, JR.
Brig.Gen. GSC
Director

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16

MEMORANDUM

September 10, 1946

TO : Ambassador Murphy
FROM : W. C. Haraldson

I just discussed the matter of Hungarian restitution with Colonel Allen, who had discussed it with General Clay this morning. G-4 of USFET is prepared to release the 19 fire trucks to OMGUS and has obtained clearance from Third Army. These fire trucks were brought into Germany by the Hungarians and we are adopting the procedure of letting the Hungarians take them out again. This avoids any question of restitution or of captured enemy material. It is hoped that the six ambulances can be treated accordingly. OMGUS is prepared to release the vehicles to the Hungarians immediately upon receipt of clearances referred to above from USFET and Third Army.

In regard to the approximately five tons of silver which has been mentioned at various times by Mr. Nyaradi, it appears that this was removed by force by the Germans in February of 1945 and brought by them to Magdeburg. It was transferred from Magdeburg to the Foreign Exchange Repository in Frankfurt in May of 1945 by U.S. forces. Both the date and the fact that it was removed by the Germans by force would appear to bring the silver within the provisions of the quadripartite paper on restitution to ex-enemy nations, which is now being negotiated in the Coordinating Committee. However, the Restitutions Branch is endeavoring to obtain additional information in order to ascertain whether in fact the silver is subject to restitution, or whether it could be handled in some other way.

Inasmuch as ~~(1)~~ we have in fact returned the gold to Hungary, ~~(2)~~ in our discussions with Nyaradi at this headquarters, we never agreed to do anything further - beyond attempting to release fire trucks and ambulances, and ~~(3)~~ the fire trucks are now about to be released, it would appear that the Hungarian Government is in no position to object if there is now a delay in any further restitution to them.

WCH/rr

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By AM NARA Date 8-5-77

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14577 Sangston

Silver [Hungarian]

5 Tons - portion of 34 Ton or 80 Ton
found at Reichsbank at Magdeburg

Shipment 17 9 May 45

M - to Frankfurt

for Exch.Rep.

Feb 45 - by force - by Germans

Mr. Ball [Fin Div] 11 Sept.

304309

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Authority MND 775119

By AY NARA Date 8-5-77

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FT

MEMORANDUM

SUBJECT: CORC/P(46)234, "Restitution of Inland Waterway
Craft to Allied Countries

TO : U.S. Member of Coordinating Committee

1. The Restitution Branch, Economics Division has, on 15 July 1946, filed a brief dated 13 July 1946 (copy annexed and marked "Tab A") on subject paper in which it was suggested that an amendment to the paper be proposed at CORC so as to bring it into line with general restitution procedure. See Paragraph 5, brief of 13 July.

2. At the 65th meeting of CORC, on 19 July 1946 (minutes CORC/M(46)36 annexed and marked "Tab B"), the opening remarks of the U.S. Member (at minute 400) were to the effect that no special paper on ~~the~~ inland waterway craft was needed... "as there was already an agreed definition of the term 'restitution'". The U.S. Member then went on to say that U.S. agreement to the paper would be conditioned first upon an agreement by the recipient nations to return German shipping on a craft-for-craft basis... "and then only to the further extent that the number of craft which are held in Germany are in excess of the German craft which they hold."

3. The quadripartite definition of restitution makes no reference to the conditions stated by the U.S. Member at the meeting of CORC on 19 July 1946. The rights of the parties under the definition of restitution would appear to depend upon that agreement and not upon their willingness to consent to a craft-for-craft exchange, unless, of course, they may be said to have agreed elsewhere to such an exchange agreement and unless it may be said ~~that~~ that such exchange ~~a~~ agreement is binding in spite of the definition of restitution.

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4. With respect to the parties to the definition of restitution, the Restitution Branch, Economics Division, is unable to discover any agreement requiring a craft-for-craft exchange as a condition to their rights under the definition. (The concurring opinion of the Water Transport Branch, Transport Division, on this point is ~~given~~ annexed and marked "Tab C".) However, unless the Liberated Ships Agreement is to the contrary,* a craft-for-craft exchange may be required as to non-German craft in Germany prior to the occupation of the country concerned (such non-German craft were mentioned by the U.S. Member at minute 400, meeting of CORC 19 July, page 6 of "Tab B"), for such craft could not have been moved by the enemy whether by force or otherwise as required by the definition of restitution. But as to craft removed after occupation, the parties to the definition of restitution would appear to be entitled to their return if entitled under the definition read alone. The Deputy Military Governor's memorandum of 19 June 1948 (copy annexed and marked "Tab E") would appear to support this conclusion, dealing as it does with "All claims for restitution...." In fact, paragraph 3b of that memorandum invokes a presumption in favor of restitution in certain "force-removal" cases, a benefit to the claimant nation not specifically conferred by the definition of restitution itself.

5. It is recommended that at the next meeting of CORC at which CORC/P(48)234 is discussed the U.S. Member, so far as

* The present status of the Restitution Branch's knowledge of the Liberated Ships Agreement is reflected in CG-9779, copy annexed and marked "Tab D".

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restitution is concerned (i.e. distinct from whatever views may be expressed on the reparations phases of the matter), either:

(a) Restate his belief, expressed at minute 400, 19 July, page 5 of "Tab B", that no paper is required;

or:

(b) Move adoption of the paper as modified by paragraph 5 of the Restitution Branch's brief of 13 July 1946. ~~Further~~
~~under the Restitution~~

In either case the Restitution Branch could then proceed to deal with the subject matter under the definition of restitution and the Deputy Military Governor's memorandum of 19 June 1946.

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Authority NND 775119
by AM NARA Date 8-5-97

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COPY

ASI/5

EUROPEAN CENTRAL INLAND TRANSPORT ORGANIZATION

PROPOSED PROCEDURE CONCERNING CLAIMS FOR RESTITUTION OF IDENTIFIABLE TRANSPORT EQUIPMENT AND MATERIAL

1. The "Agreement Concerning the Establishment of an European Central Inland Transport Organization" (ECITO), signed on 27th September, 1945, by representatives of the Governments of the United States, Belgium, Czechoslovakia, France, the United Kingdom, Greece, Luxembourg, the Netherlands, Norway, Poland, the Union of Soviet Socialist Republics and Yugoslavia, and later subscribed to by Denmark, includes the following paragraphs which concern the restitution of identifiable transport equipment and material:

Article VI, paragraphs 2 & 3
Article VII, paragraphs 8 & 19
Article VII, paragraphs 3 & 4
Article XII, paragraph 5.

A copy of the Agreement is attached.

2. On 19th February, 1946, the Organisation drew the attention of the Governments of France, the United Kingdom, the United States of America and the Union of Soviet Socialist Republics to the duties incumbent upon it in the matter of restoration, or restitution, of transport equipment and material.

It was said, inter alia, that the proper procedure would seem to be for all claims concerning transport equipment to be presented through ECITO or referred to it by any other governmental or inter-governmental agency which may have received such claims.

No answer to this letter has yet been received.

3. In the meantime, the Organisation will recommend to its Members to send copies to its Head Offices of all claims sent to the respective Occupation Authorities for the restitution of identifiable transport equipment and material.

4. The following provisional implementation of Article VII, paragraph 8, is suggested:-

(a) Upon receipt of such a copy, ECITO will assist as far as necessary the Occupation Authority and Government Mission concerned in examining claims, locating, identifying and arranging the return of such of the equipment and material as the Occupation Authority and ECITO may agree to be restored without undue prejudice to the operation of essential transport.

(b) Where it is agreed that restoration would unduly prejudice the operation of essential transport, ECITO shall work out agreements with the Authorities and Governments concerned for the temporary use of the equipment pending its restoration.

(c) As at present, liaison between ECITO and the Occupation Authority will be maintained on this matter by the ECITO Office of Relations with the Military and Occupation Authorities (ORMOA).

April, 1946.

COPY

334 (ECITO)/502
304313

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NARA Date 8/10/77

RG 260
Entry 1945-49
Box 33

FILE:
DISP. OF FOREIGN
SECURITIES

OFFICE OF MILITARY GOVERNMENT FO. GERMANY (U.S.)

AG CABLE CONTROL

OUTGOING MESSAGE

~~CONFIDENTIAL~~R O U T I N E

TO : AGWAR FOR WDSCA ES
INFO : USFET
FROM : OMGUS SIGNED KEATING
REF NO : CC-7152 T00: 291508A NOV 46/ws

Reurad WX-85336.

1. We understand your cable to be instructions to us to return to Danes free of payment identifiable commercial gold now in Germany, title to which is held by Danes.

2. Attention invited to fact that these instructions contravene established policy, already accepted by other countries, that identifiable property now in Germany, title to which is held abroad can be exported from Germany only against full payment in dollars of present world value. Owner is paid marks in Germany when property is taken for export and these marks remain blocked in Germany.

3. You will appreciate that development policy represented by your instructions would authorize exports from Germany in very considerable amounts without compensating foreign exchange accruals. Two large categories which would be affected by such a policy are:

- a. Merchandise shipped into Germany under former German practice of importing merchandise for further manufacturing processes with title, by German law, remaining in the foreign supplier.
- b. Merchandise and equipment ordered by foreign firms and paid for in advance.

4. The Netherlands, extensively interested in category (a) above and Sweden, extensively interested in category (b) have both agreed to policy set forth in para 2. Their agreement undoubtedly was based to a great extent upon realization that Germany economy in its present weakened

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Exempt from paraphrase. Handle in compliance with AR 380-5.

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FILE:
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SECURITIES

CC-7152

~~CONFIDENTIAL~~

condition must necessarily adopt strict foreign exchange measures.

5. The release of property of this sort without payment will mean just so much greater volume of necessary imports having to be paid for by means other than from proceeds of exports.

6. In our opinion no goods in Germany should be considered as clearly returnable to a foreign owner except restitutable items brought into Germany by force. Only case where we believe the return of non restitutable goods, other than through procedure set forth Paragraph 2 above, should be considered as identifiable property sent in for repair. In such case we are willing to consider on a case by case basis export against payment in dollars of only the value of repairs.

7. In view of above, may we consider your instructions as covering only commercial gold sent by Danes to Germany for repair or alteration, as set forth category C USPOLADS telegram 2229.

WX-85336 is AGC IN 41322

ORIGINATOR : FIN AUTH: B. H. BROWN

INFORMATION : O/SS
ECON
LEGAL
POL AFF

CC-7152

30 Nov 46

0620A

JK/ehd

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NARA Date 8/10/77

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FILE: AV-Doc. File
DISP. OF FOREIGN
SECURITIES

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

AG CABLE CONTROL

INCOMING MESSAGE

DATED 191951Z

RECD 200103Z DEC 46
535/20 ehd

~~CONFIDENTIAL~~

ROUTINE

FROM : AGWAR FROM WDECA RE

TO : OIGUS

REF NO : W-8854

ACTION COPY

Reurad Nov CC-7048, Dec CC-7239 and ourad
Nov WX-85682.

1. For your info in quadripartite discussions
restitution securities and currencies US policy remains unchanged
and there is at present no intention to compromise.

2. State Dept paper about to be introduced in
SWNCG disposition currencies provides:

(A) Restitution to issuing countries if they
experienced German occupation (but excluding Finland, Hungary,
Rumania, Bulgaria);

(B) Return to issuing UN countries if not
under German occupation and if members of IARA, question of
charge against reparations to be left to IARA to decide;

(C) Surrender of currencies of Finland,
Bulgaria, Hungary, Rumania to USSR;

(D) Retention of all other currencies pending
ultimate determination policy regard thereto. Disposition all
currency to be without prejudice to such indiv ownership rights
in any part thereof as may be established before receiving govts.
Currency falling within provisions X-85682 will be treated in
accord therewith. No currency discovered after 1 Jan 47 to be
subj to above program with exception to sums over \$1,000 or
equivalent.

3. Please continue advise important developments
restitution securities and currencies by cable.

AGC IN 44613

~~CONFIDENTIAL~~

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Exempt from paraphrase. Handle in compliance with AR 380-5.

304316

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Authority NND 775042
NARA Date 8/10/77

RG 260
Entry 1945-49
Box 33

FILE:
DISP. OF FOREIGN
SECURITIES

REF NO : W-88054

C O N F I D E N T I A L



CC-7048, 21 Nov 46, Fin.
CC-7239, 6 Dec 46, C/S
WX-85682, 1s AGC IN 41877, 20 Nov 46, Info.

ACTION : FIN
INFORMATION : C/SS
ECON
LEGAL
POL AFF
CONT OFF

AGC IN 44613 20 Dec 46 0500A WHY/ehd REF NO: W-88054

C O N F I D E N T I A L

304317

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FILE:
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 SECURITIES

C O P Y

HQ US FORCES EUROPEAN THEATER
 STAFF MESSAGE CONTROL

*Finance
 Division
 Copy*

INCOMING CLASSIFIED MESSAGE

WAR

USFET MAIN 736/30

TOO 300014Z NOV

TOR 301730A NOV

~~SECRET~~

ROUTINE

30 Nov 1945

FROM : ACWAR FROM JOINT CHIEFS OF STAFF
 TO FOR ACTION : CG US FORCES OF OCCUPATION AUSTRIA MAIN TO
 CLARK, USFET MAIN TO MONARNEY
 REF NO : WX-85965, 30 NOV 1945

BOOK MESSAGE

1. This directive, received from the State, War and Navy Departments, is issued to you as Commander in Chief, US Zone of Occupation, AUSTRIA (GERMANY) and US Member of the Allied Council, AUSTRIA (GERMANY).

You will seek to obtain agreement in the Control Council to the application in the other zones of Occupation of the policies laid down in this Directive. If, in your judgment, it appears impossible to obtain Quadripartite agreement, you will explore the possibilities of Tripartite agreement applicable to the 3 western zones and make appropriate recommendations to the Joint Chiefs of Staff.

You will proceed with the application of this Directive in your own zone even prior to agreement, provided, however, that restitution of property defined in Paragraphs 2 C and 2 D will be effected only when the return of such property is certified by the appropriate representative of the claimant country to be urgently required for the rehabilitation and reconstruction of said country. The restitution shall not be delayed on the ground that items subject to restitution are needed to meet the military or civilian requirements in any zone of occupation provided that in the case of transportation equipment restitution may be so phased as not to reduce available transportation below that required for military deployment and for purposes of the occupation, including the removal of industrial plant and equipment for reparation.

SMC IN 174

~~Secret~~

26

*(orig. held in
 the form 53)*

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FILE:
DISP. OF FOREIGN
SECURITIES

S E C R E T
- 2 -

REF NO : WX-85965, 30 NOV 1945 (Continued) USFET MAIN 736/30

ITEMS SUBJECT TO RESTITUTION

2. Without prejudice to the formulation of a definitive restitution program, the following categories of property shall, as an interim measure, be subject to restitution in accordance with the provisions of this directive:

GERMANY; A. All currencies of the United Nations occupied by

B. Works of art and cultural works of either religious artistic, documentary, scholastic or historic value including, as well as recognized works of art, such objects as rare musical instruments, books and manuscripts, scientific documents of an historic or cultural nature (and all objects usually found in museums, collections, libraries, and historic archives, identified as having been looted or acquired in any way through commercial transactions or otherwise by Germans from United Nations countries during German occupation;

C. Heavy and power-driven industrial and agricultural machinery and equipment, rollingstock, locomotives, barges and other transportation equipment (other than sea-going vessels) and communication and power equipment identified as having been looted or acquired in any way by Germans from United Nations during German occupation:

D. Other goods, valuables (excluding gold, securities, and foreign currencies other than those mentioned in Paragraph 2 A), materials, equipment, livestock and other property found in storage or otherwise in bulk form and identified as having been looted or acquired in any way by Germans from United Nations during German occupation;

E. In the case of property mentioned in C and D above which was produced during the period of occupation, restitution shall be made only if the claimant government submits adequate proof that the property in question was acquired by GERMANY through an act of force.

PROCEDURES FOR RESTITUTION

3. Your Government will transmit to you from the governments of the USSR, FRANCE, BELGIUM, LUXEMBOURG, NETHERLANDS, NORWAY, DENMARK, POLAND, CZECHOSLOVAKIA, YUGOSLAVIA and GREECE lists of property claimed to have been taken from their countries during the period of German invasion or occupation. Such lists will include wherever possible all relevant information which will aid in the identification and location of such property.

SMC IN 174

S E C R E T
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FILE:
DISP. OF FOREIGN
SECURITIES

S E C R E T
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REF NO : WX-85965, 30 NOV 1945 (Continued) USFET MAIN 736/30

4. After examination of these lists you will indicate to your Government which of these countries should be invited to send missions into your Zone for the purpose of (A) substantiating claims for the restitution of property mentioned in Paragraphs 2 A and D, (B) receiving information regarding the location of property which has been the subject of restitution claims by their government, (C) identifying and receiving any such property to be restored or distributed in accordance with the provisions of this Directive. You will recommend appropriate time and the size of the mission. After approval, details can be arranged by the respective governments direct with you as Commander in Chief of the United States Zone. You will furnish such missions facilities necessary to the proper discharge of their functions in your Zone.

c 5. You will take steps to deliver all paper currency of United Nation Countries invaded or occupied by GERMANY, now in your zone, to the government of the country of issue without the necessity of proof that it was looted or otherwise acquired from that country during the period of German invasion or occupation.

6. You will take steps in your Zone to uncover and secure possession of property covered by Paragraphs 2B, 2 C and 2 D, mentioned in lists submitted by claimant governments, and to restore such property to the government of the country from which it was taken.

GENERAL PROVISIONS

7. You will require the claimant governments to give receipts for items received by them in accordance with provisions of the Directive. Those receipts shall contain a brief description of the item received and its condition, and waiver of any further claim as reparation or otherwise based upon the removal of the item concerned by the Germans or the exaction of funds used by the Germans to pay for it.

8. You will keep a complete record of items returned or distributed in accordance with the provisions of this Directive; and you will submit to the Control Council and your Government monthly reports on the progress of the restitution program.

9. The cost of administering this program of restitution shall be counted as part of the costs of occupation.

10. Any property subject to restitution uncovered in AUSTRIA and subsequently removed to GERMANY shall be regarded as uncovered in Germany.

11. After final determination of the amount and character of reparations removals, to be made by 2 February 1946, there should be no restitution on any items of equipment of key importance to plants retained in GERMANY as essential to minimum peacetime economy

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By [Signature] NARA Date 8/10/77

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FILE:
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S E C R E T
- 4 -

REF NO : WX-85965, 30 NOV 1945 (Continued) USFET MAIN 736/30

{ NOTE: Any action taken on this message must be submitted to the Commanding General through SGS for approval prior to dispatch.

ACTION : MG(U.S.ZONE)
INFORMATION : SGS MR MURPHY ** AG RECORDS
SMC IN 174 1 Dec 45 0421A GRH/mr REF NO: WX-85965

S e c r e t .

26

304321

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 Authority NND 775042
 NARA Date 8/10/77

RG 260
 Entry 1945-49
 Box 33

FILE:
 DISP. OF FOREIGN
 SECURITIES

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

AG CABLE CONTROL

OUTGOING MESSAGE

~~CONFIDENTIAL~~

TO : AGWAR FOR WDSOA ES
 FROM : OMGUS SIGNED CLAY
 REF NO : CC-7492 TOO: 261721Z DEC 46/ws

-- Reurads W-88054, WX-90450, WX-85965 Nov 1945, our CC-7239 Dec, CC-7748 Nov and CC-6915 Nov.

1. US proposal restitution looted securities reported our CC-6915 and para 3 our CC-7048 is being discussed on quadripartite basis. We intend to introduce detailed plan for implementation as well as broad principles your WX-90450. This proposal concerns only looted securities in contradistinction to securities owned or controlled by persons falling within articles 2 and 3 Control Council Law Number 5. US proposal concerning latter was withdrawn from coordinating committee agenda 3 Dec as reported our CC-7048.

2. Reference para 2(A) your W-88054 concerning restitution currencies issued by United Nations occupied by Germany. We understood that policy restitution these currencies to country of issue was firm and were preparing to proceed on this basis as directed para 2A your WX-85965 Nov 1945. In view current SWNCC discussions this subject we shall defer action pending further instructions. We assume that, if adopted, policy outlined paras 2A and 2B your W-88054 will apply invariably and that claims based on fact that currency issued by one country was looted from another must be settled by agreement between government of country of issue and government of claimant country. Would appreciate confirmation this interpretation, or instructions to entertain claims from looted countries before making turnover to issuing country.

W - 88054 is AGC IN 44613
 WX-90450 is AGC IN 29635
 WX-85965 is SMC IN 174 (Nov45)

ORIGINATOR : FIN AUTH: B. H. BROWN

INFORMATION : O/SS
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301322

CC-7492

~~CONFIDENTIAL~~
 21 Dec 46 1230A

EM/ws

Copy No. 35

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Authority NND 775119

By AM NARA Date 8-5-77

RG 260

Entry PROP

Box 15

~~General
Currency~~

"NORMAL BUSINESS TRANSACTIONS" WITH GERMANY DURING THE WAR.

The German systems of looting in an occupied country were so manyfold, that many of them are not immediately recognised as such, unless the right light is thrown on them. So it seems that the results of some measures the Germans took in the Netherlands may need a little more enlightenment than they have had up till now.

Before the war there existed between Germany and the Netherlands a clearing-system, as between Germany and practically all other countries. Germany had to export to the Netherlands in some way or another as much as it imported from this country, so that the clearing-account was balanced. Before the war Germany exported goods to the Netherlands to a value of abt. hfl.300.000.000.- (£ 37.000.000,-/-) and imported from the Netherlands abt. hfl.150.000.000.- (£ 18.750.000.-/-). The balance consisted of paying for services rendered by the Netherlands, interests on outstanding capital, etc.

It was Germany's own interest to see that the clearing-account was in balance, as an overdrawn clearing-account resulted in the obligation to pay the balance in expensive guilders or in importing less from the Netherlands.

After the occupation the clearing-system was maintained in the beginning, so nothing was altered in the system. But the spirit altered! The Germans knew that they needed no longer be afraid of an unfavourable clearing-balance! They knew that the situation had changed principally, as long as the Germans held power.

The Germans purposely set to the task to import as many goods as possible from the Netherlands, without any thought about increasing their export on the same scale. As early as the 10th of June 1940 (less than a month after the occupation!) Reichsleiter Bormann received a letter from a Dr. Posse (wellknown in the looting history of Holland) in which Bormann was told that he could buy many valuable treasures in Holland "coming up to the expectations of the Führer, in German currency, without Devisen". They did not loose time! And did not think about a clearing-balance!

The result is clear: a constantly increasing overdraft, as everybody bought as much as possible from the rich Netherlands. The Germans saw their chance and took it.

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By AV NARA Date 8-5-77

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The Netherlands authorities protested again and again against this system, but in vain. The Germans threatened to issue "Reichskreditkassenscheine", which under the capitulation conditions had to be accepted as legal tender and on which the Netherlands authorities not even had a nominal control. So they chose the "minor" evil of the constantly increasing overdraft of the clearing-account.

After 11 months of occupation the balance of the clearing-account was Mk.500.000.000.--(at the rate of exchange of that time abt. £ 47.000.000.--/-) in favour of the Netherlands!

This amount was not the total of export from the Netherlands, no, it was the balance of imports and exports.

So the total amount of exports from the Netherlands to Germany was much larger; the imports from Germany have to be additioned. It is unknown how much this was, but even without knowing an exact figure, everybody can see that this balance in favour of the Netherlands was not normal! Normally Holland exported hfl.150.000.000.--(£ 18.750.000.--/-) to Germany; now the balance of the clearing-account was £ 47.000.000.--/- already, 2½ times as much! The real "export"-balance was much higher, as the imports (pre-war hfl.300.000.000.--) have to be added.

The Dutch people were dissatisfied, but so were the Germans. Only the reasons differed! The Germans wanted more goods and wanted them more quickly. They were afraid that the (officially published) balance of the clearing-system would make too clear to the Dutch people that there was no question of normal business transactions with the Germans but of a looting system on an unknown large scale, scientifically disguised as normal trade. As at that time the Germans still thought it possible to win the Netherlands for their ideas of a new Europe under German control, they wanted to conceal their real intentions as long as possible.

Dr. Fischböck, the economic usurper of the Netherlands, had his own views on this matter. The "Reich" wanted Dutch goods and he had to find ways and means to supply them. In March 1941 he got his views accepted in Berlin and so from April 1st 1941 the exchange of Reichsmarks for guilders became free for every German. Guilders were no longer "Devisen"!

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The leading people in the Netherlands knew the true meaning of this stipulation. The Head of the Dutch Ministry of Finance, at the same time President of the Netherlands National Bank, Mr. Trip, felt that he could no longer bear responsibility. He resigned. In his place one of the leading Dutch nazis, Rost van Tonningen, was appointed.

As is wellknown, Germans are always afraid of the judgement of history. So they wanted to put right the question of the overdraft of the clearing-account. They could not do it by exporting more goods to the Netherlands or importing less from this country. On the contrary! So the new President of the National Bank agreed to pay the balance to the German Reich as "external occupation costs"! It will be needless to say that this payment had nothing at all to do with the real occupation costs. Holland had had to pay already hfl.1.000.000.000.- (£ 100.000.000.-/-) on this account, much more than the Germans ever spent for this purpose. But history had to see that the Germans even during the occupation had done "normal business" with the Netherlands, resulting in a clear balance of the clearing-account!

Now everything was apparently in order. The real thing could start. The Dutch National Bank was forced to accept every amount of Marks, without limitation. The Germans did not know their luxury. For years and years they had had the greatest difficulties in acquiring permits to buy in Holland, as the Dutch guilders were "hard currency". Now they could buy as much as they wanted! Holland was still rich in comparison with Germany and many Germans preferred goods to Reichsmarks. And so an endless flow of German orders came into Holland and an endless stream of goods left Holland, in every trade. The Germans bought themselves rich. And the Dutch were forced to deliver, more and more, till nothing was left. If they did not want to sell, there was a Zast (Zentralauftragstelle) and behind the Zast the Gestapo!

The Germans did not loose the opportunity. Barges, old and new, railway-material, works of art, diamonds, machine-tools, cranes, jewels, foodstuff, raw materials, cattle, securities, etc.etc. were bought. And the only compensation was an ever increasing Reichsmark-balance of the Netherlands Bank with the Deutsche Reichsbank! Holland was sold out literally.

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Box 15

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In order to facilitate and expedite the procedure and to make the last Dutch control impossible, the Reichskommissar declared on November 18th 1942: "every measure, apt to impede the export (export prohibition, export duties, expenditure prohibition, transport prohibition and such like) in connection with the Reich is to be abolished immediately".

By passive resistance the Dutch authorities had hampered the export to Germany as much as they could (delaying granting of export licences, not-answering letters, etc.). But now this was made impossible. The Germans were completely free!

Not even export statistics of these years exist. Nobody had to know how things developed. Only the balance in Marks at the Reichsbank showed the disastrous results of the German system. And the rapidly diminishing stocks in the Netherlands!
x.

This balance was:

at 1-4-41 abt. Mk.	50.000.000.-	(£ 3.750.000.-/-)	(normal)
1-4-42 " "	2.000.000.000.-	(£ 150.000.000.-/-)	
1-4-43 " "	3.800.000.000.-	(£ 285.000.000.-/-)	
1-4-44 " "	6.500.000.000.-	(£ 487.500.000.-/-)	
1-4-45 " "	8.000.000.000.-	(£ 600.000.000.-/-)	

Don't forget: these are not the totals of the exports to Germany, but the differences between what Germany had to pay to Holland and what Holland had to pay to Germany. The imports from Germany into Holland are deducted already!

x. The officially published figures give smaller balances, but the Germans deducted every month an amount of Mk. 37.500.000.- for the first 2 years and Mk. 50.000.000.- for the last two years. On account of "contribution to the cost of the war in the East", i.e. in total Mk. 2.000.000.000.-. As these contributions have nothing to do with business transactions but were imposed by the Germans, these amounts have not been taken into account.

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Studying the increase per year we find the following figures:

in 1940	Mk.	500.000.000.-	(£ 47.000.000.-/-)	(balance clearing-account)
1941	"	2.000.000.000.-	(£150.000.000.-/-)	
1942	"	1.800.000.000.-	(£135.000.000.-/-)	
1943	"	2.700.000.000.-	(£202.500.000.-/-)	
1944	"	1.500.000.000.-	(£112.500.000.-/-)	

(all figures from April 1st till March 31st).

As said before, the normal export from the Netherlands to Germany amounted to hfl.150.000.000.- (£ 18.750.000.-/-).

In the 4 years after the exchange of Marks and guilders becoming free the total amount overdrawn by the Germans was Mk. 8.000.000.000.- (£ 600.000.000.-/-) that is Mk.2.000.000.000.- pro year (or £ 150.000.000.-/-)!

In these four years they managed to make the overdraft 16 times as large as during the first year of occupation when the clearing-balance amounted to Mk.500.000.000.-. Their measures had great succes, from their point of view!Holland was really empty!

German firms and German individuals had bought articles, which they would never had been able to buy in normal times. Every German, who bought in Holland, knew that he made use of the temporary victory of German arms and of the German exploitation of occupied territories.

The above-sketched history can be followed in the figures: In 1941, the first "free" year, an enormous difference with 1940. In 1942 the results were worse than expected, owing to passive resistance of the Dutch. In the end of 1942 all obstacles were removed and 1943 shows the results: a greater increase than ever! And that notwithstanding the fact that there was not much left in Holland, even in 1943, in comparison with normal times.

The buying became more and more difficult, as for instance practically no raw materials were available any more. Much to the chagrin of the Germans, who thought this typical Dutch impertinency, the Dutch firms needed raw materials before they could deliver products. The Germans had established a system of "redistribution" of raw materials, under which practically no materials could be used for Dutch orders.

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By AM NARA Date 8-5-77

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Box 15

-5-

Practically the whole enormous stock of raw materials in the Netherlands was used up on German orders only. Large quantities were moreover removed to Germany, so that nothing was left. When the stock was exhausted and even the Dutch rolling mill itself was removed, the Dutch firms had to buy raw materials first. The only source of course was Germany. In this way part of the raw material came back to Holland, to be used for German orders on behalf of the German war economy. This caused a long delay, as the German sellers only would deliver these materials on behalf of war-essential orders, which had to be proved by piles of papers. But even under these circumstances the Germans were very much interested in the Dutch products. It seems, however, that nowadays many Germans do not remember the history of these "German raw materials"!

It stands to reason that the increase during 1944 was less than "normal", as after September 1944 practically no business with Germany was possible. But for the 5 months things were "normal" (all figures run from April 1st to March 31st.), the Germans did their utmost that year; in 5 months more than 55% of last year!

After that time even the "facade" of normal business disappeared. The looting took the brutal form, which is known to everybody. The damage done by normal looting during the last months of the war is calculated to be hfl.3.000.000.000.- (f.300.000.000.-/-).

But the stated figures clearly prove that the scientific looting as practised during 1940-1944 was far a greater loss for the Netherlands, although less is known about it.

After the war Holland had no goods but much too much money. A very drastic currency-reform was needed, before the reconstruction could really start. But no measures can bring back the goods the Germans removed, either by their "normal business transactions" or by their brutal looting. It will still take years before the immediate effects will be overcome.

Practise has learned that restitution is the only way to undo a small part of the wrong the Germans did. It will be quite impossible to bring back to Holland a substantial percentage of the products which left this country by ways of "normal business". Only in exceptional cases the products or raw materials can be found back. It is highly appreciated that the new interpretation of the word "force" in the restitution rules makes it possible, however, to restitute this very small part.

304328

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Authority MND 775119
By AY NARA Date 8-5-77

RG 260
Entry PROP
Box 16

W. G. Stency

12 April 1947

After Col Allen had reported on Hungarian claims including silver and hospital equipment Gen. Clay stated that we have been ordered to return the equipment and must return it. As a matter of fact we had a direct order from Washington.

19 April 1947

Col. Allen reported that the moving of the Hungarian silver had started. Gen. Keating mentioned regalia and hospital equipment and Col Allen stated working was going ahead on the hospital equipment. Gen. Clay was not present and Gen. Keating made no further comment.

26 April 1947

Col. Allen reported that the Hungarian shipment of 3 million dollars of silver and 20 million dollars of art objects started for Budapest. Neither Gen. Clay nor Gen. Keating made any comments.

3 May 1947

Col. Allen reported that a study was being made of Hungarian hospital equipment at Neuburg. No comment from Gen. Clay.

10 May 1947

The restitution report did not include any comments on Hungary. There were no comments from Gen. Clay or Gen. Keating.

17 May 1947

Col. Allen made a progress report on shipments of Hungarian hospital equipment. There were no comments from Gen. Clay or Gen. Keating.

24 May 1947

Col. Allen reported that 40 carloads of hospital supplies were ready to move to Hungary as soon as receipts were signed and Hungarian transportation was made available. The only comments by Gen. Clay and Gen. Keating were in regard to looted Dutch paintings.

304329

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Authority NND 775119

By AY NARA Date 8-5-99

RG 260

Entry PROP

Box 76

Ambassador Murphy asked some questions about the USSR Reparation Mission.

Gen. Clay and Col. Messec discussed the possibility of returning Hungarian DP's at the same time as Hungarian goods are restituted.

31 May 1947

Col. Allen made a progress report on the restitution of Hungarian hospital supplies. No comments by Gen. Clay or Gen. Keating.

7 June 1947

Prior to this meeting the Restitution Branch had drafted a cable to the WD on 4 June 47 referring to an article in the "Tagesspiegel" of 3 June 47 about the U.S. attitude towards the Communist coup in Hungary and asking whether the attitude of the U.S. Government was to be reflected in the handling of restitutions. The proposed cable was returned by the Chief of Staff with the instructions that if Col. Allen wanted to bring up the question he could do so to Gen. Clay in the staff conference on 7 June 47. Col. Allen was prepared to do so but this was the meeting when Gen. Clay left early. Col. Allen therefore reported "nothing of general interest" and turned the proposed cable over to Col. Wilkinson. Later Col. Wilkinson discussed the cable with Gen. Clay who said the idea was o.k. but that State Department was going to send a cable. It is believed that State Department proposed sending a cable after having been advised about the one that had been prepared by the Restitution Branch. At that time no mention was made shutting off Hungarian restitution.

At the 7 June meeting Col. Messec again mentioned Hungarian repatriation in connection with restitution. There was no comment by Gen. Keating and Gen. Clay had already left the meeting.

14 June 1947

No staff conference was held.

21 June 1947

Col. Allen reported that there was nothing of general interest. There were no comments by either Gen. Clay or Gen. Keating.

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Authority NND 775119

By AM NARA Date 8-5-79

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Entry PROP

Box 76

28 June 1947

Col. Allen's report did not include any mention of Hungary, Gen. Clay was not present. Gen. Keating did not raise any question about Hungary.

5 July 1947

Col. Allen started to make a progress report on restitution of hospital equipment to Hungary and Gen. Clay stated that we had stopped all shipment to Hungary. He then directed not to ship any more.

Col. Wilkinson stated we had not had anything from the WD. Ambassador Murphy stated he thought Hungarian restitution should be suspended until an answer was received. Gen. Clay directed Ambassador Murphy to check on the status of the answer from Washington and stated that he had sent a memorandum that no shipment would be made until we heard from Washington.

Comment

The Restitution Branch had not seen any memorandum stating that no more shipments would be made nor has such a memorandum appeared since.

Col. Allen discussed the situation with Gen. Keating on 10 June 47, pointing out that there was no record of any directive from Gen. Clay to stop shipping. Gen. Keating pointed this out to Gen. Clay who then stated he had issued the directive at an earlier staff conference. The minutes of the staff conferences do not disclose that such a directive was previously issued. In view of the fact that Gen. Clay left early during the meeting of 7 June 47, and in view of the fact that the 7 June meeting was the first one after the news from Washington about the Hungarian situation, it is probable that Gen. Clay had intended to issue a directive at the 7 June meeting but left before doing so.

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Authority MND 775119
By AM NARA Date 8-5-79

RG 260
Entry PROP
Box 16

SECRET

Handwritten:
Hungary?
silver
pool

TO : AGWAR FOR WBSOA ES FOR S/W
FROM : OMGUS SIGNED KEATING
REF NO : CC-8443

Reurads WX-93937, WX-93433, ourad CC-8344. Subject is "Restitution" of silver to Hungary.

1. Our CC-8344, 12 March, reviewed problem of restitution to ex-enemies under pertinent clauses in Satellite Peace Treaties and advised you that evidence to date did not indicate that the silver had been brought to Germany by force or duress.

2. Facts on removal of silver from Hungary as obtained from Hungarian Restitution Mission and other sources now indicate that silver is not eligible for restitution whether under treaty provisions, JCS directive transmitted in WX-99226 as subsequently amended, United States proposal now in Allied Control Authority, or State Department's memorandum to Hungarian Government of 14 June 1946. Concrete evidence at hand indicates silver was shipped from Hungary voluntarily by Hungarian officials, probably before 20 January 1945. Treaty requires removal subsequent to 20 January 1945; JCS directive and United States proposal in ACA, as well as treaty, require removal by Germans; and all Agplans require removal by force or duress as a condition of restituting non-cultural property.

3. Moreover, if silver were delivered to Hungary even outside restitution program, Hungary would be receiving better treatment than United Nations, which just prove removal by Germans or by other "enemies" of Claimant Government in order to receive any restitution at all. This might provoke Allied Claimant Governments to submit host of frivolous claims for "restitution" of property sent to Germany in ordinary commercial transactions by their own Governments or Nationals, which we could not reject without exposing ourselves to charges of discrimination and could not accept without undermining German economy and increasing the expense of occupation of United States taxpayers.

4. Since General Clay is in Moscow and his CC-8344 apparently had not reached you when your WX-93937 was dispatched request instructions as to whether silver is to be returned without reference to restitution standards or procedures.

WX-93937 is AGC IN 52059
WX-93433 is AGC IN 51324
WX-99226 is AGC IN 22212

Orig: Econ

Auth: Douglas H Patterson
Maj

Information: C/S
POL AFF
FIN
LEGAL

SECRET

CC-8443

19 Mar 47

WLC/cb

DECLASSIFIED	
Authority <u>NND 775119</u>	RG <u>260</u>
By <u>AY</u> NARA Date <u>8-5-99</u>	Entry <u>PROP</u>
	Box <u>16</u>

(copy /03)

to 15 May 45 and requirement act of force promised return displaced Hungarian property without mention any priority for needs German economy. Accordingly, very difficult for this Govt justify to Hungarian Govt retention property never brought to Germany for commercial or economic purposes and continuously in Hungarian control until divested by US auth.

4. Re Hungarian silver Frankfurt depository Par 4 used CC-8449 desire that you make restitution in accordance with WX-99937 to Nyaradi himself who will return to Hungary via Germany soon.

5. Nyaradi claims for restitutable property of great importance Hungarian political and economic life. Desire you effect earliest restitution in accordance with above

- A. Deposits of Budapest Orphans Court
- B. Bridge building material off-loaded from Hungarian barges prior to restitution
- C. Hospital equip once turned over to UNRRA by Third Army. UNRRA in letter to OAD indicates it can relinquish control of equip if replacement by other equip be made by Army to extent necessary. Claim to restitution of parties property formerly Mil based upon Geneva Convention (Chapter 5, Arts 188 and 191, FM 27-10) requiring return hospital equip to control original country.
- D. Maritime seeds stored in Passau; asserted that further storage would spoil completely their germinative factor. This includes 170 tons peas, return of which to Hungary would eliminate need for import similar quantity.

6. Please advise earliest action taken.

CC-8314 - 12 MAR 47 - EHO
 CC-8449 - 19 MAR 47 - EHO
 WL-95227 to AGC IN 52059 - 15 MAR 47 - EHO
 WL-95228 to AGC IN 52578 - 18 JUL 46 - EHO
 WL-95226 to AGC IN 22212 - 8 MAR 46 - EHO

ACTION , EHO
 INFORMATION: SG
 O/S
 POL AFF
 FIN
 LEGAL
 COMPT OFF

AGC IN 52740 21 MAR 47 HE/cco REF NO: WL-94509

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 Authority AND 765072
 By IE NARA Date 8/3

RG 360
 Entry Finance
 Box 423

Currency

Interrogation of Oswald Pohl

at Nuernberg trials

9 June 1946:

- Q: What business did you have with Funk ?
- A: I had no business with him as President of the Reichsbank.
- Q: You never had anything to do with him ?
- A: Funk got foreign currency for us abroad, but I never had anything to do with him directly.
- Q: You had other business, aside from foreign currency ?
- A: Yes. We gave to the Reichsbank all the valuables that we received from these concentration camps, which had been sent to us from the various offices.
- Q: The next time I ask you a question tell me what I want to know right in the beginning.
- What agreement did you have with Funk concerning those particular things ?
- A: I never talked with Funk about those things.
- Q: Who discussed those matters with Funk ?
- A: One of my experts discussed those things with one of the officers of the Reichsbank.
- Q: What was his name ?
- A: I could not state that now.
- Q: With whom did he talk ?
- A: I cannot recall right now the name of the expert with the Reichsbank.
- Q: Would you recall the name if I suggested several to you. How about Martin Puhl ?
- A: I do not recall.
- Q: Tell me everything that you know concerning Puhl.
- A: I talked with Puhl personally -- it may have been by way of telephone -- at the occasion when he was to get us Swiss currency for the buying of land in Austria, in the Peelsenthal.
- Q: What other topics did you discuss with Puhl ?
- A: I cannot recall that I had any other discussions with Puhl.

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Q: There is something incorrect in your statement

Let's discuss the jewelry and gold teeth that were taken from people in the concentration camps. The Reichsbank was informed when such a shipment was to arrive. Is that correct ?

A: Yes, that is correct.

Q: Who made the first arrangements concerning that ?

A: As I recall, the first arrangements were made by way of the RSHA, in Heydrich's time, I believe.

Q: Between Heydrich and the Reichsbank, between Himmler and the Reichsbank, or between whom ?

A: Between experts of the RSHA and the Reichsbank.

Q: No, what you are saying is not correct. I want to know who was in charge of the important discussions.

A: That I don't know.

Q: Do you know that Himmler and Funk discussed that matter ?

A: I don't know that.

Q: Do you want to say that you don't know that, or that you cannot recall it ?

A: I do not know who had the first discussions concerning that matter.

Q: You have discussed that with several people yourself, have you not ?

A: The first discussions ?

Q: No, not the first discussions, later on.

A: I do not recall.

Q: But Puhl has told me that; he has said so under oath.

A: I can only say that I do not recall. I am confronted with these questions now; I am not saying that it isn't true, but I cannot recall it at this time. At this moment I only recall that, on several occasions, foreign currency, rings, and other things came from the camps to Berlin, packed in cases, and they were given to the Reichsbank by us.

Q: What was the Reichsbank to do with those gold teeth ?

A: They were to evaluate them, and their equivalent was to be deposited at the Reichsbank Treasury.

Q: How many times did such packages, with gold teeth arrive ?

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- A: I personally had not seen those gold teeth. I have only seen, two or three times, cartons full of rings, but I personally have never seen any gold teeth.
- Q: You have only talked about it with other people ?
- A: About gold teeth ? No, I have never talked about gold teeth.
- Q: In what condition did they arrive ?
- A: They arrived packed in cases. Any kind of transport carried them. They were then left at the WVHA.
- Q: But you know that they were gold teeth, do you not ?
- A: I have never seen the gold teeth.
- Q: I didn't ask you whether you had seen that; I asked you whether you knew about it.
- A: No.
- Q: You don't know that there were gold teeth ?
- A: No.
- Q: Then what happened to those gold teeth ?
- A: I don't know.
- Q: Do you think you might know by tomorrow ? Do you think you might recall it a little better ?
- A: That I cannot say.
- Q: All right, we will see.
- Hoess has testified that gold bars had also come from Auschwitz.
- A: I have seen gold bars, yes. I believe they were also packed in cotton.
- Q: where were they delivered ?
- A: Also to the Reichsbank.
- Q: Which ones went to your medical department ?
- A: That I don't know.
- Q: Where did the gold bars -- if they came from Auschwitz -- originate ?
- A: Probably from the Jews who were exterminated.

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- Q: How was that worked into bars there ?
- A: I don't know that
- Q: How often did that stuff arrive ? We are talking about gold now.
- A: I recall exactly that I only saw these gold bars once.
- Q: You just wanted to say that it was once or twice. Now what do you want to say, once, twice, three times, or what ?
- A: I recall very clearly that I have only seen gold bars once. Several times I have seen things like rings and jewelry, but I have only seen gold bars once.
- Q: How many times were there gold fillings ?
- A: I have never seen gold fillings in that form.
- Q: Can you recall when you talked with Puhl ?
- A: Puhl once showed me the installations at the Reichsbank - that is, me and co-worker of mine. That might possibly have been in 1943.
- Q: And at that time you were with him down in the vaults ?
- A: Yes, that is correct, the vaults.
- Q: Did you look at the gold at that time which had come from you ? Did he show that to you at that time ?
- A: Yes. At that time he showed us all the gold reserves at the Reichsbank.
- Q: Didn't he also tell you at that time, "These are the beautiful things that have come from you ?" Did Puhl tell you that ?
- A: I do not recall that he did that in such a form.
- Q: If not in that form it was in some other form, was it not ? How approximately did he say it ? Tell it in your own words ?
- A: He might have said it in this form: "Well, your things are among them".
- Q: Did he also show you the jewels that you sent to them ?
- A: That is possible.
- Q: How did he show them to you ? Were there beautiful things among them, or was it just cheap stuff ? I would like to know that.
- A: That I could not personally judge because I am not a connoisseur. It was

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a collection of all sorts of things.

- Q: Didn't he say: "These are beautiful rings which I have gotten from you?"
- A: Not that he received them from me.
- Q: Not from you personally, but from your organization.
- A: From the Reichsfuehrer SS, yes.
- Q: How did he express himself? Didn't he repeatedly say "We are collaborating so beautiful".
- A: No. As far as I recall, he did not say it in such words or similar ones. He only said "among them are things from you".
- Q: Did he tell you that Funk had also looked at those things?
- A: No, he didn't say anything like that. I do not recall that.
- Q: How many times had you been at the Reichsbank?
- A: I was there once personally at the inspection of the vaults, and right now I cannot recall whether I have been there a second time or not.
- Q: Did you know Funk well personally?
- A: I could not say "well"; I only got to know Funk because of a personal favor he did for us in connection with the getting of foreign currency.
- Q: Did you visit at Funk's?
- A: No, I personally did not visit with Funk.
- Q: But you have been in Fuhl's house, have you not?
- A: No, I have never been there.
- Q: Nor with Funk?
- A: No, never at Funk's house.
- Q: Did you come through a career of paymaster?
- A: Yes.
- Q: If a large agreement was going to be made with the Reichsbank you know that a policy would have to be decided upon first. Before any such important thing could be done, a decision had to be arrived at first.
- A: Naturally, discussions took place.

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- Q: And they were not just discussions between assistants, but they had to take place at the top, at first, between the heads. What do you know about that ?
- A: I did not take part in those first discussions.
- Q: Who took part in those first discussions ? Who was the man who would have such discussions ?
- A: I really don't know. So far as I recall, there were no large discussions. Without my having anything to do with it, those things went to Berlin. I personally told Himmler that. I talked to Himmler and asked him what should be done with all those things; I was told they were supposed to be given to the Reichsbank.
- Q: Is that what Himmler told you ?
- A: Yes.
- Q: Did Himmler tell you that he had talked with Funk about this matter ?
- A: I believe that he had talked with Funk about it.
- Q: Do you know in detail what they had been talking about in this connection ?
- A: What they had been talking about, in detail, I cannot say; I do not recall. I once talked with Funk, but it had nothing to do with that.
- Q: What did Himmler talk to Funk about, as far as you know, in relation to the order Himmler gave you ?
- A: I assume that Himmler and Funk discussed the matter, that the valuables from the concentration camps were to be received by the Reichsbank. Subsequently Himmler said to me: "I want you to do that; deliver them to the Reichsbank."
- Q: What particular subjects were discussed at that time ?
- A: That concerned all the valuables that were delivered from the concentration camps at that time.
- Q: Was there any doubt about the fact that it concerned dead Jews ?
- A: No, there was no doubt about it.
- Q: Do you say there was no doubt, or there could not have been any doubt ?
- A: There couldn't have been any doubt.
- Q: Why couldn't there have been any doubt ? Where could those things have

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come from otherwise ? Tell me, because you can be quite open with me.

A: There couldn't have been any other source.

Q: When three million disappear, there must have been quite a substantial amount of stuff in one camp. That is, three million in one camp alone. That must have been more than just a few sacks full.

A: There must have been a great total amount.

Q: Just a moment; I want to tell you something. We have heard a great deal about this matter from various sources and from various people, from Funk, from Puhl, and from Hoess. I am being quite open and frank with you. I want to test your memory, and also your love of the truth. Hoess has said the following: "Each month a two and a half ton truck arrived with stuff from those concentration camps." Is that correct ? Is that underestimated, or is it over-estimated ?

A: I can only say I am astonished by that quantity.

Q: Why are you astonished if there were three million dead in one camp ?

A: Because that has stretched itself over many years, and I had never seen that mass.

Q: Now let us go back. We had jewels that went down there to the Reichsbank, and we had the gold eyeglass frames. Is that correct ?

A: Yes.

Q: What else was there. Please tell us in your own words.

A: All the things that men can have, rings, watches, eyeglass frames, and gold bars.

Q: And what were those gold bars made from ?

A: If you ask me now, those gold bars were made from the melting of the various things, among other things, gold fillings.

Q: You have said anything that men can carry.

A: Yes.

Q: What originated from women ?

A: Jewelry, pins, broaches.

Q: Anything else ? Ear rings ? Have we mentioned wedding rings ?

A: Yes, we had wedding rings also.

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Q: What about ear rings ?

A: Yes, also ear rings.

Q: And when you were down there with Puhl didn't you, at that time, open suitcases full of that stuff ?

A: Yes, Puhl showed them to me.

Q: Can you recall any particular suitcase in which certain individual things were contained ?

A: Yes, he showed me especially valuable rings which had already been assorted.

Q: Now we want to reconstruct the whole thing as realistically as possible. You were down there at the Reichsbank ?

A: Yes.

Q: With whom ?

A: From my group there were with me Gruppenfuehrer Loerner, Frank, my adjutant, certainly, and several others.

Q: Is that adjutant Schueller ?

A: No, I don't believe Schueller was with me at the time.

Q: Then Puhl was there ?

A: Yes, Puhl was there, and Waldhecker was there, because I know him personally.

Q: Who else ?

A: Puhl and Waldhecker. I believe they were the two from the Reichsbank. Afterwards I was together with Funk.

Q: That is exactly what I want to know. Now why didn't you come out with that right at the beginning. That is what I wanted to know.

A: How could I know that you wanted to find out that sort of thing ?

Q: All right, very good. Afterwards you were together with Funk. All right.

A: Afterwards we went upstairs and Funk invited us to have dinner with him. There was a huge round table. In my opinion there were approximately a dozen people present.

Q: And whom did you sit next to ?

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A: I sat next to Funk.

Q: Now, what did you talk about concerning the beautiful things that you had seen downstairs? Please tell us truthfully and openly.

A: I cannot remember the details exactly, but I think I said I had seen the Reichsbank for the first time.

Q: Did you say anything about the things which had arrived? What did he say and what did you say?

A: I cannot tell you exactly now what he told me.

Q: Did he tell you anything to the effect that you had delivered the material well and that what had arrived was valuable?

A: That is possible; it is probable that he said such a thing. It's impossible for me to recall in detail the exact words he used when he spoke to me.

Q: But it was in that sense?

A: Yes, I think the conversation was conducted in that sense.

Q: What did you have to eat there? Was it very well arranged?

A: It was an ordinary dinner, with several courses.

Q: How many of the Reichsbank people were present, and how many of yours? How many people were present at the round table?

A: I estimate about twelve people.

Q: Half your people and half Reichsbank people?

A: Yes, approximately. We had been invited in general by the Reichsbank.

Q: Why had you, in particular, been invited? Was it because you were a good client, or a good sender?

A: No, because I was the monetary man in that connection with the WVHA.

Q: Now I want to make certain that we are quite clear about the matter of concentration camps. When did it begin and how long did it last, approximately.

(No response)

Shall I help you a little?

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A: Yes.

Q: The killings at Auschwitz started in the summer of 1941 ?

A: That was at the beginning of 1942.

Q: When do you estimate that conversations between the various head people began ?

A: According to that, it should have been in the fall of 1941. I am reconstructing now.

Q: I don't want to keep you much longer, but I would like to come back once more to the Reichsbank, downstairs. You were standing around with Puhl. You opened a few of the cases from the SS, and those beautiful jewels were in there. What else was in there among all those things ?

A: Foreign currency had also been delivered to the Reichsbank.

Q: Did he also show you a case full of ear rings and wedding rings ?

A: Yes, I had seen cases with rings, especially the more valuable things.

Q: Did he also show you some of those gold bars ?

A: I assume so.

Q: Did he make any remark about the fact that you had contributed to the delivery of those gold bars ?

A: How do you mean that ?

Q: Did he tell you that those gold bars had arrived from the camps ?

A: Yes.

Q: Later on, at the meal, was there anything discussed concerning those gold bars ?

A: Between my neighbor and myself ? Not that I recall. Perhaps, in the beginning, there were a few words exchanged, but during the table conversation nothing further was mentioned along that line.

Q: Funk knew that you had been downstairs, and he told them "bring those people upstairs" ?

A: Yes, Funk knew that we had visited the entire Reichsbank. He knew that.

Q: How did Puhl introduce you to Funk at that time.

A: Funk knew me already.

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Q: How long had Funk known you, approximately ?

A: Previous to that time I had been at Funk's once. That was the only time that I had to do with Funk.

Q: What business was that ?

A: I recall that by order of Himmler I had to visit him in connection with textiles; that was in his capacity as Minister of Economy.

Q: What sort of textiles did that concern ?

A: Those were the textiles which were concerned with those actions ?

Q: Where did those textiles come from ?

A: The textiles remained in the camps, and were then given to the textile industry. Subsequently Himmler sent me to Funk to tell him that he, Himmler hoped that a greater allotment of clothing material would be sent to the SS, that is, that a higher allotment of clothing would be delivered to the SS.

Q: Let me express myself very clearly, in simple German: From the clothing of the dead Jews, the SS were to receive a greater clothing allotment. That is the meaning, in simple German, is it not ?

A: That is probably the way it was meant.

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Newspaper

BOND COUPONS

<u>Total amount of coupons</u>	<u>Payable date of coupons</u>	<u>Description</u>
<u>Argentina</u>		
Arg. Passes 11.25	25 May 1939	Credito Argentino Interno 4 1/2% 1934
<u>Canada</u>		
\$ 20	1 Jan 1940	Canadian Pacific Railway 00 1/2% consolidated debenture stock
<u>Denmark</u>		
\$ 22.50	15 Apr 1940	Kingdom of Denmark 4 1/2% external dollar loan due 15 April 1962
Martha 22.50 or	1 Jan 1939 and	Credit Society of Landet in Jutland 4 1/2% loan
881111ings 22	1 July 1939	
<u>France</u>		
France 19.25	1 May 1942	City of Paris (Metropolitan 1910) 5 1/2%
" "	ditto	" " (1894 - 1896) 4 1/2%
" 250.-	ditto	Compagnie d'Electricite de l'Ouest Parisien 5%
" 67.50	1 Apr 1942	Union d'Electricite 4 1/2%
" 18.-	ditto	Credit Foncier de France 6% 1891
" 22.50	ditto	Chemins de Fer de l'Ouest bonds
<u>Mexico</u>		
not stated	1 July 1939	Banco Hipotecario de Credito Territorial variable interest bonds (interest rate not stated)

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BY LE NARA Date 8/5

RG Entry Box
Finance 424
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BOND COUPONS

<u>Total amount of coupons</u>	<u>Payable date of coupons</u>	<u>Description</u>
<u>Poland</u>		
Francs 12.78	1 Oct 1939	City of Warsaw 4 1/2% loan 1931
" 98.24	1 Apr 1940	ditto
" 12.78	1 Oct 1940	ditto
" 91.95	1 Apr 1941	ditto
" 6.39	1 Oct 1941	ditto
" 98.24	1 Apr 1942	ditto
" 6.39	1 Oct 1942	ditto
Zloty -.75	1936	Polish Government 4% loan 1936
" 4.-	15 Nov 1939	Polish Government 4% loan
" 24.-	15 Nov 1940	ditto
" 2.-	15 May 1941	ditto
" 262.50	1 July 1940	Credit Society of Kielce 5% mortgage bonds
" 6.25	2 Jan 1941 thru	" " " Lodz " " "
" 19.50	2 Jan 1943	" " " " 4 1/2% " "
" 56.25	2 Jan 1943	" " " " Kielce 4 1/2% " "
" 125.-	2 Jan 1943	ditto
" 450.-	1 July 1940 thru	" " " " Lodz " " "
" 525.-	2 Jan 1940 thru	" " " " Kielce " " "
" 87.50	2 Jan 1943	ditto
" 75.-	2 Jan 1943	" " " " Lodz " " "
Gold Zloty 6.-	2 Jan 1940	" " " " " " "
" 73.59	15 May 1941	Republic of Poland Loan
	1 Apr 1940 thru	City of Warsaw bonds
	1 Apr 1942	
<u>Switzerland</u>		
Swiss Francs 22.50	15 May 1939	Swiss Confederation 9% Railroad Loan

BOND COUPONS

Total amount of coupons

Payable date of coupons

Description

France 56.25

25 May 1939

Turkish Loan 7 1/2% 1933

Turkey

\$ 20

United States of America
1 Oct 1940

Achilles Topala & Sarta Re Railway Co
general mortgage 4 1/2% 100 years gold bond

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BOOK COUPONS

<u>Number of coupons</u>	<u>Serial number of coupons</u>	<u>Remarks</u>	<u>Description</u>
2	No. 11		Great Northern Telegraph Company Building Co Ltd
5	No. 46		Miniere de Montecatini
8	No. 89 thru 96		Royal Dutch Co for the Marketing of Petroleum Wells in the Netherlands East Indies
			<u>Netherlands</u>

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304348

MEMORANDUM

Total amount

Description

Poland

Entry	100	Contribution Certificates paid to City of Warsaw by Stanislas Harezyuska.
"	71	Agellandna Street 36 on 8-9-1949
"	1,500	Contribution Certificates paid to City of Warsaw. No names filled in by Stanislas Harezyuska.
"		Agellandna Street 36 on 26-11-1944
"		4 Salons of 6% convertible loan bearer bonds of City of Warsaw with coupons 20 through 40 attached
"		5 Salons of Credit Society of Klado 5% mortgage bonds

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by [] MARA Date 8/3

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Entry Finance

Box 424

Footnotes to Preceding Lists

Note A - All bonds and stocks are in bearer form unless otherwise stated in the description.

Note B - In the description of bonds, the year preceding the dash is the year of issue, the year following the dash is the year of maturity. If only the year of issue is stated, the maturity is not determinable from examination of the security.

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Entry	Finance
Box	424

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304350

Total Amount
Bonds

Handwritten initials
Description

Bonds

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1507351
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By LC NARA Date 8/3

Arg. Pesos 500.--

Argentina

Credito Argentina Interno 4 1/2% 1934 - 1966

Austria

Gold Francs
720 to 1475
500

Compagnie des Chemins de Fer Danube - Save - Adriatique, Vienna, Interest rate variable & is not stated 1923 - 1969
Loans Austrian Government Railway 4 1/2% 1911 - 1967. Railway bond stamped assented.

Brazil

Pounds 40
" 40
" 400
French Francs 2000
" 2000
or b 79.7/4

United States of Brazil Funding Sterling 5 1/2% 1914 - 1977
United States of Brazil Funding Sterling 5% 1931 - 1971
Brazilian conversion loans 4 1/2% 1899 - 1945
Municipal Loan of State of Minas Geraes 4 1/2% 1911 - 1969
State of Sao Paulo external gold loan 5 1/2% 1907 - 1957

France

French Francs
500
2000
2000
6000
18000
100000

Credit National pour faciliter la Reparation des Dommages causes par la Guerre S.A.
5 1/2% 1920 - 1995
French Government 3 1/2% 1942 - 2002
French Treasury new interest bearing notes April 1942 - 1944
" " " " " " July 1942 - 1945
" " " " " " April 1943 - 1945
" " " " " " Dec 1943 - 1944

Total Amount
Pounds

Description

BONDS

France

Total Amount	Description
8,000	Societe Nationale des Chemins de Fer Francais (guaranteed by French Government)
1,000	4% 1941 - 1991
120	Departement de la Seine 3 1/2% 1889 - 1987 second series
17,500	Compagnie Universelle du Canal Panama 4% provisional bonds 1888 - 1987
1,000	Credit National 5% 1919 - 1946
1,500	5% 1920 - 1958
1,500	6% Jan 1923 - Feb 1948
1,500	6% June 1923 - Apr 1949
43,000	French Republic 4 1/2% Tranche B 1932 - 1997
115,400	4 1/2% Tranche A 1932 - 1997
800,000	4 1/2% Tranche A Jan 1943 - 2008
401,500	4 1/2% Tranche B Apr 1943 - 2008
1,000	French Government Agreement none interest bearing notes May 1940 - May 1942
20,000	City of Paris Lottery Loan 4 1/2% 1929 - 1979
2,000	" " " " 4 1/2% 1932 - 1985
75	Exposition Universelle de 1889 Lottery none interest bearing bonds 1889 - 1964
20,000	City of Paris 4 1/2% Lottery Loan bonds 1929 - 1979
2,000	" " " " 1932 - 1985

Egypt

Pounds 100 Unified Debt of Egypt 7% 1876 - 1941 conversion and unification bonds

Germany

Mark 210--
Conversion Office for German Foreign Debt non-interest bearing early 1934 series A

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 By LE MAF Date 8/3
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Total Amount
Drafts

Pounds 100
 Drafts
 4,300
 4,500
 200
 1,300
 100
 200
 39,600
 12,900

Description

Greek Government 40 year loan series B 5% 1881 - 1921
 National Greek 6 1/2% Lottery Loan 1922
 Greek 6% Loan 1923
 Kingdom of Greece 3% 1926 - 1938
 Greek 6% Loan 1918 - 1939
 " " " 1917 - 1937
 " 5% " 1920 - 1980
 Bank of Athens 6 1/2% 1922 - 1942
 " " " 6% 1925 - 1946

BONDS

Greece

Hungary

Hungary 1050

Hungarian Government 3% National Debt 1942 - 1982

Italy

Italy
 5,500
 500
 500
 500
 500
 2,000
 2,000
 207,000
 69,000
 50,000
 12,500

Kingdom of Italy 5% Treasury bond series B 1940 - 1949
 Italian 5% Common Loan series D 1937 - 1955
 Italian Government 5% Treasury bonds April 1942 - 1951
 " " " " Feb 1941 - 1950
 " " " " Sept 1941 - 1950
 " " " " 1943 - 1948
 " " " " 1940 - 1949
 " " non-interest bearing Treasury bonds April 1943 - 1944
 " " " " Feb 1943 - 1944
 " " " " Jan 1943 - 1944
 Istituto per la Ricostruzione Industriale 4 1/2% special series "Quintana III Ferro"
 1937 - 1957

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Total Amount
Bonds

Description

BONDS

Japan

French Francs
500.--

City of Tokyo 5% loan 1912 - 1952

Italy

U.S. \$ 291.--

Italian Republic 6% Treasury notes series A 1913 - 1923 stamped assented

Norway

Kroner 720.--

Norwegian Mortgage Bank 3 1/2% 1909 - 1969

Poland

Notes 1,069.48
or \$ 120.--
Notes 50.--

Polish Republic 4% bonds (to secure Dollar Loan) 1931 - 1941
Polish Republic 6% 1934 - 1949 (registered in the name of Michael Hiller Goldman)
Polish Republic II series 3% 1935 - 1950
" I series 3% 1935 - 1950

" 200.--
" 300.--
Polish Marks

Polish Government 4% Lottery bonds 1920 - 1960
Republic of Poland 4 1/2% 1937 - 1947
" " " 3% premium loan 1935 - 1985
" " " 4% consolidated loan 1936 - 1982
" " " 6% 1937 - 1958
" " " 6% 1934 - 1944
" " " 4 1/2% U.S. Dollar gold bond 1920 - 1958
" " " external sinking fund 7% stabilization loan
" " " gold bond 1927 - 1968

\$ 200.--
\$ 100.--
\$ 600.--

Notes 500.--
" 165.--

Koloz Mortgage Credit Society 8% mortgage bond 1929
City of Berlin 6% convertible loan 1939 - 1975

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BONDS

Total Amount
Dollars

Description

Russia

Merits 2,000--
 " 1,000--
 " " " " 1895 - 1975
 " " " " 1895 - 1935

Gold Rubles

15,750--

Rubles 187.50

Grivans 1,050--

Rubles 70--

" 925--

" 940--

" 45--

" 1,430--

" 220--

" 545--

Russian Consolidated 4 1/2 Rail Road Loan 1889 - 1970

Russian 3% gold loan 1896

Ukrainian 3.6 1/2 State Loan 1918

U.S. Soviet Russia 4 1/2 War Loan 1942 - 1962

" " " " 2nd 5 year plan 4 1/2 1936 - 1956

" " " " 3rd " " " 1939 - 1959

" " " " " " " " 1941 - 1961

" " " " " " " " 1940 - 1960

" " " " " " " " 1938 - 1958

" " " " " " " " 1937 - 1957

Uruguay

French Francs 1500

Republic of Uruguay 5% conversion gold loan 1906 - 1942

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Securities

BONDS

<u>Total Amount Bonds</u>	<u>Description</u>
<u>Argentina</u>	
Arg. Pesos 500.-	Credito Argentina Interno 4 $\frac{1}{2}$ % 1934 - 1986 Nos. 211168 through 211170
<u>Austria</u>	
Gold Francs 720 to 1475	Compagnie des Chemins de Fer Danube - Save - Adriatique, Vienna, interest rate variable and is not stated 1923 - 1969 Nos. 0537134, 0552758, 2.850036 to 2.850040, 2.850,036 to 2.850,040
500	Lower Austria Government Railway 4% 1911 - 1987.
French Francs 120	Railway bond stamped assented. No. 34304 Federal State of Lower Austria 4% 1924 - 1936 No. 0029
<u>Belgium</u>	
Franc 100	Municipal Loan of Antwerp (no interest rate) 1887 - 1977.
2000	Caisse Hypothecaire d'Egypte. 4% fixed and variable 1929 (no maturity date) Nos. 066803 and 066804
<u>Brazil</u>	
Pounds 40	United States of Brazil funding Sterling 5% 1914 - 1977 Nos. 457303 and 457304
" 40	United States of Brazil funding Sterling 5% 1931 - 1971 Nos. 178737 and 179625
" 400	Brazilian conversion loans 4% 1889 - 1945 No. 18060, 42237, 64977, 67601.
French Francs 2000	State of Sao Paulo external gold loan 5% 1907 - 1957 Nos. 46758, 46759, 67395 and 67396.
" "	Municipal Loan of State of Minas Geraes 4 $\frac{1}{2}$ % 1911 - 1969
<u>Czechoslovakia</u>	
Kroner 1100	Lottery Bond of 1921 Nos. 004952 A 000139, 004916 E 000168, 004916 D 000168, 004916 C 000168, 004916 B 000168, 004916 A 000168, 004121 E 000198, 004121 D 000198, 004121 C 000198, 004121 B 000198, 004121 A 000198.

BONDS

<u>Total Amount Bonds</u>	<u>Description</u>
	<u>France</u>
French Francs	
500	Credit National pour faciliter la Reparation des Dommages causes par la Guerre S.A. 5% 1920 - 1995 No. 5.991324
2000	French Government 3½% 1942 - 2002 No. 02459223
2000	French Treasury none interest bearing notes April 1942 - 1944 Nos. 06 153 964 and 06 153 965
6000	French Treasury none interest bearing notes July 1942 - 1944 Nos. 06059937 through 06059940, 08025132 and 08025510
18000	French Treasury none interest bearing notes April 1943 - 1945 Nos. 10380016 through 10380021, 11798757 and 11798758, 02954817
100000	French Treasury notes interest bearing notes December 1943 - 1944 Nos. and 01542609
8000	Societe Nationale des Chemins de Fer Francais (guaranteed by French Government) 4% 1941 - 1991 Nos. 0 170 646, 3 260 438, 1 375 130.
1000	Departement de la Seine 3½% 1883 - 1987 second series No. 351 514.
120	Compagnie Universelle du Canal Panama 4 % provisional bonds 1888 - 1987 Nos. 1202691 and 1202692
8500	Credit National 5 % 1919 - 1946 Nos. 1.409.221, 1.679870, 3.390.411, 3.390.412, 3.390.423 thru 3.390430 incl. 6.521.921, 6.710.674, 7.374.002 thru 7.374.004 incl.
1000	Credit National 5% 1920 - 1958 Nos. 2081406, 2894174
1500	" " 6% Jan. 1923 - Feb. 1948 Nos. 2535744, 4532084, 4570621
1500	Credit National 6% June 1923 - Apr. 1949 Nos. 0419122, 0897084, 0897085
43000	French Republic 4½% Tranche B 1932 - 1997 Nos. 645866, 758463, 1442293 and 1442294, 360588 and 360589
115400	French Republic 4½% Tranche A 1932 - 1997 Nos. 2025703 through 2025706, 453278, 1095068, 738949, 1075546, 2373573 through 2373575, 551748, 551749, 1873217, 1873218, 2536265, 2536266, 3486614 thru 3486616, 944035, 1400484, 1527136, 1527137, 652590 through 652593
800000	French Republic 4½% Tranche A Jan 1943 - 2008 Nos. 203098, 203115, 203118, 203131, 203133, 203134, 203151, 203155, 203156, 203159, 203173, 203176, 203180, 203181, 203209, 203217, 203218, 203210, 203221, 203224, 25862, 25863, 25870, 25122.

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BONDS

<u>Total Amount Bonds</u>	<u>Description</u>
	<u>France</u>
French Francs 880000	French Republic $4\frac{1}{2}\%$ Tranche B Apr 1943 - 2008 Nos. 14262, 14263, 14266, 14267, 111764, 111765, 111766, 111767, 111768, 111769, 111773, 111774, 111775, 111776, 111777, 111779, 111780 through 111782, 111784, 111788, 111789, 111790, 111791, 111792, 111793, 111798 and 111799.
1000	French Government Armament none interest bearing notes May 1940 - May 1942 No. 14039152
20000	City of Paris lottery loan $4\frac{1}{2}\%$ 1929 - 1979 Nos. 190282, 229961 through 229963, 493423 through 493425, 660554, 639920, 639921, 871104, 1304554 through 1304557, 2291999, 2292000, 2291998, 2293501 and 2293502.
2000	City of Paris lottery loan $4\frac{1}{2}\%$ 1932 - 1985, Nos. 534324 and 534325.
75	Exposition Universelle de 1889 lottery none interest bearing bonds 1889 - 1964 Nos. 0154950, 0154951, 0024516.
500	Compagnie des Chemins de Fer de Paris a Lyon et a la Mediterranee (registered in name of Paul Aron Nancy) 3% 1929 - 1958 Nos. 710836,
500	French Republic 3% 1936 - 2001
6500	" " 3% 1937 - 2002
500	" " 3% 1938 - 2003
8500	" " 3% 1939 - 2004
6000	" " 3% 1940 - 2005
3000	" " 3% 1931 - 1996
3000	" " 3% 1934 - 1999
2000	" " 3% 1932 - 1997
	Nos. 1961911, 1967532, 1981736, 1992662, 2004400, 2004399, 988284, 999120, 1028221, 1064621, 1068457, 1068458, 762684, 766673, 777761, 788459, 789314, 789315, 799757, 804989, 257424.
200	Association de la Presse (no interest rate stated) 1887 - 1962 Nos. 3708 and 3751.

Denmark

27.10 Credit Association of proprietors of small land estates in Jutland 4% 1903 maturity date not stated No. III.

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BONDS

Total Amount
Bonds

Description

Greece

39,600

Bank of Athens 6 $\frac{1}{2}$ % 1922 - 1942
 Nos. E' 166259, I' 008374, H' 246248, 1 A' 127814,
 1 A' 127815, 1 A' 217579, 1 A' 217580,
 1 A' 173161, 1 A' 173149, 1 A' 173150,
 1 A' 101334, B' 222475, B' 222476, B' 222477,
 B' 103805, 204446, 204439, 204441, 033268, 091011,
 091010, 225641, 225642, 222518, 236618, 062730,
 062731, 062729, 062726, 062727, 062728, 014906,
 014907, 033099, 033100, 033101, 235623,
 1' 927281 - 927290, 1' 691001 - 691010,
 1 A' 934241 - 934260, 1 E' 846511 - 846520,
 1 B' 951651 - 951660, B' 952671 - 952680,
 B' 952581 - 952620, B' 952651 - 952670,
 B' 952691 - 952710, B' 952631 - 952650,
 B' 978301 - 978310, B' 978191 - 978200,
 B' 978241 - 978250, B' 979161 - 979170,

12,900

Bank of Athens 6 $\frac{1}{2}$ % 1926 - 1946
 Nos. 601443, 049543, 009500, 044166, 076228,
 093667, 025793 thru 025795, 026822 thru 026824,
 027791 and 027792, 031896, 036646, 124580, 307137,
 023113, 027132, 052873, 085457, 010664, 010665,
 069499, 080656, 127130, 017040, 045202, 050449,
 117769, 117771, 052544, 088245 and 088246, 611941,
 003094 and 003095, 070686, 075594, 018950 and
 018951, 033752, 039549, 033135, 000734 thru
 000739, 036582 thru 036586, 013983 thru 013985,
 613088 and 613089, 017539 thru 017543, 031511,
 031512, 030430, 024788, 008764, 098883, 068929,
 068936, 068927, 124266, 027633, 126764, 005905,
 078493, 070568, 065330, 108006 and 108007, 008665,
 069158, 069160, 121853, 611867, 611879, 611894
 thru 611896, 611874 thru 611876,
 200 181 through 200 210, 200221 through 200230,
 200581 through 200590, 200621 through 200640,
 153746 through 153750, 153761 through 153770,
 249101 through 249110, 425466 through 425470,
 304101 through 304115, 374321 through 374355,
 394641 through 394645, 191386 through 191395.

Hungary

Pengos 1050

Hungarian Government 3% National Debt 1942 - 1982
 Nos. 4456, 16142.

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BONDS

<u>Total Amount Bonds</u>	<u>Description</u>
	<u>Italy</u>
Lire 5,500	Kingdom of Italy 5% Treasury bond series H 1940 - 1949, Nos. 0.046885, 0407581 thru 407590
500	Italian 5% Common Loan series D & E, 1937 - 1955, Nos. 0145453, 0145455, 0250445, 0246827, 0024146.
500	Italian Government 5% Treasury bonds April 1942 - 1951 No. 0.018.086.
500	Italian Government 5% Treasury bonds Feb 1941 - 1950 No. 0.077.610
500	Italian Government 5% Treasury bonds Sept 1941 - 1950 No. 0.020.265.
2,000	Italian Government 5% Treasury bonds 1943 - 1948 Nos. 0.043.976 through 0.043979
2,000	Italian Government 5% Treasury bonds 1940 - 1949 Nos. 0.114.545 - 0.114.546 - 0.114.547 - 0.114.548
207,000	Italian Government non-interest bearing Treasury bonds April 1943 - 1944 Nos. 0174076, 183822, 052811 and 052812,
69,000	Italian Government non-interest bearing Treasury bonds Feb 1943 - 1944 Nos. 241170, 241171, 241172, 241173, 241176, 241177, 0172612 and 0172613, 173027.
50,000	Italian Government non-interest bearing Treasury bonds Jan 1943 - 1944 Nos. 027281
12,500	Istituto per la Ricostruzione Industriale 4 1/2% special series " Gestione IRI Ferro " 1937-1957 Nos. 528026 thru 528050 incl.
	<u>Japan</u>
French Francs 500.-	City of Tokyo 5% loan 1912 - 1952
	<u>Mexico</u>
U.S. \$ 291.-	Mexican Republic 6% Treasury notes series A 1913 - 1923 stamped assented Nos. 091076, 126939, 032431
Mex. \$ 300.-	Banco Hipotecario de Credito Territorial Mexicano S.A. 5% 1908 - 1933 Nos. 4516 through 4518
	<u>Norway</u>
Kroner 720.-	Norwegian Mortgage Bank 3 1/2% 1909 - 1969 Nos. 56430, 51075.

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BONDS

Total Amount
Bonds

Description

Poland

Zloty 1,069.48 or \$ 120.-	Polish Republic 4% bonds (to secure Dollar Loan) 1931 - 1941 Nos. 0597608, 1.167 198, 0 309 520, 1 149 543, 0516134 - 0412013 - 0412014 - 0412015, 0412017 - 0412018 - 0412020 - 0412021, 0412025 - 0412022 - 0751229 - 0979403 - 0598043 - 0598041 - 0302 179- 0302180, 0919787 and 1000607, 0277281, 0996663
Zloty 50.-	Polish Republic 6% 1934 - 1949 (registered in the name of Michael Hiler Goldman) No. 0908355.
" 200.-	Polish Republic II series 3% 1935 - 1950 Nos. 019 300 No. 31 and 32.
" 300.-	Polish Republic I series 3% 1935 - 1950 Nos. 019 300 No. 46 and 017 151 No. 49.
Polish Marks 10,000.-	007951, No. 14. Polish Government 4% lottery bonds 1920 - 1960 Nos. 1 692 397, 1 692 399, 0452 252, 0298827 through 0298831, 2604316 and 2604317.
Zloty 46,000.-	Republic of Poland 4 1/2% 1937 - 1947 Nos. 0 122905 through 0122922, 0 122972 through 0122999 incl.
" 9,100.-	Republic of Poland 3% premium loan 1935 - 1985 Nos. 40 through 42 series 012548
	01 " 016082
	16 and 17 " 016103
	24 " 004481
	32 " 007952
	02 " 004557
	30 " 019663
	31 " 019663
	27 " 019663
	12 " 007508
	19 and 20 " 004008
	24 " 001007
	37 " 003722
	44 " 003495
	08 " 008815
	12 " 019466
	15 " 005149
	16 " 008824
	19 " 008889
	37 " 014500
	43 " 008818
	44 " 016831
	50 " 007504

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BONDS

Total Amount
Bonds

Description

Poland

Zloty 9,100

Nos.	series	Nos.	series
11	008839	36	004548
11	019466	40	004463
15	010790	44	002017
18	014997	46	003106
27	008834	01	015314
41	008818	04	010840
43	016831	06	010840
47	008819	08	010840
01	001554	17	015182
02	015615	18	015182
03	017655	34	022865
06	004581	47	002954
08	010840	02	015314
10	004201	05	010840
21	006329	07	010840
24	012997	13	005940
28	002233	18	003247
33	000382	26	019663
38	011365	40	004463
43	000307		
44	008141		
49	010766		
01	010754		
03	015587		
04	008086		
06	010840		
09	002031		
10	013143		
21	010135		
25	006490		
29	001937		
33	005770		
39	005529		
43	014877		
44	016835		
50	004629		
02	012490		
03	015615		
05	010840		
07	010840		
09	002125		
21	000423		
23	003790		
26	006351		
29	013726		

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BONDS

Total Amount
Bonds

Description

Poland

Zloty 8,300.-	Republic of Poland 4% consolidated loan 1936 - 1982 Nos. 0019269, 0042960, 0003997, 0009305, 0016030, 0018324, 0042744, 0044356, 0183834 through 0183836, 0190065 through 0190067, 0190069, 0190070, 0193453, 0288457, 0183557, 0190062 through 0190064, 0190068, 0271917, 0184553 through 0184567 0324631 and 0324632, 0263238 and 0263239.
" 100.-	Republic of Poland 6% 1937 - 1958 No. 0069001
" 50.-	" " " 6% 1934 - 1944 No. 1084131
\$ 100.-	" " " 4 1/2% U.S. Dollar gold bond 1920-1958 No. B 017985
\$ 600.-	Republic of Poland external sinking fund 7% stabilization loan gold bond 1927 - 1968 Nos. D 8193, 31910
Zloty 500.-	Kielce Mortgage Credit Society 8% mortgage bond 1929 No. 70
" 165.-	City of Bedzina 6% convertible loan 1939 - 1975 Nos. 2645 through 2654, 2657, 2659 through 2661, 2667.
" 1,000.-	Credit Society of the City of Kielce 8 % mortgage bond 1930 - 1958 No. 0,238 series 2.
" 750.-	Municipal Credit Society of the City of Piotzkow 5% mortgage bonds 1925 Nos. 002151, 002411, 00287
" 3,500.-	City of Lodz 6% convertible loan 1935 - 1962 No. 0001865, 0002544 thru 00025...
" 350.-	City of Warsaw 6% 1926 - 1952 Nos. 278316, 279237, 287150, 293547 through 293549 280560.
" 500.-	Piotikow Credit Society 5% mortgage bonds 1925 Nos. 2874 and 3501 (1 bond is partially mutilated)
" 3,000.-	Credit Society of Lodz 5% mortgage bond 1925 No. 362.
" 100.-	Credit Society of Lodz 4 1/2% mortgage bond 1925 No. 59124.
" 99,100.-	Credit Society of the City of Lodz 5% mortgage bond 1933 - 1969 Nos. 040023, 040028, 041995, 020002, 020732, 020733, 020807, 020808, 021846, 021847, 021901, 021996, 022260, 022631, 023354 through 023356, 023433, 023626 through 023630, 023856 through 023858, 023981, 024052, 024118 through 024121, 024122, 024220, 024542, 024543, 024580, 010544, 010709, 010710, 010789, 011305, 011426, 002049, 100774, 103996.

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BONDS

Total Amount
Bonds

Description

Poland

loty 99,100.-

Nos. 011522, 011582, 012169, 012170, 012203, 012903, 013086, 013623, 013990, 014666, 014479, 014992, 015031, 015056, 015071, 015353, 015541, 016329, 016973, 017076, 017077, 002049, 100774, 103996, 000602, 001675, 104362, 000505, 107827, 108645, 109573, 010028, 006053, 006577, 008099, 009098, 009099, 0090100, 152952, 008335, 008430, 008917, 008918, 008924, 009151, 009231, 009336, 009707, 009721, 009748, 009755, 009914, 150797, 151224, 151245, 151405, 152035, 152036, 152244, 152901, 153926, 154517, 154892, 155268, 156266, 156651, 157053, 157110, 157111, 157121, 157639.

" 4,500.-

Credit Society of the City of Lodz 5% mortgage bonds 1925 - 1961 Nos. 0005493, 0001998, 0148.

" 500.-

Credit Society of the City of Lodz 4½% mortgage bonds 1925 - 1961 No. 0052026.

Ruble 1,000.-

Credit Society of the City of Kielce 5% 1900 No. 0021, 0152, 0179.

" 500.-

Credit Society of the City of Kielce 5% 1901 No. 0149.

" 500.-

Credit Society of the City of Kielce 5% 1903 No. 0267.

loty 1,000.-

Credit Society of the City of Czenstochowa 8% mortgage bonds 1931 Nos. 001620 and 001621.

French Francs

27,264.-

City of Warsaw 4½% 1931 - 1976 Nos. 5409, 7416, 8286, 8308, 15006, 15010 through 15025, 17267 through 17274, 35424 through 35429, 46973 through 46975, 64046 through 64052, 87923 through 87928, 90931 through 90934, 100352, 105024 through 105031, 106137, 130049, 135110 through 135114, 135116 through 135118, 135434 through 135438, 135119 through 135129, 150350 through 150354.

Zloty 4,189.58

Republic of Poland (no interest rate) 1931-1941 Nos. 0009248, 0009532, 0009533, 0051404, 0072397, 0075436, 0086534, 0086535, 0115731, 0115774, 0187385, 0227585, 0391547, 0451244, 0566993, 0667569, 0704384, 0780748, 0818470, 0899304, 1004413, 1014686, 1033998, 1077322, 1111970, 1130325, 1171683, 1197804, 1227775, 1227786, 1230008, 1230010, 1230013, 1466324, 1466325, 1466997 and 1466998, 0041959, 0339163, 0339821, 0372488, 0372971, 0409722, 0443989, 0445385, 0446603, 0493002, 0520047, 0556363, 0564254 thru 0564264, 0673647, 0673649, 0673650, 0702474.

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BONDS

Total Amount
Bonds

Description

Poland

Zloty	4,189.58	Nos. 0733474, 0769157, 0769158, 0786063, 0788648, 0845535, 0852193, 0872739, 0937394, 0959071, 1067177, 1067264, 1197695, 1246905, 1253431, 1321380, 1370496, 1424440, 0727719 thru 0727721, 0783085, 0865788, 1123915, 1182399, 1182400, 1182401, 1182403, 0375626, 0397723.
"	5,280.-	Credit Society of Warsaw 4% 1935 Nos. 0000615 and 0000616.
"	5,280.	Credit Society of Warsaw 4 1/2% 1935 Nos. 0255955, 0255956.

Russia

Rubles	200.-	U.S. Soviet Russia non-interest bearing defense lottery bonds 1937 - 1957 No. 38983, certificate No. 01 J. 02.
"	300.-	U.S. Soviet Russia non-interest bearing 3rd 5 year plan lottery bond 1936 series No. 03455, certificate No. 37, 38 J. 39.
"	620.-	U.S. Soviet Russia non-interest bearing 3rd 5 year plan lottery bond 1938 certificate No. 43 J.44 series 53584, 29 J.30 series 57364, 29 J.30 57347, certificate No. 19 series 41272
"	900.-	" No. 19 " 41274.
"	825.-	U.S. Soviet Russia non-interest bearing 3rd 5 year plan lottery bond 1939 certificate No. 19 J.20 series 78651 " " 22 " 65796 " " 09 " 77209 " " 09 " 77210 " " 09 " 77212 " " 09 " 77213 " " 09 " 77213 " " 09 " 77211
"	825.-	U.S. Soviet Russia non-interest bearing 3rd 5 year plan lottery bond 1940 certificate No. 13 series 91722 " " 13 " 91723 " " 17 " 92475 " " 49 " 94161 " " 49 " 94162

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BONDS

<u>Total Amount Bonds</u>	<u>Description</u>
	<u>Russia</u>
Rubles 825.-	1 certificate No. 38 series 82662 1 " " 38 " 82661 1 " " 43 " 95891 1 " " 17 " 92858 1 " " 26 " 85574 1 " " 26 " 85539 1 " "45 J.46" 87083 1 " "45 J.46" 87082 1 " "45 J.46" 87081
" 10.-	U.S. Soviet Russia non-interest bearing 3rd 5 year plan lottery 1941, certificate No. 10 series No. 116691
" 12.-	U.S. Soviet Russia non-interest bearing lottery bonds for various combines, issue date not stated 1 certificate No. 219 series 54464 1 " " 042 " 41899 1 " " 235 " 14533 1 " " 070 " 11144
Marks 2,000.-	Vladikavkas Railway Co. 4% 1895 - 1975 Nos. 49101 and 49102.
" 1,000.-	Vladikavkas Railway Co. 4% 1895 - 1955 Nos. 38830 and 38945.
Gold Rubles 18,750.-	Russian Consolidated 4% Railroad Loan 1889-1970 cert Nos. 1097176 through 1097200, 1097801 through 1097825, 1104626 through 1104650, 1185876 through 1185900, 1234226 through 1234250, 2181335 through 2181359.
Rubles 187.50 Grivens 1,050.-	Russian 3% gold loan 1896 No. 108485. Ukrainian 3.6% State Loan 1918 Nos. 216746, 008859.
Rubles 70.-	U.S. Soviet Russia 4% War Loan 1942 - 1962 Nos. 016898 and 016899, 013310.
" 345.-	U.S. Soviet Russia 2nd 5 year plan 4% 1936-1956 Nos. 49 series 10069 49 " 10072 21 " 11904 21 " 11949 21 " 11993 46 " 15647 46 " 15648, 35 " 15783 36 " 18492 23 " 02007.

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Box 424
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BONDS

Total Amount
Bonds

Description

Russia

Rubles 340.-

U.S. Soviet Russia 3rd 5 year plan 4% 1939-1959

- No. 14 series 75153
- 17 " 72588
- 31 " 76721
- 31 " 76722,
- 05 " 62559
- 09 " 72924
- 15 " 72371
- 22 " 72731,
- 45 " 71338.

" 45.-

U.S. Soviet Russia 3rd 5 year plan 4% 1941 - 1961

- No. 24 series 103274
- 24 " 103275
- 38 " 100184

" 1,430.-

U.S. Soviet Russia 3rd 5 year plan 4% 1940 - 1960

- No. 01 series 93626
- 01 " 93628
- 05 " 87107
- 06 " 91188
- 06 " 91189
- 30 " 81920
- 31 " 99351
- 31 " 99353
- 33 " 95138
- 34 " 93559
- 07 " 92527
- 07 " 92528
- 07 " 97151
- 07 " 97152
- 07 " 97153
- 17 " 85028
- 27 " 99927
- 38 " 92699
- 40 " 92892
- 40 " 92894
- 46 " 93822
- 46 " 93824
- 50 " 83383

- No. 17 series 98316
- 18 " 82279
- 22 " 84124
- 35 " 90853
- 45 " 87335
- 45 " 87339.

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BONDS

Total Amount
Bonds

Description

Switzerland

Swiss Francs
2,000

Swiss Confederation 3% Railway Loan 1903-1962
Nos. 100637 through 100640.

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hzh
 Entry Finance
 RG 662

STOCKS

<u>Total number of shares</u>	<u>Denomination or par value</u>	<u>Description</u>
<u>Argentina</u>		
16	Arg. Pesos 10	Sociedad Auxiliar Fabric Agricolar y Comercial beneficial shares Nos. 002120, 019865, 033333, 033334, 038451, 046175, 059956, 081708, 128550, 128887, 129195, 129537, 130315, 133613, 135160, 13561,
<u>Belgium</u>		
15	Francs 500	"Electrorail", Brussels shares Nos. 197681 thru 197694 and 197696,
2	Francs 250	Societe Industrielle et Miniere du Congo Oriental shares series B Nos. 055103 and 055104,
1	Certificate Francs 1/10 founder share	Societe Industrielle et Miniere du Congo Oriental shares series B No. 077673,
5	Francs 500	Fabrique Soie Artificielle Tubize privileged shares (in certificates of 1/10 privileged share each) Nos. 14694, 142011, 167371, 185680, 192293, 198967, 207040, 222138, 223599, 230611, 262851, 262858, 262859, 262860, 262861, 271865, 275491 through 275494, 282346, 337055, 381393, 41718, 43999, 53325, 54262, 54263, 55350, 56343, 66572, 66573, 67180, 68445, 68446, 69197, 69198, 74654, 461308, 461309, 462983, 462984, 402001, 402003, 4 05286, 405288, 405289, 05289, 05565, 05995,
5	no par value	Union Miniere de Haut Katanga parts sociales Nos. 0840994, 0906703, 0954568, 0970088, 1021845,
<u>Bolivia</u>		
248	£ 1	Compania Huanchasa de Bolivia shares Nos. 017131 and 017132, 019372 through 019375, 019387 and 019388, 136986 through 136990, 141668, 141736 and 141737, 162802 through 162806, 180353 through 180375, 180426, 211964 through 211968, 270101 through 270105, 270107, 307515, 311861 through 311875, 356797 through 356817, 356819 through 356821, 363831 through 363850, 365463 and 365464, 403674, 436030 through 436034, 456241 through 456245, 457314 through 457316, 458618, 459036 through 459039, 459636 through 459639, 459642, 418366 through 418370, 580146 through 580170, 681201 through 681225, 686566 through 686580, 693086 through 693090, 695176 through 695195, 698176 through 698195, 698206 through 698210, 478558 and 478559, 792786 through 792795.

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Box 424
 Entry France
 RG 260

STOCKS

<u>Total number of shares</u>	<u>Denomination or par value</u>	<u>Description</u>
<u>French</u>		
1	no par value	Compagnie des Chemins de Fer de l'Est 1928 No. 228741,
2	Francs 500	Compagnie des Chemins de Fer de l'Est 1937 Nos. 24724 and 120715,
4	Francs 500	Pechelbronn Société Anonyme d'Exploitations Mimières Nos. 90749 thru 90752,
5	Francs 500	Credit General des Petroles, category A shares Nos. 114868, 353933 through 353936,
3	Francs 150	Société en Commandite Grands Magasins du Printemps preference shares Nos. 16487, 61062 and 61063,
53	Francs 500	Credit Foncier de France shares (registered in name of Mr. Louis Kahn) Nos. 604768, 646267, 708495, 797042,
2	Francs 100	Société "Chauvière Vitry-Sur-Seine" shares Nos. 09431, 09432,
18	Francs 500	Compagnie des Chemins de Fer de l'Est shares Nos. 119342, 136038, 219220, 232333, 232334, 320894, 335593 through 335596, 400157, 412421, 412422, 414851, 456299, 456300, 457516 and 492245,
34	no par value	Compagnie des Chemins de Fer de l'Est shares Nos. 34963, 35186, 51965 through 51967, 135138, 178723, 178224, 213279, 226271, 249292, through 249297, 259924, 262799, 285352 through 285356, 294534, 294535, 307011, 320013 through 320019, 333477,
1	Francs 250	L'Aliment "Essentiel" of 1930 No. 37903,
<u>Hungary</u>		
10	Pengos	Hofherr-Schranz-Clayton-Shuttleworth, Hungarian Machine Manufacturing Works, Eispest shares Nos. 233601 through 233700,
<u>Italy</u>		
2	Lire 500	Società Italiana per le strade Ferrate Meridionali shares Nos. 14231 and 14232,
2	Lire 100	Società Generale per l'Industria Mineraria et Agricola shares Nos. 6658827 and 5459862,
5	Lire 100	Società Anonima delle Miniere di Monte Catini share No. 73592, 125630, 125631, 125940, 128364,
<u>Jugoslavia</u>		
10	Dinars 500	Privileged Agricultural Bank shares Nos. 072811, 072812, 091063, 196019, 283314 thru 283319.

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RG 662STOCKS

<u>Total number of shares</u>	<u>Denomination or par value</u>	<u>Description</u>
<u>Mexico</u>		
3	provisional shares 2 Pesos	Banco Hipotecario de Credito Territorial Mexicano S.A. shares Nos. 109455 thru 109457,
33	no par value	Compania Nacional de Inversiones shares Nos. 155211 thru 155230, 073262 thru 073274,
20	Mex. \$ 10 Reduced to 4 Pesos	Mexican Eagle Oil Ltd ordinary shares Nos. B 0661671 through B 0661680, B 0683281 through B 0683290,
<u>Netherlands</u>		
16	Florins 100	Royal Dutch Co for the Working of Petroleum Wells in the Netherlands East Indies-sub shares Nos. 026269 D, 081194 F, 0830156, 173333 D and 185475 016565 B, 053106 D, 154854 A 186299 A, 318235 F, 320412 B, 320412 C 401512 I, 401512 J, 428715 A, 428715 B,
2	Florins 1000	Royal Dutch Co for the Working of Petroleum Wells in the Netherlands East-Indies shares Nos. 197381, 402623,
2	Guilders 1000	Royal Dutch Co for the Working of Petroleum Wells in the Netherlands East Indies shares (issued in Holland in December 1940 during the German occupation) Nos. 007767 and 285131
<u>Poland</u>		
100	Zloty 100	Force et Lumiere S.A., Warsaw shares No. 014279
4	Zloty 100	Fryderyk Puls, Warsaw capital stock No. 20968 thru 20971
8	Zloty 100	Chemical Works "Blask" Ltd. Poznania shares Nos. 008423 through 008430,
1	Zloty 100	H. Cegielski Co Ltd. Poznania
1	Zloty 100	Lilpop Ran and Loewenstein Ltd. Warsaw shares No. 021498
2	Zloty 25	Lilpop Ran and Loewenstein Ltd. Warsaw shares Nos. 005635 and 005636,
21	Zloty 50	K. Rudzki and Co Ltd Warsaw shares Nos. 002682 through 002696, 024745 through 024750,
10	Zloty 600	Electric Tramway Co of Lodz Ltd. shares Nos. 006420, 006421, 006422, 029018, 29019, 29036, 29042, 029321, 029322, 029323,
1	Zloty 100	Electrical Works of the City of Cracow shares no. 17924,
1	Zloty 100	Polish Chemical Works "Nitrat" Ltd. No. 0011195,
12	Polish Marks 500	Polish Chemical Works "Nitrat" Ltd. Nos. 1201384 and 1201385, 1225696 through 1225700, 1225701 through 1225705,
10	Zloty 100	Bank of Poland Nos. 316484, 379321, 379582 through 379588, 487093,

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 Entry Finance
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STOCKS

<u>Total number of shares</u>	<u>Denomination or par value</u>	<u>Description</u>
<u>Poland</u>		
2	Zloty 60	Polish Paper Works, Ltd Nos. 12364 and 12365.
<u>Portugal</u>		
500	Escudos 2.25	Companhia de Mocambique shares Nos. 866345, 860745, 873106 and 873107, 1078685 and 1078686, 1078783, 1079338, 61120, 718221, 387908 and 387909, 1620205, 1791256 thru 1791258, 1626055 and 1626056, 1101702 thru 1101705, 715708, 715723, 715724, 209816 thru 209835, 329421 thru 329425, 136472 thru 136480, 66231 to 66245, 74206 thru 74210, 554226 thru 554250, 599451 thru 599475, 782842 thru 782866, 318065 thru 318089, 682663 thru 682687, 971862 thru 971886, 1167792 thru 1167816, 1087195 thru 1087219, 1591101 thru 1591125, 2186101 thru 2186125, 2098376 thru 2098400, 2168451 thru 2168475, 2347326 thru 2347350, 2374651 thru 2374675, 2389376 thru 2389400, 2461026 thru 2461050, 376176 thru 376200,
<u>South Africa</u>		
2	10 shillings	Crown Mines Ltd shares Nos. A 1 53890, A 1 53891
20	£ 2.10/-	De Beers Consolidated Mines Ltd cumulative deferred shares Nos. C 83137, C 69667
45	£ 2.10/-	De Beers Consolidated Mines Ltd cumulative preference shares Nos. C 89868, C 85926, B 34147, B 40930, B 38975, B 28299, B 38888,
10	£ 1	The New Jagersfontain Mines and Exploration Co Ltd shares Nos. 725876 through 725885
10	5 shillings	Rand Mines Ltd shares Nos 11395

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Entry Finance
RG 260BOND COUPONS

<u>Total amount of coupons</u>	<u>Payable date of coupons</u>	<u>Description</u>
<u>Argentina</u>		
Arg. Pesos 11.25	15 May 1939	Credito Argentino Interno 4 1/2% 1934
<u>Austria</u>		
Francs 187.50		Austrian State Railway 3% coupons Nos 6-30 due 1 Sept. 1938 to 1 Sept. 1950 bond No 569705.
<u>Canada</u>		
¢ 20	1 Jan. 1940	Canadian Pacific Railway Co 4% consolidated debenture stock bond No G 23964
<u>Denmark</u>		
¢ 22.50	15 Apr 1940	Kingdom of Denmark 4 1/2% external dollar loan due 15 April 1962 No M 34662
Marks 22.50 or	1 Jan 1939 and	Credit Society of Landet in Jutland 4% B No 111
Shillings 22	1 July 1939	
<u>Egypt</u>		
£ 119.76	1 July 1939	Credit Foncier Egyptien 3% Nos 004781 thru 004786, 007132, 028394, 037336, 037644, 040118, 040128 thru 040131, 043451, 048349, 155764, 158407, 229039.
<u>France</u>		
Francs 19.25	1 May 1942	City of Paris (Metropolitan 1910) 5 1/2% Nos 113, 450, 002934, 002935, 022303,
" 20.-	ditto	City of Paris (1894-1896) 5% Nos 0040599, 0128306, 0192154 and 0192155.
" 50.-	ditto	Compagnie d'Electricite de l'Ouest Parisi 5% Nos 033313 thru 033322.
" 67.50	1 Apr 1942	Union d'Electricite 4 1/2% Nos 43692 thru 43694.

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BOND COUPONS

<u>Total amount of coupons</u>	<u>Payable date of coupons</u>	<u>Description</u>
<u>France</u>		
Francs 18.-	1 April 1942	Credit Foncier de France 6% 1891
" 22.50	ditto	Chemins de Fer de l'Ouest bonds
<u>Mexico</u>		
not stated	1 July 1939	Banco Hipotecario de Credito Territorial variable interest bonds (interest rate not stated) No 4516, 4517 and 4518.
<u>Poland</u>		
Francs 12.78	1 Oct. 1939	City of Warsaw 4 1/2% loan 1931 Nos 0046973, 0064048.
" 38.24	1 April 1940	ditto No 0064051, 0090933, 0090934, 0135110, 0135118 and 0135119.
" 12.78	1 October 1940	ditto Nos 0015024 and 0105027.
" 31.95	1 Apr 1941	ditto Nos 0035424, 0064047, 0105028, 0105029 and 0135122.
" 6.39	1 Oct. 1941	ditto No 0015015.
" 38.24	1 Apr. 1942	ditto Nos 00008286, 0008308, 0017273, 0105025, 0135123 and 0135126.
" 6.39	1 Oct 1942	ditto No 0015010.
Zloty -.75	1936	Polish Government 4% loan 1936 No 0801287.
" 6.-	15 Nov 1939	Polish Government 4% loan Nos 0184559, 0184561 and 0184567.
" 14.-	15 Nov 1940	ditto Nos 0184553, 0184555, 0184560, 0184561, 0184562, 0184566 and 0184567.
" 2.-	15 May 1941	ditto No 0184561.
" 262.-	1 July 1940 thru 1 July 1943	Credit Society of Kielc 5% mortgage bonds No 70.
" 6.25	2 Jan 1941 thru 2 Jan 1943	Credit Society of Lodz 5% mortgage bonds No 027078.
" 13.50	2 Jan 1940 thru 2 Jan 1943	Credit Society of Lodz 4 1/2% mortgage bonds No 059124.
" 56.25	2 Jan 1941 thru 2 Jan 1943	Credit Society of Lodz 4 1/2% mortgage bonds No 052026.
" 125.-	ditto	Credit Society of Lodz 5% mortgage bonds No 001998.
" 450.-	1 July 1940 thru 2 Jan 1943	Credit Society of Lodz 5% mortgage bonds No 362.

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BOND COUPONS

<u>Total amount of coupons</u>	<u>Payable date of coupons</u>	<u>Description</u>
<u>Poland</u>		
Zloty 525.-	2 Jan 1940 thru	Credit Society of Kielc 5% mortgage bonds No 000448.
" 87.50	2 Jan 1943 ditto	Credit Society of Lodz 5% mortgage bonds No 010028.
" 75.-	2 Jan 1940	Credit Society of Lodz 5% mortgage bonds No 000362.
Gold Zloty 6.-	15 May 1941	Republic of Poland loan Nos 184553, 184563 and 184564.
" " 51.29	1 Apr 1940 thru 1 Apr 1942	City of Warsaw bonds Nos 5409, 15006, 15010, thru 15012, 15020, 15024, 17269, 17271 thru 17274, 64046, 87925, 87926, 135116, 135121 thru 135126, and 135124.
<u>Switzerland</u>		
Swiss Francs 22.50	15 May 1939	Swiss Confederation 3% Railroad Loan Nos 100637 thru 100640.
<u>Turkey</u>		
Francs 56.25	25 May 1939	Turkish Loan 7 1/2% 1933 No 278523 thru 278528.
<u>United States of America</u>		
\$ 20	1 Oct 1940	Atchison Topeka & Santa Fe Railway Co general mortgage 4% 100 years gold bond No M 53965.
<u>Uruguay</u>		
Francs 100	1 Jan 1939 thru 1 Jan 1940	Republic of Uruguay 5% No 047368 thru 047371.

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 Entry Finance
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STOCK COUPONS

<u>Number of coupons</u>	<u>Serial number of coupons</u>	<u>Description</u>
<u>Denmark</u>		
2	No. 11	Great Northern Telegraph Companys Holding Co Ltd Nos B 57935 and B 30980,
<u>Italy</u>		
5	No. 46	Miniere de Montecatini Nos 31692, 43830, 43831, 44140 and 46564,
<u>Netherlands</u>		
8	Nos. 84 thru 96	Royal Dutch Co for the Working of Petroleum Wells in the Netherlands East Indies No. 144025.

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Miscellaneous

<u>Total amount</u>	<u>Description</u>
	<u>Poland</u>
Zloty 71	<p>Contribution Certificates, paid to City of Warsaw, no names filled in Nos. 399519, 399520, 367288, 367289, 127875,</p> <p>4 Talons of 6% convertible loan bearer bonds of City of Warsaw with coupons Nos. 20 through 40 attached, Nos. 287150, 293547 through 293549,</p> <p>5 Talons of Credit Society of Kiele 5% mortgage bonds Nos. 21, 149 and 267, 152, and 179.</p>
	<u>Austria</u>
Francs 75	Title Claims in settlement of interest arrears to Austria pledged debt Nos. C 006765, D 006991,
	<u>Greece</u>
Tickets 14	<p>Lottery Tickets Nos. 23189 E/1, 11252 E/IV, 11271 E/IV, 23185</p> <p>Lottery Tickets drawing 9 May 1944 No. 16229,</p> <p>Lottery Tickets 27 January 1927</p> <p>Lottery Tickets 5 July 1943.</p>
3	
132	
22	

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FOOTNOTES TO PRECEDING LISTS

Note A - All bonds and stocks are in bearer form unless otherwise stated in the description.

Note B - In the description of bonds, the year preceding the dash is the year of issue, the year following the dash is the year of maturity. If only the year of issue is stated, the maturity is not determinable from examination of the security.

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Authority 000 765072By TE NARA Date 8/3BOX
424
Entry Finance
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TRANSCRIPT OF INTERROGATION REPORT
dated 18 June 1945
of
LUZ COUNT SCHWERIN VON KROSIGK

*Securities*German Penetration AbroadMINES DE BOR, YUGOSLAVIA

The REICH purchased one-third interest in the MINES DE BOR, YUGOSLAVIA, since the purchasers of the other two-thirds, MANSFELD and the PREUSSISCHE WERKE, could not find another private partner. The minister's sole function in this transaction was the payment for the REICH's share out of his Special Funds (AUSSERORDENTLICHER ETAT) for War expenditures. He does not know where the shares are deposited. In this connection he stated that, together with FUNK, he had tried unsuccessfully to have all REICH holdings and participations in GERMANY and abroad concentrated in one organization after the pattern of the VIAG.

Activities in ITALY

He visited ITALY only once in 1942, when he gave a lecture before the German-Italian Chamber of Commerce in MILAN. The Italian Finance Minister, THAON DI REVEL, had come up from ROME and also addressed the Chamber of Commerce but no negotiations took place between the ministers or with anybody else. His next journey to Italy was approximately in Feb 1944, when he inspected the Frontier and Customs Service. During this tour he had conferences with the German Ambassador RAHN and MUSSOLINI's Finance Minister (ACERBO ?), who were both located on the shores of Lake GARDA. He discussed the Italian financial situation and the Italian contribution which had been fixed by MUSSOLINI and RAHN. The Italian Finance Minister asked for a reduction of this contribution, a limitation of Italian currency paid to German troops and for a common fight against the black market.

304382

Precious Metal

DECLASSIFIED
Authority *md 775059*
By *[Signature]* NARA Date *8/2*

RG 260
Entry Finance
Box 429

Security

File No. *123-71*
940.37 *50*

(Main) APO 757
5 January 1946

SUBJECT: Precious Metal Records.

TO : Mr. Donald W. Curtis, Chief, Statistical Analysis Section, External Assets, Census Branch, DICEA.

1. Received this date five wooden boxes, containing the records of the precious metals stored in the vaults of the Currency Section for Germany in the Reichsbank Building, Frankfurt. These records are composed of the Reichsbank data and other pertinent records assembled by DICEA.

L. C. HIGGINS
Capt Inf

ROBERT W. BORMAN
Capt Inf

RWB/F1
Telephone FRANKFURT 31 017

RG 260
 Entry Finance
 Box 424

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Authority *770059*By *S* NARA Date *8/2*CONTENTS - BOX NO. 1

Item	German Title	English Title	Remarks
1 Folder	Allgemeine Verfügungen betr. Aunkauf von Goldmünze, Goldbarren, Silber; Rückgabe-gold; Ferner: Gebührenerrechnung, Verguehung, Abrechnung	General Specifications in regard to purchase of gold coins, gold bars, silver, return-gold, also accounting for Costs, Booking, Billing.	
1 Folder	Silberverfügungen	Silver Regulations	
1 Folder	Verordnungen (Erledigte) Edelmetall Aunkaufskasse	Regulations (Completed) Precious Metals Buying Office	
1 Folder	Juden Gesetz u. Bestimmungen und Schriftwechsel	Jewish Laws and Decrees and Correspondence	
1 Folder	Runderlasse der Überwachungsstelle für Edelmetalle.		
1 Folder	Goldbewirtschaftung Kriegsmassnahmen		
1 Folder	Wirtschafts und Wahrungsmotizen		
1 Folder	Goldbewirtschaftung I		
1 Folder	Goldbewirtschaftung II		
1 Folder	Dienstbestimmungen für die Reichsbankanstalten Band III, Kassenverkehr.		
1 Book	Barkontrolle der Kasse Edelmetalle Begonnen 3 Jan 1944.		
1 Book	Handbook über die Beamten der Deutschen Reichsbank, 1941.		
1 Book	Summablitx, Weltrechnenbuch		

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Authority 77D 775059

By [Signature] NARA Date 8/2

RG 260

Entry Finance

Box 429

CONTENTS - BOX 2

Item

German Title

1 Folder

Gold Bewirtschaftung in den
Sudetendeutschen Gebieten,
Bohmen, Mahren, Memelland,
Slowakasi, Polen, Danzig,
Ostgebiete, Belgien, Holland,
Luxembourg.

1 Folder

Gold Bewirtschaftung,
Osterreich

1 Folder

Beutelbuch Kontrollbuch B
Hauptbuch

1 Folder

Beutelbuch ~~Kontrollbuch~~ C

1 Folder

Beutelbuch B Hauptbuch

1 Folder

Beutelbuch Kontrollbuch C

1 Folder

Depot - Mappe

1 Folder

Geschäftsgang und Dienstanweisung
der Edelmetallankaufkasse

1 Folder

Goldbarren und Goldmunzen
Bestände bei den Bankanstalten
(Asservate des Reichsbank
Direktoriums)

1 Folder

Gold und Silber - Statistische
Notizen

1 Book

Die Devisengesetze - 1 Apr 41

17 Folders

Miscellaneous Papers - newspaper
clippings, correspondence, etc.

1 Folder

Account Cards

1 Folder

Regulations and Practice of Gold
Clearings in Central Banks - I

1 Folder

" " " - II

File

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 Entry Finance
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CONTENTS - BOX 3 (MEYER PAPERS)

<u>Item</u>	<u>German Title</u>
Package 1	Inventory of Deliveries, 1 through 22.
Package 2	" " " 23 " 48.
Package 3	" " " 49 " 57 59 " 65 71 " 76
Package 4	" " " 58 " 70 66 50
Package 5	Teilabrechnungen 1 through 4, (covering deliveries 1 through 10)
Package 6	Teilabrechnungen 4 and 5 (covering deliveries 11 through 22)
Package 7	Teilabrechnungen 1 through 9, combined.
Package 8	Teilabrechnungen 6 through 9.
Package 9	Precious Metals Accountings by DEGUSSA of Deliveries 34, 42, 43, 45, 47, 49, 60, 62.
Package 10	Pfandleihanstalt Jewelry Accountings of Deliveries 40, 42, 43, 44, 47, 48, 26, 53, 54, and 72, and lists of valueless notes contained in deliveries 22, 34, and 37.
Package 11	Detailed evaluations of Jewelry by Pfandleihanstalt.
Package 12	List of Securities, Bills of Sale of Securities, and Miscellaneous Information about 26, 37, 42 and 42th Deliveries.
Package 13	Miscellaneous Correspondence.

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sheet 1 of 2.

CONTENTS - BOX NO. 4

<u>Item</u>	<u>German Title</u>
1 Book	Goldankauf - Diverse Goldbarren Nr. 30001
1 Book	Goldankauf- Diverse Goldbarren Nr. 30001, Kontrollbuch
1 Book	Statistik Gold und Silber
1 Book	Beutelbuch (Kontrollbuch) Ausländische Gold-Munzen (Beginning 13 Oct 37)
1 Book	Verschlossene Depots gegen Quittung
1 Book	Asservatenbuch (1944 -) Aushandigung von Zinsscheinen Talons - Besorgung
1 Book	Bestandsbuch der angekauften ausser Kurs gesetzten Silbermunzen
1 Book	Bewegungen auf dem Goldkonto seit 1 Juli 1914
1 Book	Tagebuch, beginning 10 Sept 43.
1 Book	Tagebuch, beginning 1 June 40
1 Book	Tresorarbeitsbuch des Tresors A, beginning 1 June 1940.
1 Book	Buch über die Lagerung der Goldbestände im Tresor A.
1 Book	Ein und Ausgangsbuch des Goldankaufs, beginning 15 Sept 44
1 Book	Lagerbuch für Verschlossene Depots
1 Book	Asservate und Depots , beginning 7 April 1931
1 Book	Beutelbuch A (Hauptbuch) ausländische Goldmunzen.
1 Book	Ein und Ausgangsbuch des Silberankaufs beginning 1 July 1941.
1 Book	Gewichtskontrolle der Asservate u Depots. beginning 7 Julz 1942
1 Book	Gwichtskontrolle für Goldbarren des Goldankaufs. beginning 19 Oct 39.
1 Book	Liste der Abgehenden Goldtransporte.
1 Book	Statistik für Gold und Silber.
1 Book	Gold in Barren und ausländischen Munzen.
1 Book	Gold u. Silber Notierungen

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By *S* NARA Date *8/2*

CONTENTS - BOX 4

<u>Item</u>	<u>German Title</u>
1 Book	Silber Ankauf, Berlin
1 Book	Quittungsbuch der Edelmetall- ankaufskasse. (beginning 10 Oct 33)
1 Book	Gold und Silber Notierungen beginning 1925.
1 Book	Statistik über den Goldbestand des Reichsbank.

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Sheet 1 of 2

CONTENTS - BOX 5

<u>Item</u>	<u>German Title</u>
1 Book	Hochwertige Goldbarren (uber 990/1000) Kontrollbuch, Nr.1 - 10000
1 Book	Hochwertige Goldbarren (uber 990/1000) Kontrollbuch Nr.20,000 - 30,000.
1 Book	Standard Goldbarren (Kontrollbuch) Nr.10001 - 15000.
1 Book	900er Goldbarren Kontrollbuch Nr.15001 -21000.
1 Book	Bestandskontrolle des Goldankaufs beginning 2 Jan 45
1 Book	Bestand des Hauptresors, beginning 6 Jan 1932, ending 23 Sept 42.
1 Book	Bestand des Tresors A, beginning 24 Sept 42.
1 Book	Kontrolle der Spitzenbetrage des Bankbestandes, beginning 22 Feb 35.
1 Book	Bestandskontrolle des Goldankauf, from 9 Feb 40 to 2 Jan 45.
1 Folder	Miscellaneous Papers.
1 Book	Bezugsschein-Kontrollbuch from 11 Aug 1944
1 Folder	Titled "Banque Nationale de Belgique", photostats relating to Belgian gold bars. Folder not Reichsbank's. Given to DICEA by M.Gargam of Banque de France.
1 Folder	Correspondence and papers relating to Belgian gold.
1 Folder	Miscellaneous Bank for International Settlement Papers.
1 Book	Kontrollbuch, Verschiedene Goldbarren
1 Book	Hochwertige Barren, Sonderlagerung im Reich aus DER

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Sheet 2 of 2

Contents - BOX 5

<u>Item</u>	<u>German Title</u>
1 Folder	Hungarian National Bank documents, and various memoranda and papers prepared by officials of Hungarian National Bank for U.S. Mil. Govt.
1 Folder	Correspondence, and memoranda dealing with "Melmer Deliveries" and related subjects.
3 Folders	Correspondence and papers belonging to PUHL and REINEL of Reichsbank, relating to their journey to Switzerland.
6 Folders	Relating to Banca d'Italia gold brought from Fortezza, Italy, to Berlin.
1 Bundle	Miscellaneous Papers

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Securities



LUXEMBURG (claims filed with Restitution Control Section, Hoechst)

No. 191

2,711 holding shares of S.A. Accumulateurs TUDOR, Bruxelles
(nom. value - fr. 1,355,500)

Enquiries - Leon Laval - Tudor, Industrialist, Luxembourg.

Shares taken while Leon Laval was political prisoner in Dusseldorf.

Shares were handed to Akkumulatorenfabrik A.G., Berlin, through Reichsbank, Berlin.

Shares believed to be either Akkumulatorenfabrik A.G., Berlin, or Reichsbank, Berlin.

184 shares were taken in Brussels by delegate Reichskreditkassa September 24, 1942

2234 shares were taken by Reichsbank, Branch of Luxembourg, September 15, 1942

293 shares were taken by Reichsbank, Branch of Luxembourg, July 18, 1942.

(Board of Akkumulatorenfabrik A.G. wanted to get control over Tudor.)

(lists No's of shares)

Finance advised (2 March 1946) that information relative to location of securities has been requested from Soviet authorities, as Reichsbank is in Soviet sector.

Present location unknown.

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Authority *17D834011*

By *KDD* NARA Date *7/30/77*

165
476
838

CLASSIFIED
INCOMING
MESSAGE

RESTRICTED

DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

ADP

RESTRICTED

PARAPHRASE NOT REQUIRED

AIRGRAM

STATE DEPT MSO

FROM: SECRETARY OF STATE SOD WEBB (ACTING)

TO: HICOG FRANKFORT GERMANY ATTN FINANCE DIV.

NR: A-868

27 MAY 50

The Department has received a letter, dated May 23, from Abba P. Schwartz, Special Counsel to the International Refugee Organization, with offices at 1822 Jefferson Place, N. W., Washington 6, D.C., regarding certain property in the custody of the Foreign Exchange Depository in Frankfort. Mr. Schwartz states that the IRO learned through recent conversations of its representative, Mr. David L. Rolbein, with the officer in charge of the FED that the following property remains in the FED subject to further disposition by US authorities:

1) 1,200 envelopes containing personal property of former Dachau inmates. These envelopes are stated to be the residue of a larger number, most of which were restituted.

2) Currencies of unknown origin as follows:

Currency	Approx. No.	Dollar Value per Unit of Currency	Approx. Val
Turkish Pounds	137,000	\$0.2329	\$ 31,900
Swiss Francs	1,300,000	0.2329	302,770
Spanish Pesetas	2,500,000	0.0191	47,750
Portuguese Escudos	1,600,000	0.0340	54,400
Palestinian Pounds	3,000	1.64	4,900
Argentinian Pesos	124,000	0.0699	8,675
Moroccan Francs	1,300,000	0.0029	3,770
Algerian Francs	3,500,000	0.0029	10,150
Iranian Reales	430,000	0.0310	13,330
			<u>\$477,645</u>

CM IN 4631

(31 May 50)

John C. ...

RESTRICTED

22-4

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Authority MND 775119
By AY NARA Date 8-5-99

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Currency

CARRIER SHEET - MUST REMAIN WITH ATTACHED PAPERS - USE ENTIRE WIDTH OF SHEET - NUMBER ITEMS CONSECUTIVELY - DRAW LINE UNDER EACH ITEM

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

APO 742

FILE NO:
SUBJECT: Restitution of Foreign Currencies

Secret

NO. TO FROM DATE (Has this been coordinated with all concerned?)

1 Chief of Staff ED 9 Oct 1946 1. Concur in reply at TAB "C" to basic cable, except as stated below.

2. Basic cable WX-93567 suggests at paragraph 6 (d) that certain ex-enemy currencies be treated as German external assets and handed over to the U. S. S. R. as reparation. Paragraph 1 of proposed reply adopts this suggestion. While the current U. S. proposal in CORC to restitute to ex-enemies specifically excludes such currencies, as well as gold and securities, the Soviet Member on CORC has taken the position that gold and securities should be restituted to certain of the ex-enemies though he has not mentioned currencies.

3. Since the U. S. proposal on restitution to ex-enemies is still being negotiated, it is believed advisable not to adopt paragraph 6 (d) of basic cable pending the outcome of the negotiation.

4. Accordingly, it is recommended that the last sentence of TAB "C" be rewritten to read as follows: "Agree in general with restitution principles para. 6 subparas a, b, c, e, and f of urad. Recommend para 6 subpara ~~para~~ (d) be not adopted pending outcome of negotiations in A. C. A. on U. S. proposal for restitution to ex-enemies. Though proposal as now written excludes gold, securities and currencies, Soviet Member has already made proposals on gold and securities and may make proposals on currencies."

5. For our proposed quadripartite position on Soviet proposal to return gold, and on protecting our gold pot commitment, see our reply to your W-82111 now going forward.

Telephone 42683
Room 2048, Econ

WILLIAM H. DRAPER, JR.
Brigadier General, GSC
Director

Incls: n/c

WILLIAM H. DRAPER, JR.
Brig Gen, GSC
Director

WILLIAM H. DRAPER, JR.
Brig. Gen., GSC
Director

DECLASSIFIED

Authority MND 775119

By AM NARA Date 8-5-77

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Foreign Currencies

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U. S.)

A. G. CABLES

Incoming Message

TOO: 181812Z

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REC'D 202157Z JAN 47 cb
7520

C O N F I D E N T I A L

P R I O R I T Y

FROM : AGWAR FROM JCS
TO : USFET FOR MCNARNEY
RELAYED TO : OMGUS FOR ACTION (by USFET 201705Z)
REF NO : W-90078

1. This directive, received from the State, War and Navy Departments, is issued to you as commander-in-chief, US Zone of Occupation, Germany, and US member of the Allied Control Council, Germany. Subject directive applies to disposal of foreign currencies recovered in Germany. You will seek to obtain agreement in the Control Council to proposals laid down in this directive and their application in all zones of occupation in Germany.

2. Foreign currencies found in Germany should be disposed of as follows:

a. Currencies of countries which experienced German occupation, but excluding countries in category (C) below (France, Netherlands, Belgium, Luxembourg, Norway, Denmark, Czechoslovakia, Poland, USSR, Yugoslavia, Greece, Albania, Italy) should be restituted to those countries.

b. Currencies of United Nations, members of Inter-allied Reparations Agency (IARA), but never under German occupation (UK, US, Australia, India, New Zealand, Canada, Union of South Africa, Egypt) should be returned to those countries with the understanding that IARA will decide the questions as to whether such disposal should constitute a charge against reparations.

c. Re currencies of Hungary, Rumania, Bulgaria and Finland should be given to the USSR.

d. All other currencies should be retained pending ultimate determination of policy in regard thereto.

3. Disposition of currency under the above proposals should be without prejudice to such individual ownership rights in any part thereof as may be established before the Governments receiving the currencies in question.

AGC IN 47048

21 Jan 47

WLC/cb

REF NO: W-90078

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Authority NND 775119

By AY NARA Date 8-5-99

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W-90078

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-2-

C O N F I D E N T I A L

4. Currency which falls within the provisions of WX-85682, 18 November (definition of non-monetary gold) will be treated in accordance therewith.

5. No currency discovered after January 1, 1947 shall be subject to the above program, with exception of sums in excess of \$1,000 or equivalent.

WX-85682 is AGC IN 41877, 20 Nov 46, Info

ACTION : FIN

INFORMATION : O/SS-C/S
PCI AFF
LEGAL
ECON
IA&C
TRANSP
US SEC ACA

AGC IN 47048

21 Jan 47

WLC/cb

REF NO: W-90078

C O N F I D E N T I A L

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Authority 720770058
By [Signature] NARA Date 7/1

Policy app-
policy app-
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FED messages

**OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
FINANCE DIVISION
APO 742**

AG 123 (FD)

29 January 1947

SUBJECT: Disposition of Valuables

TO : The Chief of Staff

I. DISCUSSION.

1. The Office of Military Government for Germany (U.S.) is responsible for the disposal of millions of dollars worth of valuables and foreign exchange assets. To discharge this duty properly, a clarification of directives issued or proposed by the Joint Chiefs of Staff is necessary.

2. These assets, consisting of large quantities of securities, paper currencies, coins, gold bullion, silver, platinum and gold in various forms, jewelry and precious stones, were either uncovered in Germany by the Allied Forces or received as foreign exchange under Military Government Law 53, and are now in the custody of the Foreign Exchange Depository, Frankfurt, and the German Land Central Banks, U. S. Zone.

3. a. A directive has been received covering the disposition of so-called "non-monetary" gold (TAB A), and proposals have been received concerning the disposition of looted securities (TAB B) and currencies (TAB C).

b. In the application of the directives or proposals received, difficulty will be encountered, since related directives cannot be reconciled due to the possibility of more than one interpretation.

c. Delivery of valuables to the Inter-Governmental Committee on Refugees is expected to commence in March 1947 and a clarification of the application of the directive at TAB A is urgent.

d. Inasmuch as these and future disposal directives are all inter-related, and since the disposition of all assets cannot be simultaneous, action taken under directive at TAB A must be clear-cut so as not to be in conflict with subsequent directives.

e. Answers to the questions raised in Para. 2 of proposed cable (TAB D) will clarify the application of the directive at TAB A.

II. ACTION RECOMMENDED.

5. That the cable at TAB D be approved.

III. COMMENTARIES.

Economics Division, Restitutions Branch	()	()
Legal Division	()	()
Office of Political Affairs	()	()

T. H. BALL
JACK REINERT
Director

29 Jan 47

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MR BALL

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CLEAR COPY

TO : AGWAR for JCS
 FROM: GMSUS signed Clay

Reurads WX-85682, WX-88566, WX-85965, W-90078, and
 ourads CC-7486, CC-7239, CC-7792.

1. The only financial assets released to date in bulk from custody of Foreign Exchange Depository or other U.S. custodial agencies in Germany acting under specific authorizations have been 813 bags rubles to USSR, 33 tons monetary gold to Hungary, 40 tons silver as loan to German economy. There are still held bulk quantities of currencies as defined WX-85965 and W-90078, securities as defined WX-88566, monetary gold as defined Final Act Paris Conference on Reparations, non-monetary gold as defined WX-85682, silver and other precious metals, and other foreign exchange assets. Marshalling and inventory of such assets will eventually reach stage of completion where action can be taken in compliance with disposal directives. Turnover of non-monetary gold to IGOR is imminent as the next bulk release of assets from custody. Since action to be taken under WX-85682 will be the first under existing or future disposal directives, important to have clear understanding WX-85682 so that non-monetary gold fund will be properly constituted and conflicts this and other directives during or after consummation of turnover will be avoided.

2. Therefore request clarification WX-85682 in particular, especially respecting its relation to other used references, on the following:

a. What disposition is to be made of monetary gold falling under WX-85682?

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b. Whether the term "currencies" in W-90078 includes, in addition to paper money, coins of silver, gold or other metals.

c. Whether W-90078 directs that currencies of United Nations never under German occupation will not be restituted to another United Nation formerly under German occupation even if a claim by the latter UN is established. Application of WX-85965 and W-90078 appears subject two interpretations (A) restitution of any identified owned currencies looted from occupied United Nations under WX-85965 prior to delivery of residue currencies to issuing countries under W-90078, or (B) delivery of currencies to issuing countries under W-90078 without receipt of claims from occupied United Nations, which claims would be matter for later settlement between governments.

d. A determination of the order of precedence of WX-85682 compared with any other disposal directive, especially as to whether WX-85682 is to be treated as a standing exception to all present and future restitution or disposal directives, as is indicated in W-90078 and WX-88566.

e. Whether U.S. unilateral action is to be taken under existing disposal directives, such as WX-85682, W-90078 and WX-88566, prior to agreement or despite absence of agreement within Control Council, as pointed out orders CC-7239 and CC-7792.

f. Whether securities falling within WX-85682 may be exempted or suspended from delivery to ICSG due to

- (1) their insignificant value compared to bulk of loot,
- (2) the obstacles which would be encountered in their liquidation, and

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(3) the U.S. position taken in Control Council which has been contrary to the disposal principle now embodied in WK-85682.

3. It is pointed out that no directive or proposals have been received on disposition of (a) monetary gold, and (b) other precious metals including silver, platinum, and gold which is neither monetary nor non-monetary under WK-85682 such as gold nuggets and large quantity gold deposited under Law 53 without suggestion or presumption of loot. Also to be considered is uncertainty arising from disposition of property as defined WK-85682, since such property includes all categories subject to disposition under other existing or future directives concerning which full clarity and agreement has not yet been attained.

4. The urgency of the turnover to IGOR is understood and initial deliveries can be made upon return of IGOR representation in March 1947, of all assets falling under WK-85682 about which there are no unsettled questions. Such items consist unidentified jewelry and precious stones, dental gold, scrap metal, all obviously looted from concentration camp inmates. There exists considerable quantity and value of such property. However, complete non-monetary gold fund cannot be determined until some time hence.

5. Bennett, Director Finance Division, expects to be in Washington early part February and would be available to discuss these questions.

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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Finance Division
Foreign Exchange Depository

28 January 1947

SUBJECT: Disposition of Valuables

TO : Director, Finance Division
Office of Military Government for Germany (U.S.)
APO 742, U. S. Army

1. The attached Report reflects the current status, possible future action, and major existing questions in connection with the disposition of valuables for which the Finance Division has responsibility.

2. This Report consists of:

a. A Staff Study, recommending a cable to the JCS, embodying major questions, and,

b. Analyses covering:

- I Monetary gold
- II Non-monetary gold
- III Currencies
- IV Securities
- V Precious metals.

FOR THE CHIEF OF BRANCH:

Frank C. Gabel
FRANK C. GABELL
Deputy Chief

Incls:
1 - Staff Study
2 - Analyses - in 5 parts.

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Part I

I. Monetary Gold

1. At part III Section A of "Final Report on the Paris Conference on Reparation" submitted by James W. Angell, U.S. Representative, it states that "Monetary gold refers to gold bullion and to gold coins found in Germany. The distinction is between gold which is in such form as to be a medium of exchange and gold which is in such form as to indicate its use for dental, artistic and adornment purposes." By a special reservation coins of "numismatic or historical value" are also excluded from Monetary gold.

2. Substantial amounts of Monetary gold as defined above are held in at least twenty or more shipments (not SS loot) and have been counted, weighed and set aside in compartments under seal. It is known, that additional amounts of gold bars and coin will be encountered in smaller quantities in shipments originating from concentration and prisoner of war camps, Nazi agencies and officials, Reichsbanks under Law 53 and other sources.

3. As outlined in the Paris Conference on Reparations the Monetary gold is restitutable in accordance with the so-called "gold pot" principle to those countries, whose gold was wrongfully taken by Germany, with the exception of the U.S.S.R. which makes no claim to gold captured by the Allied troops in Germany. Each U.N. country is required to establish its total losses of gold to Germany and will participate in the gold pot in the ratio which its own loss bears to the total losses of all countries overrun by Germany. The United Nations Gold Declaration of February 22, 1944 warned the Neutral countries that Allied studies showed that Germany had exhausted the gold reserve with which she entered the war, with the result that gold offered to the Neutrals on or after the date of the Declaration would have of necessity, been looted. Recent studies indicate that certain Neutral countries are in possession of gold which was looted by Germany from U.N. countries. Negotiations are under way to recover such gold and add it to the gold pot. In the absence, however, of records, many of which have been destroyed, the tracing of all international gold movements is difficult.

4. In view of the clear and unequivocal definition of Monetary gold "gold bullion and gold coins found in Germany" it is possible that the term includes gold in such

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form even if found among the effects removed from racial and political victims of the Nazis. For example, in the portion of the Markers Mine shipment described as S.S. loot removed from concentration camp inmates gold coins, unidentifiable as to ownership, have already been found to the approximate value of \$65,000. In another concentration camp shipment the valuables are in separate envelopes bearing names and nationalities of inmates. The definition of Monetary gold apparently leaves no alternative if the inventory reveals the presence of gold bars and coins in these envelopes, even the claims in the names of surviving inmates or their legal heirs are subsequently received through governmental channels. In short the source has no bearing; it is the form that decides the category. If it is in the form of a gold bar acceptable as a medium of exchange or if it is in gold coin form then it is monetary gold for disposal via the gold pot. If it is any other form then it is not monetary gold. If it is gold coins of numismatic or historic value then it is excluded from monetary gold.

5. The following items therefore are not monetary gold and are excluded from the gold pot:

- a. Gold in such form as to indicate its use for dental, artistic and adornment purposes.
- b. Gold coins of numismatic or historic value.
- c. Gold nuggets and unsmelted gold.
- d. Gold actually in the form of dental work, ornaments, jewelry.
- e. Mutilated gold coins.
- f. Gold bars or bullion which are not in such form as to be a medium of exchange.
- g. Alloys of gold and other metals.
- h. Gold in ingot form which ingot has resulted from melting down any of the foregoing or melting down monetary gold.

6. A distinction must be maintained between:

- a. Monetary gold

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- b. Not monetary gold (para 5)
- c. Non-monetary gold (Part II)
(which for the most part is not gold at all).

7. Applying the foregoing no difficulty is expected in recognizing and segregating monetary gold from non-monetary gold. It is believed that most of the latter class will further be classified non-monetary gold and delivered to IGCR. It is necessary for any portion not so classified to be disposed of separately under a future directive covering precious metals.

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Part II

II. Non-Monetary Gold

a. Held by Foreign Exchange Depository.

Subject to possible classification as non-monetary gold are items, in various quantities, of securities, currencies including coins, jewelry, tableware both useable and in scrap condition, items such as fountain pens, alarm clocks, silver and other precious metals such as platinum, iridium, a large gold nugget, small bars of gold, gold coins, dental gold, bars of smelted down gold objects. The inventory of such items is far from complete as is also the study of their source, possible ownership, identifiability. Currency and coin of 65 countries have been inventoried. Jewelry is in form of boxes of rings, bags of beads, valuable ornaments, cut diamonds and semi-precious stones.

b. References.

- (1) WX-85682 20 Nov. 46
- (2) JCS 1570/9 9 Nov. 46
- (3) Final Act of Paris Conference on Reparations
- (4) Report on Paris Conference on Reparations - Angell
- (5) WX-87858 18 Dec. 46
- (6) CC-7486 11 Dec. 46
- (7) P-6228 21 Nov. 46
- (8) WX-84429 1 Nov. 46
- (9) CC-4770 3 Oct. 46
- (10) WX-9112 23 Aug. 46
- (11) USPOLAD 804 2 Apr. 46
- (12) WX-86619 1 Dec. 46
- (13) USPOLAD 380 21 Nov. 46

c. Discussion.

(1) Since non-monetary gold may include securities, currencies, coin, silver, directives on the disposition of such items must be considered in the application of WX-85682. Questions may arise as to which directive is applicable.

(2) Paris Agreement on Reparations provided a share or reparation consisting of all the non-monetary gold found by the Allied Armed Forces in Germany shall be allocated for the rehabilitation of victims of German action.

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(3) A liberal interpretation should be given in the definition of non-monetary gold. The intention of the Paris Reparation Agreements was to make available those valuables seized from Nazi victims, which were not capable of being restituted to their owners. WX-85682 is broader than the agreements in applying to areas in addition to Germany and including valuables other than gold. The source is limited to loot seized from Nazi victims, which cannot be restituted. (Refer 2) In the definition of non-monetary gold and its application to specific cases the most liberal interpretation should govern. (Refer 10) All property will be made available to IGCR unless available evidence clearly is to the contrary. (Refer 1) Any property made available to IGCR will lessen a financial burden on the U.S. (Refer 2) Thus in interest of U.S. to make IGCR fund as large as possible.

(4) The non-monetary gold is to be turned over to IGCR as quickly as possible. (Refer 1-2-3-8-10)

(5) Since the term "non-monetary gold" grew out of the Paris Agreements (Refer 3-4) it was necessary to define it before action could be taken. The Final Act (Refer 3) does not define it. Mr. Angell uses the term in his report (Refer 4 page 65-86) but does not define it. During the Reparations Conference the U.K. view seemed very limited (Refer 4 page 241 - "As regards the German assets to be allocated, we see no great difficulty about non-monetary gold, which we understand to consist primarily of gold objects seized from the Jews.") The French reaction to WX-85682 was that it constituted a substantial amendment to the Paris Reparation Agreement. (Refer 13) The first attempt at definition was the U.S. State Dept. view of USPOLAD 804 (Refer 11) that the term "includes jewelry, stones, currency securities, etc." or the entire unidentified contents of boxes of valuables taken from victims. The final definition of non-monetary gold now exists as WX-85682. This entire cable is a "definition". (Refer 2) The U.S. view is to make this fund as large as possible by broadening the definition; this intention is shown in Refer 2 Para 5-6 and 12 Para 4.

(6) Since "monetary" gold includes gold bullion and gold coin and is specifically dealt with in Part..... of the Reparations Act, these two items cannot be included or considered in dealing with "non-monetary" gold dealt with later in Part..... of this Act. The disposition of gold

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coins is governed by the Gold Pot concept and they are not to be included as non-monetary gold. It would not be wise to apply the U.S. expanded definition of non-monetary gold to gold coins and thus encroach on the Gold Pot to the detriment of other nations. Therefore it is believed that gold coins and gold bullion, even though falling squarely within the scope of WX-85682, should be retained for the Gold Pot and not be delivered to IGCR. Furthermore since no country is on a free gold standard no individual lawful owners exist, other than a government. No Nazi victim could have been the lawful holder of monetary gold coins or bullion.

This view is apparently held by USFA in its application of WX-85682 to the "Hungarian loot train" (Refer 7 - "Hungarian loot train will be disposed of as directed except monetary gold other than coins of numismatic value will be turned over to Gold Pot.").

It is estimated that there will be \$100,000 worth of such gold as is discussed here.

- (7) With the exceptions of:
 - (a) Gold bullion and gold coin (see above)
 - (b) Ownerships interests in real property located in Germany
 - (c) German currency
 - (d) Instruments of exchange payable in German currency and
 - (e) Jewish books, manuscripts and literature of cultural or religious importance
 - (f) Personal property the title to which is vested in the ACC
 - (g) Ordinary items of furniture, clothing and other personal property of small intrinsic value, every other kind of valuable personal property may constitute non-monetary gold.

As to securities (see WX-88566 Para 3 (e) 1) non-identifiable securities which are within the provisions of WX-85682 will be turned over to IGCR. As to currencies (see W-90078 Para 4), those falling within the provisions of WX-85682

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will be treated in accordance therewith. USFA also states (Refer 7) that non-German paper currency from "loot train" will be handled in same manner as non-monetary gold. It is believed that coins, except gold coins, are to be treated as currencies. (View needs concurrence). Fountain pens, clocks, silver, smelted gold, dental gold, etc. fall within valuable personal property and may constitute non-monetary gold.

(8) In considering any conflict of present or future disposal directives we believe first preference should be given to WX-85682. This is shown by W-90078 Para 4, and W-88566 Para 3 e wherein currencies and securities are to be restituted in certain manners except that currencies and securities falling within WX-85682 are to be disposed of to IGCR. See W-90078 Para 4 in particular. This interpretation needs clarification. If it is correct then all items of assets held by FED will:

- (a) First be examined to see if they fall under WX-85682 by applying tests stated Para 9 below.
- (b) If asset does not fall under WX-85682 then it will be disposed of under other directives.

We believe this procedure mandatory and the above interpretation therefore correct, inasmuch as FED will begin deliveries to IGCR in March 1947 regardless of the status of other disposition directives. No future directive could affect any asset which had been already delivered to IGCR under WX-85682.

(9) In deciding which of this property (Para 7 above) goes to IGCR the following tests must be applied:

- (a) Was it seized or obtained under duress?
- (b) Was it obtained by the Nazi Government, its satellite governments or nationals thereof?
- (c) Was it obtained from a political, racial or religious victim?
- (d) Was it found, seized, or confiscated by USFET or local authorities acting for USFET?

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- (e) Is determination of national origin impractical?
- (f) Is determination of individual ownership impractical?

When applied to a specific item of valuable personal property, in order to determine whether it is non-monetary gold, the answer to all of the above questions must be "Yes". If this is true, then this property will be delivered to IGCR.

In the determination of "practicality" under question e and f the following matters will be considered:

- (a) The extent of commingling with other property.
- (b) The difficulty and expense of determining ownership or national origin in comparison with the value of the property.

In considering all questions (a to f inc.) it will be kept in mind that unless available evidence is clearly to the contrary the property falling under WX-85682 will be made available to IGCR.

By "national origin" is meant the country from which the property came into Germany, or the country to which the property would be restitutable. In the case of currencies or securities it is not limited to mean the country of issue, printing or incorporation.

The word "victims" in WX-85682 is primarily limited to mean individuals, but may be as otherwise defined in restitution laws.

- (10) In a discussion with Mr. Haraldson, (OPA) he:
 - (a) Concurred in C-1, 2, 3 (especially) 4, 5, 7, 8 (in principle) 9 (in principle).
 - (b) He did not concur in 6 feeling when any evidence existed that property was looted and from concentration camp victims it should go to IGCR even if such property is gold bullion and gold coins.

(11) Securities as non-monetary gold: Para 7-8 indicate that securities may be part of the non-monetary

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gold fund. The release of such securities to IGCR may conflict with U.S. position taken in Control Council. Further, the quantity of securities inventoried so far from concentration camps is of small value. It is also believed that IGCR would be unable to obtain clear title to any registered securities and thus be unable to liquidate them. The government of the registered owner may also claim such securities as against IGCR. Since the title to "bearer" securities passes with delivery, the IGCR may not have these difficulties in liquidating such securities. In view of all questions, permission should be obtained to retain all securities until policies are firm or conflicts resolved.

(12) Assets which are not covered by existing restitution or disposal directives, should not be released to IGCR before such missing directives are published, unless it is definitely established that WX-85682 is a standing exception to both existing and future directives (see C-8, D-1-E). Since non-monetary gold includes property of all categories it is uncertain to dispose of property believed to be non-monetary gold before directives regarding all categories are firm.

d. Conclusions

(1) Foreign E. D. can firmly establish the IGCR fund when the following points are clarified:

- (a) Disposition to be made of monetary gold falling under WX-85682.
- (b) Clarification as to whether the term "currencies" includes both paper and coins.
- (c) Clarification of the term "national origin" in WX-85682 para 1 especially in connection with currencies and securities.
- (d) Clarification of the word "victims" as used in WX-85682 para 1 especially as to whether or not the word is limited to mean individuals or persons.
- (e) A resolution of the order of precedence of WX-85682 compared with any other directive, especially as to whether WX-85682 is to be treated as a standing exception to all present and future restitution or disposition directives.

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(f) Agreement that securities and possibly also currencies falling under WX-85682 are to be withheld from IGCR at this time until conflicts within the ACA are settled or unilateral action is decided.

(g) Clarification of points brought out in draft cable.

(2) In establishing the fund, the principles and procedures established in this paper will be applied.

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Part III

III. Currencies

a. Held by Foreign Exchange Depository.

1. Currencies, by which is meant notes and coins, are held in substantial amounts in at least 70 of the 90 shipments. A few shipments have been fully inventoried, as to the currency content, but the experience thus far indicates that the currency of nearly every country will eventually be represented. The single shipment from the Markers Mine revealed the presence of currencies of sixty countries.

2. The sources of currencies held by the Depository include the following:

- 1) German bank reserves.
- 2) S.S. loot from invaded U.N. countries.
- 3) Concentration and prisoner of war camps.
- 4) Racial and political victims in Germany and other countries.
- 5) Confiscated or surrendered under Law 52 and 53.

b. References.

<u>Ref. No.</u>	<u>Date</u>
1 WX-75141	12 Oct. 45
2 S-29224	25 Oct. 45
3 WX-85965	3 Dec. 45
4 CC-4350	3 May 46
5 W-87383	10 May 46
6 CC-4993	14 May 46
7 WX-93567 ✓	6 July 46
8 WX-9112	23 Aug. 46
9 WX-85682 ✓	16 Nov. 46
10 CC-7048	21 Nov. 46
11 CC-7239	6 Dec. 46
12 W-88054	20 Dec. 46
13 CC-7492	21 Dec. 46
14 W-88390	25 Dec. 46
15 W-90078 ✓	21 Jan. 47
16 CC-7792	24 Jan. 47

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c. Discussion.

1. Definition

a) The term "currencies" is not defined in any reference. In the restitution directive (Refer 3) it is in part limited to "paper currency". In the proposed directive disposing of foreign currencies found in Germany (Refer 15) the undefined term "foreign currencies" is used.

b) It is necessary that the term "currencies" be defined as to whether it includes both paper money and coins of gold, silver or other metal, and also whether it includes worthless currency. A considerable quantity of metal coins, and also paper money which has been declared worthless by the issuing nation, is held at FED.

c) It is believed that currency should be defined as paper money and coins which are capable of being circulated as a medium of exchange. Further, for the purpose intended under W-90078, the following should be specifically excluded:

- (1) Gold coins
(For later disposition in Gold Pot).
- (2) All coins of numismatic or historic value
(For later disposition under para 2 d W-90078).
- (3) Worthless currencies
(For return to the country of issue for cancellation).

d) Clarification of definition of "currencies" is requested in staff study cable.

2. Interpretation of WX-85965

a) This cable is the interim restitution directive and, among other property, specifically deals with currencies of United Nations occupied by Germany as follows:

(1) Para 2

".... the following categories of property shallbe subject to restitution"

- (2) A. All currencies of the United Nations occupied by Germany.

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(3) D. Other valuables (excluding foreign currencies other than these mentioned in para 2 a."

(4) Para 4

"After examination of these lists you will indicate which of these countries should be invited to such missions for the purpose of

(5) A. Substantiating claims for the restitution of property mentioned in para 2 a and d."

(6) Para 5

"You will take steps to deliver all paper currency of United Nation countries invaded or occupied by Germany now in your zone, to the government of the country of issue without the necessity of proof that it was looted or otherwise acquired from that country during the period of German invasion or occupation."

b) Para 2 A of cable uses the phrase "All currencies of the United Nations", while para 5 uses the phrase ".....paper currency of the United Nations-".

(1) We interpret the first to mean all currencies owned by such nations, including both currency issued by them and currency issued by any other nation (UN, neutral, ex-enemy). Currency of any type would therefore be restored to an occupied UN claimant upon proof of claim. A prerequisite to the restitution of currencies formerly owned by overrun countries is the furnishing to the U.S. Government of lists of such looted currencies, and their location and identification.

(2) We interpret the second phrase to mean only that paper currency which was actually issued by the overrun United Nation. After currency claims of all occupied countries have been satisfied to the extent possible, any remaining indigenous currencies of such occupied countries are to be delivered over to the "country of issue" without the necessity of proof that it was looted or otherwise acquired.

c) Under this interpretation all foreign currencies found in Germany constitute a "currency pool" which will be disposed of under the following formula:

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(1) Total of all currencies found in Germany	10
(2) Less: Claims, to any currency, proven by UNs. (WX-85965). To be returned as restitution.	<u>2</u>
(3) Residue of all currencies available for distribution	<u>8</u>

Distribution:

(4) a. Paper currency of invaded UN to be returned to them (WX-85965) as restitution. Footnote B.	2
(5) b. Currencies of countries which experienced German occupation (as listed para 2 a W-90078) to be returned to them as restitution. Footnotes A, B, C.	1
(6) c. Currencies of UN-members of IARA, never under German occupation (as listed para 2 b W-90078) to be returned to them, possibly as reparations. Footnotes A, B, C.	1
(7) d. Currencies of ex-enemy countries (as listed para 2 c W-90078) to be given to USSR, as reparations. Footnotes A, B, C.	1
(8) e. Currencies looted from victims of the Nazis, to be given to IGCR (WX-85682), (para 4, W-90078) Footnote C.	<u>1</u>
(9) Total of all currencies delivered as above	<u>6</u>
(10) Balance, all other currencies, (including German) to be retained under para 2 d W-90078. Subject to future disposition.	<u>2</u>

Footnotes:

- A. Subject to individual ownership rights.
- B. No claims required as pre-requisite to delivery.

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- C. It is assumed that pending final clarification, the term "currencies" in W-90078 will include more than merely paper currency.
- D. Must establish order of precedence of distribution in order to avoid conflicts between line (8) and lines (4), (5), (6), (7).
 - d) The question of interpretation of currency disposal directives has been raised in staff study cable, both the view explained here, and one other, has been stated - see cable.

3. Claims

- a) Claims of governments of United Nations countries which have experienced German occupation or invasion, for all currencies of any type, claimed to have been looted from them, will be presented through the U.S. Government, and supported by substantiating lists. (Refer WA-85965 paras 2 A, 3 and 4 A).
- b) Claims of individuals establishing ownership rights in any residue of currencies delivered to the countries as listed in W-90078, are to be presented to the country receiving such currency. (Refer 15 para 3).
- c) There are no provisions for the acceptance of claims to currencies, from any other source; none appear to be necessary.
- d) Inasmuch as claims will be received under 3 a above, no currency can be released, or the residue of currency available for distribution cannot be determined, until such claims are received and acted upon.

4. Currency (Residue) of Neutral Countries

- a) Policy has not yet been determined.
- b) W-90078 provides for their retention pending determination of policy.

5. German Currencies

- a) Restitutable to extent of identified claims of occupied U.N. countries.

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b) Policy as to disposition of residue German currency has not been determined.

c) No German currency to be turned over to IGCR - see WX-85682.

d) Pursuant to a directive in WX-50318 dated 16 August 1945 Reichsmarks found in Merkers Mine were placed at restricted disposal of German Reichsbank Frankfurt a/Main in a deposit to the credit of the Finance Division.

e) Proposed plan now calls for their release to a Trustee for use in redeeming mutilated marks. If AGWAR authorization is obtained for this use, it will avoid conflict with future disposal directive regarding German currency. Turning this money over to a German Trustee may be in effect a release of currency without a directive.

6. Gold Coins

a) For discussion, see Part I.

b) For gold coins contained in loot, see Part II.

7. Conclusion

a) Upon:

(1) A clear definition of "currencies",

(2) Establishment of the order of precedence respecting WX-85682 and W-90078,

(3) Adoption of formula, such as the one supported in para 2 above,

no difficulty is expected in releasing currencies in compliance with W-90078 and WX-85965.

b) Future disposal directives will be required for all currencies retained under para 2 d, W-90078.

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Part IV

IV Securities

a. Held in Foreign Exchange Depository.

Securities are held in about twenty shipments, largely originating from Reichsbanks as foreign exchange assets. A few securities have been found among the effects of concentration camp inmates. The total securities held constitute a considerable volume. The inventory of securities has only recently been started and efforts have been devoted solely to counting shares named Concordia Petroleum Corp. Outside of the volume, source in Germany from which received, and cursory inspections revealing securities of many types, little is known about the detailed composition of securities held.

b. References.

*	(1)	WX-90450	7	June	46
	(2)	P-1266	23	July	46
	(3)	CC-1031	1	Aug.	46
	(4)	CC-3165	6	Sept.	46
	(5)	WX-80461	17	Sept.	46
	(6)	WX-80462	17	Sept.	46
	(7)	CC-4204	24	Sept.	46
	(8)	P-4749	7	Oct.	46
	(9)	CC-3674	17	Oct.	46
	(10)	WX-84522	1	Nov.	46
	(11)	CC-6915	10	Nov.	46
	(12)	W-85635	16	Nov.	46
*	(13)	CC-7048	21	Nov.	46
*	(14)	WX-86619	5	Dec.	46
*	(15)	CC-7239	6	Dec.	46
	(16)	W-88054	20	Dec.	46
	(17)	CC-7492	21	Dec.	46
*	(18)	W-88566	29	Dec.	46
	(19)	CC-7553	4	Jan.	47
	(20)	CC-7608	9	Jan.	47

* Denotes important cable; others minor.

Discussion

1. History

a. Tentative proposals regarding disposition of foreign securities uncovered in Germany were received from AGWAR (Refer 1). Suggested amendments by OMOUS (Refer 3) were largely adopted by AGWAR. (Refer 14). In the meantime paper was introduced in Control

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Council on disposition of German owned securities (Refer 13) but no agreement was reached (Refer 15) and matter was referred to governments. The U.S. position remained unchanged and without intention to compromise (Refer 16) and a JCS directive on the disposition of looted securities was received (Refer 18). It is in process of presentation to Control Council (Refer 20).

2. Interpretation of WX-88566.

a. This directive is limited to a specific category of securities and therefore disposes of only a segment of all securities found in Germany.

b. It applies only to "securities looted from countries occupied or effectively controlled at one time by Germany".

c. It is not a directive to physically dispose of these securities but only an order to:

- (1) seek to obtain agreement, in Control Council, to its principles, and
- (2) establish certain inventories.

d. No agreement was reached in the Control Council regarding disposition of foreign securities owned by persons falling within Art. 2 and 3, Law 5. (Refer 15). A paper is pending introduction to Control Council regarding category of securities falling under WX-88566 (Refer 20).

e. The Principles embodied in WX-88566 are as follows:

1. Securities removed to Germany from other countries which were occupied or controlled shall be regarded prima facie as loot.

2. Such securities will be restituted to the Government of country from which they came.

3. Present owner may rebut the presumption that such securities were looted.

4. IARA countries must report any German interest established in securities restituted to them.

5. Securities removed to Germany for safekeeping will returned to government of country from which removed.

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6. GEPC will have no interest in securities falling within this directive.

7. Procedure is established requiring:

- (a) Lists of looted securities to be prepared by claimant countries.
- (b) Lists of all securities uncovered in Germany to be prepared by ACA.
- (c) ACA to activate Group of Experts.

8. Securities within WX-85682 to be delivered to Inter-Governmental Committee on Refugees.

9. International agreement to be secured to proposals submitted by Group of Experts.

f. Duties of Group of Experts.

1. Consolidate lists prepared by ACA.
2. Consolidate lists submitted by claimant Govts.
3. Compare 1 and 2, and determine identifiable and unidentifiable securities.
4. Determine which securities fall within WX-85682.
5. Devise plan for disposition of remaining unidentified securities.
6. Devise method for restitution of looted securities originally issued by Germany.
7. Devise means of tracing transactions in looted German-issued securities.
8. Submit restitution proposals to ACA.

g. Establishment of Inventories.

1. Inventory will be prepared of securities, uncovered in the US Zone, as named on claim lists from Govts.

2. This inventory will show:

- (a) Type of security (stock, bond, mortgage, etc.)
- (b) Date, circumstance and terms of acquisition.
- (c) Identifying marks (date, name, serial number, etc.).

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- 3. Inventory will include German-issued securities if practicable to do so.
- 4. Completed inventory will be submitted to Group of Experts for action indicated Para. f above.

h. Scope of Inventory under Para. g. above.

1. Cable directs that inventories be established for the US Zone even prior to Control Council agreement. Para 3b of cable states inventory will include "foregoing securities" and this term may apply either to Para. 2 or Para. 3a. If it only applies to Para. 3a then the US list would only include securities named on lists submitted by claimants. Latter lists would not be available until Control Council requests them. Therefore, the specific securities to be included in US inventory lists are not known.

2. In view of this possible stale-mate, it is believed that the scope of present US inventory lists must include all securities uncovered in Germany in order to initiate action under WX-88566. Compilation of the final list to be presented to the Group of Experts, can be made later from this complete inventory.

3. In general view of other terms of the cable, in mentioning non-identifiable securities, it is believed that lists eventually presented to Group of Experts will be complete lists of all securities uncovered in US and other agreeing Zones.

3. Formula for Disposition of Securities.

- a. In keeping with the concepts of the:
 - 1. Gold Pot (Paris Reparations Conference)
 - 2. Non-monetary gold Fund (WX-85682)
 - 3. Currency Pool (Discussed Part III 2 c),

a formula should eventually be established for disposal of securities. Under this concept all securities found in Germany constitute a "security pool" which will be disposed of under a formula similar to the following:

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1.	Total of all securities uncovered in Germany. Footnote A	10
	<u>Less:</u>	
2.	a. Identifiable looted securities to be returned to country establishing claim thereto. (WX-88566) Footnote B.	1
3.	b. Safekeeping securities to be returned to country of source. (88566)	1
4.	c. Non-identifiable looted securities to be delivered to IGCR (WX-85682)	1
5.	Total securities subject to release under existing directives	<u>3</u>
6.	Balance of identifiable and non-identifiable securities, available for distribution under future directives.	<u><u>7</u></u>

Footnotes:

- A. The composition of the distributable fund would include the following:
1. German securities owned by
 - a. United Nation nationals and governments
 - b. Neutral nationals and governments
 - c. Ex-enemy " " "
 - d. Without owners.
 2. Foreign securities owned by
 - a. to d. Same as above.

The disposal formula must be based upon directives which cover securities categorized as to ownership (above), method of acquisition by present holder (looted, illegal, purchase, etc.), and use to be made of the security fund (reparations, IGCR, restitution, foreign exchange, etc.)

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B. Subject to reporting of German interests.

b. Possible Distribution of Line 6 of above Formula

1. Further allocation of a share of non-identifiable securities to IGCR Fund. (As suggested in WX-88566 and WX-86619)

2. Allocation of a share of non-identifiable securities to countries whose claims are not fully satisfied from identifiable securities.

3. Securities restored to rightful owners who have succeeded in rebutting the presumption of loot. (WX-88566)

4. Allocation of securities to general reparations

5. Securities retained for use as German foreign exchange to pay for imports.

6. Securities returned under internal restitution procedures.

d. Conclusion

1. The status of JCS directives and Control Council position is not advanced to the point where a complete disposal formula can be made firm.

2. If securities are disposed of on a piecemeal basis (such as to IGCR), other than restitution of looted and safe-keeping securities, before the whole disposition formula is firm, difficulties and contradicting directives are expected.

3. No securities should be released until the US inventory lists of all securities uncovered are prepared, and until restitution claims have been checked against them.

4. With respect to the Foreign Exchange Depository, the security inventory has not progressed far enough to know in detail what is held.

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Part V

V. Precious Metals

a. Held by the Foreign Exchange Depository

1. The Foreign Exchange Depository holds many tons of silver in bullion form, smaller quantities of commercial silver, also silver ornaments, utensils, shot, tubes, sheets. Platinum, palladium, iridium and rhodium are also held in relatively small quantities.

2. The sources of these quantities of metals were the Hungarian National Bank, various Reichsbank branches, DEGUSSA (German smelting company), ROGES (German loot clearing agency), concentration camps, SS caches, MG Law 52 and Law 53.

3. Practically all of the bullion has been previously inventoried, but not yet recorded on the present books, and is now contained in sealed cages within the vaults.

4. Approximately 21 tons of silver bullion has been released on a loan basis to the German economy, through OMG Greater Hesse.

b. References

1	WX-75141	12 Oct. 45	
2	S-29224	25 Oct. 45	
3	WX-85965	3 Dec. 45	
4	WX-99226	8 Mar. 46	(as amended)
5	WX-93567	6 July 46	
6	W-85212	11 Nov. 46	
7	WX-85682	20 Nov. 46	
8	CC-7083	23 Nov. 46	

The cables contain few specific references by name, to precious metals. However, precious metals are believed to fall within the scope of such general headings as

"valuable personal property"	WX-85682
"other goods, valuables...materials... property..."	WX-85965
"valuables"	WX-75141

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c. Discussion

1. Gold bullion, (discussed in Part I), is excluded from this title, since it will be disposed of under the "Gold Pot".

2. Coins, (discussed in Part III Currencies), are excluded from this title, since it is believed they will be disposed of as currencies.

3. Precious metals, falling under WX-85682 (definition of non-monetary gold), in the form of rings, jewelry, tableware, scrap tableware, dental gold, ingots resulting from smelting down the foregoing, as discussed in Part II Non-Monetary Gold, will be delivered to the Inter-Governmental Committee on Refugees, in compliance with WX-85682.

4. Gold which is neither monetary gold nor so-called non-monetary gold, should be included under this title of Precious Metals. (Refer Part I Para 5-6-7.)

5. No final disposition of any precious metals previously taken into custody has been made. A loan of about 41 tons of silver bullion has been made to the German economy (21 tons from F.E.D. and 20 tons under MG Law 53). Starting in the near future, precious metals falling under WX-85682 will be released to IGCR.

6. A basic concept (of AGWAR) is that the use of precious metals for purposes of external restitution and reparations has priority over their use for financing imports. (Refer 4). The State Dept proposed 6 July 46 that other precious metals uncovered or received under Law 53, should be delivered to IARA for distribution as reparations, except that identifiable looted lots should be restituted. (Refer 4). In view of this concept and proposal it is believed that the policy with respect to the disposition of precious metals establishes the following order of priority:

- First - For restitution purposes
- Second - For reparations purposes
- Third - For financing imports

7. Provisions for the restitution of identifiable looted lots of precious metals are contained in the interim restitution directive (WX-85965 Para 2D) which provides

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that, "D. Other goods, valuables...materials...and other property found in storage or otherwise in bulk form and identified as having been looted or acquired in any way by Germans from United Nations during German occupation.", shall be restituted, upon compliance with procedural requirements. It is believed that this catch-all paragraph would include precious metals and that therefore sufficient authority, in directive form, exists for the restitution of precious metals. A separate directive covering restitution of looted precious metals is unnecessary. The status of claims to looted precious metals is unknown.

8. In USFET 3-29224 we believe the assumption that the proposed interim restitution directive (subsequently received as WX-85965) excluded silver bullion, to have been erroneous; but the advice that no silver bullion should be restituted until investigations outside Germany were completed and overall policy determined, was proper.

9. With respect to the proposal from the State Dept (Refer 4), that unrestituted precious metals be delivered to IARA for reparation purposes and small amounts acquired after cut-off date be used to finance imports, no subsequent comment from OMGUS or AGWAR can be found. It is probable that these proposals will later be received in proposed-directive form.

10. Based on the present information, the establishment of a formula for the disposition of precious metals would be in the following form:

See Page 4 for Formula for Disposition
of Precious Metals

11. It is believed that restitution of precious metals to Italy, Hungary, Austria, Rumania, and Finland is provided for in WX-99226. This cable also specifically excludes the restitution of gold, securities and currencies to these countries so that this aspect has arisen for the first time in this report in the discussion of precious metals.)

12. While the Paris Reparations Conference specifically disposed of uncovered gold via the "gold pot" theory, there is no record of any consideration being given to the disposal of all precious metals via a similar theory, i.e.

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Formula for Disposition Precious Metal

1.	Precious metals uncovered in Germany at any time	1	
2.	Precious metals received under Law 53 prior to cut-off date	1	
3.	Large lots of precious metals received under Law 53 after cut-off date	1	
4.	Small lots of precious metals received under Law 53 after cut-off date	1	
5.	Total of precious metals available for distribution		4 sum
<u>Distribution:</u>			
6.	a. Identified looted precious metals returned to United States under WX-85965	1	
7.	b. Identified looted precious metals returned to Italy, Hungary, Austria, Rumania, Finland under WX-99226	1	
8.	Total Restitution	2	
9.	c. Precious metals delivered to IARA for reparations purposes as proposed WX-93567	1	
10.	Total Reparations	1	
11.	d. Small lots of precious metals received under Law 53 after cut-off date (same as Line 4) to be used by MG to finance imports	1	
12.	Total Finance Imports	1	
13.	Total Distribution		4 sum

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the establishment of a silver pot, platinum pot, etc. to be divided between claimant countries in a proportion based on their losses. Since exact individual restitution of gold to looted countries was not recognized, by adoption of the "gold pot" concept, it is not clear why other metals such as silver and platinum are to be restituted to individual losers rather than on a group loss basis. It would appear more equitable in all cases that where total claims for a particular precious metal exceed the actual quantity of that metal uncovered in Germany, then the method of satisfying all claimants is by a distribution of that metal in proportion to losses.

13. Under a proposed directive submitted to the Control Council regarding disposition of property of Nazi organizations (DFIN/P (47) 8/2 - CORC/P (46) 281 Revise), precious metals, if included thereunder would be released to German Land Governments. It is possible that the Finance Division would favor the utilization of silver within Germany for commercial purposes, provided it is cleared of prior claims. However, there is sufficient leeway permitted the Zone Commander under Art. VIII to permit withholding of precious metals from the operation of this proposed paper, in the event contrary directives are received from AGWAR.

14. It is understood (Memo - Bennett - 9 July 46 - "Comments on Status of Silver") that the IGCR was seeking to enlarge the non-monetary gold fund to include silver and other precious metals taken from the SS in Germany. However, since the non-monetary gold has been since defined (WX-85682), and we feel that none of the bulk silver in FED falls under it upon application of tests (stated Part II Para 9 this Report), such disposition of this silver is improbable.

d. Conclusions

1. Authorization for the restitution of precious metals exists in directive form.

2. The disposal of precious metals not restituted is only covered by proposals indicating that the major portion will be used for reparations and a small portion will be available to finance imports.

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By SR NARA Date 8-5-99

RG 59
Entry 198A
Box 6817

DEPARTMENT OF STATE

OFFICE OF THE ECONOMIC ADVISER

December 21, 1938.

EU - Mr. Moffat:

Yesterday we sent the Treasury paragraph No. 1 of Berlin's 738, December 19, 1 p.m., by which Gilbert approved Heath's visit to Washington and transmitted Heath's request for instructions as to the approximate time when his arrival is desired.

This morning Mr. Lochhead telephoned me that he had taken this up with Secretary Morgenthau, after Mr. Achilles had suggested that it might be desirable for Heath to stay in Berlin through the time of Mr. Rublee's visit there. Mr. Lochhead said that Mr. Morgenthau said that any time for Heath's visit will be agreeable to him, even if a month or more elapsed before the visit, and that he would leave it to the State Department to decide. He did not want Heath here until after New Years but it did not matter how long after New Years.

Mr. Lochhead went on to say as of possible interest that in the last day or two there has been an interesting difference in the tone of the exchange experts of the Bank of France and the Bank of England in telephone conversations with the Federal Reserve Bank. The Bank of France man is jubilant; gold is flowing into France; he dismissed an inquiry about possible trouble with Mussolini contemptuously. On the other hand, the Bank of England man is most pessimistic. He is worried over the sterling exchange situation, and over the

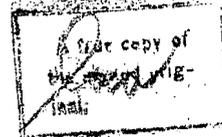
ember 20, 1938.

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of the Treasury,

No. 738 of December 19

62,575/1991

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-2-

reported dissention in the Chamberlain Cabinet and he expects that there will be more trouble with Hitler by spring. He would not indicate just what kind of trouble with Hitler was expected.

[Handwritten signature]

ember 20, 1938.

resents his compli-

of the Treasury,

p. 738 of December 19

EA:FL:DJW

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