

DECLASSIFIED
Authority **NN31319400**
By **SR** NARA Date **10-25-99**

RG 131
Entry FFC 42-60
File 2-Jan-45-May-45
Box 338

Misc

PORTUGAL

July 1944 -- German consular officials, Lisbon, were sent to Oporto to buy up real estate. (D. 19569 London 11/30/44 I.P.)

Between Nov. 8 and Nov. 10, 1944, 325,000 escudos were deposited in the account of Dr. Wolfgang Krehl, at Banco Nacional Ultramarino. Krehl believed to be former Rheinmetall agent. (D. 19648 London 12/1/44, OSS report 11/25/44). I-P.

July 1944 -- 360 kilograms of gold transferred to Lisbon from Germany by plane--stored at German Legation. (T. 2617, P., 9/27/44) I-Pax.

August 1944-- Fromberg & Co., Berlin, forming new bank in Lisbon to transfer their capital to. (Memo Robbins to Willis, 9/1/44) I-P.

June 1944 -- Germans exporting by rail all kinds of goods from France to Portugal.. purpose to build up credits outside clearing for investment or transfer to other neutrals. (Ibid).

July 1944 -- gold ingots with seals showing they originated in Germany were sold to the Portuguese Gold and Silversmith Gremio. (Ibid).

June 1944 -- German mining firms investing heavily in plants and equipment. (T. 1714, P., 6/5/44). (Ibid) I-P.

May and December 1944 -- Meetings between representatives of I.G. Farben and Anglo-American chemical concerns for discussion of post-war role of German chemical industry. (March 19, 1945 editorial of FM) (Germany book).

March 1945 -- Germans are planning to increase capital of Cia. Vidreira Nacional Ltda., important glass factory, by 5,000,000 escudos -- Germans want to control entire plant. (OSS report March 7, 1945) I-P.

March 1945 -- Germans in Hamburg negotiating to sell sisal plantations in Portuguese West Africa. (OSS report 3/14/45) I-P.

December 1944-- Margaret Eisen disposing of diamonds and paintings on behalf of Germans. (D. 19888 12/13/44 London) P-book.

End of 1943 -- Banco Borges & Irmao, Oporto, received from Germany gold valued at 92,000,000 escudos (\$3,680,000). (OSS report 12/1/44). P-Book.

June 1943 -- Hans Bernhard Rohrbach smuggled looted diamonds valued at between \$70,000 and \$80,000 from Belgium to Lisbon. Rohrbach, arrested by Portuguese Government, stated that diamonds and proceeds to be derived from their sale were the property of German Government. (A-840 P. 9/23/44). P-book.

February 1943-- Germans and Italians buying up property in and around Lisbon, Oporto Ceimbra and other districts in Portugal; purpose- safe investment. (A 665 7/15/44 Sweden). P-Book.

November 1944-- One Spitz is building hotels in Portugal with German money. (Censorship Submission NY FIN 40735) (II-A P.

DECLASSIFIED

Authority NN31319400By SR NARA Date 10-25-99

RG	<u>131</u>
Entry	<u>FFP 42-60</u>
File	<u>2-Jan 45-May 45</u>
Box	<u>338</u>

*Misc*SWITZERLAND

September 1944 -- Agents of Hermann Goering deposited large sums of money in the Davos branch of the Bundner Kantonal Bank and the Waadtlander, Lausanne. (Swiss BK)

September 1944 -- Two directors of Reichsbank visited Switzerland to induce large Swiss banks to grant substantial loans to German companies, which would then repay the loans immediately with current known assets in Switzerland. Credits would be placed in Switzerland in numbered or otherwise cloaked accounts. Swiss Bank Corp. reportedly refused to grant such loans, but it is not known whether Germans had any success elsewhere. (Ibid)

The Deutsche Verkehrs Kredit Bank of Karlsruhe is reported to have transferred funds to the Exchange Bureau at Badische Bahnhof, Basle. (Ibid)

January 1945 -- Vereinigte Stahlwerke A.G. reportedly interested in establishing office in Switzerland for the purpose of participating in certain Swiss firms -- attitude of Swiss firms described as negative (A-56 1/10/45). Swit.)
I S

October 1944 - Krupp reportedly constructing new factory in Switzerland (Censorship Submission NY 394563). II-A SW).

December 1944--Lausanne local business circles report Mussolini and his accomplices are transferring capital and valuables to Swiss banks and are purchasing stocks in Swiss firms. In particular, Graziani and Farinacci have deposited large sums with Swiss banking institutions. (395 Switz. 1/29/45). IIA SW

314982

DECLASSIFIED	RG	131
Authority NN31319400	Entry	FFC 42-60
By SR NARA Date 10-25-91	File	1 Jan 43 - Dec 44
	Box	338

Rec'd J.S. (Misc)
 Rec'd J.S.
 OCT 7 1944

October 7, 1944

Mr. Jack Bennett

Hamlin Robinson

Re: The flight of Axis capital by means of transfers in New York between neutral accounts.

Several days ago you asked me to ascertain what information we had concerning transfers effected in New York from the accounts of the European neutrals to Argentine accounts, in order to determine, among other things, whether there has been any recent increase in the volume of such transactions which might indicate that this method was being used by the Nazis for transferring their assets to neutral unblocked territory.

It appears that we have been receiving very little, if any, information concerning transactions of this general nature. As you know, transfers from Argentine accounts are reported under an established procedure, although credits to Argentine accounts are not so reported. Therefore, I have discussed this problem several times with the Federal Reserve Bank of New York and Mr. Walton, in Mr. Wessel's absence, has been exploring and discussing the subject within the Federal Reserve Bank and, I might add, appears very interested in the possibilities which are inherent in the problem. Our discussions have been expanded to include transfers between the accounts in New York of all the neutrals, blocked and unblocked, since any one of them could be used as a channel for secreting Axis assets outside of Germany.

In approaching the subject from this angle there are two categories of accounts from which transfers of this nature could be made:

1. Blocked accounts, principally those of Sweden, Switzerland, Spain and Portugal, from which transfers can only be made pursuant to license. This restriction, although it does give us nominal control over the operation of such accounts, may not be too significant in view of the broad general licenses under which the accounts may be operated, i.e., General Licenses 49, 50, 52, and 70. If the authorities of these four neutral governments are knowingly certifying transactions which assist the flight of Axis capital, then our nominal control over the accounts means very little. On the other hand, there are undoubtedly many ways for Nazi agents to obtain the necessary certifications without disclosing to the certifying authorities the basic nature of the transactions, such as by falsifying documents, offering bribes, etc., so that certifications might be

DECLASSIFIED
 Authority **NN31319400**
 By **SR** NARA Date **10-25-99**
 RG 131
 Entry FEC 42-60
 File Jan 43 - Dec 44
 Box 1338

Rediff *Misc*
 OCT 10 1944

obtained in direct contravention of the announced policy of neutral governments.

2. Unblocked accounts, especially those of Turkey, Iran, Iraq, and Rire, where we do not exercise any control over movements from these accounts. In view of the recent publicity given to the flight of Axis capital into Turkey, this particular group of countries may be of prime importance in this whole problem. It appears that about the only way of watching the operation of these accounts would be to establish a procedure whereby the banks holding such accounts would inform us of certain types of transfers therefrom. Mr. Walton indicated that it would be relatively easy to locate the holders of such accounts, and that a procedure could be established for furnishing us with the desired information if the facts now available revealed that such a procedure might serve a useful purpose. ✓

It may be that the only way of ascertaining the desirability of instituting a procedure of this nature would be to study the volume of such transactions over the past six or eight months in order to determine whether any substantial increase took place after D-day, for example. This, however, would be neither conclusive nor easy. With respect to the unblocked countries we would have nothing at all to go on, while even with respect to the blocked countries we would have to tabulate the TEB-149 reports, on which transactions over \$5000 are reported, culling out those which appeared to cover purely commercial transactions and those which did not disclose transactions with parties in other neutral countries.

In approaching this entire subject I think we should realize that no types of transactions are impossible, or that any given method of transferring funds in order to hide their origin need not be considered simply because it seems impracticable to us, for it will not worry the Axis dignitaries desiring to get funds out of Germany if a large part of the funds are expended enroute, since they have all to gain and nothing to lose in attempting to get their assets into neutral countries -- and presumably such assets cost them nothing in the first place anyway. Obviously, the comments made here are merely exploratory in nature, although I do feel that this phase of the overall problem of looted property and the flight of Axis capital merits further study in connection with the work that others are doing on this broad problem.

HR

cc: Messrs. Gilbert, Sachs, and Mrs. Shwartz

H. Robinson: gb:10/7/44

DECLASSIFIED

RG

131

Authority NN31319400

Entry

FER-42-60

By SR NARA Date 10-25-99

File

1 Jan 43 - Dec 44

Box

338

C
O
P
Y

October 9, 1944

To: Hamlin Robinson

From: Jack Bennett

Re: Your memorandum of October 7, 1944, "The Flight of Axis Capital, etc."

I think your reasoning sound. It may very well be that a letter should be prepared to be sent by the Federal to appropriate banks to tell them just exactly what we are looking for and how best they can help. They could, for example, watch carefully and report to us about new accounts being opened from funds transferred from Turkey and other neutral areas.

I suggest you discuss this with Sachs and suggest he might make a tentative draft of such a letter. In the meantime, it would be helpful if you could get some indication about the comparative volume of transfers from Europe to Argentina before and after "D" day. The total figures could, if need be, be adjusted for trade transactions by estimates supplied by the Trade Section.

Jack Bennett

Jack Bennett:gb 10/9/44

314985

Authority **NN313194001**

By **SR** NARA Date **10-25-99**

Entry **FFP-42-60**

File **4-Jan 46-**

Box **338**

*Miss
Conn. Lantieri*

**E-88
CONFIDENTIAL**

Copy No. **8**

**FOREIGN ECONOMIC ADMINISTRATION
Special Areas Branch
European Enemy Division**

*This is not the
final draft -
master copy on file
at FE4*

JW B. White

THE WAR TRADE OF GERMANY AND THE NEUTRALS

11-30-45

June 28, 1944

314986

E-38
CONFIDENTIALTable of Contents

	<u>Page</u>
SUMMARY	
I. INTRODUCTION	1-2
II. SHIFTS IN TRADE	3
Switzerland	3-5
Sweden	3-6
Turkey	6
Spain	6-7
Portugal	6-9
III. COMMODITIES	10
Switzerland	10-12
Sweden	12-13
Turkey	14
Spain	14-15
Portugal	15-17
IV. TRADE AGREEMENTS	18
Switzerland	18-21
Sweden	21-23
Goteborg Traffic	23-24
Turkey	24
Agreement of July 25, 1940	24-25
Gledius Agreement of October 9, 1941	27-31
Gledius Agreement of April 18, 1943	31-34
Spain	34-36
Portugal	36-37
V. CLEARINGS AND CREDITS	38
Switzerland	38-40
Sweden	40-42
Turkey	42-44
Spain	44-46
Portugal	46-47
Appendix	
Table I - Foreign Trade of Switzerland by Volume, 1938-1943	48
Table II - Foreign Trade of Switzerland by Value, 1938-1943	48
Table III - Sweden's Foreign Trade, 1939-43	48
Table IV - Sweden's Trade with Continental Europe	49
Table V - Spain's Foreign Trade, 1939-43	50
Table VI - Portuguese Foreign Trade, 1938-43	50
Sources	-

Authority NN313194001By SR NARA Date 10-25-99Entry FFC-42-60File 4-Jan 46-Box 338*Con. J. Miller*
*San Francisco*SUMMARY

Although the texts of German trade agreements and complete trade and financial statistics are not always available, enough information can be obtained to permit certain generalizations regarding German trade with Switzerland, Sweden, Turkey, Spain, and Portugal:

1. The war has resulted in a general increase of the trade of the neutrals with Germany at the expense of their pre-war trade partners. Whether any general increase in volume has taken place cannot be determined, but certainly German imports of strategic products have shown a considerable expansion.

2. German foreign trade policy toward the neutrals has not been characterized by a systematic economic program. Rather, each neutral has been considered as an individual problem meriting different techniques in order to obtain satisfactory results. The Germans carefully weigh the contribution each neutral makes to the German war economy against the demands that it makes on the productive machinery of Germany. In addition political considerations enter deeply into any German appraisal of a situation; the question of prestige and the realization that the United Nations must not gain too strong a position in neutral markets have been present in German relations with neutrals.

3. Nor has Germany undertaken a strong-arm policy without concessions toward the neutrals. Sometimes the Germans have not taken full advantage of the military situation and have compromised with the neutrals on the terms and execution of agreements. This is especially true of

Authority NN313194001
By SR NARA Date 10-25-99Entry FFC-42-60
File 4-Jan-46
Box 338

Turkey. The fact that such negotiations are rather involved and leave many questions unsettled probably plays an important part in explaining the inconsistencies and vacillation in the German position.

4. The Germans carry on almost all their foreign trade with neutrals through barter agreements by which the contracting parties agree to exchange specific commodities. But on occasion Germany has paid for purchases with gold and free exchange.

5. Clearing agreements are the accepted German mode of international commercial transactions. With each neutral Germany has negotiated a clearing agreement which eliminates the use of foreign exchange. Owing to the surplus of German imports over exports and numerous invisible items, large Reichsmark balances have accumulated against Germany in Berlin and are being viewed with increasing alarm by the neutrals who doubt German ability to pay. The only neutral successfully to refuse to make any advances into the clearings has been Turkey. Germany has maintained that, since she is fighting the war on behalf of all Europe, the contributions the neutrals make are for their own protection.

6. Late in 1943 the United Nations commenced a trade offensive against the neutrals which Germany was unable to oppose successfully. Germany, however, did increase her exports to the neutrals as a counter measure.

Each neutral has made a vital contribution to the German war economy. Sweden in 1943 furnished 20 percent of the total supply of iron ore ^{contact} available to Germany and important quantities of bearings.

141

Portugal and Spain supplied 90 percent of the tungsten Germany uses in high-speed tool steel, filaments, and radio tubes. Turkey furnished about 25 percent of Germany's chrome requirements in 1943 and about 62 percent in 1939. Finally, Switzerland has produced manufactures of great value to German war production.

While Germany thus obtained important assistance from the four European neutrals and Turkey, she has had to pay a heavy price. In the cases of Turkey, Spain, and Portugal heavy shipments of armaments, locomotives, and rolling stock were made in order to balance the flow of goods. Sweden and Switzerland, which have large annual invisible balances against Germany, must receive more goods from Germany if total payments are to be kept in equilibrium.

The present trade offensive of the British and United States Governments against the neutrals has already resulted in a significant reduction of the neutrals'. Turkish chrome has been entirely cut off. Spain has reduced wolfram shipments to 250 tons for the last eleven months of 1944. Portugal has placed an embargo on wolfram exports to Germany. By the Anglo-American-Swiss War Trade Agreement of December 1943, Switzerland agreed to limit drastically her shipments of arms and machinery to Germany, and the Germans have been forced to accept this as a fait accompli. Sweden has shown less confidence in the ability of the Germans to make deliveries and the trade agreement of 1944 calls for reductions compared to 1943. By the spring of 1944, therefore, the neutral countries, seeing the increasing certainty of a German defeat, turned toward the United Nations and forced Germany to recognize that the changed military situation called

314990

iv

for a readjustment in trade relations. The close historical trade relations and the knowledge that they may have to rely on Germany as a market and as a source of supply in the post-war world, however, have probably tempered neutral firmness in dealing with Germany.

I. INTRODUCTION

Before giving a detailed account of German trade relations with the neutrals, a brief glance at the institutions and men concerned with foreign trade may prove of value. During the time of the Weimar Republic the foreign trade negotiations of the Foreign Office and the Ministry of Economics were circumscribed by the necessity of reconciling various pressure groups and of obtaining parliamentary approval. Under National Socialism these agencies were given a freer hand in their dealings in order to conform to the needs of a war economy. An attempt was made to obtain more favorable trade conditions by permitting the expert civil servants in the ministries to handle negotiations without undue restraints from interested groups.

In September 1934 the initiation of the "New Plan" of Hjalmar Schacht, then Minister of Economics, led to the control of imports through licensing and the severe limitation of the use of foreign exchange by importers. Careful attention was given to imports necessary for rearmament and to the export industries. Exports were promoted by subsidies, credits to foreign countries, and unified administrative direction. Integral parts of the "New Plan" were clearing and compensation agreements with foreign countries. The principles laid down in the "New Plan" have been elaborated and modified by the demands of total war.

A recent development ushered in by the total mobilization of the economy under Albert Speer, the Minister of Armaments and War Production, has been the increasing activity of Walter Funk, the Minister of Economics, in attempting to advance foreign trade. Funk has put Franz Kirchfeld,

- 3 -

a prominent steel exporter, in charge of Main Department III (Foreign Trade) of the Ministry of Economics. In addition, a Working Committee (Arbeitskreis), composed of leading members of the Reich Group Industry and Reich Group Trade, was formed in order that the Ministry of Economics might have the expert advice of private enterprise in problems of foreign trade.

The men in charge of the foreign trade negotiations established great reputations, and sometimes their very names were used for propaganda purposes. Emil Wiehl, Karl Ritter, Karl Clodius, Hans Fosse, and Helmut Wehlthet were among the more prominent of these individuals. In general, these negotiators were carry-overs from pre-Hitler Germany. The impression has gained ground that they performed miracles, but an examination of their work shows that they took advantage of given situations but no more. The fact that negotiations were in the hands of old-line officials seems to have prevented a sudden break with the practices of the past.

314993

- 3 -

II. SHIFTS IN TRADE

The war has resulted in a general increase in the prices of goods entering international trade. Because of this, although the value of German trade with neutrals has risen since the beginning of the war, it is extremely difficult to generalize regarding the volume of trade. However, it is certain that Germany has engrossed more and more of the trade of the neutrals until she has become, except in the case of Portugal, the most important trade partner of the neutral countries. The shifts in trade are largely the result of geographical factors. Switzerland and Sweden, having trade routes dominated by Germany, have been forced to turn to Germany for a market and a source of supply. The German share of the trade of Spain, Portugal, and Turkey increased greatly only after the resumption of normal transportation facilities in 1941.

Switzerland

To a greater degree than any other neutral country Switzerland has been drawn into the economic orbit of Germany. This was inevitable considering that Switzerland is completely surrounded by Axis territory and that all trade with other foreign countries exists only ^{by} the grace of the Germans.

By volume Switzerland's foreign trade has shown a continuous decline since the beginning of the war.^{1/} The lack of raw materials and the curtailment of the overseas trade have been largely responsible for this condition. While the volume of foreign trade has declined, the value

^{1/} See Table I in Appendix.

- 4 -

showed a steady increase until 1943.^{2/} The increase in the price level of Swiss imports has been greater than that of exports; with 1938 as 100 the import price level in 1942 was 215.9 and the export price level only 151.1. Export prices for manufactured goods have followed only partially the higher prices for imported raw materials.

Since 1938 Germany has absorbed an increasing proportion of Switzerland's foreign trade. In 1939 Germany supplied by value 23 percent of Swiss imports and took 15 percent of Swiss exports; by 1942 these figures had risen to 32 percent and 42 percent respectively.

Swiss Imports from and Exports to Germany, 1937-1943
(millions of Swiss francs)

	1937	1938	1939	1940	1941	1942	1943 (11 mos.)
Imports	447	405	440	411	656	660	505
Exports	237	257	191	285	577	656	505
Balance	-210	-169	-249	-126	- 79	- 4	- 3

Swiss exports are primarily manufactures which require small amounts of raw materials, large amounts of capital, and highly skilled labor. It is manufactures of this type that are going to Germany in considerable quantities. In effect Switzerland has been supplying Germany with labor, plant, and management safe from the reach of enemy bombers. In addition, German raw materials have been sent to Switzerland for fabrication and do not appear in trade statistics. Finally, Switzerland has assisted the German war effort by sizeable financial credits which made available to the German economy essential goods without any compensation; these credits may be considered in the nature of a loan to Germany.

^{2/} See Table II in Appendix.

- 8 -

Geographical considerations and reliance on raw material from Germany have thus drawn Switzerland into the German sphere of influence and tied her closely to the German war economy.

Sweden

The foreign trade of Sweden has been greatly effected by the war owing to the two-fold blockade of Swedish commerce. While the trade of the other neutrals has increased or maintained its previous value, that of Sweden has shown a continuous decrease, both by volume and value.^{3/}

By volume with 1939 as 100, trade in 1942 was 71 and in 1943 was 68.

All classes of imports and exports decreased in value. There has been no notable shift in the types of goods imported, although mineral and metal exports have increased by value from 31 percent of the total in 1939 to 45 percent in 1943. Sweden's unfavorable pre-war balance of trade has continued during the war.

Sweden's trade with Germany has greatly increased since the war at the expense of trade with the United Kingdom, the United States, the other Scandinavian countries, France, and the Netherlands. In 1938 Germany supplied 21.7 percent of Sweden's imports and took 16.1 percent of that country's exports. Since 1941 almost 50 percent of Sweden's foreign trade has been with Germany and this proportion is being maintained currently.

Table IV in the Appendix shows clearly the relative increase in Swedish-German trade and the enormous falling off of the overseas trade

^{3/} See Table III in Appendix.

- 6 -

and the smaller but noticeable decline in trade with western Europe. Sweden, because of geographic forces and the need for German coal, has been forced to turn to Germany for necessary supplies and a market.

Turkey

Trade between Germany and Turkey is complementary, Germany being interested in Turkish agricultural and mineral products, and Turkey in German manufactured goods and military supplies. In 1938 and 1939 Germany was by far Turkey's most important trade partner, taking about 40 percent of Turkish exports and supplying about 50 percent of Turkish imports. But in 1940 the figure fell to about 18 percent ^{to} and 15 percent ^{of} respectively. This decrease, mainly the result of the expiration of the clearing agreement of August 31, 1939 and of transportation difficulties, is even more startling than the figures indicate, for in 1940 Turkish foreign trade by volume was only about 50 percent of that of the previous year. Since 1940 trade between Germany and Turkey has been on a compensation basis. *print*

Spain

The war has produced several notable developments regarding Spanish foreign trade. The United States and Great Britain have declined in relative importance in Spanish trade and have been supplanted by Argentina and Germany. In 1939 Germany was a close second to Great Britain as a market for Spanish exports, but owing to the outbreak of the war Germany's share of Spanish trade dwindled to a scant 3.7 percent. With the fall of France and the resumption of direct land transportation between Spain

314997

- 7 -

and Germany, the latter became Spain's best customer. In 1941 Germany took about 40 percent of Spain's exports and in 1942 about 27 percent. During the first half of 1943 the figure again rose to 40 percent.

Since 1940 Spain's foreign trade has shown a continuous decrease in volume but with the general increase in the price level and the shift to mineral exports the gold peseta value has increased greatly. ^{4/} In general the volume of trade between Germany and Spain since 1941 has been maintained at a high level. Indeed German exports have increased markedly.

German Trade With Spain
(in tons)

Year	German Imports	German Exports
1941	458,824	35,528
1942	334,303	107,498
1943 (6 months)	283,553	98,492

In 1940 Germany had a favorable trade balance with Spain. Since then, however, Germany has not increased the value of her exports as rapidly as her imports. For 1941 Germany's unfavorable balance was 110,332,000 gold pesetas, for 1942 it fell to 20,314,000 gold pesetas, and for the first 6 months of 1943 reached 74,495,000 gold pesetas. This situation added greatly to German financial difficulties in Spain and on more than one occasion the Spanish government refused to issue export licenses unless German deliveries to Spain increased.

^{4/} Official Spanish foreign trade statistics are given in gold pesetas. See Table V in Appendix.

- 8 -

Portugal

Since the beginning of the war the value of Portuguese foreign trade has increased greatly; the volume, on the other hand, has shown an enormous decrease. Also, the large pre-war unfavorable trade balance has now been reversed.

Table VI in the Appendix shows the increase in the prices of goods entering into Portuguese foreign trade. Among exports the most notable price increase was in the category of minerals and metals; while exports of these products by volume in 1943 were only 13 percent of 1939, the value has increased almost 13 times. Import prices have also increased but at a slower pace. For the first ten months of 1943 there has been a decided decrease in Portuguese imports and exports in volume and value as compared to the corresponding period in 1942.

Trade by country has shifted considerably since 1939.

Portuguese Trade by Leading Countries, 1939-1942
(million escudos)

Exports to	1939	1940	1941	1942
United States	121	235	547	671
Germany	121	29	565	1,199
United Kingdom	359	471	526	1,444
Spain	26	93	49	139
Switzerland	22	83	452	1,476
<u>Imports from:</u>				
United States	219	587	689	812
Germany	276	39	200	321
United Kingdom	395	422	375	495
Spain	6	16	66	476
Switzerland	45	80	62	525

314999

Authority NN313194001By SR NARA Date 10-25-99Entry FEP-42-60File 4-Jan 46-Box 338

- 9 -

From the above table it can be seen that the United States, Switzerland, and Spain have greatly increased their supplies to Portugal, while France, Belgium, the Netherlands, and Norway have almost disappeared as suppliers of Portuguese imports. Portuguese exports almost doubled in value in 1943 over 1942; Switzerland, the United Kingdom, and Germany took most of this increase, while the United States increased her imports from Portugal to a lesser extent.

315000

- 10 -

III. COMMODITIES

The products Germany obtains from the neutrals are of great strategic importance. Switzerland exports arms, ^{amm}munition, and machinery for which Germany supplies much of the raw materials, while Switzerland furnishes labor and plant. Sweden supplies Germany with high-grade iron ore, wood pulp, timber, and ball bearings. Turkey has not only been the source of chrome, but also of copper, foodstuffs, tobacco, oil seeds, and valonia. In addition to wolfram, Spain supplies Germany with oranges and other foodstuffs and with iron ore, iron pyrites, zinc blende, mica, fluorepar, mercury, and antimony in small quantities. Portugal has been the chief supplier of ^{tungsten}wolfram to Germany.

Coal and coke have become especially important exports for Germany at present, since Sweden and Switzerland have found themselves completely dependent on German fuel supplies in order to maintain their industrial production. With the other neutrals, however, Germany has had a more difficult time. Not being industrial nations, Turkey, Spain, and Portugal have demanded armaments, machines, locomotives and rolling stock and other industrial products. The already over-burdened German productive capabilities were stretched even more thinly so that these three neutrals would maintain shipments to Germany and keep out of the United Nations' camp.

Switzerland

About 90 percent of Swiss exports are finished goods. In 1942 well over 80 percent of the materials Germany imported from Switzerland consisted of arms and machinery. Only Switzerland among the neutrals

315001

exports finished arms to Germany; for the production of this sort of equipment Swiss industry with its highly developed labor force and excellent plant facilities is well adapted. The quantity of arms and machinery Germany obtains from Switzerland has greatly increased since the war. In 1938 Germany imported arms and machinery to the value of 60,206,000 Swiss francs; by 1942 the amount has increased to 353,000,000 Swiss francs and ^{by} ~~for the first six months of 1943~~ ^{413,000,000} it reached 231,966,000 Swiss francs. How valuable this increase has been to the Germans can be seen by a comparison of the most important items for 1938, 1942 and the first half of 1943.

Important Swiss Arms and Machinery Exports to Greater Germany (in thousand Swiss francs)

	1938	1942	1st half 1943
Small arms, parts, and ammunition	7,562	111,965	124,969 60,981
Precision instruments	⁶⁵² 4,537	15,641	15,461 8,651
Bearings and parts	1,083	7,099	9,300 4,926
Machine tools	12,055	20,121	78,868 35,455
Airplanes and parts	608	4,125	8,850 2,317
Fuses	875	59,226	63,487 57,314
Textile machinery	9,573	17,042	6,905 3,422
Foodstuffs machinery	1,150	4,038	6,823 2,975
Magnets	1,451	5,792	8,320 5,657
Dynamo electro machines	12,770	4,170	13,900 9,000

Authority NN31319400By SR NARA Date 10-25-99Entry FEC-42-60
File 4 - Jan 46 -
Box 338

- 13 -

For the second half of 1943, however, ~~arms and machinery~~ shipments to Germany declined greatly and the Anglo-American-Swiss Trade Agreement of December 19, 1943, set a quota of only 94,697,000 Swiss francs for the first half of 1944. ^{the year} ^{amounted to} Notwithstanding Switzerland's food deficiency large shipments of dairy products, fruits and cattle continue to move to Germany. ^{the ex. value of the fruits for the 1st half of the yr. was 67,076,000 Swiss frs. or a nearly 50% reduction from 1943.} Textiles from Switzerland help ease the critical shortages of these goods existing in Germany. Finally, about one-eighth of Swiss electric power is exported to Germany.

Swiss industry relies heavily on raw materials from Germany in order to maintain industrial production. Like Sweden, Switzerland must have German coal ^{in quantity} and about 30 percent of her imports from Germany are made up of this product. ^{in quantity} Iron and petroleum products are also imported from Germany in large quantities; the loss of these supplies would seriously hamper Swiss industrial production and lead to considerable unemployment.

Sweden

Germany has taken an increasing volume of Swedish exports, especially of strategic materials. Iron ore is probably the most vital contribution Sweden makes to the German war economy and the volume of deliveries has increased from 8,900,000 tons in 1938 and 8,630,000 tons in 1942 to 10,985,000 tons in 1943. During the first quarter of 1944 iron ore deliveries were over 400,000 tons below the corresponding period in 1943. Swedish iron ore in 1943 amounted to 20 percent of the total supply of iron content available to Germany. The loss of the Swedish

315003
315004

Authority NN313194001By SR NARA Date 10-25-99Entry 121
FEC-42-60
File 4-Jan 46-
Box 338

- 13 -

supply would require the mining and transportation of an additional 20 million tons of low grade German and French ores and lay a heavy burden on German industry.

Other strategic materials which Germany has obtained in increasing quantities from Sweden are wood pulp, rayon pulp, and timber. In 1938 Germany imported 70,000 tons of rayon pulp; a high of 600,000 tons for Axis Europe was reached in 1942 but this fell to 263,000 tons in 1943 of which a large proportion went to the Greater Reich. Iron and steel and semi-manufactures sent to Germany increased in value from 42,000,000 Kroner in 1938 to 119,000,000 Kroner in 1943. This group included ball bearings and roller bearings which rose from 1,394 tons in 1938 to 5,525 tons in 1942 and 6,143 tons in 1943. The value of the bearing shipments for the same years was 7 million, to 34 million, and 48 million Kroner respectively. With the development of the air-war against German bearings plants, the supplies received from Sweden have risen in proportion to German production. Machinery, including machine tool shipments, have also increased.

In return Sweden receives products which are essential to her economy. The most important of these are coal and coke, since Sweden produces only 10 percent of her requirements. In 1943 coal and coke imports from Germany totalled 4,700,000 tons. This need for German coal is a most powerful lever in the hands of the Germans in their negotiations with Sweden. Less important imports are iron and steel, machinery, chemicals, cellulose textiles, and Buna rubber.

315005

Turkey

Since the commodities entering into Turkish-German trade are discussed in detail in the section of Trade Agreements, only a brief mention will be made of them here. In 1943 Germany obtained about

47,000
~~45,000~~ tons of chrome ore, ⁷⁴⁰⁰ 4,750 tons of copper, ^{10,350} 5,075 tons of cotton,
^{17,900} 4,216 tons of fish, ⁸¹⁰⁰ 1,575 tons of hazelnuts, ²⁵⁰⁰ 2,241 tons of linseed,
³⁸⁰⁰ 2,832 tons of sesame seed, ²⁹⁰⁰ 1,518 tons of skins, ¹⁴²⁰⁰ 2,747 tons of tobacco,
⁴³⁰⁰ 2,988 tons of valox, and ^{22,300} 15,617 tons of valonia. Except for the chrome and copper, no really vital products were supplied by the Turks. For these products the Germans were forced to pay heavily in armaments, locomotives, rolling stock, chemicals, and machinery. With the complete cessation of chrome exports to Germany in April 1944, a large part of the value of Turkish trade for Germany has disappeared.

Spain

Until 1943 ~~the~~ oranges were the most important single item by value entering into Spanish-German trade. In addition to oranges, Germany has imported large quantities of other foodstuffs. Fish to the value of 16,364,000 gold pesetas was imported during the first half of 1943. Fruit pulp, lemons, and dried fruits are also being imported in appreciable quantities. Spanish exports of metals and minerals include iron ore and iron pyrites, zinc blende and to a lesser degree mica, fluor spar, mercury, amblygonite, and antimony. But the most important has been wolfram. In 1943 about 99 percent of German tungsten supplies came from the Iberian Peninsula; ^{of this amt} ~~slightly less than one-half~~ ^{40%} was exported by Spain. After January 1944 wolfram imports were negligible, owing to the change in

- 15 -

Spanish policy. Spanish exports of iron, steel and lead are no great increment to Germany's strength. Mercury has been a rather large item and it is reported that German interest in this product has lately increased.

German exports to Spain follow the pattern set by a highly industrialized state trading with an agricultural and still largely undeveloped country. Spanish imports from Germany in 1943 included armaments, machinery, electrical material, scientific apparatus, and railway equipment to the value of 41,617,000 gold pesetas. Chemical products valued at 36,508,000 gold pesetas and metals and metal manufactures valued at 12,150,000 gold pesetas rank next. Other important German exports were paper and manufactures, foodstuffs and beverages, and minerals.

Portugal

Portugal has been Germany's most important source of wolfram. Over 8,000 tons have gone to Germany annually between 1941 and 1943; this was about 50 percent of Germany's essential requirements. German supplies of wolfram were assured by a special agreement with Portugal entered into in February 1943 by which Germany received the product of German-owned mines and 50 percent of the yield of the free or neutral mines. Portugal guaranteed to issue to Germany export licenses for up to 8,100 tons covering the wolfram from the German mines and the free mines. Although a previous wolfram agreement had allowed the Germans 75 percent of the product of the free mines, the agreement of February 1943

315007

- 16 -

with its reduction to 50 percent failed to curtail materially exports to Germany as higher prices resulted in increased production. The wolfram agreement expired on February 29, 1944, and was not renewed. Wolfram continued to move to Germany at the same rate as previously until, due to the pressure of the United Nations, a complete embargo on wolfram shipments was declared by Portugal on June 5, 1944.

Small but rather important quantities of tin have been exported to Germany. Manganese shipments have greatly increased and with the loss of the Nikopol Mines the Germans will probably attempt to increase Portuguese exports still further. Portuguese manganese ore, however, is of low metal content. Deliveries of mica, chrome and antimony are being made, but are of little importance.

Germany has obtained fairly large quantities of foodstuffs from Portugal. Fish, almost all sardines, has been shipped to Germany in great quantity. In 1943 a Portuguese-German agreement made available to the Germans 45 percent of the total sardine catch. In this case Portugal was obliged to ship sardines to Germany even though there was a food shortage within the country. Fruit and nut exports have increased in 1943, while wine and oils have declined. Naval stores and cork have maintained an even rate for 1941, 1942, and 1943. On the other hand, hides and skins, hair, fibers, and textiles have shown a decrease.

Portuguese imports from Germany consist mostly of metals, chemicals and pharmaceuticals, machinery, wood and paper, coal, and non-metallic minerals. Iron and steel exports to Portugal are fairly large; tinplate is shipped by Germany, but almost all of it is returned to Germany in the

315008

Authority NN313194001
By SR NARA Date 10-25-91Entry FFP-42-60
File 4-Jan 46-
Box

- 17 -

form of canned sardines. Chemicals and dyes have always been an important German export. German exports to Portugal have far from satisfied Portuguese needs and the United Nations and Switzerland have become the major sources of essential Portuguese supplies.

315009

- 18 -

IV. TRADE AGREEMENTS

Generally the Germans have preferred to enter into formal trade agreements with the neutrals, thereby putting on paper the obligations of each party. No pattern of contract is discernable except that general yearly agreements seem to be in accordance with German desires. Barter is the condition which most aptly characterizes German neutral trade. In each agreement the contracting parties agree to exchange certain commodities, either through some sort of financial arrangement or through an outright exchange of goods without monetary considerations entering into the agreement at all.

One German technique which seems to have been applied against each neutral has been to make the most optimistic promises regarding German delivery capabilities. Evidently the Germans assumed that by overstating their productive capacity, the neutrals would be led to rely on Germany instead of the United Nations as a source of supply and for a market. By 1943, however, the neutrals had come to recognize that Germany could not make good her promises, and the new agreements for that year and for 1944 provided for diminished exchanges of goods.

Switzerland

Little is known of the exact nature of Swiss-German trade agreements, since the Swiss have not made the texts available to the British or Americans. Enough, however, can be pieced together to obtain a general view. The Swiss-German trade agreement of July 18, 1941 is still the basis of trade between these two countries, although from time to time modifications have been made. By this agreement, which was made retroactive to

315010

Authority NN3/319400
By SR NARA Date 10-25-91Entry 171
File FEF-42-60
Box 4 - Jan 46 -
338

- 19 -

July 1, 1941, Germany agreed to supply Switzerland monthly with 200,000 tons of coal, 13,500 tons of iron and steel, and 14,500 tons of petroleum products. In addition, for the year 1941 Switzerland was to receive large quantities of sugar, seed potatoes, cereal seeds, potash fertilizers, and alcohol. In return Germany during the second half of 1941 was to be supplied with foodstuffs, cattle, dairy products, and fruit. Quotas for arms and machinery do not seem to have been set, the only limitation being Switzerland's capacity to produce and Germany's ability to pay. This agreement expired on December 31, 1942 and as negotiations were then pending was extended to January 15, 1943. After the latter date trade between Germany and Switzerland was carried out without any definitive agreement. The Germans being aware of the Swiss reliance on imported raw materials were able to obtain favorable terms, and Switzerland was forced to come to a temporary agreement which continued the obligations of the former agreement and ensured transit facilities for Swiss exports to third countries. Under this temporary arrangement exports to Germany increased during the first half of 1943. Pressure from the British and United States Governments, however, forced the Swiss to attempt to introduce reductions in export quotas. Swiss-German negotiations resulted in important limitations on the quantities of arms and machinery to be made available to the Germans. Beginning July 1, 1943 Switzerland reduced by 20 percent as compared to 1942 exports to Germany of arms, ammunition, fuses, precision instruments, airplane parts, and geodetic instruments. On August 1, 1943, a similar reduction became effective for roller bearings, machine tools, chronographs, and wireless apparatus. According to the Swiss, these export reductions could not

315011

- 80 -

have been made earlier because delays in the delivery of products ordered under the former Swiss-German agreement has prevented shipment until late into 1943.

Meanwhile the British and United States Governments had shown their displeasure at the status of Swiss-German trade by cutting off Swiss quotas of food and fodder and by the extension of blacklisting. This pressure forced the Swiss to sign the Anglo-American-Swiss War Trade Agreement on December 19, 1943. Switzerland agreed to curtail sharply exports of arms and machinery to Germany. Group I, containing arms and ammunition, ball and roller bearings, machine tools, airplanes and parts, and fuses, was cut for the first half of 1944 to only 20 percent of the total shipments for 1943. Group II, containing watchmakers' tools, chronometers, and precision instruments was reduced to 25 percent of the 1943 figure. Other groups were reduced less drastically or retained at the 1943 level and in the case of electric dynamos and steam engines an increase was permitted. These limitations were to be reviewed at least every six months in order to consider further reductions in exports.

Attempts by the Germans to obtain a favorable trade agreement from Switzerland were confronted, therefore, by the new Swiss pledges to the British and American Governments. On October 1, 1943, Switzerland and Germany had agreed to continue trade relations until December 31, 1943, and on January 3, 1944 extended them until January 31, pending negotiations for an understanding covering the first half of 1944. After considerable bargaining, on March 24, 1944 the Swiss managed to obtain a reduction in trade with Germany in conformity with the Anglo-American-Swiss Trade Agreement of December 19, 1943. This provided for Swiss exports to Germany for the first half of 1944 to the value of about 30 million Swiss francs.

315012

- 21 -

monthly as against 55 million in 1942 and 50 million in 1943. In return Switzerland was to receive 150,000 tons of coal per month and continued iron and petroleum shipments. A severe net-bank was thus suffered by the Germans and much of the Swiss resistance to German demands can be attributed to the changed military situation and the unsatisfactory state of German clearings and credits.

Sweden

War-time trade between Germany and Sweden is carried on through yearly trade agreements based on the theory that imports and exports shall balance each other. These agreements set the maximum limits by quantities and value of goods to be exchanged. By the Anglo-Swedish War Trade Agreement of 1939 Sweden was not to export to Germany certain indigenous products over the 1938 level. But in practice Sweden has increased shipments of iron ore, pulp, wood, and paper to above those of 1938.

Typical of the trade arrangements between Sweden and Germany was the 1943 agreement. It listed the quantities or values of Swedish products to be delivered to Germany during 1943; in the case of lead and zinc ores, it was provided that 50 percent of the metal content be returned to Sweden. As for Swedish timber, pulp, and paper shipments, they were directly tied to German coal and coke deliveries. One section of the trade agreement related to barter transactions: for lubricating oil Germany was to obtain an equal amount of wood-tar and for coke pig iron one-half that amount in charcoal pig iron. In another section and attached note Germany set forth detailed quantities of the products to be shipped to Sweden. The

315013

Authority NN313194001
 By SR NARA Date 10-25-99

RG 131
 Entry FFC 42-60
 File 4-Jan'46 to
 Box 388

- 22 -

agreement also contained price stipulations fixing the prices of Swedish iron ore and German coal and coke and rolling mill products.

The trade agreement of 1944, signed January 10, 1944, followed the pattern of the previous agreement, but as the war turned in favor of the United Nations Sweden showed a firmer attitude toward German demands and less confidence in the German ability to make deliveries. During 1943 goods to the value of 1,430,000,000 Kronor were exchanged between Germany and Sweden. The trade agreement of 1944 calls for an exchange of goods valued at only 1,150,000⁰⁰⁰ Kronor. Important Swedish products which are reduced in comparison to 1943 are iron ore from 10 to 7 million tons, ball bearings about 50 percent in value, pulp from 228,000 tons to 200,000 tons, while other products remained at about the 1943 level.

These reductions in Swedish exports were in accordance with the London Declaration of 1943 in which Sweden agreed to a general limitation of exports to Axis Europe and special limitations on a number of commodities. The 1944 trade agreement applied these principles against Germany, but not without prolonged negotiations. The Germans attached particular importance to iron ore and ball bearing shipments. In the case of the latter the Germans had attempted in 1943 to have shipments increased and succeeded in obtaining deliveries to the value of about 29,000,000⁰⁰⁰ RM. For 1944 the Germans set a quota of 40,000,000 RM. The Swedes, however, would make no concessions and the quota was finally fixed at 14,500,000 RM.

Reductions in Swedish export quotas led the Germans to retaliation. Coal and coke quotas were reduced from 5 million tons in 1943 to 3.9

315014

-23-

million tons in 1944. The quota for chemical products was also lowered. Especially large reductions, about 30 percent, were made by the Germans for electrodes, synthetic tanning materials and iron. Poluol was dropped entirely. In 1943 the Germans obtained about 50,000,000 Kroner of goods outside of the clearings, paying in coal. The 1944 agreement does not permit such an arrangement.

Sweden may have had little confidence in the ability of Germany to make deliveries according to the new agreement, for a provision was inserted that failure to make payments into the clearing account at the estimated figure would result in a corresponding reduction in export quotas. Then Sweden, by insisting on the re-opening of the Göteborg traffic, as a sine qua non for any agreement showed a decreasing fear of Germany's capacity to make reprisals.

The Göteborg Traffic. In April 1940 when the Germans invaded Denmark and Norway the overseas trade of Sweden came to a temporary halt and negotiations were opened with Germany and Great Britain for permission to continue the traffic through the Skagerrak. Finally in March 1941 an agreement was reached whereby five ships monthly were allowed to enter Swedish ports provided that an equal number sailed. The cargoes to be loaded were subject to negotiation. Through this "Göteborg" traffic Sweden obtained from South and Central America products not available in Sweden such as petroleum, coffee, hides, etc. During 1943 there were 46 arrivals and 43 departures from Göteborg. The value of the traffic amounted to 475,000,000 Kroner or 16 percent of Sweden's total foreign trade. This

315015

Authority NN31319400
 By SR NARA Date 10-25-99

RG 131
 Entry FFC 42-60
 File 4-Jan'46 to
 Box 388

- 24 -

"safe conduct" traffic was first suspended by Germany in January 1943 following a Swedish refusal to turn over two Norwegian ships to the Germans. In May this traffic was resumed only to be closed again by the Germans in October as a reprisal for the Swedish stoppage of the transit of German troops and equipment to Norway and Finland, the anti-German attitude of the Swedish press, and the failure to make satisfactory arrangements regarding the renewal of the trade agreement of 1944.

Sweden refused to sign any new trade agreement for 1944 unless the Göteborg traffic was reopened. The Germans were forced to grant this demand without any compensating concession on the part of Sweden. Trade was allowed with Argentina and other neutrals, and exports to South American countries that had broken off diplomatic relations with Germany were permitted beginning January 10, 1944. That the Germans permitted a reopening of the Göteborg traffic without a quid pro quo reflects their weakened position and their need for Swedish iron ore and ball bearings.

Turkey

Agreement of July 25, 1940. Until October 1941, trade between Germany and Turkey was governed by the agreement of July 25, 1940, and individual barter agreements. The agreement of July 1940 provided for the exchange of goods by each party to the value of 21,400,000 Turkish pounds.^{5/} Turkey was to deliver chiefly agricultural products. Tobacco composed one-third of the Turkish obligations. Other important commodities which Turkey undertook to supply were oleaginous seeds, olive oil, barley,

^{5/} Rate of exchange: DM 1.96 = 1 Turkish pound.

315016

- 25 -

wool, mohair, peas, nuts, and raisins. In return Germany agreed to deliver Krupp locomotives, passenger and freight cars, cigarette paper, pontoons and bridges, fabricated materials of metal, electrical appliances, and various manufactured goods.

Whenever a difference of more than 1,500,000 Turkish pounds occurred between the shipments of the two countries, the creditor country had the right to suspend the exportation of goods to the delinquent country. If this condition arose, a mixed committee which was created to administer the agreement was to convene immediately in order to remedy the situation. For the purposes of this agreement the Protectorate of Bohemia-Moravia was not considered part of Germany. The duration of the commercial agreement was for one year and the two governments pledged themselves to enter into negotiations for a new agreement within three months before its expiration.

The German Government attempted to obtain the inclusion of chrome and wheat in the list of commodities to be delivered to Germany, but the Turks refused to make this concession. In addition, the Germans were unable to obtain an increase in the value of the mark in relation to the Turkish pound. Permission to use blocked funds due German firms in the Central Bank of Turkey amounting to 14,511,600 Turkish pounds was also refused. In December 1940, however, part of this sum was liquidated by allowing the Germans to purchase 7,233,600 Turkish pounds worth of goods without making compensating exports.^{6/} At the same time the

^{6/} A law of June 13, 1941 permitted the Germans to make a further purchase of 7,000,000 Turkish pounds of goods without a corresponding export.

315017

- 26 -

Germans were able to obtain licenses for the exportation of certain products valued at 1,555,500 Turkish pounds upon the delivery to Turkey of 50 percent of the materials listed in Schedules A1, B1, and C1 of the agreement of July 1940. The Germans also imported additional tobacco and hazel nuts to the value of 6,000,000 Turkish pounds.

The original agreement of July 1940 was probably never completely fulfilled owing to the inability of the Germans to carry out their obligations. The destruction of railway bridges over the river along the Turkish-Bulgar border and the increasing needs of the German war machine for heavy goods were vital factors in this decrease of Turco-German trade. According to an authoritative report, a mutual exchange of goods to the value of only 6,000,000 to 9,000,000 Turkish pounds actually took place. ^{7/}

Barter agreements were also negotiated. On April 30, 1941, it was agreed to exchange Turkish tobacco and German industrial products to the value of 10,000,000 Turkish pounds. Complete deliveries were made by both parties within the next few months. At the same time German chemicals and hospital supplies valued at 3,200,000 Turkish pounds were exchanged for Turkish agricultural products. German paper goods to the value of about 1,000,000 Turkish pounds were then exchanged for Turkish hides, furs, fodder and sponges. Other minor barter agreements were consummated. Apparently the Germans were far more successful in their deliveries in their simple barter agreements with the Turks than in their special agreements.

^{7/} State Department Report No. 1742, Ankara, July 15, 1941; Cable No. 267 from Ankara, July 24, 1941.

315018

Authority NN31319400
By SR NARA Date 10-25-99RG 131
Entry FFC 42-60
File 4-Jan'46 to
Box 388

- 27 -

Clodius Agreement of October 9, 1941. With the fall of France and the liquidation of the Balkan campaign in the spring of 1941 Germany was in a position to make renewed economic demands on the Turks. To make certain that the negotiations were in expert hands, the German Foreign Office sent Karl Clodius to head the German trade delegation at Ankara. On paper the Clodius Agreement of October 9, 1941, was extremely favorable for Germany, except for the failure of Clodius to obtain immediate shipments of chrome.

The agreement provided for exchanges of goods in two Schedules to the value of 96,000,000 Turkish pounds on the part of each country. Schedule I listed Turkish products to be supplied Germany. Copper, chrome and antimony valued at 18,000,000 Turkish pounds were the most significant potential contributions to the German war economy. The Germans pressed the Turks for delivery of chrome after January 8, 1943, when the British agreement for the purchase of Turkish chrome was to expire, but the British were able to obtain an extension of their agreement until January 8, 1943. Clodius unsuccessfully attempted to obtain 50 percent of Turkish chrome production for 1943 and 1944. The Turks, however, ultimately did allow the Germans export permits for 45,000 tons of chrome between January 18 and March 31, 1943, and contingent upon the German delivery of the 18,000,000 Turkish pounds worth of war material in Schedule IA, the Turks pledged to negotiate an agreement making available to the Germans 45,000 tons between March 31 and December 31, 1943, and 90,000 tons in 1944. The 12,000

315019

Authority NN313194001By SR NARA Date 10-25-91RG 131
Entry FFC 42-60
File 4-Jan'46 to
Box 388

- 28 -

tons of copper the Turks were to deliver under the first Clodius Agreement was a substantial contribution to the Germans whose copper position had become extremely critical. All possible efforts were made by the Germans to secure delivery and probably all the copper contracted for has been shipped to the enemy.

By Schedule I Turkey was also to deliver important quantities of olive oil, mohair, cotton, oil seeds, hides, and valonia. The total deliveries under this schedule were valued at 55,000,000 Turkish pounds. The Germans in Schedule IA agreed to supply 15,000,000 Turkish pounds worth of war material, 30,000,000 Turkish pounds worth of iron and steel manufactures, machines, locomotives, and railway equipment, and quantities of copper manufactures, pharmaceutical products, and paper and cellulose. These products were reserved for orders of the Turkish Government and its agencies.

Schedule II pledged the Turks to deliver 41,000,000 Turkish pounds worth of agricultural products, mainly tobacco, figs, hazel nuts, and fish. In return the Germans were to supply an equal value of surgical instruments, miscellaneous metallic manufactures, electrical equipment, chemical products, optical and precision instruments, glassware, ceramics, and leather goods.

Although the first Clodius agreement originally was to be continued until March 31, 1943, on March 2 of that year the Germans obtained an extension until December 31, 1943, for all orders placed by Turkey with German firms prior to March 31, 1943. This revision of the original

315020

- 29 -

agreement was owing to the difficulties facing the Germans in making deliveries. The Germans maintained that the March 31 deadline was cancelled by Turkish changes in specifications of war materials; this view the Turks accepted. By November 1942 Germany was reported to have delivered only about 20 percent of the goods specified in the Clodius agreement. By October 1943, however, the Germans had increased deliveries to 80 percent of the goods stipulated in Schedule IA and all of the 18,000,000 Turkish pounds worth of armaments.

An important disturbing factor in Turco-German trade relations was the rapid increase of Turkish prices under the influence of competitive bidding by the United Nations and the Axis. On June 12, 1942, the Germans were able to obtain a limited concession from the Turks who agreed to set an average price of about 160 percent of the 1938 price level for exports to Germany listed in Schedule I of the agreement of October 1941. It was probable that this price step only affected products controlled by the Turkish government. By September 1942 Turkish prices had increased so that the June price agreement could no longer be considered a satisfactory solution for the Turkish government. The difference between the total cost of Turkish products in Schedule I based on that agreement and current prices was more than 21,000,000 Turkish pounds. The Turkish insistence that German imports reach Turkish soil before compensating imports leave for Germany and the refusal to permit Turkish rolling stock and vessels to leave Turkish territory also greatly impeded the movement of goods between the two countries.

315021

- 50 -

In 1939 Germany imported 82 percent of its chrome ore from Turkey. Chrome ore deliveries of 45,000 tons for the period January 13 to March 31, 1943 were promised to Germany under Schedule I. If the Germans did not make full deliveries under Schedule IA, they were to receive a percentage of chrome corresponding to their shipments. By April 1943, owing to the slowness of deliveries, the Germans were entitled to about 20,000 tons. In addition, the Turkish Government's policy of hindering all shipments of chrome to Germany kept the movement of chrome at a minimum, so that by March 31, 1943, only 1,077 tons of chrome was exported to Germany. During the next months, however, shipments were increased; the total chrome ore exported to Germany in 1943 was 45,799 tons, about 25 percent of Germany's requirements. In January 1944 it was reported that German locomotives and freight cars had been leased against ore shipments.

With the complete fulfillment of deliveries of war material under Schedule IA of the first Clodius agreement and fairly prompt deliveries under the 100,000,000 Reichsmark credit,^{S/} the Germans turned to the Turks for a new chrome agreement. In October 1943 the Germans and Turks signed an agreement which was a severe blow to the United Nations. The Turks consented to deliver a minimum of 7,000 tons of ore a month and made it clear that because of transportation and mining problems delivery could not be completed in less than twenty

^{S/} For a discussion of this credit see "Clearings and Credits: Turkey".

Authority NN31319400
By SR NARA Date 10-25-91RG 131
Entry FFC 42-60
File 4-Jan'46 to
Box 388

- 31 -

months. The total amount of chrome ore pledged was 135,000 tons which was to be applied to the armaments credit. Since the chrome was only valued at 20,000,000 RM the delivery of 100,000,000 RM of war material could be regarded as an important German concession. Turkey did not have to deliver any goods in repayment, beyond the chrome, for two years. Apparently the Germans had effectually tied up the current chrome production of Turkey, although the Turks showed little desire to expedite shipments. Shipments ran to over 5,000 tons a month until April 1944, when Turkey suspended all shipments of chrome to Germany, what reprisals Germany will take as a result of this embargo is not yet known. By November 1943 practically all the armaments pledged under the credit had been delivered to Turkey.

Clodius Agreement of April 18, 1943. The agreement of October 1941 stipulated that prior to its expiration the Turkish and German Governments should enter into negotiations for a new agreement. On April 18, 1943 the Second Clodius agreement was signed, to be valid from April 1, 1943 to May 31, 1944, a period of 14 months compared to the 18 months of the previous agreement.^{2/} The basic provisions of the two agreements were similar. The exchange of goods, however, was reduced to a total value of 52,000,000 Turkish pounds, making a monthly average of 4,428,000 Turkish pounds compared with 5,333,000 Turkish pounds in the first agreement. As Turkish prices had increased greatly since 1941, this represented a still smaller volume of goods. This may be regarded as a tacit admission by the Germans that they could not expect to deliver more than 4,428,000 Turkish pounds worth of new goods a month. The new agreement was to be renewed automatically for periods of one year

^{2/} May 31 was selected as the terminal date because the Turkish fiscal year ends on that date.

315023

- 32 -

unless denounced on April 30 of any year. The Germans have interpreted this provision to mean that only a simple protocol listing the commodities to be exchanged need be concluded in the future, since the framework of agreement has been solidly laid in the Clodius agreements.

Schedule I lists products valued at 40,000,000 Turkish pounds to be shipped to Germany, including oil seeds, cotton, copper, tobacco, hazelnuts, fish, skins, and mohair. In order to protect themselves against an undue rise in Turkish prices, the Germans also had the quantitative amounts of these products stipulated. In general, except for oil seeds, rags, hemp, and flax, the quantities of Turkish products specified was decidedly less than in the agreement of October 1941. In exchange the Germans were to deliver to the account of the Turkish Government and state enterprises 40,000,000 Turkish pounds worth of war material, iron and steel, machines, locomotives and other railway equipment, copper products, paper and cellulose, and pharmaceutical products. While the previous agreement provided for 18,000,000 Turkish pounds worth of war materials, the new agreement specified only 5,000,000 Turkish pounds in that category. By Schedule II, 22,000,000 Turkish pounds worth of tobacco, hazelnuts, raisins, figs, fish, etc., was to be exchanged for German iron and steel, machines, pharmaceutical products, paper, hardware, and other metal manufactures.

At the time this new agreement was signed Germany had delivered only about 50 percent of the goods comprising the agreement of October 1941. Considering the slowness of German deliveries under the previous agreement,

315024

Authority NN313194001
By SR NARA Date 10-25-99RG 131
Entry FFC 42-60
File 4-Jan'46 to
Box 388

- 33 -

the Turks could afford to make liberal allotments to the Germans, for it seemed very unlikely that the Germans would be able to carry out their obligations. Although transportation difficulties still hampered Turco-German trade, the Germans managed to make sizeable shipments to Turkey. Exact figures are unavailable regarding German deliveries to Turkey but it is known that Turkish exports to Germany have increased. In view of the fact that no Turkish shipments are made without compensating German deliveries, it is obvious that Germany must have managed to increase her exports to Turkey.

Recently the Germans have pursued an aggressive trade policy in Turkey. In one important instance they seized the initiative from the United Nations by concluding a series of barter agreements for Turkish opium. In January 1944 after the United Nations had failed to deliver a large quantity of atabrine tablets, the Turkish Government entered into negotiations with the Germans. In five barter agreements the Germans obtained over 70 tons of opium in exchange for atabrine, and tied up the Turkish crop for 1944. Notwithstanding that German deliveries were to begin immediately and that Turkish opium would move to Germany only by early 1945, the agreements were valuable accretions to Germany's prestige and supply position.

On May 31, 1944, the second Clodius agreement expires and in March it was reported that Karl Clodius was due to arrive in Ankara to negotiate a renewal of that agreement. Then in April came the sudden embargo on all chrome shipments to Germany in direct contravention to

315025

- 34 -

the agreement of October 1943. The Germans seem to have been completely unprepared for this contingency and, although a protest was made to the Turkish Government, there was little they could do.

Spain

Prior to December 1942 no formal trade agreement existed between Germany and Spain; to a large extent trade between the countries had been carried out on an ad hoc barter and credit basis. The Spanish-German Commercial Agreement of December 16, 1942 was to be effective from December 1, 1942 to November 30, 1943 and provided for the exchange of goods between the two countries to the value of approximately 350,000,000 RM. Spain was to make available to Germany those commodities which Germany had been importing from Spain for some years. No quantities were specified with respect to wolfram, Germany being permitted to export her purchases on export licenses were obtained. Exceptionally large quantities of iron ore, woolen goods, and foodstuffs were promised to the Germans. The commodities Germany was to send in exchange were not made part of the agreement; instead a protocol which could be modified to fit the circumstances was attached. The Germans, however, did agree to make available definite quantities of armaments, coal, fertilizers, chemicals, machinery, and iron and steel products. Military equipment was probably the most important item Germany was to supply.

Both governments accepted as the basis of agreement an equilibrium in the value of Spanish-German trade. A modification of this principle was permissible only if both parties agreed to the change. During the

315026

- 35 -

first months of the agreement, although the Germans increased the value of their shipments, the volume did not satisfy the Spanish Government. In April and May 1943 German deliveries declined greatly and were far below the schedule of Spanish exports. In retaliation the Spanish authorities hindered the granting of export licenses to the Germans. Since military equipment ordered by Spain was not forthcoming, a military purchasing commission was sent to Berlin, but with little success. Continued resistance on the part of Spain, however, forced Germany to make sizeable shipments of armaments to Spain. During July and August 1943 Germany delivered \$2,500,000 RM worth of armaments which was credited to the German account in the clearing.

Late in 1943, due to their greatly improved financial position, the Germans showed renewed interest in the Spanish market. Although in January 1944 the Spanish Government placed a temporary embargo on the exportation of wolfram, the Germans re-entered the market and were purchasing at higher prices. As wolfram is by far the most valuable product Germany obtains from Spain, the fact that the Germans obtained about 500 tons in January 1944 showed that they had already taken advantage of their new financial status.

Faced by a situation that defied remedy through preemption, the United Nations applied sanctions against Spain in the form of a gasoline embargo with the intention of forcing the Spanish Government to declare a permanent embargo on all shipments of wolfram. Spain balked at taking such a drastic step and negotiations resulted in a compromise which permits the Germans to obtain 220 tons of Spanish wolfram during the remaining eleven months of 1944.

315027

- 35 -

Portugal

Politically Portugal is allied to the United Kingdom by the Anglo-Portuguese Alliance, but with the outbreak of the war the British Government suggested that Portugal remain neutral. Trade with Germany has continued without important obstacles on the part of the Portuguese Government, although there is no general trade agreement between the two countries. Trade is carried on on a contract basis. Although in principle the Portuguese have preferred compensating exports from Germany, gold and free currency have been readily accepted. Only in this way could the heavy German indebtedness on the goods account be paid.

The most important Portuguese-German contract was undoubtedly the wolfram agreement. Entered into in February 1942 and renewed one year later, it made available to Germany about 80 percent of the Portuguese wolfram. The wolfram clearing agreement provided for compensation of from 60-70 percent by specific German exports and allowed payment of the balance in gold. The specific German exports were iron and steel products.

In April 1943 it was reported that Germany and Portugal had negotiated a new trade agreement for the exchange of goods to the value of 39,375,000 RM. Germany was to obtain wolfram, tin, sardines, and cork for compensating exports of iron and steel products, railway trucks and wheels, motor trucks, and armaments. Other contracts like the canned fish agreement are entered into whenever earlier contracts expire. Usually payment is made through the clearings, but gold and free currency are also accepted.

315028

Authority NN313194001By SR NARA Date 10-25-91RG 131
Entry FFC 42-60
File 4-Jan'46 to
Box 388

- 37 -

In February 1944 the Germans launched a trade offensive in Portugal. Undoubtedly the major objective was the renewal of the wolfram trade agreement. The Germans were reported to have offered large quantities of iron and steel, railway equipment, thermo- and hydro-electric installations, cranes and other port machinery, and seed potatoes. It was said that Germany was promised three months delivery, although it seems extremely doubtful that this could be fulfilled. At the same time pressure was being exerted by the United Nations to force Portugal to cut off completely shipments of wolfram to Germany. Finally on June 3, 1944, Portugal reached a decision and placed an embargo on all wolfram shipments to Germany.

315029

Authority NN31319400
 By SR NARA Date 10-25-99

KG 131
 Entry FFC 42-60
 File 4-Jan'46 to
 Box 388

388 -

V. CLEARINGS AND CREDITS

German trade with the neutrals is carried on through clearing agreements. By this means the difficulties inherent in the use of foreign exchange are eliminated. Under the clearing system the importer pays the amount due for his imported goods to the central bank or clearing office of his own country in his national currency. The exporter receives payment from his central bank or clearing office in his national currency. In this way foreign trade is not burdened by international payment problems and, if trade were balanced, payments would be prompt and certain. But since the beginning of the war Germany ^{import} has not ~~maintained~~ ^{have exceeded its} her exports in comparison to her imports with the result that in the case of some of the neutrals (large Reichsmark balances have accumulated in Berlin to their credit.) These balances, therefore, have become forced loans which the neutrals have attempted to reduce by cutting down on the quantity of goods sent to Germany.

The Germans were unsuccessful in obtaining any large-scale credits except in the case of Switzerland. That country was forced by circumstances to agree to advance \$50,000,000 Swiss francs to Swiss exporters. Sweden allowed the Germans a credit which totalled 115,000,000 Kronor before partial liquidation. Spain has given Germany credits for the purchase of oranges and other goods. Neither Turkey nor Portugal, however, have made any advances to Germany. In the case of Turkey the Germans gave credits which were used to obtain armaments. In return the Germans induced the Turks to deliver chrome ore.

315030

- 39 -

In practice any unbalance in the clearings which exists for more than the usually accepted commercial payment period is in reality a credit to which the neutrals unwillingly acquiesce. With the turning of the war against Germany this accumulation of Reichsmark credits in Berlin is being regarded with increasing concern by the neutrals.

Switzerland

The clearing agreement of August 9, 1940, the basis of the agreement now in effect, ^(Gen + Swiss) provided that the Verrechnungskasse and the Offices Suisse de Compensation were to administer the financial details of Swiss-German trade. In July 1941 this arrangement was modified by a significant concession on the part of the Swiss, who agreed to make the following large advances to the clearing in favor of Germany:

Up to 450 million Swiss francs by the end of 1941

Up to 650 million Swiss francs by June 1942.

Up to 850 million Swiss francs by December 1942.

Until the end of 1940 German indebtedness to the clearing averaged about 50 million Swiss francs. As the war progressed the Germans failed to increase their exports as rapidly as the Swiss and by December 1942 an unfavorable clearing balance to the amount of 410 million Swiss francs had accumulated against Germany.

When the agreement of July 1941 expired at the end of 1942, therefore, the Germans had utilized only 410 million Swiss francs of the 850 million credit available, so in April 1943 Switzerland agreed to extend the time-limit for the remainder of the 850 million Swiss franc advance.^{10/}

10/ The British and United States Governments retaliated by cutting off most Swiss overseas imports.

315031

Authority NN313194001
 By SR NARA Date 10-25-99

RG 131
 Entry FFC 42-60
 File 4-Jan'46 to
 Box 388

- 40 -

By December 31, 1943 the Swiss had advanced 700 million Swiss francs and another 150 million was outstanding for commitments under the original 850 million credit. Meanwhile, in October 1943 the Swiss Government agreed to guarantee payment to Swiss exporters for orders accepted during 1943 - an expected advance of about 100 million Swiss francs. Therefore, by the end of January 1944 Germany was indebted to Switzerland to the amount of 960 million Swiss francs. However, the renewal of the clearing agreement on March 24, 1944 failed to include any further credits to Germany and was valid only until June 30, 1944. Nor were any pledges made by Switzerland beyond that date. But while Sweden had been able to demand a reduction in her unfavorable clearing balance against Germany, the best Switzerland had been able to do was to prevent a further increase.

Sweden

Swedish-German trade agreements are based on the principle that imports and exports shall balance each other. The clearing agreement of December 1940 put the administration of clearing accounts in the hands of the German Verrechnungsbureau and the Swedish Clearingnämnden (Clearing Office). If there were not enough funds in the clearing account payments to exporters were to stop. In the second half of 1941 the Germans failed to make sufficient deliveries to Sweden. There were no funds in the clearing account in Stockholm with which to pay Swedish exporters, who therefore withheld shipments to Germany. As at this time the

11/ By this transfer guarantee the Swiss Government guarantees payment nine months after delivery to Swiss exporters to Germany to the extent of 50 percent of 1942 exports.

315032

- 41 -

Russian campaign was making heavy demands on the German war economy. Germany was unable to step up deliveries and requested a credit of 100,000,000 Kroner in order to pay Swedish exporters without any delay. Sweden agreed to permit the State Reserve Supplies Board to pay a maximum of 100,000,000 Kroner into the clearing account for German imports. Under this arrangement an advance of 90,000,000 Kroner was made from September to December 1941 to be liquidated in 1942 by German exports. In addition, Swedish exporters of paper, pulp and wood made deliveries on a credit basis to the amount of 25,000,000 Kroner to be repaid before April 1, 1942. This decision to give credit to Germany was a deviation from the principle of balanced imports and exports and Sweden probably yielded to strong German pressure.

During 1942 this 115,000,000 Kroner was repaid but the Germans, not expecting to increase their exports to Sweden, requested in December 1941 a credit for the same amount from the Swedish Government. This was refused and instead certain Swedish exports were financed to 50 percent of their cost by the State Export Credits Guarantee Office. By this system Swedish exports to Germany to the value of 75,000,000 Kroner were financed by Swedish funds. By the Swedish-German trade agreement of 1943 export credits were abolished and the Export Credit Guarantee Office no longer guaranteed credits.

The Anglo-American-Swedish War Trade Agreement of 1943 forbade the granting of new credits to Germany and called for the repayment of outstanding advances. In the agreement with Germany for 1944 Sweden

315033

- 42 -

made arrangements for the liquidation of German credits. During 1944 the Germans are to pay almost the entire amount outstanding, about \$1,000,000 Kronor. On this amount 70,000,000 Kronor were to be repaid during the first six months of the year.

Because in trade with Sweden, the must supply since ~~Swedish~~ Swedish trade is marked by a decided surplus of German exports in order to balance Swedish freight, insurance, and other charges, which contribute an unfavorable invisible balance with Sweden, the fact that Germany must repay \$1,000,000 Kronor will result in a reduction of goods which Germany will receive beyond the general limitations now in effect. Germany, however, can make payments to Sweden in gold or free exchange to the amount of 41,000,000 Kronor so that the reduction in goods because of the credit repayment will amount to only 40,000,000 Kronor. In 1942 Sweden supplied Germany with 800,000,000 Kronor worth of goods and received 700,000,000 Kronor worth in return. The fact that Germany has an unfavorable invisible balance with Sweden means that more goods must be shipped to Sweden to bring the clearings into equilibrium.

Turkey

A section of the agreement of July 1940 related to payments. German importers were to pay for Turkish goods in Reichsmark and the money was to be deposited in the German Verrechnungskasse in a non-interest bearing account in the name of the Central Bank of Turkey. Likewise, Turkish importers were to make payments to their central bank. Turkish exporters were to be paid in their national currency by the Central Bank of Turkey, and German exporters by the Verrechnungskasse. This clearing system has been carried over into later agreements.

315034

Authority NN313194001
 By SR NARA Date 10-25-99

RG 131
 Entry FFC 42-60
 File 4-Jan'46 to
 Box 388

- 43 -

In one important respect Turkey is unique among the neutrals, for her strong position forced the Germans to make large equipment shipments on a long-term credit basis. Under the first Clodius agreement the Turkish Government was pledged to enter into a supplementary war materials agreement with Germany for the delivery of chrome. Complete delivery of the 18,000,000 Turkish pounds worth of war material in Schedule IA was still a quid pro quo for any new agreement. Long before the delivery of the war material, in June 1942, Germany, for reasons of prestige in Southeastern Europe and the growing need for Turkish chrome, advanced the Turkish Government a 100,000,000 Reichsmark credit for the purchase of war materials in Germany. On December 30, 1942 the Turks and Germans signed the definitive credit agreement at Berlin. The Germans were to deliver tanks, airplanes, artillery, anti-tank guns, and miscellaneous war materials.

It was reported that the Germans offered the Turks war material to the amount of 400,000,000 RM, but the Turks would accept only 100,000,000 RM. The Germans then proposed that the figure be reduced to 80,000,000 RM and that a separate agreement be signed covering 20,000,000 RM against the delivery of 135,000 tons of chrome ore. According to the Germans this would satisfy the stipulation in the first Clodius agreement that new chrome ore shipments were contingent upon the delivery of new war materials to Turkey. The Germans promised that the war material would be new and up to the standards accepted by the German Army. A consortium of German manufacturers undertook to make

315035

- 44 -

delivery and assumed the risks of transportation. The Turks, however, were to pay interest and transportation charges.

Spain

The basis of Spanish-German payments is the clearing agreement of December 22, 1939, by which the German Verrechnungskasse and the Spanish Foreign Exchange Institute were to receive and make payments to importers and exporters in national currency without the movement of foreign exchange. Not only commercial exchanges but service expenses, pensions, tourist payments, etc., could be settled through the clearings.

Although the Franco Government was indebted to Germany financially and owed its existence to assistance received from that country during the Civil War, the failure of the Germans to maintain the clearing in equilibrium created intense dissatisfaction in Spanish financial circles. In August 1942 it was reported that the clearing balance in favor of Spain amounted to about 150,000,000 RM. In addition, Spanish banks had advanced credits to the Germans. The financial situation was further complicated by the questions of the Spanish war debt to Germany, payments for the maintenance of the Blue Division on the Eastern Front, and remittances from Spanish workers in Germany. In Spain, therefore, the problem the Germans faced was primarily financial. Although the Spanish Government preferred essential goods to gold and foreign exchange, it did not absolutely insist on compensating German exports. As the German debt in the clearing account increased, attempts were made by the Germans to obtain pesetas by smuggling foreign currency

315036

Authority NN313194001
 By SR NARA Date 10-25-99

RG 131
 Entry FFC 42-60
 File 4-Jan'46 to
 Box 388

- 45 -

into Spain, securing advances in contravention of the exchange laws, and utilizing the banking facilities of occupied countries.

At the time the agreement of December 1942 was signed it was reported that Germany still owed about 150,000,000 RM in the clearings. For the first three months of the agreement Spain undertook to advance to Spanish exporters the sum of 100,000,000 RM for the export of goods to Germany. During the same period, however, the Germans were to ship to Spain goods to the value of 50,000,000 RM. Both governments concurred that beginning with the second quarterly period of the agreement the credit of 100,000,000 RM should be progressively diminished and the maximum overdraft should be reduced to 70,000,000 RM by November 30, 1943, the date of the termination of the agreement. Spain also advanced 30,000,000 RM for the purchase of Spanish oranges.

As the clearing position of Germany showed no signs of improving, the Spanish Government decided to settle its financial affairs in the most advantageous way.

In August 1943 the German debt remained at about 150,000,000 RM. The financial position of the Germans was so critical that they were unable to raise 8,000,000 pesetas to pay the wolfram export tax, although licenses had already been granted. To overcome this situation the Germans increased their shipments of war materials and by the end of 1943, they were able to reduce their clearing debt to 100,000,000 RM. Continued shipments by the Germans further reduced the debt to about 70,000,000 RM by March 1944. *omit 45a*

The following table is a simplified summary of the current Spanish-German financial situation. *2/17/44* Other Spanish-German debts exist

315037

Authority NN313194001
By SR NARA Date 10-25-99RG 131
Entry FFC 42-60
File 4-Jan'46 to
Box 388

- 42a -

In November 1943 it was agreed to liquidate Germany's civil war claims against Spain, a measure which improved the German financial position. For the Blue Division and Spanish laborers working in Germany, Spain was credited with 180,000,000 RM.

315038

- 45 -

but they do not change the position of Germany which is now so favorable that a credit of 40,000,000 pesetas lies dormant in a Spanish bank.

Spanish - German Debt
(in millions)

<u>Spain Owes Germany</u> Division Condor	360 RM
<u>Germany Owes Spain</u> Blue Division and Spanish Workers in Germany	<u>130</u>
Net Spanish Debt Outside of clearings, Nov. 30, 1943	250
Spanish Payment to Germany in December '43	<u>100</u>
^{as of Feb. 1944} Present Spanish Debt outside the Clearing	150
Spanish Favorable Balance in Clearings of Feb. 15, 1944	<u>70</u>
Spain Owes Germany ^{as of Feb.} at present	60 RM

Portugal

The Clearing Agreement of April 1935 established the procedure by which a large part of the trade between Portugal and Germany was to be carried on through the facilities of the Deutsche Verrechnungsbank and the Bank of Portugal without the need of foreign exchange. Not all the products entering into ~~German~~-Portuguese ^{German} trade were to be paid through the clearings. Only the most important items of trade such as wolfram, resin, turpentine, cork, canned fish, wines, and some agricultural products were included in the clearing agreement. From time to time this clearing agreement has been modified but it remains basically the same.

315039

Authority NN313194001By SR NARA Date 10-25-99RG 131
Entry FFC 42-60
File 4-Jan'46 to
Box 388

- 47 -

The quantities of goods which are to be paid for through the clearings are changed as new agreements are entered into.

Since 1940 Germany has had an unfavorable trade balance with Portugal. Portugal prefers ^{that} not to permit the German clearing indebtedness to exceed about ^{shall not} 158,000,000 RM but this is difficult to ^{obtain} obtain in practice. For example, in February 1943 Germany owed Portugal about 17,500,000 RM and a month later, probably due to Portuguese pressure, reduced it to 16,200,000 RM by the sale of gold bullion to the Bank of Portugal. At the end of April 1944 the German deficit was about 17,600,000 RM. Germany has informed Portugal that in the event of inability to make payment the order of stoppage of shipments should be cork, dried fruit, naval stores, fish oil, tin, canned fish, and wolfram.

315040

APPENDIXTable I

Foreign Trade of Switzerland by Volume, 1938-1945
(in million tons)

	1938	1939	1941	1942	1945
Imports	7.38	6.64	4.79	4.32	5.97
Exports	.611	.559	.508	.396	.565

Table II

Foreign Trade of Switzerland by Value, 1938-1945
(in million Swiss francs)*

	1938	1939	1940	1941	1942	1945
Imports	1808.9	1829.4	1893.6	2024.3	2049.3	1727.1
Exports	<u>1318.6</u>	<u>1297.6</u>	<u>1315.7</u>	<u>1463.3</u>	<u>1571.7</u>	<u>1628.9</u>
Total	2923.5	3127.0	3209.3	3487.6	3621.0	3356.0

* 192.56 S. frs = 100 RM

Table III

Sweden's Foreign Trade, 1939-1945
(million Kroner)*

	1939	1940	1941	1942	1945
Imports	2,499	2,004	1,674	1,920	1,818
Exports	<u>1,829</u>	<u>1,328</u>	<u>1,345</u>	<u>1,310</u>	<u>1,451</u>
Total	4,328	3,332	3,019	3,230	3,269
Balance	- 610	- 676	- 329	- 461	- 667

* 168.17 Kr. = 100 RM.

- 49 -

Table IVSweden's Trade with Continental Europe*
(million Kr.)

Country	1939		1943		1945	
	Million Kr.	Percent	Million Kr.	Percent	Million Kr.	Percent
<u>Imports from</u>						
Northern Countries	160.0	7.2	130.5	7.3	13.7	7.6
Germany	619.8	24.8	808.3	46.4	898.4	49.5
Italy	39.3	1.6	127.2	7.2	78.5	4.3
Switzerland	45.5	1.8	91.2	5.1	110.7	6.1
Hungary	17.0	0.7	53.5	1.9	32.7	2.1
Western Europe	311.3	12.5	45.8	2.6	46.1	2.5
Spain-Portugal	13.5	0.5	27.8	1.5	65.7	3.6
Balkans	30.9	1.2	105.0	5.9	95.2	5.2
Other Countries	1,146.0	46.9	354.0	21.5	321.0	17.7
<u>Exports to</u>						
Northern Countries	329.5	17.4	266.1	20.2	194.0	16.6
Germany	369.0	19.5	329.5	40.1	332.1	45.9
Italy	44.5	2.4	113.7	8.8	45.0	3.9
Switzerland	17.8	0.9	95.4	7.1	106.4	9.2
Hungary	5.7	0.3	31.1	1.6	24.4	2.1
Eastern Europe	194.3	10.3	34.4	4.1	43.5	3.8
Spain-Portugal	13.1	0.7	31.1	2.4	55.0	5.0
Balkans	14.3	0.8	25.6	1.9	43.0	3.7
Other Countries	548.0	44.9	151.0	11.5	77.0	6.6

* Easter Lloyd, March 11, 1944.

315042

- 50 -

Table V

Spain's Foreign Trade, 1939-1943

Year	Volume (1,000 tons)	Value (gold mil. pesetas)*	Trade with Ger- many (gold pe- setas in mil.)
1939	4,489.7	525.4	103.5
1940	5,124.3	522.5	32.7
1941	4,678.0	542.8	212.0
1942	4,305.0	972.7	253.0
1943 (6 months)	1,629.6	971.0	248.5

* 1 RM = 4.24 Ptas.

Table VIPortuguese Foreign Trade, 1939-1943*
(million escudos)

	1939	1939	1940	1941	1942	Jan-Oct. 1943
Exports	1,159	1,356	1,619	2,973	5,952	3,212
Imports	2,300	2,077	2,442	2,469	4,509	2,434
Total	3,459	3,433	4,061	5,442	10,261	5,646
Balance	- 1,141	- 721	- 823	+ 504	+ 1,643	+ 778

* 981.33 escudos = 100 RM.

Portuguese Foreign Trade, 1939-1943
(thousands of metric tons)

	1939	1939	1940	1941	1942	Jan-Oct. 1943
Exports	1,540	1,471	1,140	774	613	391
Imports	2,596	2,259	1,899	1,745	1,331	1,013
Total	3,936	3,730	3,039	2,519	1,944	1,404

315043

Sources

Careful examination was made of the cable books in Document Security Section covering the period 1942 to the end of May 1944. In addition, the files of the Blockade Division have proved very helpful in making available information not to be found in documents or press material.

MEM, "Switzerland, Exports to Axis Europe - 1942 (January - December)". DSS #5343.478.

State Department Despatch No. 11510, London, October 12, 1943 - "Swiss Attitude Toward Trade with Belligerents".
DSS #5343.667.

State Department Despatch No. 12503, London, December 22, 1943 - "Anglo-American-Swiss War Trade Agreement of December 19, 1943".
DSS #5343.731.

Cable from Bern, No. 891, January 14, 1943.

BL-32-A, "Foreign Trade of Switzerland", December 14, 1942.

State Department No. 13287 - "Transmission of Memorandum on Swiss Credits to Germany". November 16, 1943. DSS #5343.709.

State Department No. 12618 - "Transmission of Supplementary Memorandum on Swiss Credits to Germany", December 4, 1943.
DSS #5343.725.

State Department No. 14022 - "Transmission of a Memorandum of the First Meeting between the American, British and Swiss Delegations". DSS #5343.801.

State Department Despatch, No. 432, Ankara, August 20, 1943.

State Department Despatch, No. 1793, Ankara, November 3, 1941.

State Department Despatch, No. 1528, Ankara, August 20, 1940.

Office of European Economic Research - "Turkey's Foreign Trade, 1932-1941". DSS #456191.

French Text, Agreement of July 29, 1940, between Germany and Turkey. DSS #480647.

"New York Times", November 23, 1941, January 9, 1942, March 21, 1943, March 21, 1944.

- 2 -

GHI Report, "Turkey-Commercial Railroads - January 18, 1944".
DSS #88004

"Washington Star", May 22, 1942.

Cable No. 1188, Ankara, Turkey, November 7, 1942.

Cable No. 1004, Ankara, Turkey, October 10, 1942.

Cable No. 1714, Ankara, Turkey, October 15, 1943.

Cable No. 1720, Ankara, Turkey, October 16, 1943.

Text, Agreement of October 1941 in Blockade Division Files.

German-Turkish Commercial Agreement. DSS #46023.

State Department Despatch, No. 397, Ankara, June 7, 1943.

OS, "Aris Trade", July 1943, DSS #46142.

FIA, Blockade Division, "Spanish Foreign Trade", BI-126 Rev.
February 25, 1944. ~~Secret~~

State Department Despatch No. 8443, London, England, April 2, 1943.
"German Foreign Exchange Resources in Neutral European Countries"

State Department Despatch No. 639, Madrid, February 11, 1943.
"Spanish-German Commercial Agreement". DSS #455497.

State Department Despatch No. 553, Madrid, January 7, 1943.
"Spanish-German Commercial Agreement". DSS #451497.

State Department Despatch No. 993, Madrid, June 12, 1943.
"Spanish-German Commercial Relations". DSS #40144.

State Department Despatch No. 1321, Madrid, September 14, 1943.
"Spanish-German Commercial Agreement".

State Department Despatch No. 1534, Madrid, November 2, 1943.
"Spanish-German Finances". DSS #70505.

A. K. House, U.S.C.C., Lisbon to Robert Furey, U.S.C.C.,
February 23, 1944. DSS #85411.

A. W. Barth, U.S.C.C., Madrid to Robert Furey, U.S.C.C.,
February 18, 1944. DSS #84127.

C. P. Brown, U.S.C.C., Madrid, to Robert Lucas, U.S.C.C.,
February 7, 1944. DSS #85376.

315045

1657

MEMORANDUM

June 12, 1946

TO: MR. ERHARDT

FROM: MR. MC IVOR

SUBJECT: HUNGARIAN AND YUGOSLAVIAN PROPERTY IN AUSTRIA.

A Captain Nielsen, G-4, telephoned you, I believe, yesterday regarding Hungarian and Yugoslav goods now in our hands in Lins, part of it still in the barges we have on the Danube. Nielsen says that the Army could make good use of a lot of this material for "military purposes" and he also wants to take some of it on the basis that it would aid in the recovery of Austrian economy, i.e. turn it over to the Austrians.

In the earlier stages of the occupation a lot of this material was taken and used by the Army and a lot of it was handed over to the Austrians. The records kept at the time as to the disposition of the goods are probably rather sketchy. Furthermore, inventories are difficult because the goods were piled on to trains and into barges helter-skelter and in large part there are no bills of lading, invoices or other records.

Even subsequent to the early stages of occupation some of the materials have been released to Austrian civilian uses on the grounds that they could not be kept from deteriorating and that they were needed urgently (in one case) for medicinal purposes.

As you know the Hungarians have long been complaining that a third of their moveable assets were removed to the American zones, Austria and Germany, and that we were permitting these assets to be dissipated. The Hungarians particularly objected to our turning over any of the goods to the Austrians. Mr. Grove and I both felt that the goods had been rather loosely handled by the Army and that further deliveries for Austrian civilian use, at least, should not be permitted except in very exceptional cases. On the other hand, I concur in the view of our Property Control Division that the Hungarians have greatly exaggerated the value of their assets in Austria and doubt very much whether the return of everything they claim would have any appreciable effect on the restoration of Hungarian economy. Some of the assets claimed by the Hungarians are operating plants which have always been in Austria and are not moveable property.

With regard to identifiable Yugoslav property, I think the position is clearly that it should not be either taken by the Army or turned over to Austrian civilian uses since we are clearly committed to a policy of restitution to United Nations countries. Recently we have also received instructions that even Hungarian property is subject to restitution.

315046

DECLASSIFIED
 Authority WWD 785007
 By JWC NARA Date 9-16-99

RG
 Entry
 File
 Box
 412

The policy does not however apply to the boats and barges themselves. Our instructions now are not to return any of these to anyone without authorization. Mr. Schoenfeld's telegram (No. 167) reports a frank Hungarian complaint that American military authorities here are resisting restitution to Hungary contrary to what the Hungarians believe our policy to be. They complain that we have not even permitted Hungarian representatives to come into Austria to look for and identify Hungarian property. I think it is undoubtedly true that Property Control Division has resisted restitution and it is true that they have not permitted Hungarian representatives to come in. I think that they are covered by their directives in this position and that they are not entirely without sound basis in refusing to receive Hungarian representatives (they feel that, particularly in view of the extravagant Hungarian claims, the Hungarians simply want to come in to Austria on a foraging expedition and would probably just create more trouble).

I told Captain Nielsen that they ought to be very careful about requisitioning Yugoslav goods even for military use and certainly for delivery to Austrian civilian uses. I indicated to him that we hoped that they would not indiscriminately dispose of Hungarian goods in view of the strong representations that are being made by the Hungarians. I told him also that the whole question had been under consideration for months and that certain officers in Property Control and in the Economic and Transportation Divisions are familiar with the problem and should be consulted before any thing definitive is done. I have informed Transportation Division of Nielsen's ideas and will take it up with the officers concerned in Property Control and Economic Division as soon as they return to Vienna. Of course, I am not familiar with the details of the problem and the character, location and condition of the goods, but I should say in general at this time in view of our commitments to Yugoslavia and of the political issues that the Hungarians are raising, it would be most undesirable to permit any of this material to be disposed of to Austrian civilian uses or even for military uses except in very exceptional and urgent cases.

CCM:bn

NOV 1947
 12/1/47
 12/1/47
 RECEIVED EGOW

DECLASSIFIED
 Authority WWD 785007
 By JWC
 NARA Date 9-16-99

RG
 Entry
 File
 Box
 47

RESTRICED [unclear] (1947)
 [unclear] Files

700513

DECLASSIFIED

Authority NND 715042
By VR NARA Date 12/27

RG

Entry

File

Box

260
USACA Original
#150 Claims
19

1705

CONFIDENTIALTo: Econ Div
Polad
(in turn)

From: C/USACA

Date: 26 Sep 50 Comment 2
Mr Lesser/nls/B-48185

Request your comment and/or concurrence.

FOR THE CHIEF, USACA SECTION:

Incl: n/c

J. H. WHITING
Deputy ChiefTO: Chief, USACA
Thru: POLAD

FROM: Econ Gp

DATE: 27 Sept 50 COMMENT NO 3
WCArmstrong/jk/8324

Inasmuch as the production of the Ranshofen Aluminum Plant is expected to be utilized by Western European countries in the Rearmament Program, it is believed important that the proposed cable include data relative to the effect upon production if the 30 flat car loads of equipment were removed from the plant. It is also suggested that the present position of USFA be clearly stated in the last part of the cable. For example, the last two sentences might be deleted and substituted by the following:

"Under existing directives this Headquarters is still of the opinion that the equipment is properly classified as German external assets. However, in view of the political situation in relation to Yugoslavia, your comments relative to the renewed Yugoslav claim are desired."

Incl: n/c

WALTER C. ARMSTRONG
Chief, Economic Group**CONFIDENTIAL**

315048

DECLASSIFIED

Authority NND 715042
By VR NARA Date 1227RG 260
Entry USIA Admin
File #150 Claims
Box 19**CONFIDENTIAL**DRAFTPROPOSED CABLETO: ARMY PASS TO STATE

Subject is Yugoslav claim for Aluminum Plant Equipment.

Large German Aluminum Concern Vereinigte Aluminium Werke Berlin during war built large branch plant in Yugoslavia. Machinery for the plant was built in Germany and shipped to Yugoslavia. Towards end of war home office of German company ordered equipment returned to Germany. Some of it reached Germany, some of it was seized by British and U.S. authorities in their Zones of Austria. Equipment in British Zone was subsequently consolidated with equipment stored in U.S. Zone at Ranshofen Plant of Vereinigte Aluminium Werke. Total equipment is estimated at 30 freight car loads of thousands of items ranging from valves, condensers and hand-tools to small locomotives and concrete mixers. Equipment important to Yugoslavia to complete construction of Aluminum plant, useful to Austria as spare parts but not believed critical for Austrian economy. Yugoslav Government nationalized plant after the war and filed claim for restitution of equipment in Austria on basis that machines were property of Yugoslav State-owned factory and insofar as removed by Germans subject to restitution. The British prior to consolidation of equipment rejected claim in 1947 on basis that property was an apparent German asset. This Headquarters rejected claim in 1948 on basis that property represented German External Asset in Austria. The Yugoslavs recently renewed their claim on basis that part of the equipment which reached Germany was in 1947 restituted to them by U.S. authorities in Germany. Confirmation has been received

CONFIDENTIAL

315049

DECLASSIFIED

Authority MND T15042By JR NARA Date 1227

RG

Entry

File

Box

260
OSCA Dec 41
#150 Claims
49

CONFIDENTIAL

from Hicog that equipment was delivered to Yugoslavia in recognition of valid restitution claim and not as reparations. Believed possible here that policy towards dismantling of German war machine in 1947 permitted latitude in restituting certain equipment from Germany whereas directives received for Austria with consistently narrowed definition of looting resulted in rejection of Yugoslav claim to property in Austria in 1948. USEA intended to propose sale by Austrian Government as trustee and possible future owner of property to Yugoslav Government as solution to awkward situation. But Yugoslavs now request clear cut decision on restitution claim. Considered here that matter is now probably primarily of political importance. Request guidance or decision as to disposition of renewed Yugoslav claim. *

2

CONFIDENTIAL

315050

DECLASSIFIED
Authority 11/17/85
By EP NARA Date 11/19/99

RG 260
Entry USACA - Property
File P125
Box 7

bonds



EG:AMC

File: P-725

26 October 1948

American Legation
16 Beltzberggasse
Vienna, Austria

Attention of Robert L. James,
American Vice Consul

Dear Mr. James:

Reference is made to your letter dated 12 October 1948 concern-
ing release of certain property to Fredericka and William Richard
Szysser.

For your information please find attached a copy of letter to
Dr. Wilhelm Benedikt, legal representative of Mr. William Szysser,
Foreign Service Officer.

Yours very truly,

JAMES A. GARRISON
Chief, ROAR Division

Telephone: VIENNA B-48420

315051

DECLASSIFIED
 Authority 11/17/85 5009
 By EP NARA Date 11/19/99

RG 267
 Entry USACA - Property Control
 File P725
 Box 7

File No. P-725

Vienna, Austria
 26 October 1948

Dr. Wilhelm Benedikt
 Notary Public
 Vienna 19
 Doeblinger Hauptstrasse 64

Dear Dr. Benedikt:

Reference is made to your undated communication concerning the probate of the estate of Friederike Kund, deceased, wherein you have requested approval of this Headquarters for certain transfers of properties to the heirs under the will of the deceased. The properties are identified as follows:

1. BZ 104 Land Register Oberdoebling, house at Pokornygasse 29, Vienna XIX, CNO. 22, parcel No. 53 building lot and 54 garden.
2. BZ 1381 Land Register Margarethen, house at 39 Zentagasse, Vienna V, CNO. 1381, parcel No. 234/3 building lot.
3. BZ 1383 Land Register Margarethen, house at 41 Zentagasse, Vienna V, CNO. 1383, parcel No. 234/2 building lot.
4. Two bank accounts, No. 18.696 and No. 20.327, with Zentralsparkasse of the Municipality of Vienna, total, S 791.29.
- 5. The following bonds deposited at the Creditanstalt-Bankverein, branch office Doebling, aggregating S 64.200:
 - RM 8.000 Waagner Biro shares
 - RM 2.000 "Elin" shares for electrical industry
 - RM 10.000 Perlmusser Zement shares
 - RM 4.000 Wagner Biro (new shares of 1944)
6. Bank Account at Creditanstalt-Bankverein in the amount of S 30.
7. Apartment furniture valued at S 2.560.

You are hereby informed that this Headquarters has no objection to the execution of necessary orders and judgments made in this case, provided that any entries on the public records (Grundbuch) indicating change of ownership of such properties must include an adequate statement in substance to the effect that such properties were owned by a presumptive

315052

DECLASSIFIED
Authority 11/15/78 5009
By ED NARA Date 11/19/99

RG 260
Entry USACA - Property
File P125
Box 7

German national on 8 May 1945 and may, therefore, be considered as German external assets appropriate and subject to claims for reparations.

In the event that the nationality of the testatrix is determined to be non-German, necessary steps can then be taken to nullify the effect of such statement identifying the properties as German assets on the public records.

It is suggested that the nationality of the testatrix be determined prior to the final distribution of the properties in question to the claimant heirs.

Yours very truly,

JAMES A. GARRISON
Chief, R&ER Division

EG:ABC

Telephone: VIENNA D-48420

DECLASSIFIED

Authority 111D785009
By CP NARA Date 11/19/99RG 260
Entry USACA - Property
File P125
Box 7

REPARATIONS, DELIVERIES & RESTITUTION DIV (GERMAN ASSETS) Vienna.

Dr. Wilhelm Benedikt, Public Notary of Vienna 19, Doebliinger Hauptstr. 64, representative of Mr. William Smyser, U.S. Legation Secretary at present at 7836 Montgomery Ave., Elkins Park 17, Penna., USA.

no objection exists against
To obtain a declaration of willingness that/~~for~~ the transfer of the inheritance of Friederike Kund to her American heirs (not of age) Helga Friedericka and William Richard Smyser, represented by their father and legal representative William Smyser.

The inheritance of Friedericke Kund nee Meixner, who died on 28 Jan 1947 and last lived at Vienna 19, Pokornygasse 29 was left, by reason of the Last Will of 20 Feb 1946, to her two grandchildren (not of age) Helga Friedericka and William Richard Smyser, both living at 7836 Montgomery Ave., Elkins Park, Pa., USA, to one half each, according to Einantwortungsurkunde of 17 April 1947 2 A 104/47/8 at the Bezirksgericht (District Court) Dobling.

Austrian courts and officials demand a proof that the American element has no objections toward the 2 American heirs, because no definite proof exists as to the citizenship of the deceased.

The deceased, it is presumed, was stateless, but perhaps, in spite of divorce from her Reichs-german husband in 1904, still a German, so that possibly the case of a German property may be constructed.

I therefore request on behalf of the American citizen Mr. William Smyser, the father and legal representative of his 2 children who are not of age, a statement indicating approval that the transfer of the inheritance of Frau Friedericke Kund may be effected to the 2 American heir, not of age, Helga Friedericka Smyser and William Richard Smyser, according to the decision of Bezirksgericht Doebbling of 17 April 1947 2 A 104/47/7, respectively Einantwortungsurkunde of 17 April 1947 2 A 104/47/8.

s/Dr W. Benedikt

undated

transl by GMS

315054

DECLASSIFIED
Authority 111D785009
By CP NARA Date 11/19/99

RG 260
Entry USACA - Property Control
File P425
Box 7

UNITED STATES OF AMERICA

Date No. 3

AMERICAN LEGATION

Vienna, Austria, October 12, 1948

RECEIVED
13. OKT. 1948
Property Control Br
R. D. & R. Division

Memorandum.

TO : Reparations, Deliveries and Restitution
Division,
German External Assets Branch,
APO 777, US-Army.

P-725

With reference to the telephone conversation which Dr. Rodakowski of my office recently had with Mr. Segat I am transmitting herewith an application executed by Dr. Wilhelm Benedikt, acting as representative of William L. Smyser a Foreign Service Officer, regarding the release of certain property which his minor children Fredericka and William Richard Smyser inherited in Austria from their maternal grandmother the late Friederike Kund.

The estate which the minors, who are American citizens residing in the United States, inherited consists in the main of securities deposited with the Doebbling branch of Creditanstalt Bankverein and of real property located in the 19th and 5th district of Vienna.

The testatrix acquired German citizenship by her marriage to a German in 1904. Inasmuch as no evidence is available to prove that she lost the German citizenship in the meantime, the Austrian authorities require a statement that the American element does not claim the estate as German asset and that the estate may be released to the two above referred to American minors.

Robert L. James
Robert L. James
American Vice Consul

Enclosure:
as stated.

315055

COMPARATIVE STATEMENT INVENTORIES AND BOOK VALUES
Gold Coins, Silver Coins, Gold and Silver Bullion, Notes and Tokens

315056

	Original Inventory 28 May 1946	Debits	Credits	Monies Declared Non-Valid (9)	Book Value	Inventory Nov. 1948	Over	Short
Algerian Francs - Notes	--	--	--	--	--	5.00	5.00	--
Abyssinian Coins - Silver	1.00	--	--	--	1.00	1.00	--	--
Argentine Pesos - Tokens	--	--	--	--	--	.20	.20	--
Australian Pounds - Silver	0-1-9	--	--	--	0-1-9	0-1-9	--	--
Austrian Crowns - Silver	69,569.00	1.00	--	--	69,564.00	70,586.00	1,022.00	--
Austrian Florin - Silver	--	--	--	--	--	2,619.70	2,619.70	--
Austrian Guilders - Silver) (1)	12,149.59	1.00	1.00	--	12,149.59	9,048.45	--	3,101.14
Austrian Kreuzer - Silver)	--	--	--	--	--	40,336.00	40,336.00	--
Austrian Schillings - Silver	1,609.00	--	--	--	1,609.00	1,609.00	--	--
Austrian Schillings - Tokens	957.53	--	--	957.53	--	21.58	21.58	--
Bavarian Guilders - Silver	--	--	--	--	--	2.00	2.00	--
Belgian Francs - Notes	75,405.00	20.00	--	75,405.00	20.00	25,545.00	25,525.00	--
Belgian Francs - Silver	770.50	78.00	--	--	848.50	435.50	--	419.00
Belgian Francs - Tokens	852.24	--	--	852.24	--	879.84	879.84	--
Belgian Congo Francs - Tokens	1.00	--	--	--	1.00	1.00	--	--
Brazilian Reals - Silver	4,000.00	--	--	--	4,000.00	4,200.00	200.00	--
British Pounds - Notes	472-0-0	56,536-0-0	--	--	57,008-0-0	57,008-0-0	--	--
British Pounds - Silver	9-19-1.5	4-0-0	0-0-1.5	--	19-19-0	13-16-10	--	0-2-2
British Pounds - Tokens	--	0-0-5	--	--	0-0-5	0-2-1	0-1-8	--
British Pounds Florin - Silver	--	--	--	--	--	0-2-0	0-2-0	--
British India Rupees - Silver	8-4	--	--	--	8-4	8-4	--	--
British India Annas - Silver (2)	6-4	--	--	--	6-4	2-0	--	4-4
British India Annas - Tokens	--	--	--	--	--	4-4	4-4	--
Bulgarian Levs - Silver	484.00	--	--	--	484.00	509.50	25.50	--
Canadian Dollars - Notes	138.00	23.00	20.00	--	141.00	141.00	--	--
Canadian Dollars - Silver	25.85	--	--	--	25.85	25.55	--	.30
Canadian Dollars - Tokens	--	--	--	--	--	.05	.05	--
Ceylonese Dollars - Silver	--	--	--	--	--	.85	.85	--
Ceylonese Dollars - Tokens	.65	--	--	--	.65	.05	--	.60
Chinese Dollars - Silver	32.00	--	--	--	32.00	32.00	--	--
Cyprian Piastres - Silver	9.00	--	--	--	9.00	27.00	18.00	--
Cyprian Piastres - Tokens	2.00	--	--	--	2.00	2.00	--	--
Czechoslovakian Korun - Notes	512,251.00	400.00	--	512,251.00	400.00	19,105.00	12,705.00	--
Czechoslovakian Korun - Silver	14,765.00	25.00	--	--	14,790.00	7,475.00	--	7,315.00
Czechoslovakian Korun - Token	9,679.40	11.80	9,679.40	--	11.80	1,097.10	1,085.30	--
Danish Kroner - Silver	5.00	--	--	--	5.00	6.45	1.45	--
Danish Kroner - Token	4.48	1.10	--	--	5.58	5.58	--	--
Daniger Florin - Silver	7.00	--	--	--	7.00	7.00	--	--
Egyptian Pounds - Notes	--	87.00	--	--	87.00	87.00	--	--
Egyptian Pounds - Silver	.275	--	--	--	.275	.270	--	.005
Egyptian Pounds - Token	.085	--	--	--	.085	.090	.005	--

REPRODUCED AT THE NATIONAL ARCHIVES
 DECLASSIFIED
 Authority: NND 78 5007
 Entry: USACA - Central
 RG 260
 File P-916
 Box 12
 By: MVA, NARA Date: 11/2/91

315057

COMPARATIVE STATEMENT INVENTORIES AND BOOK VALUES
Gold Coins, Silver Coins, Gold and Silver Bullion, Notes and Tokens

	Original Inventory 22 Nov 1946	Debits	Credits	Amounts Reported Non-Valid (3)	Book Value	Inventory Nov. 1948	Over	Short
French Francs - Notes	14,390.00	4,810.00	--	14,390.00	4,810.00	4,895.00	85.00	--
French Francs - Silver	2,486.00	2,543.00	--	--	2,629.00	5,033.50	8.50	--
French Francs - Tokens	5,000.10	1.00	--	5,000.10	1.00	1,794.50	1,793.50	--
German Marks - Silver	1,163.00	5.00	2.50	--	796.00	1,056.60	290.10	--
German Marks - Tokens	117.65	--	--	117.65	--	2.50	2.50	--
German Reichsmark - Silver	1,998.00	1,998.00	1,550.00	--	1,468.00	1,468.00	--	200.00
German Reichsmark - Tokens	1,903.00	--	--	1,903.00	--	41.35	41.35	--
Greek Drachma - Silver	169.00	--	--	--	169.00	171.50	2.50	--
Hongkong Dollars - Silver	1.15	--	--	--	1.15	1.15	--	--
Hungarian Forint - Silver	120,000.00	2,062.00	1,000.00	--	122,245.00	120,122.00	--	2,123.00
Irish Pounds - Silver	0-2-6	--	--	--	0-2-6	0-2-6	--	--
Italian Lire - Notes	1,319,677.40	6,272,477.00	5,676,709.60	--	1,896,651.00	1,896,651.00	--	--
Italian Lire - Silver	2,178.00	--	2,178.00	--	--	40.00	40.00	--
Italian Lire - Tokens	1,200.61	1.70	1,207.16	--	2.25	0.75	5.70	--
Italian Lira - Venetian Lira - Silver	--	--	--	--	--	0.25	0.25	--
Japanese Yen - Silver	1.75	--	--	--	1.75	1.70	--	.05
Japanese Yen - Tokens	--	--	--	--	--	.05	.05	--
Latvian Lats - Silver	3.00	--	--	--	3.00	3.00	--	--
Luxembourg Francs - Silver	5.00	--	--	--	5.00	5.00	--	--
Mexican Pesos - Silver	4.00	--	--	--	4.00	4.00	--	--
Netherlands Francs - Tokens	--	--	--	--	--	4.00	4.00	--
Netherlands Guilder - Silver	137.00	--	--	--	137.00	148.00	7.00	--
Netherlands Florin - Silver (4)	44.05	0.50	--	--	--	.25	.25	--
Netherlands Guilder - Silver	--	--	--	--	48.31	48.40	.09	--
Netherlands Guilder - Tokens	7.76	--	--	--	7.76	0.54	.50	--
Norwegian Kroner - Silver	1.50	--	--	--	1.50	2.50	1.00	--
Norwegian Kroner - Tokens	2.00	--	--	--	2.00	2.10	.10	--
Polish Zloty - Notes	15.00	--	--	--	15.00	15.00	--	--
Polish Zloty - Silver	1.55	--	--	--	1.55	1.55	--	--
Polish Zloty - Tokens	.373	--	.309	--	.390	.309	--	.087
Portuguese Escudo - Notes	--	609,000.00	--	--	609,000.00	609,000.00	--	--
Portuguese Escudo - Silver	--	--	--	--	--	.10	.10	--
Polish Zloty - Notes	654,405.00	--	--	656,405.00	--	26.00	26.00	--
Polish Zloty - Silver	55,092.00	153.00	--	--	55,275.00	55,545.00	--	270.00
Portuguese Escudo - Notes	--	80,720.00	--	--	80,720.00	80,720.00	--	--
Portuguese Escudo - Silver	10.00	10.00	--	--	20.00	20.00	--	--
Portuguese Escudo - Tokens	.70	5.50	--	--	6.50	6.50	--	--
Prussian Groschen - Silver	--	--	--	--	--	0.00	0.00	--
Russian Ruble - Silver	22,144.50	200.00	--	--	22,344.50	22,493.00	130.50	--
Spanish Pablos - Silver	1,319.05	5.50	4.00	--	1,321.35	1,324.20	--	27.15
Swiss Franc - Silver (5)	--	--	--	--	--	1.00	1.00	--

DECLASSIFIED
Authority NND 78 5009
By MBV WARA Date 11/2/55

RG 260
Entry USA-C-Contract
File P-916
Box 12

REPRODUCED AT THE NATIONAL ARCHIVES

COMPARATIVE STATEMENTS INVENTORIES AND BANK VALUES
Gold Coins, Silver Coins, Gold and Silver Bullion, Notes and Tokens

		Original Inventory 28 May 1946	Debits	Credits	Bank Value	Inventory November 1948	Over	Short
Serbian Dinar	Silver	1,343.50			1,343.50	715.50		628.00
Syrian Piastres	Tokens	1.00			1.00	1.00		
Slovakian Kroner	Silver	260.00	36,880.00		37,140.00	37,140.00		
South African Pounds	Silver					0-2-6	0-2-6	
Spanish Pesetas	Notes		21,485.00		21,485.00	21,485.00		
Spanish Pesetas	Silver	65.40			65.40	66.40	1.00	
Spanish Pesetas	Tokens	.175	.30		.475	.30		.175
Strait-Settlement Dollars	Silver	.42			.42	.40		.02
Strait-Settlement Dollars	Tokens					.02	.02	
Saaddentsche Guilders	Silver (6)					17.00	17.00	
Swedish Kroner	Notes	10,400.00	23,415.00		33,815.00	33,815.00		
Swedish Kroner	Silver	24.70	7.45		32.15	30.60		1.55
Swedish Kroner	Tokens		5.05		5.05	5.15	.10	
Swiss Francs	Notes	58,225.00	117,575.00	1,190.00	174,610.00	174,610.00		
Swiss Francs	Silver	526.37	34.00	17.00	543.37	543.00		.37
Swiss Francs	Tokens	49.26	6.71		55.97	57.34	1.37	
Tunisian Francs	Tokens	2.75			2.75	8.50	5.75	
Turkish Pounds	Notes				167,868.00	167,508.00		360.00
Turkish Lira	Notes	65.00	167,803.00			360.00	360.00	
U.S. Dollars	Notes	63,502.00	53,528.00	22,524.00	94,506.00	94,506.00		
U.S. Dollars	Silver	199.45	4.40	3.00	200.85	190.05		10.80
U.S. Dollars	Tokens		.32		.32	12.72	12.40	
Verreinstahler	Silver (6)					9.00	9.00	
Yugoslavian Dinar	Silver	13,175.00	740.00		13,915.00	13,850.00		65.00
Occupation Currencies:								
Allied Military Lire		9,280.00	200.00	200.00	9,280.00	9,280.00		
U.S. Military Payment Certificates			7,571.50	1,000.00	6,571.50	6,571.50		
U.S. Postal Money Orders			753.42		753.42	750.00		3.42
American Express Travelers Checks			4,040.00		4,040.00	4,040.00		
American Express Money Orders		3.42		3.42		3.42	3.42	
Miscellaneous Items:								
Unidentifiable Coins	Silver	40,000 gr. (7)				1,596 grams	1,596 grams	
Turkish Pounds Coins	Silver					7 grams	7 grams	
Austrian Kronen Coins	Silver					8 gr.	8 gr.	
Austrian Guilders	Silver					13 gr.	13 gr.	

RG 260 -
 Entry USA CA - Central
 File P-916
 Box 12

DECLASSIFIED
 Authority NND 78 5009
 By WBY NARA Date 11/2/51

REPRODUCED AT THE NATIONAL ARCHIVES

315058

FOOT NOTES

1. It is our opinion that Austrian Silver Florins and Guilders are one and the same coin. Kreuzer are the token coin of Silver Guilders.
2. The British India Annas were not entered in ledger 8 January 1949. These coins were supposed to be on hand since 28 May 1946. The Austrian National Bank, Salzburg, signed a receipt for these coins.
3. These monies were legal tender on 28 May 1946 and were declared non-legal tender since that date.
4. It is our opinion that Netherlands silver Florins and Guilders are one and the same coins.
5. Sagen - Hiegrocker - It is our opinion that Saxony never had such a Currency. This coin probably came from unidentifiable coins.
6. Suedenische - Guilders and Ferreinstebler. It is our opinion that these currencies never existed. These coins probably came from unidentifiable coins.
7. Unidentifiable Silver Coins
 - a. Oesterreicher Silber Kreuzer listed on 28 May 1946 Inventory, may be erroneously entered as silver. Historical records of this coin reveal it to be "Copper, silver plated coin". This may account for the fact of no book value.
 - b. The overage may also be attributed to the identification of coins not heretofore inventoried, or may have been included in an amount now listed as a shortage.
 - c. In the 28 May 1946 Inventory there were several sealed bags received from the Linz branch of the Austrian National Bank which were not re-examined by the Salzburg Branch. The difference in classification may have taken place in these bags.

RG 260
 Entry USACA - Property
 File P-916
 Box 12
 DECLASSIFIED
 Authority MM0785009
 By MBL NARA Date 11/2/89

REPRODUCED AT THE NATIONAL ARCHIVES

U. S. AUSTRIAN CURRENCY SECTION
STATEMENT OF FOREIGN CURRENCY ASSETS HELD
AS OF 31 JULY 1949

315060

<u>Country and Currency</u>	<u>Type of Currency</u>	<u>Note 1</u>	<u>Note 2</u>	<u>Note 3</u>	<u>Note 4</u>	<u>Note 5 Miscellaneous</u>	<u>Total Funds on Hand</u>
GOLD COINS, GOLD AND SILVER BULLION:							
Austrian Corona/Kroner	Gold Coins		40,150.00		(a)	50.00	40,200.00
Austrian Dukaten	Gold Coins		562.00				562.00
Austrian Francs	Gold Coins		500.00				500.00
Austrian Schillings	Gold Coins		3,800.00				3,800.00
Belgian Francs	Gold Coins				(a)	60.00	60.00
English Pounds	Gold Coins		289-0-0		(a)	1-0-0	290-0-0
Czechoslovakian Dukaten	Gold Coins		91.00				91.00
French Francs	Gold Coins				(a)	30.00	30.00
German Marks	Gold Coins		585.00				585.00
Greek Drachmai	Gold Coins		20.00				20.00
Italian Lire	Gold Coins				(a)	20.00	20.00
Lire/Francs	Gold Coins		126,485.00		(a)	600.00 (b) (600.00)	126,485.00
Mexican Pesos	Gold Coins		4.00				4.00
Monagasque Francs	Gold Coins		400.00				400.00
Montenegrin Perper	Gold Coins		110.00				110.00
Netherlands Guilders	Gold Coins		50.00				50.00
Peruvian Pounds	Gold Coins		2.20				2.20
Rumanian Lei	Gold Coins		135.00				135.00
Russian Roubles	Gold Coins		1,027.50				1,027.50
South African Pounds	Gold Coins		1-0-0				1-0-0
Swiss Francs	Gold Coins				(a)	80.00	80.00
Tunisian Francs	Gold Coins		460.00				460.00
Turkish Pounds	Gold Coins		39.00				39.00
United States Dollars	Gold Coins		2,637.00	50.00	(a)	545.00	3,232.00
Yugoslavian Dinars	Gold Coins		30.00				30.00
Yugoslavian Dukaten	Gold Coins		3.00				3.00
Miscellaneous Coins:							
Gross Weight in Grammes			452.70		(a)	10.30	463.00
Gold Bullion:							
Grammes of Fine Gold			108,121.236				108,121.236
Gross Weight in Grammes (Fine Gold Content Unknown)			6,961.25		(a)	70.00	7,031.25
Silver Bullion:							
Grammes of Fine Silver			119,823.00				119,823.00
Gross Weight in Grammes (Fine Silver Content Unknown)			86,572.80				86,572.80

() = Red figure

DECLASSIFIED
 Authority: MMO 78 5009
 By: WBL NARA Date: 11/2/99
 RG 260
 Entry USACA - Control
 File P-916
 Box 12

REPRODUCED AT THE NATIONAL ARCHIVES

375061

RG 260
 Entry USA - Property Control
 File P-916
 Box 12

DECLASSIFIED
 Authority NND 785009
 By MVA WARA Date 11/2/83

Country and Currency	Type of Currency	Note 1	Note 2	Note 3	Note 4	Note 5 Miscellaneous	Total Funds on Ha
CURRENCIES IN CIRCULATION AND SILVER COINS:							
Abyssinian Coins	Silver Coins		1.00				1.
Algerian Francs	Notes		5.00				5.
Argentinian Pesos	Token Coins		.20				.
Australian Pounds	Silver Coins		0-1-9				0-1
Austrian Crowns	Silver Coins		69,335.00	(a)	1.00		69,336.
Austrian Guilders	Silver Coins		11,668.40				11,668.
Austrian Kreuzer	Silver Coins		40,336.00				40,336.
Austrian Schillings	Silver Coins		1,603.00				1,603.
	Token Coins		21.58				21.
Bavarian Guilders	Silver Coins		2.00				2.
Belgian Francs	Notes		25,105.00	20.00			25,125.
	Silver Coins		777.50	(a)	78.00		855.
	Token Coins		136.59	722.25	(a)	15.00	873.
Belgian Congo Francs	Token Coins		1.00				1.
Brazilian Reis	Silver Coins		4,200.00				4,200.
English Pounds	Notes		53,066-0-0	80-0-0	(a)	3,862-0-0	57,008-0
	Silver Coins		13-16-10				13-16
English Pounds Florin	Silver Coins		0-2-0				0-
	Token Coins		0-2-1				0-
British Indian Rupees	Silver Coins		8 1/4				8
British Indian Annas	Silver Coins		2-0				
	Token Coins		4 1/4				4
Bulgarian Leva	Silver Coins		509.50				509
Canadian Dollars	Notes		140.00	2.00	(a)	11.00	153
	Silver Coins		25.55				25
	Token Coins		.05				
Ceylonese Dollars	Silver Coins		.85				
	Token Coins		.85				
Chinese Dollars	Silver Coins		32.00				32
Cyprian Piastres	Silver Coins		27.00				27
	Token Coins		2.00				2
Czechoslovakian Korun	Notes		12,705.00		(a)	400.00	13,105
	Silver Coins (Legal)		12,730.00				12,730
	Silver Coins (Non-Legal)		1,710.00	15.00			1,725
	Token Coins		1,097.10				1,097
Danish Kroner	Silver Coins		6.45				6
	Token Coins		4.98	.60			5
Danzinger Florin	Silver Coins		7.00				7
Egyptian Pounds	Notes		87.00				87
	Silver Coins		.270				
	Token Coins		.090				
French Francs	Notes		1,770.00	535.00	(a)	2,590.00	4,895
	Silver Coins		2,092.50	3,543.00			5,635
	Token Coins		200.00	1,593.50	(a)	1.00	1,793

315062

DECLASSIFIED
 Authority: NND 78 5009
 BY: MBV NARA Date: 11/22/55

RG 260
 Entry USACA - Control
 File P-916
 BOX 12

Country and Currency	Type of Currency	Note 1	Note 2	Note 3	Note 4	Note 5 Miscellaneous	Total Funds on Hand
<u>CURRENCIES IN CIRCULATION AND SILVER COINS CONT'D:</u>							
German Marks West	Notes				(a) 2,248.00		2,248.00
German Marks	Silver Coins		1,026.40				1,026.40
German Reichsmarks	Silver Coins	134.00	1,271.00	63.00			1,468.00
	Token Coins		43.89				43.89
Greek Drachmai	Silver Coins		171.50				171.50
Hongkong Dollars	Silver Coins		1.15				1.15
Hungarian Pengo	Silver Coins		120,013.00	1,355.00	(a) 2.00		121,370.00
Irish Pounds	Silver Coins		0-2-6				0-2-6
Italian Lire	Notes		207.00	1,896,444.00			1,896,651.00
	Silver Coins		40.00				40.00
	Token Coins		8.75				8.75
Italian Lombardi Venesian Lire	Silver Coins		.25				.25
Japanese Yen	Silver Coins		1.70				1.70
	Token Coins		.05				.05
Latvian Lat	Silver Coins		3.00				3.00
Luxemburg Francs	Silver Coins		5.00				5.00
Mexican Pesos	Silver Coins		4.00				4.00
Monagasque Francs	Token Coins		4.00				4.00
Montenegrin Perper	Silver Coins		148.00				148.00
Netherlands Guilders (Florin)	Silver Coins (Legal)		37.55				37.55
	Silver Coins (Non-Legal)		13.60				13.60
	Token Coins		1.09	7.25	(a) 3.50		14.44
Newfoundland Dollars	Silver Coins		2.50				2.50
Norwegian Kroner	Silver Coins		2.10				2.10
	Token Coins		2.58				2.58
Palestinian Pounds	Notes		15.00				15.00
	Silver Coins		1.55				1.55
	Token Coins		.383				1.55
Persian Rials	Notes		689,000.00				689,000.00
Peruvian Sol	Silver Coins		.10				.10
Polish Zloty	Notes		26.00				26.00
	Silver Coins	42,575.00	11,459.00	1,371.00	(a) 183.00		55,588.00
Portuguese Escudos	Notes		80,720.00				80,720.00
	Silver Coins		20.00				20.00
	Token Coins		6.30				6.30
Prussian Groschen	Silver Coins		2.00				2.00
Rumanian Lei	Silver Coins		22,295.00		(a) 200.00		22,495.00
Russian Roubles	Silver Coins	12.40	1,280.30		(a) 1.50		1,294.20
Saxon Niegrocker	Silver Coins		1.00				1.00
Serbian Dinars	Silver Coins		715.50				715.50
Syrian Piastres	Token Coins		1.00				1.00

315063

RG 260
 Entry USA CA - Central
 File P-916
 BOX 12

DECLASSIFIED
 Authority NND 78 5009
 BY WBL NARA Date 11/22/83

Country and Currency	Type of Currency	Note 1	Note 2	Note 3	Note 4	Note 5 Miscellaneous	Total Funds on Hand
CURRENCIES IN CIRCULATION AND SILVER COINS CONT'D:							
Slovakian Kroner	Silver Coins		36,841.00		299.00		37,140
South African Pounds	Silver Coins		0-2-6				0-
Spanish Pesetas	Notes		21,485.00				21,485
	Silver Coins		66.40				66
	Token Coins		.30				
Straits Settlement Dollars	Silver Coins		.40				
	Token Coins		.02				
Süddeutsche Guilders	Silver Coins		17.00				17
Swedish Kroner	Notes		33,815.00				33,815
	Silver Coins (Legal)		30.50				30
	Silver Coins (Non-Legal)		.10				
	Token Coins		5.15				5
Swiss Francs	Notes	5,000.00	164,795.00		960.00	(a) 4,620.00	175,375
	Silver Coins (Legal)		417.00				417
	Silver Coins (Non-Legal)		126.00				126
	Token Coins		57.34				57
Tunisian Francs	Token Coins		8.50				8
Turkish Pounds	Notes	5.00	167,503.00				167,508
Turkish Liras	Notes		360.00				360
United States Dollars	Notes	550.00	89,854.00	746.00		(a) 11,183.00	102,341
	Silver Coins		186.65	.50		(a) 3.10	190
	Token Coins		12.62			(a) .10	12
United States Savings Bond						(a) 10.00	10
United States Postal Money Orders				200.00		(a) 550.00	750
American Express Money Orders		3.42					3
American Express Traveller Checks						(a) 4,040.00	4,040
Verainthaler	Silver Coins		9.00				9
Yugoslavian Dinars	Silver Coins	60.00	13,790.00				13,850
OCCUPATION CURRENCIES:							
Allied Military Lire	Notes			9,280.00			9,280
U. S. Military Payment Certificates	Notes			844.75		(a) 7,111.15	
						(b) 3,882.00	14,092
						(c) 2,161.60	
						(d) 93.35	
MISCELLANEOUS ITEMS:							
Unidentifiable Coins	Silver/Grammes		1,596.00				1,596
Turkish Pounds Coins	Silver/Grammes		7.00				7
Austrian Kroner Coins	Silver/Grammes		8.00				8
Austrian Guilders Coins	Silver/Grammes		13.00				13
German Coins	Silver/Grammes (Antique)		11.00				11
NON-VALID NOTES AND TOKEN COINS:							
Austrian Florin	Counterfeit		1.00				1
Austrian Hungarian Crowns	Notes		60,337.00				60,337
	Token Coins		357.06		1.96		359
	Counterfeit		36.00				36
Austrian Guilders Coins	Counterfeit		3.00				3
Austrian Guilders	Token Coins		9.86				9

Country and Currency	Type of Currency	Note 1	Note 2	Note 3	Note 4	Note 5 Miscellaneous	Total Funds on Hand
NON-VALID NOTES AND TOKEN COINS CONT'D:							
Austrian National Schillings	Notes			2,920.00	(a)	200.00	3,120.00
Austrian Schillings (Pre-Anschluss)	Notes		20.00				20.00
	Token Coins		335.44	.41			335.85
Albanian Francs	Notes		1,676.60				1,676.60
	Token Coins		.10				.10
	Checks			1,659,800.00			1,659,800.00
Argentinian Pesos	Token Coins		.05				.05
Behelfsgeld (German) Wehrmacht	Notes	130,970.40		160.30			131,130.70
Belgian Francs	Notes		153,290.00	50,510.00			203,800.00
	Token Coins		9.55				9.55
Brazilian Reis	Token Coins		620.00				620.00
Bulgarian Leva	Notes		1,092,540.00				1,092,540.00
	Token Coins		189.71				189.71
Croatian Korun	Notes	65,002,740.00	52,417,519.00	533,764.00			117,954,023.00
Czechoslovakian Korun	Notes	426,599.65	37,744.35	22,905.00			487,249.00
	Token Coins		2,641.54	344.40			2,985.94
Danish Kronen	Notes		19,290.00				19,290.00
Finnish Marks	Token Coins		40.20				40.20
French Francs	Notes		3,382,415.00	409,335.00	(a)	500.00	3,792,250.00
	Token Coins		304.90	3,480.95	(a)	2.35	3,788.20
German Marks Inflation	Notes		1,002,589,792.05				1,002,589,792.05
German Marks	Token Coins		119.20				1,319.25
German Reichsmarks	Check (Worthless)	1,200.05	510,000.00				510,000.00
	Notes		42,862.00	2,350.00	(a)	7,527.00	52,739.00
	Token Coins		103.50				103.50
Greek Drachmai	Token Coins		116.82				116.82
Hungarian Guilders	Notes		5.00				5.00
Hungarian Kroner	Notes		1,011.00				1,011.00
Hungarian Kroner Counterfeit	Token Coins		63.00				63.00
Hungarian Pengö	Notes	10,550,065.00	6,696,372.00	3,640,420.00	(a)	20,000,025.00	40,886,882.00
	Token Coins	30,318.71	10,233.71	3,174.29	(a)	3.38	43,730.09
	Bank Draft		10,500.00				10,500.00
Italian Lire	Token Coins		1.40				1.40
Laibacher Lire				250.00			250.00
Mexican Pesos	Token Coins		.02				.02
Montenegrin Perper	Token Coins		13.70				13.70
Netherlands Guilders	Notes		105,582.00	62.00			105,644.00
Norwegian Crowns	Notes		4,000.00	4.00			4,004.00
Norwegian Schillings	Token Coins		2.00				2.00
Polish Marks	Notes		15,100.00				15,100.00
	Token Coins		.10				.10
Polish Zloty	Notes	4,403.00	31,577.00	619,343.00			655,323.00
	Token Coins		856.52	4,597.04			5,453.56
Portuguese Reis	Token Coins		40.00				40.00

315064
 RG 260
 Entry USACA - Contract
 File P-916
 BOX 12
 Authority MM 78 5009
 By MBL NARA Date 11/22/55

DECLASSIFIED
 REPRODUCED AT THE NATIONAL ARCHIVES

<u>Country and Currency</u>	<u>Type of Currency</u>	<u>Note 1</u>	<u>Note 2</u>	<u>Note 3</u>	<u>Note 4</u>	<u>Note 5 Miscellaneous</u>	<u>Total Funds on Hand</u>
NON-VALID NOTES AND TOKEN COINS CONT'D:							
Reichskreditkassenscheine	Notes	20,944.00	7,381.00			(a) 115.00	28,440.00
Rumanian Lei	Notes	200.00	37,072,829.00	9,000.00	(a) 21,500.00		37,103,529.00
	Token Coins		13,592.75	537.00	(a) 2.00		14,131.75
Russian Roubles	Notes		8,524.00	32,523.00	(a) 1,850.00		42,897.00
	Token Coins		37.76	75.29			113.05
Serbian Dinars	Notes		1,492,042.00	14,450.00			1,506,492.00
	Token Coins		322.40				322.40
Slovakian Korun	Notes	4,833,138.35	114,098,706.65	70,240.00			119,002,085.00
	Token Coins	420.35	606.85	51.70			1,078.90
	Checks	32,414.80					32,414.80
Spanish Pesetas	Token Coins		.175				.175
Ukrainian Karbowanes	Notes	1,900.00	11.00	8,600.00			10,511.00
U. S. Dollars Counterfeit	Notes				(a) 1,400.00		1,400.00
Verrechnungsscheine	Notes	40,727.00	380.00	5,944.00			47,051.00
Yugoslavian Dinars	Notes	46,470.00					46,470.00
	Token Coins	468.00	1,698.15	1,549.00			3,715.15
Turkish Coins (no value)	Token Coins		2.00				2.00
OCCUPATION CURRENCIES:							
U. S. Military Payment Certificates (old issue)				174.90	(a)	810.50	1,015.40
					(d)	30.00	
Allied Military Francs	Notes				(a)	350.00	350.00
Allied Military Marks	Notes			1.00			1.00
Allied Military Schillings	Notes		7,900.00	1,521.00	(a)	1,807.00	11,228.00

- NOTES:
- (1) Captured Enemy Funds
 - (2) Held for Account of Property Control Branch
 - (3) Impounded Funds
 - (4) Civil Affairs Courts:
 - (a) Confiscated Funds
 - (b) Fines
 - (c) Proceeds of sales of confiscated property
 - (d) Filing Fees
 - (5) Miscellaneous:
 - (a) Non-Legal Tender Currency Collected in error by Sub-Accountants and Written Off
 - (b) Amount of 8.00 U. S. Dollars was acquired as follows:

U. S. Treasury check	\$188.07
Cash (Notes)	8.00
	<u>\$196.07</u>
- Amount of 600 Italian Lire in gold (30 coins of 20 Lire each) was exchanged for 196.07 U. S. Dollars, consisting of:

In compliance with Cable WX 94393, 20 March 1947 (WDSA ES), assets of which this item was a part were turned over to the Austrian Government. 8.00 U. S. Dollars in cash were not turned over at that time. They will be delivered to the Austrian Government as part of the next authorized turn-over of similar assets acquired by confiscation actions of C. A. Courts.

Robert Moore

Chief, Accounting Branch

Hubert K. Reilly

Chief, Finance Division

315065

RG 260
 Entry USACA - Control
 File P-916
 Box 12

DECLASSIFIED
 Authority: AMO 78 5009
 By: WBY NARA Date: 11/22/53

315066

RG 260
 Entry USACA - Property Control
 File P-916
 Box 12

DECLASSIFIED
 Authority MM0785009
 By MBP NARA Date 11/12/83

REPRODUCED AT THE NATIONAL ARCHIVES

U. S. AUSTRIAN CURRENCY SECTION
STATEMENT OF FOREIGN CURRENCY ASSETS HELD
AS OF 31 AUGUST 1949

<u>Country and Currency</u>	<u>Type of Currency</u>	<u>Note 1</u>	<u>Note 2</u>	<u>Note 3</u>	<u>Note 4</u>	<u>Note 5 Miscellaneous</u>	<u>Total Funds on Hand</u>
GOLD COINS, GOLD AND SILVER BULLION:							
Austrian Corona/Kroner	Gold Coins		50.00		(a)	50.00	100.00
Austrian Dukaten	Gold Coins		12.00				12.00
Belgian Francs	Gold Coins				(a)	60.00	60.00
English Pounds	Gold Coins			161-0-0	(a)	1-0-0	162-0-0
French Francs	Gold Coins				(a)	30.00	30.00
Italian Lire	Gold Coins				(a)	20.00	20.00
Lire/Franca	Gold Coins		2,580.00		(a)	600.00 (b) (600.00)	2,580.00
Swiss Francs	Gold Coins				(a)	80.00	80.00
United States Dollars	Gold Coins			50.00	(a)	545.00	595.00
Miscellaneous Coins:							
Gross Weight in Grammes					(a)	10.30	10.30
Gold Bullion:							
Grammes of Fine Gold			101,127.236	99,252.836			101,127.236
Gross Weight in Grammes (Fine Gold Content Unknown)			Bar 10,944.40		(a)	70.00	70.00
Silver Bullion:							
Grammes of Fine Silver			119,823.00				119,823.00
CURRENCIES IN CIRCULATION AND SILVER COINS:							
Austrian Crowns	Silver Coins		15.00		(a)	1.00	16.00
Austrian Schillings	Silver Coins		48.00				48.00
Belgian Francs	Notes			20.00			20.00
	Silver Coins				(a)	78.00	78.00
	Token Coins		8.25	722.25	(a)	15.00	745.50
English Pounds	Notes		25-0-0	80-0-0	(a)	3,862-0-0	3,967-0-0
Canadian Dollars	Notes		2.00	2.00	(a)	11.00	15.00
Czechoslovakian Korun	Notes				(a)	400.00	400.00
	Silver Coins (Legal)		20.00				20.00
	Silver Coins (Non-Legal)		5.00	15.00			20.00
	Token Coins		11.80				11.80
Danish Kroner	Token Coins		.25	.60			.85
French Francs	Notes			535.00	(a)	1,985.00	2,520.00
	Silver Coins			3,543.00			3,543.00
	Token Coins			1,593.50	(a)	1.00	1,594.50
German Westmarks	Notes			4,080.00	(a)	2,248.00	6,328.00
German Reichsmarks	Silver Coins	134.00		63.00			197.00
	Token Coins		5.15				5.15
Hungarian Pengö	Silver Coins		5.00	1,355.00	(a)	2.00	1,362.00
Italian Lire	Notes		63.00	1,896,444.00			1,896,507.00
	Token Coins		1.25				1.25

() = Red figure

Country and Currency	Type of Currency	Note 1	Note 2	Note 3	Note 4	Note 5 Miscellaneous	Total Funds on Hand
CURRENCIES IN CIRCULATION AND SILVER COINS CONT'D:							
Netherlands Guilders (Florin)	Silver Coins (Non-Legal) Token Coins		.51 ✓	7.25	(a)	3.50	3.50 7.76
Norwegian Kroner	Token Coins		.55 ✓				.55
Polish Zloty	Silver Coins	42,575.00		1,371.00	(a)	183.00	44,129.00
Rumanian Lei	Silver Coins				(a)	200.00	200.00
Russian Roubles	Silver Coins	12.40			(a)	1.50	13.90
Slovakian Kroner	Silver Coins		36,821.00 ✓	299.00			37,120.00
Swiss Francs	Notes Token Coins	5,000.00	45.00 .80 ✓	960.00	(a)	4,620.00	10,625.00 .80
Turkish Pounds	Notes	5.00					5.00
United States Dollars	Notes Silver Coins Token Coins	550.00	1,063.00 ✓	3,362.00	(a) (a) (a)	11,204.00 3.10 .10	(b) 8.00 16,187.00 3.60 .10
United States Savings Bond					(a)	10.00	10.00
United States Postal Money Orders				200.00	(a)	550.00	750.00
American Express Money Orders		3.42					3.42
American Express Traveller Checks					(a)	4,040.00	4,040.00
Yugoslavian Dinars	Silver Coins	60.00					60.00
OCCUPATION CURRENCIES:							
Allied Military Lire	Notes			9,280.00			9,280.00
U. S. Military Payment Certificates	Notes			1,056.50	(a) (b) (c) (d)	17,215.30 3,882.00 2,161.60 93.35	24,408.75
NON-VALID NOTES AND TOKEN COINS:							
Austrian Florin	Counterfeit		1.00 ✓				1.00
Austrian Hungarian Crowns	Token Coins Counterfeit		36.00 ✓	1.96			1.96 36.00
Austrian Guilders Coins	Counterfeit		3.00 ✓				3.00
Austrian National Schillings	Notes			2,920.00	(a)	200.00	3,120.00
Austrian Schillings (Pre-Anschluss)	Token Coins			.40			.40
Albanian Francs	Checks			1,659,800.00			1,659,800.00
Behelfsgeld (German) Wehrmacht	Notes	130,970.40		160.30			131,130.70
Belgian Francs	Notes			50,500.00			50,500.00
Croatian Korun	Notes	65,002,740.00	77,530.00 ✓	533,764.00			65,614,034.00
Czechoslovakian Korun	Notes Token Coins	426,599.65	1,217.35 ✓ 6.20 ✓	22,905.00 344.40			450,722.00 350.60
Danish Kronen	Notes		990.00 ✓				990.00
French Francs	Notes Token Coins		160.00 ✓ 10.00 ✓	409,335.00 3,480.95	(a) (a)	1,105.00 2.35	410,600.00 3,493.30

DECLASSIFIED
 Authority NND 78 5009
 By MBL NARA Date 11/22/55
 RG 260
 Entry USACA - Central
 File P-916
 BOX 12
 315067
 REPRODUCED AT THE NATIONAL ARCHIVES

315068

RG 260
 Entry Property
 USACA - Control
 File P-916
 Box 12

RG
 Entry
 File
 Box

DECLASSIFIED
 Authority NND 78 5009
 By MBL NARA Date 11/22/99

REPRODUCED AT THE NATIONAL ARCHIVES

Country and Currency	Type of Currency	Note 1	Note 2	Note 3	Note 4	Note 5 Miscellaneous	Total Funds on Hand
NON-VALID NOTES AND TOKEN COINS CONT'D:							
German Marks	Token Coins	1,200.05					1,200.05
German Reichsmarks	Check (Worthless)		510,000.00				510,000.00
German Reichsmarks	Notes		39,457.00	2,350.00	(a) 7,527.00		49,334.00
German Westmarks	Notes			1,920.00			1,920.00
Hungarian Kroner Counterfeit	Token Coins		63.00				63.00
Hungarian Pengö	Notes	10,550,065.00	2,623,680.00	3,640,420.00	(a) 20,000,025.00		36,814,190.00
	Token Coins	30,318.71	3,377.69	3,174.29	(a)	3.38	36,874.07
Laibaohar Lire	Notes			250.00			250.00
Netherlands Guilders	Notes		31.50	62.00			93.50
Norwegian Crowns	Notes			4.00			4.00
Polish Zloty	Notes	4,403.00		619,343.00			623,746.00
	Token Coins		1.36	4,597.04			4,598.40
Reichskreditkassenscheine	Notes	20,944.00	505.00			(a) 115.00	21,564.00
Rumanian Lei	Notes	200.00	31,002,300.00	9,000.00	(a) 21,500.00		31,033,000.00
	Token Coins		334.00	537.00	(a) 2.00		873.00
Russian Roubles	Notes			32,523.00	(a) 1,850.00		34,373.00
	Token Coins		1.10	75.29			76.39
Serbian Dinars	Notes			14,450.00			14,450.00
	Token Coins		19.00				19.00
Slovakian Koran	Notes	4,833,138.35	112,171,716.65	70,240.00			117,075,095.00
	Token Coins	420.35	39.00	51.70			511.05
	Check	32,414.80					32,414.80
Ukrainian Karbowanes	Notes	1,900.00		8,600.00			10,500.00
U. S. Dollars Counterfeit	Notes				(a) 1,400.00		1,400.00
Verrechnungsscheine	Notes	40,727.00		5,944.00			46,671.00
Yugoslavian Dinars	Notes	46,470.00					46,470.00
	Token Coins	468.00		1,549.00			2,017.00
OCCUPATION CURRENCIES:							
U. S. Military Payment				174.90	(a)	810.50	
Certificates (old issue)	Notes				(d)	30.00	1,015.40
Allied Military Francs	Notes				(a)	350.00	350.00
Allied Military Marks	Notes			1.00			1.00
Allied Military Schillings	Notes		7,900.00	1,521.00	(a)	1,807.00	11,228.00

NOTES: (1) Captured Enemy Funds
 (2) Held for Account of Property Control Branch
 (3) Impounded Funds
 (4) Civil Affairs Courts:
 (a) Confiscated Funds
 (b) Fines
 (c) Proceeds of sales of confiscated property
 (d) Filing Fees
 (5) Miscellaneous:
 (a) Non-Legal Tender Currency Collected in error by Sub-Accountants and Written Off
 (b) Amount of 8.00 U. S. Dollars was acquired as follows:
 Amount of 600 Italian Lire in gold (30 coins of 20 Lire each) was exchanged for 196.07 U. S. Dollars, consisting of:
 U. S. Treasury check \$188.07
 Cash (Notes) 8.00
 \$196.07

In compliance with Cable WX 94393, 20 March 1947 (WBCA ES), assets of which this item was a part were turned over to the Austrian Government. 8.00 U. S. Dollars in cash were not turned over at that time. They will be delivered to the Austrian Government as part of the next authorized turn-over of similar assets acquired by confiscation actions of C. A. Courts.

Robert R. Moore
 Chief, Accounting Branch

Robert A. Leonard
 Chief, Finance Division

DECLASSIFIED

Authority MMO 78 5009
By MBJ NARA Date 11/22/89

RG 260
Entry USACA - Property Control
File P-1400
Box 21

File # PC/2

PC file

JAG/JMD/ah

23 January 1950

Price, Waterhouse & Company
56 Pine Street
New York 5, New York

Attention: Miss T. R. McCutcheon

Gentlemen:

Pursuant to a request from IRO, Geneva, Switzerland, that this Headquarters confirm directly to you the amount of U.S. currencies transferred to the International Refugee Organization, c/o Mr. George Wenzel, Salzburg, Austria, during the period from 1 July 1949 to 31 December 1949, it is stated that the following amounts were transferred to Mr. Wenzel during the stipulated period:

U. S. Dollars	
Notes	\$86,911.00
Token coins	12.62
Silver coins	186.65
Gold coins	2,637.00
Total	\$89,747.27

Very truly yours,

JAMES A. CARRISON
Chief, R D & R Division

Telephone: VIENNA B-48423

DA 44 457

2

DECLASSIFIED

Authority NND 78 5009
By MBV NARA Date 11/22/93

RG 260
Entry USACA - Property Control
File P-1400
Box 21

DISPOSITION FORM

RECEIVED 938
19 JAN 1950

PC
SECURITY CLASSIFICATION (If any)
RECEIVED RD & R 77
Time 120
Date 20 Jan 50
No. 4

FILE NO.

SUBJECT IRO U.S. Reparations Liquidation Expense Account

TO RD & R

FROM IA-EP Div, USACA

DATE 18 Jan 50

COMMENT NO. 1

LtCol Walton/hw
B-48131

Attached letter was received by this Division and is forwarded to RD & R for necessary action.

H. T. Brotherton

H. T. BROTHERTON
Colonel FA
Division Chief

1 Incl:
Ltr dtd 12 Jan
subj as above

DECLASSIFIED

Authority NND 78 5009
By MBV NARA Date 11/22/83RG 260
Entry USACA - Property Control
File P-4400
Box 21

INTERNATIONAL REFUGEE ORGANIZATION

(GENEVA, SWITZERLAND)

REPARATIONS DEPARTMENT, UNITED STATES OFFICE

Rm 1423 - 60 E. 42d S

~~SECRET~~
NEW YORK 17, N. Y.

January 12, 1950

Commanding General
U. S. Army Command Austria
Vienna, Austria
U. S. Army APO # 777
Attn: Property Control Section

Dear Sir:

International Refugee Organization
United States Reparations Liquidation Expense Account

In connection with an examination of our financial statements by our accountants, Messrs. Price, Waterhouse & Company, 56 Pine Street, New York 5, New York, U.S.A., please confirm direct to them, attention Miss T. R. McCutcheon, the amount of U.S. currencies transferred to the International Refugee Organization, c/o Mr. George Wenzel, Salzburg, Austria during the period from July 1, 1949 to December 31, 1949.

Yours very truly,

David L. Rolbein

David L. Rolbein
Reparations Officer

Enclosure-1
Envelope

315071

DECLASSIFIED
Authority 11/17/85 5009
By EP NARA Date 11/19/99

RG 260
Entry USACA - Property Control
File 739
Box 7

Jewelry

New

recovered funds

JMD:AMC

Vienna, Austria
10 November 1948

File: P-739

Mr. Eugene W. Engel
809 West End Avenue
New York 25, New York

Dear Sir:

Reference is made to your application for registration of a claim for property losses and damages suffered by you as a result of the Nazi regime in Austria.

Please be advised that this Headquarters is not the competent agency for the filing of such claims. It is, therefore, recommended that you refer the matter to your legal representative in Austria in order that he can prosecute your claim before the appropriate Austrian authorities.

Yours very truly,

JAMES A. GARRISON
Chief, R&R Division

Telephone: VIENNA B-48423

DECLASSIFIED
 Authority 11/17/85 09
 By ED NARA Date 11/19/99

RG 260
 Entry USACA - Property Control
 File P-739
 Box 7

Eugene W. Engel
 808 West End Avenue
 New York 25, N. Y.

RECEIVED RD & R
 Time 1130
 Date NOV 9 1948
 No. 13

RECEIVED
 9. NOV. 1948
 Property Control Branch
 R. D. & R. Division *PR*

November 1. 1948

The Military Government Austria
 c/o R.D. and R. Division
 Property Control Branch
 Vienna, Austria

P-739

Application for Registration of
 Property and Damages in Vienna, Au

Applicant Eugene W. Engel of 808 West End, New York 25, N. Y.
 duly sworn in, alleges and says:

(1) That he resides at 808 West End Avenue in the City of
 New York in the State of New York; that he has been a resident
 of New York, N. Y. ever since he came to this country in 1939;
 and that he is a United States citizen by naturalization, and
 that he was naturalized on December 20, 1944 in the United States
 District Court for the Southern District of New York, in New York
 and that the naturalization-certificate bears the number 6286559.

(2) That as Attorney of Law he was member of the Bar of Vienna
 Austria, till January 1939, and sworn interpreter for the English
 French and Italian languages to the Court. Hence applicant became
 cancelled from the list of lawyers by the "Nazi-Regime" for racial
 reasons and had to quit his native country on August 14th. 1939.

(3) That in the course of the time, since he left Vienna, the
 whole furniture, scientific and part of his private library,
 porcelain, silver, glass-service, jewelry, linen, a "Bösendorfer
 Piano", three oilpaintings by Spiro, Meyerheim and Wertheimer,
 electric chandeliers and lamps, etc. of his studio and apartment
 were destroyed and dispersed; especially may be mentioned:

- 3 carved big desks
- 7 cupboards, Renaissance-style
- 8 tables and card-tables, same style
- 7 armchairs, same style, and desk-chairs
- 3 persian carpets, 3 to 4 m.
- 3 persian bedrugs,
- 1 golden watch
- 2 golden watch-chains,
- 1 big diamond, ("Bouton"), adjusted as needle,
- 1 golden ring with diamond
- 2 necktie-pins with pearls and rubins
- 2 cigarette-cases, silver
- 1 set of Nymphenburg and Sèvres-porcelain
- 1 set of silver-service for 12 persons

DECLASSIFIED
Authority 11/15/78 85009
By ED NARA Date 11/19/99

RG 260
Entry USACA - ^{property} control
File 1739
Box 7

Jewelry

- About 1000 books, commentaries, juridical works and works of political science, dictionaries, etc.
The damage is at least approximately estimated with \$ 2000-
- (4) Applicant lost his life-insurance-policy of Austrian Schilling 10.000, settled with the Life-Insurance-Company "Anker", Vienna; this document having been enclosed in the luggage, seized by the Nazi. Its value is estimated with " 2000-
 - (5) The costs of removal to New York are estimated with approximately " 2000-
 - (6) On account of the plight and excitement applicant became suffering of gallstones and disturbances of consciousness . His capacity to work is at least reduced to 50 % . Besides he has lost his position as attorney, renowned in Banking and Industrial circles and as Interpreter for three languages. His average net - income was abut 15000- Schilling the year. His loss of income within 10 years may be estimated with at least *"30000-
- The value of his total loss amounts therefore to at least \$ 36000-

Evidence

for items 1 - 6 the former secretary of the applicant, Mrs. Anny Pattermann, Vienna V. Margarethenstrasse 71/73.

As the applicant's attorney authorized to accept service of legal papers is herewith nominated according to Article 58, paragraph 4 of the "Law No 59", (Restitution of identifiable property), Rechtsanwalt Dr. Walter Löwenfeld-Russ, Vienna, I. Kohlmarkt 11

Whereas applicant claims damages to the amount of \$ 36000-, applies for recovery of that amount with interest.

Subscribed and sworn into in my presence on this 2nd. day of November in the year 1948.

Kenneth W. Kengel

Original and one Copy!

Irving Schindler

IRVING SCHINDLER
Notary Public in the State of New York
Qualified in New York County
N. Y. Co. CK's No. 314, Reg. No. 293-S-0
Commission Expires March 30, 1950

DECLASSIFIED
Authority: 111 D 785009
By: EP NARA Date: 11/19/99

RG 260
Entry USACA - Property Control
File 773
Box 81

Jewelry

EO:AMC

Vienna, Austria
3 January 1949

~~P-733~~

P-773

Mr. Helmut Hollas
Vienna XVIII
Hochgasse 93/1

Dear Mr. Hollas:

Reference is made to your letter dated 23 December 1948 concerning a claim for the restitution of jewelry seized by the Gestapo.

In order to initiate an investigation of your claim it would be appreciated if you could furnish this office with further details, if available, concerning the location of the property in question as the information furnished in your letter is insufficient.

Yours very truly,

JAMES A. CARLSON
Chief, ROAR Division

Telephone: VIENNA 8-68430

DECLASSIFIED
Authority 111D785009
By ED NARA Date 11/19/99

RG 260
Entry USACA - Property Control
File 773
Box 8

Helmut Hollas
Hockegasse 93
Wien 18.

RECEIVED RD & R
Time 1430
Date DEC 27 1948
No. 5

To the
USFA Headquarters
RD & R Division
Movable Property
Vienna.

RECEIVED
5. JAN. 1949
Property Control Branch
R. D. & R. Division

RECEIVED
27 DEZ 1948
Property Control Branch

Attention to Mr. Dean.

Dear Sir,

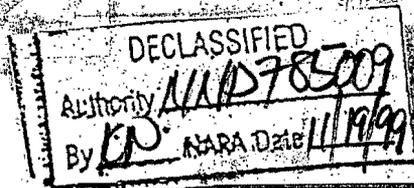
I beg to inform you, ~~that~~ I am a Czechoslovakian citizen, formerly living at Bubeneč, na Piave 840 in Prague, from where I fled with my family to this city at the end of March 1948.

My wife, Mrs. Rose Hollas, has been for political reasons arrested at the begin of November 1944 by the Prague gestapo and consequently imprisoned in the "Little Fortress" in Theresienstadt (Terezin, Czechoslovakia), whence she has been released in May 1945 after the German surrender.

Her arrest has been made by order of Obersturmbannführer Günther of the Prague gestapo and was executed by the gestapoman Krulich; both men are dead, but Krulich's office-colleague Hössl is still living, being a convict of the Prague prison.

In the days, following the arrest of my wife - and during my absence from Prague - my house has been ransacked by the gestapo, all jewels and valuables have been seized and finally the house was sealed. After my return to Prague in January 1945 I started immediately negotiations with the gestapo in order to get my house unsealed - there I succeeded - and my properties returned, here I failed with a few exceptions.

These negotiations have been carried on with Hauptsturmführer Kriminalrat Heide (nothing known about his fate to me) and his subordinate Willy Rauch (killed). Both men tried obviously to protract the negotiations, mainly - as I guess - with the purpose, to protect Krulich, who has forborne, to book many valuables seized. So the negotiations have been deferred from one week to the other, until both men disappeared and the case has been handed over to Kriminalobersekretär Oberhauser (meanwhile executed). At my first meeting with this man at the begin of April 1945 I have been told, that the minute of my wifes case is not longer in Prague nor the jewels, for everything has been removed to Southern Germany about in the area of Salzburg.



RG 260
 Entry USACA - Property Control
 File 773
 Box 81

Second leaf of letter to USFA Headquarter, RD & R Division of Dec. 23rd 1948.

As I have mentioned above, some of the objects seized have not been taken into the minute, which I am giving now, adding their purchase price :

1 ring with a diamond solitair of 6 carat, blue, clean	\$ 1.500.--
2 silver table-cigarettecases of 4 lbs weight each	" 380.--
3 golden cigarettecases of about 150 g each	" 540.--
3 golden pocket watches (Swiss and Glashütte)	" 350.--
Together	<u>\$ 2.770.--</u>

The objects, being in the minute, are the following :

1 string of pearls of about 75 cm with 103 Barock-pearls of grey-yellowish colour, the greatest of a diameter of about 9 mm, the smallest about 2 mm, fitted with a diamond snap, purchase price	\$22.000.--
1 string of pearls, about 40 cm long, consisting of finest, absolutely faultless and regular rosé-pearls, the biggest of 7, the smallest of 2 mm diameter	" 30.000.--
1 string of silver-grey pearls, about 30 cm long, the biggest 4, the smallest of 1 mm diameter	" 1.500.--
1 golden necklace with 6 oblong emeralds, the links being hose-shaped, the emeralds about 8x3x3 mm	" 3.500.--
1 golden bracelet with 4 oblong emeralds, the links hose-shaped, the emeralds of 4x2x2 mm	" 1.500.--
1 ring of one silvergrey pearl of hazelnut size and about 10 diamonds of 0.3 carat each	" 1.400.--
1 ladies wrist watch with diamonds	" 1.200.--
2 ladies wristwatches, gold	" 100.--
1 ladies wristwatch "Old Vienna" enamelled	" 120.--
1 ladies watch to be worn in the button-hole, of white gold, set in a flat beryl ring 6mm wide	" 120.--
1 brooch with one oblong diamond, two oblong rubies and two oblong emeralds, all 1 cm x 2 mm	" 300.--
Altogether	<u>\$ 64.510.--</u>

Besides the above mentioned valuables there have been seized a lot of other objects of minor value, as chains, brooches, rings, trunks, garments, shoes, underwear and so on.

The proof of everything said above I am in the position to establish by trustworthy witnesses. As I know, that all valuables, removed by the gestapo into the above mentioned area have been taken over by the American forces, I ask you kindly to make the necessary inquiries in order to restore my property.

It is furthermore known to me, that many valuables got lost and many have been auctioned meanwhile in the supposition they are ownerless; should this refer to my valuables, I claim herewith an adequate indemnity out of the proceeds of the auctioned jewels.

Sincerely

(Helmut Hollas)

Registered.

Address: Wien XVIII
Hochepasse 93/1

315077

DECLASSIFIED
Authority 111D78509
By EP NARA Date 11/19/99

RG 260
Entry USACA - Property Control
File P-874
Box 10

Jewelry

File: P-844

OFFICE OF MILITARY PERSONNEL AND MILITARY
PERSONNEL SERVICE
Military Personnel Service

Claim of Mrs. Elise Diefenbach

PROPERTY: Personal Property
Office of Military Personnel Service
Personnel Service

1. RD&R USFA 25
Div. Claim March
sect 1949

Attached correspondence, con-
cerning a claim submitted by Mrs.
Elise Diefenbach, is forwarded as a
matter pertaining to your Section.

JAMES A. GARRISON
US Army
Chief, R D & R Division

- Incl:
1-ltr fr Elise Diefenbach
to Hqs Mil Gov Vienna
dtd 25 Jan 1949
2-ltr fr Elise Diefenbach
to Hqs Mil Gov Frankfurt
dtd 25 Jan 1949

JMDEAH/hh
Telephone: VIENNA B-48425

DECLASSIFIED
Authority 111D78509
By 60 NARA Date 11/19/99

RG 260
Entry USACA - Property
File P-8-94
Box 10

OFFICE OF MILITARY GOVERNMENT FOR HESSE
FRANKFURT DISTRICT
Liaison & Security Office
APO 757 US ARMY FTS/iv

Frankfurt/Main, Germany (M 6869_a)
2 March 1949

SUBJECT: Confiscated Property

TO : Office of Military Government for Austria
Vienna
APO 757 US Army

Attached letter forwarded as matter pertaining to your office.

FOR THE SENIOR MILITARY GOVERNMENT OFFICER :

Incl: Ltr. 25/1/49
E. Diefenbach
Düsseldorf

Tel: Frankfurt/Main
21981 Ext: 319



Frank T Sheehan
FRANK T SHEEHAN
US DA Civ
Admin. Officer

RECEIVED RD & R
Time 15:30
Date MAR 14 1949
No. 17

RECEIVED
MAR 1949
PK

DECLASSIFIED
Authority 11/17/85 309
By EP NARA Date 11/19/99

RG 260
Entry USACA - Property Control
File P-874
Box 10

C O P Y

Else Diefenbach

Düsseldorf, 25/1/1949
Stoffelerstr. 23

TO:- Headquarters Military Government
(US) Office of Military Government
F R A N K F U R T

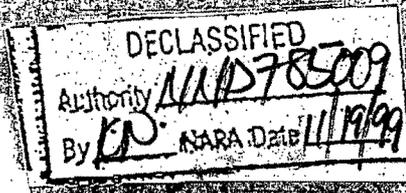
- 1 Enclosed please find copy of a letter which was forwarded to HQ Military Government (US) VIENNA.
- 2 May I kindly ask for your assistance in this matter or could you please inform me how to proceed.

Incl.

Respectfully

YOURS

/s/ Mrs. Else Diefenbach



RG 260
 Entry USACA - Property Control
 File P-894
 Box 10

Else Diefenbach

Düsseldorf, 25 Jan 1949
 Stoffelerstr. 23

Headquarters Military Government
 (US) Office of Military Government
V i e n n a .

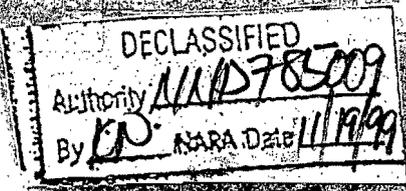
I herewith apply to you for investigation of the following case:

In 1943 I forwarded all of my valuables to Austria, Zell a.d. Pram/Oberdonau in order to secure them against bomb attacks. For that purpose I rented a little room at Zell/Oberdonau with Mrs. Kaltenböck and I paid up to 1945 a monthly rent amounting to RM 15.-- My brother and his family lived in the same house and he acted as trustee of my property. Everything was in good condition and well secured until 1945 when Zell was occupied by the Americans. When searching in the a/m house the American soldiers confiscated a case which contained my under mentioned articles:-

- 1 radio, type Telefunken, No. 916, Grosssuper, made in 1939, built in a bar-carriage, dark mahogany, at a value of RM 920.--
- 1 photo-apparatus, Voigtländer, camera for films and plates with stand,
- 1 golden gentleman's wrist-watch, Zentra edged,
- 2 gentleman chrome wrist-watches, Junghans, oval and circle,
- 1 golden ladies ring, 585, with dark gold-topas
- 1 golden bracelet (ladies bracelet)
- 1 case with fountain-pen, golden, and pencil,
- 1 electric kitchen-clock, white with a red stripe
- 5 sofa cushions, valuable covers, silk and brocade,
- 1 brocade cover,
- 24 new rough bath towels,
- 15 pairs of ladies stockings, new,
- bed and table clothes,
- ca 100 gentleman handkerchiefs, new
- 18 yards black and brown velvet,
- 5 1/2 yards woolen material for ladies clothes black-white,
- 5 1/2 yards dark-brown silk material with dots,
- 5 1/2 yards woolen material for costumes,
- 6 yards camel's hair material for gentleman's overcoat
- 7 yards dark-brown overcoat material
- 1 suit, brown with red stripes
- 1 suit, dark-brown with white stripes,
- material for three suits, complete

p.t.o.

315081



RG	<u>260</u>
Entry	<u>USACA - Property Control</u>
File	<u>P-874</u>
Box	<u>10</u>

Else Diefenbach

 20070701 52
 00000000 52 100 1000

1 light grey, 1 middle grey with light white stripes (material for suits)
 1 combination brown and light grey,
 6 new gentleman over-shirts, blue, grey and white,
 1 pair of ladies ski-boots, beige leather,
 several pairs of shoes, ladies and gentleman shoes,
 1 morning-dress for ladies, dark-brown velve, t model X,
 1 new ladies overcoat, sports-model.

At the time when the articles were confiscated, my trustee, viz.: my brother did not get a written declaration of confiscation. Therefore I do not have any proof now in my possession.

The witnesses in this matter are quite prepared to give a declaration on oath.

I hope you can give any assistance in this matter and I am quite prepared to accept a repayment for the confiscated articles.

I am now living in Germany again at the above stated address.

Respectfully Yours,

/s/ Mrs. Else Diefenbach

Copy to: Office of Military Government (US)
Frankfurt

315082

DECLASSIFIED
 Authority NND775058
 By JW NARA Date 9-22

RG 260
 Entry Finance Division
 File Gold & Silver [unclear]
 Box 50

DATA RE S.S. LOOT

Shipments.

- found Meckers mine*
1. * 207 containers SS loot (from Reichsbank - Melmer account)
 (Preliminary inventory attached.
 substantiation that was SS loot
 through German Reichsbank records)
 3. * 8 chests of gold plate and service (found in bank at Hof
 believed to come from
 Lublin concentration
 Camp)
 4. * 35 bags gold coin (deposited at Reichsbank, Plauen
 by the Wehrmacht for the Reichs-
 führer of the SS (Himmler) on or
 about April 12, 1944)
 16. * 313 cases currency, jewelry etc. (From Buchenwald)
 (more information attached)
 18. * 11 bags currency - deposited at Munich bank by SS
 (had come from Berlin)
 - * 28 bags currency - deposited at Munich bank by
 Reichsführer SS
 - * 4 boxes personal valuables, foreign currency
 (reported to be loot from Stalag Luft VIII-C)
 - * 3 valises - full contents unknown, (Sent to Munich bank
 some Dutch guilders from Berlin. Deposit
 of Reichsführer SS)
 21. A. 4 boxes currency, coin, jewelry (found in sewer of cement
 factory at Eiberg. Said
 to have been removed to
 Eiberg by Dr. Ernst Kal-
 tenbrunner, Obergruppen-
 führer, Lt. General of
 Police in Berlin)
 - B. two bags coins (believed to be taken from a P.W. camp
 near Weilheim, Bavaria)
 - C. 3 boxes currency (believed to be loot, owners unknown,
 found in possession of 115 prisoners
 captured near Laufen, Germany)
 - D. 8 bags coin (found in NSDAP office in Salzburg,
 Austria)
 - E. 3 boxes currency (received from German Colonel Kreisten,
 C.O. at P.W. camp at Memmingen, Germany)
 22. 58 containers and 14 bags precious metals, silver trays,
 dishes, precious stones. (found in Friedrichshall Salt
 Mine, Strassfurt. Origin
 unknown)
 23. A. 1 box, 5 bags jewels, currency, (found in Reichsbank,
 bonds and gold coins Hölzminden. Were in
 packages sealed with
 Nazi emblem. Much evidence
 contents of bags came
 from Marseilles, France)
 23. B. * 3 bags gold coins, foreign (Said to belong to
 notes, gold bars Schwerin Gestapo. Un-
 earthed by CIC Det.)
 24. bag gold coins (found alongside road in Alt Aussi,
 Austria. Owner unknown)
 26. B. * 9 suitcases securities and jewelry (found at Reichsbank
 4 boxes securities and jewelry Regensburg. Said to
 1 carton jewelry have been delivered
 Tabernacle of Russian Orthodox there from the
 Church Staatlichen Vermö-
 43 bars silver bullion gensamt, Prague by
 the Gestapo)

315083

DECLASSIFIED
 Authority NND775058
 By JW NARA Date 9-22

RG 260
 Entry Finance Division
 File Gold & S. L. [unclear] [unclear]
 Box 50

315084

Data on SS loot (cont'd)

Shipments

- C. bag Austrian gold coins (found in haywagon near
 bag gold bullion railroad station in Haid-
 hausen, Austria. Origin
 unknown)
- 27. * D. box currency (found at St. Johann through help of
 General Berger, Waffen-SS, Obergruppen-
 führer in Charge of German prisoner of
 war administration. Stated money was
 given him by Himmler with instructions
 to hide it. Claimed money was property
 of Reichsbank and not his or Himmler's
 property)
- * D. box currency, believed
 to contain 960,000 RM (said to belong to Reichsführer SS. Found in private
 residence in Ruhpolding, Zell)
- 27. E. box foreign currency and securities (found buried in
 hill just across
 Austrian border in
 the neighborhood
 of Oberbichl, Germany)
- 28. 2 bags currency and securities (found on farm near Erlan-
 gen. Hidden by German
 civilian who had been
 entrusted with funds by
 Seyss-Inquart. Said he
 believed they had belonged
 to Govt. of Netherlands or
 might be requisitioned
 Jewish property in Holland)
- 32. * B. 5 albums of maps (turned over to the Dege-
 nerhausen Estate for
 safekeeping by SS leader
 von Alvensleben)
- 51. box of foreign currency and (found in P.W. camp in
 securities Hartmannsdorf which had
 been evacuated by German
 Army. Believed to be Money
 taken from Allied PW's)
- 52. * C. bag gold, silver, currency, (from these sources
 jewelry a, taken from Gestapo
 at Bad Aussee, Austria
 b. taken at Dachau
 c. dredged from Enns
 River)
- * E. 4 boxes, 2 cartons jewelry etc. (SS officer turned over
 from Dachau concentration to Swiss Consul for
 camp Bavaria)
- 53. 1 suitcase paper money, bridgework, (found at Reichsbank,
 watches etc. Eschwege. Origin
 unknown)
- 57. box British Sterling notes (believed taken from
 15 bags British coins deceased British aviators)
 10 packages foreign securities (property of NSDAP)
- 64. * box diamonds and jewelry (taken from Erich Vieh-
 mann, member of SS)
- 75. brooch, bracelet and coin (deposited at Kreissparkas-
 se, Garmisch-Partenkirchen
 by same 2 German Wehrmacht
 officers who deposited
 British money (see ship-
 ment 57)

DECLASSIFIED
Authority NND775088
By JW NARA Date 9-22

RG 260
Entry Finance Division
File Gold & S. 1000 [Handwritten]
Box 50

Data on SS loot (cont'd)

Shipments

- 76. * 5 Chest silverware (Property of Eva Braun.
watches, 2 pair cuff links, Found in possession of
currency etc. SS Hauptsturmführer
Franz Konrad)

AV

* *

100 260
 Finance Div.
 Box #50
 File Gold & Silver
 [Hungarian Restitution]

DATA RE S.S. LOOT

315086

Shipments.

1. * 207 containers SS loot (found Meckers mine (from Reichsbank - Melmer account)
 (Preliminary inventory attached. substantiation that was SS loot through German Reichsbank records)
3. * 8 chests of gold plate and service (found in bank at Hof Lublin concentration Camp) believed to come from
4. * 35 bags gold coin (deposited at Reichsbank, Plauen by the Wehrmacht for the Reichsführer of the SS (Himmler) on or about April 12, 1944)
16. * 313 cases currency, jewelry etc. (From Buchenwald) (more information attached)
18. * 11 bags currency - deposited at Munich bank by SS (had come from Berlin)
- * 28 bags currency - deposited at Munich bank by Reichsführer SS
- 4 boxes personal valuables, foreign currency (reported to be loot from Stalag Luft VIII-C)
- * 3 valises - full contents unknown, (Sent to Munich bank some Dutch guilders from Berlin. Deposit of Reichsführer SS)
21. A. 4 boxes currency, coin, jewelry (found in sewer of cement factory at Eiberg. Said to have been removed to Eiberg by Dr. Ernst Kaltenbrunner, Obergruppenführer, Lt. General of Police in Berlin)
- B. two bags coins (believed to be taken from a P.W. camp near Weilheim, Bavaria)
- C. 3 boxes currency (believed to be loot, owners unknown, found in possession of 115 prisoners captured near Laufen, Germany)
- D. 8 bags coin (found in NSDAP office in Salzburg, Austria)
- E. 3 boxes currency (received from German Colonel Kreisten, C.O. at P.W. camp at Memmingen, Germany)
22. 58 containers and 14 bags precious metals, silver trays, dishes, precious stones. (found in Friedrichshall Salt Mine, Strassfurt. Origin unknown)
23. A. 1 box, 5 bags jewels, currency, (found in Reichsbank, bonds and gold coins Hölzminster. Were in packages sealed with Nazi emblem. Much evidence contents of bags came from Marseilles, France)
23. B. * 3 bags gold coins, foreign (Said to belong to notes, gold bars Schwerin Gestapo. Unearthed by CIC Det.)
24. bag gold coins (found alongside road in Alt Aussi, Austria. Owner unknown)
26. B. * 9 suitcases securities and jewelry (found at Reichsbank Regensburg. Said to have been delivered there from the Staatlichen Vermögensamt, Prague by the Gestapo)
- 4 boxes securities and jewelry
- 1 carton jewelry
- Tabernacle of Russian Orthodox Church
- 43 bars silver bullion

Data on SS loot (cont'd)

Shipments

- C. bag Austrian gold coins (found in haywagon near
bag gold bullion railroad station in Haid-
hausen, Austria. Origin
unknown)
27. * D. box currency (found at St. Johann through help of
General Berger, Waffen-SS, Obergruppen-
führer in Charge of German prisoner of
war administration. Stated money was
given him by Himmler with instructions
to hide it. Claimed money was property
of Reichsbank and not his or Himmler's
property)
- * D. box currency, believed
to contain 960,000 RM {said to belong to Reichsführer SS. Found in private
residence in Ruhpolding - 2011}
27. E. box foreign currency and securities (found buried in
hill just across
Austrian border in
the neighborhood
of Oberbichl, Germany)
28. 2 bags currency and securities (found on farm near Erlan-
gen. Hidden by German
civilian who had been
entrusted with funds by
Seyss-Inquart. Said he
believed they had belonged
to Govt. of Netherlands or
might be requisitioned
Jewish property in Holland)
32. * B. 5 albums of maps (turned over to the Dege-
nerhausen Estate for
5 albums on botanical subjects safekeeping by SS leader
von Alvensleben)
51. box of foreign currency and (found in P.W. camp in
securities Hartmannsdorf which had
been evacuated by German
Army. Believed to be Money
taken from Allied PW's)
52. * C. bag gold, silver, currency, (from these sources
jewelry a, taken from Gestapo
at Bad Aussee, Austria
b. taken at Dachau
c. dredged from Enns
River)
- * E. 4 boxes, 2 cartons jewelry etc. (SS officer turned over
from Dachau concentration to Swiss Consul for
camp Bavaria)
53. 1 suitcase paper money, bridgework, (found at Reichsbank,
watches etc. Eschwege. Origin
unknown)
57. box British Sterling notes (believed taken from
15 bags British coins deceased British aviators)
10 packages foreign securities (property of NSDAP)
64. * box diamonds and jewelry (taken from Erich Vieh-
mann, member of SS)
75. brooch, bracelet and coin (deposited at Kreissparkas-
se, Garmisch-Partenkirchen
by same 2 German Wehrmacht
officers who deposited
British money (see ship-
ment 57)

Data on SS loot (cont'd)

Shipments

76. * 5 Chest silverware
watches, 2 pair cuff links,
currency etc. (Property of Eva Braun.
Found in possession of
SS Hauptsturmführer
Franz Konrad)

315088

RG	<u>131</u>
Entry	<u>FFC 42-60</u>
File	<u>Aug-Oct 1947</u>
Box	<u>405</u>

In reply please
refer to: 105862

SEP 30 1947

Dear Mr. Daubenton:

Reference is made to my letter of September 17, 1947 with which I enclosed a list of securities which have recently been sold in the United States and which had been reported by your Government as having disappeared in the Netherlands during the period of German occupation. In my letter under reference, I pointed out our need for certain additional facts and requested that you secure from the Government of the Netherlands certain information which will be necessary to a successful prosecution of the persons who violated General Ruling No. 5 by marketing these securities in the United States. You will recall that this letter was delivered personally to Mr. Davidson of the Netherlands Embassy. Mr. Davidson was told that the Treasury Department was making an intensive investigation of this case and that the Department believed that this investigation might reveal that additional securities which disappeared in the Netherlands were also disposed of by the prospective defendants.

We have now ascertained that a group of 139 securities, all of which have been reported by your Government as having disappeared from the Netherlands were sold by the prospective defendants in addition to the securities, the numbers of which were transmitted to you with our letter under reference. Accordingly, there is enclosed herewith a list of 225 securities, comprising both those previously reported to you and those newly discovered, in connection with which we desire the information requested in our letter of September 17. It is believed that the list transmitted herewith includes all the securities reported by your Government and marketed by the prospective defendants.

My I again recall to you the urgency with which the requested information is needed.

Sincerely yours,

(Signed) John S. Richards

Mr. Ch. J. H. Daubenton
Minister Plenipotentiary
Netherlands Embassy
1470 Rhode Street, N.W.
Washington, D. C.

John S. Richards
Director

EFRAIN:icj:Enclosure

9/29/47

315089

DECLASSIFIED
 AUTHORITY: NND 852529
 BY: 52 NARA DATE: 11-29-99

RG 84
 Entry 2082 - found
 Reports of US
 File
 Box 2

R. D. & R.**GERMAN EXTERNAL ASSETS**

The negotiations between Austria and Sweden for the sale of a third blast furnace progressed. The Swedish representative agreed with the Austrian Ministry upon all terms of a contract, except the purchase price, which was left blank. The Swedish representative was informed that the original offer of \$1,200,000 for one blast furnace and accessories was probably too low and that an increase in the price, not exceeding 10%, might be necessary. The Swedish representative returned to Sweden for further consultation.

Askania Werke, Vienna

The U.S. Department of State requested a report as to a possible German interest in the Askania Werke, Vienna. This firm was formerly a subsidiary of the Askania Werke, Berlin, manufacturers of radar equipment used in studying the trajectory and velocity of objects flying in space, such as rocket missiles. The Berlin company had been charged by U.S. Military Government authorities in Berlin with manufacturing radar equipment illegally and delivering it to the Soviet Military authorities in Germany. On 18 December 1947 some of the German officials and employees of the Berlin company were convicted as charged and received various prison sentences. The investigation made in Austria indicated that Askania Werke, Vienna, was no longer associated with Askania Werke, Berlin. It was established that the manager of the Vienna office was operating the Austrian business on his own initiative, while maintaining the old name of the firm.

REPARATION & RESTITUTIONREPARATIONS AND RESTITUTIONGeneral

Ninety new claims were received from Allied and ex-enemy nations. Of these, 47 were Hungarian, 28 French, and the balance from Czechoslovakia, Italy, Poland, The Netherlands, Austria, Belgium, the Soviet Union, and the United States.

Investigations revealed 96 claims which had been received to be inadmissible.

Twenty-four restitutions, amounting to 119 freight carloads at an estimated value of \$1,546,000, were completed. Total deliveries effected since the commencement of the restitution program amounted to approximately 2327 freight carloads at an estimated value of \$188,747,000.

Restitutions were made to various claimant nations as follows:

315090

DECEMBER 1947

Austria

Thirteen paintings from the Wels Galerie, Salzburg, identified as a part of the art collection confiscated from Dr. H. Rieger of Vienna (who had died during the war), were released to the Austrian Monument Office. The Austrian Bundesdenkmalamt was to handle the internal restitution to American heirs of Dr. Rieger.

Rumania

Twenty-four damaged railway cars, property of the Rumanian railways, which were located in Austria, were released at Linz to a representative of the Rumanian Government.

Poland

Restitution to Poland consisted of 31 damaged railway cars, 1 freight carload of furniture, 1 motor vehicle, and 2 thoroughbred race horses which had been formerly the property of the Polish State.

France

The identification, assembly and preparation for shipment of motor vehicles of French origin located in the U.S. Zone was continued. Approximately 800 French motor vehicles had been released since the program was begun. It was estimated that approximately 300 wrecked French vehicles remained in enemy war material dumps throughout the U.S. Zone.

The French Mission substantiated its claim for restitution of 13 machine tools located in Upper Austria.

Italy

Forty-seven freight carloads of refinery equipment, property of Azienda Nazionale Idrogenazione Combustibili, Livorno, were shipped to Italy from the oil refinery at Ebensee, Upper Austria. This complete operation should be finished by the end of February 1948.

Hungary

Thirteen restitutions to Hungary to an estimated value of \$714,000.00 were completed. This released property consisted of 13 freight carloads of personal belongings; 1 freight carload with miscellaneous hospital equipment, including surgical instruments, drugs, bandages, laboratory and office equipment; 1 freight carload of documents; a large quantity of books, records, and archives from the Hungarian National Bank which was located at Spital am Pyhrn; 2 horses, 3 motor vehicles, and 1 motor boat engine.

 DECEMBER 1947

173

315091

RG 184
 Entry 2082: POLAD / USCOA
 File Reports of US
 Max. Comm. 1947
 Box 2

DECLASSIFIED
 Authority NND 852529
 By SR NARA Date 11-2-99

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
 AUTHORITY AND 852529
 BY 52 NARA DATE 11-29-99

RG 84
 Entry 2082 - Found
 Report of US
 Box 2

R. D. & R.**PROPERTY CONTROL**PROPERTY CONTROL

The program of transferring responsibility for direct control and administration of German-owned or partially German-owned properties in the U.S. Zone to the Austrian Federal Government, under terms of the trusteeship agreement, was greatly accelerated. Two hundred fifty-five real estate properties and 1 business enterprise were transferred. A total of 616 such properties had been transferred by the end of December.

Twelve new claims to property interests in Austria were received from United States claimants. These claims were filed by persons who were dispossessed of their property interests during the National Socialist regime. A total of 1,343 such claims had been filed since the beginning of the restitution program. United States claimants were forwarded complete information bulletins on the Austrian restitution laws which had been enacted and were further informed of the steps they should take to officially file a formal claim with the Austrian authorities to protect their property interests.

One hundred twenty-two United Nations nationals were notified that their property, formerly under U.S. Military Government property control, had been released from formal property control and placed under the administrators of the Austrian Federal Government under provisions of enacted restitution legislation pending the filing of a formal claim. The owners were informed of the method of filing such a claim.

Two lease contracts covering the interzonal movement of machinery of trusteeship firms to the British and French Zones of Occupation were approved.

315092

DECEMBER 1947

RG 59
Entry Central (Del. Files)
File # 611-64 (1935-49)
Box 2538

Gold



GENERAL COUNSEL
TREASURY DEPARTMENT
WASHINGTON 25

NOV 26 1956

Attention: Mr. Ely Maurer

File - Reply 12/10/56
611-64231/E-E

Dear Sir:

A representative of this Department has been in contact with Mr. Maurer of the State Department with respect to a case involving 20 gold bars contained in a safe deposit box rented with the Irving Safe Deposit Company in the name of Joseph and Arnold Fleischer. In accordance with their understanding, I am submitting for the views of the State Department the facts involved in this case insofar as they are known. On June 7, 1939, Irving Safe Deposit Company rented box no. 448 to Joseph and Arnold Fleischer. Subsequently, the renters were reported as residents of Hungary and on April 10, 1940 the box was blocked. The Safe Deposit Company heard nothing further from the Fleischers except that a letter from a firm of English solicitors indicated that the Fleischers were in a concentration camp in Poland. The renewal rental on the box due in 1940 and annually thereafter was not paid and the procedure prescribed by law for the breaking open of the box was commenced. On August 30, 1950, the box was broken open and found to contain, in addition to some gold coins and pieces of jewelry, 20 gold bars having a bullion value of approximately \$22,650.

This Department has recently been contacted by the Office of the Public Administrator, New York County, as Ancillary Administrator of the estate of Arnold Fleischer and Temporary Administrator of the estate of Joseph Fleischer. They advise that the Fleischers perished in German concentration camps during World War II and request authorization from the Treasury permitting the Irving Trust Company to deliver to the Public Administrator in its representative capacity the gold bars in question.

The Safe Deposit Company has been advised of the position of the Treasury which is as follows:

The holding of the gold bars by the Fleischers was in violation of the Gold Regulations and, accordingly, such gold bars are subject to forfeiture under section 4 of the Gold Reserve Act of 1934 (31 U.S.C. 443). Moreover, they may not be released to anyone without authorization from the Treasury. The gold coins contained in the box have all been determined to be of recognized special value to collectors of rare and unusual coin

This Document Must Be Returned to
RM/R
Central
Files
611-64231/11-2656
CS/PG

FILED
DEC 1 1956

DO/R
Anal 28
Rev
Cac HAW

315093

611-64231/11-2656

RG 59
Entry CGMA (Dep. Files)
File # 611-64 [1955-59]
Box 2538

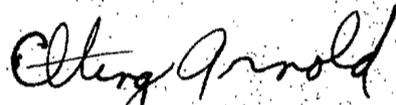
- 2 -

and under the Gold Regulations may be held or disposed of within the United States without the necessity of obtaining a Treasury Gold License.

Action to forfeit the gold bars was deferred because of information that the owners were in German Concentration Camps in Poland. Since it now appears that the owners are dead, the Treasury is preparing to submit the case to the Department of Justice for forfeiture of the gold bars. Before doing so, however, we would appreciate being advised of whether the Department of State perceives any objection. We would also appreciate being advised of the position of the Department of State with respect to the claims of the Public Administrator of the State of New York.

We are also requesting the views of the Office of Alien Property.

Very truly yours,



Elting Arnold
Assistant General Counsel

Mr. Stanley D. Metzger
Assistant Legal Advisor for Economic Affairs
Department of State
Room 226, State Annex-7
Washington 25, D.C.

315094

RG	<u>59</u>
Entry	<u>OSMA (Del. Files)</u>
File #	<u>611-64</u> (1955-59)
Box	<u>2538</u>

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : L/E - Mr. Maurer

DATE: December 5, 1956

FROM : FN - S. R. Srole *SS*

SUBJECT: Letter from Treasury re gold and other property of Fleischers.

We agree with the position you propose taking on this matter in replying to the Treasury letter.

DO/S
Anal <i>78</i>
Rev
<i>OS/PG</i>

OFD:FN:SRsrole:ml

19 Document Must Be Returned
 611-64231/11-2656
 OS/PG
 611-64231/11-2656

315095

Office Memorandum • UNITED STATES GOVERNMENT

TO : V/E - Mr. Maurer
 FROM : EE - Mr. Katz *JK*
 SUBJECT: Letter from Treasury re gold and other property of Fleischers.

DATE: November 30, 1956

I concur in your proposal to advise Treasury that we have no objection to their taking forfeiture action.

EUR:EE:JLKatz:evb

DCM
 ADP 28
 Rev
 [Signature]

Document Must Be Returned to
 FW 611.64231/11-2656
 CS/PG

FW 611.64231/11-2656

RG
 Entry *Q&M/Dei Files*
 File # *611.64 [1955-59]*
 Box *2538*

315096

December 13 1956

In reply refer to
L/E

611-64231/11-2656
E

This Document Must Be Returned to
RM/R
Central
Files
611-64231/11-2656
CS/PG

Dear Mr. Arnold:

Reference is made to your letter of November 26, 1956 with respect to the case involving twenty gold bars contained in a safe deposit box rented with the Irving Safe Deposit Company in the name of Joseph and Arnold Fleischer.

After consideration of the case the Department has concluded that it has no objection to forfeiture action if that appears warranted in the view of the Treasury. If for any reason the Treasury should forego forfeiture action, the Department would have no objection to the twenty gold bars, as well as the other valuables in the safe deposit box, coming into the control of the Public Administrator of the State of New York.

Sincerely yours,

adm

Stanley D. Metzger
Assistant Legal Adviser for
Economic Affairs

DEPT
NOV 28
Rev
Cot

Mr. Elting Arnold,
Assistant General Counsel,
Treasury Department,
Washington 25, D. C.

S/S-CR
zk
DEC 13 1956 P.M.

gm
L:L/E:EMaurer:mj
12/10/56

EE *JK*

FN *JK*

611-64231/11-2656

RG
Entry *GM/Dr. F. 15*
File # *611.64* [1955-59]
Box *2538*

315097

RG 59
Entry Central (Del. Files)
File # 611-64
Box 2538

RECEIVED
U.S. DEPARTMENT OF STATE
NOV 29 1956

DEPARTMENT OF STATE

THE LEGAL ADVISER

TO: EE - Mr. Katz ✓
MN - Mr. Carre
DATE: November 29, 1956

FROM: L/E - Ely Maurer ← *See memo attached 611-64231/11-2656*

SUBJECT: Letter from Treasury re gold and other property of Fleischers.

This Document Must Be Returned to
RWR
Central
Files
611-64231/11-2956

In the attached letter the Treasury Department asks our view with respect to the forfeiture of certain gold in a safe deposit box rented by Joseph and Arnold Fleischer, Hungarian nationals, now deceased.

In addition to the information contained in the letter I have ascertained the following from research into New York law and from a conversation with Miss Wanamaker of the Treasury Department who spoke to me originally on the matter and who drafted the incoming letter:

1. It is not known whether the Fleischers owned the gold bars and gold coin before 1933, that is, before the United States gold legislation. However, it appears that the safe deposit box in which the gold was found was first rented in 1939.

2. While there is a lower court decision to the effect that forfeiture cannot be had unless there is proof of specific intent to violate the law, the Treasury Department considers that a dictum in a circuit court decision regarding the lack of necessity of such proof of intent represents the correct law. In the Treasury view, therefore, the gold bars involved can be forfeited without showing a specific intent. However, the Treasury has procedures to remit the forfeiture if mitigating circumstances appear to warrant it. Evidently if the matter has not yet gone to litigation the Secretary can remit the forfeiture under the same provisions as custom forfeitures are remitted (31 U.S.C.443, 19 U.S.C.1620). Once the case has gone to litigation, only the Attorney General can remit the forfeiture; however the Treasury gives him guidance at this stage. Once the gold has been forfeited, it is sold and the proceeds are put into miscellaneous receipts in the United States Treasury and an heir can only get the value thereof if he can get special legislation passed to that effect.

3. From the Treasury records there do not appear to be any known heirs to the estate of Joseph and Arnold Fleischer. Accordingly, in the absence of Federal action the personal property here involved would go to the state of New York under Surrogate Court Act, section 272. Under New York law an heir can, without limit of time, assert a claim and secure a return of the value of the property. (It appears that

under

DO/R
Anal 28
Rev _____
Cac HPL

315098

611-64231/11-2956

RG	<u>59</u>
Entry	<u>CGMA (D.L.F. 183)</u>
File	<u># 611.64</u> (1955-59)
Box	<u>2538</u>

- 2 -

under General License 30A administered by the Office of Alien Property there is no bar to the Public Administrator and the state of New York getting the property).

4. The Treasury has only an interest in the gold bars which were worth \$22,650. It is estimated that the gold coins, on the basis of their gold content, are worth \$8,500. The numismatic value of the coins and the value of the jewelry are not known.

Absent the question of forfeiture, it appears from the facts that the Hungarian nationals involved were persecutees and, if they were alive, their property would have been unblocked, or if not yet unblocked it would remain blocked until they came out from behind the Iron Curtain. In other words, normally, the United States Government would have no interest in seizing the property.

With respect to the gold coins and jewelry, I assume we have no objection to these going to the state of New York in view of the procedure for an heir to claim.

With respect to the gold bars, forfeiture by the United States would seem to put an heir in a worse position than if the state of New York were to have taken the property. However, in view of the fact (a) that no heirs may show up, (b) that the forfeiture may in fact be warranted because of wilful action by the Fleishers, and (c) that an heir may be able to secure special legislation, I am inclined to advise the Treasury that we have no objection to their taking forfeiture action.

I would appreciate it if you could let me have your views by telephone or memo, on the basis of which I will draft a letter of reply.

cc: Mr. Metzger

L:L/E:EMaurer:mj
11/29/56

315099

RG	<u>59</u>
Entry	<u>Central (D.C. Files)</u>
File #	<u>611-64</u> (1955-59)
Box	<u>2538</u>

~~67~~

January 15 1955

Dear Colonel Freisch:

In compliance with your request of December 20, 1954, for an official report regarding the so-called Hungarian gold train, there are enclosed copies of two press releases, No. 514 dated July 22, 1946, and No. 554 dated August 8, 1946, both referring to the release of gold belonging to the Hungarian Central Bank.

Sincerely yours,

For the Secretary of State:

Otto F. Fletcher
Special Assistant
Monetary Affairs Staff

Enclosures:

1. Press release No. 514
2. Press release No. 554

S/S - CR

JAN 14 1955 P.M.

Colonel W. W. Freisch,
1520 Hibiscus Avenue,
Winter Park, Florida.

OFD:MN:OFFletcher:uay
January 14, 1955

315100

Central Files

This Document Must Be Returned to

611-64231/1-1555

CST

611-64231/1-1555

1/4

OFF

①

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 14 1955	
FBI - WASHINGTON	

DECLASSIFIED

Authority MM 978025
By Wb/1 NARA Date 1/4/00

RG

Entry 56
69A4707File GERMANY -
RESTITUTIONBox 84*Rec +
Rep*WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

SECRET I VI

PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET
CORRESPONDENCE PER PARAS 911 and 60a, AR 380-5From: OMGUS, Berlin, Germany cgt ClayTo: War Department for JCS for AAGUInfo: CG USFET, Frankfurt, Germany; USFA, Vienna, Austria;
MEUSA, Caserta, Italy; ACG Hungary for Weene and
Schoenfeldt; AM Embassy, Paris, France for Sec
StateFr: CG 11072 August 1946Subject is receipt for restitution of gold to Hungary
and AGRAR to OMGUS cable VI 95940.Hungarian representative Nyaradi has agreed to a
receipt as follows: "Receipt and agreement for delivery of
Hungarian monetary gold." (Place) blank (date) blank.

1. Receipt of items described in schedule
"A" Attached hereto, for the Commanding General,
United States Forces, European Theater, is hereby
acknowledged on behalf of the Government of Hungary, by the
undersigned Nicholas Nyaradi who is duly accredited
representative of said government, authorized to receive said
items on its behalf and to execute this receipt and
agreement.

2. Said government hereby accepts the items described
in said schedule.

"1" Attached; by the acceptance of said items, said
government hereby waives all claims which it may have for
losses arising out of the looting or otherwise wrongful

CG-11-706 (3 Aug 46)

cc: 8/15/46 Messrs. Glasser, Taylor, Miss Masterson (3),
Schmidt (3), Ullmann, Willie, E. Hubbard,
Bittermann, Eddy, Dickens*"Michael", "Kramer", "Mayer" es
Hymowitz, etc*

315101

DECLASSIFIED	
Authority	NM 978025
By	Wb17 NARA Date 1/4/00

RG 56
 Entry 69A4707
 File GERMANY - RESTRICTIONS
 Box 84

- 2 -

removal of monetary gold from Hungary during the war and also agrees to save harmless the United States and all its agents and representatives from any claim for loss, damage or deterioration suffered by any item at any time whatever.

3. Should the Commanding General, United States Forces, European Theater determine that any item or items described in said schedule

"A" were mistakenly delivered (which determination must be made within one (1) year from the date thereof), such items will be disposed of according to the instructions of said Commanding General. In the event of such determination, said government will take what ever steps may be necessary to make any such item available to said Commanding General.

4. Said government further agrees that the "Appraised value" of the items described in the attached schedule

"A" as therein set forth is a fair and proper value of the said items.

Actual signing of above receipt is scheduled for Saturday, 3 August, preceding delivery. We will advise you when receipt and delivery are accomplished.

End

CR-15-706 (3 Aug 46) EFG 021755B J3F

315102

DECLASSIFIED

Authority MM 978025
By W312 NARA Date 1/4/00

RG

Entry 56
69A4707File GERMANY - RESTRICTIONSBox 84

From: U.S. Political Advisor, Berlin via War

To: Secretary of State, Washington

Dated: August 3, 1946

Number: 1861

SECRET

The Department's cable dated July 22, No. 1553, my cable of July 27, No. 1812, and Paris cable No. 292 DELACD July 30, relative to restitution of Hungarian gold, are referred to in connection with the message below.

It was agreed by Nyaradi to sign receipt as follows.

(1) Heroby receipt of items described in schedule A attached hereto, from the Commanding General of the United States Forces, European Theater, is acknowledged on behalf of the Hungarian Government, by the Underigned Nicholas Nyaradi who is a duly accredited representative of said government, authorized to receive the said items on its behalf and to execute this agreement and receipt.

(2) Acceptance is hereby made by said government of the items said schedule A attached set forth; said government, by the acceptance of said items, hereby waives all claims which it may have for losses arising out of the looting or other wise wrongful removal of monetary gold from Hungary during the war and also agrees to save from harm the United States and all its representatives and agents from any claim for deterioration, damage or loss suffered at any time whatever by any item.

(3) If it should be determined by the Commanding General of the United States Forces, European Theater, that any item or items described in said schedule A were delivered mistakenly (which determination must be made within a year from the date hereof), disposal of such item or items will be according to said Commanding General's instructions. Said government, in the event of such determination, will take whatever steps may be necessary to make available to said Commanding General any such item.

(4) It is further agreed by said government that the appraised value of the said items as set forth therein is a proper and fair value.

Saturday, August 3, preceding delivery is scheduled time for actual signing of above receipt. On August 4th loading is to take place. Clearance to Budapest, and return, of special train with accompanying guards and personnel. August 5 expect to depart from Frankfurt and arrive on August 6th in Budapest.

The foregoing has been repeated to Vienna as No. 26, to Budapest as No. 24, and as No. 227 to Paris for DELACD for Heber.

MURPHY

8/5/46 Glenser, Miss Peterson (3), Schmidt (3), Ullmann, Willie, Dams,
J. Hebbard.

MB

Mayer
M:Wise, Ceb

315103

69

called "LIST OF UNIDENTIFIED PAINTINGS STORED AT RESIDENZ DEPOT SALZBURG" (later moved to Alt-Aussee Saltmine).

no. 1 - 1181

listed No. 1 through 1176

1176 items

later added to the list:

No. 1176 a Fred PAL: Female Nude
pastel, 70 x 48 cm

" 1177 Paul LASZLO: House at the Edge
of a Forest, 115 x 90 cm

" 1178 Katona NANDOR: Mountain Landscape
60 x 50 cm

" 1179 BIKARI SANDOR: Hungarian Plain
with Farm, 120 x 80 cm

" 1180 J. GRUNWALT: Shepherd with Flock
75 x 65 cm

" 1181 LATE GOTHIC: Saint and Bishop(?)
with an Animal, wooden sculpture
not painted, 150 cm

plus 6 items

1182 items

** TUCKER REPORT, page 6 para (3): of the 4 paintings which were originally removed from a Hungarian barge on the Danube at Asbach, (which were located through checking records of the village secretary of Asbach back through 1945) investigation revealed the 4 paintings were still in the vault room, now in Alt Aussee Saltmine, see v.S. Note.:

follow paintings as listed above No. 1177 - 1180

deduct, already restituted

No. 415 Greec Icon: Holy Virgin after
Descent from the cross, oil/wood
22,5 x 29 cm, with frame (rev. side
18) property of Gergely " Holy Child"
(pencil note: restituted to Hungarian
owner)

" 487 DOMENICA(?): Head of an Angel
oil/wood, 25 x 20 cm, no frame
antique picture, Saloms, property
of Mrs. Gergely, restituted
(pencil note: restituted to Hungarian
owner)

" 355 Holy Family, oil/canvas, damaged,
65 x 50 cm, without frame
(pencil note: Restituted to Hungarian
Refugee owners)

315104

RG 260
Entry A. Hall
File OMGVS
Box 313

DECLASSIFIED	
Authority	<u>ND 9437</u>
By	<u>LN</u>
NARA Date	<u>9/2/88</u>

REPRODUCED AT THE NATIONAL ARCHIVES

1000

Transferred: 1182 items

- No. 977 Saint, oil/wood, 15 x 55 cm, with frame (property of Mr. Csillaghy, restituted 2-2-48)
- " 978 Female Saint, oil/wood 15 x 55 cm, with frame (property of Mr. Csillaghy, restituted 2-2-48)
- " 979 Madonna and Child, oil/canvas 114 x 87 cm, no frame (property of Mrs. Gergely restituted 2-2-48)
- " 980 A French Dandy of the 17th century, oil/canvas, 127 x 100 cm no frame (property of Mrs. Gergely restituted 2-2-48)
- " 981 Church Builders, oil/canvas, 168 x 127 cm, no frame (property of Mrs. Gergely, restituted 2-2-48)
(pencil note: restituted to Hungarian Refugee owners)

Total already restituted: 8 items

1174 items

Deduct, returned to Property Control and restituted:

- " 1176 Grotto and bathing Nymphs, antique painting, oil on wood, 74 x 50 cm, no frame

1 item

1173 items

Deduct, listed but NEVER transferred from Property Control to Bundesdenkmalamt (Lent by Property Control to an unknown person and never returned by that person)

- " 756 HEYER, A.: White Angora Cat, oil/canvas 50 x 40 cm, no frame

1 item

1172 items

Deduct

- " 741 A Fischhorn painting, listed by error

1 items

1171 items

315105

RG 260
 Entry A. Hall
 File OMGUS
 Box 313

DECLASSIFIED
 Authority NND 971507
 By KV NARA Date 9/20/88
 REPRODUCED AT THE NATIONAL ARCHIVES

Note:

This accounts for 1171 items at present stored in the Saltmine of Alt-Aussee. After the transfer of this material from Salzburg to the saltmine, the objects were counted again in the mine and 1170 items were located therefore 1 item is missing. At present 1 painting is in Salzburg which might be the missing one. It was numbered "Salzburg C 20" - City Scene - by Berkes- oil on canvas- 40 x 50 cm. This painting could be identical with:

No. 294. BERKES A.: View of a Town - oil/canvas-50 x 40 cm

315106

RG 260
Entry A. Hall
File OMGUS
Box 313

DECLASSIFIED	
Authority	<u>ND 71537</u>
By	<u>EP</u>
NARA Date	<u>9/2/88</u>

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
 AUTHORITY 760089
 By TJ NARA Date 2/8/00

RG 353 ~~ECDEFR~~
 Entry ~~Lot File 122~~ 202
 File ~~Inter Comm Div Rep 519 P~~
 Box 76

DEPARTMENT OF STATE

Office DIVISION OF
 ECONOMIC STUDIES Aff. 13
 FEB 11 1944
 DEPARTMENT OF STATE

ASSISTANT SECRETARY

OFFICE OF COMMERCIAL
 POLICY AND AGREEMENTS

ECA

FEB 10 1944

February 9, 1944

DEPARTMENT OF STATE

ECA - Mr. Hawkins
 Mr. Stinebower

In view of the recent reorganization of the Department it seems to me desirable to examine the question of reorganizing the Interdivisional Committee on Reparations, Restitution and Property Rights.

The Committee was established in December with five members from ES, four from PS, and a representative of each of the following offices, A-A, A-B, FD, Eu, Le, LA and TA. Thus the Committee consisted of sixteen members with Mr. Ellsworth of ES and Mr. Sandifer of PS as co-chairmen. Seven subcommittees were established as soon as an initial study for Mr. Winant's alternate on the European Advisory Committee was completed. It is estimated that within a period of two or three weeks recommendations and reports of a general nature from these subcommittees could be completed.

It seems to me that the Committee as now constituted is so large as to be cumbersome and to delay progress by inviting lengthy discussion. Moreover, with the reorganization a number of offices now represented probably will no longer have any direct interest in the matter sufficient to require representation.

The following proposed course of action is suggested:

1. The Committee should be reorganized, with Mr. Ellsworth of FMA as Chairman. It would seem desirable to give the Chairman latitude as to the membership on the Committee. It is suggested, however, that ISO, CE, TA, CD and Le should be represented. The important point is to make certain that the Committee in size is kept to a minimum.

2. When the reports of all the subcommittees have been received, the date having been set by the Chairman as February 21 or February 28, a drafting committee should be designated by the Chairman to prepare a composite report of all the subcommittees' recommendations. What

I have

DECLASSIFIED
AND Authority <u>760089</u>
By <u>TJ</u> NARA Date <u>2/8/00</u>

RG 353 ~~SECRET~~
 Entry ~~Lot # 100 20~~
 File ~~Inter-Comm. Rep.~~ #5.19F
 Box 76

-2-

I have in mind is a document which would be comparable to that prepared by the Keynes Committee in London. This document should then be forwarded to London and should be presented by the Department to the Interdepartmental Committee which should be informally convened for the purposes of obtaining the views of the other interested agencies in Washington. It is essential, however, that the Department take the lead in this field by presenting a program and asking for the views of the other interested agencies. Perhaps this need not be done by committee form but such a device seems to be the established method in Washington.

3. Once the policies have been set forth in general terms and approved by the Department the matter should be referred to the European Advisory Committee with the suggestion that a special reparations committee be organized with the three governments represented for the purpose of attempting to reach agreement amongst such governments. There should be sufficient flexibility so that other members of the United Nations could be brought in subsequently with a view to establishing policies acceptable to the United Nations and a plan prepared for the execution of such policies as soon as an armistice has been signed and the military situation permits work of this nature on the continent.

The urgency of the matter is apparent. Immediately upon the occupation of Germany the question of restitution and replacement will arise, with pressure being exerted from all of the governments representing territories occupied by the Germans, for the return of movable property, tangible and intangible. Furthermore, before the date of the liberation of the occupied areas and the occupation of Germany there should be general agreement as to the principles of reparation payments, i.e., whether payments in kind or in some form of foreign exchange are to predominate. Similarly, before the armistice there should be general agreement on issues such as the length of time of reparations, amounts, the proportions allowed various countries and the types of claims to be included.

Present indications are that there will be demands for very heavy reparation payments by many, if not all, of the allied governments whose countries have been occupied by the Germans. Undoubtedly many points of conflict will have to be ironed out by the process of negotiation. Hence, as soon as some tentative position in general outline form of

this

315108

DECLASSIFIED
AND Authority <u>760089</u>
By <u>TJ</u> NARA Date <u>2/8/00</u>

RG 353 ~~EA 1001~~
Entry ~~OFFICE 123~~ DOZ
File ~~Inter Com. Div~~ 5.19F
Box 76

-3-

this Government has been formulated, a reparations council meeting should be undertaken, or, if such a meeting can be dispensed with, a Committee established.

If the foregoing proposals are satisfactory, Mr. Ellsworth should be authorized to take the necessary steps to put them into effect.

DA

A-A:DHiss:aw

315109

DECLASSIFIED
 Authority 760089
 By TJ NARA Date 2/8/00

RG 353 ~~SECRET~~
 Entry ~~SECRET~~ 202
 File ~~Property Rights~~ 5.19F
 Box 76

12

SECRET

Secret
Tentative Draft

Reparation 12
 L-82

December 10, 1943

RECOMMENDATIONS WITH REGARD TO REPARATION,
 RESTITUTION, AND PROPERTY RIGHTS

I. THE PROBLEM AS A WHOLE

While the interest of the United States as a claimant for reparation is relatively small as compared with a number of the United Nations, its interest in a wise solution is vital and indeed second to none because of the magnitude of the problem and the manner in which it affects international economic and political life. It is imperative that this government recognizes the manner in which its broad interests are affected. The concern of this government is mainly the bearing of the reparation settlement on the achievement of the peace aims notably with respect to speedy reconstruction and recovery, the development of a sound trade policy, monetary stability, the avoidance of areas of strain and conflict, and international security and collaboration.

The United States having a large but mainly indirect interest in the settlement is particularly concerned with the importance of united action and the avoidance of any unilateral measures which will prevent the effective operation of the plan adopted.

It is recommended, however, that action with respect to reparation should not be linked with other efforts at international collaboration aimed to establish permanent cooperative arrangements and institutions. This government more than other states may have an interest in seeing that new machinery and arrangements be kept relatively free of those immediate post-war settlements most affected by the bitterness which is the outgrowth of the war. In fact the punitive aspects of immediate post-war measures and the attempt to strip Germany of looted wealth should be associated mainly with emergency and temporary measures.

In general it is recommended that early commitments shall be broad and flexible to permit considerable latitude in both the amounts to be claimed, methods to be used, and the distribution of shares between claimants.

II. BROAD

315110

DECLASSIFIED

 AND
 Authority 760089
 By TJ NARA Date 2/8/00

RG 353

Entry ~~XXXXXX~~ 202File ~~Property Rights~~ 5.19FBox 76

-2-

II. BROAD PRINCIPLES AND AIMS

The formulation of American policy and the development of a plan for reparation should be guided by the acceptance of a number of broad principles of action. While policy with respect to some of these aims and objectives is subject to modification or further definition with the course of events, their general outlines can be laid down at this time.

1. Not a Major Instrument of Security

The reparation settlement shall not be relied upon as a major instrument of control over German military power. Reparation is not a satisfactory instrument to reduce Germany's war potential and other more effective means are being devised.

2. Recovery and Reconstruction--First Phase

The reparation settlement should be designed primarily as a means of speeding reconstruction and recovery. It should be considered as one of a series of measures of economic reconstruction.

A corollary to this general principle is that whatever burdens are placed on Germany should not be so great as to interfere seriously with the basic aims and plans of the United Nations with respect to the future of European economic life.

It is recommended that the reparation settlement be such as to furnish a substantial contribution to reconstruction of devastated countries.

3. Prompt and Sound Reconstruction of European Economic Life--Long Run

Two limiting factors will define the nature of objectives with regard to the future of Germany and her place in Europe. Germany must be obligated to an extent which makes possible recovery in the United Nations more rapid than in her own economy, and, yet, Germany must not become so depressed economically as

to become

315111

DECLASSIFIED

NND
Authority 760089

By TJ NARA Date 2/8/00

RG 353

Entry ~~LOFFHEITZ 30~~File ~~Property Rights~~ S. 19F

Box 76

-3-

to become a breeding ground of future economic and political disturbances.

While some aspects of German economic life are likely to be restricted or controlled under other parts of the post-war settlement and through military or civilian machinery created for this particular purpose, there will be additional obligations and restrictions imposed under the reparation settlement. The effect of these additional measures should not be so great as to destroy substantially the power of Germany to produce and to consume.

4. Compensation and Justice

If compensation be limited to physical reconstruction of devastated areas, the ends of justice will not be adequately served either as to states or individuals. Some countries have suffered serious damage not as a direct consequence of military action but as a result of the imposition of levies, fines, forced labor, seizures, and other injuries. The problem of compensating those not directly involved in the more immediate and urgent reconstruction measures should not be ignored.

5. Principles Underlying Acts of Restitution

Germany must not be allowed to profit in any way from spoliation and domination of other countries. Attention will need to be given in the final settlement to the changes in her competitive position, through the acquisition of assets, the reorganization of European economic life, or in any other way.

III. THE FRAMEWORK AND GENERAL OUTLINES OF A PLAN

There are a number of other principles not so broad and general in character but nevertheless important.

1. The Amount of Reparation

The amount of Germany's obligation to pay reparation shall be substantial in order to contribute to reconstruction but shall not be so large as

to

315112

DECLASSIFIED	
AND	Authority 760089
By TJ NARA	Date 2/8/00

RG 353 ~~EX-100~~
 Entry ~~LOFF #2122~~ 202
 File ~~Property Rights~~ S.19F
 Box 76

-4-

to constitute a crushing burden. In determining a definite amount in the light of the foregoing principles and aims, attention should be devoted to Germany's annual contribution to war preparation, Germany's national income, exports and imports, and the condition of Germany's productive plant.

While it is inevitable that for calculation of the total obligation and for computation of the relative shares of claimants, a money measure will be used, it is not contemplated that reparation shall be primarily in free foreign exchange, but rather that reparation will have to be transmitted predominantly in the form of concrete goods and services which claimant countries stand ready to receive.

In determining the amount which Germany shall be asked to pay consideration will inevitably be given to the range of percentages which can be set aside out of her national income. The range of possible choices might be wide perhaps between 10 and 20 percent. Final decisions would be contingent on the size of resources at the disposal of Germany and her special obligations and needs.

While even illustrations of these relationships may be misleading at this stage of policy formation, it is easy to see that the application of percentage chosen as suitable for Germany's burden to varying hypothetical national incomes gives some indication of magnitudes to be considered. Thus if German national income were only 10 billion, then a 15 percent levy for reparation would indicate 1.5 billion as the contribution or tax for reparation. If, however, Germany had a national income above 20 billion and devoted 15 percent to reparation, the sum of \$3 billion per annum would be indicated as an amount to be collected for reparation. Transfer conditions might further limit more narrowly effective payment.

In considering the possible limitations introduced by the desires and interests of the recipients of reparation and the transfer problem, a detail study of Germany's balance of payments and assumptions with

regard

315113

DECLASSIFIED
NND Authority 760089
By TJ NARA Date 2/8/00

RG 353 ~~EC-119~~
 Entry ~~105-12-122~~ 707
 File ~~Property Rights~~ S.19F
 Box 76

-5-

regard to the expansion of German exports are needed. While the export figures of the 'twenties and 'thirties may not give a correct impression of exports under the special conditions introduced by the reparation settlement, they should be examined for guidance. The full recognition should be given to the effect that a considerable fraction of the imports in the 'thirties were devoted to stockpiling, military capital construction, and special needs rather than to the production of consumer goods or articles for export. Moreover, the willingness of recipient countries to receive goods in substantial volume as indicated in lists already prepared and to be prepared, may be significant.

Reparation policy should take account of the fact that new international instrumentalities, a large degree of control of internal economic life, special exchange protections, and other new conditions might greatly facilitate the transfer of reparation.

Attention will also have to be given to the effect on Germany's productive capacity of the operations of the control commission, of the requirements of the United Nations for delivery of goods by way of replacement and restitution, her own urgent needs for industrial raw materials, relief and reconstruction.

2. Duration

Since duration is an important factor in the reparation settlement, attention needs to be given to the practical conditions which are consistent with the general principle that oncoming generations, not responsible for the war, should not carry heavy obligations by way of reparation payments. This principle should not be taken to exclude the possibility that Germany might wish to commercialize a part of her obligation by selling securities within her boundaries which would have a longer life than the reparation obligations imposed by the United Nations.

The political, psychological, and economic aspects of this problem need further exploration but the outside limits of 10, 15, or 20 years at most have been suggested.

3. Restitution

315114

DECLASSIFIED
 AUTHORITY 760089
 By TJ NARA Date 2/8/00

RG 353 ~~EC-1027~~
 Entry ~~LA 111112~~ 702
 File ~~Property Rights~~ 5.19F
 Box 76

-6-

3. Restitution

It is recommended that restitution be confined to a narrow category of claims. The reasons for this recommendation are:

- a. To restrict the number of individual claims for specific property to manageable proportions;
- b. To avoid any considerable earmarking of Germany's wealth, whether looted or not, to the satisfaction of particular claims.

Restitution refers to that phase of the general reparation problem which calls for restoration of recoverable property to particular states and perhaps to particular individuals who can establish ownership of these properties. Although both restitution and replacement will call for impounding and perhaps the removal of large numbers of items, it may not be necessary to restore all these items to the original owners. It is urged that there are special reasons for considering the restitution of unique objects to their former owners within limits set by other aims as indicated. It is clear that in the first instance there is a measure of injustice in providing for restitution before meeting the claims, equally legitimate, of other victims of Germany's looting either through cash settlement or replacement. There is no completely satisfactory answer to this question, which is essentially one to be settled in accord with the general policies of the United Nations and the specific policies and procedures developed by the separate states to provide the highest possible degree of equity between individuals.

While more precise definitions are necessary the general intention is to restore such items as those art objects, rare books, and scientific instruments which are held to have a peculiar importance to the original owner and for which monetary compensation, however liberal, is no adequate substitute. It is recommended that the restitution of securities, while related, should be handled as a special case and be covered by special measures. The reason for segregating

this

315115

DECLASSIFIED

NND
Authority 760089

By TJ NARA Date 2/8/00

RG 353

Entry Lot ~~122~~ 202

File Property Rights 5.19F

Box 76

-7-

this element in restitution is that it may not be desirable, in the case of securities, to carry through restitution immediately. Complex questions of ownership and control are involved which need to be made consistent with other economic policies of the United Nations.

The restoration of real estate in Germany or outside while closely allied to restitution as narrowly defined should be set apart for administrative reasons. The protection of interests of the owners of property in Germany, particularly in the case of refugees, may require special provisions. Since removal is not involved, the problems of restoration to the original owners will have to be worked out as in accordance with appropriate regulations and laws and in conformity with the national policy within the general framework of recommendations by the United Nations.

4. Replacement

The replacement of looted goods is clearly a form of reparation under the plan recommended. It does not involve the restoration of property in all cases to the governments or individuals from whom the goods were taken. There are cogent arguments for providing for replacement as an aid to prompt action during the emergency period. Operations under this heading could proceed prior to the settlement of total obligations and by means of relatively simple administrative methods even before the setting up of a special reparation commission. Replacement would involve seizing large quantities of stockpiles, machinery and other forms of property, holding them subject to requests from the United Nations, and disposing of them in accord to the reconstruction and reparation policies in so far as they have been developed. Since the reparation settlement may not be complete at the time when replacement will be most urgently needed, the question must be left open as to how the shares of the recipients and the total deliveries from Germany will be handled in the accounting of the United Nations. Presumably, they would be in addition to later annual deliveries or payments, but would be included in the total received from Germany in the final accounting.

5. The

315116

DECLASSIFIED	
NND Agency	760089
By	TJ NARA Date 2/8/00

RG 353 ~~EA 122202~~
 Entry Lot File 122202
 File Property Rights 5.19F
 Box 76

-8-

5. The Forms which Payments Should Take

In the first instance, pending further study and the decisions as to the amount and duration of payment, policy should not be such as to exclude any form of payment.

Deliveries in kind likely to constitute the major element in total deliveries, should be the subject of immediate study with a view to developing the specific requests of claimant states. On the basis of schedules of probable needs and the kinds of deliveries which the claimants would be willing to receive, major decisions as to the constituent parts of the reparation plan can be made. These requests would, when approved and incorporated into a general plan, have to be reviewed and screened through the appropriate machinery.

Payment in services would also provide under suitable arrangements a substantial portion of the reparation payments. The period during which it will be appropriate to use labor services will depend in considerable measure on the categories of workers to be used. Arrangements to use special groups of persons, held to be responsible for war crimes, and leaders of the Nazi party might be made a part of a plan for the post-war treatment of war criminals. To the extent that the use of labor services exceeds the scope of such a possible plan it will be necessary to consider the broad implications of using German labor in foreign territory both from the point of view of efficiency and also from the point of view of psychological and political consequences. In any case minimum standards in the treatment and remuneration of such laborers should be agreed upon by the United Nations. While German labor in the early reconstruction years can be an important aid to prompt reconstruction, its continued use, with the exception of the special categories referred to, is a question which calls for further study.

Reparation in the form of cash or free foreign exchange should not constitute a major part of the reparation payments. They do provide a flexibility

of

315117

DECLASSIFIED
 Authority 760089
 By TJ NARA Date 2/8/00

RG 353 ~~EC~~
 Entry Lot File 122
 File ~~Property Rights~~ S. 1912
 Box 76

-9-

of operations which may be important in supplementing other means. Payments in cash might be either in regular German currency, in special reparation marks, or in foreign exchange. Final decisions in this matter should be left open pending further studies. While it may prove desirable that only small cash payments be made, this will depend in part on the types of claims and the amount of the obligation to be imposed under the final plan. In any case the extent to which money payments are likely to disturb the exchanges and the measures which can be devised to protect other financial interests need careful exploration.

6. Reparation Commission

It is recommended that a Commission be established as soon as possible to study the more specific details as well as the broad outlines of a reparation plan. This Commission should be guided by general principles such as those set forth above. The main tasks of the Commission should be inter alia:

- a. to estimate the total amount of reparation which might be imposed,
- b. to indicate how this total might be broken down into kinds and amounts of specific goods and services and other forms of payment,
- c. to recommend the manner in which these reparation payments should be divided among claimants,
- d. to investigate the conditions in Germany and in receiving countries prior to and during reparation payments which condition their effects,
- e. to investigate methods of protections and control which might facilitate the execution of the plan adopted,
- f. to supervise the discharge by Germany of the reparation obligation finally imposed on that country.

ES:Dulles:Ellsworth:Fowler:RS

315118