

DECLASSIFIED

Authority NND 833533By SR NARA Date 1-28-00

RG	<u>338</u>
Entry	<u>Basic Preliminary</u>
File	<u>1/2/13</u>
Box	<u>3</u>

S E C R E T

come within the categories of properties subject to Property Control.

j. Internal Affairs and Communications.

- (1) Public Safety. Coordination will be maintained with Public Safety Branch on the vetting of the existing staff and new employees in the office of the Reich Commissioner of Enemy Property, and of administrators, custodians, guards, etc. of property taken under control in accordance with approved procedure.
- (2) Communications. The Reich-owned Telephone and Telegraph system may have properties unnecessary for normal communication purposes, which would come under Property Control, if so certified by the Communications Branch.
- (3) Education Branch. Primary responsibility over the School System comes under the Education Branch. It may release to Property Control Branch education facilities which have been vacated and closed.

13. Auditing. The main auditing of Property accounts will be done at Military District Headquarters, where the auditing staff will be responsible to the Chief Property Control Officer at that level. The auditing staff of Property Control Branch will be a policy making body, determining and recommending auditing procedure for Property Control.

14. Policies and procedures will be coordinated with the UK/USSR/FR elements of the Property Control Branch, and recommended to the Allied Control Council:

a. For the control of properties which may be located partly in the U.S. Zone and partly in the UK, USSR or FR Zones.

b. For the settlement of claims submitted by a national of any of the United Nations with regard to property situated in a zone occupied by a nation of which the claimant is not a citizen.

15. Liaison will be maintained with Property Control Officers at lower levels, assimilating information received therefrom.

16. As circumstances require, general and specific policies will be formulated setting up procedure for authorizing certain transactions with respect to classes of property or particular properties.

17. Policies will be recommended for the release of properties, individually or by class, from Property Control, as circumstances require.

311790

S E C R E T

Authority: MM750114
By: LWB NARA Date: 1/14/00

RG 331
Entry 18A
File 322-26
Box 161

313.3

SECRET

HQ & HQ DETACHMENT
OFFICE OF STRATEGIC SERVICES
EUROPEAN THEATER OF OPERATIONS
UNITED STATES ARMY
(FORWARD)

APO 887

12 May 1945

SUBJECT: Intelligence Reports

TO : G-2 SHAEF "T" Subdivision

Enclosed are the following reports for the use of your office:

F-2022

*1 report w/drawing for Col. Fechter
5/15*

For the Commanding Officer,

Philip Horton
PHILIP HORTON
Chief, Reports Board

Enclosures:
as cited

PH:pe

SECRET

311791

DECLASSIFIED
 Authority: MM750114
 By: LMB/1 NARA Date: 1/14/00

RG 331
 Entry 18A
 File 322-26
 Box 161

SECRET

Report No. F-2022

Government Archives

The following report comes from a source who was in Berlin from 22 January to 19 March and in central and southern Germany until 23 April. He had close connections with several government offices.

1. The order to destroy all archives was conscientiously carried out in Berlin and if certain documents escaped destruction it was not because of disregard of orders. Some archives had already been in the provinces for a long time. It may be presumed that there too, if time permitted, the order to burn them was executed when the Allies approached.

2. At one point, in any case, the documents of the Sicherheitsdienst and of the SS were in Thuringia and the Allgau (C80-90) in Bavaria. Source states that the place where they were kept in Thuringia was destroyed by an Allied air raid on 16 March. However, he was unable to learn the name of this town because it was always referred to by a code name. In February the documents in the Allgau area were at Bad Weisungen (113), Ilmenau (C88), and in the Oberstorf valley (C97).

3. Documents of the Ministry of Finance were at Kottbalmuenster (sic) in the Harz and others of the Ministry of Economy were at Meiningen (H82). Source heard other cities and villages mentioned frequently but they were always designated by code names, usually of two letters.

4. In Meiningen (H82) it was learned that the order to burn all archives was still being obeyed but that the various heads of services had also received the order to put in a safe place a minimum number of important and secret documents. Each department head was to take only as many as he could personally handle. It may, therefore, be assumed that by finding the hideout of these leaders many documents will also be found.

5. Source added in conversation that, in principle, German documents were not microfilmed and that the Nazis did not have large-scale facilities for microfilming. Any suggestions for such reproduction of documents would have been considered treasonably defeatist.

BTC:ab

SECRET

311792

DECLASSIFIED
Authority: MM750114
By: LMB/NARA Date: 1/4/00

RG 331
Entry 6
File 000.5-89
Box 1

~~TOP SECRET~~ TO ~~SECRET~~
~~SECRET~~ SHAEF FORWARD ~~SECRET~~
STAFF MESSAGE CONTROL
INCOMING MESSAGE

WARZ
T00 212325Z MAY

SHAEF FWD 57/22
TOR 220340B MAY
1kj 220417B MAY

T O P S E C R E T
P R I O R I T Y

FROM : AGWAR FROM THE COMBINED CHIEFS OF STAFF
TO FOR ACTION : SHAEF FWD FOR EISENHOWER
FOR INFO : AMSSO FOR BRITISH CHIEFS
REF NO : W-85726, 21 MAY 45

CLASSIFICATION CHANGED
~~SECRET~~
TO
By authority of CALA
By *Emerald L. ...*
WAR USA
Date 15 OCT 1945

BOOK MESSAGE
FACS 225.

US Treasury can make available 3 experts requested in your letter of 20 April regarding MERKERS Treasure. The combined Chiefs of Staff consider 2 billion experts offered by Bank of England should also participate. Advise if satisfactory to send all 5. US Treasury making bags, seals, and tags available.

War Crimes Commission being asked to advise United Nations investigatory agencies that some of this treasure may be usable as evidence of war crimes, and that you will permit inspection thereof at proper time.

War Crimes Branch under Judge Advocate for US Army Forces, European Theater of Operations also notified.

ACTION : G-5

INFORMATION : SGS

G-1
G-2
G-3
G-4

MR. MURPHY
MR. STEELE
COM ZONE
SUSPENSE

~~SECRET~~ G RECORDS

FS IN 5822

22 MAY 1945

~~TOP SECRET~~

HR/wml

REF COPY WNO 85726

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

DECLASSIFIED
Authority MM750114
By LMB/NARA Date 1/14/00

RG 331
Entry 6
File 000.5-9
Box 1

COFY

~~TOP SECRET~~

EXTRACT OF LETTER FROM FOREIGN OFFICE
TO BRIGADIER POSNER, SHAEF, REFERENCE
UN 1831/22/G Dated 7 May 1945

SECRET Duplicate

1. Would you please refer to SOAF's letter GCS 515 to the Combined Chiefs of Staff about a quantity of gold bullion, currency and miscellaneous property discovered by the Third Army near Markers. Paragraph 3 of that letter mentions the presence of thousands of dental crowns and other items which seem to have been taken from persons murdered by the SS and GESTAPO, and suggests that they might be examined by agencies engaged in the collection of evidence about war crimes.
2. We consider that these items might constitute valuable evidence on which to build up a case against the SS and GESTAPO as criminal organizations. Would it be possible, therefore, for SHAEF to detail an expert criminal lawyer for the purpose of examining their prima facie usefulness for identification and of documenting the evidence with a view to its being used in due course in such a case.

1 858

SECRET
~~TOP SECRET~~

Incl. #7

DECLASSIFIED
Authority *MM750114*
By *(V2)* NARA Date *1/14/00*

RG 331
Entry 6
File 000.5-89
Box 1

311794A

FOREIGN OFFICE, S.W.1.

(UE 1831/22/G) CLASSIFICATION CHANGED 7th May 1945.

TO **SECRET**
By authority of CALA
By *Engelblowky*
Dean John
Date **15 OCT 1945**

13.5.45
6907/18/6

Would you please refer to S.C.A.E.F's letter CCS 845 to the Combined Chiefs of Staff about a quantity of gold bullion, currency and miscellaneous property discovered by the Third Army near Merkers. Paragraph 3 of that letter mentions the presence of thousands of dental crowns and other items which seem to have been taken from persons murdered by the S.S. and Gestapo, and suggests that they might be examined by agencies engaged in the collection of evidence about war crimes.

2. We consider that these items might constitute valuable evidence on which to build up a case against the S.S. and Gestapo as criminal organizations. Would it be possible, therefore, for S.H.A.E.F. to detail an expert criminal lawyer for the purpose of examining their prima facie usefulness for identification and of documenting the evidence with a view to its being used in due course in such a case.

3. We also feel publicity might be given to this find. Could you arrange for this to be done? *

Yours Ever
Patrick Dean

G-5 DIVISION
SECRET MAIN

SECRET
Central Registry
Date *1/14/00*

Brigadier Foster

DECLASSIFIED
Authority MM750114
By LMB NARA Date 1/14/00

RG 331
Entry 6
File 000.5-29
Box 1

~~TOP SECRET~~ TO: ~~SECRET~~
SECRET SHAEF
STAFF MESSAGE CONTROL
INCOMING MESSAGE

*1- Ruddy
Dyke
Saw*

SECRET
CLASSIFICATION CHANGED
TO TOP SECRET
By authority of CALA
By mes/ablow/ky
Date 15 OCT 1945

SHAEF 168/22
TOR 221703B MAY
el 221750B MAY

TOP SECRET
PRIORITY

FROM : AGWAR FROM THE JOINT CHIEFS OF STAFF
TO : SHAEF FWD TO EISENHOWER (RELAYED TO SHAEF MAIN)
REF NO : W-85918 22 May 1945

Letter of 20 April 1945 from SCAEF concerns treasure uncovered by Third Army near MERKERS and now in vaults at FRANKFURT ?

Included in inventory is a large quantity of apparent loot taken from murdered individuals, such as thousands of gold and silver dental crowns, bridges and plates and some personal articles. These may constitute items of evidence of war crimes.

Suggest advising War Crimes Branch in office of your Judge Advocate as SCAEF indicates he will permit inspection of such property at proper time.

ACTION : G-1
INFORMATION : SGS
G-2
G-5
MR. MURPHY
MR. STEELE
COM ZONE
SUSPENSE
AG RECORDS

*G-1 Action
CA 000.5. Letter Ad 21 May
to Eisenhower
(JTC Division)
951
REV 22/5*

SMC IN 7027 22 MAY 45 1905B SI/daw REF NO: W-85918 2

SECRET
~~TOP SECRET~~

COPY NO.

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

DECLASSIFIED
 Authority: MM750114
 By: LWB/NAPA Date: 1/4/00

RG 331
 Entry 6
 File 000.5-89
 Box 11

C O P Y

~~TOP SECRET~~
 SECRET

20 April 1945

SUBJECT: Gold bullion, currency and other property discovered
 by Third Army near MERKERS.

TO : The Secretaries,
 Combined Chiefs of Staff Committee.

1. Attached hereto are two copies of a preliminary inventory of gold bullion, currency and miscellaneous property discovered by Third Army near Merkers and now in the vaults of the Reichsbank at Frankfurt. This inventory is based on information listed on Reichsbank tags attached to sealed bags, boxes and other parcels.

2. A detailed count of the funds listed herein is now being made by officers of G-5 of this command. It would be of great assistance if the Treasury Department would send two expert weighers of gold bars and an expert who could study the assay certificates which are in our possession and other records with a view to identification of the gold bars. The services of these experts would be needed for only a few weeks. It would be helpful to us if the weighers could bring sufficient canvas bags, seals and tags to re-tag the bars and coins.

3. Included in this inventory is a large quantity of material which it is evident belonged to the SS of the Gestapo. Evidence indicates that this part of the treasure represents loot taken from individuals who have been murdered, as it includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. It may, therefore, constitute items of evidence, and should be considered in that light. It is believed that agencies engaged in the determination of evidence for the prosecution of war criminals should be informed, and at the proper time should be permitted to inspect and investigate this part of the property.

For the Supreme Commander:

W. B. SMITH,
 Lieutenant General, U.S. Army,
 Chief of Staff

1 953

SECRET

FILE NO. 115

~~TOP SECRET~~

Encl. #2.

311796

DECLASSIFIED
Authority: MM750114
By: LWS/1 NARA OLS 1/14/00

RG 331
Entry 18A
File 322-26
Box 161

313, 3

SECRET

HQ & HQ DETACHMENT
OFFICE OF STRATEGIC SERVICES
EUROPEAN THEATER OF OPERATIONS
UNITED STATES ARMY
(FORWARD)

APO 887

12 May 1945

SUBJECT: Intelligence Reports

TO : G-2 SHAEP "T" Subdivision

Enclosed are the following reports for the use of your office:

F-2022

*1 report w/drawn for Col Fisher
5/15/45
LWS*

For the Commanding Officer,

Philip Horton
PHILIP HORTON
Chief, Reports Board

Enclosures:
as cited

PH:pe

SECRET

311797

DECLASSIFIED

Authority: MM750114
By: (VBI) NARA Date: 1/14/00

RG	331
Entry	18A
File	322-26
Box	161

SECRET

Report No. P-2022

Government Archives

The following report comes from a source who was in Berlin from 22 January to 19 March and in central and southern Germany until 23 April. He had close connections with several government offices.

1. The order to destroy all archives was conscientiously carried out in Berlin and if certain documents escaped destruction it was not because of disregard of orders. Some archives had already been in the provinces for a long time. It may be presumed that there too, if time permitted, the order to burn them was executed when the Allies approached.

2. At one point, in any case, the documents of the Sicherheitsdienst and of the SS were in Thuringia and the Allgäu (080-900) in Bavaria. Source states that the place where they were kept in Thuringia was destroyed by an Allied air raid on 16 March. However, he was unable to learn the name of this town because it was always referred to by a code name. In February the documents in the Allgäu area were at Bad Weiskirchen (NIS), Immenstaedt (OSS), and in the Oberstdorf Valley (097).

3. Documents of the Ministry of Finance were at Hottalmuenster (sic) in the Harz and others of the Ministry of Economy were at Meiningen (NS2). Source heard other cities and villages mentioned frequently but they were always designated by code names, usually of two letters.

4. In Meiningen (all) it was learned that the order to burn all archives was still being obeyed but that the various heads of services had also received the order to put in a safe place a minimal number of important and secret documents. Each department head was to take only as many as he could personally handle. It may, therefore, be assumed that by finding the hideout of these leaders many documents will also be found.

5. Source added in conversation that, in principle, German documents were not microfilmed and that the Nazis did not have large-scale facilities for microfilming. Any suggestions for such reproduction of documents would have been considered treasonably defeatist.

HTC:eb

SECRET

311798

DECLASSIFIED
 Authority: NND 968103
 By: WMS/NARA Date: 1/21/00

RG 131
 Entry FTC Investment
 File International G.E.CO
 Box 11

D I G E S T

3-183

October 31, 1941

Re: International General Electric Co., N.Y.C. (I.G.E.C.)

Basis for investigation: According to despatch No. 2785, it was suspected that I.G.E.C. had engaged in two securities transactions, involving a purchase and a sale of German securities, in violation of Section 13A (2) of Executive Order 8389.

Background information: I.G.E.C., owned and operated by the General Electric Co. of Schnectady, New York, handles all export business with foreign countries.

Results of the investigation: I.G.E.C. had a 25% interest in the German firm, the Allgemein Elektricitats-Gesellschaft (A.E.G.). In the fall of 1940, A. E. G. decided to increase its capital. Since I. G.E.C. had blocked marks available in Germany, it decided to participate in the increased capital in proportion to its approximate holdings, thus making use of its blocked funds. I.G.E.C. received a license for this transaction.

The second transaction involved the sale of the stock of another German firm, Siemens and Halske. The sale was made at Berlin to the Swedish General Electric Co., presumably, Paulding & Co., New York brokers, handled the transaction from this end. The funds were made available in American dollars (\$691,500) through Paulding & Co.

In this sale, the I.G.E.C. appeared to play only a small role; it "owned some shares" of the Siemens and Halske issues involved (exactly how many is not made clear). The I.G.E.C. did not obtain a license for this transaction, their legal department holding the view that it did not come within the provisions of Section 2 of the E.O. 8389. It was pointed out by Paulding & Co., moreover, that this transaction was known to Mr. Merle Cochran, Assistant to the Secretary of the Treasury.

Conclusion: No violation appears to have been committed. (This report will be referred to Mr. Carre, for his comments.)

cc Mr. Bennett
 " Carre
 " Fox
 " Olsen
 " Schmidt
 " Timmons
 " Towson
 " Volentine

PG:c1 11/18/41

311799

DECLASSIFIED
 Authority: NM 968103
 By: WMS/D NARA Date: 1/21/00

RG 131
 Entry FTC Investment
 File International G.E. CO
 Box 11

NY 3-183

*This despatch rec'd under memo of
 5-27-41, covering also despatch 2663
 relating to Hugo Reimer Corp., case 3-79*

~~3-79A~~
 3-183

Confidential information has been received to the effect that International General Electric Co., 16 Quai de la Poste, Geneva, Switzerland, sent on March 13th, 1941 to International General Electric Co., Inc., 570 Lexington Avenue, New York, two letters as follows:-

1. The Berliner Handels-Gesellschaft, Behrenstrasse 32/33, Berlin W.8 (Letter dated 4th March, 1941) refers to a nominal RM. 2,000,000.- consisting of Old Allgemein Elektrizitats-Gesellschaft shares placed at the disposal of the Handels-Gesellschaft by the addressees. Of this nom. RM. 2,000,000.- nom. RM. 600,000.- were returned to the Dresdner Bank, Berlin (letter 28th November, 1940). By agreement, the remaining nom. RM. 1,400,000.- are to continue at disposal, but to be replaced by an equal amount of new shares of the A.E.G. as soon as they will be listed on the Berlin Stock Exchange. But by special permission of the German Foreign Exchange Control Office, the new shares have already been allotted to the addressee viz:-

Nom. RM. 1,400,000.- New A.E.G. shares Nos. 210001 to 211400 and delivered to the Dresdner Bank, Berlin. The addressees have still to be credited with the countervalue of the Dividend Bond for 1939/40 and receive thanks for the friendly feelings shown.

The International General Electric Company's address in Berlin is 4, Alexander Ufer.

2. The Dresdner Bank informs International General Electric Co. Inc., New York that it has purchased for the account of Paulding & Co., N.Y. RM. 70,000.- Siemens & Halske Preference Shares and debited the Company's Depot account with the Deutsche Union Bank A.G., Berlin (advice note dated 2nd January, 1941 and redated I.G.E. Cie Geneva 14th January 1941).

In a letter dated 11th March, 1941 from P. Woolford of the I.G.E. Cie., Geneva, Addressed to Mr. G. S. Eveleth, I.G.E. Co., New York, the writer asks for one copy of the statements prepared in Mr. R. J. McDonald's office, concerning our holdings in the various European and British Companies. To avoid accumulation in one envelope the details are required to be sent of one Company at a time.

See 5-185

all right

NY 63734

CONFIDENTIAL

2785

008118

DECLASSIFIED

Authority

NM 968103

By: MSJ NARA Date: 1/21/00

RG

131

Entry FEC G-C OFF

File Switzerland

Box 457

(1410)

SWISS ASSETS IN THE UNITED STATES

1. As of June 10, 1941, the Swiss assets in the United States, including unexported gold held with the Federal Reserve Bank of New York, amounted to over \$1,500,000,000. The gold under contract, together with the official balances held with the Federal Reserve Bank of New York as of January 17, 1940, was over \$700,000,000. After allowing for the reduction and short-term balances (about \$250,000,000), a part of which explains the increase in unexported gold, and making allowances for the increased value of United States securities held for Swiss accounts (on the basis of standard averages), the present Swiss asset position in the United States is estimated at \$1,500,000,000 more or less.
2. There follows a tabular summary of the value of Swiss assets in the United States based upon 194-500 reports taken as of June 10, 1941:

DECLASSIFIED
 Authority: MM 968103
 By: W311 NARA Date: 1/21/00

RG 131
 Entry FEC G-C Off
 File Switzerland
 Box 457

(In millions of dollars)

Property Types	Citizenship Groups			Total
	Switzerland	Enemy Countries	All Other	
Bullion, Currency and Deposits:				
Bullion	2.2	-	-	2.2
Currency	1.0	^{2/} 2	.1	1.1
Demand Deposits	442.1	2.8	39.1	484.0
Time Deposits	4.0	.2	3.5	7.7
Total	449.3	2.0	42.7	494.0
Domestic Securities:				
National Government	49.7	.4	14.2	64.3
Other Government	2.6	^{2/} 2	4.8	7.4
Corporate Bonds	34.5	.3	7.7	42.5
Common Stocks	219.0	1.7	36.5	257.2
Preferred Stocks	36.3	.7	5.9	42.9
Other Securities	.6	^{2/} 2	.1	.7
Total	342.7	3.3	71.2	417.2
Interests in Controlled Enterprises:				
Branches	44.4	-	29.9	74.3
Corporations	43.9	-	19.5	63.4
Total	88.3	-	49.4	137.7
Miscellaneous Assets:				
Real Estate	1.9	.1	5.5	7.5
Real Estate Mortgages	1.1	^{2/} 2	1.4	2.8
Estates	1.0	^{2/} 2	1.0	2.0
Trusts	18.2	2.4	41.8	62.4
Insurance Policies and Annuities	.8	.1	1.1	1.9
Goods and Merchandise	15.4	.1	1.0	16.5
Checks and Acceptances	26.1	.1	.3	26.5
Debts and Claims	38.4	.4	5.0	43.8
Total	100.4	3.2	57.1	160.7
Total	980.8	9.3	220.5	1,210.6

Note: Slight errors in the totals are the result of rounding the figures.

^{1/} Excluding gold held under earmark for Swiss account by the Federal Reserve Bank of New York.

^{2/} Less than \$50,000.

^{3/} In addition \$122,100,000 market value of foreign securities were held by custodians and nominees in the United States for Swiss accounts.

DECLASSIFIED
 Authority: MM 968103
 By: W31 NARA Date: 1/21/00

RG 131
 Entry FEC G-P 000
 File Con of Swiss Banks
 Box 457

TRANSLATION

SWISS COMPENSATION OFFICE
 Zurich

Mr. Walter W. Ostrow,
 U. S. Treasury Representative,
 American Legation,
 Bern.

Zurich, November 7, 1947

Subject: Swiss assets in the United States

Dear Sir:

We take the liberty to submit below the figures on the status of the certification of Swiss assets in the United States as of October 1947:

Swiss francs

a. Assets in the United States

Dollar assets	650,392,060.03
Securities	1,271,696,038.75
TOTAL	<u>1,952,088,098.78</u>

b. American securities located in Switzerland

45,136,678.71

c. Assets for which cross certificates were issued

25,146,109.32

d. Certificates issued in October 1947

31
Status as of October/1947

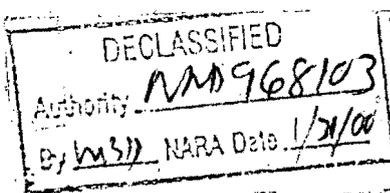
Assets in the United States:	2,709 certificates	33,635 certificates
Securities in Switzerland:	13,229 certificates	38,968 certificates
Cross certificates:	50 certificates	<u>432 certificates</u>
	TOTAL	73,035 certificates

Please accept the assurance of our high esteem.

SWISS COMPENSATION OFFICE

(two signatures illegible)

WVO:rls



RG 131
 Entry FEC G-C OFF
 File Con of Swiss Banks
 Box 457

- 1 -

Additional Sheet to No. 7 of FOREX SERVICE.

15/8/194714) ETATS-UNIS - U.S.A. - VEREINIGTE STAATEN VON AMERIKA.

THE FOREIGN FUNDS CONTROL IN THE UNITED STATES

HF. Statements of the management of the Office of Foreign Funds Control.

Mr. Richards, Director of the Office of Foreign Funds Control, has submitted to the Appropriations committee a detailed report on the activities of his office. Some of these statements are of considerable interest not only for the United States but also for the countries which own blocked assets in the United States. We therefore reproduce them partly:

We have attempted to our best ability to completely liquidate the freezing controls during the current fiscal year. (1947) Certain factors beyond our control, which I will return to later, have prevented the complete accomplishment of this objective. As a result we have remaining to be resolved in the next fiscal year two major problems. These are:— (a) forcing the disclosure of the enemy property concealed in those accounts of foreign nationals which have not yet been unblocked and (b) preventing the United States from becoming the dumping ground for some 35,000 individual securities known to have been looted by the Nazis. We have concrete plans which should lead to the virtual resolution of both these problems during the next fiscal year. The cost will amount to only \$ 350,000.

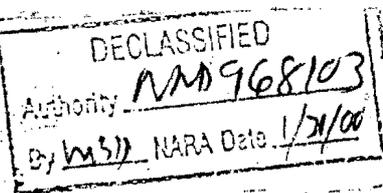
The financial returns to this Government which will result from the carrying out of these plans will far exceed the amount here requested.

This is true on two counts. In the first place, the amount of concealed enemy property which will be discovered by bringing our certification procedure to a successful conclusion will run into the millions of dollars. In the second place, the certification procedure as an incidental result enables the devastated countries to control the dollar assets of their nationals and to direct the use of these assets toward the rehabilitation of their countries. In this way the certification procedure enables these countries to help themselves by mobilizing the assets of their nationals, thereby reducing to that extent the burden on the United States.

STEPS TAKEN TO REMOVE CONTROLS

You will recall that at the height of the war FFC regulated the property of, and transactions with, some 36 foreign countries. The amount of assets subject to our control amounted to approximately \$ 8,500,000,000. We have now removed our controls over current transactions with all countries except Spain, Portugal, and Tangier. On March 4, 1947, even our controls over current transactions with Germany and Japan were eliminated, leaving the military authorities in Germany and Japan to carry out any necessary controls. In the case of Spain, Portugal, and Tangier there are trade licenses outstanding which permit relatively free trade between the United States and those countries.

311804



RG 131
 Entry FEC G-P 000
 File Con of Swiss Banks
 Box 457

- 2 -

In April of this year we discontinued our import controls over United States currency regardless of denomination. Our import controls over securities have also been greatly simplified and will in the near future be eliminated except in the case of dollar securities which have been reported to us as having been looted by the Germans.

REASON FOR DELAY IN COMPLETION OF LIQUIDATION

The complete liquidation of the control was impeded by the fact that many residents of countries with which we have concluded certification agreements have been reluctant to approach their own governments to obtain the necessary certification. So far the certification procedure is permissive and not mandatory. The foreign nationals are reluctant to approach their own governments for three reasons:

- (1) Those who are acting as nominees for enemies have nothing to gain and much to lose by revealing the enemy interest in the property held in their names;
- (2) those persons who have not paid taxes to their own governments on their dollar assets may be compelled to pay these taxes if they request certification of their assets; and
- (3) residents of the war-devastated countries face the probability that they will be required to turn their dollar assets over to their own governments in exchange for local currencies if they request certification.

Finally, it has proved impossible heretofore to deal adequately with the problem of looted dollar securities. It has been a long and difficult process for the governments of the liberated countries to compile accurate lists of the looted securities. We have now received statements listing some 35,000 dollar securities which were looted.

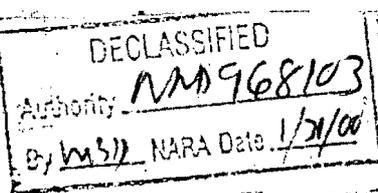
We expect in the near future to receive a revised list from the Netherlands. Once this revised list is received we will be able to terminate our import controls over all securities except those appearing on the specified list. Those on the list will be impounded on arrival in the United States and will not be payable or transferable by the paying or transfer agents.

PLAN TO FORCE DISCLOSURE OF OWNERSHIP OF PROPERTY

Now that defrosting agreements have been arrived at with most of the important European countries, we intend, in cooperation with the State and Justice Departments, to institute a plan which will result in forcing the disclosure of the real ownership of property in those accounts which have not yet been unblocked. This plan provides for the issuance of a public announcement in the near future to the effect that after a given date any property remaining in blocked accounts will be vested by this Government. The Department of Justice has asked that the date after which the vesting will take place be not earlier than April 30, 1948. It is essential that this date be a sufficient time after the announcement to permit the foreign nationals concerned to obtain the unblocking of their property through the certification procedure. Before making this announcement we will inform the American financial community holding this blocked property of our plans in order to obtain their views and suggestions. In addition, we will have to consult the foreign governments concerned, partly because we are committed to do so and partly because we hope to prevail on them to provide an incentive to their residents to use the certification procedure. As a result, it will not be possible actually to issue the announcement immediately.

As some of you are aware there will be a great deal of opposition on the part of the foreign nationals and their

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representatives to the plan outlined above. This results for the most part from their desires to avoid conforming with the laws of their own countries which are applicable to their assets in the United States. These foreign nationals would much prefer and will argue strenuously that the Treasury Department should investigate the ownership of the property to determine whether there is an enemy interest and should not make available to their own governments the information concerning their United States property. It is not feasible, however, for the Treasury Department to permit certain residents of foreign countries to avoid the necessity of satisfying their own country concerning the ownership of the property involved without affording similar privileges to other residents of such countries. Moreover, it is virtually impossible for the Treasury Department to attempt to ascertain the real ownership of property held by residents of foreign countries. This arises from the fact that this Government is unable to conduct investigations in sovereign foreign countries to verify the accuracy of statements and affidavits submitted to it. The foreign government of which the person is a resident is the only government in a position to investigate the background of the evidence presented and to hold its residents accountable for false affidavits and statements. It is my opinion that the certification procedure coupled with a definite dead-line date after which uncertified property will be vested provided the system which can most reasonably be expected to lead to the discovery of cloaked enemy property. It should also be kept in mind that the certification procedure places on the foreign government the principal expense in connection with the unblocking of property of their residents, thereby avoiding a very substantial increase in expenditures which it would otherwise be necessary for the Congress to provide if this Government were to attempt to find the cloaked enemy property without the cooperation of the foreign government.

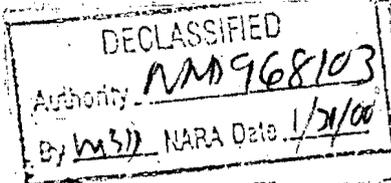
EFFECT OF FAILURE TO PROVIDE FUNDS FOR PROGRAM IN 1948

We believe that our plans can be carried out during the next fiscal year at a cost of only \$ 350,000. Failure to provide the small amount of money essential to the continuation of the necessary controls will have very important consequences. In the first place it would mean the unfreezing on June 30, 1947, of all remaining blocked assets thereby making it impossible for this Government to discover and vest hidden enemy property the value of which far exceeds the small appropriation here requested. (The funds needed were granted).

In the second place, the certification agreements would automatically terminate on June 30, 1947. In that connection again I might add something about it which concerns countries like France and the Netherlands, which are very badly in need of dollars, as I am sure you gentlemen are well aware. Nationals of those countries have in blocked accounts in the United States substantial amounts of money, running into the millions of dollars. Keeping the property blocked and permitting it to be unblocked only by the certification of the foreign country is going to mean that the governments of such countries can discover the extent of the property held by their nationals. This means that such governments will be able to control the United States dollars of their private citizens, and in that way should substantially reduce the burden of the United States Government in connection with rehabilitation loans.

If our controls were lifted on June 30, 1947, these badly needed dollars would for the most part escape the control of the foreign governments concerned. This will not only bring forth vigorous protests from the foreign governments but will also undoubtedly mean an increased burden on the United States taxpayers.

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In the third place greater difficulty would arise in obtaining the agreement of Spain and Portugal to turn over the German assets within their jurisdiction to the Allies and restore the looted gold in their possession.

Finally our efforts to prevent the United States from becoming the dumping ground for looted securities would be negated and would make it impossible for this Government to fulfill its international commitments with regard to looted property.

The plans we have been talking about are fully supported by the State Department and the Department of Justice.

CONFIDENTIAL PROCEDURE

The foreign governments in many cases do not know the names of their nationals who own blocked assets in the United States. We took a census of that property on June 14, 1941, in which the American holders of property were compelled to report the facts. In that connection, however, we were most anxious that the reports should be complete and we assured the reporters in the United States that the information which was reported by them would be handled very confidentially. We have not turned over the information gotten from that census to foreign governments. Our vesting program is a procedure which avoids the necessity of our taking the report and turning the information over to the foreign governments. What that does is to put it up to the foreign national himself to decide what he is going to do. He has to choose either to forfeit the property or else to go in and declare it to his own government.

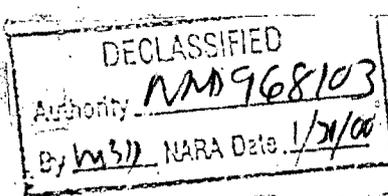
Before that program goes into effect, we expect to suggest to the foreign governments pretty strongly that they might give some additional incentives to their own nationals to use the certification procedure. Right now the penalty on a Frenchman, for example, for having failed to declare his assets previously is pretty stiff.

MECHANICS OF CERTIFICATION PROCEDURE

The heart of it is that before we enter into a defrosting agreement to establish the certification procedure, we obtain a letter of assurance from the foreign government concerned, Switzerland for example, guaranteeing that that Government will investigate carefully the ownership of property held here in the names of residents in Switzerland. Thus the Swiss guaranteed that they would have German and Japanese property held in the United States through Swiss banks transferred to a special blocked account in New York. They also undertook various other commitments of similar nature. In return we included Switzerland in the certification procedure.

Now, the mechanics of the procedure are these. Take a person in Switzerland who has property in the United States: Instead of applying to the United States Treasury to have his property unblocked, he makes application to the Swiss Government through the Swiss Compensation Office. He applies to that Office, giving facts substantiating his ownership of the property. The Swiss Compensation Office investigates the facts submitted. It can make a separate investigation in Switzerland; it has powers to compel that files and the like be made available. It completes its investigation and if it is satisfied that the property really belongs to a Swiss national, it sends through a paper, a certification under General License 95, which in effect says "This particular property belonging to X Swiss is Swiss property and is entitled to General License 95." The bank in the United States receiving that paper from the Swiss Compensation Office unblocks that property. On the other hand, if the Swiss find through their investigations that there is a real German interest in the property, they do not certify it, and that property remains blocked in the account where it is. The Swiss Government reports the facts to us and we, in turn, will relay them to the office of alien property so that that property can be vested.

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JUL 27 1945

AIRGRAM

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CONFIDENTIAL

AMLEGATION,

BERN.

A-462

M.N. 1
 July 24, 1945

FOR LEGATION AND MANN FROM DEPARTMENT AND TREASURY

For your information, the following are pertinent excerpts relating to the Swiss problem which are taken from Schmidt's testimony before the Senate War Mobilization Committee headed by Senator Kilgore, which, as you know, has been holding hearings recently on German economic penetration:

... The extent of known German investments in the United States has, I believe, been fully reported by the Office of the Alien Property Custodian. There is every indication, however, that we do not as yet have the complete story. To illustrate: Swiss banking facilities have expanded considerably since the last war. Whereas in 1914 there were 295 Swiss banks with deposits of about 7 billion Swiss francs, in 1942 there were 372 banks with deposits of over 16 billion Swiss francs. In addition, these banks hold billions of dollars of investments outside of Switzerland for accounts of their unnamed clients of which about \$500,000,000 to \$600,000,000 is held in the United States alone. The attraction of Swiss banking facilities for non-Swiss subjects is considerably enhanced by the Swiss secrecy law which makes it a crime for a banking institution to reveal to anyone, even to the Swiss Government itself, any financial and commercial information of a confidential character. In fact, our investigation of the agencies of Swiss banks in the United States, made early in 1942, disclosed that the concealment of ownership through the use of so-called omnibus accounts by using numbers and initials to indicate different undisclosed owners, was part of a pattern, consistent with Swiss practice, to avoid being required to reveal to a foreign government the ownership of assets within the jurisdiction of that government....

cc: 7/28/45

For Information - Messrs. Schmidt, Hoffman, Mrs. Shwartz, Brenner, Miss Burnett, Delaney (4), Locker, DeZevallos (2), Miss Scullen, R. L. Jones, Robinson, O'Flaherty, Gewirtz, Mrs. Henderson, NY Fed.

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SECRET

DRAFT POLICY DIRECTIVE FOR LEGAL - GERMANY1. POLICY (Legal).

In addition to those set out in other directives, the following policy objectives will be pursued:

- a. To restore and maintain law and order in so far as the security of your forces and the accomplishment of your mission requires.
- b. To safeguard the persons, property and interests of the Allied Forces and of the United Nations and their nationals, including prisoners of war and displaced persons.
- c. To destroy the legal foundations of German militarism, of Nazi domination, of the National Socialist Party and its affiliated organizations, and to suppress their activities. Exceptions are required to continue for administrative convenience.
- d. To arrest and hold for investigation, and subsequent disposition, all high Nazi party officials and suspected war criminals in accordance with lists and instructions which may be furnished.
- e. To prevent the operation of all German laws which discriminate on account of race, colour, creed or political conviction.
- f. To reorganize the German system of justice so as to eliminate Nazi concepts and doctrines.
- g. To ensure that persons are not imprisoned or detained without adequate reasons.

STATEMENT OF RESPONSIBILITIES

- a. As soon as the necessary legislation will be enacted in Germany, you shall transmit it to the German authorities.
- b. Necessary instructions and directions will be furnished by you to you, and, upon authorization from the High Command, you shall promulgate or cause to be promulgated. You shall effect such promulgation by the most expeditious means, or by such other means of publication as you may deem appropriate. A list of the titles of such legislation is attached hereto.
- c. Subsequent legislation will be enacted as follows:
 - i. Legislation on subjects as to which uniformity of treatment in occupied Germany is desirable will be effected in the laws issued at Berlin, if conditions so admit, and, if they do not, by you on appropriate instructions.
 - ii. Other legislation in the same under your command may be enacted by you, or by subordinate officers in your discretion, in delegating authority to subordinate officers. Such delegation should be limited to legislation of a character local to the area of responsibility of the officer to whom authority is so delegated, and should be accompanied by appropriate

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SECRET

SECRETDRAFT POLICY DIRECTIVE FOR DISPLACED PERSONS AND REFUGEES, GERMANY

The policy of the Supreme Commander which your headquarters will execute with regard to displaced persons and refugees in areas under your control is:

1. To prevent any hindrance to military operations or military government which might be occasioned by the massing or uncontrolled movement of displaced persons and refugees.
2. To prevent and control outbreaks of disease among displaced persons and refugees.
3. To relieve, as far as practicable, conditions of want among Allied displaced persons.
4. To relieve destitution, as necessary, among enemy displaced persons and refugees.
5. To set up an organization to effect the rapid and orderly repatriation of displaced persons, which can be handed over in due course to appropriate Allied international and other civilian agencies.

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be as short as practicable. At the end of this period Reichsmarks and Rentenmarks will cease to be legal tender and no further conversion will be effected except by specific licence. German coin will not be exchanged and will remain legal tender for the time being.

6. Banking

(a) In order to give time to take stock of the banking situation you may find it necessary to declare a temporary closing of the banks which should be of no longer duration than seven working days. During this period you should obtain from the banks a statement of their cash position in relation to their immediate and other liabilities. If the banks are unable to meet their liabilities you should impose restrictions to limit the withdrawal of deposits to minimum essential needs. If necessary, you will provide sufficient till money to ensure that the withdrawals which you permit can be made (see paragraph 2 (c)). A general moratorium should be regarded as a last resort and declared only in the event of general disorder or economic and financial collapse.

(b) (i) You will establish under your direct control an Authorized Banking Agency which will, under your direction, perform such functions of a central bank as are necessary to maintain the banking and financial structure of the community. For this purpose you will utilize, if convenient, the premises and Austrian staff (Reich Germans and active Nazis and ardent sympathizers being removed) of the branches of the Reichsbank situated in Austria. The changed character of these branches should be clearly demonstrated by suitable inscriptions on their premises.

(ii) You will arrange for the Authorized Banking Agency to be put in funds by the Military Government by the supply of such notes as may be required (see paragraph 2 (c)). Such banking accounts as are required by the Military Government, including public revenue or deboning accounts, and by the Allied Military Forces should be opened where practicable with the Authorized Banking Agency.

(c) The assets and liabilities in Austria of the Reichsbank will be taken over by the Authorized Banking Agency. You will as soon as practicable arrange for the accounts of private depositors with the Reichsbank to be transferred to other Austrian banks.

(d) Loans by the banks should be permitted only for purposes essential to the economic life of the country or for the fulfilment of specific requirements of the United Nations within the provisions of the terms of surrender and of your directives.

(e) (i) You will ensure that all necessary financial assistance is given through the normal banking channels to institutions, firms, etc., which are called upon to perform services for you, or which fulfil functions which you consider essential.

(ii) In quite exceptional cases in which you consider that a business must continue to function and the banks are not prepared to finance it on their own responsibility you may instruct the Authorized Banking Agency to make the necessary arrangements.

(f) You will in due course require the banks to furnish you with statements of their assets and liabilities.

7. Dealings in real estate and securities.—All transfer of or other dealings in real estate and securities will be prohibited except under licence and stock exchanges will be closed. You should keep the position under review and when you consider the time to be appropriate you should arrange for stock exchanges to be re-opened, and permit the resumption of dealings in real estate and securities, either on a general basis, or in order to allow dealings in such bonds or internal loans, etc. Loans as may be serviced in Austria under the provisions of paragraph 12 (c) below.

8. Supplies, etc., required from Austria.

(a) Having regard to separate directives which will be issued to you on supply matters, you will, in so far as they are available in Austria, obtain:—

(i) Supplies, stores, services (including labour) and accommodation for your Forces; and

(ii) any supplies which you may from time to time be directed are required by the United Nations to be exported from Austria.

by instructing such Austrian authorities as you may recognize to provide them. Such Austrian authorities should be encouraged to accept responsibility for settlement. In cases in which provision by Austrian authorities is impracticable and, in particular, pending the emergence of central Austrian authorities, you may resort to direct procurement. In such cases you should pay compensation yourself when this is necessary to obtain procurement or to prevent economic dislocation.

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(b) No payment should be made to any Austrian authorities or to anyone in Austria in foreign exchange. (Any necessary exchange adjustment will be made later between Governments.)

(c) You may, if necessary, arrange for advances to be made to Austrian authorities to enable them to make settlement as described in (a) above.

9. *Distribution of Supplies*.—All supplies imported shall be sold through normal channels for local currency and the proceeds credited to the Military Government account with the Authorized Banking Agency or to the Austrian Government when formed.

10. *Relief*.—You will see that cash relief is provided for persons without means of subsistence. This should, as far as possible, be done under the existing relief and insurance schemes. Only in very exceptional circumstances will food be issued without payment. In so far as it is practicable you will ensure that the Austrian authorities keep separate accounts of relief payments made to Germans.

11. *Costs of Occupation, Accounting, etc.*

(a) You will not be concerned with the settlement of any costs of the occupation incurred inside or outside Austria, and all questions relating thereto will be reserved for inter-Governmental decision at a later date.

(b) The eventual Austrian Government will be required by the governments concerned to pay, in due course in foreign exchange for any supplies imported into Austria and issued to the civil population. In order to provide the basis of this settlement you should ensure that from the earliest possible moment quantitative records are maintained showing separately supplies stores, etc., shipped—

- (i) from the United States,
- (ii) from the United Kingdom,
- (iii) from the U.S.S.R.,
- (iv) from France, and
- (v) from other places (each country being shown separately).

Issues from United States, British, U.S.S.R. and French Army Stocks will also be shown separately.

(c) You should ensure that quantitative records are maintained showing supplies, stores, etc., despatched:—

- (i) to the United States,
- (ii) to the United Kingdom,
- (iii) to the U.S.S.R.,
- (iv) to France, and
- (v) elsewhere (each country being shown separately).

(d) Monthly summaries of the records of (b) and (c) should be rendered by you.

12. *Public Finance*

(a) Your general objective will be to assist in carrying out the policy of this and other directives with regard to Austria in a manner compatible with the establishment in Austria of a sound system of public finance, both central and local, which will enable Austria to develop successfully as an independent state. In particular, your policy should be directed to the avoidance of uncontrolled inflation.

(b) You will direct such Austrian authorities as you may recognize for this purpose to:

- (i) Collect taxes and other revenue in the usual way at not less than existing rates, but all discriminatory taxes and tax exemptions introduced under the Nazi regime will be abolished.
- (ii) Discontinue forthwith the collection of contributions of any kind for Nazi organizations. To the extent that any of their beneficial activities are continued on a temporary basis (see paragraph 8 of the Directive on the dissolution and disbandment of Nazi Organizations)* and the funds available are insufficient for this purpose, you may authorize the provision of the necessary funds by the Austrian authorities but you will not permit the raising of funds by any other means.
- (iii) Meet all budgetary expenditure which you may approve. For this purpose you will permit them to use the taxes and revenues collected by the German authorities prior to the separation (see paragraph 16 (a) (i) below).

* Directive No. 7.

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(c) If the service of the public debt in Austria has not already been resumed, you will forward your recommendations when you consider the conditions appropriate for resumption of service. Your aim should be subject to any modifications of policy which you may recommend in the light of conditions on the spot, to arrange for such Austrian authorities as you may recognize.

(i) to pay interest on the holdings of *bona fide* Austrian residents of internal German Government loans and of internal loans of the former Austrian Government, and on any loans issued after the separation from Germany

(ii) to extend all maturing internal Reich Government obligations held by *bona fide* Austrian residents and to pay interest thereon at the previous rates (or in the case of discounted paper, the rate appropriate to the discount thereon)

(d) (i) You will maintain such control of the banking system and of other financial institutions as is necessary to ensure the maximum flow of purchasing power into savings and bank deposits

(ii) In order to tap the resources so received by banks and other financial institutions, you may empower the Authorized Banking Agency to accept from them special interest-bearing deposits, transferable upon the books of the Authorized Banking Agency between banks and financial institutions. Neither the Authorized Banking Agency nor the Military Government shall, pending consideration of your recommendations, issue negotiable securities or evidence of indebtedness.

(iii) These funds will be available to the Military Government and to the Austrian Government when formed to meet the current budget deficit.

(e) To the extent that the current budget deficit cannot be met by current revenue and by the tapping of banks' resources, you may make advances to such central authorities as you may recognize through the Authorized Banking Agency, but this form of deficit financing should be confined to the narrowest limits which are practicable.

13. *Trading with the Enemy.*—You will revoke the application of the Trading with the Enemy Legislation in force at the date of separation regarding trade with any of the United Nations and will apply it to all financial and commercial dealings with those countries with which all or any of the United Nations are still engaged in active hostilities, including those territories in the occupation of such countries. In particular and without prejudice to the above, no trade whatever shall be permitted with any such countries and territories. You will withdraw all lists which have the effect of prohibiting or restricting trade with persons whose names have been placed thereon because of their relations with the United Nations and will apply similar prohibitions on trade with any persons whose names appear on lists to be furnished to you.

14. *Exchange Control Policy.*—Your object will be to ensure the utmost economy in net foreign exchange expenditure consistent with the general policy of the United Nations.

(a) You will establish a system of foreign exchange payments, divorced from the German system, which you will control through the Authorized Banking Agency. As far as practicable you will in the first instance use the existing administrative machinery and personnel after Reich Germans and active Nazis and ardent sympathizers have been removed.

(b) As from the date of separation, the German clearing system will not apply to Austria. In order to deal with transactions which are already in train at that date you may arrange for the Authorized Banking Agency to receive payments from Austrian debtors and to make payments to Austrian creditors for such classes of debts and on such conditions as you may determine in consultation with the Allied authorities in Berlin.

(c) No immediate payment will be made in foreign exchange for any approved transaction between Austria and any of the United Nations countries, settlement being deferred till a later stage. Records of all imports and exports will be kept (see paragraphs 8 and 11).

(d) Pending such arrangements as the United Nations may make with neutral and satellite countries, Austria will only be able to make payments to them within the limits of her available foreign exchange. Payments in respect of goods for which import licences have been granted should be permitted but should the requirements exceed Austria's foreign exchange availabilities, you should report the position at once.

(e) Pending the recommendations which you will make under paragraph 16 (b) (ii) payments between Austria and Germany will be suspended.

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(f) You will ensure that —

- (i) no payment in Schillings or Reichmarks is made by any person in Austria to any person resident abroad, except that you may permit sums due from persons in Austria to persons abroad which are not allowed to be transferred to be paid to a blocked account in Austria;
- (ii) any amounts held or received in foreign exchange by any person resident in Austria and any foreign exchange in the hands of authorities or agencies of the former German Reich are sold against local currency to the Authorized Banking Agency or to such other banks as you may authorize;
- (iii) no person resident in Austria may accept from any person resident outside Austria payment in Schillings or Reichmarks in respect of exports from Austria.

(g) In so far as foreign exchange is available for this purpose, you will establish a limit which should not represent more than pocket cash for the foreign exchange which persons leaving Austria may take with them, provided that—

- (i) this will be without prejudice to any special arrangements which may be made for the liquidation of cash and credit balances belonging to prisoners of war, forced labourers, etc., on their repatriation;
- (ii) you may, if you find it advisable, fix a slightly higher limit for nationals of the United Nations;
- (iii) Austrian nationals who are allowed to leave Austria temporarily may take with them reasonable amounts of foreign exchange to cover travelling expenses;
- (iv) neutrals who are not permanently resident in Austria and who have entered Austria after the cessation of hostilities may take with them on leaving as much of the same foreign exchange as they are certified to have brought into Austria;
- (v) German civilians required to leave Austria and German troops withdrawn from Austria may be allowed to take with them such reasonable amount of Reichmarks as you may determine after consultation with the Allied authorities in Germany. You will see that record is kept of the total quantity of Reichmarks thus transferred.

(h) Except as provided in (g), no foreign notes or coin may be exported from Austria.

(i) No German notes or coin or Allied Military notes (including A.M. Schillings) may be imported into or exported from Austria except under your authority.

15 Property in Austria of Nazi Organizations and of active Nazis and ardent sympathizers

(a) Pending further directives as to its disposal, all dealings with the property of the Nazi Party, Nazi organizations, their branches or subsidiary institutions shall be prohibited, except as you permit in accordance with paragraph 12 (b) (ii) or otherwise, and all bank accounts and securities held in Austria by or on behalf of such organizations shall be blocked. The necessary steps shall be taken to render unapproved dealings invalid. At a time suitable to you, you should obtain particulars of all property held in Austria by or on behalf of Nazi organizations.

(b) You will prohibit all dealings with the property of persons who, by reason of their being Reich Germans or of their being active Nazis or ardent sympathizers, have been imprisoned or detained by you, and of persons who have been dismissed or suspended from office under the provisions of this or of any other of your directives. All bank accounts of such persons will be blocked subject to withdrawals on a hardship basis on such conditions as you may determine. As regards persons who have been suspended from office, the above prohibitions will normally apply only during the period of their suspension.

16 German Property in Austria

(a) Treatment of the property of the German Reich, its sub-divisions, municipalities and any agencies thereof:

- (i) All bank accounts and securities held in Austria by or on behalf of agencies of the German Reich shall be placed at the disposal of the Military Government, and all sums due from residents in Austria to agencies of the German Reich shall be made payable to the Military Government.

* Where the context does not otherwise require, the term "property" in this directive is to be interpreted in the widest sense and includes not merely real and personal property but also industrial, literary and artistic property, interests in business concerns, debts (including bank balances), negotiable instruments, interests under any contracts, in testamentary estate or under wills or settlements.

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- (ii) You will require the existing administration to continue in the interests of Austria the management of property situated in Austria (excluding war material controlled under separate directives in respect of disarmament) belonging to the German Reich or German states municipalities and agencies thereof.
- (iii) You will prohibit the existing administration and individual officials from accepting or acting on directions received from outside Austria except under your specific authority. This prohibition should not apply to prevent officials from acting on instructions already received from Germany relating to the proper management of the property in so far as they are not inconsistent with the severance of relations with Germany.
- (iv) You will prohibit the existing administration and individual officials from parting with or disposing of any State municipal, etc. property or subjecting it to any assignment pledge mortgage or lien without your authority and such dealings shall be rendered invalid. This prohibition should not apply to the measures required under sub-paragraph (i) above, nor to payments necessary to meet the normal expenses of Government.

(b) General directions as to freezing and blocking of German property in Austria

(i) All property in Austria of persons resident in Germany is to be frozen and all persons in Austria holding or managing such property are to be prohibited from dealing with it in any way except under your direction and subject to the provision in sub-paragraph (v) below. This requirement should not prohibit such persons from making the normal payments necessary for the preservation management or conduct of the property or business.

(ii) If payments are made or sums are transferred in Austria to residents in Germany (other than sums due to residents of the Reich or to persons whose property is being administered by Military Government) such sums will be paid to non-transferable blocked accounts in the name of the creditor with such banks in Austria as you may approve for this purpose pending arrangements for payment to the Allied authorities in Germany for the transfer of any such sums. Sums which accrued due prior to the date of separation from Germany should be kept in separate accounts from those arising after that date. Such sums on blocked accounts shall constitute valid claims of the creditor.

You will require the authorities in Germany to make recommendations to the Allied authorities in Austria and Germany about the classes of payment to be allowed and the limits to be imposed on such payments. In so doing you will endeavour to secure any agreement or other direction between the two countries which is general in character. Paragraphs 24 above should apply to Austria-Germany relations and the economic identity of the two countries will require special treatment in many cases.

(iii) All bank accounts and securities held in Austria by or for account of residents in Germany shall be blocked in accordance with the directive except in cases referred to in sub-paragraph (v) above.

(iv) Subject to transfer of funds from German officials and other persons withdrawn from Austria in accordance with the provisions of the directive on the evacuation of land forces and on the Armed Forces Officials and Civilian Population Movement, all movable personal effects tools of trade and such Reichsmark currency as may be allowed them under paragraph 24 (v) above shall be left behind and will be frozen in accordance with sub-paragraph (i) above.

(c) Separation of Austrian portions of businesses (other than banks) directed from Germany

Your objects will be to ensure that:

- (i) all the permissible activities of such companies partnerships and organizations required for the maintenance of the Austrian economy or for the implementation of your directives are continued;
- (ii) the business carried on in Austria is effectively separated from the German business enterprise of which it has previously been a part.

The Austrian management of such businesses shall be prohibited from acting on any instructions which may be received from or on behalf of the German controlling interests. Austrian branches and subsidiaries shall be cut off from their German parent houses and pending the formation of an Austrian Government you will take

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no steps to reconstitute them as fresh legal entities in Austria. You may, however, take such interim steps as are necessary to enable those of them whose activities are not objectionable to carry on business under non-German administrators approved by you and in order that, in so far as they continue to function, they may be financed, you may:

- (1) authorize the making of advances to them by banks in Austria on such conditions as you think fit and to the extent required to maintain economic activities approved by you;
- (2) permit any administrator whom you may appoint (see above) to draw on an account held in Austria by or for account of a resident in Germany provided you are satisfied that such use of the account is necessary for the normal conduct of the business in Austria and that, prior to the separation, it was or was intended to be so employed.

Where, in your opinion, the continuance of any such business is necessary to the fulfillment of your task or to the Austrian economy but the powers of legal administrators are insufficient to enable it to be carried on, you are authorized to vest in the administrators appointed by you such powers over the business in Austria as may be required, including powers to enter into contracts in relation to that business and to mortgage, pledge or assign any property attributable thereto. You will hold the administrators responsible to you for the proper conduct of the business under the powers which you have vested in them.

(c) The provisions of paragraph (b) will also apply to the Austrian branches of banks directed from Germany (other than the Reichsbank, for which see paragraph (c) above) and any such branches may not accept new deposits or make fresh advances nor may they be granted advances to enable them to carry on. If, taken as a whole, they are not solvent or liquid, they will be closed. Depositors who are in difficulty as a result of the freezing of their balances should obtain any necessary advances from other banks.

17. *Prohibition against persons outside Austria dealing with property situated outside Austria.*

(d) You will prohibit any persons in Austria from dealing in any way with any property situated outside Austria (including property held in Germany), which at the date of the cessation of hostilities was owned or controlled by, due to or held or managed for persons outside Austria, and you will issue under your sanction. You will call for returns of all such property.

(e) You will call for the surrender (i) to the Authorized Banking Agency there to be held to your order, of all documents of title in Austria (or outside Austria to the order of persons in Austria) and all documents of title which although the property of an organization constituted in Germany would nevertheless be deliverable to or to the order of an Austrian branch, relating to property situated in the territory of the United Nations. Unless you receive instructions to the contrary, these directions shall not apply to documents of title actually held (i) in the territory and under the control of one of the United Nations, or (ii) in an Axis satellite country with whom hostilities have ceased.

(f) The following prohibitions are to be imposed relating to gold and silver held outside Austria to the order of persons outside Austria. You will provide that:

- (i) All gold and silver held to be transferred to accounts in the name of the Reichsbank and all German deposits held under the directions of the Allied authorities in the Reich to be transferred to accounts in the name of the Authorized Banking Agency. No instructions to the holders in relation to gold or silver held to be transferred shall be authorized by you.
- (ii) Nothing is done to melt down, or otherwise change the form of such gold or silver, and that no instructions are given to this effect.
- (iii) All persons holding documents relating to such gold and silver, including weight and number lists, and assay chips, shall preserve them.

18. *Property outside Austria of persons in Austria.* — You will prohibit any person or authority outside Austria from conveying outside Austria any property situated therein or from transferring, selling, or pledging any such property to any person outside Austria. Provided that this prohibition shall not:

- (i) apply to such exports in the normal course of trade as are permitted under your authority;
- (ii) prevent the employment outside Austria of any shipping or transport units which you may allow.

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- (iii) prevent the removal in so far as you may authorize it of essential personal effects and the tools of his trade of any civilian required or permitted by you to leave Austria; other property, including valuables, is to be left behind. (For provisions relating to the foreign currency which may be taken see paragraph 14 (g) above.)

19. *Special Directions relating to Gold and Silver in Austria*

(a) Your aim will be to enforce the surrender of all gold and silver. To this end you will:

- (i) prohibit any change in ownership of any gold or silver in coin or bullion form, its removal to any other place from where it then is, or its being melted down or otherwise changed in form. No such gold or silver shall be encumbered in any way and any act purporting to encumber it after the date of the cessation of hostilities shall be declared void. All documents, such as weight and number lists, and assay slips relating to such gold and silver shall be preserved. An exception to the foregoing provisions shall be legal tender silver coin in the hands of the public (but not coin in the hands of banks); such coin may remain in circulation pending further directions, but it shall not be melted down or be exported.
- (ii) obtain from all persons or authorities owning, holding or having custody of any gold or silver full information about its amount, ownership and location. You will, as soon as possible, verify the existence and amount of all large stocks of such gold and silver, and take them into custody or, if you are satisfied that this is a sufficient precaution, put them under seal.
- (iii) when the information called for under sub-paragraph (ii) is available, bring under close control all such frozen gold and silver with the exception of any which is held on behalf of any Allied or Neutral State or any genuine Allied or Neutral person by collecting it and having it stored to your order pending further directives which may be sent to you.

(b) As a measure of control over articles which may have been looted, the provisions of sub-paragraph (i) will apply to collections of gold and silver coin of antiquarian value worth more than the equivalent of R.M. 2,000, but the provisions of sub-paragraph (iii) will not apply to them.

(c) Small amounts of gold and silver may, if you think it proper in order to avoid hardship, be issued for approved genuine purposes (including dentistry), but none should be issued for the manufacture of jewellery.

(d) Further directions will be given to you at a later date on the ultimate disposition of the gold and silver frozen in accordance with this directive and as to any further steps to be taken in regard to silver coin in circulation.

20. *Property of the United Nations and United Nations Persons*

(a) You will issue a Proclamation:

- (i) requiring all persons holding or managing property of any of the United Nations or of United Nations persons to continue so to act regarding themselves as agents for the absent owner and holding them personally responsible for its proper administration until such time as you relieve them and requiring them to account fully thereafter when called upon;
- (ii) prohibiting any person holding or managing such property from parting with it or subjecting it to any charge or lien except as you (or some person appointed by you) may specially direct; this requirement should not prohibit such persons from making the normal payments necessary for the preservation, management or conduct of the property or business;
- (iii) rendering invalid any transactions which contravene the provisions of (i) or (ii) above and subjecting any person who contravenes, or seeks to contravene, those provisions to penalties;
- (iv) staying any current proceedings against such property (e.g. by way of liquidation).

(b) You will in due course require all persons holding or managing such property to make returns in such form as you may decide. You will obtain from the Allied authorities in Berlin copies of any returns of such property which the German authorities may have been called upon to submit in so far as these returns relate to property situated in or held or managed by persons in Austria.

(c) Where it appears desirable and practicable you should take over the custody of the property of United Nations Governments or United Nations persons and supervise its administration. If you consider it necessary for the proper maintenance and conduct of such property you should appoint new agents for the purpose.

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(d) Pending further instructions you should not release property which is subject to your directions or control.

21. Property of any Country (other than Germany) at War with the United Nations or of Residents in such a Country.

(a) In the case of property in Austria belonging to a Government of any country which is at war with the United Nations (other than Germany) and has not concluded an Armistice, and to persons resident in any such country, and in the case of any other country in respect of which you may be given special directions, you will issue a Proclamation:—

- (i) prohibiting any person or authority in Austria who holds or manages any such property (including debts and moneys due) from realizing, parting with, or in any way assigning or mortgaging it without your sanction and imposing on persons concerned in its management a personal responsibility for its safe custody until you may otherwise decide. You may allow normal payments necessary for the preservation, management or conduct of any such property or business but you should not allow its sale or alienation save in exceptional circumstances under your specific authority and in such circumstances the proceeds are to be paid to an account opened in the name of the Custodian.
- (ii) rendering invalid titles to any such property dealt with in contravention of the provisions of (i) above; and
- (iii) imposing penalties for any contravention or attempt at contravention.

(b) As soon as practicable you will issue a further Proclamation calling upon all persons holding or managing such property to make returns in a suitable form to you or to some organization or person acting on your behalf.

(c) Your object should be to ensure the proper control, preservation and administration of the property and to prevent any benefit therefrom accruing to the enemy.

(d) Except where you are otherwise directed, paragraphs (a) to (c) above will not apply to the property of the Governments of, or residents in, countries which have concluded an Armistice with the United Nations. Where however you are notified that special action is required, you will issue such Proclamations as may be necessary to ensure that persons in Austria holding or managing such property comply only with directions which have been approved by you or by the appropriate Allied authorities and not with directions from their former principals which have not been approved. If necessary to ensure compliance with the terms of surrender you will apply the full Proclamations referred to in paragraphs (a) and (b) above to this property. You will furnish a report on such property.

(e) You will be issued with further instructions at a later date as to the release or other disposal of the property referred to in this paragraph.

22. Property of Absent Austrians and Neutrals.—Provided that action required by the provisions of the foregoing paragraphs 26 to 41 is not thereby in any way delayed or hampered you should take such steps as you may find possible to ensure the preservation of the property of Neutral and Austrian persons (regarding the former as of greater urgency) who are not resident in Austria and are not legally represented. You may authorize suitable persons to manage such property in the interests of the absent owner until such time as he makes appropriate arrangements for himself. So far as the provisions of this directive are concerned, persons managing such property (whether under your authority or not) will be subject to the same conditions as though the owner were resident in Austria.

23. General.

(a) **Communications.**—You will take the appropriate measures to prevent the despatch or receipt of communications intended to evade any of the requirements of this Directive and to impose penalties on persons attempting to despatch such communications.

(b) **Records.**—You will require all persons in Austria, including all officials of the German Reich, (i) to preserve intact and unaltered all documents and records relating to any of the classes of property dealt with in this directive, and (ii) to provide you with all the information you may require, including their location, their method of preparation and their contents. You will impose penalties for any breach of these requirements.

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3. List of Nazi Personnel and Reports of Organizations (cont.)

other organization specified in III Gov. Laws, Nos. 2, 5 or 77.

- (b) Members before 1933 and officers at any time of the SS, but not the Waffen SS including only officers and non-commissioned officers.
 - (c) Officers at any time of the SA with the rank of Sturmführer or higher.
 - (d) Officers at any time of the NSD with the rank of Sturmführer or Sturmbannführer or higher.
 - (e) Officers at any time of the RAD with the rank of Arbeitsführer or higher.
 - (f) Officials or commissioned officers at any time of any of the remaining formations (Gliederungen), affiliated organizations (angeschlossene Verbände), or supervised organizations (Betriebsorganisationen) of the NSDAP.
 - (g) Members of the General Staff at any time.
 - (h) Officials or employees of any kind whatsoever of the Gestapo.
- (2) As soon as any of the removals or suspensions herein directed have been effected by any German financial institution or government agency, such institution or agency shall report to the Financial Officer three lists, each in triplicate, (1) on removed and (2) on suspended persons setting forth:
- (a) The names and addresses of all persons removed or suspended;
 - (b) The respective positions from which such persons were removed or suspended; and
 - (c) The dates when the respective completed Fragebogen were delivered to the Financial Officer.

The third list shall contain the names, addresses and positions of persons who, in the opinion of the financial institution or government agency, should have but have not executed or delivered Fragebogen.

The Financial Officer shall immediately deliver one copy of each list to the Public Safety Officer in his area.

K. Instructions to Financial Institutions No. 1, on Personnel.

Financial Officers will read and deliver promptly to every financial institution and agency, public and private, and to government agencies, within their areas, either through the Reichsbank or such other agency as may be designated, or directly, the "Instructions to Financial Institutions, No. 5 (Personnel)" which gives those portions of these instructions that such institutions need to have. Every financial institution and government agency and all branches or offices thereof, shall immediately post a copy of such instructions in German in a conspicuous place in its premises where every employee and the public, too, may read it at once. Adequate supplies of Fragebogen shall be made available and reprinted, if necessary, on the spot by the institution or agency involved. Such local printing must be carefully checked to insure that the Fragebogen are complete and not doctored.

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 SCHEDULE OF FINANCIAL INSTITUTIONS
 (Personnel)

A. BANKS

I. Central Credit Institutions

(a) German Reichsbank (Deutsche Reichsbank).

1. Head Office (Berlin).

a. The President shall be removed.

b. Members of the managing Board (Reichsbankdirektorium), members of the Beirat, and all Reichsbankdirektoren shall be suspended until their Fragebogen are vetted.

c. The above and all other officials (including all Direktoren bei der Reichsbank) shall be vetted in Priority 1.

2. Regional Reichsbank Branches (Hauptstellen, Stellen).

a. All members of the local Advisory Boards (Bezirksbeiräte) shall be suspended until their Fragebogen are vetted.

b. The above and the Vorstand shall be vetted in Priority 1.

c. All other officials shall be vetted in Priority 2.

3. Nebenstellen.

a. All officials shall be vetted in priority 2.

(b) Reichsbank Subsidiaries and/or Agencies controlled or operated by the Reichsbank, such as

1. The Gold Discount Bank (Golddiskontbank), Conversion Office for German Debts (Konversionskasse für Deutsche Auslandsschulden), Reichskreditkasse, and German Clearing Office (Deutsche Verrechnungskasse).

a. The Board of Directors and Vorstand shall be suspended until their Fragebogen are vetted in priority 1.

b. Other officials shall be vetted in priority 2.

(c) German Central Savings Bank (Deutsche Girozentrale-Deutsche Kommunalbank)

1. Reich Commissioners, Vorstand, and the Board of Directors shall be suspended until their Fragebogen are vetted in priority 1.

2. Other officials shall be vetted in priority 2.

(d) German Central Credit Cooperative Bank (Deutsche Zentralgenossenschaftskasse).

1. Reich Commissioners, Vorstand, and the Board of Directors shall be suspended until their Fragebogen are vetted in priority 1.

2. All other officials shall be vetted in priority 2.

(e) Deutsche Rentenbank-Kreditanstalt and Deutsche Rentenbank.

1. Reich Commissioners, Vorstand, the Board of Directors and Advisory Board shall be suspended until their Fragebogen are vetted in priority 1.

2. Other officials shall be vetted in priority 2.

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2. Other officials shall be vetted in priority 2.

II. Specialized Credit Institutions.

(a) Bank der Deutschen Luftfahrt, Hoeres-Rustungs A.G., Rustungskontor G.m.b.H., Deutsche Bau- und Boden Bank, Deutsche Industriebank, Deutsche Gesellschaft für Öffentliche Arbeiten ("Oeffa"), Deutsche Siedlungsbank, Deutsche Verkehrskreditbank, Deutsche Umsiedlungs-Treuhand G.m.b.H., and similar institutions.

1. Board of Directors and Vorstand shall be suspended until their Fragebogen are vetted in priority 1.

2. Other officials shall be vetted in priority 2.

(b) Hausbanken (e.g., Deutsche Länderbank A.G., Berlin, August Thyssen Bank, Berlin, Gebrüder, Rochling Bank, A.G. Saarbrücken, and similar institutions).

1. Board of Directors and Vorstand shall be suspended until their Fragebogen are vetted in priority 1.

2. Other officials shall be vetted in priority 2.

III. Commercial Banks.

(a) Berlin Banks: (The "Big Six" - Deutsche Bank, Dresdner Bank, Commerzbank, Reichskreditgesellschaft, Berliner Handelsgesellschaft, and Bank der Deutschen Arbeit - that named bank is treated separately).

1. Head Office.

a. Vorstand and Board of Directors shall be suspended until their Fragebogen are vetted in priority 1.

b. All other officials shall be vetted in priority 2.

2. Branches.

a. All members of the Local Advisory Boards shall be suspended until their Fragebogen are vetted in priority 1.

b. The managers shall be vetted in priority 1.

c. All other officials shall be vetted in priority 3.

3. Bank der Deutschen Arbeit - All offices.

a. All persons who were ever officials whatever their present connection may be, and the Vorstand, the Board of Directors, Local Advisory Boards and managers shall be suspended.

1. Head Office: Leading Officials, Vorstand and Board of Directors shall be vetted in Priority 1; all other officials in priority 2.

2. Branches: Leading Officials, managers and Local Advisory Boards shall be vetted in priority 1; all other officials in priority 2.

3. All other suspended personnel in head office and branches shall be vetted in priority 3.

(b) State Banks:

1. Preussische Staatsbank (Seehandlung), Berlin.

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- a. The Board of Directors and Vorstand shall be suspended until their Fragebogen are vetted in priority 1.
 - b. Other officials shall be vetted in priority 2.
2. Other State Banks.
- a. Chairman and Vice-Chairman of the Board of Directors and the entire Vorstand shall be suspended until their Fragebogen are vetted in priority 1.
 - b. Other Directors and officials shall be vetted in priority 2.
- (c) Private Banks.
1. Merck, Finck and Co., Munich and Berlin
 Brinckmann, Wirtz and Co., Hamburg
 Pferdengos and Co., Cologne
 J.H. Stein, Cologne
 Delbrueck, von der Heydt and Co., Cologne
 Delbrueck, Schickler and Co., Berlin
 Burkhardt and Co., Essen
 Eichborn and Co., Breslau and Berlin
 Munchmeyer and Co., Hamburg
 - a. The leading partners, i.e., by virtue of size of interest or influence in the policies of the firm, shall be suspended until their Fragebogen are vetted in priority 1.
 2. Hardy and Co., G.m.b.H., Berlin
 - a. The leading Geschäftsführer, i.e., by virtue of size of interest or influence in the policies of the concern, shall be suspended until their Fragebogen are vetted in priority 1.
 3. Other partners and officials of the above-mentioned private banks shall be vetted in priority 2.
 4. The partners or managers of all other private banks shall be vetted in priority 2.
- (d) Other Commercial Banks having total assets in excess of R.M. 50,000,000.
1. Chairman and Vice-Chairman of the Board of Directors and Vorstand shall be suspended until their Fragebogen are vetted in priority 1.
 2. Other directors and all other officials, including those of the branches, shall be vetted in priority 2.
- (e) All other commercial Banks.
1. All Directors, Vorstand and officials shall be vetted in priority 3.

IV. Savings Banks System

(a) Regional Giro Cantors (Girozentralen).

1. The Chairman and Vice-Chairman of the Board of Directors shall be suspended until their Fragebogen are vetted in priority 1.
2. The Vorstand shall be vetted in priority 2.
3. Other directors and officials shall be vetted in priority 3.

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(b) Directors, Vorstand and other officials shall be vetted in priority 2.

V. Credit Co-operative System:

(a) Zentralkassen,

1. Chairman and Vice-Chairman of the Board of Directors shall be suspended until their Fragebogen are vetted in priority 1.
2. The Vorstand shall be vetted in priority 2.
3. All other directors and officials shall be vetted in priority 3.

(b) Local Credit Co-operatives:

1. All directors, Vorstand and other officials shall be vetted in priority 3.

VI. Mortgage Banks

- (a) All Directors, Vorstand and other officials shall be vetted in priority 3.

VII. Reichsgruppen Banken and the Subordinate Wirtschaftsprüfungsgesellschaften and Fachgruppen.

- (a) All leaders, deputy leaders, past or present, and all other officials, Reichs Committee members, and the Advisory Board of the Reichsgruppen Banken, Wirtschaftsprüfungsgesellschaften and Fachgruppen shall be suspended until their Fragebogen are vetted in priority 1.

B. INSURANCE COMPANIES:

I. Companies engaging in the business of reinsurance, whether or not also engaging in the business of direct insurance.

(a) Companies having international business:

1. The Board of Directors and the Vorstand shall be suspended until their Fragebogen are vetted in priority 1.
2. Other officials shall be vetted in priority 2.

(b) Companies operating only in Germany:

1. The Board of Directors shall be suspended until their Fragebogen are vetted in priority 1.
2. The Vorstand shall be vetted in priority 2.
3. All other officials shall be vetted in priority 3.

II. All other insurance companies and institutions:

(a) Companies operating in business throughout Germany:

1. The Board of Directors shall be suspended until their Fragebogen are vetted in priority 1.
2. The Vorstand shall be vetted in priority 2.
3. Other officials shall be vetted in priority 3.

(b) Companies operating only in part of Germany:

1. Directors, Vorstand and other officials shall be vetted in priority 3.

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B. INSURANCE COMPANIES (cont.)

II. (b) 1. (cont.)
 in priority 3.

III. Reichsgruppe Versicherung and the Subsidiary Wirtschaftsgruppen and Fachgruppen.

All leaders, deputy leaders and managers, past and present, and all other officials, commissioners and the Advisory Board of the Reichsgruppe Versicherung and related Wirtschaftsgruppen and Fachgruppen shall be suspended until their Fragebogen are reviewed by the Financial Officer in their area. They shall be vetted in priority 1.

C. STOCK AND COMMODITY EXCHANGES.

- I. The Reich commissioners, the board of managers (Börsenverstand) shall be suspended until their Fragebogen are vetted in priority 1.
 II. Other officials shall be vetted in priority 3.

D. ALL FINANCIAL INSTITUTIONS AND GOVERNMENT AGENCIES PERFORMING FINANCIAL FUNCTIONS.

- I. All financial institutions and Government agencies performing financial functions shall suspend, until they have been completely vetted, every person in their employ:-
- Who at any time since January 1, 1938, has held any position mentioned herein from which the present holder is directed by this instruction to be suspended solely by reason of the office held, or
 - Who at any time since January 1, 1938, has served outside Germany (1) on behalf of the Reich or any agency thereof, whether in a key post or not, or (2) as an official of any of the above named or above described financial institutions and government agencies performing financial functions, or any branch, subsidiary or affiliate thereof, or (3) on behalf of any organization specified in Military Government Laws Nos. 2, 5 or 7.
 - Who at any time, since January 1, 1938, has served as a personnel manager or an official in the personnel department of any financial institution or government agency primarily of a financial character.
- II. Where an institution or person comes within more than one category for treatment hereunder, the category receiving the most severe treatment shall be the one applicable under these instructions.

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SUPPLY AND QUARTERS
ALLIED EXPEDITIONARY FORCE
G-5 Division

Date 26.11.44
No. 4462/803

SECRET

23 December 1944

SHAEF/G-5 (MAIN) Ops/803

SUBJECT: De-Nazification Instructions.

TO: All Branches, G-5.

Central Registry
Date 26.11.44
No. 4462/803

1. Instructions so far given by this Headquarters with respect to de-Nazification and demilitarization in Germany are deficient in several particulars.
2. Chapter II, Part III, of the Handbook for Military Government in Germany gives general guidance on removal of Nazis from top positions. However, more specific instructions are needed in order to complete the process of eradication of Nazism and militarism.
3. Mil. Gov. Detachments should be informed what is meant by the categories "active Nazis", "ardent Nazi sympathizers", "the Nazi Hierarchy and its collaborators" or "militarists". They should also be instructed what specific action shall be taken to effect the removal of the persons in such categories. Such instructions should cover:
 - a. Removal of Nazis and ardent sympathizers from governmental and quasi-governmental positions.
 - b. Removal of the Nazi leadership from policy-making positions in important private business.
 - c. Removal of militarists (members or ex-members of the General Staff) from important positions, governmental or civil.
4. In producing such instructions SHAEF is bound by the provisions of the directives of the Combined Chiefs of Staff. FACS 93 provides that under no circumstances will active Nazis or ardent Nazi sympathizers be retained in office for the purpose of administrative convenience or expediency. The CCS Pre-Surrender Directive (CCS/551 - 17 April 1944) provides (Appendix "A", Para 6): "In general the Nazi leadership will be removed from any post of authority and no permanent member of the German General Staff nor of the Nazi Hierarchy will occupy any important governmental or civil position".
5. Attached is a copy of Chapter IX of the Finance and Property Control Technical Manual which sets forth a definite programme of de-Nazification in the Financial field.
6. Addressees will give consideration to the preparation of similar definite instructions which may be necessary to answer the requirements of Para 3 (above) in the fields for which they are responsible. The system used for accomplishing the result will vary with the function concerned. It is believed that the use of the Public Safety Fragebogen to determine who is a Nazi will be desirable. In some cases it may be necessary to close an agency until vetting can be accomplished. In some cases it may be sufficient to suspend officials pending vetting. In the case of private business either of these two methods may be too drastic but a definite programme is desirable.
7. Addressees will submit any draft instructions which they believe necessary to Ops Branch by 6 January 1945. Ops Branch will consider the form in which such instructions are to be issued.
8. Ops Branch will seek comment from the Control Commission/Council before such instructions are issued.

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DISTRIBUTION

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CHAPTER IX.

REMOVAL OF UNDESIRABLE PERSONNEL
 FROM GERMAN FINANCIAL SYSTEM - DE-NAZIFICATION.

A. Policy on Removal of Personnel.

One important policy of Military Government is to remove active Nazis and ardent sympathizers from financial fields. Under no circumstances are considerations of administrative convenience or expediency to delay or impede this program of De-Nazification.

Hence, one of the immediate problems facing MG and Financial Officers is the removal of such Nazi and objectionable elements from the German financial system and institutions, public and private. Many of the persons who must be removed may not have conspicuous Nazi Party ties. The absence of such ties, however, does not mean that they are not active Nazis or ardent Nazi sympathizers. From the point of view of occupation authorities, they represent as dangerous and unreliable elements as do notorious Nazi Party members.

Because control in the financial field is highly centralized, it is probable that no person holds a key financial post unless he is acceptable to the Nazis, has been found by them to be dependable and has acted in support of Nazi aims. The holders of some key financial positions have been responsible to a large extent for the mobilization and operation of the German economy in war. They have been instrumental in carrying out the policies of German domination and exploitation in the annexed, occupied or axis countries. In many cases they have acted as intelligence agents and in the seizure and liquidation of properties belonging to persecuted minority groups. Therefore, every holder of such a key position is open to suspicion, prima facie, and must be carefully scrutinized.

This Chapter deals with the program for the removal from the German financial system of undesirable personnel. It specifies key positions in various German financial institutions from which the incumbents must be suspended or removed at once and other positions the incumbents of which are subject to investigation and either mandatory or discretionary removal. It proscribes certain activities and connections outside financial fields which disqualify a German who engaged in such activities or had such connections from being allowed to continue in financial institutions. Some of such persons must also be removed immediately.

Persons who were not active Nazis or ardent sympathizers are not to be removed automatically, in the absence of further instructions or specifications.

If the automatic removals herein specified have not been accomplished before the Financial Officer assumes his duties, he must initiate and carry them out at once. Convenience of administration must not be allowed to delay the de-nazification program. Even if the removal program entails in practice the closing of financial institutions, that must not interfere with the carrying out of the plan.

B. Definitions:

Remove - To discharge immediately an individual from every financial institution and position in which he holds and to prevent his influence and participation with or on behalf of such institutions. The property of all financial persons will be blocked.

Suspend - To prohibit completely the participation of any individual in the affairs of any financial institution or any activity which has been completely withheld. Suspenders over-ride the laws and regulations of German law systems. In the absence of authority of the Public Safety Council or the Military Government, the laws and regulations should

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B. Definitions (cont.)

be done with the utmost expedition. During the time of suspension the property of all suspended persons will be blocked.

"Vorstand" - Board of Management.

"Other officials" - Any individuals, whether officers or not, who are empowered either alone or with others to bind or sign for or on behalf of the financial institution (eg. Stellvertreter, Vorstandmitglied, Prokurist, Handelsbevollmächtigter), as well as departmental heads (Abteilungsleiter).

The terms "government financial agencies", "government agencies primarily of a financial character" and "government agencies performing financial functions" mean those government agencies, at all levels, whose duties are fiscal or financial (eg. Ministry of Finance; those parts of the Ministry of Economics which supervise, regulate or control financial institutions; other agencies dealing with taxes; etc. It is not intended to include persons handling administrative expenditures of other government agencies which are not primarily financial agencies, such as accounts departments of the Ministry of Agriculture.)

In some German financial institutions the names given herein to certain key positions may not be identical with the terminology used by Germans, but removal, suspension and vetting shall apply to holders of positions corresponding to those mentioned in this instruction.

"Fragebogen" - Public Safety Form Questionnaire MG/PB/G/9.

"Vet" - The entire process of (1) delivering the Fragebogen to an individual, (2) his filling it out, (3) reviewing the Fragebogen by the Financial Officer to see if any items thereon or statements made therein require mandatory removal of the person who executed such Fragebogen, (4) the subsequent reviewing by the Public Safety Officer of these Fragebogen which the Financial Officer has not found to require mandatory removal, and (5) the Public Safety Officer's recommendations regarding removal of the persons who executed such Fragebogen.

The singular includes the plural, ie., where it is directed that the Vice-Chairman of the Board of Directors shall be suspended and there is more than one such Vice-Chairman, all shall be suspended.

C. Execution and Classification of Fragebogen.

Every official, except clerks and non-policy making functionaries, of every financial institution in Germany must complete and sign a Fragebogen. Financial officers should be familiar with this form and those parts of the Public Safety Manual of Procedures relating to it and must see that Fragebogen are delivered to all such personnel, that the individuals concerned complete and return their Fragebogen to the institution where they are or were employed within 5 days after distribution.

The four highest officials remaining after the automatic removals have been effected in the institution must also examine the Fragebogen and see that they are correct according to the records of the institution and their own knowledge of the persons concerned. Any omissions or discrepancies must be noted in writing and attached to the respective Fragebogen. The four highest remaining officials should then examine the Fragebogen to see that they are properly executed and complete and separate them into the following categories and sub-categories:

(1) Persons not to be removed in accordance with instructions of the Financial Institution, who are:

- (a) Directors, members of the Board of Directors
- (b) Vorstand, Chairman of Management, members of the Board of Directors
- (c) Other officials of the institution
- (d) All remaining officials of the institution

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APPENDIX E

GLOSSARY OF COMMON TECHNICAL TERMS IN USE BY GERMAN GOVERNMENT OFFICIALS

- Abwehrstelle.** Central Office.
Ami (plural *Amis*). Office (e.g., *Auswärtiges Amt*—Foreign Office).
Arbeitsämter. Labour Offices.
Arbeitsdienst. Labour Service (Ministry of Interior).
Ast. Abbreviation for *Abwehrstelle*.
Ausschuss. Committee or Board.
Bau. Construction.
Beauftragte. Local representative.
Befehlshaber des Ersatzheeres. Commander of the Training Army.
Beirat. Advisory Council.
Betriebsamt. Operating Office.
Bezirk. Administrative area (e.g., *Wehrbezirk*—Military Sub-area).
Block. Lowest Nazi Party group, originally 40 households.
Blockleiter. Blockleader—controller of a block.
Bundesrat. Imperial Upper Chamber.
Bürgermeister. Burgomaster, Mayor. Under Nazi Commune Law of 1935 the *Bürgermeister* replaces *Gemeindevorsteher* as head of a *Gemeinde*.
Bürgermeistereien. Unions of Communes.
Bürgermeisterverfassung. System of city government whereby the *Bürgermeister* as executive authority could bind the City Council by his acts. Superseded by Nazi Commune Law of 1935.
Chef der O.K.W. Chief of Armed Forces H.Q.—*Keitel* (see also *Obersterbefehlshaber der Wehrmacht*).
Deutschtum. Germanism; Germanisation.
Deutscharbeitsfront. German Labour Front.
Einheitsverwaltung. Unity of Administration. The Nazi aspiration in government, best exemplified in the *Reichsgau*.
Eisenbahnbezirksdirektion. Regional Transport Office.
Eisenbahndirektion. Railway Divisional Management (see Appendix J).
Feldzeuggruppe. Ordnance Group H.Q. For Ordnance purposes Germany is divided into three areas with H.Q. at Berlin, Kassel and Munich.
Feldzeugkommando. Ordnance H.Q. There is one in every *Wehrkreis* and these H.Q. are grouped to form *Feldzeuggruppen*.
Finanzamt. Finance Office. Part of the regional organisation of the Treasury and also of the Ministry of Armaments and War Production (for particulars see Appendices G and K).
Führer. Leader.
Führerprinzip. Leader principle. Authoritarian as against democratic organisation.
Führungs-Nachrichten Regimenten. Signals Regiments.
Gau. Originally the word meant tribal area. The Nazis use it for one of the sub-divisions of their organisation (for particulars see main paper, paras 1-9).
Gauarbeitsamt. Gau Labour Office.
Gauleniter. The Leader of a Party Gau (see main paper, paras 1-9).
Gemeinde. The unit of local government (see main paper, paras 10-10 and Appendix D).
Gemeindevorsteher. The head of the *Gemeinde* in pre-Nazi days.
Generalbevollmächtigter für den Arbeitseinsatz. General plenipotentiary for the employment of German workers.
Generalbetriebsleitung. Area Operating Office (see Appendix J).
Generalrat für die Kriegswirtschaft. General Council for War Economy.
Gesetz. Law, equivalent of Act of Parliament as opposed to *Verordnung* (ordinance), equivalent of an Order in Council.
Gruppe. Group or section.
Hauptauschuss. Main Board.
Heeresammunitionsanstalt. Ammunition depot.
Heeresrüstung. Army equipment.
Heereszeugamt. Ordnance depot.
Kanzlei. Chancery. In Nazi organisation there are four chancelleries through which Hitler controls the party and the government (main paper, para. 9).
Kreis. A unit of local government, also charged with executive authority in certain matters by central government. Roughly equivalent to an English county. The word *Kreis* is also used by the Nazi party to denote a territorial sub-division of the party. This must not be confused with the local government organisation (see main paper, paras 1-3).
Kreisauusschuss. County Committee. An elected body, whose chairman is the *Landrat*, and which is the executive of the *Kreisstag*.
Kreisleiter. Leader of party *Kreis* (see main paper, paras 1-3).
Kreislag. County Council. Elected legislative body of the *Kreis*. It elects the *Kreisauusschuss*.
Kriegsmarine. German Navy.
Land (plural *Länder*). The generic name of the formerly autonomous German States, e.g., *Land Preussen, Land Hessen, &c.*
Landesarbeitsämter. Regional Labour Offices.
Landeskreistagmann (plural *Landeskreistagmänner*). The elected head of a Prussian Province (see Appendix B).
Landkreis. Roughly county, as opposed to *Stadtkreis* which is roughly equivalent to a county borough.
Landrat (plural *Landräte*). Elected chairman of the *Kreisstag* and *Kreisauusschuss* and, therefore, head executive official of *Kreis* in local government. Also appointed by central government as its representative in the *Kreis*.
Lenkungsbereich. Field of Control, supervising production, trade by trade (see Appendix G, para. 0 (ii)).
Luftamt. Air office for civil aviation. Part of the regional organisation of the civil side of the Air Ministry (see Appendix F).
Luftgau. Air district. Part of the regional organisation of the military side of the Air Ministry (see Appendix F).
Luftflotte. Air Fleet (see Appendix F).
Ministerrat für die Reichsverteidigung. Ministerial Council for the defence of the Reich (see main paper, paras 9 and 25).
Musterungsbezirk. Recruiting area. A sub-division of a Military District corresponding in area to a *Kreis*.
Oberbürgermeister. Mayor.
Oberpräsident. Senior central government official of a Prussian Province, as opposed to the *Landesheimann*, who is the elected head of the province for local government (see Appendix B).

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- Oberfinanzpräsident**: Head of Finanzamt, q.v.
- Oberbefehlshaber des Heeres**: C. in C. Army
- Oberbefehlshaber der Kriegsmarine**: C. in C. Navy
- Oberbefehlshaber der Luftwaffe**: C. in C. Air Force
- Oberarbeitsbefehlshaber der Wehrmacht**: Supreme Commander of Armed Forces—Hitler (see also: Chef der O.K.W.)
- O.K.H.**: Oberkommando des Heeres—War Office
- O.K.M.**: Oberkommando der Kriegsmarine—Admiralty
- O.K.L.**: Oberkommando der Luftwaffe—Air Ministry
- O.K.W.**: Oberkommando der Wehrmacht—Defense Ministry
- Organisation der gewerblichen Wirtschaft**: Estate of Industry and Trade (see main paper, para. 11)
- Ortsgruppe**: One of the sub-divisions of the Nazi Party (see main paper, paras. 1-3)
- Parteikanzlei**: Party Chancellery (see main paper, para. 9)
- Planungsamt**: Planning Office—part of the executive machinery of the Ministry of Armaments and War Production
- Präsidentkanzlei**: President's Chancellery
- Provinz**: Only Prussia is divided into provinces (see Appendix B)
- Provincialausschuss**: Provincial Committee. The elected executive of the Provinziallandtag.
- Provinziallandtag**: Provincial Council, elected legislative body for local government of a province (see Appendix B)
- Provincialrat**: Body elected by Provinzialausschuss to assist Oberpräsident (see Appendix B)
- Regierungsbezirk**: A sub-division of a province for ease of administration in matters of central government (see Appendix B)
- Regierungspräsident**: Executive head of a Regierungsbezirk (see Appendix B)
- Reichsamt für Wehrwirtschaftliche Planung**: Reich Department for War Economic Planning (see main paper, para. 20)
- Reichsbahn**: State railways
- Reichsbauamt**: Reich Construction Office (see Appendix K, para. 1)
- Reichsgau**: Not to be confused with Party Gau (see main paper, Section IV)
- Reichsgemeindeordnung**: Decree for reorganization of Gemeinde, 1935, whereby the electoral basis of Gemeinde government was superseded (see main paper, paras. 14 and 18)
- Reichsgesetzblatt**: Official Law Journal
- Reichskanzlei**: Reich Chancellery (Cabinet Secretariat) (see main paper, para. 9)
- Reichskulturkammer**: Reich Chamber of Culture (see Appendix E)
- Reichsleiter**: Senior Nazi official (see main paper, para. 1)
- Reichsnährland**: Estate of Agriculture (see main paper, para. 11)
- Reichspostdirektionsbezirk**: Reich Postal Area (see Appendix K, para. 7)
- Reichsrat**: Republican Upper Chamber
- Reichsstatthalter**: The Central Government's representative in the Länder, etc. (see main paper, para. 9 and Appendix I)
- Reichsstellen**: Reich Offices (see Appendix G, para. 6)
- Reichstreuhänder der Arbeit**: Reich Trustees of Labour (see Appendix H, para. 6)
- Reichsverbände**: Reich Associations (see Appendix G, para. 6 (II))
- Reichsverkehrsministerium**: Reich Ministry of Transport (see Appendix J)
- Ring(e)**: Industrial Ring (see main paper, para. 23)
- Rüstungsamt**: Armaments Board (see main paper, para. 21 and Appendix G)
- Rüstungsinspektion**: Armaments Inspectorate (see main paper, para. 22)
- Rüstungskommando**: Arms Commando—a regional body of the Armaments Board (see main paper, para. 22)
- Rüstungsrat**: Armaments Council (see main paper, para. 22)
- Selbstverwaltung**: Local self-government
- Sonderausschuss**: Special Board (see main paper, para. 22)
- Stadt**: Town. A city is a Hauptstadt.
- Stadtkreis**: County borough (see also: Kreis and Appendix B)
- Statthalter**: Usually styled Reichsstatthalter. Head of a Reichsgau for both central and local government purposes, also now head of all Länder.
- Vorkraamt**: Commercial traffic office of the Reichsbahn (see Appendix J)
- Verordnung**: Decree (see also: Gesetz)
- Verteidigungsausschuss**: Defence Committee
- Wehrbezirk**: Military sub-area
- Wehrkreisbezirke**: Military areas forming a Wehrkreis
- Wehrinspektion**: Military area
- Wehrkreis**: Military district
- Wehrmacht**: Armed Forces
- Wehrmachtbefehlshaber**: Armed Forces Commander
- Wehrmachtführungstab**: Staff of O.K.W.
- Wehrmeldesamt**: Military Reporting Centre
- Wehrwirtschaft**: War Economy
- Wirtschaft**: Economics
- Wirtschaftsbezirk**: Economic Region (see main paper, para. 28 and Appendix I)
- Zell**: A sub-division of the Nazi Party Organisation
- Zellenleiter**: Leader of a Zell (see main paper, paras. 3-5)
- Zentral Amt**: Central Office, Ministry of Armaments and War Production (see Appendix G, para. 2) and Ministry of Transport (see Appendix J)
- Zentrale Planung**: Central Planning Board, directly responsible to Göring (see Appendix G, para. 4)

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APPENDIX A.
HITLER

CHANCELLERIES

- 1. Head of State
- 2. Head of Government
- 3. Head of Party
- 4. Head of Armed Forces

REICHSTAG

Secret
Cabinet
Council

REICH CABINET
-15 Ministers plus
Chief of O.K.W.

Board of the
Four-Year Plan

Economic General Council

State Secretaries of various Ministries

Four-Year Plan

Minister of Economics

Minister of Agriculture

Minister of Labour

Minister of Transport

Minister of Interior

Forests

Price Commissioner

Head of Supply Dept. O.K.W.

Foreign Office

Interior

Justice

Education

Eccles. Affairs

Propaganda

Finance

Economics

Armaments and War Prodn.

Labour

Food and Agriculture

Transport

Air

Posts and Telegraphs

Occupied East

Ministers' Council for the Defence of the Reich

Hitler's Successor (President)

Hd. Reichskanzlei (Secretary)

Min. Interior (Administration)

Min. Economics (Economics)

Chief of O.K.W. (Services Representative)

Chief Parteikanzlei (Party Representative)

Plenipotentiaries (with direct access to Hitler)

Youth

Housing

Germanisation

Roads and Fortifications

Reichsbank

Labour, &c.

Commissioners (Regional)

Defence

Economics

Armaments

Labour

Provincial Authorities, &c.
(11 Prussian Provinces, 13 Lander, Berlin Administrative District, 1 Reichsgau inside Germany, 2 Reichsgaue partly inside Germany). Can only execute policy.

Regierungsbezirke

(Kreise)

Stadtkreise

Landkreise

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APPENDIX B.

LAYOUT OF CENTRAL AND LOCAL GOVERNMENT MACHINERY IN A PRUSSIAN PROVINCE.

State Administration. *At Level of Province.* *Self-Government.*

<p>Oberpräsident (appointed by higher authority) and Provinzialrat of five members (elected by the Provincial Committee).</p>	<p>Same body. Ensures liaison between central and local government organs at level of province.</p>	<p>Landeshauptmann (elected for six to twelve years by the Provinziallandtag), the executive official who conducts the business of the Provinziallandtag—the representative assembly—appointed by the counties (Kreise) for five years. The Provinziallandtag elects the Provincial Committee (Provinzialausschuss) for six years.</p>
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Regierungspräsident over a Regierungsbezirk (purely a State organ.) (There is no parallel local government organisation at Regierungsbezirk level.)

At Level of Kreis.

<p>Landrat (appointed by the State) and Kreis Ausschuss in rural counties or Stadtausschuss in county boroughs.</p>	<p>Same person. Ensures liaison between central and local government organs at level of Kreis. Same body.</p>	<p>Landrat, Chairman of Kreistag which is directly elected for four years. Its executive body is the County Committee (Kreis Ausschuss) or in county towns the communal officials.</p>
---	---	--

At Level of Gemeinde.

<p>No central government organ at level of Gemeinde, but the Kreis is dependent for the cost of its administration on funds voted to it by the Gemeinden. The administration of the Gemeinde is, however, subject to approval of the Ministry of the Interior.</p>	<p>In some provinces there are unions of communes (Gemeinde), e.g., Aemter in Westphalia and Burgermeistereien in the Rhineland. The Commune (Gemeinde) (see paras. 14 and 15 of main paper).</p>
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APPENDIX C.

ORGANISATION OF O.K.W. (OBERKOMMANDO DER WEHRMACHT) (DEFENCE MINISTRY).

1. Under the Nazi régime the need for the closest co-operation between all three fighting services has been met by the creation of a Defence Ministry (Oberkommando der Wehrmacht—O.K.W.) which controls all matters of inter-service policy and directs the conduct of the war, leaving to the service Ministries the detailed working out of purely military, naval or air force matters.
2. Under this system the Army, Navy and Air Force are regarded as branches of a single service—the Armed Forces (die Wehrmacht). Diagrammatically the organisation is as follows:—



3. Hitler is Minister of Defence and Supreme Commander-in-Chief of Germany's armed forces, while Keitel, styled Chef des Oberkommando der Wehrmacht, is in effect Deputy Commander-in-Chief.
4. O.K.W. selects commanders for all operations and decides what forces shall be allotted to them, leaving the details to be worked out by the three Service Ministries.

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 ALLIED EXPEDITIONARY FORCE
 G-5 Division
 Legal Branch

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19 May 1944

SHAEE/G-5/623

SUBJECT: Control and disposal of the GERMAN armed forces during the middle period.

TO : DACOS, G-5, SHAEE. ✓

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Reference SHAEE/21544/Ops, 9 May 44, subject as above, and Third Preliminary Draft of a Staff Study, PS-SHAEE (44) 12, "Control and Disposal of the GERMAN Armed Forces," attached thereto.

The observations of the Legal Branch are as follows:

1. Paragraph 48 states that stragglers and deserters from any of the forces under the German Command will be regarded as displaced persons until their identity has been established. They are then to be handed over to the nearest German unit for disciplinary action or else tried by military court. This provision seems to be incompatible with the principle that those who assist the United Nations should not be punished. It should not apply to members of the forces who have deserted prior to the time of surrender. In the first place, it will presumably have been the policy of SCAEF through PWD action to encourage desertion. It would be both unfair and illogical if desertion which SCAEF had induced should be the subject of German disciplinary action after surrender. Even if there is to be no policy of advocating desertion on the part of SCAEF, it would seem undesirable for persons, who had helped the Allied cause by weakening the German army by deserting, to be subsequently punished by the German military authorities.

2. The second point on this paragraph is the allusion to military courts. It would seem in accordance with the policy of disarming and demilitarizing Germany that immediately after surrender of Germany, military courts should be abolished and that criminal acts by members of the German forces should be punishable by the civil courts, except, of course, that the German units should still be permitted to exercise disciplinary action of a kind usually exercised by an army. The abolition of the military courts will be one of the necessary steps to show the German people that the German forces have been entirely denuded of power because of their defeat. Maintenance of military courts implies that soldiers are a class apart who deserve special treatment. Even in the case of disciplinary jurisdiction it would be preferable to appoint civil judges with military background to deal with disciplinary matters.

3. The study gives the impression that the anxiety for law and order has taken precedence over the aim of destroying the German army system. The general plan of the study is that the German army should be demobilized in an orderly manner. For instance, in paragraph 99 the personnel of army formations will be returned to their respective Wehrkreise for discharge. Again, in paragraph 98 allusion is made to members of the General Staff who are known to be hostile to the Nazi Party. While this may be so, their retention in the General Staff would be most dangerous from the point of view of laying the foundation of the next war. If they are in high positions in the German General Staff, they

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are undoubtedly imbued with German military tradition and will do everything in their power to preserve the nucleus of the German war machine. Members of the General Staff are German militarists, upholders of the tradition of Frederick the Great and not in sympathy with the United Nations. It is difficult to imagine that a member of the German General Staff would genuinely assist the United Nations to destroy the German Wehrmacht.

4. Reference should also be made to paragraph 22 where the retention of static headquarters is regarded as essential.

5. The main object, even at the sacrifice of a systematic demobilization, should be the destruction of the German army system. Instead of demobilizing the German army through its existing organization and maintaining the Ober Kommando der Wehrmacht and the Air Ministry, subject, of course, to certain modifications, as advocated in this paper, the object could be achieved by creating a Reichskommissar for disarmament and demobilization of the German armed forces. This new agency would be made up of such departments of the High Command of the armed forces, including the Navy and the Air Ministry, e.g., those departments of the German War Office which are underlined in red in Table 1, as are deemed necessary for carrying out the disarmament and demobilization.

6. At the same time, the object of splitting up the German army and degrading it in the eyes of the German people could be furthered by splitting up as far as possible all German units. German soldiers who have been fighting and suffering together over a long period will be imbued with a very special esprit de corps. German soldiers after the Armistice in 1918 were a "verschworene Bluts-und-Todes Gemeinschaft," which means a "fraternity sworn by blood to death." If they are demobilized together in the same way as they were mobilized together, they will undoubtedly form free voluntary movements, as in the last war, under their old officers in order to preserve their unity and comradeship. Demobilization through the Wehrkreise is a maintenance of the German tradition of associating the unit with a geographical area, which is one of the backbones of the tradition of the German army. The unity of the German army must be broken by dispersing the soldiers to various detachments and not allowing them to be demobilized at their induction centers.

7. It would therefore be better if the individual soldiers were split up into different units and then used for labor as disarmed soldiers. When demobilized, they should be disbanded in a Wehrkreise which is not their own. In other words, the object set out in paragraph 90a should be carried out more thoroughly.

8. Paragraphs 44 ff do not sufficiently take into account the fact that the members of the German forces will in many cases regard themselves as soldiers of fortune, out of a job, who will therefore look for other places in which to go on fighting, e.g., as the considerable number of German soldiers who went to fight in Finland and other places after the last war. In other words, it is thought that paragraph 11 of Appendix "P" of the study does not sufficiently account for the retention of the fighting spirit among members of the German army. The paragraph does not make allowance for German soldiers who, while not of the fanatical kind envisaged in paragraph b of Article 11 of Appendix "P", will nonetheless be willing enough to join any kind of trouble which is going on in order to keep on exercising their profession of fighting.

9. One should not underestimate the strength of discipline which will prevent soldiers after the cessation of hostilities

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simply escaping to their homes without orders. Many of the soldiers have no civilian background, nor have they definite family ties. They are used to obey and execute orders, and it is barely conceivable that they would run away and resume contacts with their families as soon as the command "cease fire" is sounded. After the Armistice in 1918 the German soldiers looked out for new opportunities to continue their vocation. They formed the Free Corps. It took them a long time to find their way back to civilian life, and many of them were unable to readjust themselves to peace-time conditions. They are the nucleus of the S.A. and S.S.

10. With reference to paragraph 54, instead of using soldiers as policemen, it would be better to enlist them into the police force in the event that the number of trustworthy police officials is insufficient.

*John Foster*JOHN FOSTER
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1st June, 1944

**GERMAN CENTRAL AND LOCAL GOVERNMENT WITH A VIEW
 TO ITS FUTURE CONTROL AFTER GERMANY HAS SURRENDERED.**

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- A.—Layout of Central Government.
 B.—Inter-relationship of Central and Local Government Organs in a Prussian Province.
 C.—O.K.W.—Defence Ministry.
 D.—O.K.H.—War Office.
 E.—O.K.M.—Admiralty.
 F.—O.K.L.—Air Ministry.
 G.—Ministry of Armaments and War Production.
 H.—Ministry of Labour.
 I.—Ministries of Economics and Food and Agriculture.
 J.—Ministry of Transport.
 K.—Ministries not so directly concerned with the war effort—
 Foreign Office.
 Ministry of Finance.
 Ministry of Interior.
 Ministry of Justice.
 Ministry of Science and Education.
 Ministry of Posts and Telegraphs.
 Ministry of Railways and Transport.
 Ministry of Reich and Territories.
 Glossary of German Technical Terms.

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reason to alter the rate payable on government bonds. These rates would probably have to be reexamined at a later date in the light of a substantially changed economic situation.

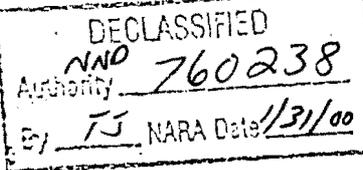
- E. **Industrial Finance.** In recent years, investment in German industry has been financed largely out of internal business savings, but with the sudden cessation of war production many firms may find themselves with heavy inventories of raw and semi-finished materials and a shortage of liquid capital. Others, on the other hand, may find themselves with large accumulated balances in unexpended depreciation accounts and may therefore be in a very liquid position. The problem for M.G. should be to see as far as possible that enterprises which are ready and willing to continue civilian production, or to convert from war to civilian production, should not be prevented from doing so by reason of illiquidity or unavailability of credit facilities. In general this calls for a liberal credit policy both as regards bank loans and as regards access to the security market. Credit control should be centered in the Reichsbank which should be charged by the M.G. authorities with the responsibility for distinguishing between demands for genuine productive purposes and those for profiteering and speculative promotion. There are always many opportunities for the profiteer and the promoter in a period of economic dislocation, but their activities have an altogether harmful effect and should be discouraged in every way. This makes it especially important that a liberal credit policy, which is undoubtedly needed to maintain business investment, should not be perverted to serve the ends of the profiteer and the speculator.

XII. PROPERTY CONTROL

Problem

During an occupation, military authorities customarily take custodianship of certain categories of property in order to ensure military security. As a rule, these categories have not gone beyond the property of the enemy State and such other properties as are immediately required for military operations or for the use of the occupying forces. In the case of a totalitarian state like Nazi Germany, there has to be a considerable broadening of the concept of state property to include at least the property of the Nazi Party and its affiliated organizations. It could equally be argued that many large industrial combines like the Hermann Goering Werke are in reality instrumentalities of the Nazi state and should be treated as such. There are also various other categories of property which might be considered as to be put under the custodianship of the military authorities pending a final determination of their disposition. These include, for example, property which has, by all rights, Nazi legal status, but has been stolen from the legitimate owners, property seized in occupied Germany and transferred to Germany, and property which has been stolen from

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political opponents of the regime, refugees, etc. That the present possessors of property of these classes should continue to enjoy their ill-gotten gains during the period of Allied occupation might seem both incongruous and intolerable. Finally, experience after the last war suggests that German collapse may be followed by "runs" on various types of property as nationals of countries which have been oppressed by Germany attempt to avenge or recompense themselves for their sufferings and losses by seizing property both inside the Reich and in regions bordering on Germany. Where such seizures are likely to occur, it could be argued that the occupation authorities should step in and conserve the threatened properties -- in somewhat the manner of a trustee in bankruptcy -- in order to facilitate the eventual orderly settlement of claims against Germany for restitution and reparation.

Possible Procedure

- A. It is assumed that the occupying authorities will in any case take charge of property of the German state, the Nazi Party and affiliated organizations, and such other property as may be needed for military purposes or for the security of the occupying forces.
- B. It seems also to be desirable for the occupying authorities to take custodianship of property which can be identified as having been removed by the Germans from territories formerly occupied by them.
- C. MG will undoubtedly want to take over the German enemy property control machinery and replace German administrators with administrators drawn from the respective countries whose nationals own property in Germany. Enemy property in Germany is registered with the Ministry of Finance, and the Commissar for Handling Enemy Property, who appoints and directs administrators for certain classes of enterprises, is under the Ministry of Justice.
- D. No suggestions are made as to the course of action which should be adopted with regard to the other classes of property described above. Factors which are important in reaching a final decision are:
 1. the actual state of affairs at the time of occupation, especially the prevailing degree of lawlessness and disorder, and
 2. the magnitude of the demands upon police and troops which an extensive program of property custodianship would involve in relation to competing demands for execution of other aspects of the occupation program.

III. CARTELS AND COMBINES

It would be impossible for MG to abolish or forbid cartels in Germany; they are much too deeply ingrained in German business practices. But it may be possible to regulate some of their more serious restrictive practices.

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having a claim upon them by virtue of previous contributions, and thus reduce the number of people for whom relief or relief work would need to be provided. It is suggested that a limited number of qualified Civil Affairs officers, working with the records, equipment and subordinate personnel of the provincial and local employment offices of the Reich Ministry of Labor, could prescribe such minimum standards of operation and administrative policy as would be necessary to the establishment of an interim public employment exchange and unemployment compensation agency to perform the functions outlined above.

C. From the beginning of the occupation, the advice and counsel of workers having pre-Nazi trade union experience, or a record of resistance to Nazism, would be most valuable in matters affecting the status and welfare of labor. With the re-emergence of independent trade unions, a process which may be expected to begin soon after the collapse of the Nazi regime, CA officers would find it very useful to establish close and continuous contact with those elected by and responsible to the laborers themselves.

VIII. DISPLACED POPULATIONS

The Problem

Categories of Displaced Persons in the area of occupation include:

1. prisoners of war
2. workers from Axis-occupied or controlled countries.
3. German and foreign political prisoners
4. workers from other parts of Germany
5. air-raid evacuees

Immediately before and during the early stages of occupation there may be an additional influx of demobilized German troops and civilians retreating with the German army from occupied France. After the German collapse, many persons previously subject to confinement or to restrictions on their freedom of movement, and others whose employment has terminated, will seek to return to their homes. Moreover, there is a possibility of attempted migration between the different zones of occupation. It is difficult to assess accurately in advance what the size and composition of the displaced population in the occupied area will be by the time the army of occupation is in full control of the situation.

Considering the impossibility of preventing large numbers of displaced persons from setting out for home immediately after the collapse, the immediate task of the military authorities will be to prevent so far as possible the uncontrolled dispersion of displaced population. If this were not done, transport facilities would face breakdown, disease would spread unnecessarily, and much distress and confusion would ensue. In such other circumstances, by virtue of bomb damage, lack of employment opportunities, or shortage of food and fuel, all persons dependent upon the local economy and upon the military for their subsistence would be in a state of extreme distress and confusion. It is suggested that the military should operate as follows:

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 Box 367

Executive Rule Decrees Money To Stay in U.S.

Action Prevents Germany From Drawing on Con- fiscated Wealth to Add to War Chest

WASHINGTON (P)—The United States took unprecedented action today to assure Norway and Denmark on the safety of their several hundred million dollars in holdings in this country.

Forestalling any possible German attempt to confiscate this rich store of foreign exchange for the Nazi war chest, President Roosevelt by executive order prohibited the removal from America of any Danish and Norwegian assets, monetary or otherwise.

He took this step late yesterday shortly after he extended the combat zone of European waters from which American ships are banned.

He added not only the whole Norwegian coast but also the Russian ports of Murmansk and Archangel and the Finnish harbor of Petsamo, where the Soviets have special privileges under the recent peace treaty. Waters around the British Isles, France, the Netherlands, Belgium and Germany previously were closed.

Three ships headed for Norway were called back from mid-ocean and simultaneous efforts were instituted to get three others out of the perilous Scandinavian ports where the blitzkrieg trapped them.

Two Decisions Delayed

Two important government decisions were held in abeyance pending more complete information from the war zone. The first was the question whether Denmark and Norway should be formally designated belligerents under the neutrality act, and made subject to its cash-and-carry provisions. The second concerned the policy to be adopted regarding \$20,000,000 in credits recently granted the two countries.

President Roosevelt's sweeping order protecting Danish-Norwegian investments here covered both the governments and citizens of the nations as of April 9, 1940, before the Nazi invasion.

It stipulated that no holdings could be removed from the United States except with a special license from the treasury. The order also in such a way that Danish and Norwegian residents here would be able to use personal bank accounts unhindered. The treasury promptly issued instructions for all holders of Danish or Norwegian wealth in this country to report for an accounting.

Several Hundred Million Involved

The exact value of the holdings involved was not known, but New York financial circles estimated that the Scandinavian countries, Sweden included, had several hundred million dollars in their credit in readily transferable assets. "Earmarked" gold and short-term balances were said to account for most of it.

These authorities said that the foreign assets were not completely free of questions of ownership. Special interest centered on Swedish funds, which were not covered by the president's order. Success of German arms in Scandinavia, experts believed, would force Sweden into the Reich's economic orbit and create contention over legal title to Swedish investments here.

Officials in Washington while avoiding open comment on the president's action, privately made no secret of the fact that it was directed against the measures Germany used in Austria, Czecho-Slovakia and Poland. In each instance, the Nazis seized all the gold and available international assets to bolster the Reich's meager reserves of foreign exchange.

German efforts to obtain possession of assets of those countries in the United States were not generally successful because the treasury made informal arrangements with American banks to double-check the validity of all claims.

Formal action was taken in the case of Norway and Denmark, one official explained, "because the informal method might not have been fully effective."

The president's proclamation extending the previous combat zone in Europe invoked the existing penalties. Ship owners violating the order are liable to a \$50,000 fine, or a maximum of five years' imprisonment, or both. The punishment for passengers is a \$10,000 fine or up to two years' imprisonment, or both.

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Authority NND 968163By SZ NARA Date 12100RG 131Entry FFC Gen CorrFile TFR-300 Add Info ReqBox 21

NOV 25 1941

Dear Sirs:

Reference is made to your letter of November 7, 1941.

Enclosed for your information is a copy of a set of questions and answers relative to reports on Form TFR-300 by insurance companies, prepared by insurance representatives after consultation with this Department.

It is the view of this Department that a report on Form TFR-300 should be made with respect to the property in which the Christiana General Insurance Corporation of New York had an interest, unless a report is not required by virtue of Instruction F(1) in Section II, of Public Circular No. 4. Your attention is particularly invited to Questions 27 and 28 of the enclosed set of questions and answers.

Policies of reinsurance themselves need not be reported unless they had a cash surrender or paid-up value within the meaning of Instruction 7(a) under Section XI of Public Circular No. 4. However, a contract or "treaty" with a national constituting a general arrangement for the placing of reinsurance with the national must be reported. Such contracts should be reported in property type 14 on Series B as of indeterminable value and should be briefly described in the schedule of property items, i.e., Schedule III in Part C.

Security Fire Insurance Company

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If you are unable to ascertain the nationality of the
Christiana General Insurance Corporation by reasonable inquiry, you
should enter in the space provided for stating nationality the word
"unknown", with an indication in Part E, Question 4, of the reason
for believing the corporation to be a national.

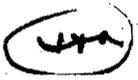
Very truly yours,

(Signed J. W. Pehle

J. W. Pehle,
Assistant to the Secretary.

Security Fire Insurance Co.,
Davenport, Iowa.

Enclosure/

GWH: EA: tr 11/22/41 ^{HDA} C.G. 

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Authority NND 968163

By SZ NARA Date 12-1-00

RG 131

Entry FFC Gen Corr

File TFR 300 Add Info Req

Find 10 Billions In Foreign Assets

WASHINGTON, Nov. 28 (A. P.)—
The first inventory of foreign prop-
erty in the United States came to
an end today with predictions it
would reveal \$10,000,000,000 or more
non-American assets.

Today was the deadline for all
foreigners or Americans connected
with foreign holdings to report to
the Treasury under an order issued
by President Roosevelt on June 14.

What use will be made of the in-
formation is an official secret, but
it was understood that a special
corps of accountants will make
special studies of assets belonging to
the Axis Powers or countries dom-
inated by the Axis.

The inventory, however, applies to
England and Latin America, as well
as Continental Europe, Asia and
Africa, and other parts of the Globe.

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NOV 10 1941

Attention: Mr. L. A. McKee.

Dear Sirs:

Reference is made to your letter of August 25, 1941.

Under Executive Order No. 8389, as amended, a domestic corporation, the principal property of which is located in a foreign country, must report on Form TFR-300, Series B, any of its property subject to the jurisdiction of the United States on either or both June 1, 1940, and June 14, 1941. Although the real estate located in Mexico which you describe need not itself be reported, a report of the lease of that property to the American Smelting & Refining Company should be made, unless the rent due thereunder is payable abroad and only in foreign currency.

Reports should be filed also on Series C for any securities issued by the corporation, having an actual value of \$1,000 or more, in which any foreign country or national thereof has any interest.

The forms necessary for these reports are available at the Federal Reserve Bank of Cleveland.

Very truly yours,

(Signed J. W. Pehle

J. W. Pehle,
Assistant to the Secretary.

✓ San Toy Mining Company,
34th and Smallman Streets,
Pittsburgh, Pennsylvania.

GWH:EA:hwg - 11/12/41

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Box 367

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BRYAN, WILLIAMS, CAVE & McPHEETERS

St. Louis, Mo.
November 19, 1941

Mr. A. H. Hall, Assistant Cashier
Federal Reserve Bank
St. Louis, Missouri

Dear Sir: Re: Treasury Department Report Form TFR-300
under Executive Order No. 8389.

In the above matter we wrote you under date of September 18th and October 22nd enclosing copies of letters from St. Louis Union Trust Company, requesting rulings on certain questions. You in turn forwarded the St. Louis Union Trust Company's letters to the Treasury Department but, up to the last report, had received no answer from them, and you advised that the time for making report by the St. Louis Union Trust Company might, therefore, be extended.

I am now in receipt of a letter from the St. Louis Union Trust Company, a copy of which I am enclosing herewith, from which you will note that it has now become unnecessary for you to answer many of the questions presented by reason of the fact that the St. Louis Union Trust Company finds, upon completion of its examination, that it is not necessary to file any reports as to depositary accounts, either because of non-existence of holders who are nationals or because of the value of the property held by nationals does not exceed \$1,000.00.

You will also note that with reference to voting trust and management trust accounts the Trust Company has seven specific instances in which there are small holdings by nationals of voting trust stock. From the value of these holdings, we are of opinion that the Trust Company is not required to make a report. Should you be of contrary opinion, I should appreciate your advice.

Very truly yours

(Signed) RHODES E. CAVE.

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Authority NND 968163By SZ NARA Date 12-1-00RG 131Entry FFC Gen CorrFile TFR 300 Add Info ReqBox 367C
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ST. LOUIS UNION TRUST COMPANY

November 19, 1941

Mr. Rhodes E. Cave, Attorney
 c/o Messrs. Bryan, Williams, Cave and McPheeters
 1630 Boatmen's Bank Building
 St. Louis, Missouri

Dear Mr. Cave:

We acknowledge receipt of your letter of October 30th and note that the Treasury Department is still considering questions raised in our letter of September 24th last, but has not yet been able to reply in full. You will recall that our said letter made specific inquiries under four headings, the first three of which related to various types of depositary accounts for bonds. The fourth item related to stock deposited under voting trust and management trust agreements.

Since our letter was written, we have completed our examination of all accounts and find that it is not necessary to file any reports as to depositary accounts, either because of non-existence of holders who are nationals or because the value of the property held by nationals did not exceed \$1,000.00. Hence, answers to questions under the first three items need not be given.

With reference to the voting trust and management trust accounts, we have seven specific instances in which there are small holdings by nationals of voting trust stock. You will recall the \$1,000.00 exemption provision (Public Circular #4, Section II, F, Page 5) provides that such exemption shall not apply to property the value of which cannot be readily determined. In each case the value of the stock cannot be readily determined, but it can be determined readily and positively that such value cannot exceed \$1,000.00. For Example: A \$1,000.00 bond and 2 shares of voting trust stock are traded in as a unit, which unit has a market value of \$500.00; there have been no sales of the stock alone since it has been deemed to be practically worthless; therefore, while it can be readily determined that the stock is valued at less than \$1,000.00, the actual value of the stock cannot be determined. Mr. Hoppe, of the Federal Reserve Bank, feels that this situation comes within the exemption and no doubt you will also agree. Hence, we shall make no report on any case involving these voting trust and management trust certificates, as coming within the exemption allowed, unless you feel that the Treasury Department should be consulted as to interpretation of this exemption provision and after receipt of a ruling from the Treasury Department that a report must be filed.

If you feel that it is unnecessary to consult with the Treasury Department in this regard, we suggest they be advised that the reply is not now needed.

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April 1, 1942

Mr. Schmidt

Mr. Volentine

Subject: Information Required from the Operating Units of the Compliance Division.

1-A. Question: - What operations are being carried on in each Section?

1-B. Question: - How are the Sections organized and where do the various operations have their beginning?

1-A. Answer: - The Census Reports Section has had delegated to it on January 1, 1942, the assignment of formulating and administering a program to make the most effective use of information contained in TFR-300 foreign-owned property reports. Making the most effective use of this information includes the organization and direction of economic warfare activities, not only to prevent foreign-owned property under Treasury control or jurisdiction from being utilized to hamper our war efforts, but also by the proper selection and organization of such cumulatively acquired information to be able to direct and influence the disposition of this property so that our war and post war efforts will be benefited.

The volume of cases to be investigated (over 650,000 TFR-300 reports filed) and the importance in the economic warfare application of significant information developed in individual cases, make necessary a policy of selecting cases for investigation on the basis of the relative priority position of large categories, or groups of cases, to our total economic warfare program. For example, priority is being given to the investigation of CRI cases resulting from a check of all names on TFR-42 reports. Because of the more liberal treatment of nationals under General License No. 42, as amended, of February 23, 1942, it is important to make a complete check of such property reports in those instances in which other assembled information does not warrant blocking.

Another example of a group of cases deserving priority is the investigation of property reports of all persons on the Proclaimed List. In this group, first attention will be given to Latin American names indicating that the blocked national resides in Argentina, Chile, Brazil and Ecuador.

Investigations of CRI cases in which the property owner or the reporting person shows substantial increases or decreases in property values, or major changes in the type of property between the two reporting dates will be prosecuted as a part of our program and may be expected

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to uncover interesting and significant information. However, as a group, such cases do not deserve priority emphasis of the above-mentioned categories.

This Section is also investigating other TFR-300 reports in appropriate special cases brought to its attention by the Business Enterprise, Enforcement and Reports and Despatch Analysis Sections.

III. Question: - What are the objectives of these processes?

III. Answer: - This question has already been answered in broad outline in the first paragraph of the answer given to I-A.

More specifically these objectives may be described as follows:

1. Major objectives

- a. Discovering persons whose property should be blocked, both (1) persons whose property is shown on Form TFR-300 reports which are the immediate subject of investigation, and (2) persons that the reports and other materials show to be associated with the first type of persons. A special aspect of this work of immediate importance is the investigation of reports concerning persons who claim the privileges of General License No. 42, as amended. Another aspect is the study of corporations, with emphasis on those which may be controlled by means other than security ownerships revealed on Series C. Information pertinent to blocking may also be of value in the vesting of property but no special attention is given to vesting.
- b. Locating property of blocked nationals which is not blocked, including property held in the names of persons other than the nationals. Investigation of trusts and depot accounts is included.
- c. Ascertaining persons who may be added to the Proclaimed List and pointing out funds withdrawn from the United States and placed in South and Central American countries which might be blocked by those countries.

2. Incidental objectives

- a. Discovering transactions which violate Foreign Funds Control, for such punitive action as may be appropriate.
- b. Causing the filing of reports on Form TFR-300 which were improperly omitted.

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- c. Bringing together and summarizing all information available to Foreign Funds Control concerning particular persons, for use in any activities of the Control. Documents reviewed are stamped with a notation which enables any person using them to refer to the C.R.I. files.

The incidental objectives in part represent merely action taken to further the major objectives but each of them has independent value to the operations of the Control.

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MAY 1 1942

Mr. E. Bernstein

Mr. E. Arnold

RE: Utilization of Reports on Form TFR-300

PROBLEMS

In your memorandum of December 17, 1941, to Messrs. Fable and E. M. Bernstein (1); in later conversations, and in your memorandum of February 2, 1942, (2) to Mr. Reeves and me, you suggested that steps to utilize or follow up reports on Form TFR-300 be considered or taken in certain fields, viz.:

1. Discovering non-blocked persons who should be blocked
 - (a) Studying securities reports to discover corporations organized in this country which are nationals by reason of ownership of securities
2. Locating and blocking non-blocked property belonging to blocked persons
 - (a) Forcing into banks and custody accounts property carried "in the pocket"
 - (b) Forcing property into banks from the custody of hotels
3. Determining real beneficial owners of corporations organized in Switzerland or Panama
4. Tracing the property of German personages
5. Checking the correctness of reports
6. Using the Dies Committee files of names to determine whether all reports which should have been filed have actually been filed
7. Studying how reports can be of use in daily administrative work
8. Locating property useful in the war
9. Informing the Bureau of Internal Revenue of the possibility of using reports in enforcing tax laws

* The reference is to the number assigned to the cited material in the schedule of attachments to the present memorandum.

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GENERAL DISCUSSION

Not long after the conversations mentioned above, the Census Reports Investigation Section was established in Foreign Funds Control. Mr. Reeves and I worked closely and frequently with Mr. Volentine, the head of the Section, in developing a program for turning the reports on Form TFR-300 into a matter of positive advantage to the Control in its actual operations. We assisted in the drafting of questionnaires and other forms and in work designed to acquaint reporting persons with the existence of the Section and its basic purposes. As the program was put into actual operation, Mr. Volentine frequently asked our opinion and our advice not only on general matters, but also on specific cases of particular interest. In our conversations with Mr. Volentine we endeavored to point out to him such of the matters that you had raised as it seemed that his Section could appropriately handle. Attached is an excerpt from a memorandum of April 1, 1942, from Mr. Volentine to Mr. Schmidt (3), which shows in a general way the objectives which the Section had reached at the time when it was rapidly settling down into a functioning organization.

Shortly after Mr. Volentine's memorandum was written, the entire Compliance activities of Foreign Funds Control were completely reorganized. The Census Reports Investigation Section has now been fully disbanded. Since the change I have had a few brief conversations with Mr. Schmidt in which I urged that the program undertaken by the Section should not be entirely abandoned. It appeared to me that Mr. Schmidt agreed with my views in a very general way, but I judge that he desires an approach or emphasis decidedly different from that set for the Census Reports Section. Although the Section was prepared to act on the TFR-300 aspects of cases suggested to it by other sections of the Control, it was fundamental in the program arranged by Mr. Volentine that reports on Form TFR-300 should be examined as sources of or clues to information upon which Foreign Funds Control could act. The basic objective was to have a section charged with the duty of surveying reports on Form TFR-300 to make sure that no action which might be indicated by information obtained on the census should be neglected.*

Originally reports for investigation by the Census Reports Section were to be provided by the Division of Monetary Research on rather mechanical bases, such as the existence of decreases of certain amounts in property held on the two reporting dates. A memorandum of April 7 from Mr. Volentine to Messrs. Dayton, et al., (4) shows that this procedure had not proved as fruitful for immediate activity as more highly selective methods of singling out reports for investigation would be, but the fundamental principle remained that reports on the form were to be examined as sources of action, and it was Mr. Volentine's definite conclusion that the more general survey should not actually be given up. (See his memorandum of April 18 to Mr. Schmidt(5)). When a report had been selected,

* As a matter of interest, there is attached a copy of a clipping of May 7, 1942, from the New York Post which looks in this direction (6).

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the Census Reports Investigation had an elaborate system for gathering together all the other information in the possession of the Control so that the report would not be considered as an isolated matter.

I take it that basically Mr. Schmidt's approach is to use reports on Form TFR-300 as auxiliaries of investigations suggested by other materials, although he has expressly mentioned to me his desire to retain decreases in property as a criterion for examining reports. I am not entirely able to express an opinion on the wisdom of abandoning the former program because, first, I am not acquainted with what can be achieved through other activities of the Compliance Section, and second, there appears to be a question of quantity of personnel. However, it does seem to me that if a sufficient staff were available, a continuation of the Census Reports Investigation would be worthwhile, for at the very least I am convinced that the effort begun by the Investigation was not continued long enough to demonstrate that it lacked a reasonable value in an absolute sense.

Under the present unsettled circumstances in the Compliance Division arising from the effort at complete reorganization which is being made, it does not seem feasible to say exactly what is the status of some of the studies which you suggested. I think, however, that a memorandum which I have written to Mr. Schmidt at his suggestion will lay before him those subjects which have not been disposed of and which I consider to be feasible in the light of experience to date. A copy of this memorandum is attached. (7)

As the work of his Section developed, Mr. Volentine discussed with Mr. Reeves and me certain possible benefits to be derived from Form TFR-300, which were not expressly included in the points you raised. Among these were (a) discovering persons to be added to the Proclaimed List, (b) pointing out the transfer of funds to South and Central America which might be traced and blocked by the South or Central American country in which the withdrawing national operated, (c) trying to ascertain actual ownership in depot accounts. The last suggestion is subject to difficulties similar to those under your point on Swiss and Panamanian corporations, which made no doubt its worth, even though at one time I advanced the idea to Mr. Volentine. All these points are mentioned in my memorandum to Mr. Schmidt.

Some of the suggestions which you made were partly or wholly outside the field of the Census Reports Investigation. Mr. Reeves and I discussed these with other persons, such as Messrs. E. M. Bernstein and Sherbondy, who were in a position to give them attention.

It should be noted that nearly all administrative efforts to use Form TFR-300 were seriously handicapped by the slowness with which the reports were filed alphabetically by Foreign Funds Control. For a considerable time the filing was far behind the editing work done by Monetary Research.

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Until very recently it was necessary in most cases when a report was desired to write or telegraph the appropriate Federal Reserve Bank, obtain the serial number of the report, and then get the report through Monetary Research. Although there still appears to be some lag, the files are now in very much better shape, and operations will be able to go forward much more smoothly than they previously could.

There are still some other mechanical impediments but they are of less importance. The lack of a register of persons whose property has been reported causes some inconvenience. The register will be prepared in the very near future, since the necessary editing is nearly finished. A register of persons reporting is also needed. I gather Mr. E. M. Bernstein has plans for such a register but properly considers that editing, preparation of the registers of property holders, and consolidation of reports must be given preference.

DETAILED DISCUSSION

Our particular experiences and thoughts with respect to each of your points are discussed in this subdivision, in which I have endeavored to bring together all that we could learn from any source.

1. Discovering of Non-blocked Persons Who Should Be Blocked.

The carrying out of this point was one of the primary purposes of the Census Reports Investigation Section. Moreover, the Section had endeavored to establish relations with Mr. Sherbondy's unit that would insure prompt action upon any cases which the Section believed to merit blocking. Mr. Reeve and I felt that this point needed no further attention in its application to natural persons, except for refinements of detail.

Today all activity of this sort has been suspended. It seems to me that in this field the difference between the general survey of reports and the use of reports only as secondary material assumes particular importance, although of course reports will fulfill a valuable function even when used only as secondary material.

Of course, reports on Form TFR-300 should, if available, be consulted in cases proposed for blocking because of information obtained from other sources. Recent inquiry showed that Mr. Sherbondy's unit is fully aware of the desirability of employing the reports but that actual use had been handicapped by rules against sending the reports to the Treasury Building and by the file difficulties described above. Mr. Locker and I have been able to work out with Mr. Parker an arrangement which will provide reports in the Treasury, with due protection of their confidential nature. From subsequent conversations with Messrs. Sherbondy and Carlock, as well as Mr. Locker, I believe that the unit is fully prepared to utilize the arrangement.

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The matter of General License No. 42, which is raised in your memorandum of February 3, may be mentioned in relation to the present topic. When the license was liberalized on February 23, 1942 so that recently arrived nationals are not controlled automatically, careful examination of their circumstances, in a way similar to scrutiny for blocking, became extremely important. In recognition of the situation, the Census Reports Investigation Section had planned to give immediate and particular attention to reports concerning persons filing Form TFR-42. The plans were recognized in a general way in Administrative Memorandum No. 30, issued March 30. (8) I felt that the project was of great importance even though reports do not exist for many persons coming under the amended license because they have entered the country since the latest reporting date, without having had property here previously.

It is my understanding that at present no activity of this sort is being prosecuted although Administrative Memorandum No. 30 is still outstanding.

(a) Studying securities reports with respect to blocking of corporations.

At Mr. E. M. Bernstein's direction the Division of Monetary Research made a study of reports on Series C-1 of the Form to discover corporations organized in this country which are nationals by reason of the ownership of their securities. A report on the study was rendered on February 9, and copies were furnished to Mr. Timmons and others in Foreign Funds Control. (9) Having learned of the study and the delivery of the report, I gave it no further attention. However, I found out recently that the study had never been brought to the attention of Mr. Sherbondy, and hence had not been used as a primary basis for blocking. Therefore, after ascertaining from Mr. E. M. Bernstein that he had no objection, I furnished Mr. Sherbondy with copies, under a memorandum of April 20. (10) Mr. Sherbondy has informed me that persons in his unit will examine the report closely.

Mr. E. M. Bernstein and I felt that the study on Series C-1 would not reveal all the corporations which were nationals by reason of securities control, because in many instances the securities were not held in the names of the actual owners. Corporations might be entirely unaware of the true ownership, and in fact it was clear from certain experiences in the course of gathering reports that corporations frequently could not ascertain from persons holding custody accounts who the beneficial owners of their stock really were. To determine from Form TFR-300 whether corporations were nationals by reason of stock held in such ways, Mr. Bernstein and I felt that it would be necessary to make studies of reports on Series A, B, F, G, and I, summarizing the holdings of stock shown on all the series. Mr. Bernstein stated that the method

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of proceeding with this task would be somewhat complicated, but he felt that it could be carried out during and after consolidation of reports. The process of consolidation has not yet been begun, but it is expected to start in the very near future, and I have recently reminded Mr. Bernstein of the problem.

As shown by Mr. Volentine's memorandum of April 1 to Mr. Schmidt, supra (3) the Census Reports Investigation had endeavored to pay particular attention to the blocking of corporations and other organizations which were controlled by methods other than securities ownership, such as the holding of unfunded debt by nationals or the occupancy of corporate office by nationals. The investigation had developed several interesting cases of these kinds. Attention was also given to control by security ownership, when control could be ascertained from reports on series other than Series C without the extensive compilation necessary in the type of case discussed in the preceding paragraph. The amendment of General License No. 42 was found to change the implications of such work seriously. The discovery from reports that nationals of blocked countries resident in the United States had control of domestically organized corporations was not unusual. Before the amendment, such a discovery led to blocking, but after the amendment, blocking could not occur unless the national himself was not entitled the benefits of the license. The problem of developing cases for action thus became much more serious.

These activities of the Census Reports Section are now in the same status as those respecting the blocking of natural persons.

2. Locating and Blocking Non-blocked Property Belonging to Blocked Persons.

Another of the primary purposes of the Census Reports Section was to locate and bring about the blocking of non-blocked property belonging to blocked persons. However, I do not believe the operations had been advanced as far as those relating to blocking persons.

This matter is closely related to the question of bringing about the filing of reports which have been improperly omitted. The Division of Monetary Research, as part of its consolidation program, expects to send out notices to many persons, informing them that reports appear to have been omitted. The Division will obtain its list of addresses by inspection of reports at the time of consolidation. I have spoken with Mr. Sherbondy about the desirability of utilizing the notices as a means of bringing the blocking requirements to the attention of the recipients, and I intend to discuss the question further with Mr. E. H. Bernstein and members of his staff.

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I have pointed out to Messrs. Sherbondy, Carlock, and Locker that when a person is blocked, they should check Form TFR-300 to be certain that all property belonging to the person will be reached by the blocking orders. Mr. Carlock and I also discussed the possibility of applying the suggestion to persons already blocked by Mr. Sherbondy's unit, but I gathered the staff is insufficient. Outside such action as may be taken under this suggestion, I believe no organized effort to use reports in blocking non-blocked property is being made at present.

(a) Forcing into Banks and Custody Accounts Property Carried "in the pocket."

As far as I know, no effort was made to carry out this point, except that the Census Reports Investigation Section was preparing an analogous program relating to "blocked book credits", i.e., credits of nationals with persons other than banks (See Mr. Valentine's memoranda of April 7 and 16, supra, (4)(5)). The point seems to me to be a question of policy rather than a problem of utilizing Form TFR-300, and I think its importance is much diminished by the amendment of General License No. 42. No doubt the Form will provide an adequate basis for a very extensive activity of this kind if the Control desires to undertake it. To obtain the cases for action it would merely be necessary to sort out reports by punch card machine. In some cases, perhaps in a substantial number, the reports do not indicate the location of property with sufficient clarity to permit final action without some preliminary questioning. Since the failure to give adequate information is contrary to the reporting requirements, I have endeavored to emphasize to the editing force in Monetary Research the desirability of obtaining proper descriptions of property and proper statements of location. The editors informed me that they are well aware of the matter but that it is not practical to secure correction of a report solely in this respect unless the amount of property involved is substantial. I think their position is reasonable.

(b) Forcing Property from the Custody of Hotels into Banks.

As a result of the unfortunate misunderstandings which arose on the part of the American Hotel Association, it was plain that hotels had not reported on Form TFR-300 in such a way as to enable a full program on this point through the Form. A letter was issued to the Hotel Association on March 19 which should have corrected the misapprehensions. We have received several letters and other information which indicate that at least the larger hotels are now aware of error although two still have not arrived entirely at the correct result. The date set for filing reports under the letter was May 1, and obviously the reports are not sufficiently in hand to permit the prosecution of a program. I am inclined to believe the results will not be sufficient for a full program

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because I fear hotels reporting will tend to rely mostly on address, thus failing to report on persons who see fit to give a domestic address, despite specific instructions to the contrary in the hotel letter. It seems to me that the property in hotels could best be handled as an adjunct of property "in the pocket."

3. Determining Real Beneficial Owners of Corporations Organized in Switzerland or Panama.

This topic has been discussed at some length with Messrs. Valentine, Seibel, and Locker. It is the conclusion of all that very little can be done through Form TFR-300 to determine who really owns foreign corporations. The Census Reports Section encountered one or two instances in which Panamanian corporations were determined to be Swiss nationals by means of Form TFR-300, and in one case I believe blocking was carried out on the basis of the Section's findings. It is distinctly possible that more cases of this kind could have been developed if the Section had been continued.

Reports which are expected from the representative of the Control in Panama might give greater hope, but it seems to be rather generally agreed on the basis of present information that ferreting out the persons beneficially interested through the Swiss holdings is extremely difficult by any method. By way of analogy illustrating the problem, I refer you to the Westchester Apartments case, with which you are thoroughly acquainted. The only method of obtaining definite information which has occurred to me is absolute blocking of Swiss corporations unless they reveal the beneficial ownerships, or the use of equivalent pressure against the Swiss Government. However, I am not at all certain that this would produce the desired results since the Swiss record owners may very well either not be informed of the beneficial ownerships or may not be willing to reveal them regardless of absolute blocking. It must be remembered that the property of Swiss in this country is frequently here merely for safe-keeping, and an absolute blocking might not be a matter of great concern in the short run unless it extended to a point of not allowing even the servicing of the property to prevent loss.

4. Tracing the Property of German Personages.

The status of this matter in relation to Form TFR-300 is very nearly the same as that of determining the beneficial ownership of corporations organized in Switzerland or Panama. In short, little could be done from reports on Form TFR-300 alone, and it is doubtful that much could be achieved even if an investigation from all available sources were undertaken. I have discussed the subject briefly but comprehensively with Mr. Seibel, who appears to share my opinion in general. He stated

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that Foreign Funds Control had not undertaken any program in this respect, although it was constantly on the alert to find the property of German personages. He also believed that the FBI had made certain studies which had not proved particularly illuminating.

5. Checking the Correctness of Reports.

As a matter of editing to correct honest errors, this point is being extensively carried out by the Division of Monetary Research. The program of the Division may incidentally result in the detection of intentional omissions. In case of recalcitrance or failure to reply responsively, it is planned that the Compliance Division of Foreign Funds Control will follow up cases initiated by Monetary Research.

The Census Reports Investigation Section was endeavoring to obtain corrections of both honest and wilful omissions. However, this was an incidental activity of the section, particularly with regard to honest omissions. It was undertaken largely because in some cases the other activities of the Section could not go forward without a proper report.

The former Enforcement Division was engaged casually in checking cases where there was an indication that there had been a failure to file correct reports. The Division's emphasis naturally was on cases of wilful failure. This activity resulted in one prosecution, that of Kenji Iri, with which you are familiar, and on which Mr. Reeve and Mr. Hannett spent a great deal of time in conjunction with Enforcement. I presume such work will be carried on by the Compliance Division without interruption.

6. Using the Dies Committee Files of Names to Determine Whether All Reports Which Should Have Been Filed Have Actually Been Filed.

No action was taken on this point. I have discussed it briefly with Mr. Seibel, who says that in general the Control has not undertaken to use the Dies files except that he believes that Mr. Klaus has access to at least certain of them and probably uses them in his work.

7. Study of How Reports Can Be of Use in Daily Administrative Work.

On January 8, Mr. Peble issued a request that all members of the Administrative Staff make suggestions for further utilization of information on Form TFR-300. One hundred twenty-one suggestions were submitted, which pretty thoroughly covered the possible field of utilization. Mr. Valentine's unit made an elaborate analysis of the suggestions and reported to Mr. Timmons in a memorandum of March 20, 1943, which is too extensive to attach.

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My view on this matter is that it ought to be the policy of Foreign Funds Control that all administrative sections should endeavor to fit Form TFR-300 into their work. Due regard to the confidential nature of the reports interposes some problems of detail beyond those ordinarily present in obtaining, collecting, and using information. I think that the persons engaged in any particular activity will have to feel their way into the subject of utilization and determine largely for themselves how the reports can effectively be used. Of course, it is obvious that in certain fields, such as the licensing of business enterprises, the reports should be used almost without exception. My only suggestion is that the persons in general authority in the Control should be more alert in pressing this policy, which Mr. Reeves and I have urged at all opportunities.

We feel that the administrative use of the reports has been extremely hampered by the failure in filing described under "General Discussion," above. The difficulty experienced by administrative personnel is clearly shown by their replies to Mr. Pehle's request for suggestions. Since the files are now in much better condition, a definite restatement of policy on use, with explanation of the filing system, might be of value.

The reports are now of such an age that in a significant number of cases they probably do not possess immediate value for many kinds of administration. In this respect attention is directed to Mr. Valentine's proposal for further reports, which is discussed below in this memorandum.

It may be pointed out here that the type of work undertaken by the Census Reports Investigation Section might well have had a value to persons engaged in administration. Many reports in themselves are not highly indicative because the census was taken largely on a static basis. By gathering information on the actual operations of persons whose property was reported, the investigation contributed a perspective of knowledge which should have been valuable in subsequent administration, even if the investigation itself did not recommend any action.

8. Locating Property Useful in the War.

Very shortly after you brought this question to our attention, Mr. Reeves and I became aware that Mr. Pehle and Mr. H. M. Bernstein had made arrangements for an appropriate study of TFR-300 reports. The publicity given to the study is well-known, and it did not occur to Mr. Reeves and me that any further activity was required. Through Mr. Valentine, we learned early in April that the list of materials which had been turned over to the war agencies had been returned unused and that Foreign Funds Control contemplated a program of supplementary reports of such property. Since we were told by Mr. Aarons that you are thoroughly informed of the program, we did not feel that it would be necessary for

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us to go into the matter any further, and we know nothing about the details except that Mr. Bennett has furnished me with copies of the report form in its original and revised forms. The latter was brought to the attention of the Federal Reserve Banks by Confidential Circular No. 142.

9. Informing the Bureau of Internal Revenue of the Possibility of Using Reports.

This matter was covered by the memorandum of January 28, 1942, to Mr. Sullivan and Mr. Helvering which you prepared for Mr. Foley. In conversations with Mr. Ulysses S. Blair of the Bureau after the memorandum had been received, I ascertained that the Bureau was interested in the availability of the reports, and Mr. Blair and I discussed the filing system and related matters in a general way. Mr. Blair said that the reports would probably be a benefit primarily to locate property of persons against whom the Bureau had claims of which it could not obtain payment. I doubt that he contemplated such use of the reports for purposes of checking whether nationals had more income than the Bureau already knew about. At the time of our conversation, which was late in February, he stated that the Bureau was not yet ready to use the reports extensively. We have subsequently had one or two calls from persons within the Bureau whom we directed to the files with such assistance as was desired.

ADDITIONAL REPORTS

Shortly before he left the Control Mr. Valentine discussed with Mr. Reeves and me the desirability of a further report supplementary to Form TFR-300. Because his Section had not been created until six months after the later reporting date, and operations were handicapped for two months more by difficulties of organization and of obtaining reports from the Foreign Funds Control files, he felt that the material with which he was working was of such age that the effectiveness of the Section was considerably decreased, although he did not believe by any means that the work should be abandoned.

The partial obsolescence of the reports is perhaps most striking in connection with ad hoc blocking. At present if a report is required, it is rendered as of a date now nearly one year past. An incomplete solution of the matter, relating to persons who are being interned, was outlined generally in my memorandum to you and Mr. Penle of April 27. (11) The form proposed in the memorandum is being drafted under Mr. Schmidt's supervision, and I have requested the draftsman to submit it to the Legal Division before it is adopted.

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Mr. Valentine expressed his views in memoranda of April 14 (13) and 15 (12) to Mr. Schmidt. Attached is a copy of each of these memoranda and a memorandum of April 14 to Mr. Valentine from me (14) which was also initialed by Mr. Reeves. The essence of my memorandum was that I inclined to agree with Mr. Valentine's conclusion that a new report is desirable, provided that an organization specifically devoted to utilizing the reports is maintained. Under present circumstances, I am not certain whether the proviso is being fulfilled, but it appears to me that in time, after the reorganization of compliance activities is fully effected, enough attention will be given to reports on Form TFR-300 to warrant a definite consideration of whether new reports should be required. It is not necessary to dwell at any length on the factors contrary to a report, which are the expense and effort to reporting persons and the Control at a time when energy must be conserved.

Regardless of the opinions just expressed, my primary purpose in mentioning the matter is to point out the desirability of a decision rather than to advocate what the decision ought to be. Having regard to relationship with previous reporting dates, the most convenient date for reporting from the standpoint of persons reporting would be the opening of business on July 1. Our experience in preparing Form TFR-300 makes it clear that if a report is to be required as of July 1, the requirement should be announced well ahead of that date, and it would be extremely desirable in all aspects of the matter to have the report forms ready for use so that the reports could actually be filed by July 31. With the experienced corps of editors which is now available and because of the much greater experience of persons reporting, it would be possible to begin to have the reports ready for use by the Control in September, and they should all be available not later than the end of October or November. If the report is delayed several months, the editing staff may have been dispersed and other organizational difficulties may arise.

A related problem is that of persons entering the United States after the last date for reporting on Form TFR-300. At one time it was tentatively decided that these persons should file reports on the outstanding series of Form TFR-300. Later it was concluded that such reports would be inadvisable and that a special form ought to be provided. This matter was presented to you in general on the fourth page of my memorandum of February 11 to you and Mr. Pehle, a copy of which is attached. (15) Mr. Reeves and I have discussed the matter somewhat, and we think that it would be simple to draft a form on the basis of Series A. We believe such a report would not involve serious difficulty to persons required to render it. The extension of reporting requirements to second persons would bring up much more serious problems both in the preparation forms and in the burden on persons required to report. It seems to us highly desirable that there be

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some sort of report for persons entering the country, but we feel that the problem should be considered in conjunction with that of further reports generally, since perhaps it would not be worthwhile to require the report from persons entering between the former reporting date and that set for the new general report. The problem in connection with ad hoc blocking mentioned above involves much the same considerations, both in itself and in relation to a new general report. (See my memorandum of April 27 to you and Mr. Pehle, supra (1)).

- 5/13/42.

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Box 367

**CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES**

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Authority NND 968163By SZ NARA Date 12-10-00RG 131Entry FFC Gen CorrFile TFR-300 Not ProcBox 367CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES 1/

(Millions of dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Argentina (251)	Argentina	75.7	114.-
"	United States	6.7	10.-
"	Other American Republics	2.0	3.-
"	British Commonwealth	0.7	1.-
"	All Blocked Countries	5.0	8.-
"	Unknown	<u>12.3</u>	<u>19.-</u>
		102.4	155.-
<u>Securities in Custodian Accounts</u>			
Argentina	Argentina	18.1	36.-
"	United States	12.2	24.-
"	Other American Republics	1.2	2.-
"	British Commonwealth	1.3	3.-
"	All Blocked Countries	2.9	6.-
"	Unknown	<u>1.8</u>	<u>4.-</u>
		37.5	75.-

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300 Series E forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300 Series P and G forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

Treasury Dept., Division of Monetary Research

March 11, 1942

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Authority NNO 968163

Entry FCC Gen Corr

By SZ NARA Date 12/10/00

File TFR-300 Not Proc

Box 367

CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES 1/

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Bolivia (231)	Bolivia	2.6	4.-
"	United States	*	*
"	Other American Republics	0.1	*
"	British Commonwealth	*	*
"	All Blocked Countries	0.6	1.-
"	Unknown	<u>1.2</u>	<u>2.-</u>
		4.5	7.-
<u>Securities in Custodian Accounts</u>			
Bolivia	Bolivia	0.5	1.-
"	United States	*	*
"	Other American Republics	*	*
"	British Commonwealth	0.2	*
"	All Blocked Countries	0.1	*
"	Unknown	<u>0.2</u>	<u>*</u>
		1.0	1.-

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

Treasury Department, Division of Monetary Research

March 11, 1942

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**CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES 1/**

(Millions of dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Brazil (253)	Brazil	46.1	69.-
"	United States	6.0	9.-
"	Other American Republics	0.6	1.-
"	British Commonwealth	0.7	1.-
"	All Blocked Countries	6.3	10.-
"	Unknown	<u>13.9</u>	<u>21.-</u>
		73.6	111.-
<u>Securities in Custodian Accounts</u>			
Brazil	Brazil	5.7	11.-
"	United States	2.2	4.-
"	Other American Republics	0.2	•
"	British Commonwealth	0.2	•
"	All Blocked Countries	3.4	7.-
"	Unknown	<u>0.9</u>	<u>2.-</u>
		12.6	24.-

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300 Series B forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300 Series F and G forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

Treasury Dept., Division of Monetary Research

March 12, 1942.

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Authority NND 968163By SZ NARA Date 12-10-00RG 131Entry FFC Gen CorrFile TFR-300 Not ProcBox 367CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES 1/

(Millions of dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Chile (244)	Chile	16.2	24.-
"	United States	3.6	5.-
"	Other American Republics	0.2	*
"	British Commonwealth	0.4	1.-
"	All Blocked Countries	1.8	3.-
"	Unknown	<u>2.6</u>	<u>4.-</u>
		24.8	37.-
<u>Securities in Custodian Accounts</u>			
Chile	Chile	2.8	6.-
"	United States	0.9	2.-
"	Other American Republics	0.4	1.-
"	British Commonwealth	0.5	1.-
"	All Blocked Countries	0.5	1.-
"	Unknown	<u>0.2</u>	<u>*</u>
		5.3	11.-

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300 Series E forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300 Series F and G forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

Treasury Dept., Division of Monetary Research

March 11, 1942

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Authority NND 968163By SZ NARA Date 12/00RG 131Entry FEC Gen CollFile TFR-300 Not ProcBox 367

**CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES 1/**

(Millions of dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Colombia (241)	Colombia	23.1	35.-
"	United States	2.9	4.-
"	Other American Republics	0.1	•
"	British Commonwealth	0.1	•
"	All Blocked Countries	0.6	1.-
"	Unknown	<u>2.2</u>	<u>3.-</u>
		29.0	43.-
<u>Securities in Custodian Accounts</u>			
Colombia	Colombia	5.6	11.-
"	United States	0.3	1.-
"	Other American Republics	-	•
"	British Commonwealth	0.3	1.-
"	All Blocked Countries	0.5	1.-
"	Unknown	<u>0.3</u>	<u>1.-</u>
		7.0	15.-

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

Treasury Dept., Division of Monetary Research

March 11, 1942

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Authority NNO 968163
By SR NARA Date 12-10-00RG 131
Entry FEC Gen. Corr
File TFR-300 Not Proc
Box 367CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Costa Rica (294)	Costa Rica	2.2	3.0
"	United States	-	*
"	Other American Republics	0.1	*
"	British Commonwealth	-	*
"	All Blocked Countries	0.3	1.0
"	Unknown	<u>0.2</u>	<u>*</u>
	Total	2.6	4.0
<u>Securities in Custodian Accounts</u>			
Costa Rica	Costa Rica	0.4	1.0
"	United States	0.1	*
"	Other American Republics	-	*
"	British Commonwealth	-	*
"	All Blocked Countries	0.1	*
"	Unknown	<u>-</u>	<u>*</u>
	Total	0.6	1.0

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

Treasury Department

Division of Monetary Research

311868

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RG

131

Authority NND 968163

Entry FFC Gen Corr

By 32 NARA Date 12-1-00

File TFR-300 Not Proc

CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES 1/

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Cuba (291)	Cuba	20.5	31.0
"	United States	9.4	14.0
"	Other American Republics	3.0	5.0
"	British Commonwealth	0.2	*
"	All Blocked Countries	1.7	3.0
"	Unknown	2.5	4.0
	Total	37.3	57.0
<u>Securities in Custodian Accounts</u>			
Cuba	Cuba	23.4	47.0
"	United States	1.0	2.0
"	Other American Republics	8.2	16.0
"	British Commonwealth	0.6	1.0
"	All Blocked Countries	1.5	3.0
"	Unknown	0.5	1.0
	Total	35.2	70.0

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series B, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

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Authority NNO 968143By SR NARA Date 1-21-00

RG

131Entry FFC Gen ConcFile TFR-300 Not ProcBox 367CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Dominican Republic (293)	Dominican Republic	1.1	2.0
"	United States	0.1	*
"	Other American Republics	*	*
"	British Commonwealth	*	*
"	All Blocked Countries	0.1	*
"	Unknown	0.1	*
	Total	1.4	2.0
<u>Securities in Custodian Accounts</u>			
Dominican Republic	Dominican Republic	0.3	1.0
"	United States	0.1	*
"	Other American Republics	-	*
"	British Commonwealth	0.1	*
"	All Blocked Countries	-	*
"	Unknown	-	*
	Total	0.5	1.0

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

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Authority NND 968153By SZ NARA Date 12-00

RG

131Entry FFC Gen CorrFile TFR-300 Not ProcBox 367CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN-AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Ecuador (242)	Ecuador	2.4	4.-
"	United States	0.1	"
"	Other America Republics	0.1	"
"	British Commonwealth	-	"
"	All Blocked Countries	0.5	1.-
"	Unknown	<u>0.4</u>	<u>1.-</u>
	Total	3.5	6.-
<u>Securities in Custodian Accounts</u>			
Ecuador	Ecuador	0.1	"
"	United States	0.1	"
"	Other American Republics	-	"
"	British Commonwealth	-	"
"	All Blocked Countries	0.1	"
"	Unknown	<u>-</u>	<u>"</u>
	Total	0.3	"

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300 Series E forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300 Series F and G forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest millions.

Treasury Dept., Division of Monetary Research

March 11, 1942

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RG 131

Authority NND 968163

Entry FFC Gen Corr

By SZ NARA Date 12-1-00

File TFR-300 Not Proc

CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES 1/

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Value as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Guatemala (295)	Guatemala	7.5	11.0
"	United States	0.1	*
"	Other American Republics	0.1	*
"	British Commonwealth	-	*
"	All Blocked Countries	0.7	1.0
"	Unknown	<u>0.3</u>	<u>1.0</u>
	Total	8.7	13.0
<u>Securities in Custodian Accounts</u>			
Guatemala	Guatemala	0.7	2.0
"	United States	0.2	*
"	Other American Republics	-	*
"	British Commonwealth	0.2	*
"	All Blocked Countries	0.1	*
"	Unknown	<u>0.1</u>	<u>*</u>
	Total	1.3	2.0

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series B, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

Treasury Department

Division of Monetary Research

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Authority NNO 968163By SR NARA Date 12-10-00RG 131Entry FFC Gen CorrFile TFR-300 Not ProcBox 367CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Haiti (292)	Haiti	3.4	5.0
"	United States	0.1	*
"	Other American Republics	0.1	*
"	British Commonwealth	*	*
"	All Blocked Countries	0.1	*
"	Unknown	<u>0.1</u>	<u>*</u>
	Total	3.8	5.0
<u>Securities in Custodian Accounts</u>			
Haiti	Haiti	0.1	*
"	United States	0.1	*
"	Other American Republics	0.3	1.0
"	British Commonwealth	*	*
"	All Blocked Countries	*	*
"	Unknown	<u>*</u>	<u>*</u>
	Total	0.5	1.0

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

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Authority NND 968163By SZ NARA Date 12/100RG 131Entry FFC Gen CorrFile TFR-300 Not ProcBox 367CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Honduras (296)	Honduras	0.8	1.0
"	United States	*	*
"	Other American Republics	*	*
"	British Commonwealth	*	*
"	All Blocked Countries	0.1	*
"	Unknown	<u>0.1</u>	<u>*</u>
	Total	1.0	1.0
<u>Securities in Custodian Accounts</u>			
Honduras	Honduras	0.1	*
"	United States	*	*
"	Other American Republics	*	*
"	British Commonwealth	*	*
"	All Blocked Countries	*	*
"	Unknown	<u>*</u>	<u>*</u>
	Total	0.1	*

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series D, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

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Authority NND 968163By SZ NARA Date 12-10-00RG 131Entry FFC Gen CorpFile TFR-300 Not ProcBox 367

CERTAIN UNITED STATES ASSETS OF RESIDENTS

OF LATIN-AMERICAN COUNTRIES. 1/

(Millions of dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Mexico (220)	Mexico	26.9	40.-
"	United States	1.9	3.-
"	Other American Republics	3.1	5.-
"	British Commonwealth	4.5	7.-
"	All Blocked Countries	4.1	6.-
"	Unknown	<u>3.9</u>	<u>6.-</u>
		44.4	67.-

Securities in Custodian Accounts

Mexico	Mexico	5.7	11.-
"	United States	3.4	7.-
"	Other American Republics	0.5	1.-
"	British Commonwealth	1.3	3.-
"	All Blocked Countries	2.2	4.-
"	Unknown	<u>1.0</u>	<u>2.-</u>
		14.1	28.-

1/ The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

Treasury Dept., Division of Monetary Research

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Authority NNO 968163
By SR NARA Date 12-10-00RG 131
Entry FEC Gen Corp
File TFR-300 Not Proc
Box 367CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Nicaragua (297)	Nicaragua	2.8	4.0
"	United States	-	*
"	Other American Republics	-	*
"	British Commonwealth	-	*
"	All Blocked Countries	-	*
"	Unknown	<u>0.1</u>	<u>*</u>
	Total	2.9	4.0
<u>Securities in Custodian Accounts</u>			
Nicaragua	Nicaragua	*	*
"	United States	*	*
"	Other American Republics	*	*
"	British Commonwealth	*	*
"	All Blocked Countries	*	*
"	Unknown	<u>*</u>	<u>*</u>
	Total	*	*

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series H, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

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131Entry FEC Gen CollFile TFR-300 Not Proc

Box

367CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Panama (298)	Panama	11.0	17.0
"	United States	17.1	26.0
"	Other American Republics	-	*
"	British Commonwealth	-	*
"	All Blocked Countries	0.5	1.0
"	Unknown	0.3	*
	Total	28.9	44.0
<u>Securities in Custodian Accounts</u>			
Panama	Panama	38.3	77.0
"	United States	0.3	1.0
"	Other American Republics	0.1	*
"	British Commonwealth	-	*
"	All Blocked Countries	0.5	1.0
"	Unknown	-	*
	Total	39.2	79.0

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

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Authority NNO 968163By SZ NARA Date 12-10-00RG 131Entry FFC Gen CorrFile TFR-300 Not ProcBox 367CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES ^{1/}

(Millions of dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
		<u>Deposits</u>	
Paraguay (232)	Paraguay		
"	United States		
"	Other American Republics	No item	
"	British Commonwealth	over	
"		\$50,000	
"	All Blocked Countries		
"	Unknown		

Securities in Custodian Accounts

Paraguay	Paraguay		
"	United States		
"	Other American Republics	No item	
"	British Commonwealth	over	
"		\$50,000	
"	All Blocked Countries		
"	Unknown		

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

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Authority NNO 968163By SR NARA Date 12-1-00RG 131
Entry FFC Gen. Cont.
File TFR-300 Not Proc.
Box 367CERTAIN UNITED STATES ASSETS OF RESIDENTS
OF LATIN-AMERICAN COUNTRIES ^{1/}

(Millions of dollars)

Country of Residence	Country of Citizenship	Values as of June 14, 1941	
		As Tabulated	Expected Total
		<u>Deposits</u>	
Peru (243)	Peru	10.0	15.-
"	United States	0.2	*
"	Other American Republics	-	*
"	British Commonwealth	0.3	1.-
"	All Blocked Countries	0.8	1.-
"	Unknown	<u>0.8</u>	<u>1.-</u>
		12.1	18.-
		<u>Securities in Custodian Accounts</u>	
Peru	Peru	2.6	5.-
"	United States	0.4	1.-
"	Other American Republics	-	*
"	British Commonwealth	0.4	1.-
"	All Blocked Countries	0.5	1.-
"	Unknown	<u>0.2</u>	<u>*</u>
		4.1	8.-

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300 Series E forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300 Series F and G forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

Treasury Dept., Division of Monetary Research

March 11, 1942

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LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Salvador (299)	Salvador	2.0	3.0
"	United States	*	*
"	Other American Republics	*	*
"	British Commonwealth	*	*
"	All Blocked Countries	0.5	1.0
"	Unknown	<u>0.1</u>	<u>*</u>
	Total	2.6	4.0
<u>Securities in Custodian Accounts</u>			
Salvador	Salvador	0.4	1.0
"	United States	*	*
"	Other American Republics	*	*
"	British Commonwealth	*	*
"	All Blocked Countries	*	*
"	Unknown	<u>*</u>	<u>*</u>
	Total	0.4	1.0

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest million.

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CERTAIN UNITED STATES ASSETS OF RESIDENTS
 OF LATIN-AMERICAN COUNTRIES ^{1/}

(Millions of dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Uruguay (252)	Uruguay	3.9	6.-
"	United States	-	*
"	Other American Republics	-	*
"	British Commonwealth	-	*
"	All Blocked Countries	1.0	2.-
"	Unknown	<u>1.7</u>	<u>3.-</u>
		6.6	11.-

Securities in Custodian Accounts

Uruguay	Uruguay	7.0	14.-
"	United States	-	*
"	Other American Republics	0.2	*
"	British Commonwealth	-	*
"	All Blocked Countries	0.6	1.-
"	Unknown	<u>0.2</u>	<u>*</u>
		8.0	15.-

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300 Series B forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300 Series F and G forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities values by 2 and rounding to the nearest millions.

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 Authority NNO 968163
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 Box 367

CERTAIN UNITED STATES ASSETS OF RESIDENTS OF
 LATIN AMERICAN COUNTRIES ^{1/}

(Millions of Dollars)

<u>Country of Residence</u>	<u>Country of Citizenship</u>	<u>Values as of June 14, 1941</u>	
		<u>As Tabulated</u>	<u>Expected Total</u>
<u>Deposits</u>			
Venezuela (254)	Venezuela	19.5	29.0
"	United States	0.7	1.0
"	Other American Republics	0.2	*
"	British Commonwealth	0.3	1.0
"	All Blocked Countries	1.4	2.0
"	Unknown	<u>1.1</u>	<u>2.0</u>
	Total	23.2	35.0
<u>Securities in Custodian Accounts</u>			
Venezuela	Venezuela	0.8	2.0
"	United States	0.5	1.0
"	Other American Republics	-	*
"	British Commonwealth	0.1	*
"	All Blocked Countries	0.3	1.0
"	Unknown	<u>0.4</u>	<u>1.0</u>
	Total	2.1	5.0

^{1/} The deposit figures "As Tabulated" are based on about 65 percent of the TFR-300, Series E, forms received. The securities figures "As Tabulated" are based on about 51 percent of the TFR-300, Series F and G, forms received. The "Expected Totals" were prepared by multiplying the tabulated deposits by 1-1/2 and the securities value by 2 and rounding to the nearest millions.

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THE CENSUS OF FOREIGN-OWNED PROPERTY

1. Preparation and Distribution of Reports

When the Executive Order was amended on June 14, 1941, requiring a census of all foreign-owned property subject to the jurisdiction of the United States, work was immediately begun on the report forms for TFR-300. Consultations were held with various Government agencies, particularly the State Department and the Justice Department, and with the Federal Reserve Banks. Our object was to devise report forms that would give the Treasury Department the information required and that would at the same time facilitate the reporting of foreign-owned property.

The eight series of TFR-300, Series A to H, provide all large groups of reporters with forms particularly suited to reporting the types of property they hold. Series A and B are designed as general report forms; Series A for reporting the property of individuals not engaged in business; Series B for reporting the property of governments, business enterprises, non-profit associations, and trusts. Series C to H are designed as special report forms for particular purposes: Series C for reporting securities by issuers of securities; Series D for reporting safe deposit boxes by safe deposit companies; Series E for reporting deposits and similar property by banks; Series F for reporting securities by banks; Series G for

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reporting securities and contracts by brokers; Series H for reporting policies and claims by insurance companies. When the freezing order was extended to China and Japan, Series I was added for reporting property owned by China or Japan or their nationals on July 26, 1941.

A study was made to determine the number of report forms that would probably be filed in each series in order to provide a basis for our printing order. Our first estimate was that a minimum of 500,000 and a maximum of 800,000 reports would be filed. As orders for forms came in from large reporting groups it became apparent that our maximum estimate was more likely to be realized. Accordingly, more than 8 million report forms were printed and nearly 7.5 million were distributed among the Federal Reserve Banks and the territories and possessions. Exhibit I shows the number of report forms printed, distributed, and held by the Treasury. On the basis of reports that have already come in, and on the basis of distributed forms, it is now estimated that approximately 750,000 reports will be filed on all series of TFR-300. This estimate is discussed more fully in section 6 of this report.

Public Circular No. 4 was prepared as a circular of instructions on TFR-300. It was keyed to the report forms by numbers which referred to the appropriate instructions in the Public Circular. It also provided a standard table of exchange rates for determining the value of property expressed in terms

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of foreign currencies. It should be noted that the Public Circular served as a fundamental guide to the Federal Reserve Banks in answering questions regarding TFR-300. The care with which the Public Circular was prepared and the frequency with which it was consulted are evidenced by the high quality of the reports we have received.

As a further aid in reporting, conferences were held with representatives of large reporting groups for the purpose of discussing reporting problems. Such conferences were held with representatives of banks, brokerage firms, insurance companies, export and import companies, railways, and shipping companies. As a result of these conferences, sets of questions and answers were prepared covering every important problem in reporting. Trade groups gave these questions and answers wide circulation. All of this has contributed to a better understanding of the purposes of the census and to greater uniformity in reporting.

The completion of this preparatory work was facilitated by the thorough cooperation of the Division of Monetary Research, the Office of the General Counsel, and the Division of Foreign Funds Control. Particularly, the work of Mr. W. Harvey Reeves, Mr. Elting Arnold, and Mr. Joseph H. Murphy has been invaluable in connection with the report forms, the public circular, and the conferences of the large reporting groups.

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2. Safeguarding the Returns

At all times one of our primary considerations has been the safeguarding of reports on TFR-300 to assure their confidential nature. In our meetings with representatives of the Federal Reserve Banks we placed great stress upon the need for care in selecting personnel employed on the census. It was suggested that the people in charge of the actual handling of the reports should be experienced workers of excellent reputation. Wherever possible, even workers in subordinate positions were to be taken from the personnel that had been employed by the Federal Reserve Banks for some time. In every instance where additional help was needed, a thorough investigation of the applicants was undertaken to determine their complete reliability for this work. Precisely the same precautions were taken in selecting personnel for the census in the Treasury Department. Furthermore, the Secret Service has examined the physical facilities for receiving, keeping, and transmitting reports on TFR-300 in all the Federal Reserve Banks and in the Treasury.

The reports are handled with the utmost care so that every report can be accounted for at the Federal Reserve Banks and at the Treasury. Notice was sent to all of the Federal Reserve Banks and to the governing officials of territories and possessions to comply with the following standardized procedure for handling reports:

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1. All reports are time stamped to show their receipt by the Federal Reserve Banks or by the territories or possessions.

2. After examination of the reports to see that they meet certain minimum requirements, three copies of all reports are sent to the Treasury by registered mail.

3. Under separate cover a letter in duplicate is sent to the Treasury stating the number of reports on each series that has been forwarded. When the reports have been verified and counted, one copy of the covering letter is receipted and returned, and a second copy is kept in the Treasury as part of the record of incoming reports.

Within the Treasury a thorough check is kept on the reports that have been filed. All reports are numbered and placed in blocks of 100 by series. After editing, the three copies are segregated. The copies are then transmitted to the Division of Foreign Funds Control and to the Department of Justice while the originals are retained by the Division of Monetary Research for the purposes of the census. At every stage of receiving and sending reports, receipts are given and taken, and a file is maintained on incoming and outgoing reports.

3. Verifying and Editing

While the report forms were being prepared our staff was simultaneously occupied with the development of procedures for editing, recording, and tabulating the census reports. All the

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procedures for editing and recording have been completed and are now available in mimeographed form. The greater part of this work has been done under the supervision of Mr. H. F. Shambarger and Mr. Austin Nisonger.

The processing of TFR-300 reports involves two stages: first, verifying and editing; second, coding and punch card recording. Incoming reports are verified by inspection of the packages and then by counting. Reports transmitted from the New York District are classified by series and by nationality and are assigned distinctive serial numbers at the Federal Reserve Bank. Reports from outside New York are classified by series and nationality but are assigned distinctive serial numbers by the Editing Unit. For control purposes reports are kept in blocks of 100.

All reports are examined to make certain that they meet the reporting requirements. Series A, B, and I are edited by professional economists. The remaining series are edited by a clerical staff trained for the purpose. A report deficient in any respect is withdrawn for editing and Form DMR-3 (Exhibit II), showing the serial number, is put in its place. In this manner the block of 100 is kept intact. A careful check is kept on every stage of the work of the Editing Unit: counting, numbering, editing, sorting, and dispatching. The work sheet used for this purpose is shown in the form attached as Exhibit III. These work sheets are kept on file so that a record is available of the persons responsible for every part of the work on the reports.

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In the editing process care is taken to see that the information called for is reported. In addition, the property schedules are inspected to make certain that the property types are properly classified and valued and that details of such property are reported under property items. The editing of reports also requires the elimination of some types of duplication. At present we have a staff of 21 engaged in this work under the supervision of Mr. John W. Gunter who is in charge of the editing of TFR-300 reports. As suitable personnel become available, the staff of the Editing Unit will be increased to 30.

When the editing of a block has been completed, the reports are sorted into the original and two carbons and are dispatched to Foreign Funds Control, the Department of Justice, and to our Coding and Punching Unit. The transmittal sheet, Form DMR-2, attached to the blocks sent to Foreign Funds Control and the Department of Justice is shown as Exhibit IV. These transmittal sheets are made out in duplicate and one copy is receipted and returned to the Division of Monetary Research.

Reports received by the Treasury through October 28, 1941, numbered 116,000. All of these have been verified and counted and 80,000 have been edited and dispatched to Foreign Funds Control, to the Department of Justice, and to our Coding and Punching Unit. Exhibit V shows the precise number of reports received, counted, and edited. The districts in which these

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reports were filed are shown in Exhibit VI. It should be added that not all of the reports filed with the Federal Reserve Banks and the territories and possessions by October 28, 1941 have been sent to the Treasury. From information received from the Federal Reserve Banks of New York and Boston it appears that more than 50,000 reports are now held awaiting inspection prior to transmittal to the Treasury.

4. Coding and Punching

After the reports have been edited they are transmitted to the Coding and Punching Unit. Transmittal sheet, Form DMR-1, for the Coding and Punching Unit is shown as Exhibit VII. This block sheet remains with the original block and serves as a routing and work sheet for coding and punching operations. In this manner it is possible to maintain a complete record of every stage of the coding and punching operations.

The process of coding consists fundamentally of recording in numerical code the information to be punched on Hollerith cards. For this purpose procedures have been developed which provide codes for every type of information of which a record is made. For example, for recording citizenship, residence, and nationality a country code is used. All countries, territories, and possessions have been assigned code numbers. Similarly, all types of property have been assigned code numbers, and codes have been developed for the personal and business information reported on the various series. As far

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as possible, the report forms are pre-coded. For example, all report forms already show the code numbers for the various types of property reported in Schedule I. For other information code numbers are inserted when the report is examined in the Coding and Punching Unit.

When the coders find that some information has not been reported and the report has not been withdrawn for editing, a notice of the deficiency in information is returned to the Editorial Unit on Form DMR-5, a copy of which is appended to this report as Exhibit VIII. These deficiency notices are held by the Editorial Unit until the report is returned, at which time the deficiency is corrected. In this manner we secure a second check on the completeness of the reports during the coding operation.

When reports have been completely coded they are ready for recording on punch cards. A card has been designed for recording all of the information on all series of TFR-300. A sample of this card is attached as Exhibit IX. In addition to the property cards, a name card and an information card are punched. The punched cards are always verified to make certain that no error has been made in recording the information on the TFR-300 reports. The final stage in the Coding and Punching Unit is the preparation of a register listing the information punched on the cards. This register can be used as a concise printed record of the TFR-300 reports. The register also provides a final test of the completeness of the report.

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The coding and punching operations have already begun and a report on progress in these operations will be available within a few days. For this work we have assembled a staff of 181 coders and punchers who have had extensive experience in the Treasury Department, in the Department of Justice, and in the Commerce Department. The work of the Coding and Punching Unit is under the supervision of Mr. Vernon Billman.

5. Tabulation

When the cards have been punched, all of the information on the reports will have been recorded in such a form that we may keep mechanical records of all data which may be of interest on TFR-300. For example, the information that can be compiled on cards from reports on TFR-300, Series A, is as follows:

1. Information with respect to the national

- (a) Name
- (b) Address
- (c) Nationality
- (d) Citizenship
- (e) Profession or occupation
- (f) Serial number

2. Information with respect to the reporter

- (a) Name
- (b) Business or occupation
- (c) Nationality
- (d) Citizenship or where organized
- (e) Relation to the national
- (f) Serial number

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3. Information with respect to the property
 - (a) Total amount of property according to class interval
 - (b) Amount of property of each type according to class interval
 - (c) Amount of property of each type on June 14, 1941
 - (d) Amount of property of each type on June 1, 1940
 - (e) Any substantial change in property holdings of each type between June 1, 1940 and June 14, 1941
4. Additional information regarding the property reported
 - (a) Other interests in the property reported
 - (b) Adverse claims or legal proceedings
 - (c) Other information on the value or ownership of the property
5. Additional information regarding the national
 - (a) Other names used by the national
 - (b) Other citizenship of the national
 - (c) Alien registration number
 - (d) Reason for nationality if other than citizenship
 - (e) Does the national lease or have access to a safe deposit box?
 - (f) Are contents of safe deposit box entered in the report?
 - (g) Executive offices in business enterprises

For series other than Series A similar information will be recorded on punch cards.

After this information has been transferred to Hollerith cards, tabulation of the reports will begin. Reports will be prepared for use by Foreign Funds Control showing the value of holdings by types of property for the nationals of each country. These

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reports will show what part is held by nationals who are not citizens of the United States residing in this country or residing abroad, and what part is held by nationals who are citizens of the United States residing in this country or residing abroad.

It is hoped that facilities will be available for a thorough study of all reports on TFR-300. The information that has been reported for the census comprises the most complete body of data ever collected on foreign property interests in the United States. When these data are tabulated in comprehensive form they should prove of inestimable value to the Government in formulating economic policy during the period of emergency and in the post-war period. We plan to hold consultations with Government officials and economists for the purpose of determining what tabulations should be made.

Before the final work of tabulation is begun the task of collating reports must be undertaken. The reporting system we have used was designed to give multiple reports on foreign-owned property in this country. While this method of reporting increases the work of unduplication it is at the same time extremely useful as a check on the completeness and accuracy of the property reports. To a considerable extent the elimination of duplication is already being done in the process of editing. Procedures have been formulated which will result ultimately in the complete elimination of all duplications.

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As the cards are punched a weekly index will be printed directly from the name cards which will provide us with an alphabetical list of the nationals for whom TFR-300 reports have been made. From time to time these weekly indexes will be combined. Ultimately, of course, a complete visible index will be prepared of all nationals for whom property reports have been filed on TFR-300, and of all persons having an interest in foreign-owned property. Such an index should be extremely useful in facilitating the administrative work under the freezing order.

Precedence will be given to the tabulation of TFR-300 reports for nationals of Japan, China, Germany, and Italy, so that the property reports for these four blocked countries will be made available for Foreign Funds Control purposes at the earliest opportunity. A further advantage that will be served in tabulating the property reports of China and Japan is that they will provide us with a test group for eliminating all types of duplication in the TFR-300 reports. In this way we can determine the shortcomings of our procedures and modify them before the more difficult task of collating all other TFR-300 reports is begun.

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6. An Estimate of Reports

A survey was recently completed which indicates that approximately 750,000 reports will be filed on TFR-300. This estimate is based on the number of forms distributed, on reports received, and on opinions of Federal Reserve Banks and representatives of large reporting groups. It should be added that these estimates are in close agreement with independent estimates for the New York District made by Mr. H. A. Bilby and Mr. A. J. Stanton who are in charge of TFR-300 reports for the Federal Reserve Bank of New York.

A total of about 8,400,000 forms will have been distributed to the Federal Reserve Banks and other distributing centers. Probably one-third of the distributed forms will not come into use, being retained as samples or excess by reporters. The remaining 5,600,000 forms will be used directly or indirectly for reporting purposes. Allowing an average of seven forms for each report, it is estimated that the forms distributed should result in 800,000 reports.

An analysis of the reports received shows that the districts outside New York transmitted 46,000 reports to the Treasury through October 28, 1941. Our earlier surveys indicated that approximately 20 percent of all reports would come from outside New York. On the basis of reports received, more than 150,000 reports will be made in districts outside

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New York. Even allowing for a slightly higher ratio than 20 percent for these areas, the indicated number of reports is approximately 750,000.

Although the number of reports received from New York through October 28, 1941 was only 70,000 which is relatively small, an additional 30,000 were in transit to the Treasury and in the Federal Reserve Bank awaiting examination. The reports are now coming in at a rate that indicates 150,000 additional reports will be filed in New York by November 1, 1941. Despite the fact that only 250,000 reports will be filed before the closing date, we estimate that 580,000 reports in all will be filed in the New York District. The New York banks and many other large reporters have been granted extensions. The effect is clearly evident in the reports received. While the New York banks are expected to file about 200,000 reports, we have so far received only a few hundred from the large banks. These were filed at once primarily for the purpose of having the completeness of the reports examined by our Editing Unit. For these reasons an estimate of 330,000 reports to be filed in New York after November 1, 1941 is not regarded as too high.

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The present estimate of reports on TFR-300 may be summarized
as follows:

1. Total reports that will be filed - 750,000
2. Reports from the New York District - 580,000
3. Reports from outside the New York District - 170,000
4. Reports filed by November 1 - 350,000
5. Reports to be filed after November 1 - 400,000

E. M. Bernstein
Assistant Director of Monetary Research

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LIST OF EXHIBITS

EXHIBIT

- I. TFR-300 Reports Printed, Distributed, and held by the Treasury.
- II. Form used to replace reports withdrawn for editing.
- III. Work sheet for Editorial Unit.
- IV. Transmittal sheet for blocks sent to Foreign Funds Control, Justice Department, and Coding and Punching Unit.
- V. TFR-300 reports received and edited.
- VI. TFR-300 reports received, by districts.
- VII. Work sheet for Coding and Punching Unit.
- VIII. Form used to indicate a deficiency on a TFR-300 report.
- IX. Punch card for TFR-300.

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EXHIBIT I

TFR-300 REPORTS PRINTED, DISTRIBUTED,
AND HELD BY THE TREASURY

<u>Series</u>	<u>Printed</u>	<u>Distributed</u>	<u>Held by the Treasury</u>
A	1,385,000	1,074,000	311,000
B	1,435,000	1,222,000	213,000
C	2,245,000	2,160,500	84,500
D	234,000	232,400	1,600
E	1,430,000	1,365,500	64,500
F	495,000	494,700	300
G	330,000	314,500	15,500
H	270,000	255,000	15,000
I	<u>450,000</u>	<u>360,500</u>	<u>89,500</u>
Total	8,274,000	7,479,100	794,900

Note: Public Circular No. 4, affidavit forms, continuation sheets, and summary form C-1 are not included in the above.

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EXHIBIT II

Form DMR-8
TREASURY DEPARTMENT
DIVISION OF MONETARY RESEARCH

Form TFR-300

WITHDRAWN FOR EDITING

District _____

Serial No. _____

Withdrawn by—

Approved—

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EXHIBIT III

TREASURY DEPARTMENT
DIVISION OF MONETARY RESEARCH

PROGRESS FORM

SERIES _____

SERIAL NUMBERS:

FROM _____

TO _____

1. Counted by _____

2. Numbered by _____

3. Edited by _____

4. Sorted by _____

5. Dispatched by _____

Block No. Assigned _____

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EXHIBIT IV

Form DMR-2

**TREASURY DEPARTMENT
DIVISION OF MONETARY RESEARCH
FORM TFR-300
TRANSMITTAL SHEET**

Block No. _____

Date _____

Serial numbers from _____ to _____

Series _____

Received by _____

- For Foreign Funds Control
- Justice Department
- Bureau of Accounts

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EXHIBIT V

RECEIPT AND EDITING OF REPORTS ON FORM TFR-300

(through October 28, 1941)

Number of Reports Received	116,481
Number of Reports Edited	79,300
Number of Reports Counted but not Edited	37,181

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EXHIBIT VI

NUMBER OF REPORTS ON FORMS TFR-300 RECEIVED THROUGH OCTOBER 28, 1941
BY FEDERAL RESERVE DISTRICT AND BY SERIES

FEDERAL RE- SERVE DISTRICT OR TERRITORY	SERIES									TOTAL
	A	B	C*	D	E	F	G	H	I	
Atlanta	125	126	300	46	982	18	2	38	18	1655
Boston	500	500	3538	100	1200	100	-	700	100	6738
Chicago	851	818	5892	153	1779	104	30	536	134	10297
Cleveland	309	351	2244	48	507	49	1	265	36	3810
Dallas	208	160	341	84	829	62	57	8	32	1781
Kansas City	103	67	754	15	150	19	2	40	2	1152
Minneapolis	70	87	1649	28	137	4	2	32	5	2014
Philadelphia	366	402	2738	70	770	64	96	742	83	5331
Richmond	1381	626	577	119	665	119	17	60	101	3665
San Francisco	637	503	2600	264	1576	111	8	52	349	6100
St. Louis	382	124	273	21	218	21	31	88	32	1190
Hawaii	<u>428</u>	<u>314</u>	<u>204</u>	<u>145</u>	<u>369</u>	<u>208</u>	-	-	<u>980</u>	<u>2648</u>
Total Outside New York	5360	4078	21110	1093	9183	879	246	2561	1872	46381
New York	<u>3700</u>	<u>2600</u>	<u>23700</u>	<u>700</u>	<u>27000</u>	<u>7400</u>	<u>2000</u>	<u>2200</u>	<u>800</u>	<u>70100</u>
GRAND TOTAL	9060	6678	44810	1793	36182	8279	2246	4761	2672	116481

*Does not include C-1.

Treasury Department

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Form DMR-1

TREASURY DEPARTMENT
 DIVISION OF MONETARY RESEARCH

EXHIBIT VII

FORM TFR-300
 BLOCK SHEET

Block No.

Date

Serial numbers from to

Series

CONTROL				
	Operation	Clerk	Date	No. Items
1	Receipt			
2	Reporting party coding			
3	Phonetic coding			
4	Other coding			
5	Review of coding			
6	Punch name cards			
7	Verify name cards			
8	Interpret name cards			
9	Verify interpretation			
10	Punch property cards			
11	Verify property cards			
12	Gang punch property cards			
13	Register listing			
14	Edit of register			

INFORMATION COMMON TO ENTIRE BLOCK		CODE
District		1-2
National:		
Type		3
Business		4-5
Nationality		6-8
Location		9-11
Citizenship		12-14
Reporting party:		
Type		24
Business		25-26
Nationality		27-29
Citizenship		30-32
Relationship to national		33-34
Serial No.	35-43	

June 14, 1941

June 1, 1940

Gross amount of property..... \$..... \$.....
 Gross amount of liabilities..... \$..... \$.....
 Control amount of property.. \$..... \$.....

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EXHIBIT VIII

TREASURY DEPARTMENT

DIVISION OF MONETARY RESEARCH

REQUEST FOR ADDITIONAL INFORMATION

Relating to TFR-300: _____ Date _____

Block No. _____

Serial No. _____

Information is:

- Unreported
- Not Specific
- Incomplete
- Insufficient
- _____

With respect to:

- Nationality
- Name of National
- Name of Reporting Party
- Property Code _____
- Other (Specify) _____

Comments:
