

U.S. HEADQUARTERS BERLIN DISTRICT

250.1
1082

APC 755, U.S. Army,
24 July 1945.

AG 123 x 250.1 (BDE)

SUBJECT: Currency Secured from Illegal Sources.

TO : COMMANDING OFFICERS, all U.S. Units and Detachments, Berlin District.

1. To prevent the securing of funds by personnel subject to U.S. Military Law from illegal sources, including captured enemy currency, barter, black market operations and similar methods, commanders of all echelons will take continuing and vigorous steps to:

a. Adequately safeguard all captured enemy currency until turned over to the nearest finance officer for proper disposition.

b. Prevent the securing of currency by U.S. military personnel from unlawful sources by barter or other means.

c. Effect the immediate exchange at official exchange rates of all U.S. and British currency now held by members of the U.S. forces to German military marks, and to assure themselves, by periodic inspections, that British or U.S. currency which may subsequently come into the possession of military personnel is also disposed of in this manner.

d. Insure that offenders in this category are made the subject of strong disciplinary action.

2. Until further notice, the transmission by military personnel of funds to any point outside Germany utilizing means other than those afforded by U.S. Army Finance Officers', Army War Bond Officers, or through the Army Postal Service, and except as outlined below, is prohibited.

a. Any person (excluding officers of field grade and above) desiring to transmit funds by PTA, postal money order, soldiers deposits, or by purchase of war bonds, will first submit application in appropriate form to the unit personnel (or comparable administrative) officer, who will be charged with maintaining an individual record in respect to each such individual in the unit, indicating the date, amount and method of every transmittal of funds by such person.

b. Following entry of the pertinent information on the record referred to in a above, the personnel officer will countersign the application as evidence of such entry and return it to the applicant for further processing through regular channels.

c. Unit commanders will examine the unit record of fund transmittals in conjunction with individual deposits entered on WDFD Form No. 33

Inclosure #2

34-1-

319383

RG	338	Entry	File	363
DECLASSIFIED	Authority	MD823527	By WSD	NARA Date 2/27/00
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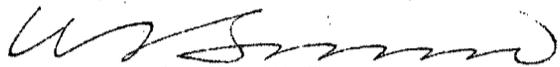
(Soldier's Deposit Book) and individual records of currency exchanges at frequent intervals for the purpose of informing themselves as to the existence of any case in which a person has transmitted, deposited, or exchanged disproportionately large sums of money either in a single transaction or in the aggregate. In such cases, which will include the transmittal and/or deposit by an individual in a single calendar month of an amount in excess of such individual's unencumbered pay, plus 10%, investigation will be made, and, if indicated, appropriate action will be taken.

d. Finance, postal, and war bond officers are prohibited from accepting any applications for transmission of funds by persons defined in a above, unless such applications have been countersigned as provided in b above.

3. Care will be taken by all concerned that proper and authorized transmission of funds from legitimate sources is not discouraged and that other pertinent aspects of the theater soldiers' savings program are not prejudiced hereby.

4. The provisions hereof will be brought to the immediate attention of all personnel, civil and military, subject to U.S. Military law.

BY COMMAND OF MAJOR GENERAL PARKS:



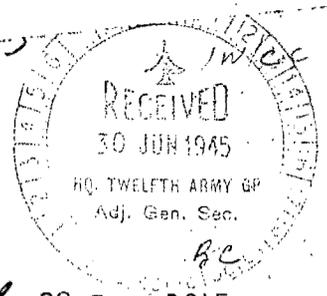
W. F. SMITH
Colonel, AGD,
Adjutant General.

319384

RG	338
Entry	
File	USFCT Adm. Gen. Admin. 363
By	MSD NARA Date 2/27/96
Authority	AMDR 23527
DECLASSIFIED	

REPRODUCED AT THE NATIONAL ARCHIVES

250.1
1083



SUPREME HEADQUARTERS
ALLIED EXPEDITIONARY FORCE
G-5 Division
Displaced Persons Branch

B 28 June 1945

SHAEEF/G-5/DP/2708/5

MEMORANDUM TO: Headquarters, 12 Army Group.

SUBJECT : Complaint of Czech Authorities Concerning Alleged Looting by Polish Nationals in Czechoslovakia.

1. The following communication has been transmitted to this Headquarters by the Head of the Czechoslovak Military Mission to Supreme Headquarters, AEF:

"The following information has been received from the Ministry of National Defence in Prague regarding the misdeeds of Polish Refugees on Czechoslovak Territory.

In the district of HORSOVSKY TYN there are several thousand refugees and prisoners from the ex-concentration camp of HOLISOV. These refugees, evacuated by the German authorities before the advancing Russian armies from the East into Bohemia and Bavaria have been left there because the old frontier was closed by US authorities. These people are roaming about in woods and villages of the district and their feeding causes insurmountable difficulties. Public health is menaced by the spreading of contagious diseases.

In the same district there are about 3000 men, women and children of Polish nationality who fled from Warsaw where they were taking part in the fighting. They are billeted in the villages Stichov, Kvicovice, Vsekary and Neumer. These groups are disrupting the controlled economy of the district by their wilful requisitioning of cattle, grain, poultry, timber, clothing, vehicles and horses. They are plundering the property of the Czech population and undertaking booty expeditions into German villages. They were originally wearing uniforms but are now clad in civilian clothing and are thus able to put the blame for all outrages committed by them on the Czech population. They are spreading rumours of an early outbreak of hostilities between the Angli-Americans and the Russians and are thus causing uneasiness among the population. They also forbid the hoisting of the Soviet flag. Their guards are terrorizing the population. In one instance the local veterinary surgeon from Stankov has been kept lying on the road throughout a whole night by the order of a Polish sentry. These guards also detained an American investigation officer."

2. Under the policy of this Headquarters, the care and maintenance of displaced persons uncovered in liberated Allied territory are the responsibility of the Allied government in whose territory they are uncovered. The maintenance of law and order, however, is the responsibility of Allied military authorities until the re-established Allied government is in a position to assume this responsibility.

3. It is desired that an investigation be made of the allegations contained in the above-quoted communication and that a reply be submitted to this Headquarters, reporting any corrective action that may be taken.

For the Assistant Chief of Staff, G-5:

26

ALBERT H. MORRIS
S. R. MICKELSEN Col., G.S.C.
Brigadier General, USA
Chief, Displaced Persons Branch

228 COPY TO: EACS

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RG	338	Authority	AMDR23527
Entry		By	WSD NARA Date 2/27/60
File	USFET Ad. Gen Admin 1945		
ROY	363		

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HEADQUARTERS THIRD ARMY

Ltr. SHAEF/G-5/DP/2708/5, 28 June 1945, subj: "Complaint of Czech Authorities Concerning Alleged Looting by Polish Nationals in Czechoslovakia."

AG 250.1 (G-5) 3rd Ind.
(28 June 45)

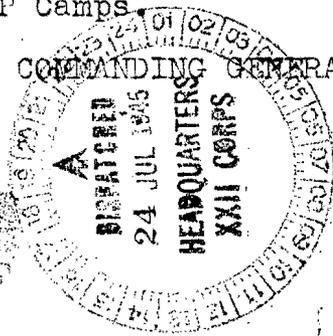
HEADQUARTERS XXII CORPS, APO 250, U S ARMY, 24 JUL 1945

TO : Commanding General, Third U S Army, APO 403, U S Army,
(Attention: A C of S, G-5)

1. The Polish people in question were members of the Polish Brigade and about two hundred civilians accompanying it.
2. The status of the Brigade is that of a military organization and not Displaced Persons.
3. They have moved from the location mentioned in the basic communication and the civilians have been evacuated as DPs.
4. All Polish DPs have been moved out or are under control of American supervised D P Camps.

FOR THE COMMANDING GENERAL:

RECEIVED
H.O. TUSA 29 JUL 1945



C. C. Franklin
 C. C. FRANKLIN
 Captain, AGD
 Asst. Adj. Gen.

28

319386

RG	338	Authority	MD82327
Entry		By	WSD
File	USFET Adm. Gen. Admin. 1945	Date	2/2/45
Box	363		

REPRODUCED AT THE NATIONAL ARCHIVES

352/23

Classification

INTERNAL ROUTE SLIP

HEADQUARTERS, U.S. FORCES, EUROPEAN THEATER

FILE NO:

SUBJECT: Complaint Concerning Alleged Looting by Polish Nationals DATE 8 August 1945

(Number each memo or minute consecutively. Fill in each column, signed legibly draw a line across the sheet. Use entire width of sheet for long memoranda.)

No.	From	Pass to	Date	HAS THIS PAPER BEEN COORDINATED WITH ALL CONCERNED ?
1.	AG	G-5	8 Aug 1945	<p>(S: 23 Aug 45 ^R - Inquiries to Ext 21816) LW/L/cld</p> <p>Request indication of action desired.</p> <p>For the Adjutant General:</p> <p style="text-align: right;"><i>[Signature]</i> L. WURZEL Captain, AGD 108</p> <p>1 Incl: Ltr, G-5, SHAEF, SHAEF/G-5/DP/2708/5, dtd 28 June 45, w/5 Incls.</p>
2.	CDPX G-5	AG <i>ofc</i>	10 Aug 1945	<p>1. It is requested that a reply substantially as follows be made to Czechoslovak Military Mission to SHAEF letter (Ref. No. 429/I Conf/45, "Polish Refugees Looting on Czechoslovak Territory", dated 21 June 1945. <i>subject as above</i>)</p> <p>1. This has reference to your 429/I/Conf/45, "Polish Refugees Looting on Czechoslovak Territory", dated 21 June 1945. <i>is made letter, file</i></p> <p>2. It has been established that the Polish people in question were members of the Polish Brigade and about two hundred civilians accompanying it.</p> <p>3. The Brigade has been moved from the location mentioned in your letter.</p> <p>4. The civilians have been evacuated as Displaced Persons, and all Polish Displaced Persons in this area have either been moved out or under the control of American organised Displaced Persons Camps.</p> <p>2. It is further requested that ^{a copy of} this reply be forwarded to the Allied Contact Section USFET, for transmittal to the addressee with reference to SH/8/EAC/F/224, date 26 June 1945.</p> <p>For the Chiefs, CDPX:</p> <p style="text-align: right;"><i>[Signature]</i> A.H. McFERTY, Jr. Colonel, GSC Executive</p> <p>Inc. n/c</p> <p style="text-align: center;"><i>28</i></p> <p style="text-align: center;">RECEIVED 14 AUG 1945 1199</p> <p style="text-align: right;">(Classification)</p>

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14 AUG 1945
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AGPD-445-7-45-60 M 31953

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RG Entry File usFET Adl. Gen Admin 1945 338 363 RNY

Authority NARA Date 2/27/60
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HEADQUARTERS
REGIONAL MILITARY GOVERNMENT TEAM
(AUSTRIA)

ASST AG
(3)

10 July 1945

250.1
1068
SUBJECT: Removal of Materials from Austria by U.S.
Military Organizations

TO : Commanding General, U.S. Forces, Austria.
(THROUGH CHANNELS).

P 250.1

1. During the two and a half months of occupation of Austria by U.S. Armed Forces there have been many cases reported involving the removal of material and supplies from the American Zone of Occupation in Austria to Germany.

2. Every asset which was in Austria at the cessation of hostilities and which logically belongs to the United States Forces occupying Austria or the Austrian Government is irreplaceable. Each bit of material, equipment, raw material, semi-finished goods or finished product which has been removed from Austria is of vital importance in the re-building of the economy of the Austrian State. Therefore, it is of vital importance that such materials as have been removed and which logically belong to the U.S. occupying forces or the Austrian Government should be returned to Austria at the earliest opportunity.

3. The following summary gives a list of specific cases involving the removal of material and equipment from Austria to Germany on order of U.S. military organizations:

a. About the middle of May, 7th Army directed VI Corps to remove German troops from the Tirol to or near Munich. Six hundred and forty trucks, 460 sedans, 25 buses and 1500 horses were used in this evacuation. This equipment has not been returned to Austria. (Reported by Military Division).

b. Seventh Army ordered the removal of all machinery and materials from a German clothing and shoe manufacturing depot near Salzburg for shipment to Ulm, Germany. This depot is now under control of the 3rd Army which has continued to remove equipment to 3rd Army area in Germany. (Reported by Military Division and Liaison Office, Occupational Air Force, Austria).

- 1 -

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319388

RG 338
Entry
File usFET Adm. Admin. 1945
363
By WSP NARA Date 2/27/00
Authority MDR 23527
DECLASSIFIED

REPRODUCED AT THE NATIONAL ARCHIVES

SUB: Removal of Mat'ls fr Austria
TO : CG, US Forces, Austria
THRU CHANNELS.

10 Jul '45
Page 2

c. About 25 June a very important radio link station at Gaisberg was dismantled and removed to Nuremberg on orders from 12th Army Group. This was a necessary link set for the Austrian communications system as well as a link in the over-all continental system. (Reported by Military Division).

d. G-4, 65th Division (Lt Col Hardin) reported that:

- (1) 3rd Army had sent a Quartermaster Truck Company (30 trucks) to Linz to evacuate Quartermaster supplies (mostly clothing) from the collection point at Auschoff. (Reported by Mil Div, Econ Branch & MG Det Ell3.)
- (2) On 9 June 1945, XX Corps took 8 carloads of nails and engineering equipment from the collection point at Ashach to Germany. (Reported by Econ Branch)
- (3) On or about 15 June 1945, 3rd Army sent 12 Wehrmacht sedans to Nuremberg from their ordnance collection point near Linz. (Reported by Econ Branch).

e. G-4, 11th Armored Division (Lt Col Poole) on 24th June 1945 reported that:

- (1) 80th Infantry Division had departed with 18 flat cars loaded with boats from Traun See. (Reported by Mil Div)
- (2) When the 11th Armored Division took over from the 80th Infantry Division, the 80th Division took with them 10 German Truck Companies with approximately 40 German trucks per company. (Reported by Mil Div).

f. Quartermaster, 11th Arm'd Division (Lt Col Lipp) on 2 July 1945 reported that he had shipped 45 cars of coal to Germany on orders from 3rd Army. (Reported by Mil. Div)

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319389

RG 338
Entry File usFET Adl. Econ Admin 1945 363
By WSD NARA Date 2/27/00
Authority MMD823527
DECLASSIFIED

REPRODUCED AT THE NATIONAL ARCHIVES

SUB: Removal of Mat'ls fr Austria

10 Jul 45.

Page 3.

TO : CG, US Forces, Austria.

g. The Engineer, 11th Armd Division (Maj Allen) on 2 July 1945 reported that 3rd Army had removed prefabricated houses and lumber from his area. (Reported by Mil Div)

h. Engineer, 103rd Infantry Division (Lt Col Childs) on 27 June 1945 reported that the 3rd and 7th Armies had already evacuated most of the engineering equipment. No inventory of this equipment was available. (Reported by Mil Div).

i. Signal Officer, 193rd Infantry Division (Maj Hazen) on 27 June 1945 reported that the 7th Army moved 85 truck-loads of enemy signal equipment from Landeck between 2 and 10 June 1945. (Reported by Mil Div).

j. Maj C. C. Case, MG Detachment ELI3, reported that 30 car-loads of butter tub lumber were taken from the Vocklamarkt Butter Tub Company and loaded into U.S. Army trucks, identification of which is available. No payment was made and no requisition nor receipt was given. The American Captain commanding the truck convoy stated that the material would be shipped to France. A more detailed report is being prepared. (Reported by Agricultural Br.)

k. 7th Army removed 5000 pairs of binoculars from the plant of Swarovski at Wattens (Tirol). (Reported by Econ Branch)

l. Third Army have requisitioned and ordered shipped 50,000 tons of cement to points in Germany for the construction of air fields. (Reported by Econ Branch, MG Detachments ELI3 and E2K3, & II Corps).

m. The 833rd Engineer Aviation Battalion (7th Army) have requisitioned approximately 3,000 tons per month of the cement produced by the Schretter plant at Reutte (Tirol). 7th Army have furnished the coal necessary to produce this cement (Reported by Econ Branch).

n. Items shown in Inclosure 1 were removed from the II Corps collection point near Salzburg and taken to Germany in a truck convoy under command of Capt Staulker. (Reported by Econ Branch).

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319290

RG	338
Entry	
File	usfct Ad. Gen Admin 1945
By	MSD
Authority	MD823527
NARA Date	2/2/70
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REPRODUCED AT THE NATIONAL ARCHIVES

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2000
SUB: Removal of Mat'ls fr Austria
TO : CG, US Forces, Austria.
THRU CHANNELS.

10 Jul 45
Page 4

o. Sixteen barges which had been in Linz have been moved by 3rd Army order to Passau. Military Division of Regional Military Government Team advises that inventory of the contents is available. (Reported by Econ Branch).

p. On 8 Jul 1945 representatives of the Political and Public Health Divisions visited the Quartermaster clothing and footwear depot in Salzburg. The Sergeant in charge of this depot advised that about 170 tons of leather had been shipped to Regensburg to repair shoes for 3rd Army and that large quantities of clothing, thread and other materials had been shipped from this depot into other areas. There were several cases of thread and other materials which were packed and ready for shipment and upon which a stop order had been issued. (Reported by Public Health and Political Divisions).

q. Signal Officer, 193rd Infantry Division, advised that on 1 June 1945 a complete mobile 15 KVA radio transmitter and broadcasting station was removed from Innsbruck and sent to 3rd Army. (Reported by Internal Affairs Division).

r. 7th Army ordered XV Corps to evacuate the German Signal Depot at Hallein and move it to Augsburg prior to 18 May 1945. Approximately 100 truck-loads of assorted German signal equipment (switch-boards, teletypewriters, radio transmitters, telephones, etc.) were removed. (Reported by Internal Affairs Division).

- s. (1) Approximately 600 freight cars from the Linz operating district of the Austrian railroads have been routed to Germany in the course of military movements. No similar equipment has been returned from Germany. (Reported by Transportation Div)
- (2) Stores of critically needed railway lubricating oils were sent from the Linz district to the 3rd Army. (Reported by Transportation Div)

t. Large numbers of civilian and captured enemy motor vehicles have been shipped to Germany under 3rd Army orders for delivery to certain collecting points in Bavaria. (Reported by Transportation Division).

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319391

RG Entry File usfct Adm. Gen Admin 1945 338 363 R0V

DECLASSIFIED	Authority MDR 23527	By ASD NARA Date 2/27/00
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REPRODUCED AT THE NATIONAL ARCHIVES

RECEIVED
MILITARY
OFFICE
1945

SUB: Removal of Mat'ls fr Austria
TO : CG, US Forces, Austria
THRU CHANNELS

10 Jul 45.
Page 5.

u. Gold and foreign exchange reported to belong to the National Bank of Hungary and shown on inclosure 2 were moved to Frankfurt, Germany, by Major Lionel C. Perera, G-5 Section, 3rd Army. (Reported by Financial Division.)

v. (1) 7th Army ordered that all stocks of the Austrian Tobakwerke in Schwaz, Tirol, should be furnished for shipment to 7th Army in earliest available transport. Some tobacco was shipped from the Schwaz plant to the 7th Army under the order.

(2) 3rd Army requisitioned from the Linz branch of the Austrian Tobakwerke a large quantity of tobacco for shipment to Germany and gave a receipt for it. (Both reported by Financial Division.)

w. Capt Rubenstein of 2826 Engineers requisitioned and removed 80 tons of asphalt from the Tirol for use in Germany. It is reported that 7th Army removed an additional 120 tons of asphalt from the Tirol without the formality of a requisition. (Reported by MG Detachment ELK3).

x. One hundred and fifty sacks of cement, 90 sacks of gypsum and 220 panels of insulating material were taken by 3rd Army personnel in a 3rd Army truck from a civilian concern in Salzburg. These items were secured on a requisition from Military Government in Bavaria. (Reported by MG Detachment E2K3).

y. All of the captured medical supplies in a large dump at Ebensee were moved to Furth, Germany, on 3rd Army order. (Reported by Public Health Division.)

z. Inclosure 3 outlines the case of Michael Gstür of Salzburg from whom considerable quantities of foodstuffs and various materials have been taken. (Reported by Econ Branch.)

/s/ George H. McCaffrey
by //???// Col.
GEORGE H. McCAFFREY
Colonel, GSC

Regional Military Government Officer.

- 3 Incls.
- Incl 1 - Items removed
fr II Corps Collection Point (in trip)
- Incl 2 - List of Gold and Foreign Exchange
- Incl 3 - Case of Michael Gstür

14
- 51 -

319392

RG Entry File 338
By WSD NARA Date 2/27/90 Authority MDR 23527
DECLASSIFIED
File usfct Adl. Gen. Admin. 1945 363
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REPRODUCED AT THE NATIONAL ARCHIVES

TO: AG 250.1
FROM: Ltr. to Lt. Colonel
AG 250.1
21 JUL 1945

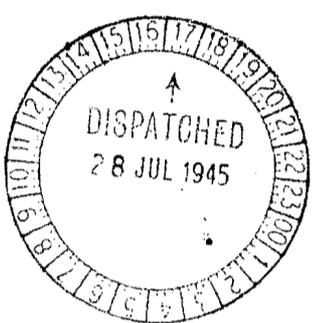
(Ltr, Hq Regional Military Government Team (Austria), subject: Removal of Materials from Austria by U.S. Military Organizations, dtd 10 Jul 45)

AG 250.1 GDS-AGO 1st Ind.
HEADQUARTERS, U.S. FORCES, EUROPEAN THEATER, MAIN, APO 757, 28 July 1945

TO: Commanding General, Third U.S. Army, APO 403)
Commanding General, Seventh U.S. Army, APO 758) (In turn)

Request your comments as to the practicability of returning materials to Austria as requested in basic communication.

BY COMMAND OF GENERAL EISENHOWER:



H. H. NEWMAN
Colonel, AGD
Assistant Adjutant General

3 Incls:
n/c

Copies:
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AG 250.1

AG RECORDS FILE
USFET

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- 6 -

319393

RG	Entry	File usfct	363
338		Adm. Gen.	
		1945	
DECLASSIFIED		Authority	MD823527
		By	2/24/90
		NARA Date	

REPRODUCED AT THE NATIONAL ARCHIVES

Hq Regional Military Government (Austria), Subj: "Removal of Materials from Austria by U.S. Military Organizations, dtd 10 Jul 45)

AG 250.1 - GNMCD-3
(10 Jul 45)

2d Ind.

HEADQUARTERS THIRD UNITED STATES ARMY, APO 403, US Army, 12 September 1945.

THRU: Commanding General, Seventh U.S. Army, APO 758, US Army.

TO : Commanding General, United States Forces, European Theater (Main), APO 757, US Army.

1. It is considered impractical to return or replace items mentioned in basic communication for the following reasons.

a. Specific items and material through warehousing have lost their identity.

b. During the period Austria was under the control of Third Army, supplies and materials were distributed equally between Bavaria and Austria based on immediate needs.

c. Automotive transportation under G-5 was allocated by G-5 based on the need in a particular area.

d. Railroad transportation equipment has been shipped into Austria in greater quantity than was removed.

e. No record exists in this headquarters pertaining to the removal of Signal equipment.

f. Engineer materials have been used in the construction of airfields for occupational airforces and construction of essential housing.

g. Boats mentioned in par. e (1) are at present being used for rest camps and may be returned when their need is no longer evident.

2. In connection with the above it should be noted that Third United States Army, while Austria was under its control, did not withdraw material from Austria in excess of immediate need for distribution to both Austrian and Bavarian DPs and GDFs and the requirements of G-5 in the two countries.

For the Commanding General:

3 Incls:
n/c

J. J. HAMLIN
Major, A. G. D.
Adj. Gen.

919394

RG	Entry	File usPET Adl. Gen Admin	363
338			
DECLASSIFIED		Authority MDR 23527	By WSP NARA Date 2/24/00

REPRODUCED AT THE NATIONAL ARCHIVES

Regional Military Government (Austria), Subj: "Removal of Materials from Austria by U.S. Military Organizations, dtd 10 Jul 45)

AG 400-D

3d Ind.

EHL/ndb

HEADQUARTERS SEVENTH ARMY/WESTERN MILITARY DISTRICT, APO 758, U S Army, 29 September 1945

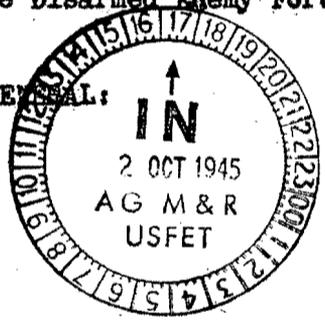
TO: Commanding General, United States Forces, European Theater (Main).
APO 757, US Army.

1. During the short period that this headquarters occupied northern Austria, the only supplies removed were limited stocks from Wehrmacht supply depots and the organic equipment that was in possession of the troops of the surrendered German Army. These troops were evacuated from the Austrian territory (Tirol) and concentrated in the vicinity of Munich on instructions from Theater Headquarters. At that time this headquarters made every attempt to expedite the evacuation of these German Troops to relieve the strain on the limited food resources of the mountainous and sparsely settled Austrian territory. In many instances vehicles and other equipment that could not be evacuated by the German Troops and that could be used by the civilians were turned over to the local Military Government Detachments and every effort was made to assist these Military Government Detachments (in Austria) that were under the supervision of this headquarters at that time.

2. All equipment, vehicles and other organic equipment other than individual and housekeeping equipment of the German 1st Cavalry Corps was left with the British V Corps at Klagenfurt, Austria. All surplus horses of the 1st Cavalry Corps were evacuated from Austria at the specific request of the Military Government Detachments and British Army Officials concerned, inasmuch as there was insufficient fodder to feed all the horses that were in the area.

3. Shoe repair machinery and associated materials mentioned in paragraph 3 (b) of basic communication were property of the German Army and were located in a German Army supply depot. These items of supplies and equipment were used to administer to the needs of the Disarmed Enemy Forces and Prisoners of War in custody of this headquarters.

FOR THE COMMANDING GENERAL:



DEAN G. OSTRUM
Captain, AGD
Asst Adjutant General

Handwritten initials 'H'

319395

RG	Entry	File	363
338	1945	usfct Adm	338
DECLASSIFIED	Authority MDR 23527	By KSD NARA Date 2/27/00	

HEADQUARTERS
UNITED STATES FORCES, EUROPEAN THEATER
MISSION TO FRANCE

SFET AG
(6)
250.1

250.1
1081

AG 250.1-2 GAP

APC 837
17 July 1945

SUBJECT: Alleged Vandalism by U.S. Troops.

TO : Commanding General, United States Forces, European Theater, APC 757, U.S. Army.

1. There are transmitted for your information and such action as you may consider appropriate, the following papers regarding the vandalism and theft of marqueterie panels, a Delft pottery square and other objects of art from the Chateau de la Favorite in the District of Baden:

a. Letter No. 1330, dated 7 July 1945, from the President of the Commission for the Recovery of Arts Objects,

b. Letter, dated 26 June 1945, from General de Brigade MORLIERE to the Commanding General, First French Army,

c. Letter, dated 22 June 1945, from Major de WAREICHEIN to Lt. Col. MOUTENET.

AG RECORDS

2. Information upon which to base a reply to the French authorities is requested.

For the Head of Mission:

F. W. JONES, JR.,
Major, AGD,
Adjutant.

3 Incls:

- Incl 1 - Ltr No. 1330, dtd 7 July 45.
- Incl 2 - Ltr dtd 26 June 45 to First Fr. Army, fr Gen. de Brigade Morliere.
- Incl 3 - Ltr dtd 22 June 45, fr Maj. de Wareigheim to Lt. Col. Moutenet.



968618

RG	Entry	File	By WGD
338		usFET Ad. Gen Admin	NARA Date 2/27/60
		363	Authority MDR 23527
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REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
 Authority NND 775057
 By VLL NARA Date 1/29/00

RG 260
 Entry Ardelia Hall
 File _____
 Box 259

R E S T R I C T E D

OFFENBACH ARCHIVAL DEPOT
 OFFICE OF MILITARY GOVERNMENT
 LAND GREATER HESSE

Offenbach Det F-13
 2nd MG Bn (Sep)
 APO 633
 (31 March 1946)

SUBJECT: Monthly Report, March 1946.
 (Auth: MG Regulations, Title 18-612, Modified)

TO : Colonel J.R. NEWMAN, Director
 Office of Military Government
 Land Greater Hesse

A. Administration.

1. Location. I.G. Farben, 169 Mainstrasse, Offen-
 bach-am-Main, Lk. Offenbach. One
 building, 5 stories.

2. Personnel.

a. United States.

- (1) S.J. Pomrenze, Captain, AGD, O-1995153.
 (Auth: P. 3, S.O. 54, Hq 2nd MG Bn (Sep),
 16 Mar 46)
- (2) Glenn H. Goodman, Civilian, US Citizen
 DP status.

b. German.

(1) Total, by week.

1 March 1946 - 12
 7 March 1946 - 51
 14 March 1946 - 97
 21 March 1946 - 152
 28 March 1946 - 167.

(2) List of employees by branch and section,
 see Inclosure 4.

c. Liaison.

- (1) Lt. Colonel Jean Prinnet, Bibliotheque
 Nationale, Paris.
- (2) Major Dr. Dirk Petrus Marius Graswinkel,
 Head of the Netherlands State Archives.
- (3) Commandant P. de la Boulaye,
 French Restitution Officer.
- (4) Commandant Ph. Gangnat,
 French Restitution Officer.
- (5) Professor Koppel S. Pinson, Official
 Representative of the American Joint
 Distribution Committee to this Depot.
- (6) Mr. David Clift, Official Representative
 of the Library of Congress Mission to
 this Depot.

3. Building.

a. Security.

- (1) 4 civilian MG police patrol inside and
 outside and 2 doormen at fixed post,
 entrance to building. Police guard build-
 ing 24 hours daily, including Sundays.

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RG 260
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 Box 259

319398

~~RESTRICTED~~

OAD.OMG GREATER HESSE 31 Mar. 46 Monthly Report.

B. Summary of Operations.

1. Inventory of Books and Other Library Materials in Depot (Estimate, conservative).
 25 March 1946.

a. Totals by Floors, Cases, Files, Stacks, and Packages:

Floor	Cases	Files (in cubic meters)	Stacks and Packages
1	417	119	---
2	182	3	45,000
3	326	---	20,000
4	1,212	282	10,000
5	214	---	500,000
TOTAL	2,351	405	575,000

b. Totals in items (books, pamphlets, newspapers etc.)

2351 cases at 220 items per case
 equal 517,220
 405 cu. meters at 1750 items
 per cu meters equal 506,250
 Stacks and packages 575,000

Total Items in Depot,
 25 March 46 1,598,470
 Items shipped out in
 March, 1946 242,840

Grand Total in Depot at Date
 of Activation 1,841,310
 =====

2. List of items shipped out as of 25 March 1946.

(No record of any items having been restituted by predecessor agencies July 1945 to 1 March 1946)

a. Dutch Restitution.

- 109 cases. Jewish Portuguese Seminarium, Amsterdam
- 194 cases. Bibliotheca Rosenthaliana. Amsterdam
- 15 cases. Societas Spinozana. The Hague.
- 2 cases. Spinoza House at Rijnsburg near Leiden.
- 6 cases. Ohebe Torah Society, Leeuwarden.

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R E S T R I C T E D

OAD OMG GREATER HESSE 31 Mar 46 Monthly Report.

- 26
- 2 cases. Netherlands Jewish Seminarium, Amsterdam
 - 7 cases. Gottschalk Collection, The Hague.
 - 2 cases. Herzberger Collection, Amsterdam
 - 1 case. Ginsberg Collection, Leiden
 - 1 case. New Literary Society Collection, The Hague.
 - 7 cases. Various Dutch Collections including pictures and other objects.
 - 25 cases. Free Mason Collections.
 - 10 medals. Jewish Historical Museum, Amsterdam.

b. French Restitution.

- 596 cases. Paris Bank, Rothschild Freres
- 80 cases. Lipschütz Librairie, Paris
- 57 cases. Various French Collections, including items from the libraries of members of the Rothschild Family, French Branch.

c. American Joint Distribution Committee Loan.

- 3 March 1946 -- 1400 items
- 25 March 1946 -- 4282 items

TOTAL. 5682 items.
 =====

d. Library of Congress Mission.

- 21 March 1946 -- 4,712 items
- 22 March 1946 -- 29 cartons, 1500 books; 5 cases, periodical WELTKAMPF; 27 cartons, misc. German newspapers and magazines.
- 25 March 1946 -- 17 cartons, 770 books; 22 cartons, German newspapers;
- 26 March 1946 -- 8 cases German newspapers 14 cases, 1,955 books; 6 cases German and French newspapers.


 S.J. POMRENZE
 Capt. AGD
 Director OAD

8 Incls.

- Incl. 1 - Basic Directive, 2 Mar 46.
- Incl. 2 - Organization Chart.
- Incl. 3 - Floor Plan of Depot.
- Incl. 4 - List of Personnel
- Incl. 5 - Security Plan.
- Incl. 6 - List of Religious Objects and other Valuables.
- Incl. 7 - Tentative List of Library and Archival Collections at Offenbach Archival Depot.
- Incl. 8 - Work Plan for Sorting.

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 Box 234

319400

H. Reck

HEADQUARTERS
 MILITARY GOVERNMENT
 L. KREIS - STADTKREIS MARBURG
 DETACHMENT G-39, COMPANY C, 2d MIL GOVT REGIMENT
 APO 758

WCH/sy

Marburg, Germany (G7347)
 3 October 1945

SUBJECT: Status of Collecting Point Report.

TO : Commanding General, Seventh United States Army, APO 758,
 U. S. Army.

ATT : Assistant Chief of Staff, G-5 Section, (Monuments, Fine
 Arts and Archives Officer.)

1. Administration
 - a. Location
 Marburg (G7347), Regierungsbezirk Kassel
 (1) Staatsarchiv, Friederich Platz
 (2) Jubiläumebau (Kunsthistorisches Institut), Biegenstrasse.

- b. Personnel
 (1) Military personnel at present designated for duty at the
 collecting points are: Captain Walker Hancock, ASN 0513319, and
 Pfc Francis W. Bilodeau, ASN 31045267.

- (2) Dr. Joachim Steinbacher, former assistant Curator of the
 Zoologisches Reichsinstitut, Bonn, is in charge of the staff of five
 men who perform the general work, such as unloading trucks, packing
 cases, moving works of art, cleaning etc. Wilhelm Watschke, Magazin-
 Verwalter of the Staatsarchiv, has the help of three boys to take care
 of the extra work entailed by the use of the building as a collecting
 point. The inventories are being prepared by six members of the staff
 of the Kunsthistorisches Institut under the direction of Professor
 Richard Hamann. Professor Gero von Merhart, Director of the Archeolog-
 ical Seminar of the Institut is acting for Professor Hamann during
 the latter's illness.

Photographs are made by employees of the "Photo Marburg",
 a department of the Institut which is organized on a commercial
 basis, also under the direction of Prof. Hamann.

Those working on the inventory are paid by hour.
 Photographs are to be paid for by the purchase of prints (or negatives)
 as required.

No personnel is at present available for the urgently
 needed treatment of works suffering from the effects of storage in
 damp mines. The dismissal of both the restorer and his assistant was
 necessary because of their political records. It is hoped, however,
 that experts will be found to replace them.

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- (2) Hq, MG Det E-2 (M, FA&A) 25 August 1945
 Subject: Questionnaire on Museums and Collections.
 Received 9 September 1945
- (3) Hq, Seventh Army AG 007 GA 4 September 1945
 Subject: Art and Archives dispatched to Germany from
 Paris during the German occupation.
 Received 9 September 1945
- (4) Hq, Det E-2 007N 7 September 1945
 Subject: MFA&A Specialist Officer.
 Received 12 September 1945
- (5) Hq, USFET, AG 007 AGO 24 August 1945
 Subject: Art Collecting Points.
 Received 26 September 1945

e. The collecting points were visited by the following MFA&A Officers:

Major L.S. Williams	MG Det. E-4	1 Sept, 20 Sept.
Lt. T.A. Heinrich	MG Det. E-4	16 Sept, 20 Sept.
2d Lt. F. Shradly	MG Det. E-5	11 September
Major Lionel Perry	714 P. Det	25 September
Lt. James Rorimer	Hq, 7th Army	21 September

f. Miscellaneous

A message has been received from Col. Henry Newton that the Reichspost stamp collection is to be removed to the Ministerial Documents collecting center. It is suggested that certain other archives listed in 2a (3) might also be removed for exploitation.

g. Recommendations.

It is recommended that 2nd Lt. Sheldon W. Keck, O-2025818, be made available for work in the Marburg Collecting points because of his museum experience and other unique qualifications.

2. Summary of Operations.

a. The estimated total number of objects on hand is as follows:

(1) Works of art and objects:

✓ Bernterode	319
✓ Dreihausen	2 (liters)
✓ Edebeber	285 70 pax 163
✓ Fedewald	30
Walden (Rothschild Coll)	3
✓ Halle	218
✓ Humber	20 (c. sec)
✓ Humber	165
✓ Krottorf	30

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Lichtenfels 345
 Melchiorren 1,120 (?)
 ✓ Pöschel 46
 ✓ Siegen 766
 ✓ R. o. ... 23
 ✓ Seebach 167
3,511

(2) Books
 Berntorode 718
 Kippenber Coll. 5000 (?)
 Dreihäuser 6
12,192

(3) Archives.

Staatsarchiv 17,051 running meters
 (including those returned from Springen,
 Jesberg, Hanau, Biedenkopf),
 Landesbibliothek, Kassel 53 meters
 Behring Archives 26 meters
 German Civil Government of Luxembourg 70 meters
 German Military Government of Belgium 26 meters
 Banking Firm of Pfeiffer, Kassel 88 meters
 Historische Kommission of Hessen &
 Waldeck 2 meters
 Reichspost Stamp Collection 270 meters
17,486 meters

- b. Total number of objects inventoried: 1,742
- c. Number of objects inventoried during reporting period: 346
- d. Estimated percentage of total inventoried: 50%
- e. Estimated percentage of total inventoried during reporting period: 10%
- f. Number of inventory cards forwarded: none
- g. Number of photographs produced (Negatives): 1,590
 (approximately 800 subjects)

+ --- This number includes 31 cases which it is considered inadvisable to unpack. A list of contents has been prepared, naming

RG 239
Box 70

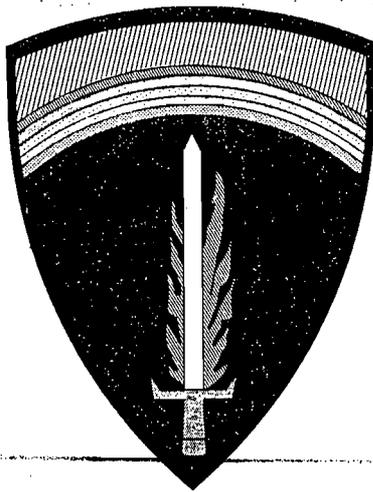
AMG-360

MILITARY GOVERNMENT
OF GERMANY

*General -
Restitution*

REPARATIONS
AND
RESTITUTIONS

319403



MFA & A (1)

File Copy

MONTHLY REPORT OF MILITARY GOVERNOR

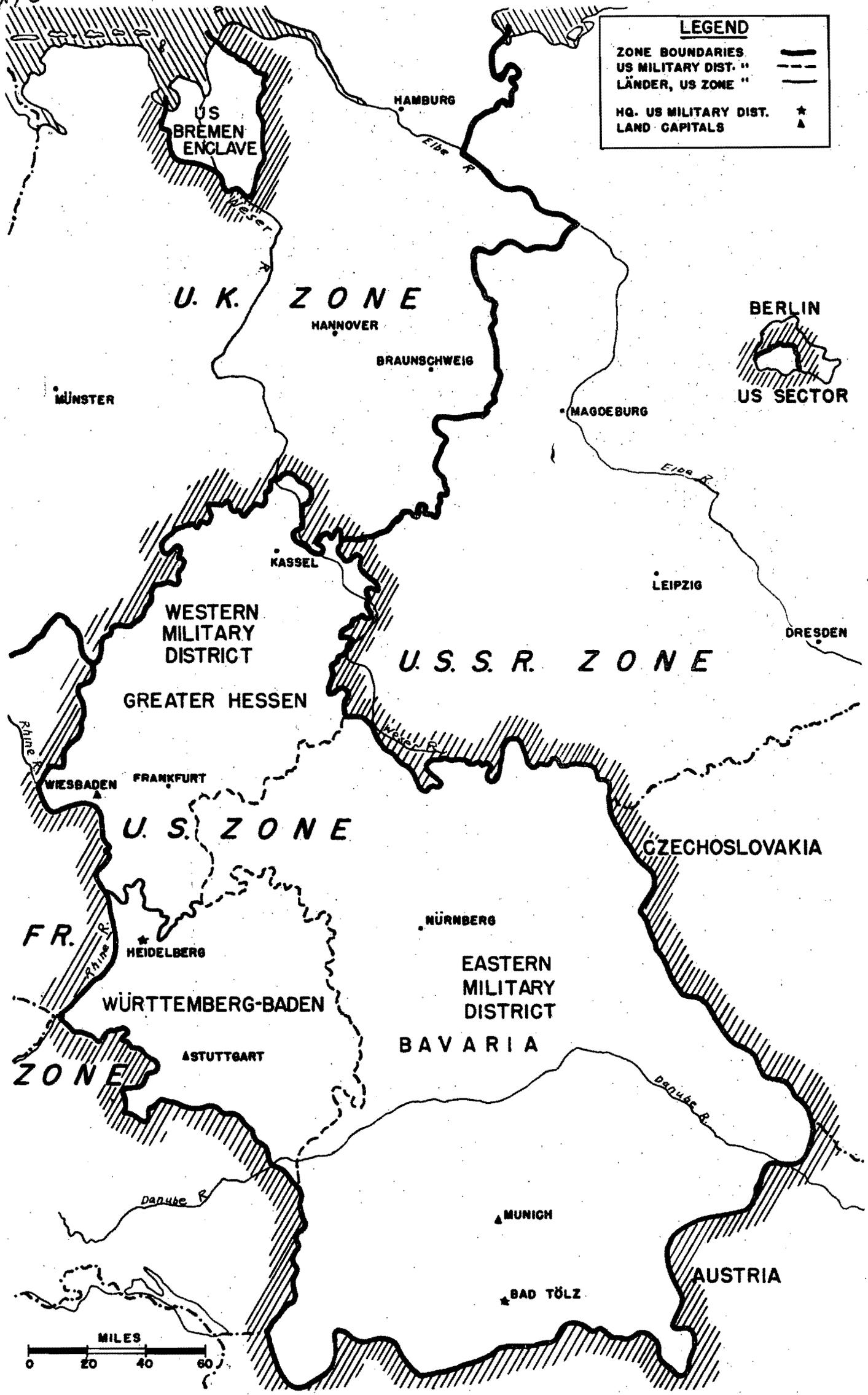
U.S. ZONE 20 OCTOBER 1945

NO. 3

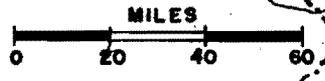
CLINTON LIBRARY PHOTOCOPY

319403

R.6239
Box 70



LEGEND	
ZONE BOUNDARIES	—
US MILITARY DIST. "	- - -
LÄNDER, US ZONE "	▨
HQ. US MILITARY DIST.	★
LAND CAPITALS	▲



RG 239
Box 70

REPARATIONS & RESTITUTIONS

SYNOPSIS

The month of September, 1945, witnessed the first pronounced progress in reparations since the Potsdam Conference. Thirteen industrial plants located in the United States Zone are now being dismantled and packed preparatory for shipment as reparations.

An interim restitution policy for looted articles found in the United States Zone has been established. This policy provides for the immediate return of certain categories of urgently needed equipment and livestock to those countries from which they were originally taken, regardless of any future effect on reparations. Restitution under this policy and during this period is limited to eleven nations who have been invited to submit lists to facilitate identification. No consolidated lists have been received as yet, although there have been considerable requests for the return of specific properties, and also for restitution in kind.

Shipments of looted works of art have been made to France and Belgium and other such shipments are planned for Holland and Czechoslovakia. The decrease in the number of available military guards for art repositories has made their reduction in number of the greatest importance. An increase in the number of articles received at collecting points was noted during the month, and some progress has been made in weatherproofing these collecting points.

The preservation of world famous historic monuments located in Germany is beginning to become effective in a few isolated spots. Local German art committees are increasing in number and there is hope that their efforts will do much to help in this preservation.

REPARATIONS

The Potsdam Protocol establishes the general policy for reparations in the United States Zone. In general it was determined to use all heavy industrial capital equipment, not needed to maintain a minimum German civilian economy, as reparations.

Owing to the time necessary to develop quadripartite agreements on procedures to carry out the Potsdam Protocol directives, no actual determination of reparation availabilities was accomplished until September 1945. During this month, 29 major industrial plants in the Western Zones were declared as non-essential to the maintenance of a minimum German economy. Of these plants 13 were in the United States Zone and they are already in the process of being dismantled and packed preparatory to shipment. This equipment will be shipped on reparations account after inter-governmental policies and decisions have established the priorities of assignment.

RESTITUTION

To many of the Allied Nations the problem of restitution is of paramount importance, both from the sentimental point of view and from the economic point of view. As a result there is considerable pressure being placed on the Military Government for the return of looted equipment, particularly rolling stock, machine tools and cultural works, the first two for economic reasons and the latter for political reasons. Except in the field of Fine Arts no actual restitution of looted articles has taken place but considerable work has been done on the implementation of the recently announced United States policy for restitution.

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SEPTEMBER 1945

R6 239
Box 76

REPARATIONS & RESTITUTIONS

On 24 September 1945, a directive was issued setting forth an interim restitution policy for the United States Zone. This policy provides in brief that restitution may be made of the following categories of property, wherever found in the United States Zone of occupation, if such properties are identifiable and were removed from occupied territory by the enemy:

- a. Heavy and power-driven industrial and agricultural equipment.
- b. Unique machinery and livestock.
- c. Rolling stock, transportation equipment, communication equipment and power equipment.
- d. Works of art, religious, historical, educational or cultural objects.

Restitution of these categories of property will be made regardless of any question of payment by Germany or effect on subsequent reparations, but a system of records and receipts will be instituted for future determination as to applicability to reparations. This policy does not apply to gold, silver or currency.

To implement this interim policy the following governments have been invited to prepare consolidated lists of items taken by Germans in order to facilitate identification of such property in the United States Zone: France, Belgium, USSR, Luxembourg, Netherlands, Norway, Denmark, Poland, Czechoslovakia, Greece, Yugoslavia. Restitution during the interim period will be made only to the above mentioned countries. After each list has been examined by the Military Governor of Germany, the several countries concerned will be permitted to send small missions into the Zone for identification of these items and to arrange for their return.

No consolidated lists of property so requested have been received as yet, although there have been considerable specific requests received, such as machine tools taken from the Fabrique Nationale d'Armes, Belgium; street cars from the Netherlands; laboratory equipment of the Carolinen University, Czechoslovakia; gunpowder presses from the National Powder Works, France; 352 sporting rifles, Holland; and 30 odd race horses, France.

The Netherlands government has requested that complete telephonic equipment required for servicing 12,000 numbers, looted from the Arnhem area, be taken from German surplus equipment on a phone-for-phone basis in lieu of attempting to locate the specific equipment. This request for restitution in kind was denied on the grounds that the material was not readily identifiable and, therefore, should be made the subject of a reparations claim. Other similar requests, particularly in the field of livestock, can be anticipated.

The looting of occupied areas by the Germans was carried out in a systematic fashion under the auspices of two specialized "looting corporations", ROGES and DELHAG. These corporations, in general, purchased property in occupied areas and reissued or resold it to German enterprises. An investigation of the activities of DELHAG has shown the method of operation of such corporations and it is felt that this will be extremely useful in attempting to locate and return looted property, particularly in the most urgently required categories, those of industrial capital equipment.

MONUMENTS, FINE ARTS & ARCHIVES

Monuments.

There have been 283 cultural monuments inspected in the United States Zone as of the last of the month. These inspections have disclosed that 161 of these monuments are in the need of repairs. The following chart indicates the number of damaged cultural monuments by location in the United States Zone.

SEPTEMBER 1945

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Box 70

REPARATIONS & RESTITUTIONS

CULTURAL MONUMENTS

SEPTEMBER 1945

LOCATION AND DETACHMENT	TOTAL INSPECTED	DAMAGE				REPAIRS		
		COMBAT		VANDALISM	PILLAGE	COMMENCED	COMPLETED	NOT NEEDED
		HEAVY	LIGHT					
DARMSTADT E-3	22	4	2			3		16
WIESBADEN F-15	21	2	5	1	2	5		14
MARBURG E-2	11	1	4	2	2	3		6
KARLSRUHE F-17	3	1	1			1		1
MUNICH E-201	44	34	9		1	2		1
WURZBURG E-202	9	8	1			5		
ANSBACH E-203	8	2	2			1	1	4
REGENSBURG E-204	46	5	32		1	4	1	9
OBERBAYERN E-205	22							22
AUGSBURG E-206	97	25	23					49
TOTAL	283	82	79	3	6	24	2	122

After an inspection and report of war damage is effected on each monument, the establishment of a military guard or security and the inauguration of "first aid" repairs follow in logical sequence. Where possible local German administrative officials are requested to make the needed repairs and in many districts Art Committees are being established to aid in this work.

A few local military government detachments are succeeding in obtaining allocations of building materials for emergency repairs to buildings listed on the "Official List of Protected Monuments for Western Germany". A very nice sense of proportion is required to weigh the relative needs of emergency housing for the homeless against the need of saving for posterity such masterpieces as the Tiepolo Fresco Ceiling in the "Residenz" Palace, Wuerzburg. Such a difficult decision has been made at Wuerzburg, whereby a temporary wooden roof has now been completed over the Kaisersaal, the Weisser Saal and the Hofkirche of this outstanding masterpiece of 18th Century architecture.

Fine Arts.

An increase of 98 new repositories brings the total to 736 repositories listed as of the end of September. The total of 677 repositories reported at the close of the month of August erroneously included 38 Austrian caches.

It is necessary to reduce the total number of repositories for which United States Forces are responsible to a bare minimum. This has become increasingly important as the number of available military guards decreases in this theatre. Each new repository is first inspected as to physical condition, military or other security, and as to its general contents. A closer examination is then made to decide whether its contents contain probable or suspected loot, in which case evacuation to a collecting point is effected as soon as possible. If repositories are

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BOX 78**REPARATIONS & RESTITUTIONS**

found to contain neither loot nor German owned objects of great national importance they are turned back to local custodians, either the Buergemeister or some other reliable individual. Other repositories are written off the records when they are totally evacuated, destroyed or their contents proved unimportant. In this manner the total number of repositories for which United States Forces are now responsible will be reduced. Only those repositories requiring especially vigilant protection because of their contents will be guarded until their final evacuation.

Repositories often are found to contain a mixture of cultural objects. An analysis of the contents of all repositories so far reported reveals that 478 contain works of art, 174 archives, 150 libraries, 40 scientific collections and 123 mixed. Looted objects have been found in 85 of these caches.

The condition of German cultural collections remaining in their original place of abode indicates that of a total of 22 inspected in the Western Military District, four were partly destroyed or looted and five were totally destroyed. No reports were available from the Eastern Military District.

The following charts indicate the present status of repositories; the "dead" ones representing those over which United States responsibility has ceased, for one of the reasons stated above.

MFAAA REPOSITORIES -- U. S. ZONE, GERMANY

30 September 1945

Region	As of 31 Aug 1945	Additions During Sept.	Total	Released During Sept.*	Current Total
BAYERN	385	63	448	32	416
WURTEMBERG	53	9	62	4	58
BADEN	49	3	52	4	48
KURHESSEN NASSAU	143	23	166	32	134
BREMEN	3	-	3	-	3
BERLIN	5	-	5	-	5
	638**	98	736	72	
TOTAL					664

* See following table, giving break-down.

**The figure of 677, given in the monthly report for August 1945, included by mistake 39 Austrian repositories.

SEPTEMBER 1945

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Box 7b

REPARATIONS & RESTITUTIONS

"DEAD" MFA&A REPOSITORIES

September 1945

Location	Totally Evacuated	Destroyed	German Custody	Contents Unimportant	False Leads
BAYERN	10	1	-	4	18
WURTEMBERG	1	1	-	-	2
BADEN	1	1	1	-	1
KURHESSEN NASSAU	19	1	5	4	3
	31	4	6	8	24
TOTAL DEAD REPOSITORIES					72

No new collecting points have been established during the month but great progress has been evidenced in repairing and organizing those already established. Glass, roofing materials, locks, lumber, plaster and cement are no longer "frozen" for this purpose. Sufficient coal has been delivered to the buildings in Munich to maintain them at a temperature adequate to protect the most delicate art objects from the hazards of cold and condensation.

The Frankfurt/M Archival Collecting Point, for which the damaged University Building had been chosen, was superseded by obtaining an intact five story warehouse building at Offenbach. This building is now being emptied of its present industrial contents to make way for 28 freight cars of books from the Berlin Prussian State Library, and also the holdings of Jewish libraries looted from eastern and western overrun countries. Both these collections are estimated at five million items.

A great increase in the number of items received and inventoried by the collecting points has occurred during the month of September.

MFA&A COLLECTING POINTS

Number of Objects
Received or Inventoried
as of
30 September 1945

Marburg	-----	1165
Munich	-----	6022
Wiesbaden	-----	1940

TOTAL 9127

319409

SEPTEMBER 1945

RG 239
Box 70

REPARATIONS & RESTITUTIONS

The problem of interzonal transfers of German works of art back to their original points of origin has made evident the need of a Fine Arts Quadripartite consultation. A preliminary meeting with the Assistant Chief of the Education Branch, USSR Military Administration in Germany, laid the foundation for more frequent contact with Russian Fine Arts personnel. At the Berlin level, meetings of the Kommandatura Committee on Fine Arts have been held.

During the month France has received back some 71 paintings of the highest caliber, especially chosen for a proposed exhibition in Paris. In addition the stained glass windows from the Cathedral of Strasbourg and the Cathedral Treasure of Metz have found their way back. Art treasures stolen from Louvain and Bruges, including the Michel Angelo Statue of the Madonna and Child, were shipped to Brussels.

Some 26 especially chosen Dutch paintings are being selected for a similar token gesture, as are paintings from Czechoslovakia. Each of these tentative shipments present different problems. The sum total of these test shipments will point out the easier ways of conducting the operation of restitution of cultural objects.

Archives.

Some further progress has been made in the salvage of archives. Negotiations failed to secure a building at Freising, Bavaria. However, a substitute building was obtained at Garmisch-Partenkirchen. This is only a beginning for solving the huge problem of storing countless scores of archival collections and libraries whose home structures have been completely destroyed. Each case, upon examination, will require careful consideration of whether to sacrifice convenience for gaining access to these collections near their home grounds or to seek a suitable building at a less convenient distance but large enough to permit an orderly reassembling of the collections.

SEPTEMBER 1945

R. 6-239
BOX 70

MONTHLY REPORT OF THE MILITARY GOVERNOR
U. S. Zone of Germany

20 October 1945

DISTRIBUTION LIST

- 1 The Military Governor, US Zone of Germany.
- 105 Office of Military Government for Germany (US):
 - 26 Functional divisions and offices - 2 each.
 - 28 Director of Political Affairs, for State Department distribution in Europe.
 - 20 Control Office, for distribution to Executive Offices.
 - 20 Division originating functional report.
 - 1 AG (plus all extra copies).
 - 3 Field Information Agency (Technical).
 - 3 Strategic Services Unit.
 - 2 Ministerial Collecting Center.
 - 2 Joint Intelligence Committee.
- 75 Civil Affairs Division, War Department.
- 15 Hq, US Forces, European Theater:
 - 2 Chief of Staff.
 - 2 ACOS, G-1.
 - 2 ACOS, G-2.
 - 2 ACOS, G-3.
 - 2 ACOS, G-4.
 - 1 AG.
 - 4 COT, CSO, CMO, CE - 1 each.
- 85 Office of Military Government for Germany (US Zone):
 - 25 For internal distribution.
 - 10 Eastern Military District.
 - 10 Western Military District.
 - 40 For distribution to the field through functional channels.
- 5 Hq, US Forces in Austria.
- 2 Theater Service Forces, European Theater.
- 2 US Air Forces in Europe.
- 2 Commander of Naval Forces in Germany.
- 1 Mission for Economic Affairs, US Embassy in Great Britain.
- 3 US Headquarters, Berlin District.

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HEADQUARTERS
 DETACHMENT FLC2, 2d ECA REGIMENT

APO 658
 30 July 45

SUBJECT: Report on Collecting Points for Works of Art.

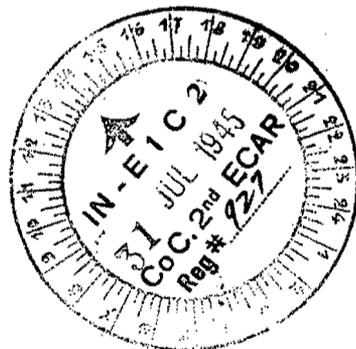
TO : Commanding General, Seventh United States Army,
 APO 758, U.S. Army.

THRU : Regional Military Government Officer, Detachment EIC2,
 Company C, 2d European Civil Affairs Regiment,
 APO 658, U.S. Army.

1. Location and Contents of Collecting Points

Two collecting points for works of art have been established at Marburg (G-7246):

<u>Location</u>	<u>Repositories Assembled</u> <u>In Each</u>	<u>Source</u>	<u>Collection</u>
a. Staatsarchiv	(1) Eisleben (2) Halle	Berlin Danzig	Reichspost Collection Stadt. Museum St. Marien St. Johann Schwarzhaupt-Schatz
		Riga Ammendorf- Beesen	Elisabethskirche
	(3) Melsungen	Berlin	Schloss Museum
	(4) Petersburg	Poland Germany	? ?
	(5) Rheinbreitbach	Neuwied Rheinbreitbach	Kreismuseum ?
	(6) Seebach	Krefeld	Kaiser Wilhelm Museum
	(7) Siegen	Aachen Bonn	Seurmondt Museum Landesmuseum Munsterkirche
		Cologne	Wallraf-RichartzMuseum Churches
		Essen	Folkwang Museum Munster-kirche
		Metz	Cathedral treasure
		Munster	Landesmuseum Soest, Wiesen-kirche
		Siegburg	Stiftskirche
		Wuppertal	Stadtsche Museum



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- | | | | |
|-----------------------------|----------------|-----------|-----------------------------------|
| | (8) Weimar | Frankfurt | Kippenberg Goethe Collection |
| b. Kunsthistorisches Museum | (1) Bernterode | Berlin | Schloss Museum |
| | (2) Friedewald | Potsdam | Sanssouci |
| | (3) Heldburg | Essen | Folkwang Museum |
| | (4) Homberg | Cologne | Munsterkirche |
| | | | St. Severin |
| | | | St. Gereon |
| | | Bonn | Provincial Museum |
| | | | Landesmuseum |
| | | | Virnich |
| | | | Akad. Kunstmuseum |
| | | | Bucherer |
| | | | von Frohwein |
| | | | Soennecken |
| | | | Troescher |
| | | | Stiftspfarrre |
| | | | Hoffmann |
| | | | Hagedorn |
| | | | Obergrat |
| | | | Muller |
| | | | Tonnes |
| | | | Schroder |
| | | | Kaiser |
| | | | von Wandel |
| | | | Troll |
| | | | Gorg |
| | | | Koernicke |
| | | | Obergethmann |
| | | | Motz |
| | | | Graff |
| | | | Walb |
| | | | Marx |
| | | | Roehl |
| | | | J. Muller |
| | | | Bandmann |
| | | | Zimmermann |
| | | | Boenniger |
| | | | Kirch |
| | | | Waldvogel |
| | | | Pfarramt Roettgen |
| | | | Klara-Fey-Haus |
| | | | Denkmalpflege d. Rhein
provinz |

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Authority <u>NND 775057</u>
By <u>VH</u> NARA Date <u>1/29/00</u>

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Entry	<u>Ardelia Hall</u>
File	
Box	<u>234</u>

(5) Krottorf

Godesberg Wolf
Walberberg Pfarrkirche
Cologne von Schnitzler
St. Maria in Kupfer
gasse
Kasimir Hagen
Bonn Bucherer
Neuwied ?
Oberstein/
Birkenfeld Pfarrei

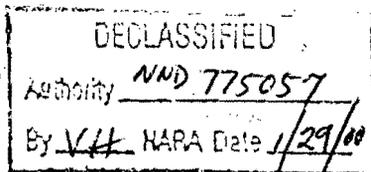
2. Conditions of Buildings.

a. Kunsthistorisches Institut. Camouflage screens have been removed from the roof and leaks repaired. The building is now in good condition. With the exception of one window, which it was necessary to open in the photographic laboratory, the temporary brick work protecting doors and windows on the ground floor has been allowed to remain as an addition to the security of the building.

b. Staatsarchiv. The building had been damaged by bombs and the interior left in a deplorable state of wreck and disorder as a result of military occupation. Considerable progress has been made in repairing the damage despite difficulties in procuring skilled labor and materials. Openings in the walls have been rebuilt, inflammable camouflage screens removed, and the roof is now being patched. It is estimated that 500 square meters of glass are required for the entire building. However, the floor at present devoted to the storage of paintings could be completely glazed with six dozen additional panes 42 cm x 31 cm. None is available in this area. Weathertight rooms are ready for all works of art now in the building. The anti-blast brick work has been removed from windows of the rooms where works of art are to be stored. Racks have been completed in one room, nearly sufficient to accommodate the paintings from Siegen. A laboratory has been set up for the treatment of paintings suffering from mould growth or other damage requiring prompt attention. Plumbing has been put in order. The elevators have been repaired several times, but are in such bad condition that they are constantly failing. None are operating at present.

3. Staff.

Five men have been employed as a permanent staff for the care of the Staatsarchiv building, unloading of trucks and moving works of art at both collecting points. Four boys are temporarily employed for rough work until the building has been put in satisfactory order. The Monuments, Fine Arts and Archives Specialist Officer has a civilian assistant. Nine members of the staff of the Kunst-



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historisches Institut are engaged in making the inventory. Prof. von Merhart is directing the work during the illness of Prof. Hamann, Director of the Institut. The staff of Dr. Bleibaum, Provinzial Konservator of Kurhessen, is also available for help in making inventory and photographs, but has been up to the present time almost entirely absorbed with the pressing demands of Monuments, Fine Arts and Archives work throughout the area under the Konservator's jurisdiction. However, the "preparator" of this staff is working with the pictures in the laboratory at Staatsarchiv. Difficulty is being experienced in finding a restorer politically acceptable for employment by Military Government.

4. Photography.

A photographic record is being made of the condition of works of art received at the collecting points. When a case must be repacked for proper storage its contents are photographed and a print affixed to the case. Two members of the staff of the Kunsthistorisches Institut are taking the photographs and the photographic laboratory of the Institut, with its personnel, is being used. Development of photographs has been temporarily halted because of lack of developer. Agfa-Final 70 1 or Agfanol 70 1 is required, in addition to film and paper.

5. Inventory.

Inventory cards are first prepared in German. Final inventory forms, 5x8, have been printed and the work of transcribing the data in English in quadruplicate can now be commenced. A summary of the objects inventoried to date is given below.

List of Objects Inventoried by 27 July 1945.

<u>Classification</u>	<u>Depot</u>	<u>Depot No.</u>	<u>Total Number</u>
Painting	Benterode	B 1 - 270	270
Painting	Homberg	Ho 1 - 108	108
Sculpture	Homberg	Ho Pl. 1 - 2	2
Sculpture	Friedewald	Fr Pl. 1 - 17	17
Sculpture	Siegen	S Pl. 1 - 80	80
Painting	Siegen	S 1 - 405	405
Applied Art	Siegen	S Kgw 1 - 34	34
Applied Art	Halle	Hal Kgw 1 - 207	207
Sculpture	Halle	Hal Pl 1 - 9	9
Painting	Petersberg	P 1 - 32	32
Painting	Heldberg	He 1	1
			<u>1,165</u>

FOR THE DETACHMENT COMMANDER:

Walker K. Hancock
 WALKER K. HANCOCK
 Captain, Inf.
 M, FA&A Spec Officer.

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1 of 2

CLASSIFICATION CHANGE

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By Anthony G. GALT

JOHN A. BAUERMEISTER

Date 20 OCT 1945

APPENDIX 4

14 April 1945

SUBJECT: Discovery of German Hidden Assets.

TO: Chief of Staff, Third United States Army, APO 403, US Army.

I. Discussion:

The uncovering of the treasures of gold, foreign currency and objects of art in the Kaiseroda mine in Merkers, Germany indicates the extent to which the German authorities went to attempt to hide Germany's foreign exchange assets, including works of art. The discovery confirms previous intelligence reports and censorship intercepts indicating that the Germans were planning to use these foreign exchange assets, including works of art, as a means to perpetuating the Nazism and Nazi influence both in Germany and abroad. These foreign assets are probably the only medium of financing available to the Nazis to carry on "Werewolf" and other sabotage and espionage activities.

Careful investigation and interrogation at the Kaiseroda mine has revealed that the Germans in a last minute effort, just a few days before the United States troops entered Merkers, transported over one hundred sixty-five bags of foreign currency to other areas in Germany, including Halle, Nordhausen, Gotha and Leipzig.

It has also been learned through interrogation and investigation that gold has been secreted by the German and Nazi Parties in other places, including possibly:

Halle	Naustrelitz
Plauen	Schwerin
Leipzig	Weimar
Wurtzburg	Schneider (Russian occupied)
Saalfeld	Stettin (Russian occupied)
Berlin	Frankfurt am Main (Russian occupied)
Newbrandenburg	

Indications are that the Germans were willing to make last minute arrangements to move gold and foreign currency from these places to even "more secure places". In addition to the treasure at the Kaiseroda mine some nineteen mines have been uncovered in the area which have caches of valuable material including important technical and scientific records, Luftwaffe equipment, ammunition, etc. Investigation has revealed that the Germans resorted to the practice of using mines for their underground factories. All mines in the Merkers and surrounding area are now being guarded by the 357th Infantry Regiment, Lieutenant Colonel John H. Mason, Commanding.

In order to prevent further transfer or movements of Germany's foreign exchange assets and works of art to more secure places in southern Germany or in neutral countries such as Switzerland and Sweden, it is essential to locate and protect these assets. The "leads" obtained as a result of the exhaustive interrogation in the Merkers area should be followed immediately so that these assets cannot be used to start financing of the pro-Nazi activities. It is also essential to guard the valuables located in the mines in the Merkers area.

II. Operational Plan:

P 18910

It is noted that the area including and south of Berlin not presently occupied by Russian troops includes eight target areas for gold and foreign currency. These are at:

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- 2 -

Halle	Saalfeld
Pflaen	Weimar
Werdhausen	Wurtzburg
Leipzig	Berlin

In order to effect a proper reconnaissance it is necessary for advance reconnaissance teams of at least three jeeps per team (three men and driver in each jeep) should go forward into each of the target areas. The function of the team would be to locate the assets and to arrange for preliminary guard which would be furnished by the nearest tactical unit until a holding force could be brought forward.

The reconnaissance teams would go forward immediately into towns already occupied and in towns not yet occupied would move forward with the unit assaulting the town so as to be there at the earliest possible moment.

In the event that two or three specific targets were located in one target area, it would be possible for the reconnaissance teams to split and take care of these various targets. It is necessary, however, to have two reserve reconnaissance teams which would stay at headquarters to go forward to check new "leads" uncovered by the assigned target teams. The reserve reconnaissance parties could also be used to cover the area north of Berlin should these targets become available to United States forces.

A holding force composed of a reinforced rifle platoon would be alerted for movement at the time a reconnaissance team moved out. As soon as the target has been located this holding force, motorized, would move to the target and consolidate and occupy the area until work parties could be assigned to remove the gold and other valuables.

In order to facilitate communications and to arrange for quick reconnaissance under emergency conditions it is necessary to assign two DL-5 cubs which would be held at headquarters for dispatch to needed areas.

The mines in the Merkers area could be guarded with the remainder of the regiment (-). This unit, plus attachments, would be broken into holding groups, one group stationed at each mine entrance and approaches. One holding group would be held initially in reserve as a counter-attacking force, or to be moved to other mine entrances subsequently discovered.

III. Recommendations:

It is recommended that the above plan of operation be put into effect in order to facilitate the detection and protection of these valuable assets and also to protect the assets of the mines in the Merkers area. This plan would require one Infantry Regiment, less one battalion, plus one company or teams and one company of tank destroyers and sufficient anti-aircraft protection to cover the area. This organization would be broken down into a task force of ten reconnaissance teams and two Infantry rifle companies as holding forces to deal with the gold and foreign currency targets, the remainder would be used to guard the mine entrances in the Merkers and surrounding area. Subject to operational requirements it is further recommended that the 357th Infantry Regiment, whose personnel has performed distinguished service in the Merkers area and who are thoroughly familiar with operations of this type, be made available for this assignment.

P 18911

B. BRANSTEN
Colonel, G.S.C.
G-5, SHAFFG

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By TB NARA Date 1/19/00

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E.

~~SECRET~~

ADM			
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WAR			
WH			

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~~SECRET~~
11A

SHAEF FORWARD

STAFF MESSAGE CONTROL

OUTGOING MESSAGE

SECRET
PRIORITY

TO : CG 6TH ARMY GROUP

FOR INFO : SHAEF MAIN FOR G-5

FROM : SHAEF FORWARD SIGNED SCAEF CITE:SHGE

REF NO : FWD-19440 TOO:181830B

1. Information has been received that 6,000 Kilos of Gold belonging to REICHSBANK is being transferred to SWISS National Bank at BERNE for official use of GERMAN Government.
2. Best information available indicates that Gold is now physically located at LORRACH in the Province of BADEN. You should take all steps possible to locate and seize this Gold at the earliest opportunity.

ORIGINATOR : G-5 AUTHENTICATION: L.A.JENKINS.LT.

INFORMATION : SGS
G-3
SUMMARY
AG RECORDS

FS OUT 2289 18 April 1945 2024B DWR/kf REF NO:FWD-19440
TOO:181830B

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COPY NO. 3

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 By **76** NAPA OCS **22900**

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CONFIDENTIAL
 By authority of CALA
 BY JOHN A. BAUERMEISTER
 2nd Lt. Inf. *9/8*
 Date 24 OCT. 1945

SUPREME HEADQUARTERS
 UNITED EXPEDITIONARY FORCE
 G-5 Division Forward

18 April 1945

SUBJECT: Report of Contents of Mines in Markers Area.
 TO : Brig. Gen. McSherry.

1. The uncovering of the gold treasure of foreign currency, loot and works of art in the Markers area has focused attention upon the German technique of secreting wealth by hiding various properties in mines. In connection with the removal of the gold and other valuables from the Kaiseroda mine, a reconnaissance was instituted to determine the various types of properties which were looted in other mines in the Markers area. The following is a summary of the information uncovered. It is based on information obtained through interrogation of the various mine officials and custodians of the property, through direct scrutiny and observation by members of the 357th Infantry Regiment, 90th Division, other 12th Army Group personnel, G-5 SHAEP, and personnel of other units guarding the representative mines.

2. Most of the mines covered by this report are located within the area covered by the attached map. The location of mines not in the map area is also indicated on the map.

3. As the information reported herein became known immediate contact was made with the appropriate staff officers at 3rd Army so as to advise them completely of the type of material being uncovered in the area. Colonel Bernstein contacted G-2, G-5, and G-4 as well as the Chief of Staff and Deputy Chief of Staff. He also conferred with the Chief of Staff, Deputy Chief of Staff and G-2 and G-5 of the 12th Corps. All of these staff officers stated that they were not interested in the contents of the mine as their contents were not needed in support of current military operations. Interrogation of the officials of the Wintershall mine revealed that Wintershall has other mining interests in other areas of Germany including the Harz mountain area. The Wintershall officials stated that they know that the mines in some instances were being used as ammunition factories and in other instances for storage purposes. They are presently engaged in preparing a report showing the location of these mines and giving such information as they may have with respect to non-mining activities carried on in the mines.

Ronsbach Mine at Ronsbach, inspected 13-14 April

~~P-18879~~

The location of this mine can be obtained from the map listed as Appendix '1'.

General Conditions: The workings are somewhat over 800 meters below ground level and consist of large open chambers with connecting passageways.

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The bulk of the holdings placed there consist of books from the Berlin library, total number estimated at 1-1/2 to 2 million volumes. There is also a large set of maps together with a general library of reference maps; seven additional packages of maps and geographical reference books were sent by mail to Hensbach but arrived too late to be put with the rest. They were taken from the postoffice at Phillipstal and held by a Pauline Krumm, an assistant in the Berlin library, living there as a refugee. These packages were spot checked on 12 April.

Paintings: In addition to books is part of the painting collection from the Berlin museums which reached the mine by mistake in direction. They consist of 45 cases each holding 5 to 15 paintings. All are works of importance, probably the most valuable being in case No. 10 containing two Holbeins, one Durer and a rare work by the Italian 15th century painter Domenico Veneziano. Seven of these cases have been rifled, according to report, by Russian and Polish laborers who had entered the mine by ladder prior to occupation of this area by U.S. forces. Some of the paintings were still out of the cases but no less and no appreciable damage had been done. (This set of holdings was later removed with those from Markers).

Miscellaneous holdings: An extensive collection of musical and theatrical scores and scripts had been deposited here from the Berlin State Theater and also a number of theatrical costumes. A set of "archives" reported to have been left by a German captain named Traudorf early in April or late in March was located. These are in three small wooden boxes and 175 thin paper boxes. Spot check showed them to consist of ringback letter files with papers from the Oberkommando des Heeres. This office is understood to be connected with the Wehrmacht Ministerium. These papers were chiefly connected with supply and instructions of a general kind. There were no indications of a date later than 1942 or of tactical information. It was said by the librarian from Berlin, Dr. Schewe, that Capt. Traudorf had been an officer of the O.K.H. and that he is now a prisoner of war. No other papers were found in the mine.

Sachsen-Weimar Mine at Unterbreitbach

A list of property together with its location in the mine and names of owners of said property is enclosed as Appendix '2' together with the chart of the mine as Appendix '3'. For location of the mine refer to map at Appendix '1'. Mine was searched on 14 April by personnel of the 957th Infantry Regiment who checked this report and verified the information stated therein. On 17 April the 38 boxes belonging to the Krupp Co. and Krupp family were removed from the mine and taken to Frankfurt for further perusal and analysis. It was found that shaft at Sachsen-Weimar was in good working condition and it would take approximately one hour for the chief engineer, Maximilian Rathke, who has his residence on the premises, to get power, electricity and light in operation in the mine.

P-18880

Reichsmine Mine at Marzenstaben

Attached hereto at Appendix '4' is a list submitted by mine officials of articles stored by Reichswirtschafts Ministerium at this mine. Page 2 of Appendix '5' contains a list of other articles listed by these officials as

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ing in the mine. It was found that the mine was accessible and can be operated by giving one hour notice to the chief engineer who is on the premises.

Wintershall Mine at Heringen

The chief engineer, Erick Gutake, lives across the street from the mine and is available. A list of articles in the mine and owners of said articles as submitted by mine officials is at Appendix '6'. Refer to map at Appendix '1' for location of mine and to chart at Appendix '7' showing layout of mine. The premises appear to be in excellent condition and were not damaged by warfare. The lift can be put into operation in a few hours. Particular questioning was along the lines of the patent records listed by Dr. Bail. The Berlin patent office has approximately 1,000 employees of whom 30 worked in this mine. There are 320,000 books stored in the mine which would occupy approximately 30 railway cars. From 12 to 20 of the patent office employees are presently living in the area around the mine. None are directors but are officials at a lower level. None of the patent employees were interrogated due to fear pertinent questions might arouse suspicion and key records might be removed by these employees. The records are believed to contain patents issued up to a year ago. One director left recently but no records have been removed since they were originally brought to the mine.

Kaiseroda Mine at Morsburg

This is the mine from which the gold, currency and works of art were recently removed. There are five separate entrances to the main mine which all lead to the same underground system. These entrances are in area covered by map at Appendix '1' and are located as follows:

- 2 at Morkers
- 1 at Dietlas
- 1 at Kaiseroda
- 1 between Leimbach and Bad Salzingen known as the Bad Salzingen shaft

Personnel of the 357th Infantry Regiment searched this mine several times. In addition to the works of art, currency and gold, they found on the main floor dynamite in 4 rooms which were used regularly for the storage of explosives. The rooms contained from 300 to 600 boxes of dynamite, 60 pounds in each box. They also found 8 rooms filled with electric and machine parts used for maintenance of the floor and two tunnels which could not be explored due to heavy concentrations of poison gas. In a search of the 2nd floor, located 200 meters below the main floor, they found 617 boxes of dynamite (60 pounds in each box) in one room which had apparently been used regularly for the storage of explosives. They also found 4 rooms filled with electric and machine parts but could not reach the ends of the tunnels due again to the presence of poison gas. Attached hereto as Appendix '8' is list of the contents of the mine with statement of the owners which was submitted by the mine officials.

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Heiligenrode Mine at Surinam

The property located in this mine as reported by the mine owners together with the list of the respective owners is included in Appendix '5'. A chart of this mine is included as Appendix '9'. The area around this mine was occupied chiefly by displaced persons although there were a few soldiers present. A British sergeant, prisoner of war of the Germans, who had been working in the mine for 15 months, was interviewed and stated that he had been all through the mine. He said there was a very large supply of German air force uniforms and a number of these uniforms have already been removed by displaced persons who were seen wearing them on the premises. The British sergeant also stated that there is machinery for the manufacture of motors of air planes. He stated that there is machinery for this purpose in the mine. He had no knowledge of technical plans stored at the bottom of shaft 2. Shaft 1 at this mine can be put into immediate operation by an engineer who lives about 5 kilometers from the mine. Shaft 2 was damaged and is not in operation. Access to the first level of shaft 2 can be gained through shaft 1 but in order to get to second level of shaft 2 it is necessary to use approximately 80 yards of ladders which may not be in good condition. According to the engineer who was interviewed, shaft 2 could be put into operation in about an hour if the engineer was instructed to obtain necessary personnel in the area to repair the lift. During the course of a later interview at the Wintershall mine at Haringon, the chief engineer there stated he thought the technical plans in the Heiligenrode mine were mining plans.

Abterode Mine at Abterode

For location of this mine refer to map at Appendix '1'. A number of displaced persons were at this mine and two U.S. soldiers were stationed as guards. They were from the 3562nd Ordnance H&M Co. 14th Bn. They stated 3 engineer officers from the 3rd Army had been able to enter the mine with a cable and pulley. Large quantities of ammunition and machinery for making parts for airplanes and tank engines were discovered there.

Alexandershall Mine at Daxa

For location of this mine refer to map at Appendix '1'. This mine was guarded by soldiers from the 3562nd Ordnance and also by 851st Ord Heavy Auto Maintenance, 326th Bn. They stated their outfits were endeavoring to put the lift into operation because they thought some of the machinery in the mine might be useful. It was not damaged but required steam power for electricity to operate the same. From examination of the equipment and parts above ground it appeared that 75mm shells and 4.2 mortar shells had been assembled or manufactured there. A German civilian lives across the street from the mine and speaks excellent English. He was a Military Government armband. He stated ammunition was manufactured and stored at the mine; also that considerable medical supplies and hospital equipment were stored as well as chemicals for poison gas. He also stated that a passageway 3-1/2 miles long connects this mine to the Abterode mine.

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Herfa-Neuroda Mine at Herfa

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Refer to map at Appendix '1' for location of mine and to chart at appendix '1' for layout of mine. The buildings were occupied by the 79th Replacement Bn. Both shafts are badly damaged and the lifts are not in operation. When the U.S. troops captured this area the engineers dropped explosive charges into the shaft because they suspected enemy soldiers to be present. Some of these charges may not have exploded and care should be taken in entering the mine for this reason. In addition to two shafts with lifts there is another shaft with step ladders. A few soldiers were able to get to the bottom of the mine using these ladders. However, several were injured slightly when the ladders broke. A wire and cable arrangement was rigged up to extricate them from the mine. This equipment may still be available. The soldiers found very large quantities of ammunition stored in the mine. There were also elaborate streets and alleys and complete facilities such as a restaurant, rest rooms and dispensary. The mine was not thoroughly explored by these soldiers due to lack of time and fear of mine duds.

Kaiserode Mine at Dietles

For location of this mine see map at Appendix '1'. Appendix '8' contains a list of property with owners as submitted by mine officials. The shaft is not in operation and was reached through an underground passage from that portion of the mine at Markers. There were double doors at the entrance to the Dietles area which were closed with heavy padlocks and the key was said to be in Weimar. The doors were forced open and were found to be the only means of access to a chamber 40x50x10 feet.

The following is a survey of the articles and their apparent owners:

Weimar - 39 wooden cases about 3-1/2 x 1-1/2 x 2-1/2 feet. Marked with the word Weimar and numbered consecutively. Evidently the contents of the Goethe collection. Some cases were marked to indicate contents. Others marked with rooms of house.

Staatsarchiv Weimar - 119 boxes 1 x 1 x 1-1/2 feet. More than 1,000 folders on shelves containing records with dates from 14 century.

Staatsarchiv Meiningen - 18 drawers taken from cabinets and stacked and covered. Papers in the drawers dated from 933 to 1931.

Staatsarchiv Reemhied - Records in letter files. Not counted.

Private possessions - Plates, studies and photographic equipment belonging to W. Hage with a few modern paintings. Two boxes marked with name of Hugo Gugg.

/sgt/ B. Bernstein

B. BERNSTEIN
 Colonel, GSC

Maps with original only

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List of goods safeguarded in mines
of the
Wintershall Aktiengesellschaft

Mine SACHSEN-WEIMAR

Appendix 2

Shaft	Depository and extent of the used area	Owner of the goods	Kind and number of the goods as far as known
Sachsen-Weimar Unterbreizbach	termination 7, southward, chamber 2	a) National Krupp-Registerkassen GmbH. Berlin	2 boxes (contents unknown)
		b) Alfred Krupp von Bohlen Halbach, Essen	38 boxes (archives of the family Krupp)
		c) different privatpersons (employees or workers of the company or their friends)	trunks or cardboard-boxes. Contents private goods which were brought in the mine to be safeguarded from airbombing. Each one of the pieces is signed with the name of the proprietor.
Sachsen-Weimar Unterbreizbach	termination 15, southward from the eastern main-gallery; 800 m ²	a) Friedrich Krupp, Essen b) private goods as declared for termination 7 southward, chamber 2, under c).	Electric machines, cables etc. (contents of three railway waggons)
Sachsen-Weimar Unterbreizbach	termination 7 southward, chamber 1,	a) Werner Brauser, Vacha b) private goods as declared for termination 7 southward, chamber 2, under c).	40 boxes with unused films
Sachsen-Weimar Unterbreizbach	termination 7 southward	Landrat Eisenach	76 boxes (contents as far as known shoes, clothes, covers)
Sachsen-Weimar Unterbreizbach	termination 14, northward	privat goods as declared for termination 7, southward, chamber 2, under c).	

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Mine SACHSEN-WEIMAR

Appendix 2

Shaft	Depositary and extent of the used area	Owner of the goods	Kind and number of the goods as far as known
Sachsen-Weimar Unterbreizbach	termination 15, southward, chamber 2 } northern gain-gallery } chamber 3 }	Wintershall Aktiengesellschaft	different records, plants documents etc.
Sachsen-Weimar Unterbreizbach	termination 7, southward	Wintershall Aktiengesellschaft	Magazine-material

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Box 1

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Translation from German

Reichswirtschafts ministerium

Hattlingsfeld
February 23, 1945Index

of the goods stored by the Reichswirtschafts ministerium, Berlin C2, Neue Koingstrasse 27/37 in the Henschel-Strecke and in the room 46 (overground, workshop building) at Menzengraben at the Wintershall-Aktiengesellschaft Dorndorf/Ilhon.

1. Buro machines

24 Typewriters (big)
4 " (little)
4 Adding Machines
1 Teletype

2. Official records and files

14 Record packets, sign II 12/1
2 " " " II 12/3
4 " " " II 12/5
22 " " " II 12/6
3 " " " II 12/7
3 " " " II 12/8
2 " " " II 12/9
1 " " " III Ld I/11
1 " " " III Dev.
1 " " " RR Dr. Morschmitt, Weimar
2 files, Sign II 12/1
1 map, sign II 12/1
1 box of file cartons
1 packet writing material
2 long cardboard boxes, sign RWM Geh.
1 Cardboard Box, brown, Sign Min. Rat Solveen
1 " " " " Laskow
1 set of file cartons (bound with wire) sign OBH

3. Boxes and trunks

37 wooden boxes containing records and writing material
13 leather trunks
6 other trunks
1 wooden trunk
1 tin box

4. Bedding

1 pile white and colored bedding
1 set feather covers

5. Warehoused good of official buros

2 long cardboard boxes containing records of the office for glass, ceramics and wood manufacture

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~~CONFIDENTIAL~~Appendix 45. Warehoused good of official buros (Cont'd)

3 files of records of the office for technical products. Buromachines, files, official records of the office for textile industry, stored in room 46.
1 carcover in room 46.

319427

Signed: Roggenbach
Antaref

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By

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List of goods safeguarded in mines
of the
Wintershall Aktiengesellschaft

Mine HEILIGENRODA

Appendix 5

Shaft	Depository and extent of the used area	Owner of the goods	Kind and number of the goods as far as known
Heiligenroda 2 Springs	Bottom 2, near shaft 3	Reichsamt für Bodenforschung, Berlin	6 packets, 1 box and 4 rolls (one of them in Bergungsraum 3)
Heiligenroda 2 Springs	Bottom 2, near shaft 3	Landesbibliothek, Kassel	12 boxes containing books
Heiligenroda 2 Springs	Bottom 2, old powder-magazine in the northern main-gallery; 269 m ²	Staatsarchiv Marburg	Manuscripts
Heiligenroda 2 Springs	Bottom 2, near shaft 2	Archivamt der deutschen evangelischen Kirchenkanzlei	Several hundred boxes with archives of the provinces Silesia and Eastprussia
Heiligenroda 2 Springs	a) bottom 2, near shaft b) bottom 2, adjoining room to the northern main-gallery	Wintershall Aktiengesellschaft	records P 18888
Heiligenroda 2 Springs	bottom 2, adjoining room to the northern main-gallery	a) Louis Ehlers, Hannover b) different private persons (employees or workers of the company or their friends)	1 box with technical plans boxes, trunks or cardboard boxes. Contents private goods which were brought in the mine to be safeguarded from air-bombing. Each one of the pieces is signed with the name of the proprietor.

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Appendix 5

Shaft	depository and extent of the used area	Owner of the goods	kind and number of the goods as far as known
Heiligenroda 2 Springs	bottom 2 near shaft 3	Wintershall-Aktiengesellschaft	3 packets with records and books
Heiligenroda 3 Springs	bottom 1, about 60 000 m ²	Feldbekleidungsamt der Luftwaffe I/IV	uniforms and outfittings for the german airforce
Heiligenroda 3 Springs	bottom 1, about 70 000 m ²	Bayrische Motorenwerke (BMW) Eisench	different buildmehiges end buildm-teriel, means of transportation. Several 100 machines for the intended production.
Heiligenroda 1 Springs	1. bottom a) crossing of termination 28 and termination 47 North b) termination 1 southward of eastern main-gallery	Wintershall Aktiengesellschaft	plans, documents, a few privat things of employees
Heiligenroda 1, Springs	1 bottom, termination 2 northward of western main-gallery	Wintershall Aktiengesellschaft	magazine material
Grossherzog von Sachsen 2 and 3, Messengraben	so called "Henschelstrecke" held in name of Peters	a) Henschel-Konzern, Berlin b) Reichswirtschaftsministerium, Berlin (Appendix 6) c) Werner Brauer, Vacha	boxes and cupboards containing records end plans, parts of machines (300 m ²) buromachines, records cardboard-boxes, boxes trunks, bedclothes, Building material
Grossherzog von Sachsen 2 and 3, Messengraben	northward of shaft 3	Feldbekleidungsamt der Luftwaffe I/IV	uniforms and outfittings of the german airforce

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List of goods safeguarded in mines
 Wintershall Aktiengesellschaft.

Mine WINTERSHALL, HERINGEN

Appendix 6

Shaft	depository and extent of the used area	Owner of the goods	Kind and number of the goods as far as known
Heringen	western main-gallery and adjoining terminations 3000 m ²	Reichspatentamt Berlin	library and records
Heringen	a) former powder-magazine westward of the shaft b) Magazines eastward of the shaft a) and b): 800 m ²	Reichsamt für Bodenforschung, Berlin	records, plans, etc.
Heringen	a) magazine adjoining the eastern main-gallery b) southern parallel-gallery to the eastern main-gallery c) northern main-gallery	Wintershall Aktiengesell- schaft	magazine material
Heringen	magazine 1 near shaft	} } different privat } (employees or } workers of the } company or their } friends)	about 50 boxes trunks or cardboard boxes. Contents privat goods which were brought in the mine to be safeguarded from airbombing. Each of these pieces is signed with the name of the proprietor
Wintershall	eastern main-gallery near shaft	Wintershall Aktiengesell- schaft	a) records etc b) clothes for the workers

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Appendix 8

List of goods safeguarded in mines
 of the
 Wintershall Aktiengesellschaft

L. Valley of the Werra

A. Mine K A I S E R O D A

Shaft	Depository and extent of the used area	Owner of the goods	Kind and number of the goods as far as known
Kaiseroda 2 and 3 Merkers	bottom 1, first southern gallery eastwards, termination 8 northward; 1200 qm (some of the goods have been placed temporarily before the entrance of the depository and near the shaft 3)	Deutsche Reichsbank, Berlin	Gold, foreign currencies, German bankbills
Kaiseroda 2 and 3 at Merkers	bottom 1, first southern gallery eastward, termination 24 northward; 3000 qm (some of the goods have been placed temporarily in the garage between shafts 2 and 3)	a) public museums at Berlin b) Wasserstrassenamt Tilsit c) Wasserstrassenamt Elbing d) Wasserstrassenamt Tapiau e) OT-Einstazgruppe Tannenberg f) different privat persons	different art treasures 8 boxes 2 boxes 13 boxes 2 boxes containing plans of lithuanian rivers
Kaiseroda 2 and 3 Merkers	bottom 1, second southern gallery eastwards, on a termina- tion about 100 m east- ward of the southern main-gallery; 50 qm	Different privat persons (employees or workers of the company or their friends)	200-250 boxes, trunks or cardboarded boxes. Contents privat goods which were brought in the mine to be safe- guarded from air bombing. Each one of the pieces is signed with the name of the proprietor.
Kaiseroda 2 and 3 Merkers	bottom 1, a) first southern gallery eastward, b) gallery between shaft 2 and southern main-gallery	Wintershall Aktiengesellschaft	different records, plans documents, etc. magazine material 2 booking machines

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Appendix 8

Shaft	Depository and extent of the used area	Owner of the goods	Kind and number of the goods as far as known
Kaiseroda 2 and 3 Merkers	bottom 1, near shaft 3	Surveyor Clutha-Simon, Vacha.	different mine plans
Salzungen	bottom 1 in galleries of 54000 m ² , reserved for ayrische Motorenwerke (BMW) Eisenach	different builders	different build- machines and build- material
Grossherzog von Sachsen at Dietlas	bottom 1, 1 third southern gallery westward, former "Schiesskammer 3"; 150 m ²	a) Goethe-Nati- onal-Museum, -Weimar b) Landrat, Eisenach c) public archives at Meiningen	goods of this museum 33 boxes some boxes number unknown some boxes number unknown

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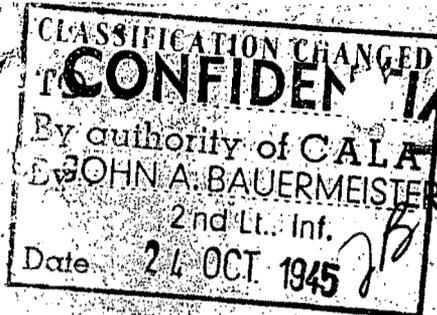
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ARMED CANNONARY FORCE
G-5 Division

20

19 April 1945

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

TO : Commanding General
European Theater of Operations

1. Attached hereto, marked Inclosure 1, is a summary inventory of currency and financial assets found by the Third Army near Merkers and now stored in the vaults of the Reichsbank, Frankfurt-am-Main. This report is a preliminary inventory made on the basis of information listed on Reichsbank tags attached to sealed bags, boxes and other parcels. It is interesting to note that from information available this is estimated to be about 4/5 of the total gold held by the Reichsbank.

2. A complete and accurate inventory of the gold bars, coins and currency is now under way. This will probably take from three to six weeks to complete. We have found the Reichsbank assay certificates of the gold bars which will be helpful in their identification. In my opinion it would be of great assistance if we had two expert weighers of gold bars and another expert who could study the assay certificates and other records with a view to identification. It is proposed to send a request to AGWAR to obtain these experts from the US Treasury Department.

3. You will note that there are 18 sacks which contain gold or silver bars which we are informed belonged to the SS Troops. In addition there are 189 boxes, parcels, suitcases, and trunks which are also said to have been their property. A hasty examination of the contents of some of these boxes and parcels show them to contain some items which might be used as evidence in the trials of some war criminals. Several boxes and parcels contain gold and silver pieces (in some cases plated) of all categories, such as handbags, bracelets, rings, earrings, spectacle rims, cigarette cases, vanity cases, as well as tableware, candlesticks, and Passover cups. Several boxes and parcels contain currency, gold and silver coins of various national origin. Several boxes contain bags or boxes of stones of varying value obviously taken from pieces of jewelry and in most cases the valuable ones were not separated from those of less value. Several parcels contain gold dental crowns, bridges and plates. One box is exceedingly interesting. It is perhaps 2 feet by 14 inches by 14 inches. On the top of this is a small box containing thousands of gold dental crowns, bridges and plates. Also there is a small suitcase containing thousands of silver crowns, bridges and plates. The lower half of the box contains several hundred rough moulds of gold about the size of a cookie or 50-dollar piece if we had such. It is logical to assume that these gold pieces were melted gold crowns, etc. Another package contains a savings bankbook on a bank of Amsterdam with spectacles, false teeth and several other minor personal articles.

4. It is believed that this SS property contains evidence which might be used in the prosecution of war criminals. To date we are unable to

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determine the persons to whom these parcels belong. However, if we find the records of the Reichsbank in Berlin, it may be possible to identify some persons or organizations with the numbers on the parcels. In view of the possibility of using this material as evidence against war criminals I secured this property in a separate room in the vault. It is believed that an expert criminal investigator should be the first to examine each of these parcels with the view of determining whether or not it contains articles which might be utilized as evidence. In conjunction with this investigation it is proposed to ask G-2 to send their most efficient investigator to inspect this material to determine its value as evidence. It might be desirable to inform Judge Rosenman of this evidence as it might support the US thesis of convicting the SS Troops as a whole at a single trial. This material and the story surrounding it would make excellent material to prove to the peoples of the world the extent to which the SS Troops carried out their fiendish crimes.

5. There were 1214 wooden cases of paintings and miscellaneous objects, 595 unpacked paintings, 2091 boxes of prints, drawings and engravings, and 140 rolls of oriental rugs and tapestries moved from the mine to the Reichsbank building in Frankfurt. This move was completed at 2300 hours, 17 April. The Monuments, Fine Arts and Archives Section of this Division are investigating this material to determine how and where it can best be stored. For the present it is in a secure place, properly guarded by the guards established for the gold bullion and currency. Temporarily it is protected from damage resulting from moisture and dust. It may be necessary to find at a later date another warehouse or storage room for this material.

6. There are 30 carloads of Reich patent office records, and we have been informed that this includes all their patent records up to about a year ago. Inasmuch as these patent records are of immense value to the industrialists of the world, we are moving them to Frankfurt and will store them in the Reichsbank building. No doubt once there is knowledge that these records are in our possession, there will be a demand from all sides that they be made available for inspection.

7. There is attached herewith as Inclosure 2 a draft letter to General Marshall containing information on the gold bullion and currency found in Merkers.

FRANK J. McSHERRY
 Brigadier General, GSC
 Deputy Assistant Chief of Staff, G-5

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1 of 8

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By authority of CALA

By **JOHN A. BAUERMEISTER**2nd Lt. Inf. **JB**Date **1 OCT 1945**

25 April 1945

470

SUBJECT: **Further investigation of German gold
Foreign Exchange and Loot**TO : **Brig. General F. Mesherry**

1. The Nazis secrete gold and foreign exchange assets elsewhere than in the Markers mine. This was revealed by thorough interrogation of mine and Reichsbank officials in the Markers area who also told of 165 bags of foreign currency which had been removed from the Markers mine to other cities. Accordingly a reconnaissance party was organized by Col. Bernstein consisting of himself, Lt. Cmdr. J. R. Fisher and Lt. H. G. Purbis, whose mission was to locate and gather further information as to these assets. The trip was approved by General Mesherry and Col. Bernstein received telephone clearance from General Ryan to proceed to the 1st and 3rd Army areas.

WEIMAR

2. The party arrived at Weimar on 19 April, contacted Lt. Col. Billingsley, the Military Government Detachment Commander who furnished guards, and proceeded to examine the Reichsbank and Staatsbank and their officials. After interrogation which lasted until three in the morning, Reichsbank officials Schroeder and Will revealed that they had accompanied the transport which took 16 bags of gold from Weimar to Naumburg on April 6th. They also revealed that on April 2, 25 bags of gold were taken from Weimar by Dr. Hy, director of the Reichsbank in Berlin and Mastrat Leaba. The Weimar Reichsbank officials were not certain of the destination of these 25 bags but mentioned three possibilities, Apolda, Naumburg and Berlin. During the questioning the Reichsbank officials also revealed that plans had been formulated to move the Reichsbank office in Berlin to Weimar. Walter Funk, the president of the Reichsbank, and Minister of Economics, has visited Weimar for this purpose. Funk's official stationary had already been sent to Weimar.

APOLDA

Upon arrival in Apolda Col. Bernstein contacted the Military Government Detachment Commander and informed him of the purpose of the visit and made arrangements to investigate the Reichsbank. He secured consent from the commanding officer, Co. A, 5th Ranger Battalion located in the area, to use Lt. Louis Combs and four of his enlisted men to act as guards in investigating the Apolda bank and other key banks in nearby cities. Accordingly the Rangers accompanied Col. Bernstein to the bank and acted as guards during the course of the investigation. Director Schwarzer revealed that the Apolda Reichsbank had received 40 bags of gold from Berlin some time ago but that a truck belonging to the

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Reichsbank Direktorium in Berlin had come to the bank and removed the 40 bags on April 7. He believes that the bags were returned to Berlin. He also expressed the possibility that this same truck may have been carrying gold from Eisenach, Erfurt, and Weimar but he did not examine the truck to see if it contained any gold. They thought the truck would stop at Gera before proceeding to Berlin.

Col. Bernstein also examined other personnel present at the bank and discovered Rudolf Windlinger who stated he had an office in the bank and was conducting economic studies for Berlin. He had previously been a leading economist in Berlin and had come to Godes in the early part of March. Col. Bernstein felt that he might well be a valuable source of information in connection with financial policies of the Nazis and accordingly was taken with the party. All of his records were collected and removed from the bank for later analysis.

REMARKS

Before proceeding to the Reichsbank contact was made with Military Government Detachment No. 57, Capt. Murray commanding. The Hungers acted as guards at the Reichsbank and director Fisher was interrogated and admitted to two movements of gold and foreign currency involving his bank. He stated that 18 boxes of gold together with seven bags which may have contained gold had arrived from Eisenach on April 1. He did not have the proper facilities for storing the gold and requested the bank at Halle to take it off his hands. The Halle bank agreed and on April 7 a truck came from Halle, picked up the gold and supposedly returned to Halle. The other movement concerned 18 bags of gold bars which he claimed arrived from Weimar on the night of April 8. This gold was removed from the bank on April 11th by Reichsbank director Perchenroeder who had been with the Reichsbank at Alsdorf in Silesia before the Russian occupation but had later come to Weimar. Fisher says Perchenroeder intended to take the gold to Hof in Bavaria.

REMARKS

At Weissenfels the bank was closed and no directors were available. Accordingly Col. Bernstein made arrangements with the Military Government Detachment to check the bank officials and records with particular regard to movements of gold and foreign exchange. A list of points to cover in this check was submitted to one of the military government officers who agreed to contact Col. Bernstein through ~~NAME~~ in the event his examination revealed anything of interest. A later interrogation of bank officials at Halle revealed the fact that there had been 40 bags of gold in Weissenfels. This information had been conveyed to Friedrich May, a Halle director, in a telephone conversation with a director of the bank in Weissenfels. He told him that on or about April 10, 40 bags had been taken to Gera from the Weissenfels bank by employees of said bank who were accompanied by employees of the Reichsbank from Landsberg on the Erztho, then working at Weissenfels.

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The order for the removal of this gold to Dessau was given to the Weissenfels bank by Reichsbank director Ry, at Weimar.

HALLE

The party arrived in Halle at 1630 hours April 20 and proceeded to the offices of the Military Government detachments for the Landrat and for the city of Halle and found both offices closed with no one on duty, except for a soldier standing on the sidewalk in front of the city detachment who said he worked with Military Government. The soldier said he didn't know where to locate the officer in charge of the office.

Two CIC officers then joined the party and the whole group went to the Reichsbank. A prompt effort was made to round up the officials and as soon as it appeared that there was gold and foreign currencies in the vault, a guard was put on the vault. The CIC officers who said it would take until after dark to go to corp or division HQs and return agreed to try and find the local Military Government officer.

There was interrogation of director Friedrich May and three other officials including two cashiers. They stated the bank had 16 boxes which had not been opened but which must contain gold bars, together with two other larger boxes presumably containing gold and foreign currency, and seven other bags supposedly containing gold coins and foreign currency. Upon entering the vault this information was confirmed although some of the seals were broken. There were also 65 bags alleged to contain foreign notes. Each bag was tagged and indicated the face value of the notes and the particular country involved.

An inventory was made of these items which were individually tagged and marked for identification. In addition to these items there was a three weeks accumulation of foreign notes and coins which had been picked up by the bank in the usual course of business but had not been transmitted to Berlin due to transport difficulties. All German silver coins in possession of the bank were collected as well as a number of German silver coins and foreign coins from personal deposits of valuables in the vault. Most of these deposits of valuables had been transferred from the Reichsbanks at Cottbus and Eisenach to Halle. Some papers found in the deposit of Frau Lange were also collected. She had been the first wife of Vice President Lange of the Reichsbank who has been a very active Nazi. It was felt these papers might be of value in connection with Nazi financial maneuvers.

Shortly after the beginning of this investigation, the captain in charge of the local Military Government detachment arrived and provided four MPs to aid the five Rangers in maintaining continuous guard over the vault and the four bank officials who had been taken into custody and also agreed to go to corp and division HQs to report what had been found and to see if it was agreeable to transport the valuables to [redacted] and to obtain the necessary transport and protection. [redacted]

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The Commanding General of the 7th Corps which had jurisdiction over Halle desired written confirmation of Colonel Bernstein's authority to take the gold, etc. Colonel Bernstein telephoned General Ryan Saturday morning April 21st to have the necessary instructions issued to the 7th Corps. On Sunday morning April 22 clearance had not yet been received from Corps and Col. Bernstein was anxious to proceed to the investigation of further targets. Accordingly, arrangements were made with the local Military Government detachments to take over the job of guarding the vault and to arrange for the removal of the treasure to Frankfurt. Lt. Col. Cauthorne, SM20, designated Capt. Frank W. Murphy to take over the guard and to make necessary arrangements for the move. Col. Bernstein delivered to Capt. Murphy the six keys to the outer door of the vault together with the inventory (a copy of which is attached as appendix "1") and original documents (copies of which are attached as appendices "2" and "3") referring to the deposit of the 25 boxes and bags of gold and foreign currency at Gleisach. A receipt showing the deposit of the 25 boxes and bags of gold at the Halle bank was also turned over to Capt. Murphy. Lt. Hubois took Capt. Murphy through the vault and Capt. Murphy checked each item in the vault against the inventory. He immediately issued instructions to the guards that he was in charge, relieving Col. Bernstein of the responsibility.

MURFURT

On April 23 a trip was taken to Erfurt for the purpose of investigating gold shipments from that city. Maj. A. A. Hedstrom, the Military Government Detachment Commander, provided several guards to accompany the party to the Reichsbank where an investigation was conducted of Reichsbank Direktor Winkelman and Direktor Kummer. After a period of questioning these officers stated that they had received about 80 bags of gold "about a year ago" and had sent all their gold and accompanying records to Berlin on the night of April 4. Col. Bernstein requested a copy of the receipt which the bank had obtained when the gold was delivered to the truck driver. When the receipt was produced it revealed that the destination of the gold was Magdeburg. The receipt was dated 4 April and the driver's name was Keese. A search of the vault revealed a bag of foreign notes including dollars. After the bank directors had listed these notes in the bank a copy of the list was given to the detachment commander and during an ensuing conversation the detachment commander suggested that Col. Bernstein take the bags with him to Frankfurt.

WITZENBACH

After obtaining guards from the Military Government Commander at Gleisach, the party proceeded to the Reichsbank and conducted an investigation and interrogation. At first the bank officials stated that there had been seven bags of gold at the bank and then they changed their story to 10 bags and finally they admitted there had been 18 boxes and 7 bags. They stated that the boxes and bags had been brought to their bank in September 1944 by an officer and two other uniformed men for the Weisenshutzkommando of France. The

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Reichsbank officials stated that they understood that this was the gold taken from France by "Goering's men". Col. Bernstein called for the balance sheet of Dec. 31, 1944 and found an entry for the Coburg Reichsbank branch as holding 41 bags for the Berlin Reichsbank. Reichsbank director Goltz stated that he did not know what was in the bags held for the Coburg branch but that it might be gold. A small amount of foreign currency and silver coins was found at Hisonach and after inventory was made by the Reichsbank officials and a copy presented to the Military Government Detachment Commander, the bag was taken by the party with the approval of the Military Government Detachment Commander.

SS Loot

In addition to the gold and foreign exchange search, certain leads were obtained on Nazi SS loot. At the Buchinvaldt concentration camp the reconnaissance party witnessed the results of some of the atrocities of the Nazi SS men. Talking with several of the prisoners on the subject of loot, they mentioned that several hours before U.S. troops took the town on April 11, five chests of jewelry including gold and silver items were taken from this camp by three of the SS officers attached to the camp. Upon interrogation these prisoners stated that these officers also took eleven chests which had come originally from the Auschwitz concentration camp. These chests had been brought to Buchinvaldt just before the Russians captured Auschwitz. All are supposed to have contained gold, silver and jewelry taken from prisoners of the concentration camp. On the basis of rather incomplete information several prisoners indicate that they believe the chests were taken to Leipzig/Flossenbürg.

As a result of this five day reconnaissance following is a summary of information as to locations of boxes of other Reichsbank gold which have since apparently been removed.

Erfurt - 20
Weimar - 40
Coburg - 41
Apolda - 40
Weissenfels - 40

In order to carry out further reconnaissance to locate the remaining Reichsbank gold and foreign currency and also to locate certain SS loot, Lt. Cdr. Fisher and Lt. Dubois are continuing the reconnaissance party.

~~CONFIDENTIAL~~B. BERNSTEIN
Colonel, GSC

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Appendix "1"

Bags of alleged [redacted] and
 alleged [redacted]

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I. Sending Halls		43 bags
A	1 U.S. Dollars	100,000
	2 U.S. Dollars	100,000
	3 U.S. Dollars	50,000
	4 U.S. Dollars	500,000
	5 U.S. Dollars	250,000 - also Swedish Kronets 40,000
	6 English Pounds	10,000
	7 English Pounds	10,000
	8 Swiss Francs	250,000
	9 Dutch Guilders	10,000
10	" "	10,000
11	" "	10,000
12	" "	10,000
13	" "	100,000
14	" "	100,000
15	" "	25,000
16	" "	25,000
17	" "	100,000
18	" "	100,000
19	" "	25,000
20	" "	25,000
21	Norway Kroner	50,000
22	" "	400,000
23	" "	100,000
24	" "	100,000
25	" "	100,000
26	" "	100,000
27	" "	50,000
28	" "	50,000
29	" "	50,000
30	Belgas	100,000
31	" "	40,000
32	" "	10,000
33	" "	100,000
34	" "	10,000
35	" "	100,000

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Bags of Foreign ~~_____~~ Bagged Contents

I. Sending Halle Continuation

A.	36	Belgas	100,000
	37	" "	40,000
	38	Dutch Guilders	100,000
	39	Italian Lire	200,000
	40	" "	300,000
am	41	" "	400,000
	42	Spanish pesetas	50,000
		Portugese escudos	100,000
		Turkish pounds	5,000
		Slovak Kronas	50,000

II. Sending Nordhausen 22 bags

B.	1	U.S. Dollars	100,000
	2	" "	200,000
	3	" "	150,000
	4	" "	500,000
	5	" "	50,000
	6	English Pounds	20,000
	7	Norway Kronas	500,000
	8	" "	100,000
	9	" "	50,000
	10	" "	100,000
	11	" "	50,000
	12	" "	100,000
	13	" "	100,000
	14	Belgas	40,000
	15	" "	40,000
	16	" "	100,000
	17	" "	100,000
	18	" "	100,000
	19	" "	40,000
	20	" "	40,000
aa	21	" "	40,000
	22	" "	50,000

		Portugese escudos	50,000
		Swedish kronas	20,000
		Swiss francs	250,000

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III. Depot Eisenach 16 wooden cases (sealed)

of the firm Dollfuss - Mig

- C 1 Contents unknown - Probably gold bars (alleged)
- 2 "
- 3 "
- 4 "
- 5 "
- 6 "
- 7 "
- 8 "
- 9 "
- 10 "
- 11 "
- 12 "
- 13 "
- 14 "
- 15 "
- 16 "

IV. Depot Eisenach 2 wooden cases (sealed)

by French banks

- D 1 Contents unknown - Possibly gold or foreign currency or other loot
- 2 " " " "

V. Depot Eisenach 7 bags

- E 1 Possibly gold coin and other loot
- 2 "
- 3 "
- 4 "
- 5 "
- 6 "
- 7 "
- F 1 German silver and gold coin and foreign coin
- 2 Lange papers
- 3 Foreign currency (notes)
- 4 Foreign currency (notes)

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RG 331

Entry 55B

File G-5 MFA&A Sub 4345

Box 322

DECLASSIFIED

Authority NND 760 238

By KG NARA Date 2/29/00

1 - 2 MFA&A Section G-5
 1 - 2 MFA&A Section G-5
 1 - 2 MFA&A Section G-5
 1 - 2 MFA&A Section G-5

MEMO :

TO : Lt. Col. Webb

SUBJECT: Entry of Undesirable Citizens into the United States, prevention of.

1. The undersigned visited Major Paul Warburg, AUS, at the US Embassy on 20 March 1945, and explained to him in general terms that in some cases, it would be advantageous to the interests of MFA&A Section, G-5 MFA&A to prevent certain art dealers from traveling to the United States.

2. Major Warburg replied that in such cases, an official communication should be addressed to the US Consul General by G-5 requesting that the visa be held from the individual in question.

CHARLES L. RUMM

319443

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Authority: UND 160238
By: 16 NARA Date: 1/2/00

RG 331
Entry = 47
File SHAEEF G-5 Numeric 1345
Box 1

1 of 2

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STAFF MESSAGE CONTROL	
INCOMING MESSAGE	
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SHAEEF X11/27 X12/27
TOR 270308B APRIL
SCG 270500 APRIL
CLASSIFICATION CHANGED
TO **SECRET**
By authority of C.A.L.A.
By W. Dewey
7 MAR 1945

FROM : CG 87 INF DIV PERSONAL FROM LT CMDR J.H. FISHER, USCGR, FINANCIAL BRANCH SGD CULIN
TO : SHAEEF MAIN PERSONAL FOR MCSHERRY AND BERNSTEIN
REF NO : NONE 26 APRIL 1945

Based on information developed by Colonel BERNSTEIN and reconnaissance by 87 Inf Div, discovered today in debris of Reichsbank at PLAUEN 35 bags gold coin deposited, according to bank records, by STICKENHEITSDIENST (SD) of Wehrmacht for the account of Reichsfurher of SS (HEINRICH HIMMLER). Note not Reichsbank gold.

Markings on bags show total weight as kilograms 886.68 and total of 250000 gold dollars (in 17 bags); 1,000,000 Swiss gold francs; 151,550 Norwegian gold Kronen; 98,450 Dutch gold guilders.

Bank records show coin deposited in April 1944. Based on comparison of balance sheet of bank dated 31 Dec 1944, all bags accounted for.

Was necessary to blast to obtain treasure.

At 1500 hours this date, Major General CULIN, CG 87 Division, took possession this treasure as captured Wehrmacht property on behalf of Commanding General, ETO. Guards posted. Facilities here inadequate for continued safe-keeping, and General CULIN has received clearance from First Army and VIII Corps to send gold to Reichsbank, FRANKFURT. Also sending 22 bags silver coin of Reichsbank found in PLAUEN, broken down to 18 bags 5 RM coins and 4 bags 1 RM ccins.

Treasure leaving PLAUEN 27 April, early

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SMC IN 8314
PA IN 9424

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Authority UND 160238
By TB NARA Date 2/29/00RG 331
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File SHAEG-5 Numeric 1345
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REF NO: NONE

SHAEG X11/27 X12/27

morning in 87 Infantry convoy. Due FRANKFORT same day. Division officer accompanying convoy will expect receipt from Lt Col MOORE or other officer in charge Reichbank there.

Information in areas of our reconnaissance thus far shows certain definite indications that SS personnel attempting to move gold and loot even after occupation.

Continuing reconnaissance to locate these articles greatest possible haste.

ACTION : G-5

INFORMATION : AG RECORDS

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SMC IN 8314 27 Apr 45 0655B EWL/mm REF NO:NONE

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SHAEF

STAFF MESSAGE CONTROL

INCOMING MESSAGE

SHAEF X24/29
TOR 291032Z APR
cmj 291120B

SECRET
URGENT

FROM : SIXTH ARMY GROUP G-5 SIGNED DEVERS

TO FOR ACTION : SHAEF FWD FOR G-5 FINANCIAL

FOR INFO : SHAEF MAIN FOR G-5 FINANCIAL, TWELFTH ARMY GROUP FOR G-5 FINANCIAL

REF NO : BX-13680 29 APRIL 1945

1. Confirming telephone conversation Major CARTER, CFA, Sixth Army Group, and Captain CANS, G-5 Financial, SHAEF Fwd.
2. A store of approximately 21 tons of silver bars has been uncovered by the 4th Infantry Division and is appropriately guarded in a powder factory in the neighbourhood of DILLINGEN at Y-139899.
3. A small quantity of gold bars, coins and dust have been located in the Reichbank of KARLSRUHE.
4. Acting on your verbal instructions, the silver will be taken into custody by Lt Col PETERSON, G-5, this Hq, and delivered to Currency Section Twelfth Army Group Detachment in FRANKFURT-AM-MAIN for account of SHAEF.
5. Similarly the gold will be taken into custody by Lt DELAVERGNE (French), this Hq, and be delivered to the same consignee.
6. Please advise Currency section, Twelfth Army Group Detachment, of these deliveries.

SMC IN 9039

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COPY NO. 3

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DECLASSIFIED
Authority UND 760238
By TB NARA DATE 1/29/00

RG 331
Entry 47
File SHAEEG-S Numeric 7345
Box 1

SHAEE X24/29

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(CONTINUED)

ACTION : G-5
INFORMATION : SGS
 G-1
 G-2
 G-3
 AG RECORDS

SMC IN 9039 29 Apr 45 1156B EBH/ppm Ref No: EX-13680

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Authority UND 760238
By TB NARA Date 1/2/00

RG 337
Entry 47
File SHAEF G-5 Narrative 7346
Box 1

1 of 1

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✓ SHAEF

STAFF MESSAGE CONTROL

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CLASSIFICATION CHANGED
 TO SECRET
 By authority of CALA
 BY W. Sawyer
 Date 7 MAR 1946

TO : AGWAR FOR MARSHALL

FROM : SHAEF MAIN, SIGNED EISENHOWER

CITE: SHGBI

REF NO : S-86489

T00 : 291240B

Representative Sixth Army Group Headquarters has returned from LORRACH where he was dispatched to discover and take custody of gold referred to in your cable W-69134 dated 17 April 1945.

Gold has not been found. Interrogation of REICHSBANK officials as well as other local personalities failed to disclose any knowledge of this Cache. Furthermore Swiss customs authorities and border investigating officers do not know of any attempt having ever been made to negotiate the transfer of referred gold into SWITZERLAND. Further inquiries proceeding.

W-69134 is SMC IN 5412, 18/4/45, G-5

ORIGINATOR : G-2

AUTHENTICATION: A. J. BOYLE, LT. COLONEL

INFORMATION : G-5
SGS
G-1
G-3
COM Z
MR MURPHY
MR STEELE
AG RECORDS

P 18972

SMC OUT 5838

29 Apr 45

1512B

EBH/ppm

Ref No: S-86489

T00: 291240B

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319448

DECLASSIFIED
 Authority UND 160238
 By TB NARA Date 2/29/00

RG 337
 Entry = 47
 File SHAEEG-5 Numeric 1345
 Box 1

1 of 4

CONFIDENTIAL

37B

Copy:

CIC Section "LL"
 Sixth Army Group
 APO 23, U S Army

Heidelberg, Germany
 3 May 1945

MEMORANDUM FOR THE OFFICER IN CHARGE

SUBJECT: Mission to LORRACH, GERMANY.

RE : Possible German Gold Cache.

1. Pursuant to order of the Commanding Officer, this Agent, together with Inspector Pierre VALLETTE of the Sûreté aux Armées, 6th Army Group, proceeded on Saturday, 28 April 1945, to the city of LORRACH (or LOERRACH), GERMANY, for the purpose of investigating the rumored existence in that vicinity of a German gold cache similar to that discovered about three weeks previously by the U.S. 90th Division in a salt mine at MERKERS, GERMANY. Upon arrival at said date in Lörrach (a city of approximately 18,000 inhabitants located in the western approaches of the Black Forest 8 kilometers northeast of BASEL, SWITZERLAND, the city limits coinciding on their western extremity with the Swiss frontier), contact was made with Captain GIRARD, head of the local Gouvernement Militaire, 5eme Bureau, First French Army, who had arrived on Wednesday, 25 April 1945, one day after the capture of the town. Captain Girard stated that he had first heard the rumor of a secret hoard of gold in the vicinity from troops of the 9th Division of Colonial Infantry (French) on their passage through the city for several days after his arrival. References to such a possibility had been laughingly made and their basis remained unexplained. Captain Girard further stated that on either Wednesday or Thursday, 25-26 April 1945, and unknown American officer (whom he had not seen and whose identity could nowhere be discovered) had briefly visited Lörrach on the same mission as this Agent's.

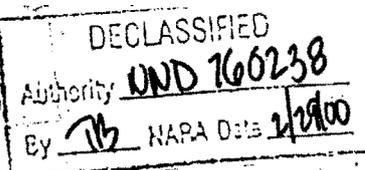
P 18904

2. Briefly, - information to the same effect, - except as otherwise noted, - as that given by Captain Girard, namely, that there had been mention without more of a rumor about hidden German gold current in Allied Military circles in and around Lörrach, was obtained on 28-30 April and 1 May 1945 from the following army personnel:

(a) S.M. 60, Karlsruhe, and the S.M. of the 9th Division of Colonial Infantry, Freiburg; neither knew of the rumor; the latter believed there were caches of arms and food in the Black Forest;

(b) Captain FOURNIER, 9th Division of Colonial Infantry, S.R. officer with the Gouvernement Militaire, RHEINFELDEN (12 kilometers southeast of Lorrach); arrived Friday, 27 April 1945;

(c) Captain MORGUILLEFF (phonetic), 2eme Bureau, 81st Regiment of the 9th Division of Colonial Infantry, Lörrach; arrived Thursday, 26 April 1945; doing CI work in the city and having two border control posts, at Lörrach and Rheinfelden;



RG 337

Entry = 47

File SHAEEG-5 Numeric 4348

Box 1

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

Mission to LORRACH, (Cont'd).
 dtd, 3 May 1945

(e) GNADINGER, Karl, Catholic priest for the past five years of SCHOPFHEIM (14 Kilometers east and slightly north of Lörrach);

(f) Officers and men of the German Gendarmerie at SCHONAU (approximately 30 kilometers northeast of Lörrach in the Black Forest);

(g) Seven Russian POW's who had spent three years at UTZENFELD (1 kilometer north of Schönau) as laborers in a quartz or feldspar enterprise (discussed immediately below in paragraph 5); and

(h) Miscellaneous natives, questioned by the French in their census of industrial plants of the neighborhood in behalf of Inspector Vallette and this Agent in order to save time.

5. Because Lt Troit had said that he had heard the story about gold in connection with the town of Schönau, where there were supposed to be some important war plants, a visit was made there on Monday, 30 April 1945, although Troit had deprecated his source, stating that he planned to check the report only when the press of this other work subsided. There were two fairly large textile factories at the south edge of town and some sort of sizable mineral rock concern, a large building only partly completed, about a kilometer beyond its northern limits in the village of Utzenfeld. The building bore the name of "GEWERKSCHAFT FINSTERGRUND - WIEDEN - FLUSZSPATBERGBAU - BETRIEB:UTZENFELD" (WIEDEN is a town 5 kilometers northwest of Utzenfeld in the Black Forest). Along the front were several narrow gauge railway sidings connected with the line running from Lörrach as far north as TODTNAU (7 kilometers north of Schönau). Inspection of the premises yielded nothing. Inquiry as to the presence of any mines in the vicinity, in the possibility that the Germans might have in typical style followed the Markers pattern, brought the response that there was a mine at Wieden connected by cable-car with the building at Utzenfeld. This Agent and Inspector Vallette accordingly examined the interior of the mine itself together with its outbuildings at Wieden. Nothing was to be found except a modern quartz-mining enterprise, which the manager stated to be one of the two largest in Germany and to have stopped work as recently as 18 April 1945 because of the impending arrival of French troops. He stated that nothing had been hidden on the premises, or, so far as he knew, anywhere else around Schönau. Neither he nor the Russian POW laborers, mention above in paragraph 4 (g), whose barracks were about 200 feet from the highway at Utzenfeld, knew of any box-laden trucks driving into the Black Forest.

6. On Tuesday evening, 1 May 1945, this Agent and Inspector Vallette completed their mission and on the following day returned to Heidelberg.

Conclusion

P 18906

It would seem very unlikely, on the basis of the brief investigation above reported, that there is a German gold cache in the neighborhood of Lörrach.

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

(d) Second Lieutenant TROIT, René, D.G.E.R., Sixth Army Group, Lörrach; arrived Monday, 30 April 1945, on an intelligence mission from Heidelberg; Lt Troit had picked up the story from a "Frenchman who had seen German trucks loaded with heavy cases entering the Black Forest from the nearby city of SCHONAU, where there were several arms factories;" more details or why the contents might be gold was unknown;

(e) Captain FOURNIER (Swiss), commanding the Swiss Garde Frontière on the western outskirts of Lörrach; familiar with the locality and having only recently heard the rumor about "eight tons of gold," he volunteered his word of honor that no appreciable quantities of gold had been carried across the border into Germany.

3. All of the persons above noted, especially Captain Girard (who was handed a written memorandum embodying such a request) and Lieutenant Troit (who said he would investigate the matter personally), stated that they would immediately bring to the attention of G-2, 6th Army Group, any information indicating the existence of a gold cache. They all agreed that the terrain around Lörrach to the north, east, and south, - thickly wooded and sparsely populated hill country, - was ideal for purposes of concealment, which would have been particularly easy in the case of a compact precious metal like gold and under the conditions of extreme secrecy which German authorities were able to impose.

4. Although the civilian and military situation around Lörrach was necessarily a confused one so shortly after the German withdrawal and during the first days of the undermanned Gouvernement Militaire, an effort was made to confirm the existence of a hidden gold store from credible German citizens and officials. The following persons were interviewed; all of them stated that they had never heard of any gold or other cache or even a rumor to such effect.

(a) INEICH, Arthur, French lieutenant of reserve and deported Alsatian high school principal; in the region for approximately 4 years, at WEITENAU, a town 11 kilometers northeast of Lörrach. Recommended for the Croix de Guerre in connection with aiding the French advance in that sector and the head of a small resistance group at Weitenau, he was acting as mayor of the town and working closely with French authorities. Very reliable, intelligent, and cooperative, Ineich also put the question to his local associates, as well as to several Germans held in the Lörrach jail.

(b) Captain of German Gendarmerie and various other German police officials, Lörrach (the Kreisleiter and other party leaders had disappeared);

(c) WEBER, Heinrich, Catholic priest of Lörrach for 6 years stated that the Nazis had kept an eye on him for 10 years, had heard the report of the discovery of the gold cache at Markers over the radio;

(d) WENDT, Hans Emile, Lörrach; a German industrialist from Bonn on the staff of the Vichy Government for a year and a half, he had been in Sigmaringen until about ten days previously; very slick and apparently very cooperative. The French believed he would tell anything he knew since he had thus far been given his liberty.

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Authority AND 760238
By NARA Date 2/24/00

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

Mission to LÖRRACH (Cont'd).
dtd. 3 May 1945.

Recommendation

It is recommended that because such a cache might conceivably exist due to the suitability of the terrain therefore and the ease with which such a substance might be concealed

- (1) The results of the investigation made by 2nd Lt. Troit, René, D.G.E.R., Sixth Army Group, be ascertained, and
- (2) Inquiry as to any developments be made in several weeks' time of Captain GIRARD, Gouvernement Militaire, 5ème Bureau, First French Army, Lörrach.

/s/ BROOKES FRIEBOLIN
Special Agent, CIC

P 18907

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

- 4 -

Box 1
File SHAEF G-5 Number 1348
Entry = 47
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Agency: OND 760238
BY: M. HARA DLS 2/19/00

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Authority UND 160238
By 16 NARA Date 2/2/00

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SHAEF

STAFF MESSAGE CONTROL

OUTGOING MESSAGE

CLASSIFICATION CHANGED
TO **SECRET**
By authority of CALE
By W. Dwyer
Date 8/1/83

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ROUTINE

TO G-5 / Staff : AGWAR FOR COMBINED CHIEFS OF STAFF FOR COMBINED
CIVIL AFFAIRS COMMITTEE
FROM : SHAEF MAIN SIGNED EISENHOWER

REF NO : S 87263 TOO: 061515 B

VO3 424

1. Leads obtained from records at MERKERS MINE and interrogation of rank officials found there suggested need of further reconnaissance which has now uncovered additional assets which in some cases were found hidden in woods, buried underground and deposited in bank vaults. Sufficient time not yet available for preliminary inventory. All assets found by US Forces in areas of GERMANY occupied by US Forces. General idea of alleged contents of bags, cases and parcels as follows:

A. HALLE Branch of REICHSBANK. 16 boxes containing 64 gold bars, 7 bags and 2 boxes containing individual deposits of gold and foreign exchange assets appearing to have been taken from safe deposit boxes. REICHSBANK records indicate that gold was delivered by DEWEISCHUTZKOMMANDO, FRANCE and had been moved to HALLE from EISENACH where it had been taken in Sept 1944 when the Germans fled FRANCE.

B. NURNBERG Branch of REICHSBANK. 34 bags and 2 chests containing gold bars which according to records at REICHSBANK Branches in NURNBERG and WURZBURG came from NIEDERLANSCHE Bank, AMSTERDAM.

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By	TB NAPA Date 4/29/00

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REF NO: S 87263

C. PLAUEW Branch of REICHSBANK. 35 bags of gold containing 250,000 US gold dollars, 1,000,000 Swiss gold francs, 98,450 Dutch gold guilders and 151,560 Norwegian gold kroner, all of which gold, according to the records of the REICHSBANK at PLAUEW, was deposited by the SICHERHEITSDIENST (SD) of the WEHRMACHT for the account of the SS REICHSFUHRER (HITTLER). Also found 18,000 RM value diner and pengo currency.

D. COBURG. 41 bags of gold containing 2 bars each found buried under chicken coops and other underground places and in hills by the Director of the COBURG Branch of the REICHSBANK. Also 1,013,700 French francs and 16,500 lira said to have been deposited by a WEHRMACHT Paymaster for account of WEHRMACHT.

E. ESCHWELE Branch of REICHSBANK. 41 bags containing 2 gold bars each.

F. MAGDEBURG Branch of REICHSBANK. 6000 silver bars, 500 cases of silver bars, which according to REICHSBANK records at MAGDEBURG belonged to MAGYAR National Bank of HUNGARY and said by local REICHSBANK officials to represent HUNGARY's silver reserve. Also found 12 bags records of precious metals department of REICHSBANK in BERLIN; 94 bags of records of bond office BERLIN; and 11 bags of printing plates, all of which had been taken to MAGDEBURG from MERKERS HEINE several days before entrance of US Troops. Found 2 envelopes said to contain Foreign securities from HOLLAND, SPAIN and SWITZERLAND deposited with the bank by MAGDEBURG Customs Office.

G. WURTINGEN. 297 large and 645 small silver bars said to be property of DEUTSCHE gold and silver SCHNEIDMANSTALT were found in the woods.

H. NORDHAUSEN Branch of REICHSBANK. 3 bags of 10 wooden cases marked as containing 12 bars of platinum, 6 packages of platinum scrap, 5 platinum plates, 2 palladium plates, 1 bottle palladium, 2 bottles rhodium, 3 bottles iridium, 2 blocks of gold and 4 packages of gold scrap. Also 342 bags foreign non-dollar-sterling foreign notes including about 2½ billion French francs.

I. HOF. As a result of interrogations of local REICHSBANK officials, there was discovered at local SPARKASSE 2 chests gold service and 1 church gold chalice, dated 1722 AD, said to have been deposited by SS Captain for

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 By TB NARA Date 1/29/00

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 File SHAEG-5 Numeric 1346
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SHAEF

-3-

STAFF MESSAGE CONTROL

REF NO: 587265 **OUTGOING MESSAGE**

account of RICHARD WENDLER, German Governor of LUBLIN and head of LUBLIN Concentration camp. Also found in a spinning mill in HOF, 23 crates of boxes containing gold and silverware and also valuable cloths and rugs deposited by WENDLER.

J. WURZBURG Branch of REICHSBANK. 132 bags of foreign notes including 123 bags Belgas, 1 bag foreign silver coin (miscellaneous) and 8 bags German silver coin. Also found 3 cases marked Dutch art which were to be ultimately assigned to MUNICH via NURNBERG.

K. LEIPZIG Branch of REICHSBANK. 143 bags of ZLOTYS, 30 bags of other foreign non-dollar-sterling notes.

L. BERNTERODE. 3 boxes art objects in name of HOHENZOLLERN Museum BERLIN, including swords and scabbards, scepter, 2 crowns (without jewels) 1 Reichsapfel, 1 seal in gold and silver box and 1 death helmet.

M. From other branches of REICHSBANK small amounts of foreign currencies and foreign and German silver coins were found.

2. Reconnaissance Party found and interrogated REICHSBANK officials who insisted that they had taken to BERLIN 246 bags of gold bars and coins from MAGDEBURG (125 bags deposited with the MAGDEBURG REICHSBANK; 80 bags originally deposited with the ERFURT REICHSBANK and 41 bags originally deposited with the GOSLAR REICHSBANK); and also another REICHSBANK official who took 80 bags of gold to BERLIN from DESSAU Branch (40 bags of gold from WEISSENFELS REICHSBANK and 40 bags from WITTENBURG REICHSBANK). Further Reconnaissance indicates that 40 bags of gold originally deposited at WEIMAR and 40 bags deposited at APOLDA were said to have been taken to BERLIN. The 41 bags held at STENDEL and the 40 bags held at STARGARD are also said to have been taken to BERLIN. Investigation continues.

3. The REICHSBANK in FRANKFURT to which all this treasure is being taken is under constant military guard. Inventories are being prepared of all items listed above and will be forwarded when available. Search for similar assets continues.

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Authority UND 160238
By Tb NARA Date 2/29/00

RG 331
Entry = 47
File SHAEEG-5 Numeric 1345
Box 1

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REF NO: S 87263

ORIGINATOR : G-5
INFORMATION : SGS
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AM EMBASSY PARIS
BR EMBASSY PARIS
SUMMARY
AG RECORDS

AUTHENTICATION: W A CURTIN JR
Major

SSIC OUT 633 6 May 1945 2113B WL/lp/jes REF NO: S 87263
T00: 061515B

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Authority **UND 160238**
By **JB** NAPA Date **2/29/00**

RG **331**
Entry **= 47**
File **SHAEP G-5 Numeric 1348**
Box **1**

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CLASSIFICATION CH **SECRET**
TO **CONFIDENTIAL**
By authority of CALA
JOHN A. BAUERMEISTER
2nd Lt. Inf.
Date **24 OCT. 1945**
JB

~~SECRET~~
SUPREME HEADQUARTERS
ALLIED EXPEDITIONARY FORCE
G-5 Division Forward

49A
1/13 Brigade
WV
Rh
11/4
10/4

28 May 1945

SUBJECT: Report on Theft of Paintings from the Repository at LAUFEN.

TO : ACOS, G-5, Twelfth Army Group.

1. The attached special report on the theft of paintings from the repository at Laufen is transmitted for information.

2. It is suggested that onward distribution be made to the Third and Seventh Armies and the 42nd Division.

For the ACOS, G-5:

M. C. BAUER
M. C. BAUER
Lt. Col., GSC
D/Executive, G-5.

Copies to:
G-2 Division, SHAEP Fwd
Financial Branch, G-5 Fwd ✓

DECLASSIFIED
 Authority OND 160238
 By MB NARA Date 1/19/00

RG 331
 Entry 47
 File SHAEEG-5 Numeric 4345
 Box 1

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SUPREME HEADQUARTERS
 ALLIED EXPEDITIONARY FORCE
 G-5 Division

49B

SHAEP/G-5/IA/751

May 1945.

SUBJECT: Report on Theft of Paintings from the Repository at LAUFEN.

TO : Assistant Chief of Staff, G-5.

I. INTRODUCTION:

The information contained in this report, unless otherwise indicated, is based on the interrogation of the following civilians:

- 1) Dr. LUTHELEN, former Curator of musical instruments of the KUNSTHISTORISCHES Museum of Vienna, and now custodian of the repository at LAUFEN.
- 2) Dr. HERMANN WILHELM MICHEL, Custodian of the repository of art at ALT AUSSER.
- 3) Dr. McFARLAND, U.S. citizen, resident of FRANKFURT a/m from 1928-1944, and in residence at MUEHLBACH (Pongau) since 1944.
- 4) Baron von MEYER of VIENNA, now residing at MUEHLBACH.
- 5) Walter DIEMSTBIER, official of the REICHSARBEITSDIENST LAGER at MUEHLBACH.
- 6) MUELLINGER, proprietor or manager of WEISERHOF at BRAMBERG.

II. Events at LAUFEN:

~~P-18976~~

1) The salt mine at LAUFEN is said to contain the principle collections evacuated from the state museums at VIENNA, including the KUNSTHISTORISCHES Museum, the OESTERREICHISCHE GALERIE, the ALBERTINA Collection, etc. Objects from these museums were placed in various caverns in the mine. The chief custodian was Dr. LUTHELEN and he was assisted by two Viennese restorers, JOSEF HUBER and FRANZ BOCHOR.

2) Allegedly acting on orders from the Austrian GAULEITER, BALDAR von SCHERRACH, HERMANN STUPPARCK on various occasions attempted to take objects from the mine.

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LUTHELAN and his assistants sabotaged these efforts, but once STUPPACCK did make off with four paintings. These were described as being by Rubens, Rembrandt, Jan Brueghel and a Venetian master.

3) On 3 May 1945, STUPPACCK arrived at the mine with a squad of WEHRMACHT soldiers commanded by four officers. The officers belonged to the staff of Major FABIAN, C.O. of the escort guard of von SCHIRACH (FABIAN is said to be a native of BRIXEN). The soldiers loaded their weapons and forced the three civilian custodians to load two trucks with objects of art.

4) The objects were first carefully wrapped in paper and blankets before being loaded. They consisted of 184 paintings, 49 sacks of tapestries, and two cases of small objects. An inventory of the objects was seen by the undersigned in the hands of HERMANN WILHELM MICHEL at ALT AUSSER. It listed some of the most outstanding paintings in the world; the "Seasons" by Pieter BRUEGHEL, a "Self Portrait" by REMBRANDT, the "All saints" by DURER, and paintings by TITIAN, VELAZQUEZ and others.

5) At their own request, the restorers HUIJSINCK and SOCHOR accompanied the trucks. The trucks and their escorts arrived at WEIERHOF, a house about 1 km. east of BRAMBERG (N48/E46) on 6 May. The objects were unloaded and stored in a room on the ground floor near the entrance. A guard of four men was posted. The two restorers remained with the objects while the soldiers and STUPPACCK occupied quarters in the ARBEITSDIENST LAGER at MUNKLBACH, a nearby village. The officials of the Labor camp were evicted at this time.

III. Events at WEIERHOF:

1) Some hours after the objects were unloaded, Lt. KARL (or KARIS), an officer of the escort guard, told HUIJSINCK and SOCHOR that the art treasures would probably be evacuated again due to the approach of U.S. forces. On 7 May, orders were given to load the trucks. While this was taking place, MEILINGER, proprietor of WEIERHOF, sent his brother to the village of BRAMBERG to observe the direction taken by the trucks. He observed Lt. KARL driving a small car toward the east. Sometime during the night of 6-7 May, the trucks, loaded with art treasures and provisions, left WEIERHOF. No one was found who saw them depart, and no one could give information as to the direction taken. They were described as normal Wehrmacht vehicles with three (3) axels (six wheels?). The number of one truck was given as: WH 1817461

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2) The two restorers remained at WEIERHOF. A few hours after the trucks departed, the region was occupied by the 142 Inf. Reg. of the 36 Div. HUIJINCK and SOCHOR made several attempts to make contact with the U.S. Authorities and finally succeeded in doing so.

3) On 9 or 10 May, Capt. LONGINO, Divisional (?) Mil. Gov. Officer, came to WEIERHOF with Dr. McFARLAND, a U.S. Citizen who acted as interpreter, and a partisan policeman. Capt. LONGINO conducted inquiries into the theft of the art objects. A few days later the 36 Div. was relieved by the 42 Div. On 16 May, HUIJINCK and SOCHOR left WEIERHOF and returned to BAD ISCHEL. Their address is:

Pension Ringjaehring
Graz str. 39,
BAD ISCHEL. Telephone Nr. 328.

On 17 May, the undersigned arrived at WEIERHOF to conduct inquiries.

4) The following theories as to the disposition of the trucks were advanced by individuals acquainted with the region.

a) The western end of the valley ends in a cul de sac. Hence, if the vehicles took a westerly direction, the objects must have been hidden in one of the countless abandoned mines in the vicinity. Mines in a side valley known as HOLLEN TAL were suggested as being likely.

b) If the trucks went east, they could have mingled with the many vehicles of the German army and, eventually, could have proceeded to Bavaria.

IV. Action Taken:

1) Interrogation of the individuals listed in Section I.

2) Lt. PETERS, 3-3 of 2nd Bn., 342 Inf. Reg at MUELLBACH, was informed of the situation and was requested to conduct a search.

3) Major O'CONNELL, G-5, 42nd Div. was given a verbal report with a request for action.

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4) Lt. RORIMER, MFAAA Specialist Officer at 7 U.S. Army H.Q. was given a verbal report with a request that a signal be sent through command channels to 42nd Div for action

Charles L. Kuen

CHARLES L. KUEN,
Lieut. USNR.
D/Advisor, MFAAA.

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~~TOP SECRET~~COPY NO. 94C.C.S. 845/116 May 1945COMBINED CHIEFS OF STAFFDISPOSITION OF BULLION AND OTHER PROPERTYDISCOVERED BY THIRD ARMY

Reference: C.C.S. 845

Report by the Combined Civil Affairs CommitteeTHE PROBLEM

1. To consider C.C.S. 845 and make recommendations to the Combined Chiefs of Staff.

FACTS BEARING ON THE PROBLEM

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2. In a letter dated 20 April 1945 (C.C.S. 845) the Supreme Commander, Allied Expeditionary Force (SCAEF), forwarded a preliminary inventory of gold bullion, currency and miscellaneous property discovered by the Third Army near Merkers and now in vaults in Frankfurt. He asks the Treasury Department to send two expert weighers of gold bars and an expert to study assay certificates and other records to identify the gold bars. They would be needed for only a few weeks and should bring sufficient canvas bags, seals and tags to retag the bars and coins.

3. Included in the inventory is a large quantity of material evidently belonging to the SS or Gestapo. Some of it appears to be loot taken from individuals who have been murdered. This loot includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. The supreme commander considers these items may constitute evidence and requests that agencies engaged in the determination of evidence for prosecution of war criminals should be informed and at the proper time should be permitted to inspect and investigate these items.

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4. The U.S. Treasury Department has informally advised the U.S. Members of the Combined Civil Affairs Committee that the three experts and the requested equipment are available.

5. The British Joint Staff Mission has informally advised the committee that His Majesty's Government would appreciate the inclusion in the the party of two bullion experts who can be made available by the Bank of England.

CONCLUSIONS

6. U.S. and U.K. experts should participate in examination of the treasure.

7. The supreme commander's proposal to notify appropriate agencies of the United Nations charged with the investigation of war crimes should be approved and implemented.

RECOMMENDATION

8. That the Combined Chiefs of Staff dispatch the message in Appendix "A" and agree to the dispatch of the letters at Appendices "B" and "C" and the message in Appendix "D".

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APPENDIX "A"

D R A F T

MESSAGE TO THE SUPREME COMMANDER,
ALLIED EXPEDITIONARY FORCE

U.S. Treasury can make available three experts requested in your letter of 20 April regarding Merkers treasure. The Combined Chiefs of Staff consider two bullion experts offered by Bank of England should also participate. Advise if satisfactory to send all five. U.S. Treasury making bags, seals, and tags available. War Crimes Commission being asked to advise United Nations investigatory agencies that some of this treasure may be usable as evidence of war crimes, and that you will permit inspection thereof at proper time. War Crimes Branch under Judge Advocate for U.S. Army Forces, European Theater of Operations also notified.

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CONFAPPENDIX "B"D R A F TLETTER FROM THE UNITED STATES CHIEFS OF STAFF
TO THE DEPARTMENT OF STATE

The Combined Chiefs of Staff have considered a recent letter from the Supreme Commander, Allied Expeditionary Force, concerning a stock of gold bullion currency and miscellaneous property recently discovered by the United States Third Army near Merkers, Germany, and now in the vaults of the Reichsbank at Frankfurt.

The supreme commander has requested that the United States Treasury Department send two expert weighers of gold bars and an expert who could study the assay certificates and other records with a view to identification of the gold bars. The services of these experts would be needed for only a few weeks and it would be helpful if they bring sufficient canvas bags, seals and tags to retag bars and coins. The Combined Chiefs of Staff have approved the dispatch of the requested experts and the United States Treasury Department has indicated that experts and equipment will be made available. The Combined Chiefs of Staff have also approved participation by two bullion experts from the Bank of England.

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Included in a preliminary inventory of the treasure is a large quantity of material evidently belonging to the SS or Gestapo. A portion of this part of the treasure represents loot taken from individuals who have been murdered, as it includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. It may, therefore, constitute items of evidence. The Combined Chiefs of Staff have approved the supreme commander's proposal that agencies engaged in the determination of evidence for the prosecution of war criminals should be informed and at the proper time should be permitted to

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inspect and investigate this part of the property. Will you kindly advise the United States representative on the United Nations War Crimes Commission to enable the Commission to notify appropriate national agencies of the United Nations in this regard.

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CURRENCY SECTION (GERMANY)

REPORT NO. 11
 (Final Report)

(As at 13 July 1945)

Contents

Part I	- Balance Sheet Comments
Part II	- Activities
Part III	- Personnel and Locations
Part IV	- Intelligence
Appendix A	- Consolidated Balance Sheet
Appendix A-1	- Schedule of Advances to Armed Forces
Appendix A-2	- Schedule of Advances to Allied Governments
Appendix A-3	- Advances to Commercial Institutions
Appendix B	- Currency Held in Reserve
Appendix C	- Stamps Held in Reserve
Appendix C-1	- Stamps Issued and Received
Appendix D	- Enemy Funds Confiscated or Acquired
Appendix E	- Allocation of Currency to Zones

DISTRIBUTION:

	<u>Copy No.</u>
SHAEF MAIN, G-5 Financial	1 to 6
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DDCA/Mil Gov (Fin), 21 Army Group	8
CFA, 12 Army Group	9
CFA, Com Z	10
Control Commission for Germany (British) for Director, Banking Branch, Finance Division	11
US Group CC for Director, Finance Division APO 742	12
Currency Section (Germany) - British Branch, Mil Gov 9, Main H.Q., 21 Army Group	13
Currency Section (Germany) - US Branch	14

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CURRENCY SECTION (GERMANY)

PART I - BALANCE SHEET

1. This is the last and final report of Currency Section (Germany), SHAEF.
2. In accordance with instructions received from CCS based on recommendations made by SHAEF, G-5, Financial Branch, Currency Section (Germany), HQ Branch, is liquidated as from 13 July 1945, date of termination of combined command of SCAEF, all assets and liabilities being transferred to British and US Branches except for the currency set aside for the use of the French which is now held by War Office for CCS pending further instructions (See Part II, paras 8-13).
3. All accounts on HQ Branch books have now been closed and the balance sheet attached represents the consolidated balance sheets of British and US Branches.
4. A consolidated balance sheet expressed in Allied Military Marks as at 13 July 1945 is attached as Appendix A.

Details of currency held in reserve, and of stamps held in reserve, are attached as Appendices B and C respectively.

ASSETS

5. <u>Cash on Hand</u>	Increase Mks	<u>62,375,604</u>
(a) Increase due to:		
(i) US Branch net increase		62,438,814
(ii) Less British Branch net decrease		<u>63,210</u>
	Total Increase Mks	<u>62,375,604</u>
(b) US Branch and increase is accounted for as follows:		
(i) Transfers from Currency held in Reserve		34,256,000
(ii) Surplus funds paid in by Central Disbursing Officer, PARIS		29,405,111
(iii) Surplus funds paid in by Netherlands PWX Liaison Officer		250,620
(iv) Surplus funds paid in by Mil Gov Sub-Accountants		<u>1,055,083</u>
		64,966,814
Less		
(i) Advances to Allied Governments		<u>2,528,000</u>
		<u>62,438,814</u>

The large transfers to Cash on Hand from Currency Held in Reserve were occasioned by exchanges amounting to approx 46 millions (see Part II, para 6).

Of the cash on hand approx Mks 47,250,000 consist of RM 1000 notes.

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(c) British Branch net decrease is accounted for as follows:

(i) Amounts paid to 18 CPO and 2 TAF for reimbursement of claims accepted by Dominion and Allied Governments 69,183,210

Less

(ii) Transfers from Currency Held in Reserve 69,120,000

Total net decrease Mks 63,2106. Cash in Transit Decrease Mks 100,000,000

Due to receipt by US Branch on 4 July of the 100 boxes representing this amount which were withdrawn from Bank of England on 28 June and were in transit to US Branch on 30 June.

7. Currency Held in Reserve Decrease Mks 14,856,000

(a) Decrease due to:

(i) British Branch net decrease 69,120,000

Less

(ii) US Branch net increase 54,264,000Total Decrease Mks 14,856,000

(b) British Branch net decrease represents transfers to Cash on Hand (see para 5(c)(ii)).

(c) US Branch net increase is accounted for as follows:

(i) Withdrawn from Bank of England (para 6) 100,000,000

Less

(ii) Payment to US Army 8,000,000

(iii) Advances to Polish Government 3,480,000

(iv) Transfers to Cash on Hand 34,256,00054,264,0008. Mutilated Currency

Part II

No change. See para 11(c) for transfer of mutilated currency from HQ Branch to US Branch.

9. Advances to Armed Forces Decrease Mks 21,321,251

Decrease due to:

(a) US Army

(i) Surplus funds repaid to US Branch by Central Disbursing Officer, PARIS 29,405,111

Less:

(ii) Advance to 142 Fin. Disb. Off. 8,000,000

Total net Decrease US Army 21,405,111

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10. Advances to Allied Governments Increase Mks 5,757,380

(a) Increase due to:-

(i) Czechoslovak Government

Advance by US Branch to authorised
 Czech Liaison Officer 8,000

(ii) Polish Government

Advances by US Branch to Liaison
 Officers PWX 6,000,000
6,008,000

Less:

(iii) Netherlands Government

Surplus funds repaid to US Branch 250,620

Total Increase Mks 5,757,380

(b) Verification of outstanding balances at 30 June 45 have been requested, but replies have not yet been received.

(c) Details of the amounts advanced by each Branch to the various Allied Governments are shown as Appendix A-2.

11. Military Government Current Account Decrease Mks 1,032,641

Decrease due to:-

(a) US Branch

Excess funds paid in by M.G. Sub-Accountants 1,055,083

Less:

(b) British Branch

Seized Enemy Funds received by Mil Gov
 (see para 21) 22,442

Total net Decrease Mks 1,032,641

The account with British Branch remains a credit balance.

12. Loans to Commercial Institutions

No Change.

Details are given as Appendix A-3.

13. AM Stamps held in Reserve Decrease Mks 469,500

Decrease due to:-

(a) US Branch issues 919,500

(b) British Branch issues 2,553,000

Decrease 3,472,500

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(c) Less British Branch receipts of 111 boxes from United States (balance of second printing) 3,003,000

Total net Decrease Mks 469,500

14. AM Stamps Issued Increase Mks 3,472,500

Increase due to issues made to Reichspost as follows:

(a) US Branch

MUNICH	234,000
NURNBERG	<u>685,500</u>

Total US Branch issues 919,500

(b) British Branch

BREMEN	333,000
BRUNSWICK	216,000
COLOGNE	336,000
DORTMUND	54,000
DUSSELDORF	444,000
HAMBURG	516,000
HANNOVER	360,000
MUNSTER	<u>294,000</u>

2,553,000

Total Increase Mks 3,472,500

Details of issues made to date are given as Appendix C-1.

15. Cash Shortages Decrease Mks 1,823,800

Transferred to Cash Losses account on instructions of ACOS, G-5 Division, SHAEF.

16. Cash Losses Increase Mks 1,823,800

See para 15. Now transferred by HQ Branch to US Branch as explained in Part II, para 12(a).

LIABILITIES

17. Currency made available to SCAEF

This total has now been divided to show the allocation of currency to each Branch. The figure of Mks 2,319,188,000 made available to Combined Chiefs of Staff for French passes out of the control of the Currency Section (Germany) as from the date of the dissolution of SHAEF, and therefore will not be reflected in the books of either Branch (see para 18).

18. Currency held in Reserve by War Office

This figure has been divided to show the allocation of the reserve cash to each Branch. The figure of Mks 2,319,888,000 held for Combined Chiefs of Staff for French, not being under the control of this Currency Section from the date of dissolution of SHAEF, will not be reflected in the books of either Branch (see para 17).

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19. All Stamps made available to SCAEF Increase Mks 3,003,000

Increase due to receipt by British Branch of 111 boxes (see para 13(c))

20. Deposits - Property Control

No change.

21. Seized Enemy Funds Increase Mks 22,442

Due to British Branch:-

Funds found abandoned in BOTANISCHER GARTEN, HAMBURG.

22. Suspense Account Decrease Mks 69,099,350

This account has now been cleared by payment on 6 July by British Branch to 18 C.P.O. of the amount due.

23. Confiscated Funds

No change.

Summary of accounts reported to date is given as Appendix E.

PART II - ACTIVITIES

PERSONNEL

1. On 6 July, Capt. T. B. BENSON was assigned to US Branch.
2. 11 enlisted men were assigned, and 2 enlisted men were relieved of assignment to US Branch between 1-13 July.
3. Remaining HQ personnel have been posted/assigned as follows:
 - Major F.W.A. FAIRFAX-CHOLMELEY - to R.A. Depot pending demobilisation
 - Major K. P. BRADBURN - to Currency, Accounts and Investigations Branch, Control Commission for Germany (British)
 - EM - one - to US Branch

MOVEMENTS OF CURRENCY AND STAMPS

4. On 9 July, Major Fairfax-Cholmeley escorted 100 boxes of currency from BAD OEYNHAUSEN to US Branch at FRANKFURT by road. Owing to breakdown of one truck delivery was not completed until 10 July.
5. Deliveries of Stamps were made as follows:-

(a) US Branch

		<u>No. of Boxes</u>
5 July	FRANKFURT-MUNICH	6
6 July	FRANKFURT-NURNBERG	35

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(b) British Branch:

		<u>No. of Boxes</u>
7 July	BAD OEYNHAUSEN-HAMBURG	20
	HANNOVER	12
	BRUNSWICK	7
9 July	BAD OEYNHAUSEN-DORTMUND	3
	DUSSELDORF	16
	COLN	13
11 July	BAD OEYNHAUSEN-MUNSTER	6
12 July	BAD OEYNHAUSEN-BREMEN	13

SUMMARY OF ACTIVITIES

- (a) During the SHAEF period, personnel of the Currency Section have accompanied movements of stocks of currency and stamps from reserves held in LONDON, to PARIS, BRUSSELS, NAMUR, VERDUN, STRASBOURG, FRANKFURT, HEIDELBERG and BAD OEYNHAUSEN. More than 8,000 boxes, value approx Marks 6,500,000,000 were involved in these movements.

Approximately 6,000 of these boxes were delivered by Currency Section personnel from reserves on the Continent to BELFORT, STRASBOURG, AACHEN, FRANKFURT, HEIDELBERG, MUNSTER, BREMEN, DORTMUND, DUSSELDORF, HAMBURG, KIEL, RHEINE, HANNOVER, BRUNSWICK, MUNICH, NURNBERG, and OLDENBURG.

- (b) These movements have been made by road, rail, sea and air, representing some 25,000 miles of travel by personnel concerned. Initial reserves were landed by the British Branch at AGRAMANCHES Beachhead on 30 Sep 44 by L.C.T., and by US Branch at OMAHA Beachhead on 4 Oct 44 by L.S.T.

The largest individual movements were:-

1400 boxes, value Mks 1,824,000,000, LONDON-OSTEND-NAMUR by Capt. Bradburn and Lt Kelso.

1767 boxes, value Mks 1,252,852,000, LONDON-OSTEND-BAD OEYNHAUSEN by Major Toms.

1159 boxes, value Mks 1,223,520,000, LONDON-OMAHA BEACH-PARIS by Lt Schilling.

- (c) In addition to the above, personnel of the Currency Section have escorted currency for the French, Netherlands, Austrian, Danish and Norwegian Currency Sections in movement from the U.K. and the Continent to BRUSSELS, EINDHOVEN, TILBURG, HERTOGENBOSCH, NIJMEGEN, SULLINGEN, WALSRODE, HEIDELBERG and LINZ.

EXCHANGES

7. US Branch exchanged Allied Military Mark notes of Mks 50 and less for RM 1000 notes for the following Reichsbank branches which were short of small denomination notes:

COBLENZ	4	Millions approx
FRANKFURT	3½	" "
HEILBRONN	1	" "
MUNICH	25	" "
NUREMBERG	73/4	" "
SCHWABISCHE- GEMUND	5	" "
TOTAL	46½	" "

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RESTRICTEDLIQUIDATION OF HQ BRANCH

8. On 24 June a cable (VOG 532) was despatched by SHAEF to AGWAR for CCOS for CCAC recommending:-

- (a) on termination of Combined Command the winding up of Currency Section (Germany) HQ Branch by dividing up the assets and liabilities between the Zones
- (b) dividing up the original stock of currency on the basis of
 - 2/5 to the British Zone
 - 2/5 to the US Zone
 - 1/5 to the French Zone

and transferring any entitlement not so far drawn to the control of each Zone

- (c) allocating other assets and liabilities of HQ Branch to the US or British Zone
- (d) that all original records of HQ Branch be held by US Group CC.

9. The above cable also stated:-

- (a) that US Group CC were prepared to hold the French share, if the latter felt they were unable immediately to assume their responsibilities.
- (b) all Allied Military Stamps received to date were held by the British or US Branches and that US Branch would be prepared to try to assist in supplying French needs during the initial post-SHAEEF period if required.

10. On 12 July CCS despatched a cable (GOV 406) which, inter alia, agreed the liquidation of HQ Branch and the division of stocks of currency as suggested by SHAEF, but stating that before currency or stamps were so furnished to the French, the latter should assume their appropriate share of the costs of production and transportation of such currency and stamps, and that records should be handed over for safe custody to C.A.L.A.

11. Thereupon G-5, Financial Branch, SHAEF, instructed

- (a) HQ Branch to cease to operate after 13 July 1945, date of termination of Combined Command
- (b) British and US Branches to operate thereafter under Control Commission for Germany (British) and US Group CC-HQ, USFET instructions respectively
- (c) HQ Branch to transfer balances on Mutilated Notes a/c and Cash Loss a/c to US Branch
- (d) HQ Branch to allocate stocks held at the Bank of England as agreed by CCS
- (e) HQ Branch to hand over provisionally all original records and files to US Group CC, Finance Division
- (f) US Branch to transfer the loan to the coal mines in the AACHEN area (Mks 788,800) to the British Branch who will reimburse the US Branch in cash.

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12. (a) The reason for the transfers under 11(c) above is that these accounts represent the loss of two boxes of currency in transit from LONDON to US Branch in PARIS under SHAEF, G-5, Financial Branch arrangements. The loss was originally taken up on HQ Branch books pending clearing-up as no Currency Section personnel were involved and the boxes never reached US Branch.

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- (b) Details of allocations under 11(a) above are given as Appendix E.
- (c) The transfer of the loan (11(b) above) will be carried out in the post-SHAEF period.
- (d) No other assets and liabilities remain to be transferred to Branches on HQ Branch Books.

13. SHAEF, G-5, Financial Branch, has requested the War Office to hold the boxes allocated to the British and US Zones to the order of the respective Control Commissions and to hold the French share pending further instructions from CCS.

War Office was also informed that the French Control Commission will be advised of the situation by the British and US Control Commissions.

MISSING BOXES OF CURRENCY

14. No change since last report.

The loss is now carried on US Branch books (see para 12(a) above).

PART III - PERSONNEL

<u>BRANCH</u>	<u>OFFICERS</u>	<u>LOCATION</u>
HQ	Major F.W.A. Fairfax-Cholmeley (Br) Major K. P. Eradburn (Br) EM - 1	SHAEF MAIN, FRANKFURT
British	Major C.W.L. Toms (Br) Capt. L. Mackenzie (Br) Capt. D. G. Rusden (Br) Lt. Col. F.D.E. Fremantle (Br) O.R. - 7	Mil Gov 9, HQ, 21 Army Group, BAD OEYNHAUSEN On leave in U.K.
US	Lt. Col. H. D. Cragon (US) Major K. L. Walitschek (US) Capt. T. E. Benson (US) 1st Lt R. W. Borman (US) 1st Lt P. Chaffin (US) 1st Lt G. Holstein (US) 1st Lt R. B. Kelso (US) 1st Lt B. S. Schilling (US) EM - 32	REICHSBANKSTELLE, FRANKFURT-AM-MAIN

Two officers and 11 enlisted men were also attached to US Branch to assist in their custodianship duties.

PART IV - INTELLIGENCE

- Nothing fresh to report since Report No. 10 dated 10 July.
- Invalid Currency

The following has been destroyed and is recorded by US Branch in accordance with SHAEF instructions:-

German Marks	507,013,865,932,739.09
Reichskreditkassenscheine Mks	24,773.
Verrechnungsscheine	2,405.

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File SHAEFG-5 Numeric 4346
Box 1

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Of the above German Marks 507,013,749,279,837.09 were destroyed by 7th Armored Division, after obtaining permission from SHAEF, in order to save transport and a certificate was rendered to US Branch.

DATE: 17 July 1945

F.W.A. FAIRFAX-CHOLMELEY
Major, R.A.
Chief, Currency Section (Germany)
Headquarters Branch

RESTRICTED

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Authority UND 760238
By 76 NARA DCS 1/2/00

RG 331

Entry = 47File SHAEG-S Numeric 7345Box 1

319479

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APPENDIX A

CURRENCY SECTION (GERMANY)
 CONSOLIDATED BALANCE SHEET AS AT 13 JULY 1945
 (Expressed in Allied Military Marks - Pfennigs Omitted)

<u>As at 30 June 45</u>	<u>ASSETS</u>	<u>As at 13 July</u>
	CASH ON HAND	
13,408,733	US Branch	75,847,547
<u>1,757,727</u>	British Branch	1,694,517
15,166,460		77,542,064
100,000,000	CASH IN TRANSIT	---
	CURRENCY HELD IN RESERVE	
710,020,000	US Branch	764,284,000
<u>1,736,888,000</u>	British Branch	1,667,768,000
2,446,908,000		2,432,052,000
	MUTILATED CURRENCY	
1,776,200	HQ Branch	---
57,077	US Branch	1,833,277
<u>21,588</u>	British Branch	21,588
1,854,865		1,854,865
	ADVANCES TO ARMED FORCES	
843,405,221	British Forces	843,405,221
14,694,336	Canadian Forces	14,694,336
200	Australian Forces	200
1,600	New Zealand Forces	1,600
3,407,333,053	US Army	3,385,927,942
580,000	US Navy	580,000
800,000	Soviet Forces	881,420
671,032,050	French Forces	671,032,050
11,846,436	Belgian Forces	11,846,436
651,256	Czechoslovak Forces	651,256
8,190,634	Netherlands Forces	8,190,634
<u>17,716,000</u>	Polish Forces	17,718,440
4,976,250,786		4,954,929,535
	ADVANCES TO ALLIED GOVERNMENTS	
7,012,888	Belgian Government	7,012,888
20,000	Czechoslovak Government	28,000
46,860,000	French Government	46,860,000
1,158,875	Netherlands Government	908,255
<u>89,405,000</u>	Polish Government	95,405,000
144,456,763		150,214,143
	MILITARY GOVERNMENT CURRENT ACCOUNT	
1,663,931	US Branch	608,848
<u>37,816</u>	Less CR Balance, British Branch	15,374
1,626,115		593,474
	LOANS TO COMMERCIAL INSTITUTIONS	
788,800	US Branch	788,800
<u>265,072,000</u>	British Branch	265,072,000
265,860,800		265,860,800
	AM STAMPS HELD IN RESERVE	
7,082,700	US Branch	6,163,200
<u>609,000</u>	British Branch	1,059,000
7,691,700		7,222,200
	AM STAMPS ISSUED	
636,000	US Branch	1,555,500
<u>11,823,000</u>	British Branch	14,376,000
12,459,000		15,931,500
	OTHER DEBIT BALANCES	
1,823,800	Cash Shortages - HQ Branch	---
<u>---</u>	Cash Losses - US Branch	1,823,800
7,974,098,289		1,823,800
<u>7,974,098,289</u>		7,908,024,381

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DECLASSIFIED
 Authority UND 760238
 By 76 NARA Date 1/2/00

RG 331
 Entry = 47
 File SHAEEG-5 Numeric 4345
 Box 1

319481

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CURRENCY SECTION (GERMANY)

APPENDIX A-1

Schedule of Advances to Armed Forces
 (Expressed in Allied Military Marks)

Forces	British Branch	US Branch	Total Advance to each Force
British	843,405,221		843,405,221
Canadian	14,694,336		14,694,336
Australian	200		200
New Zealand	1,600		1,600
US Army		3,385,927,942	3,385,927,942
US Navy		580,000	580,000
Soviet	881,420		881,420
French	200,050	670,832,000	671,032,050
Belgian	11,846,436		11,846,436
Czechoslovak	651,256		651,256
Netherlands	8,190,634		8,190,634
Polish	17,718,440		17,718,440
	<u>897,589,593</u>	<u>4,057,339,942</u>	<u>4,954,929,535</u>

APPENDIX A-2

Schedule of Advances to Allied Governments
 (Expressed in Allied Military Marks)

Government	British Branch	US Branch	Total Advance to each Government
Belgian	3,000,000	4,012,888	7,012,888
Czechoslovak		28,000	28,000
French	2,320,000	44,540,000	46,860,000
Netherlands	500,000	408,255	908,255
Polish	51,300,000	44,105,000	95,405,000
	<u>57,120,000</u>	<u>93,094,143</u>	<u>150,214,143</u>

APPENDIX A-3

Schedule of Advances to Commercial Institutions
 (Expressed in Allied Military Marks)

(a) By US Branch to

Eschweiler-Bergwerks-Verein, KOLSCHEID 370,000
 Eschweiler-Bergwerks-Verein, ALSDORF 418,800

788,800

(b) By British Branch to

Reichsbank, KIEL 150,000,000
 Reichsbank, MUNSTER 100,000,000
 Reichsbank, OLDENBURG 15,072,000

265,072,000

265,860,800

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DECLASSIFIED
 Authority: UND 760238
 By: 76 NAPA D: 2/2/00

RG 331
 Entry = 47
 File SHAFFG-5 Numeric Y346
 Box 1

319482

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APPENDIX B

CURRENCY SECTION (GERMANY)
 SCHEDULE OF CURRENCY HELD IN RESERVE IN UNOPENED BOXES
 AS AT CLOSE OF BUSINESS 13 JULY 1945

<u>Denomination</u> <u>Marks</u>	<u>Value per Box</u> <u>Marks</u>	<u>Number of</u> <u>Boxes</u>	<u>Total Value</u> <u>Marks</u>
By US Branch at FRANKFURT			
0.50	32,000	83	
	12,000	1	2,668,000
1.00	64,000	114	7,296,000
5.00	320,000	59	18,880,000
10.00	400,000	230	92,000,000
20.00	640,000	96	61,440,000
50.00	1,600,000	86	137,600,000
100.00	3,200,000	19	60,800,000
1000.00	32,000,000	11	
	20,000,000	1	372,000,000
Mixed	580,000	20	11,600,000
		<u>720</u>	<u>764,284,000</u>
By British Branch at BAD OEYNHAUSEN			
0.50	32,000	202	6,464,000
1.00	64,000	249	15,936,000
5.00	320,000	35	11,200,000
10.00	400,000	483	193,200,000
20.00	640,000	354	226,560,000
50.00	1,600,000	136	217,600,000
100.00	3,200,000	79	252,800,000
1000.00	32,000,000	11	352,000,000
Mixed	580,000	659	382,220,000
		2208	1,657,980,000
Odd boxes, made up by British Branch			
0.50	21,500	1	21,500
1.00	64,000	1	64,000
5.00	320,000	1	320,000
10.00	240,000	1	
	280,000	1	
	390,000	1	910,000
20.00	400,000	1	
	480,000	1	
	700,000	1	1,580,000
50.00	1,600,000	2	
	1,800,000	1	
	1,700,000	1	6,700,000
Mixed	192,500	1	192,500
		<u>2222</u>	<u>1,667,768,000</u>

RESTRICTED

DECLASSIFIED
 Authority UND 760238
 By TB NAPA DTS 2/2000

RG 331
 Entry = 47
 File SHAEF
 Box 1

319483

RESTRICTED

APPENDIX B (Cont'd)

HELD BY WAR OFFICE AT BANK OF ENGLAND FOR:

<u>Denomination</u> <u>Marks</u>	<u>Value per Box</u> <u>Marks</u>	<u>Number of</u> <u>Boxes</u>	<u>Total Value</u> <u>Marks</u>
(a) US Branch			
0.50	32,000	37	1,184,000
1.00	64,000	89	5,696,000
10.00	400,000	89	35,600,000
20.00	640,000	269	172,160,000
50.00	1,600,000	72	115,200,000
1000.00	32,000,000	45	1,440,000,000
Mixed	580,000	72	41,760,000
		673	1,811,600,000
(b) British Branch			
10.00	400,000	10	4,000,000
20.00	640,000	366	234,240,000
50.00	1,600,000	242	387,200,000
100.00	3,200,000	345	1,104,000,000
1000.00	32,000,000	46	1,472,000,000
		1009	3,201,440,000
(c) C.C.S. for French			
0.50	32,000	128	4,096,000
1.00	64,000	133	8,512,000
10.00	400,000	277	110,800,000
20.00	640,000	348	222,720,000
50.00	1,600,000	143	228,800,000
100.00	3,200,000	175	560,000,000
1000.00	32,000,000	28	896,000,000
Mixed	580,000	497	288,260,000
		1729	2,319,188,000
	TOTAL	3411	7,332,228,000

DATE: 17 July 1945

K. P. Bradburn
 K. P. BRADBURN
 Major, P.C. S.O. II
 Accountant
 Currency Section (Germany)
 Headquarters Branch

F. W. A. Fairfax-Cholmeley
 F.W.A. FAIRFAX-CHOLMELEY
 Major, R.A.
 Chief, Currency Section (Germany)
 Headquarters Branch

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DECLASSIFIED
 Authority: UND 760238
 By: TB NARA Date: 2/29/00

RG 331
 Entry: 47
 File: SHAEF
 Box: 1

RESTRICTED

APPENDIX C

CURRENCY SECTION (GERMANY)
 SCHEDULE OF STAMPS HELD IN RESERVE IN UNOPENED BOXES
 AS AT CLOSE OF BUSINESS 13 JULY 1945

Denominations Pfennig	Value per Box Marks	Number of Boxes	Total Value Marks
By US Branch at FRANKFURT			
3	18,000	5	
	6,300	1	96,300
4	24,000	5	
	11,000	1	131,200
6	36,000	6	
	12,600	1	
	18,000	18	552,600
8	48,000	1	
	24,000	4	
	22,400	1	166,400
10	60,000	5	
	6,000	1	306,000
12	72,000	13	
	38,000	70	
	11,200	1	3,463,200
15	90,000	5	
	37,500	1	487,500
25	150,000	6	
	60,000	1	960,000
		146	6,163,200
By British Branch at BAD OEYNHAUSEN			
5	15,000	11	165,000
6	18,000	3	54,000
8	24,000	11	264,000
12	36,000	16	576,000
		41	1,059,000

DATE: 17 July 1945

K. P. Bradburn
 K. P. BRADBURN
 Major, P.C. S.O. II
 Accountant
 Currency Section (Germany)
 Headquarters Branch

F. W. A. Fairfax-Cholmeley
 F.W.A. FAIRFAX-CHOLMELEY
 Major, R.A.
 Chief
 Currency Section (Germany)
 Headquarters Branch

319484

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DECLASSIFIED
 Authority UND 760238
 By TB NAPA Date 2/29/00

RG 331
 Entry = 47
 File SHAEF
 Box 1

RESTRICTED

APPENDIX C-1

SCHEDULE OF ALLIED MILITARY STAMPS ISSUED TO DATE

	<u>Reichspost</u>	<u>Value in Marks</u>
(a) By US Branch		
	AACHEN	186,000
	FRANKFURT	450,000
	MUNICH	234,000
	NUREMBURG	685,500
	TOTAL	<u>1,555,500</u>
(b) By British Branch		
	BREMEN	1,998,000
	BRUNSWICK	1,443,000
	COLOGNE	1,206,000
	DORTMUND	972,000
	DUSSELDORF	1,632,000
	HAMBURG	1,611,000
	HANNOVER	1,602,000
	KIEL	2,628,000
	MUNSTER	1,284,000
	TOTAL	<u>14,376,000</u>
	GRAND TOTAL	<u><u>15,931,500</u></u>

DATE: 17 July 1945

DECLASSIFIED
 Authority UND 160238
 By TB NARA Date 1/2/00

RG 331
 Entry 47
 File SHAEF
 Box 1

RESTRICTED

APPENDIX D

CURRENCY SECTION (GERMANY)
 SCHEDULE OF FUNDS CONFISCATED OR ACQUIRED
 AS AT CLOSE OF BUSINESS 13 JULY 1945

GERMAN CURRENCY

Previously reported to US Branch	Mks 11,718,538.48
Previously reported to British Branch	Mks 5,302.46
Reported July 1-13	<u>NIL</u>
Total German Currency	Mks 11,723,840.94

OTHER CURRENCIES

Reported July 1-13	NIL
Previously reported to US Branch	
Albanian Lek and Frangas	8,989.65
Brazilian Reis	27,100.00
British Military Pounds	7-8-6
B.S. African Pence	5
B.W. African Shillings	11
Bulgarian Gieba Leva	543.00
Canadian Dollars	35.02
Cyprus Pounds	8-10-0
Czech, Bohemian & Moravian Crowns & Halierovs	5,703,384.00
Egyptian Pounds, Piastres & Mils	136.642
Eire Shillings & Pence	10-9
English Pounds	495-7-7½
Finnish Marks	70.00
Gibraltar Pounds	1-0-0
Greek Drachmae	1,495,180.00
Hungarian Pengoes & Fillers	211,454.00
Iceland Crowns	92.52
Indian Rupees	1.00
Iraq Dinars	25.00
Italian Lire	1,163,765.40
Italian Military Lire	154,101.00
Maltese Pounds	1-9-6
Mexican Pesos	40.00
Newfoundland Dollars	5.40
Palestine Pounds & Mils	36,800.00
Polish Zloty	42,642.00
Portugese Escudos	1.00
Rumanian Lei	469,649.00
Russian Rubles & Koncecks	41,462.00
Scottish Pounds	4-0-0
Serbian Dinars	62,750.93
Swiss Francs	58.40
Syrian Livres & Piastres	131.415
Trinidad & B.W. Indies Dollars	2.00
Turkish Kurces	250.00
Ukranian Karbowancy (German Issue)	25,881.00

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Authority UND 160238
By TB NARA DATE 1/2/00

RG 331

Entry = 47File SHAEFBox 1**RESTRICTED**APPENDIX D (Cont'd)

US Dollars	2,579.15
US Blue Seal Dollars	60,000.00
Yugoslav Dinars & Kuna	460,869.50

Undetermined Units

Believed Greek	106,950
Polish	4,257
Unidentified	3,160

DATE: 17 July 1945

K. P. Bradburn
 K. P. BRADBURN
 Major, P.C. S.O. II
 Accountant
 Currency Section (Germany)
 Headquarters Branch

F. W. A. Fairfax-Cholmeley
 F.W.A. FAIRFAX-CHOLMELEY
 Major, R.A.
 Chief, Currency Section (Germany)
 Headquarters Branch

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APPENDIX E

~~SECRET~~

CURRENCY SECTION (GERMANY)

METHOD OF ALLOCATION OF BOXES OF ALLIED MILITARY MARKS TO EACH ZONE

Denom- ination (Marks)	Total made available to SCAEF	2/5 share (a)	Already drawn by British	Allocated to British at War Office	2/5 share (a)	Already drawn by US	Allocated to US at War Office	1/5 share (a)	Already drawn by French	Allocated to French at War Office
1/2	867	348	348	-	346	309	37	173	45	128
1	1162	464	464	-	466	377	89	232	99	133
	561	224	200	-(b)	225	286(b)	-	112	75	-(b)
10	1945	778	778	10(c)	778	679	89	389	112	277
20	2049	819	653	366(c)	820	333	269	410	80	348(c)
50	1285	514	372	242(c)	514	342	72	257	114	143
100	1504	599	165	345(b)	604	693(b)	-	301	126	175
1000	142	57	11	46	57	12	45	28	-	28
Mixed	2500	1000	1000	-	1000	928	72	500	3	497
TOTAL	12015	4803	3991	1009	4810	3959	673	2402	654	1729

NOTES:- (a) The division of boxes by denominations includes minor adjustments to allow for the 8 non-standard boxes of various denominations drawn by the US Branch.

(b) 61 boxes Mk 5 and 89 boxes Mk 100 drawn by US Branch in excess of quota leaving French short of 37 boxes Mk 5 and British short of 24 boxes Mk 5 and 89 boxes Mk 100.

(c) In order to compensate for (b):-

(i) French have been allocated 18 boxes Mk 20 in lieu of 37 boxes Mk 5.

(ii) British have been allocated 10 boxes Mk 10, 200 boxes Mk 20 and 100 boxes Mk 50 in lieu of 24 boxes Mk 5 and 89 boxes Mk 100

DATE: 17 July 1945

RESTRICTED

SECRET

 RG 331
 Entry = 47
 File SHAEF
 Box 1

 DECLASSIFIED
 Authority: OND 160238
 By: NARA Date: 1/1/00

DECLASSIFIED
Authority NND 760238
By KG NARA Date 2/10/00

RG 331
Entry 47
File SHAEG-5 1943-45
Box 1

1 of 2

SECRET

SECRET

SHAEF

STAFF MESSAGE CONTROL

OUTGOING MESSAGE

File 2/12 A

EXEC			
ADM			
P & E			
PH			
PR			
CR			
DP			
FPG			
IA	TO		
INF			
MSG	FOR INFO		
SEE			
OTHER	FROM		
REF NO			

SECRET

PRIORITY

: CG 12 ARMY GROUP; CG 6 ARMY GROUP

: CINC 21 ARMY GROUP; SHAEF FWD FOR G-5

: SHAEF MAIN, SIGNED SCAEF CITE: SHGE

: S-87628

TOO : 101800B

In connection with the program for a detailed examination of files and key personnel of large financial institutions and industrial firms in order to determine GERMANY's international asset position and also to secure other information necessary for the proper enforcement of military government law number 52 and 53, a special SHAEF financial investigative team is now engaged in the investigation of I.G. FARBENINDUSTRIE and ZEISS concentrating on FRANKFURT, and records and files brought from other areas. Arrangements have been completed at FRANKFURT for the receipt and storage of I.G. FARBENINDUSTRIE and related documents.

Interrogation and other intelligence indicate massive concentrations of papers and documents within a 50 mile radius of FRANKFURT and smaller but important concentrations at BITTERFELD, WOLFEN and MERSEBURG and possibly other areas within a 50 mile radius of LEIPZIG.

Essential to move certain I.G. FARBENINDUSTRIE and ZEISS at JENA and related records to FRANKFURT as soon as practicable.

SHAEF G-5 financial officers will notify the areas in which records are known or thought to be located. In addition request notification to this headquarters of any I.G. FARBENINDUSTRIE or ZEISS or related records which become known through army group and army channels. Request every assistance in identifying, protecting and transporting records to FRANKFURT.

SMC OUT 1002

SECRET

55 264

SECRET

3
COPY NO.
319489

DECLASSIFIED
 Authority NND 760238
 By KG NARA Date 2/10/00

RG 331
 Entry 47
 File SHACFG-5 1943-45
 Rev 1

SECRET

REF NO: S-87628

-2-

Probably essential to install similar investigative arrangements as soon as possible at DUSSELDORF - ESSEN areas for international asset position of THYSSEN and KRUPP iron and steel networks. Further instructions will be issued with regard to these investigations after preliminary reconnaissance has been completed.

ORIGINATOR : G-5

AUTHENTICATION: L.A. TRUEMPY,
 1st. Lt. (WAC)

INFORMATION : MR MURPHY
 MR STEELE
 AG RECORDS

SMC OUT 1002

10 May 45

2214E

JOB/lp

REF NO: S-87628
 TOO: 101800E

SECRET

55 265

SECRET

319490

DECLASSIFIED
 Authority NND 760238
 By KG NARA Date 2/2/00

RG 331
 Entry 47
 File SHAFCG-5 1943-45
 Box 1

162
SECRET**SECRET** *7m***SHAEF**

STAFF MESSAGE CONTROL

OUTGOING MESSAGE**S E C R E T****R O U T I N E**

TO : CG 6 ARMY GROUP REAR FOR G-5
 FOR INFO : CG 12 ARMY GROUP REAR FOR G-5; 21 ARMY
 GROUP REAR FOR CIVIL AFFAIRS
 FROM : SHAEF MAIN SIGNED SCAEF CITE: SHGE
 REF NO : S-83005 TOO: 241955A

1. We are presently concerned with the urgent problem of uncovering and preventing the transfer of German assets both abroad and to "cloaks" within GERMANY. Reports confirm that Nazis in anticipation of defeat and full occupation have been and are transferring large amounts of property, cash, securities, documents of title and other financial assets to corporations and individuals.

2. Immediate action within the limits of military operations is essential in order to prevent further secret- ing of files and "cover-up" transactions which are designed to guarantee success in cloaking operations. We believe this requires detailed examination of files and key personnel of large financial institutions and industrial firms which have participated in the German program of concealment of German internal and external assets and financial assets and holdings.

3. Our research and researches of US/UK Govern- ments reveal the following key targets for investigation located in 6th Army Group Area:

At LUDWIGSHAFEN, I. G. FARBENINDUSTRIE
 Subsidiary, BUBIESCHEN, ANALIN and SODA FABRIK.

At SAARBRUCKEN, NEUNKIRCHEN and DILLINGEN, the
 GEBRUDER ROCHLING Bank, A.G.

At VOLKINGEN, the ROCHLINGISCHE EISEN und STAHL-
 WERKE, and ROCHLING STAHL, G. M. B. H.

SMC OUT 2385

S E C R E T

55 270

-1-

SECRET

COPY NO. 7

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

319491

640

S E C R E T

REF NO: S-83005

TOO: 241955A

At NEUKIRCHEN, NEUNKIRCHEN, EISENWERKE, A. G.

4. We have assembled a team of 3 trained civilian specialists who have had experience in U.S. Government departments in methods of file searching and interrogation relating to such matters. Request this team be permitted to proceed with transportation furnished by this Headquarters to LUDWIGSHAFEN to be attached to Military Government detachments there to investigate the I.G. FARBENINDUSTRIE Subsidiary, BUBIESCHEN, ANALIN and SODA FABRICK. It is anticipated that the team will later investigate other targets in the area. Request also that technical channels be permitted for this team to Supreme Headquarters via 6th Army Group G-5 Headquarters.

ORIGINATOR : G-5 ✓ AUTHENTICATION: A. GOINGS,
INFORMATION : SGS CWO USA
G-1
G-2
SHAEP FWD
AG RECORDS

SMEC OOT 2385 24 MAR 45 2110A EWL/daw REF NO: S-83005
TOO: 241955A

S E C R E T

-2-

55 271

319492

RG
Entry 33/47
File SHAEF-G-5 1943-45
1

DECLASSIFIED
Authority MND 760238
By KG NARA Date 2/20/00

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
 Authority NND 760238
 By KG NARA Date 2/2/00

RG 331
 Entry 47
 File SHAECG-5 1943-45
 Box 1

1 of 2

SECRET

SECRET

	CC	AD	INFO
INFO			✓
ADM			
P & F			✓
PR			
CR			
DP			
FPO			✓
IA			
INF			
LOG			
PRE			
TO			
FOR INFO			

SHAEF

STAFF MESSAGE CONTROL

OUTGOING MESSAGE

SECRET

ROUTINE

TO : AGWAR FOR COMBINED CHIEFS OF STAFF

FOR INFO : AMSSO FOR BRITISH CHIEFS OF STAFF;
 US GROUP CC FOR WICKERSHAM; SHAEF REAR
 FOR CONTROL COMMISSION FOR GERMANY (BR)

FROM : SHAEF MAIN, SIGNED EISENHOWER

REF NO : S-82631 TOO: 211145A

SCAF 239

1. We are presently concerned with the urgent problem of uncovering and preventing the transfer of German assets both abroad and to "CLOAKS" within GERMANY. Reports confirm that Nazis in anticipation of defeat and full occupation have been and are transferring large amounts of property, cash, securities, documents of title and other financial assets to corporations and individuals. An OSS report from SWITZERLAND (No. B-1506A, 7 February) tells of attempts by Nazis to secrete assets abroad and a last minute effort to hide their property.

2. Reference CCS 551, paragraph 11, appendix "A", which directs the preparation of a plan to prevent transfers of title of real and personal property intended to defeat, evade, or avoid the orders, proclamations, or decrees of the Military Government and appendix "C" of CCS 551/5 which directs, inter alia, the operation of blocking and freezing controls to property of the Nazi Party and other hostile owners (Para 6E) and also all dealings in foreign exchange (Para 7).

3. In order to carry out these directives we have put into effect Military Government Laws Nos. 52 (blocking and control of property) and 53 (Foreign exchange control) which forbid transfers of property of hostile persons and all transfers abroad. Three implementing forms require reports of Germans;

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 JOINT CHIEFS OF STAFF
 MESSAGE

REF NO : S-82631 21 MARCH 1945 (CONTINUED)

Form MGAX-1 for all property owned or controlled abroad and forms MGAF-A (1) and (2) for all property held by and for the Nazi party and other hostile organizations and persons.

4. Experience of Military Government points definitely to the fact that larger German interests are not revealing their holdings as required by these laws and have resorted to complicated legal arrangements to cover the true ownership of external assets.

5. We believe that the effective implementation of the above cited portions of CCS 551 requires a detailed examination of files and key personnel of large financial institutions and industrial firms which have participated in the German program of concealment of German internal and external assets and financial holdings. Immediate action within the limits of Military operations is essential in order to prevent further secreting of files and "COVER-UP" transactions which are designed to guarantee success in cloaking operations.

6. We lack sufficient number of Military Government Financial personnel with necessary specialized training to undertake these investigations. If it is desired to make effective investigations of these problems, it will be essential for the US/UK Governments and other interested United Nations to make available to SHAEF a group of civilian specialists who have experience in methods of file searching and interrogation relating to such matters as for example, personnel from US Treasury Foreign Funds Control and Bureau of Internal Revenue and from Justice Department's Economic Warfare Section and FBI; and personnel with similar experience from the British Civil Service. Advise us urgently on your views in the matter and your ability to make such civilian specialist personnel available.

Relayed to SHAEF FWD.

ORIGINATOR : G-5 AUTHENTICATION: A. GOINGS, CWO., USA.
 INFORMATION : SGS G-1 COORDINATED: C OF S, G-1
 US GROUP CC (ADV)
 POL OFFICERS MR MURPHY ** SUMMARY AG RECORDS

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 ALLIED EXPEDITIONARY FORCE
 G-5 Division
 Financial Branch Fwd

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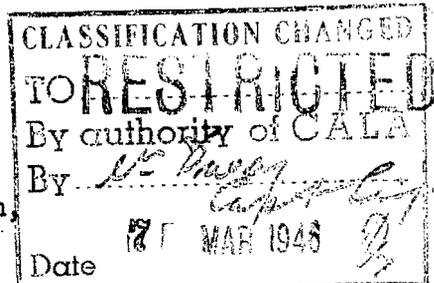
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25 April 45.

Subject: Conference held at SHAEF Forward between Financial Branch, G-5, and Representatives of 12th, 6th and 21st Army Groups.

To: Brigadier M.J. Babington Smith, ✓
 Colonel B. Bernstein.



1. The conference was attended by:-

Brigadier M.J. Babington Smith,
 Lt.Col. F.S. McFadzean,
 Lt.Col. Rose,
 Major Cattier,
 Major Moss,
 Captain Gans,
 Lt. Jennings.

2. Discussion Points:-

- (a) Looting. A tremendous amount of looting has taken place in the areas of Germany occupied to date. Those responsible include military personnel as well as displaced persons. Because of the large amount of Reichsmark currency which has been illegally acquired by troops, it is not being accepted for exchange remittances home other than in very nominal amounts, if at all.
- (b) Restitution. Major Cattier wished to be advised concerning the return of some important milk machinery located in Baden and positively identified as having been removed by the Germans from a French plant in Strassbourg. The machinery is needed for French milk production and its return has been demanded. For various reasons which need not be set forth here, Major Cattier was advised to continue the already established policy of permitting no restitution or deliveries of this nature. However, Major Cattier pointed out that the French were in charge of the territory where the equipment was located and that it would very likely be returned with or without consent.
- (c) "Army" Rear Boundaries. Major Cattier is of the opinion that C.A. work of a general and financial nature would be facilitated if "Army" rear boundaries were shortened more quickly than is customary.
- (d) C.A. Priorities. General Patch has ordered all C.A. personnel in the 7th Army to give first priority to Public Safety and Displaced Persons work with the result that financial work is shelved for the first several weeks of the occupation.
- (e) Mil Gov Officers. Because of the situation noted under para (d) above, plus the additional fact that the attempt to make financial men out of Mil Gov officers lacking financial backgrounds has been a failure, Major Cattier considers it more sensible to have Mil Gov detachments that are functioning without financial officers deal only with the laws, general licenses, instructions to bank, instructions to public officials and General Order No.1, to the extent of delivering them to the Burgermeister. All subsequent financial work should be left to financial specialists from "Army" or "Army Group" pending the establishment of "E" or "F" Teams on a territorial basis. Major Cattier is of the opinion that this represents a far more realistic approach than to place reliance on those Mil Gov Officers who are not adequately trained and too occupied with other duties, to carry out the early stages of the financial program. (Financial forms given to such officers have been found in ditches).

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- (f) Completed Financial Forms. Reichsbank branch officials usually turn over the various completed financial forms to the Mil Gov detachment. The average detachment is unable to do anything with the forms so they have been told to hold them for a week or so to give the impression that they are being examined and then to return them to the bank with instructions that they be held until called for at a subsequent date.
- (g) Disposition of Gold. Major Cattier inquired regarding the disposition of gold found in his area. Brigadier Babington Smith passed the question on to General McSherry who stated that all gold found in the U.S. Zone was to be held for safekeeping in Frankfurt.
- (h) Purchasing Capacity of Marks. It is considered too early to form any opinion on this subject. Troop spending in Germany is reported to be nil.
- (i) Price Control, Rationing. German laws pertaining to price and wage control and rationing are being enforced by the local authorities with reasonable effectiveness. Black market operations are reported as very nominal.
- (j) Currency. The currency situation is generally easy in all three Army Group areas. Major Cattier has a large quantity of high denomination notes in one city and wishes to effect an exchange for smaller denominations. Major Moss believes that this can be accomplished from large stocks of Reichsmarks held at various spots in the 12th Army Group area.
- Major Cattier stated that in some instances large stocks of currency had been turned in as "abandoned" but investigation conclusively proved that it was private property not subject to blocking. In at least one instance the funds were turned over to the owner's bank for credit to his account. It was decided that a common sense approach to this type of problem was the only solution.
- (k) Sub-Accountants. It is considered unnecessary in the average instance to place cash in the hands of Sub-Accountants as they have no currency needs. Their only function as Sub-Accountants is that of a receiving teller to collect and account for fines, etc. No general immediate action is contemplated to withdraw funds already turned over to Sub-Accountants, but such action is being taken in individual cases where inability to properly prepare accounting reports is displayed.
- (l) German Financial Laws or Decrees. A recently enacted law permits Postal Savings withdrawals without recourse to Vienna. The question was raised as to whether it should be recognized. Final decision was not reached although as a matter of principle it is deemed to be the responsibility of the Postmaster, and Mil Gov has no particular interest if none of its laws or regulations is violated.
- (m) Research Intelligence Objectives. It is stated to be impossible for Mil Gov officers at Army Group or lower echelons to delve into intelligence objectives requiring research work. All projects of this nature must be done by specialists from SHAEF, US Group CC or the Control Commission.
- (n) Pin Point Program. In the 6th Army Group area the "pin point" program has been relatively unsuccessful. Officers prepared for Baden are not being used as the French are in charge of the area.
- (o) Dé-Nazification. The rule laid down in the 12th and 6th Army Group areas requires the elimination from any post of policy making responsibility all Nazi Party Members, Ardent Nazi sympathizers, etc. The program is being carried out satisfactorily.
- (p) REGIERUNGSBEZIRK BASIS. Mil Gov operations are being conducted on a Gemeinde, Landkreis, or Stadtkreis basis. It is estimated that it will require from three to six months, depending on the circumstances, to establish it on the broader Regierungsbezirk basis.

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- (q) Replacement of Financial Personnel. Major Cattier asked that he first be permitted to interview any ECAD personnel, currently represented by officers drawn from other branches of the Army and receiving preliminary Mil Gov training, prior to having any assigned to his Army Group for use as replacements of existing financial personnel.
- (r) Revised Technical Manual. Army Groups consider that a revised Technical Manual is unnecessary for field use. Changes in the existing Manual have been communicated to the field and to specialist financial officers.
- (s) Pacific Operations. Major Cattier is of the opinion that various errors made in planning the German Mil Gov financial program might well be made known to those in charge of Pacific Mil Gov operations.
- (t) General Trend. The financial representatives of the three Army Groups are of the opinion that the Mil Gov financial program is operating reasonably well considering the extent of evacuation, destruction, and magnitude of other Mil Gov problems (such as ~~the~~ presented by displaced persons).
- (u) Relief. It is believed that the problem of relief will be an increasingly serious one as time goes on.



L. A. JENNINGS,
1st Lt., F.D.
Financial Branch, G-5.

LJ/tjh

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FINANCE IN OCCUPIED GERMANY

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Introduction

1. The portion of Germany brought under control of Mil Gov between September 44 and February 45 consisted of a narrow frontier area extending from just South of Aachen northwards to the Rhine east of Nijmegen. This zone was at its widest in the Aachen area, which came under 12 Army Group, so that the reports of this formation are the chief source of Mil Gov intelligence. 21 Army Group controlled a small and devastated area to the North, which provided a largely barren field for financial investigation, while to the south the penetrations of 6 Army Group during this period were so limited as to provide negligible financial information.

2. The general characteristics of occupied Germany from the Mil Gov point of view have been:

- (a) The general devastation by air and land operations of all towns and villages.
- (b) A planned evacuation policy carried out by the retreating enemy which comprised the almost complete removal of public finance and banking officials, of cash and other assets, and of financial records, as well as a decimation of the civilian population in general.
- (c) An absence of civilian means of transport and communication together with military restrictions on circulation of civilians.

3. As a consequence no town has been taken over as a going concern, and the task of Mil Gov has been to supervise the improvisation of rudimentary forms of financial institutions. Each municipality has had to stand on its own feet, and very little coordination of banking or public finance has been possible.

4. Thus the experiences of Mil Gov in this area, though of great interest, cannot be said to throw much light on the problems which will arise when large areas, with populations and institutions relatively intact, fall into our hands.

5. In recent weeks the rapid advance to the Rhine has uncovered areas of much greater significance, but so far only fragmentary preliminary information has reached this Headquarters. Considerable populations remain in the chief towns, and it appears that Munchen-Gladbach and Bonn may prove to be "going concerns". Koln has experienced heavy destruction and planned evacuation of officials and records, while Trier and Duren are said to be entirely destroyed.

Public Finance.

6. The public finance experiences of Aachen, which, with 1/20 of its normal population of 165,000 living in its ruins, has been the largest centre of Mil Gov, typifying those of the surrounding townships, and the difficulties of Aachen apply to these smaller units.

7. On occupation public finance machinery had broken down completely. Problems that had to be faced were:-

- (a) Almost complete lack of officials.
- (b) Lack of funds and records.
- (c) Complete isolation from higher echelons of government.
- (d) Enormous reduction of taxable capacity through depopulation, devastation, and inactivity of industry.

8. Gradually the acting Burgemeister got together a small staff, only one of whom had previous public finance experience. A tax plan had to be devised which would:-

- (a) Be simple to operate.
- (b) Treat the city as a self sufficient unit, neither paying tax revenue to the Reich nor receiving allocations from it.

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9. The following taxes were adopted:-

- (a) Real Estate Tax - a normal municipal tax - levied at the pre-occupation rate, i.e. 110% of the Messbetrag (basic assessment figure) for farms and forrest enterprises, and at 232% for other real estate. The first monthly payment was due on 15 December 44. War damage has necessitated a reassessment of all properties, which will be completed by 1 April.
- (b) Rent Tax. This tax, the last source of tax-revenue of the Lander, was terminated by capitalization for the benefit of the Reich in 1942. Its re-imposition in Aachen has been dictated by its simplicity of determination and collection. The rents of dwellings, business premises, farms and forresty undertakings are subject to 30% tax. As rents are usually paid in advance, each month's tax has been made payable on the 15th of that month. The obligation to pay rests in principle on the landlord, who is forbidden to raise his rent on account of the tax.
- (c) Turnover Tax. The Reich normally levies this tax, and, before the new Finanzansgleich of October 44, returned part of the proceeds to local authorities. The tax is charged at 5% in the case of retailers and artisans, and at 2% in the case of industrial, mining and wholesale concerns. The first payment was due 5 June 45.
- (d) Citizen Tax. This was a municipal tax until 1942, when it was incorporated in the Reich Income Tax, municipalities being recompensed by Civic Tax Compensation grants from the Reich. Wage and salary earners pay 1 RM for every 50 RM, or fraction thereof, of income exceeding 100 RM. An addition of 200% has been made for the current year. Employers withheld the tax from salaries and wages, and pay it to the Treasurer on the 5th of the following month. Family allowances are exempt from tax. Independent professional workers are also subject to the tax. Both this tax and the turnover tax are difficult to collect under present conditions and are not yet very fruitful.
- (e) Beer Tax. This is a normal municipal tax. ~~P-18851~~
- (f) Fees - these, collected in respect of deeds and similar documents, are also a normal source of local revenue.

10. At present taxes yield less revenue than two adventitious sources:-

- (a) Sale of Salvaged Property. In places like Aachen there are large quantities of abandoned goods which would be subject to deterioration, perishing or pillage if appropriate steps were not taken. The municipality, under the supervision of Mil Gov, salvages such property and warehouses it. As it is sold, taxes are deducted from the proceeds and the remainder is credited to the account of the absent owner, if his identity is known, but for the time being the money is used to defray current city expenditure. This source should for some months continue to produce substantial, though diminishing sums. In neighboring towns it is also the main source of revenue.
- (b) Rents of Absent Owners. These rents are treated in the same way as the proceeds of the sale of salvaged goods, i.e. the city, after deduction of tax, holds the proceeds on trust for the absent landlords, but for the time being uses the money.

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11. The 1945 Budget projected in the Ordinary Budget expenditures of 5,634,000 RM with an anticipated revenue of 2 million RM, leaving a

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deficit of 3,634,000 RM. An extraordinary budget, involving expenditure of 2,500,000 RM, was also submitted. These figures are to be compared with the 1944 pre-occupation budget, which provided for expenditure of 49 millions, but, in common with all municipal budgets in Germany, was subjected to a Reich decree requiring a reduction of 25%. There was then left in Aachen only 80,000 or 90,000 of the normal population of 165,000. The population on occupation was very small, but has now increased to 13,000, and is likely to continue to increase as advance of the Armies leads to the return of evacuees. There is a preponderance of women, children and old people.

12. Revenue and Expenditure figures for January 45 are given below (in RM):-

<u>REVENUE</u>	<u>EXPENDITURE</u>
Taxes:	
Real Estate 11,000	For US Military 21,802
Rent Tax 60,264	General Admin. 12,280
Turnover Tax 8,969	Finance Admin. 6,681
Citizen Tax 2,048	Court & Law Admin. 11,033
Beer Tax 13,538	Relief 119,001
Fees 3,317	Schools & Culture 11,000
	Business & Trade
	Admin. 14,452
Sales of Salvaged	Police Admin. 49,920
Property 171,832	Labor Admin. 40,183
Rents collected for	Miscellaneous 113,238
Absent Owners 54,790	
Fees 1,742	
Miscellaneous 23,799	
Total Revenue 351,299	
Deficit 59,787	
	<u>411,086</u>
	<u>411,086</u>

13. Of the total receipts of 351,299 RM, 229,622 RM represents money due to absent owners, while of the total expenses of 411,086 RM, 228,659 RM was paid for services for which other echelons of government would normally be responsible. Most of the payments classed as "miscellaneous" fall into this latter category. Deductions of these "deferred" items from both sides of the account gives net expenses of 182,427 RM, net income of 121,672 RM, and a net operating deficit of 60,750 RM.

14. Advances are obtained from the Kreissparkasse, which has opened a credit of 500,000 RM in favor of the municipality.

15. 220,310 RM of the expenditure was in the form of wages and salaries, especially for the repair of damaged city utilities.

16. Other towns where an attempt has been made to restart the machinery of public finance include Alsdorf, Kohlscheid, Stolberg, Breinig, Brand and Eilendorf. In common with Aachen, most of them reveal.

- ~~218852~~
- (a) Money due to absent owners as a principal source of funds.
 - (b) Relief as the chief item of expenditure.

17. There is, however, considerable variation between these towns, as their financial position depends on such arbitrary factors as:-

- (a) Cash, if any, left behind in town treasuries on occupation.
- (b) The degree to which industry is functioning and providing employment. Stolberg has been relatively prosperous and is the only place where a large sum of Reich taxes has been collected. One firm paid 146,000 RM in turnover tax. Kohlscheid and Alsdorf have coal mines still operating, so that wages and salaries are earned. Alsdorf, however, is likely to encounter financial difficulties soon, as the

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advances which have been made by Mil Gov to enable the mines to produce coal for the Allies are to cover operating costs only and not taxes, while it is essential to maintain public services.

- (c) The number of inhabitants remaining and their need for relief, e.g. at Brand in January 45, the town had RM 62,000 in hand, a monthly revenue of only 40,000 RM, while relief payments amounted to 36,000 RM monthly.

18. These unequalities are reflected in variations of relief rates and salaries of public officials. All relief is now Poor Relief, since the fact that Post Offices are closed, and military pensions prohibited, suspends social insurance benefits and allowances to soldiers' dependents. Even so, only Alsdorf has been able to maintain the normal Rhine Province scale of Poor Relief. At Kohlscheid small cash payments have been made, but otherwise relief is given mainly in kind.

19. In Eilendorf municipal employees were in January receiving 1/3 of normal wages and salaries, compared with 1/2 prior to 1 December 44. In February the following disparities in monthly police salaries prevailed: Hahn 50 RM, Vicht 110 - 160 RM, Brand 120 RM + 10 for each child, Eilendorf 220 RM.

20. Elimination of the present weaknesses and anomalies of the public finance position awaits:-

- (a) The possibility of re-integrating the separate municipalities with the higher echelons of government. A start is being made in Landkreis Aachen, where the Landrat is attempting to obtain uniformity of taxation and rationing. In so far as this reintegration is achieved, the normal German public finance system will, in so far as it is not obnoxious to Mil Gov, reassert itself.
- (b) The resumption of business activity. Allied requirements for labor and supplies may play an important part in this connection.

It may be noted in connection with (a) that the Oberfinanzpräsident is said to have evacuated from Köln to Marburg on 16 Feb 45.

21. The chief question of principle that has arisen from the public finance procedures outlined above has concerned the sale of abandoned property and the use of the proceeds to defray municipal expenses. By Law 52, Art. 1(f) such property is subject to blocking control, and this disposal of it is prima facie in contravention of this Mil Gov Law. Nevertheless the practical exigencies of the situation require that (a) municipalities should have funds for essential purposes and (b) some action, in the interest of the owners, should be taken with regard to abandoned perishable goods. It is therefore contemplated that Mil Gov Law 52 will be modified so as to legalize these facts accomplished, subject to the requirement that where perishable property of United Nations ownership is sold, the proceeds shall be credited to a blocked account and not used by the local authorities.

Banks.

22. Aachen.

- (a) Kreissparkasse (Savings Bank) reopened for business on 27 November 44 in the abandoned premises of a branch of the Deutsche Bank. The manager is the former assistant manager of the local branch of the Dresdner Bank.
- (b) Old business remains frozen, new deposits freely withdrawable. Cash holdings at the time of reopening consisted of 1,300,000 marks left in the vault by officials who had been evacuated by the Germans, and coin of 12,000 marks found on the Reichsbank premises.

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- (c) Notices posted by the Burgermeister announced the bank's reopening with Mil Gov authorization.
- (d) It is functioning in lieu of the Reichsbank in relation to other banks in the area. Foreign exchange assets have been delivered to it along with declarations as required by Mil Gov Law No. 53.
- (e) Balance Sheet, 30 December 44:-

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash	2,658,274	Due to Banks	1,653,493
Loans	206,750	Dem. Deposits	1,000,523
Expenses	<u>4,197</u>	Sav. Deposits	<u>215,205</u>
RM	<u>2,869,221</u>	RM	<u>2,869,221</u>

The City of Aachen, which was granted a credit line of 500,000 RM, had availed itself of 200,000 RM as at the statement date.

- (f) Branches of the Kreissparkasse subsequently reopened at:

- (i) Kohlscheid
(ii) Kornelimunster
(iii) Monschau
(iv) Roetgen
(v) Stolberg

23. Other banks which have reopened in the 12th Army Group area include:

- (a) Deutsche Bank, Stolberg.
(b) Volksbank, Stolberg.
(c) Spar-u-Darlehnskasse, Vicht.
(d) Spar-u-Darlehnskasse, Brand.

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In the area of Germany recently occupied by the Allied forces 44 banks have been uncovered to date. A few are completely destroyed but the majority are not seriously damaged and a few are untouched. Total cash found in these banks totals RM 31 million. About 20 of these banks are reported to have reopened on 19 March 45. Others are expected to reopen in the immediate future. It would appear that the essential banking needs of this area will be provided for within an unusually short period of time considering the circumstances.

24. The Reichsbankstelle in Munchen-Gladbach was reopened on 19 March 45. The building was found to be undamaged, the director in the city, funds and records available, and it would have been able to open immediately if the premises had not been taken over for a few days for military use. It reopened with cash of RM 8 million on hand which includes RM 2 million belonging to the Kreditbank and several smaller sums held for other local banks. According to the director, sufficient funds are on hand to meet the currency needs of the area for several months.

25. All reports continue to indicate confidence in banks which have reopened. Deposits and the number of accounts are increasing. Operations, of course, are unprofitable. Interest at the rate of 1% is paid on time and savings deposits.

26. Withdrawal regulations are similar in all reopened banks with respect to new deposits (no restrictions on demand deposits, RM 1000 per month on Savings Accounts) but vary from place to place on old deposits. To cite a typical example, in Kornelimunster withdrawals on old accounts are permitted for necessities of life and to pay municipal taxes only: limited to RM 100 per month plus RM 25 for each dependent in excess of two. Loans based on the security of old accounts are granted up to the same limits as for withdrawals.

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~~RESTRICTED~~Cross Border Trade.

27. Very little information has come to this Headquarters regarding limited cross border trade between the Germans on the one hand and French, Belgians and Netherlands on the other. It would be of interest to determine what has developed in this connection during the past month or six weeks.

NSDAP Records.

28. The legal title to properties occupied by the NSDAP or its agencies, based on all information received to date, has not been held in the name of the Party. The properties have been rented for such purposes and no instances of a hidden or cloaked title have been discovered.

Military Government Loans.

29. Up to the end of December coal mines in the Eschweiler area were able to operate on a minimum basis without financial assistance. It was necessary, however, for Mil Gov to advance RM 500,000 in January and RM 418,800 in February to the Eschweiler Bergwerks Verien to cover operating expenses. A loan to this concern to enable it to pay local taxes was refused. The advances were made on the signature of the director who at present manages the concern and on the basis of certified financial statements submitted by him.

30. Mil Gov aid to repair the Aachen Technische Hochschule has been refused on the grounds that it is a purely German problem.

Property Control.

31. Up to the present time property control work has been confined very largely to inspection and investigation activities. Very few properties have been taken into control other than several post offices and customs houses in 21 Army Group area, and a machine needle plant at Aachen.

32. Appendix "A" - "Administrative Map, Rheinprovinz, Finance".

33. Points on which information is desired: (1) Denazification of Financial Institutions, (2) Blocking of Foreign Exchange Assets under Law 53, (3) Foreign Exchange Violations on the part of troops, (4) Appendix "B" - Current Financial Intelligence Objectives No. 1 attached.

~~P 18855~~

Prepared by:-

Captain C.H. Davies (Paras. 1 - 21)
Lt. L.A. Jennings (Paras. 22 - 33).

24 March 45

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SUPREME HEADQUARTERS
ALLIED EXPEDITIONARY FORCE
G-5 Division
Financial Branch

SHAEF/G-5/FIN/1

11 January 1945

SUBJECT: Tax Problems in Occupied Germany

TO : Brigadier M.J. Babington Smith.
Colonel B. Bernstein
G-5, Legal Branch.

1. It is increasingly evident that the administration of public finance matters in occupied German Stadtkreise, Landkreise and Geimenden is not following anything approaching a uniform pattern. While the exact picture is not entirely clear, the existing situation is believed to be along the lines set forth below:

2. General Situation ~~SECRET~~

- a. Systematic withdrawal of municipal officials, assets and records.
- b. North of Aachen not one of the 14 banks is at present functioning. Only three banks hold funds aggregating RM 14,500. Further south in 12th Army Group area the occupied border cities have practically no urban population, no banking resources, and no liquid financial assets of any type. To the east and immediately south of Aachen the banking situation is only slightly better. It is clear that the local political subdivisions can not rely on the banks for financial assistance of any importance.
- c. Strictly from a short term standpoint a fair number of Geimenden have enough cash to meet their immediate needs. Services are at a minimum, administrative staffs are small and in many instances inexperienced in public finance matters. New tax collection plans have been drawn up in a number of places but the following problems must be faced:
 - (i) Communities are largely dependant on income collected and distributed by higher echelons of Government.

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(ii) Only a small proportion of the taxes due will be paid because of the large scale evacuation of civilians.

3. Specific Attempts to Cope with the "General Situation"

a. Stadtkreis Aachen. At the beginning of occupation city officials, records and funds were found to have been removed. Tax payments were suspended.

The tax revenues of the city before occupation were largely obtained from allocations back from the Reich of taxes which the Reich collected locally, but for the present, reorganization of municipal finances has been on the basis that the city must be a self contained financial unit. No attempt has been made to continue the pre-occupation tax system in its entirety and revenues are being raised from a limited number of tax sources, some representing former Reich taxes, others former municipal taxes, and in one instance the revival of a tax discontinued in 1942.

~~P-13801~~

- (i) Turnover Tax.....Former "Reich" Tax
- (ii) Burgersteuer (Citizens.. Former "Reich" Tax
Tax) (Income Tax)
- (iii) Rent Tax Discontinued in 1942 as a
State Tax.
- (iv) Land Tax Strictly a "municipal" tax
- (v) Beverage Tax -do-
- (vi) Fees - on deeds, etc -do-

It is not known whether the rates or scope of the specific taxes noted above vary from the original levels. The taxes are payable at the City Treasury for the first time on 5 January 1945. It is assumed that the entire amount collected will be used locally, and that no attempt will be made to keep accurate records of the portion which normally would have gone to higher echelons of Government.

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-3-

On the expenditure side it is not known whether an attempt will be made to accurately record expenditures which normally would have been met by a higher echelon of Government. It is deemed safe to say that the municipal finances of Aachen are on a "self contained" basis with little or no regard to the previous allocation system.

- b. Gemeinde of Breinig. A loan of Rm 10,000 obtained by town treasurer from a local bank - used for relief. Town employees not paid.
- c. Kornelimunster. City Treasury has RM 70,000 accumulated by sale of abandoned property.
- d. Vicht. Town has increased its funds through the sale of abandoned property. (Amount not stated).
- e. Eilendorf. Town Treasury has accumulated RM 38,000 from the sale of abandoned merchandise. Town is paying civil employees 1/3 salaries as compared with 1/2 prior to 1 December 1944. Some effort to resume tax collections, especially sales tax.
- f. Brand. Relief payments heavy RM 36,000 per month. Town has RM 62,000 in cash, revenue only RM 10,000 monthly.
~~RM 13,000~~
- g. Ubach-Palenburg. Collection of taxes has started - no details.
- h. Landkreis Aachen. Newly appointed Landrat is attempting to centralize supervision of borrowing and expenditure of Gemeinden. He expects shortly to resume tax collection on same basis as in Stadtkreis, Aachen. Sale of abandoned goods a temporary expedient.

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4. Short Survey of German Tax System.

a. During recent years, and especially during the war, there has been a strong trend towards centralization of German Public Finance, so that the Lander Governments no longer levy any taxes of their own, while the municipalities have lost most of their rights to levy and collect their own taxes. Thus Land public revenues consist almost entirely, and municipal revenues very largely, of funds allocated back to them by the Reich from its tax receipts.

b. Taxes Levied and Retained by Reich

- (i) Consumption Taxes
- (ii) Customs Duties
- (iii) Various Property & Transaction Taxes, including taxes on Transfer of Capital, Insurance Premiums, Property, Inheritance etc.

c. Taxes Levied & Collected by Reich, but of which proceeds are shared with Lander and Municipalities.

	<u>% returned to (1939) Lander & Municipalities</u>
(i) Income Tax (including surtax & E.P.T)	75
(ii) Corporation Tax	75
(iii) Turnover Tax	30
(iv) Motor Vehicle Tax	99
(v) Betting Tax	96
(vi) Real Property Transfer Tax	96

During the war Lander and municipalities have had to return part of these allocations as a "war contribution."

d. Taxes levied & collected by Reich on behalf of Municipalities.

- (i) Trade Tax.

This is levied on both profits and capital of all businesses. The Reich lays down a "Steuermesszahl" of, in general, 5% on profits and 2 RM per 1,000 RM

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~~751/1000~~ 751/1000 (REP) 1
RESTRICTED
 SUPREME HEADQUARTERS
 ALLIED EXPEDITIONARY FORCE
 G-5 Operations Branch
 Monuments, Fine Arts and Archives

Aug 290

(154)

THE PROBLEM OF MOVABLE ARTOBJECTS IN GERMANY

The new importance of the problem of movable works of art, finding them, housing them safely, etc., seems likely to be the main difference between the tasks of the MFAAA Officers in Germany and in the liberated countries. Hitherto, the officials and collectors of the Allied countries have been able to look after their own Museum depots and collections and the work of MFAAA has been more concerned with damaged buildings and billeting problems than with the care of pictures, furniture, etc.

The problem is not exclusively one of loot though that aspect of it will certainly increase in importance as time goes on. Much experience as we have of conditions in Germany goes to show that the enemy has dispersed the contents of his local Museums in a series of small depots, many of them far from ideally chosen either from the point of view of safe guarding or as storage accommodation. The museums of Aachen for example had dispersed their possessions among some 10 places, a number of which are now in our possession. Of these, one was fairly satisfactory, consisting of the upper floors of the Burgmaster's house in which he lived and had his office. The accommodation was dry and well ventilated and responsible people were present in the building day and night. The second depot was in the upper part of a school house building, and here again, the physical conditions were good enough -- dry and airy -- but there was no means of arranging effective guarding. The third depot which contained work from the Rathaus was situated in the largest room of a comparatively isolated farm house on a main road, but at some little distance from the nearest village. The room had been a cafe. In this case there were apparently respectable people living on the premises and the room was dry enough but unlike the other two depots, the contents were crammed into the space right up to the ceiling and the conditions, which precluded careful examination while the buildings was still in a forward area, seemed far from satisfactory. Such information as we have suggests that Aachen is in no way exceptional and that similar small depots may well be found round any German town large enough to possess a museum, as the advance penetrates further into the country. Bank vaults are also said to have been used extensively for storage of the more precious objects both from public and private collections. In addition to the Aachen caches, MFAAA officers in the field have already encountered the problem of the safeguarding and disposal of art objects and other valuables found in large country houses in the battle area. These objects include pictures, sculpture, furniture, rare books, jewelry, and coin collections of some value and importance.

The movable art objects that have fallen into Allied hands up to date in Germany are not works of international importance such as are to be found in the Depots of the Louvre or the great Dutch National Repository near Maastricht. They are the less important possessions of provincial museums or the select contents of a large country house with a tradition of cultivated life which has endured for a hundred years or more. Nevertheless, they are of very considerable historical and educational importance and of more than very considerable monetary value.

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None of the objects so far encountered comes under suspicion as loot -- (155) they are the possession of enemy public authorities or private nationals and a very large proportion of the objects with which the MFA&A Officer will have to deal will undoubtedly be of similar character. Yet, it is among such collections of objects that much of the loot from Allied countries has probably been dispersed, for it is known that apart from the actual bulk seizure and shipment of objects, e.g., from France, much was acquired for museums all over Germany, either by buying in a rigged market or by exchange for looted objects or works seized from Jewish collectors within the Reich. Such objects are therefore to be given all the protection possible, not only in accordance with policy of preserving objects of cultural interest and historical value in general, but as an essential preliminary stage of the process of securing and preserving looted objects for eventual restitution. It is possible, also, that important works have been deceptively treated, as by repainting or pasting over with prints on reproductions to conceal their identity.

The first and most obvious problem raised by the uncovering of such small caches of objects in considerable numbers is that of safeguarding against both theft and physical deterioration. In forward areas, it is very difficult, generally impossible, to arrange transport to bring bulky objects such as furniture into places suitable for safekeeping and they must often be left to be handled at a later and more stable phase of operations. It is clear that occasions of exceptional importance may arise where every effort will have to be made to get transport, but usually such precautions as are practicable will have to be arranged on the spot. The problem is further complicated by the frequent movement and relief of such units as divisional Military Police and combat command posts which may on occasion be charged with the responsibility for safeguarding a cache. Arrangements made with such units are liable on short notice to be cancelled, and movement may occur without the knowledge of Mil Gov officers.

In part these problems belong also to Property Control Officers, who under Law 52 are charged with taking into custody works of educational and cultural importance. This is a point which should not be lost sight of. Property Control custody may help considerably in the solution of some of the difficulties. The conditions whereby a large part of the civil population has been evacuated from the battle area, and where there is therefore no owner or responsible custodian available -- as has been the case with most of the caches uncovered -- bring this matter of the cooperation of Property Control and MFA&A into special prominence.

One part of the problem of the discovery of looted art objects is the proper use of Intelligence/Information. The correspondence and the accession lists of Museums since 1939 will be of very great importance in determining concealed loot such as that mentioned above. Intelligence from Allied Governments and other sources may reasonably be expected to yield not only information about the destination of large scale consignments of confiscated works but individual addresses of private persons who have acquired works of art in occupied territory. Such information may, however, come in irregularly, and not be available at the first arrival of the Allied forces in any given area, so that in the first instance, the general policy which applies to all art objects applies equally to articles which may have been looted. The final process of sorting out the looted

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R E S T R I C T E D

objects and their restoration to nations to which they belong cannot be undertaken by Mil Gov officers. The duty of Mil Gov including MFA&A is to secure the objects from further dispersal and from physical deterioration, so as to make restitution possible. They will in the later phases of operation also be preparing in a more detailed way for the machinery eventually to be set up. Any over zealous anticipation of this later phase might lead to endless confusion and involves the risk of stultifying the whole process of restitution.

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Up to date the greater part of movable works in enemy area has been found by chance and reported by combat personnel to Mil Gov officers. Officers and men of Mil Gov detachments are naturally apprised of the need for watchfulness but Military personnel of all Branches have been most helpful throughout and on their continued and active cooperation will depend to a large degree the success of the search for loot. All finds will not be of great value, but in all cases careful inspections will have to be carried out and personnel who have reported the finds should realize that they have done a valuable service. Only by general vigilance and careful inspection can the oversight of important finds be avoided.

16 Dec 1944

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By 13 NARA Date 3/2/00RG 331
Entry 558
File SHAEF G-5 MFA&A
30X 322Tel : Frobisher 3121
Ext : 110Monuments, Fine Arts & Archives Branch,
Room 3/9, Flat 22,
13-23 Nevern Mansions,
Warwick Road,
Earle Court S.W.5.Aug 29 0
51Ref : INTR/62655/2/MFA

8th May, 1945

To : D/Chief I.A. & C. Div.

From A/Director M.F.A. & A Branch.

Subject: Report on visit to Paris.

1. At the request of the Adviser M.F.A. & A, G-5 SHAEF, S/Ldr COOPER, A/Director M.F.A. & A Branch, CC for Germany (Br) Element) proceeded by air to PARIS on Tuesday May 1st 1945.
2. Various conferences were held with the following people:-
 - Lt. Col. Webb, Adviser M.F.A. & A, SHAEF.
 - Lt. KUHN (USN) Deputy Adviser.
 - Mr. John Nicholas BROWN, Adviser on Cultural Matters, US Group CC
 - Maj. Mason Hammond, A/Chief M.F.A. & A Branch, US Group CC
 - Lt. C. HATHAWAY, US Group CC
 - Mr. John PHILLIPS, OSS
 - Mr. S.B. Child, Archival Adviser, US Group CC
 - Col. H.C. Newton, A/Director, R.D. & R. Div. US Group CC.
 - Lt. Col. Fisher, R.D. & R Div. (Property Control) US Group CC.
 - Lt. Col. Harris, " " " " " "
 - Mr. S.M. Crosby, Roberts Commission.
 - M. Albert Henraux, President of French Restitution Commission.
 - M. de la Tournelle, Director, Political Division, M.M.A.A.
 - Lt. Col. McDonnell, M.F.A. & A, SHAEF Mission (France).
3. The following is a summary of my conversations and their outcome:-
 - a) The M.F.A. & A intelligence organisation was reviewed in the light of the latest experiences in Germany and it was agreed that:-
 - (i) in view of the accepted new WE for an Intelligence section M.F.A. & A Branch of CC (Br.El.) would be the only unit equipped to undertake the translation and analysis of captured enemy documents and to publish long range summaries and reports on the documents. It is expected that the pressure of this work would very shortly become considerable. The Branch was also asked to undertake the analyses of intelligence from SHAEF Field Reports.
 - (ii) intelligence on enemy personnel will be dealt with by S/Ldr Cooper in conjunction with Mr. Phillips of OSS, maintaining close contact with allied M.F.A. & A sections i.e. Belgian, Dutch, French etc.
 - (iii) P/W interrogation could be undertaken by S/Ldr Cooper or by OSS officers. S/Ldr Cooper was asked to hold himself available for special journeys in connection with this.
 - (iv) the analysis and editing for use by M.F.A. & A of catalogues of missing works of art forwarded by SHAEF from the various national Restitution authorities could most economically be dealt with by Mr. Sutton of the Secretariat of the Vaucher Commission. It was therefore further agreed that letters would be sent to this gentleman by Col. Webb, Maj. Hammond and S/Ldr Cooper, asking whether he and his staff would be capable of giving this assistance.
 - b) Further discussions were held with various officers of US Group CC on the subject of the establishment of a uniform procedure for the registration of works of art taken into custody by the allied authorities in Germany, (ref.

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previous paper INTR/62780/1/MFA dated 23rd April 1945). The A/Director of R.D. & R. Division US Group CC is very keen that a system should be agreed which can have quadripartite application and full details have been supplied to this Branch.

After consultation with Mr. John Brown and Lt. Col. Webb, S/Ldr Cooper agreed in principle to the procedure suggested, but pointed out that it was necessary to define clearly the types of works of art which were to be thus registered. It would, for example, be senseless owing to lack of personnel to make out a separate file card for each item of the Print Room Collection (several hundred thousand sheets) of the Prussian State Museums or of individual items in well packed cases. All three of us were of the opinion that full scale detailed cataloguing was not a military responsibility. The proposed US procedure could probably be applied only to:-

- (i) works of art known to have been looted
- (ii) " " " suspected of having been looted.
- (iii) " " " of uncertain ownership
- (iv) " " " acquired in conquered or occupied territory since 1938.

It was decided that all parties would consider this further.

- c) Col. Newton, A/Director R.D. & R Division US Group CC invited me to meet his staff officers and examine the TO/WE and chart of the Division. He expressed his satisfaction at this Branch's paper (ref INTR/62501/1/MFA dated 30 April 1945) and hoped that necessary action would be taken.
- d) In the course of discussion with Mr. John Brown I agreed to work with him on a paper defining the limits of responsibility of MFA&A (US & BR.) in the post SHAEF period. He reiterated his hope (with which this Branch is in entire agreement) that:-
 - (i) the restitution or replacement in kind of works of art would not be confused with reparations
 - (ii) military responsibility as far as M.F.A. & A was concerned would be limited to proper protection and conservation of both monuments and works of art, sorting of permanent German possessions (i.e. pre 1938) from the rest and their summary inventorisation, and restarting of the German Fine Arts machinery (i.e. K.u. D. Pflege, selection of personnel, revivifying of archival and museum personnel).
- e) I paid two visits (once alone and once with Mr. Brown and Maj. Hammond) to M. de la TOURNELLE, Chief of the Political Division of French Mission Militaire pour les Affaires Allemandes (M.M.A.A.) to discuss with him the French policy and organisation of M.F.A. & A at CC level. Our reception was extremely friendly and the outcome of the conversations was, I am convinced, most valuable.

M. de la TOURNELLE professed his acceptance of the agreed UK/US policy of freezing all works of art in Germany pending cataloguing in situ and leaving questions of restitution and/or replacement in kind to ultimate decision by some international Restitution Commission.

The French M.F.A & A Branch is at present shown as a sub-section of the Education and Religious Affairs Branch of the Internal Affairs Division. But, we were informed by M. de la Tournelle that now he envisaged a purely autonomous French M.F.A. & A Branch, which would be included in the Political Division since the French feel that the political implications of restitution and/or replacement are considerable, especially having regard to works of art exported with German aid or connivance to neutral countries. The French also regard restitution and/or replacement of works of art as quite distinct from reparations, which will be dealt with by the Finance and Economic Divisions of M.M.A.A.

The Director Designate of French M.F.A. & A is M. BOUSQUET, Professor of law at ANGERS, a candidate proposed by M. FENRAUX of the French National Restitution Commission. His acceptance is expected this week. The Branch as envisaged at present will consist of one other officers, one NCO and three OR's. There will in addition be four M.F.A. & A officers assigned to French First Army in the French Zone of Germany and controlled by the Branch.

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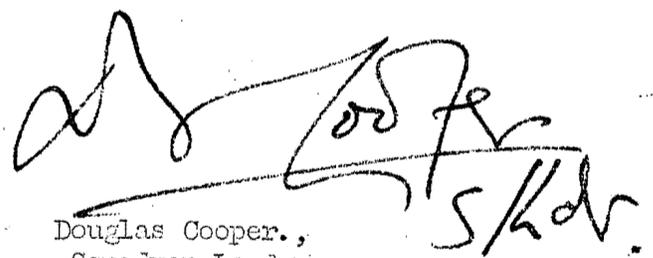
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At the request of M. HENRAUX M. de la Tournelle has just sent four French art experts (including one woman in Red Cross uniform, a member of the staff of the Musée du Jeu de Paume) to FUSSEN to inspect the deposits in that area which were used by the Einsatzstab Rosenberg. These experts will bring back notes on what they find, copies of which will be given to SHAEP for US Group CC and Br. Element. It is understood that nothing will be removed. Their field of activities will be limited to French First Army area only.

M. de la Tournelle gave every evidence of desiring the fullest co-operation, expressed gratitude for papers already received, was interested in a free exchange of ideas and no doubt, means to maintain the closest contact. It is hoped that a meeting with M. Bousquet can be arranged as soon as he has taken up his appointment.

f) I discussed details of "Plan Goldcup" as it affects M.F.A. & A with Lt. Col. Hulbert, especially the impending move of Ministerial Control Parties to St Cloud area. As the US opposite numbers of P/Lt Gould and Maj. Ross (Targets I 20 and I 21) have been detached on T.D. for field work in Germany Col. Webb enquired whether the services of the two British officers should be equally available to assist SHAEP M.F.A. & A officers in the field, it being always understood that if their targets are uncovered they proceed there forthwith. Lt. Col. Hulbert accepted this suggestion and will take any action necessary with Brig. Russell when asked to do so by Lt. Col. Webb. It seems unlikely that the targets of these officers will be uncovered by SHAEP.

4. It has therefore become essential to implement immediately WE/XVI/3400/1 (Civilian WE of this Branch) and S/Ldr Cooper will go ahead with the selection of suitable personnel.



Douglas Cooper.,
Squadron Leader,

A/Director, M.F.A. & A. Branch.

DWDC/JP.

Copies to:- Adviser M.F.A. & A., G-5 SHAEP.,
C.A.20(b). ✓

319514

A war has dulled in some of the decencies of things in many of our soldier's minds, only the highest of example and dignity on the part of our officers can possibly do anything to offset this situation. But in many cases this necessary leadership by example has been sadly lacking.

Yours sincerely,

Ann J. Buchanan
0-437840
Chaplain USA.

LIEGE

330 Armd. Dept. 740 618
APO 253, U. S. Army
March 13, 1945

The Stars and Stripes
Gentlemen:

Much has been said lately about the barbarism of our troops in this part of the world. But the pay off came today when an unknown brigadier general was seen hacking away at an unbroken statue in Cologne Cathedral for a souvenir. The incident occurred at 1415 hours, this date. Many enlisted men instinctively took off their helmets when entering the structure; not so the general. He kept his on!

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By: NARA Date: 3/2/00

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BOX 322

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By 163 NARA Date 3/3/00RG 331
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File SHAEF G-5 MFAAA
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UNITED STATES NAVAL FORCES IN EUROPE
CIVIL AFFAIRS DIVISIONSECRET
5 June 1944

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MEMORANDUM FOR: Head, Civil Affairs Division,
Commander, U.S. Naval Forces in Europe,
18 Grosvenor Square, London, W.1.

SUBJECT: Public Monuments, Fine Arts and Archives, in
the Military Government of Pacific Areas, the
Problem of.

- REFERENCES:
- (a) Op. 50-E/WHH: tgd (SC)A 17-10 Serial
039250-E, SECRET, dated 2 May 1944,
"Military Government Activities in the
Navy."
 - (b) OPNAV 50E-3, dated 22 December 1943,
"Military Government and Civil Affairs."
 - (c) AG 014.1-11 GE
(SHAEF/G-5/327), RESTRICTED, dated 1 May
1944, "Standard Policy and Procedure for
Combined Civil Affairs Operations in
North West Europe."
 - (d) Report to D.C.A. War Office, from Lt. Col.
Sir Leonard Woolley, Archaeological Adviser,
on a mission to Tripolitania, Sicily and
Italy affecting the Monuments, Fine Arts
and Archives subcommission; covering letter
C.A. 5(b)/EM/5/43, SECRET, dated 3 Jan 1944.

1. In the Mediterranean and North West European Theaters, plans and operations have included the protection of Monuments, Fine Arts and Archives. The procedure is (ref. (c)):

51. PUBLIC MONUMENTS AND FINE ARTS.--CA Detachments will render assistance in the protection of public monuments and art or literary treasures, for example, by organizing local police to provide guards. They will also collect data which may later assist recovery of looted objects of this character. Qualified officers will be included on the staff of the Supreme Commander and will give technical advice when required. CA Staffs will also be responsible for advising commanders as to areas which should be placed out of bounds to troops, in order to avoid damage to historical monuments and art treasures.

Procedure has been further established by directives from the Supreme Commander, and Monuments, Fine Arts and Archives Specialist Officers have been assigned as advisors to the Civil Affairs staffs of Armies and higher formations.

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2. Work of Monuments, Fine Arts and Archives Specialist Officers in the Mediterranean Theater was hampered, during early stages of operation, by the lack of adequate planning and of adequate directives. These difficulties are set forth extensively in ref. (d) and the following is said in conclusion: Aug 29p
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"The organizing of a branch of the Army for the protection and conservation of historic monuments and works of art in and behind the battle area is an experiment for which no precedent exists in our military history. It is a difficult task further complicated by the political problems involved in the civil administration of an occupied territory. I hope that the measures proposed for improving the conditions under which the MFA&A Sub-Commission has to function in Italy may have satisfactory results in the later stages of the campaign.....I hope also that the experience gained in the course of my mission may be of use for the organizing of similar MFA&A work in N.W. Europe and elsewhere where our forces may be engaged."

In North West Europe the difficulties have been measurably removed and experience to date in this Theater has shown the need for time to plan and to coordinate this work with that of Civil Affairs in general and of other military preparations.

3. For all areas (ref. (b), P. 13):

"It is the policy of the United States, except where military necessity makes it impossible, to preserve all historical and cultural monuments and works, religious shrines and objects of art."

For Pacific areas plans and procedures will necessarily be somewhat different from those for Europe because of sparser distribution of monuments, temples, shrines and collections, and because of greater distances and the requirement of more sea and air transportation for personnel and equipment.

4. Presumably fewer specialist officers for monuments, fine arts and archives will be needed in the Military Government of Pacific areas. Because of the nature of operations in these areas, closer collaboration will be needed with Naval Forces and with Naval and Marine Aviation than is the case in European Theaters. Since liaison with liberated and friendly governments will not be the primary problem, and since monuments, fine arts and archives specialist officers act as advisors to military commanders, general qualifications appear to be much more important for these specialist officers than particular knowledge of the different languages and social organization in occupied territories. General qualifications include:

a. Military experience other than that in training schools.

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- b. Ability in administrative and staff duties.
- c. Knowledge of the construction and characteristics of works of art and experience in handling them.

If, in addition to these general qualifications, specialist officers are skilled in the local languages and customs, they will be most useful in the field.

5. In order to make certain that the policy with regard to monuments, fine arts and archives is efficiently carried out in Pacific areas, it is suggested that at the earliest possible date Naval plans be started for these areas and full advantage taken of the experience gained in European Theaters.

George L. Stout
GEORGE L. STOUT,
Lieut., A-V(S), USNR.

Marvin C. Ross
MARVIN C. ROSS,
Capt., A-V(S), USMCR.

Monuments, Fine Arts and Archives Specialist Officers, on temporary additional duty at Supreme Headquarters, Allied Expeditionary Force, G-5, Operations Branch.

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331/1 (red)

SECRET

SUPREME HEADQUARTERS
ALLIED EXPEDITIONARY FORCE
G-5 OPERATIONS BRANCH
MONUMENTS FINE ARTS & ARCHIVES

Aug 290
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SUBJECT: Report to June 1944

TO : Chief of Staff.

Early Stages: Personnel.

The Adviser in Monuments, Fine Arts & Archives, Professor Geoffrey Webb, began to make semi-official contacts with the Special Staff, G-5, as from January 1944. He was not finally appointed Civilian Adviser, pending the Militarisation of the appointment until 1 April. The Special Staff was at that time organized in Country Sections and Functional Sections. The former specialized in the particular problems of the European countries, Norway, Denmark, Germany, Netherlands, Belgium and Luxembourg and France, the latter with which MFA&A was included under Gov't. Affairs dealt with questions common to all countries and acted as a coordinating office. By 1 April the following Officers had been temporarily attached to Special Staff for MFA&A work:

With the Adviser in the Sub-section:

- Capt. Ross. (USMCR)
- Lt. Stout. (USNR)
- Capt. Balfour (KRRC)

With the French Country Section:

- Capt. Hancock (AUS)
- Capt. LaFarge (AUS)

With the German Unit:

- Maj. Sizer (AUS)
- Lt. Hathaway (AUS)

On 1 April Capt. Hammett and Capt. Hammond joined the Functional Sub-Section and the German Unit respectively.

Early Stages: Organization.

The earliest scheme for organization as drawn up in January 1944 envisaged a Chief Adviser (BR), Two Deputy Chiefs (One US one BR), and a staff of specialist officers roughly in equal proportions of US and British. A proposed establishment was worked out on this basis, and allowed for a total of 17 officers in the first instance with a possible increase to 27 should the speed of advance be such as to require additional officers to deal with the areas uncovered.

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The next step was to put forward a First Edition of Instructions to CA Staffs and Detachments in the matter of MFA&A. It was envisaged that this first edition could be issued after discussion. Aug 290

In the course of March the Civil Affairs Special Staff was sent into the country in the West of England to devote themselves to planning: their concrete task was the production of a CA Handbook for each country concerned. These Handbooks were not merely informative, but contained the orders and instructions under which CA officers were to work. Preference was given to the French Handbook, and in this phase the pace was set by Capts Hancock and LaFarge (the two Monuments Officers attached to the French Section) in collaboration with the Functional Sub-Section. The work was based on the assumption that a General Order, or equivalent document, modelled on the order issued on December 23, 1943 by General Eisenhower for the Mediterranean Theater, would be issued and would determine the nature of the new organization. The first need was a list of monuments to be exempt from Military use and which should be the basis of any list of buildings to be given special consideration in planning operations. (181)

In Italy, the lists given in the FID Zone Handbooks had been given authority under the General Order, as time was lacking to promulgate new lists. For NW Europe, it was decided as a result of the examination of the FID Handbooks that these lists were too uneven in density of monuments listed, and varied too much from country to country to be used for precise military purposes. In consequence, it was decided to make new lists. These were compiled on the Material available, i.e., the Photographic maps compiled by ERICK library with their system of starred and graded monuments, and the lists compiled by the American Defence Harvard Group, but other sources of information were also brought into use. It should be emphasized here that the decision was made that these new lists should be basic lists, having the authority of a military order and not weakened by discrimination as between monuments included in them. The problem of discrimination within the lists was left to the staff officers acting on the advice of MFA&A Spec. Os. who would be equipped with the longer and more detailed lists supplied from America.

A beginning was made on the French lists before the staff was moved into the country, and Lists for Norway, Denmark and Germany, (as far as the areas to be controlled by SHAEF were concerned), for the Netherlands, Belgium and Luxembourg were produced. Where possible the cooperation and criticism of the Allied Governments were invited before final versions of the lists were determined. In addition to the work on the Lists, Officers in the French Country Section and the Functional Sub-Section concerned themselves with problems of advice to CA Officers in regard to care of Monuments, etc., in places where Specialist officers were not immediately available, with problems of supply and equipment, and with the compilation of a Standard Operating procedure for Spec. Os in the field. This last was intended to show the Spec. Os how they would fit into the military machine and to provide elementary technical instruction in those aspects of the work with which they were not already familiar by training. For example, the notes on first aid repairs to buildings were not intended for

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Architects, or those on packing and care of movable art objects for the museum and gallery officials. These instructions were based on the material supplied by Washington, and some notes on first aid to bombed and burnt-out buildings supplied by the British Office of Works and were put together by Lt. Stout, Capt. Balfour, and Capt. Hammett. In addition, considerable work was done on problems of equipment for Spec. Os in the field and the supply of necessary materials for liberated countries. This work was continued after the return of the Special Staff to London in May. In addition to work on their respective Handbooks and Lists, the MFA&A officers with the French and German Country Sections also had to work out plans and requirements for future operations in the countries concerned. The similar work for the other European Countries was largely undertaken by the Functional Sub-Section.

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Personnel: Second Phase:

In the meanwhile the problem of Personnel in the field had arisen in an acute form. The Adviser conceived it to be part of his duty to recommend officers for appointment as need arose in order to assure the best and most economical use of the men available having regard to their technical qualifications and background. He decided at the outset that as the whole activity was a joint US/BR enterprise the principle should be established that US and BR Specialist Officers should be employed interchangeably irrespective of the nationality of the forces to which they were attached. For this policy he found support in the authorities at SHAEP. It was therefore decided to recommend that 1 US and 2 British Officers should be allocated to the British Forces and 1 British and 2 US, to the US Forces as they should be required. In consequence, Capt. LaFarge (US), Capt. Balfour (BR), and Major Lord Methuen (BR) were sent to the British Forces, and Lt. Stout (USNR), S/Ldr. Dixon-Spain (RAF) and Capt. Posey (US) were assigned to the US Army. In this recommendation, the Adviser was influenced for the most part by the consideration of the Military experience of the Officers recommended. In his opinion the prime necessity was to send Officers who, by their regimental and staff experience, or by their personal qualities might reasonably be expected to work well with fighting soldiers. He was very conscious that on the personal qualities of the first MFA&A Officers in the field would depend in large measure the success of the whole enterprise. In his opinion, this consideration outweighed any purely technical qualifications.

Organization and Personnel: Second Phase:

As a result of the preliminary work carried out by the Functional Sub-Section and the Officers of the French Country Unit, a series of Orders, Directives and Instructions were issued in the latter part of May. Most important of these was General Eisenhower's order to the Commander-in-Chief, of the 26 May (See Appendix) the Directive which accompanied it and Instructions to CA Officers for France issued by 21 A/G, this latter being based on the French handbook. 21 A/G also issued a directive to Armies making clear the need for adequate mobility of the MFA&A officers and the importance of so placing them that they could adequately cover the areas

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otted to them and be available to advise the SCAO Army as occasion should arise. As a result of this, the organizational picture became clarified in the following form.

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At SHAEF:

The Adviser (Lt. Col. G.F. WEBB)	
Capt. M.C. ROSS (USMCR)	
Lt. Col. McDONNELL (AIF)	} French Country Unit
Capt. HANCOCK (AUS)	
S/Ldr. COOPER (RAF)	} German Unit
2nd Lt. HATHAWAY (AUS)	

Major BAILEY-REYNOLDS (BR) assigned to the Belgian Country Unit.

With the British Forces:

Capt. LAFARGE (AUS)	} Under 21 A/G
Capt. BALFOUR (KNRC)	
Major LORD MINTHURN (Scots Gds)	

With the US Forces:

Lt. STOUT (USNR)	} Under 21 A/G
L/Ldr. DIXON-SPAIN (RAF)	
Capt. POSEY (AUS)	

For Zone L of C:

Capt. HAMMETT (AUS)
2nd Lt. RORIMER (AUS)

In the interim period Capt. Mason Hammond was working with the German Unit pending his transfer to another theater. Major Sizer who, in the early stages of the organization, worked with the German Country Unit was unfortunately taken ill and was invalided to the U.S.A. His energy and experience were of great value in the early stages of planning and his loss will be very much felt.

A number of US and BR personnel remain unallocated. These are at present serving with various formations but the above assignments represent the disposal of the personnel in relation to immediate operations. The rest will be assigned as opportunity occurs and operations develop.

In the course of May Colonel Newton arrived on a visit from the War Department and before his departure for Italy, his advice, more particularly on the special problems and the background and technical qualifications of the US personnel was most valuable. It was also pleasant to welcome him to the short training course which was being held during his visit. Professor Dinsmoor, a member of the Roberts Commission, visiting this country, was also most helpful in making smooth certain difficulties which had arisen as to the distribution of the information prepared in America and in developing the contacts of the Section with the Vaucher Committee.

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General:

In conclusion, it is necessary to draw attention to the most important difficulty which has shown itself in this early planning phase. Few of the U.S. Officers are above the rank of Captain, and some are below. The U.S. Army system apparently does not allow of 'acting rank' whereas this is normal practice in the British Army. The U.S. Officers selected for this service are of the highest quality both personally and by reason of their technical qualifications, but they are, with few exceptions, too low in rank to carry the authority which is desirable for the efficient performance of their duties in the field. The Adviser has every confidence in these officers but wishes to emphasize most strongly that their junior rank may well prove a considerable and unnecessary handicap to them. Their position is something of a novelty in military organization and the possession of adequate rank and authority is the more necessary for them. There is, moreover, the personal difficulty that the U.S. Officers are liable to be outranked by the British Officers doing the same work. Although the loyalty and generosity of spirit of the U.S. officers has prevented this issue from arising, the Adviser feels most strongly that for this reason, as well as that indicated above, every effort should be made to find a solution to this difficulty.

GEOFFREY WEBB
 Adviser
 MEA&A

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OF
WORKS OF ART
IN ITALY

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DISTRIBUTION: "C"FOREWORD

In war great damage to buildings, including churches and those of great historical value, has to be accepted when it is operationally unavoidable. To add to such destruction either by wanton action or through thoughtlessness is a crime against civilization.

The objects of this pamphlet are to:

- a. Outline the history of Art in Italy.
- b. Emphasize that whereas the Germans look upon collections of objects of Art belonging to occupied countries as fields for vandalism and lucrative looting, it is the duty of each member of the United Nations when in occupied territory to regard himself as a trustee for such possessions.

I wish all officers and men to study this little pamphlet which should help to give a true perspective of the importance of preserving all that is old and rare in any country which they may enter in the course of the war.

(Signed) H.M. WILSON.
General.

Supreme Commander.
Allied Forces Mediterranean Theater.

Allied Force Headquarters.
8 May 1944.

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1. What is a Work of Art?

Man is distinguished from the beasts by his power to reason and to frame abstracts hopes and ideas. Art, like literature and science, is one of the supreme ways in which that power can be expressed in tangible and visible shape. We all have, in varying degrees, these ideas and feelings at the back of our minds, but most of us lack the power to express them. The artist is the man who, by his special skill, can put them for us into concrete shape, whether in stone or paint or words.

Art is not the mere copying of nature. If it were, the wax-works at Madame Tussaud's would be greater works of art than the sculptures of Michaelangelo. An Artist needs technical skill, like any other craftsman. But only if he has also inspiration and vision will his product be a work of art, and the deeper that vision the greater the art. The work of an artist like Raphael or Botticelli ranks with that of the great thinkers, writers and scientists, among the supreme achievements of the human race.

2. What is the Value of a Work of Art?

A work of art has a money value, often very large. The "Blue Boy" by Gainsborough, was sold for £180,000 and Titian's "Bacchus and Ariadne" fetched £250,000. Even so, works of art are not like diamonds, however valuable a diamond may be, you can always get another like it. But the "Mona Lisa" or the Sistine Chapel in the Vatican are unique. Their creators are dead, and no money could ever replace them.

But, apart from the money value, what useful purpose does a work of art serve? Should we not be just as well off without any? The answer is best given by the fact that, whatever the reason may be, wherever men are, they do find themselves compelled to try to express the artistic sense within them, and their fellow-men do get inspiration and pleasure from their work. Some of the earliest known works of man are not "useful" at all, in the sense that tools and weapons are useful, but paintings of animals and ivory-carvings, such as are found in the famous Stone age caves of the Pyrenees; and even the most primitive of present-day tribesmen have an art of their own, often surprisingly advanced both in ideas and in technique--for example, the wood-carvings of West Africa. We ourselves, quite unconsciously, every day enjoy the inherited artistic tradition of centuries in our homes, in our furniture, and in our cities. There have been a few nations completely without art or learning, like the Hun or the Vandal; but they perished swiftly, and their names remain only as a By-word for ignorant savagery.

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4. How Have the Germans Behaved?

The Nazis have systematically stripped large parts of Europe of their movable works of art. It is easy to see why:

- a. In their opinion, Germany has to be supreme in Art selections as in everything else.
- b. To destroy a nation utterly, as Germany has tried for example to destroy the Poles, you must also destroy its cultural heritage of science, literature, and art.
- c. Works of art, like jewelry, are a good form of investment against the day of reckoning.

This organized looting is supervised by the Special Cultural Branch of the German Foreign Office under von Ribbentrop; some is done by open appropriation, some by fictitious sale, some by "exchange" for third-rate German works of art.

Much of the booty has passed into hands of the Party Leaders. When Greece fell, Ribbentrop sent a special convoy of lorries to rob the museums of Athens. Goering has a fine collection of modern French art, while Goebbels is said to prefer the Flemish painters. The great central collection of all was to be at Linz, as a memorial to Hitler's mother. Here it was planned to bring together the greatest works of art in the world, the pick of the museums and galleries of Europe and America.

Italy, until recently an Ally, has so far fared better at German hands. But since the Italian armistice, there have been at least two cases of wanton and deliberate savagery. The library of the Royal Society of Naples they burned, together with its irreplaceable collection of manuscripts; and at Nola they deliberately destroyed the contents of the Filangieri museum and the six-hundred-year-old state archives of the Kingdom of Naples.

5. Is Art National or International.

This tale of organized robbery and senseless destruction makes it all the more important that we, by comparison, should ensure by our behavior in occupied territory that we cannot be accused of such crimes. It is inevitable that, in the actual fighting and in the bombing of military targets, historic buildings and works of art will suffer. That is only one of the many tragedies of war. But we can, and must, see that what is left is preserved from all further harm.

Art and science are not things that belong to any one nation. The Nazis do not agree. They tolerate an artist or a scientist only insofar as he works for Nazi ends--and as a result, the standard of both has deteriorated in Germany. We believe, on the other hand, that science and art are international, and that only if men are absolutely free to follow their own spirit can they produce and enjoy great work. Even the Nazis were beaten when it came to excluding Shakespeare from Germany; they had to call him "an essentially Germanic poet". And in turn, generations of Englishmen (Shelley, Byron, Browning, Ruskin, Sir Christopher Wren, the Adams brothers, Burne-Jones, Rossetti, to name only a few) have been in-

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spined by the art of Italy and have passed that inspiration on to us. In the words of the notice in the park--"This is yours; look after it".

6. What you Can DO.

Most of the damage that is done to works of art in wartime is done by sheer thoughtlessness. Here are a few suggestions:

Don't carve your name, chip off "souvenirs", or cut out bits of pictures.

If you are billeted in a historic building, treat it as you would expect a stranger to treat your own home.

Books and libraries are going to be badly needed for the reeducation of the Italian people. Help to preserve them from damage.

The man who gave you your torch-battery was an Italian scientist, Volta. The research of Italian doctors has helped to save allied lives. Treat the collections and laboratories, on which such work depends, with respect.

Have you thought who, in the long run, pays for the damage you do?

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