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Authority NND 775119

By WDP NARA Date 4/21/00

RG 260

Entry OMGUS

File Phase IV/Chis

Box 4

Rest

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



AG CABLES

OUTGOING MESSAGE
SECRET

RECD 261804Z MAR/cw

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

TO : AGWAR FOR WDSCA ES FOR SW
 INFO : USMA MOSCOW PERSONAL FOR CLAY
 FROM : OMGUS PERSONAL FROM KEATING
 REF NO : CC-8545

Reurads WX-93937, WX-93433, curads CC-8344,
 CC-8443. General Clay has instructed that silver is to be returned
 as soon as physically practical. These instructions are being
 implemented. Hungarian Restitution Mission has been notified and
 detailed inventory is being prepared for formal transfer. Your
 WX-94503 received and you will be notified earliest action taken.

WX-93997 is AGC IN 52059
 WX-93433 is AGC IN 51324
 WX-94503 is AGC IN 52740

ORIGINATOR : C/S AUTH : V. W. BOND
 INFORMATION : ECON CAPT.
 POL AFF
 FIN
 LEGAL
 CONT OFF

CC-8545 27 MAR 47 WHY/cw

SECRET

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AG CABLES

OUTGOING MESSAGE

SECRET

RECD 091754Z APR/cw

SECRET

P R I O R I T Y

TO : EUCOM
 INFO : ACC HUNGARY
 FROM : OMGUS SIGNED KEATING
 REF NO : CC-8746

In connection with restitution Hungarian silver and safekeeping property we request that after Foreign Exchange Depository, OMGUS completes identification, count and check with Hungarian officials at Frankfurt and after Restitution Branch OMGUS obtain necessary receipts from Hungarian officials, then EUCOM accept responsibility for providing security, including necessary guards, from Reichbank, Frankfurt to Budapest or Vienna as conditions permit. OMGUS Transport Division will furnish train and train crew. It is further requested that EUCOM effect necessary coordination with all interested parties concerning the shipment, including Zone Constabulary, USPA, and ACC Hungary, arrange for necessary Russian liaison officers to accompany train from Ens to Budapest, and also arrange necessary orders and clearances for personnel accompanying train. Request immediate cable confirmation.

ORIGINATOR : ECON (COORD : WITH C/S)
 INFORMATION : C/S AUTH : JOHN W. ALLEN
 POL AFF COL.
 FIN.
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CC-8746

10 APR 47

EE/cw

S E C R E T
S E C R E T

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

AG CABLES

OUTGOING MESSAGE
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RECEIVED 141227Z May 1947

CONFIDENTIAL**ROUTINE**

TO : AGWAR FROM WDSCA ES
 VIAFM : EUCOM
 FROM : OMGUS SIGNED KEATING
 REF NO : CC-9160

Reured WX-96336 dated 18 April 1947 and ourad March
CC-8221.

1. Information requested re shipment No 1 from
Reichsbank Berlin follows:

- A. (1) 26,601.7 ounces silver bullion. Records here indicate this silver deposited Reichsbank Vienna on 31 October 1944 by Stabsintendant Leisgang, a German Army Official. Silver transferred to Precious Metals Dept, Reichsbank Berlin on 5 Feb 1945 and credited to account of Chefintendant (Chief Financial Officer) of German Army in Southeast Europe. Transferred to Merkers Mine about 28 Feb 45 and thence to Foreign Exchange Depository on 15 April 45.
- (2) When deposited Berlin silver was in 44 bags said to contain 172 bars. Bags not opened nor contents examined in Berlin due to pending transfer Merkers. Foreign Exchange Depository now holds 172 bars, each numbered and stamped "BOR" which stamp is believed trade mark of Kupferberg Werke Und Huetten A.G., Belgrade, a mining company. Such stamping not conclusive evidence of country removed from nor of last ownership but rather origin.
- (3) Information on hand does not permit

CC-9160

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REF NO: CC-9160

2 -

positive identification but we are consulting US Forces Austria and will endeavor to develop full data. Do you desire this receive priority treatment? No claim for restitution has been recd for this item.

- B. (1) 5,950.8 ounces silver content alloy bars. Represents 141 bars of approx 15% silver and 85% gold content. Further investigation indicates silver content weighs about 6,363 ounces instead of 5,950.8 ounces as reported.
- (2) Investigation indicates that these 141 bars constituted part of a shipment of 175 barrels bars and 238 bags gold coin removed under German supervision from Banca D'Italia in Milan to Fortress of Fortezza in Dec 43, thence to Reichsbank Berlin in March and October of 44, thence to Merkers Mine, thence to Foreign Exchange Depository. Aside from these 141 silver bars, all other items this shipment are gold items.
- (3) This metal movement understood to be in compliance German-Italian Agreement dated 5 Feb 44 for purpose of Italy's contribution to war on eastern front. German Foreign Office arranged and supervised transfer. Reichsbank Berlin was to, and possibly did, pay in Reichsmarks for metal acquired under this agreement.
- (4) Copy of division of investigation of cartels and external assets report dated 14 Dec 1945 covering this matter is being forwarded air mail. Italy has filed no claim for restitution. Since bars are alloyed gold and silver, and gold content presumably intended for "gold pot" disposal, restitution of silver content impossible without resmelting.
- C. 14,000.8 ounces silver coin.
- (1) Records indicate 10,184 ounces miscellaneous non-legal tender coins believed mostly German accumulated by Reichsbanks in over-counter purchases and destined for later sale to DEGUSSA (German precious metal refinery) for industrial purposes.

CC-9160

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REF NO. CC-9160

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(2) Shipment Maria Theresa Thalers (Austrian) weighing 3,808 ounces received on 5 December 44 from Reichbank Plauen by Reichbank Berlin for account of Reichsicherthauptamt, thence to Merkers, thence to Foreign Exchange Depository.

(3) These items not yet inventoried so numismatic value or exact composition unknown.

2. Shipment No 17 from Reichbank Magdeburg. 2,993,- 465.5 ounces silver bullion consisting of 6,783 bars and 38 boxes scrap restituted to Hungary 21 April 1947.

3. No. 26-B from Regensburg. Representatives Czechoslovak. Restitution Mission recently submitted lists of identification markings and numbers. Comparison such lists against silver held at Foreign Exchange Depository will be undertaken shortly.

4. Re silver presumed German. Investigation in progress on silver acquired Reichsmint Munich shipment No. 21 K. Will initiate investigation shipment No. 56. No immediate investigations contemplated on Law 53 silver other than in routine manner.

WX-96336 is AGC IN 55460

ORIGINATOR : FIN

AUTH : B. H. BROWN

INFORMATION : C/S
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FOL AFF
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FIN AD EUCOM
INTEL

CC-9160

15 MAY 47

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By WDP NARA Date 4/21/00RG 260
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PERMANENT

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



AG CABLES

OUTGOING MESSAGE
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RECD 291427C May 1947

Rest

CONFIDENTIAL**ROUTINE**

TO : AGWAR FOR WDSCA ES

FROM : OMGUS SIGNED KEATING

REF. NO. : CC-9351

Reurads WX-96748 dated 24 April 1947 and WX-97388 dated 4 May 1947.

1. Foreign Exchange Depository holds following remaining property claimed by Hungarian Govt;

Item A. 27 boxes Orphans Court deposits,

Item B. 29 boxes other safekeeping deposits,

Item C. 2 boxes currency,

Item D. 162 boxes silver coin Yugoslavian dinars,

Item E. 176 boxes silver coin Roumanian lei,

Item F. Six boxes plaques, medallions,

Item G. 8 boxes silverware, ore specimens, plaques.

2. Item A contains 612 numbered packages, which were checked off against list produced by Hungarians. Majority packages sealed but those open contain jewelry, coins, etc. Hungarians state all packages are individual inheritances. The 27 boxes always under padlock while in US custody and Hungarians always retained keys. Undesirable to make partial restitution out of each package. Each package identifiable to an individual named owner per Hungarian list.

Item B refers to items which Hungarian National

CC-9351

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REF NO: CC-9351

- 2 -

Bank held in safekeeping for its depositors. For example 5 boxes Hungarian State Attorney, 2 boxes Hungarian Royal Mint, 1 box Hungarian Postal Savings Bank, 4 boxes Hungarian Nagybanya Mine, 1 box Budapest City, etc. All containers within boxes bear identification markings, names or numbers and have been checked against Hungarian listings. Conclusive evidence exists indicating Hungarian source and ownership of all box contents. Nature of contents is gold, currency, jewelry, coins, securities, and other valuables normally deposited for safekeeping with a bank all in small identifiable lots.

Item C is property of Hungarian National Bank claimed to be bank's own assets and contains 18 different paper currencies such as US and Canadian dollars; Swiss, French francs; English, Turkish, Egyptian pounds, and dinars, lei, kronen, milreis, guilders. All currencies identified against lists submitted with Hungarian claim.

Item D and E 338 boxes silver coin. All boxes uniform size, steel banded, bearing wax seal Hungarian National Bank. Only 4 boxes opened, contained bags of coin, the lead seal and tag on each tag printed Hungarian National Bank and all tags dated early 1941. Receipt dated 24 January 1945 indicates that upon instructions of Hungarian Finance Minister, 7 Hungarian finance officials delivered silver bars and subject coins to Reichsbank Magdeburg for account of Hungarian National Bank. Reichsbank retained custody until uncovered by US Army in April 1945 when silver transferred to Foreign Exchange Depository on 10 May 1945. Do not know how dinars acquired but Chief, Hungarian Restitution Mission states that Roumanian lei purchased with penges and retired in 1940, from individuals in north Transylvania during period of its occupation by Hungarians, and not result of action by German troops.

Item F contained in 6 boxes identical in size, banding, appearance to 338 boxes in D and E. One box opened contained metal and plaster model casts and inventory list of contents of this box dated 1944 at Budapest.

Item G consists of 3 boxes containing silverware, bearing Hungarian tags, 2 boxes containing plaques and medallions, 1 box low grade silver, 2 boxes ore specimens.

3. Items A, B, C taken into custody by US Army at Spital Am Pyhrn, Austria about 14 May 1945 at request of representatives Hungarian National Bank for protection and removed

CC-9351

OFFICE OF COMPTROLLER

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to Frankfurt, Germany, into Home and Exchange Depository vaults. Items D, E, F, G uncovered by US Army at Reichsbank Magdeburg, Germany, on 9 May 1945 and also removed to Frankfurt.

4. 33 tons gold bullion received as part of shipment with Items A, B, C already restituted to Hungary 1946 and 96 tons silver received as part of shipment with Items D, E, F, G recently restituted.

5. As to Items A, B, C acquired by US Army in Austria, WX-90078 covering disposition of foreign currencies "found in Germany" would not apply to any currencies contained therein. Gold bullion accompanying same cache has already been returned. Property originally received from Hungarian Bank representatives is now identified as that which they desire returned. No evidence that property was looted by claimant. Urads WX-93937 and WX-94503 desire early restitution. Believe that no bar to restitution of complete property Items A, B, C to Hungary exists.

6. As to Items F and G this property is apparently Hungarian as evidenced by packings, markings, tags. Property also identified by Hungarians. Believe that no bar to its restitution to Hungary exists.

7. Items D and E uncovered in Germany and would appear to fall under WX-90078 with result that Yugoslavian dinar would go to Yugoslavia and Roumanian lei to USSR regardless of claim from Hungary. In Para 2 C ourad CC-7904 we asked whether WX-90078 was to apply without exception or whether restitution based on provable claims should be considered first with only the residue of unrestituted currencies being delivered under WX-90078. Your reply in Para 2 C of WX-96654 indicated WX-90078 should apply without exception. This was regarded here as most satisfactory solution to difficult problem. WX-90078 itself might not be perfect, and certain modifications might be considered desirable. However we urge the adoption of arbitrary "ground rules" along the general lines of WX-90078 as most practicable basis for disposal. In great majority of cases determination of country from which removed would be impossible. We know of no workable rule which would cover return of Items D and E to Hungary, satellite state, without committing us in similar cases to examine conflicting claims by other countries, including United Nations. The line cannot be so carefully drawn as to avoid frequent misunderstanding and controversy. In our opinion the fact should be faced that in disposing of

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Entry ONG-US

File Phase TV Cables

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REF NO: CC-9351

- 4 -

foreign currencies it will be impossible to please everybody. We feel that universal application of rules along lines those laid down in WX-90078 would offer clear-cut and even-handed solution with third-party rights protected by requiring recipient governments to undertake to relinquish whatever is subsequently found to belong rightfully to others, as suggested Para 4 your WX-97388.

8. We are in receipt of SWNCC authorization to implement WX-90078, but in accordance with Para 5 your WX-96748 will defer action pending further clarification. Feel you may wish to reconsider decision to implement at this time Para 2 C of WX-90078, under which Roumanian lei claimed by Hungarians would go to USRR. As reported our CC-7239 December, our efforts to obtain Soviet approval of currency disposal plan were unsuccessful and it was agreed to notify governments of divergent views. We have not been informed of further progress in the matter.

9. Recommend return to Hungary of Items A, B, C, F, G, disposal Item D in accordance WX-90078. No recommendation Item E, concerning which your further views would be appreciated.

WX-90078 is AGC IN 47048
 WX-96654 is AGC IN 55912
 WX-93937 is AGC IN 52059
 WX-96748 is AGC IN 56049
 WX-97388 is AGC IN 57131

ORIGINATOR : FIN AUTH: B H BROWN

INFORMATION : C/S
 FIN AD EU COM
 POL AFF
 US SEC ACA
 LEGAL
 CONT OFF
 ECON
 ECON AD EU COM
 IA&C
 TRANS
 INTELL

2/6

ECON DIV SOWING	
Branch	Info
Exec	
Personnel	
Report	
Policy	
Regulation	
Social	
Industrial	
Reserv	
Supply & Art	
Congress	
DIPLOMATIC	

CC-9351

29 May 1947

HB/ees

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321542

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By WDP NARA Date 4/21/00

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ON-RECORD
MATERIAL

FILE MAY BE RETAINED
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ED BY HQ EUCOM
NG TEAM

9/16/50

DATE

SIGNATURE

INCOMING

Sept-Oct 1947

SECRET

321543

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Box 4

EC Form 11-30
(4 APR 47)

HQ EUROPEAN COMMAND

STAFF MESSAGE CONTROL

INCOMING

MESSAGE

U P

S E C R E T

EUCOM 87/28C

P R I O R I T Y

TOO 281607Z TOR 282330Z

FROM : HQ DEPT OF THE ARMY FROM CHIEF CIVIL AFFAIRS DIV

TO FOR ACTION : CINCEUR

TO FOR INFO : EUCOM; USFA

REF NO : WX-88362 28 AUG 48 CITE: CSCAD-ECON

Recurads Nov 45 WX-85965, Mar 46 WX-99226, used JUN CO 5324. Tol for your info is an agreed US pos add by State and Army Dept which is now in process of being prepared for issuance as directive to you.

"Subj of this directive is external restitution from GERMANY.

1. This directive is issued to you as Commanding Gen of the US Forces of Occupation and as Mil Governor in GERMANY. It amplifies Para 17A of JCS-1779/1 (SWNCC-327/4) and supersedes WX-85965, Nov 45, as amended (SWNCC-204/2), and WX-99226, Mar 46, as amended (SWNCC-204/5). Para 2 sets forth the basic policies of this govt which affect external restitution. Para 3 ET Seq represent specific instructions based upon these basic policies.

2. You will be governed by the fol basic policies of your govt in completing the program of restitution from GERMANY.

A.

(1) Policy of fulfilling international obligations respecting property rights.

(2) Policy of giving economic and

SIG IN 5391

S E C R E T

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THIS MESSAGE MAY BE HANDLED AS CORRESPONDENCE OF LIKE CLASSIFICATION WITHOUT PARAPHRASE 5 per par 51.1 and 69 a (4) AR 300-5

AG: (2) 5-48-380000-13069-40716

321544

(1-30)

(7)

HQ EUROPEAN COMMANDSTAFF MESSAGE CONTROL
INCOMING **MESSAGE**

S E C R E T

-3-

REF. NO.

WX-88362

28 AUG 48

EUCOM 87/28C

5. You should, where possible, avoid informing the representatives of any claimant country that a claim has been deferred or rejected on the grounds set forth in Para 2B (1), (2), or (3) above. In such cases other legal or procedural grounds should, if possible, be stated. You should consult your govt before making any overt refusal to execute an agreement to which the US is a party.

6. The legal bases for restitution to the UN are the agreements of the Allied Control Auth, so long as they are considered to be in force. Property removed from a UN in the course of a transaction essentially commercial in character is not considered to be subj to restitution under such agreements.

7. The legal bases for restitution to ITALY, RUMANIA, HUNGARY, and BULGARIA are the relevant provisions of the treaties of peace with those countries. In the absence of Control Council decision implementing the treaties, you will proceed with restitution to those countries as provided in this directive. You will bear in mind that property which is lawfully owned by a natl of ITALY, RUMANIA, HUNGARY, or BULGARIA, which is determined to be not subj to restitution under Para 2 of the relevant article of the peace treaty, falls under Para 1 of such article.

8. You will make restitution to AUSTRIA of property removed from AUSTRIA after 12 March 38 upon the same terms as are set forth in the relevant article of the treaties of peace referred to in Para 7 of this directive. You will coordinate restitution to AUSTRIA with the US High Commissioner so that, at his discretion, and within the means avail to him, products, subj to policy stated in Para 2B (1), may be denied.

SMC IN 5891

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THIS MESSAGE MAY BE HANDLED AS CORRESPONDENCE OF LIKE CLASSIFICATION WITHOUT
PARAPHRASE 5 per par 51 i and 69'a (4) AR 380-5

ACI (2) 5-48-380000-13089-407151

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By WDP NARA Date 4/21/00RG 260
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S E C R E T

REF NO.

WX-88362

28 AUG 48

EUCOM 87/280

entry into Soviet Occupied Areas.

9. You will make restitution to FINLAND in the same manner as if the US were a signatory of the treaty of peace executed by that country.

10. You will make restitution to ITALY, ROMANIA, HUNGARY, BULGARIA, AUSTRIA, and FINLAND of property removed from these countries under circumstances which do not fall within the terms of the treaties of peace or of Para 8 and 9 of this directive where to do so appears equitable and fails from application of the policies set forth in Para 2, 3 and 4 of this directive. In particular, and without limiting the generality of the foregoing, you will make restitution to ITALY, so long as it is a participant in the European Recovery Program, of property removed from that country as set forth in Article 77 of the Italian Peace Treaty, after 23 Jul 45, including property removed by or under the auth of the so-called Republican Fascist Govt.

11. You will report to this govt, with your recommendations, the facts with respect to any property which appears to have been removed from ALBANIA by the Germans by force or duress.

12. The disposition of property removed from LATVIA, ESTONIA, and LITHUANIA is subj to later decision, except for ships which are disposable under this agreement (see WX-84577, 16 April 46). SOVIET UNION is not recognized as a proper restitution claimant for property removed from those countries.

13. The restitution of railway rolling stock and of inland waterway craft will be governed by special arrangements with the claimant governments. The disposition

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

AG CABLES



OUTGOING MESSAGE

~~SECRET~~

REC'D 301539B Sep 47

~~SECRET~~~~ROUTINE~~

TO : AGWAR FOR CSCAD ECON
 FROM : OMGUS SIGNED HAYS
 REF NO : CC-1796

Reurads WX-86581 and WX-85682 and ourads July
 CC-9926, September CC-1701 and April CC-8967. Deliveries to PCIR
 is subject.

1. Since sending our CC-9926, Melmer has been located and interrogated. He confirms facts stated paras 3 and 5 ourad and adds that all deliveries were Jewish property and originated extermination camps Auschwitz and Lublin, both located in Poland.

2. All items contained in "Melmer deliveries" except currencies in question and securities have already been turned over to IRO. Are we correct in assuming that term "national origin" in para 1A of urad WX-85682 not applicable to location concentration camps and that accordingly our newly acquired knowledge of origin "Melmer deliveries" does not affect propriety turnover currencies in question to IRO whose representative has now been fully advised re "Melmer deliveries". To return property to government of country where camp was located would almost certainly not assist in return of property to those persons presently entitled thereto. This especially true in present case since wholly Jewish property involved and at present there are remaining in Poland only a small number of Jews to whom Poland, if it received property, could restore it. Thus we believe no consideration ought to be given to location of camps in considering disposition of items originating therein. Would appreciate your concurrence this point of view.

3. Matter discussed para 3 bears to some extent upon that discussed our CC-1701 concerning gold bars claimed by Czechs to have originated concentration camp Czechoslovakia.

CC-1796

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By WDP NARA Date 4/21/00

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Box 4

REF NO: CC-1796

S E C R E T

-2-

4. Reurad para 4. Your assumption correct. Objects referred to as not having been turned over to IRO because susceptible possible later identification contained in envelopes originating Dachau. There are 2826 envelopes containing primarily watches, rings, and pins and some currency. Total estimated value of all items less than \$10,000. Each envelope bears camp number, name and birthdate of owner and in 23% of cases, also owners' nationality which in all but a few cases is non-German. Have been unable to identify nationality of other owners from available records and are making 1 final effort through IRO Tracing Service.

5. Propose turn over under ordinary external restitution procedure of envelopes containing both name and nationality. To avoid possible conflict with principles proposed Internal Restitution Law will require receiving governments to certify that items were removed from their country. Recommend that remaining items be considered subject to claims under proposed Internal Restitution Law and that items unclaimed within period prescribed by that law, that is, prior to end of 1948, be then turned over to IRO. For your information, 1 former Dachau inmate, a German, has already filed an informal claim and items claimed have been identified.

6. Reur para 5. Our understanding same as yours that IRO and beneficiary organizations do not wish to undertake to indemnify claimants. Believe no claims procedure necessary and recommend that none be adopted. No items believed susceptible of possible later identification have as yet been turned over to IRO. Further, that organization now engaged in separating precious stones from settings and melting precious metal objects into ingot form. Thus it appears certain that items already turned over will not be susceptible of later identification. As indicated para 5 above, the only items presently believed susceptible to possible later identification are not proposed to be turned over to IRO until possibility exhausted. In addition they are of such little value that they and such few pieces as might remain intact after IRO processing would not appear to justify setting up and administration of claims procedure. Further, inviting claims for items which, in the vast majority of cases, could not be identified would only give rise to considerable dissatisfaction and possibly criticism of whole IRO turnover procedure.

GERMANY (U.S.)

CC-1796

AC-CASES

321548

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By WDP NARA Date 4/21/00RG 260
Entry OMG-US
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Box 9

claims for items which, in the vast majority of cases, could not appear to justify setting up a separate claims procedure. Further, inviting criticism of whole IRO turnover procedure would only give rise to considerable dissatisfaction.

CC-1796



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OUTGOING MESSAGE

REF NO: CC-1796

S E C R E T
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of whole IRO turnover procedure.

WX-85682 is AGC IN 41877

WX-86581 is AGC IN 71053

ORIGINATOR : FIN

AUTH: ALBERT F. BENDER, JR.

INFORMATION : C/S
LEGAL
ECON
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POL AFF
IA&C
POL AD EUCOM
US SEC ACA

CC-1796

930 Sep 47 HB/11
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321549

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
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Box 5ON-RECORD
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IN TEAM9/11/00
DATE
9/9/00
SIGNATURE

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CONFIDENTIAL

CONFIDENTIAL
Incoming January-February 1948

321550

DECLASSIFIED

Authority NND 775119

By WDP NARA Date 4/21/00

RG 260
Entry OMGUS
File Incoming 1948
Box 5

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



AG CABLES



INCOMING MESSAGE

TOO 141742Z

CONFIDENTIAL

RECD 142227Z Feb 48

CN-19/14/c

ROUTINE

FROM : DEPT OF THE ARMY FROM CSCAD

TO : OMGUS

INFO : EUCOM

REF NO : WX-95944 CITE: ECON

ECON DIV	ACT	
EXEC		✓
P		
FIN		
INT		
RES		✓

Reurads Feb CC-3313, Dec CC-2532 and ourad Nov WX-91270.

Questions raised re restitution of securities closely allied to whole problem of restitution to UN. State Dept being asked to clarify entire restitution policy for formulation directive to supercede JCS directives 1779/1 and WX-85965 and WX-99226 as amended, and other conflicting instructions.

Pending concuson this policy directive, impossible to give definitive reply to your inquiry.

Re this question of cut-off date for securities restitution claims, cable draft now under discussion with State Dept covering whole question and will be transmitted for your comment soonest. For your info do not believe possible to accept 30 April 48 for this purpose.

Request that Gen Clay be personally advised of contents this cable.

CC-2532 9 Dec 47 ECON
 WX-91270 29 Nov 47 1s AGC IN 78245 ECON
 WX-85965 not identified in AGC
 WX-99226 not identified in AGC
 CC-3313 believed to be CC-3113 6 Feb 48 ECON

NO ACTION REQUIRED
 AG RECORDS 2M 10

ACTION : ECON
 INFORMATION : C/S, POL, AEF, LEGAL, FIN, CONT OFF, IA&C, US SEC AC
 FLY AD EUCOM
 AGC IN 84862 15 Feb 48 WLC/CJW REF NO: WX-95944
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Form OMGUS-252
 (29 May 47)

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321551

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Authority NND 775119

By WDP NARA Date 4/21/00

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Entry QMG-US

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J. G. J.
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321552

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Authority NND 775119

By WDP NARA Date 4/21/00

RG 260

Entry OMGUS

File Incoming 1948

Box 5

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

AG CABLES



OUTGOING MESSAGE



RECD 021419Z June 48

~~SECRET~~~~ROUTINE~~

TO : CHIEF OF STAFF US ARMY WASH DC FOR CSCAD

INFO : EUCOM
USAFE

FROM : OMGUS SIGNED HAYS

REF NO : CC-4540

Reurad WX-82735, Para. 2.

Subj 64 gold bars were confiscated by Germans, first shipped to Reichsbank Eisenach then Reichsbank Halle where they were found by Col Bernstein and party who moved them to Foreign Exchange Depository as shipment 2c; received by Foreign Exchange Depository on 25 Apr 1945. We will turn them over to TGC as monetary gold.

WX-82735 is AGC IN 5159

ORIGINATOR : OFF FIN AD AUTH: JO FISHER FREEMAN

INFO : C/S
PROP DIV
POL AFF
LEGAL
OFF ECON AD

CC-4540 2 June 48 B/ah AG 122.1 C/F

Copy No.

~~SECRET~~

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

~~SECRET~~OMGUS 253b
(8 June 47)

321553

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry QMG-US
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OUTGOING MARCH - APRIL 48

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CC-3462

S E C R E T

2

treaties but within existing directives be referred to you for decision.

5. Restitution of CEM to UN which has been carried out in accordance with para 6 Appendix JCS 906/18 of 3 August 1945. Last para section V of Report Subcommittee of Senate Armed Services Committee 3 Jan 1948 on Hungarian horses appears to throw doubt upon further application this policy in case of USSR and eastern UN in Soviet orbit, in any event as far as CEM directly usable in military operations is concerned.

6. Restitution of CEM to ex-enemies which is not covered by JCS 906/18. Although CEM if removed by force between dates would appear to fall under restitution provisions of peace treaties, interpretation given articles 29 and 32 Hungarian Peace Treaty by Subcommittee in above report would exclude CEM from restitution to ex-enemies, regardless of whether such CEM is directly or only indirectly usable in military operations.

7. Consideration which you wish to give in normal restitution cases as a matter of policy to possibility of Soviet seizure of restituted items as German external assets (see urad Sept 1947 WX-85760 as against urad Jan 1947 W-90822).

8. Reaffirmation of policy that restitution be made to Governments regardless of ownership rights (see urad Jan 1947 W-90822 as against urad Feb 1948 WX-95185).

WX-95944 is AGC IN 84862.
WX-86784 is AGC IN 71304.
W-85430 is AGC IN 69187.
WX-99226 is AGC IN 22212.
WX-85760 is AGC IN 69691.
W-90822 is AGC IN 47917.
WX-95185 is AGC IN 83772.

ORIGINATOR : PROP DIV AUTH: JOHN H ALLEN
INFORMATION : POL AFF COL
OFF ECON AD

CC-3462 10 Mar 48 GEH/mgd AG 602.3 (PD)

S E C R E T

File I Ucom 1948
Entry QM-G-4S
RG 260

Box	BY WDP NAA D23 4/21/00
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321555

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Authority NND 775119
By WDP NARA Date 4/21/00

RG 260

Entry OMGUS

File Incoming 1948

Box 5

Restitutions
Bn

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

AG CABLES



OUTGOING MESSAGE



RECD 101002Z Mar 48

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

R O U T I N E

TO : DEPT OF THE ARMY WASH DC FOR CSCAD ECON

INFO : EUCOM; RESTITUTION CONT BR, KARLSRUHE

FROM : OMGUS SIGNED HAYS

REF NO : CC-3451

Reirad Jan WX-93831 and ourad CC-2887.

Subj restitution of French craft.

1. We have authorized release to the French all unserviceable French craft claimed by French and believed to be in the US Zone except 7 of which 3 have not been surveyed to determine advisability of repair and retention, 3 of which have not yet been located and 1 which is subj of conflicting French and Dutch claims.

2. In addition we are holding 2 serviceable craft which will be restituted on ton-for-ton basis.

WX-93831 is AGC IN 81891

ORIGINATOR : PROP DIV AUTH: JOHN A ALLEN

COL

INFO : OFF ECON ADV
OFF FIN ADV
LEGAL
INTELL

CC-3451 10 Mar 48 GH/ah AG 602.3 (PD)

CONFIDENTIAL

Copy No.

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

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Authority NND 775119

By WDP NARA Date 4/21/00

RG 260

Entry OMGUS

File Incoming 1948

Box 25

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



AG CABLES



OUTGOING MESSAGE

UNCLASSIFIED

RECD 10 14Z Mar 48

ROUTINE

TO : OMG BAVARIA
 OMG WUERTTEMBERG-BADEN
 OMG GREATER HESSE
 OMG BREMEN

FROM : OMGUS SIGNED HAYS

REF NO : V-29159

Subj is conference between Monuments, Fine Arts and Archives, OMGUS, and German officials to be held in Stuttgart on Tuesday and Wednesday 13 and 14 Apr for the purpose of discussing problems arising in connection with return to Germany of the 202 paintings removed to Washington in 1945. Request you invite Land Minister of Culture to attend this meeting accompanied by his Director General of Museums and such other key museum heads in your Land as he wishes. Request we be informed soonest of name and full title of all who plan to attend.

ORIGINATOR : PROPERTY DIV

AUTH : JOHN H ALLEN
COL

INFORMATION : OFF ECON ADV

V-29159

10 Mar 48

GEH/rf

AG 602.3 (PD)

UNCLASSIFIED

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry QM6-US
File Outgoing 1948
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4/21 DATE

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Outgoing, January 2, February 1948

321558

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00

RG 260

Entry OMGUS

File Outgoing 1948

Box 5

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

AG CABLES

OUTGOING MESSAGE
SECRET

Rest

SECRET**ROUTINE**

TO : CHIEF OF STAFF US ARMY FOR CSCAD

FROM : OMGUS SIGNED HAYS

REF NO : CC-3011

RECD 281526Z Jan 48

ECON	EXEC	PERS	IND	T & C	F & A	O.V.	REST

Reurads WX-94421, Italian alloy bars is subj.

1. These 141 bars will be separately packed and marked and included with shipment to New York of gold for Tripartite Gold Commission according your instructions.
2. No information available in addition to data already given.
3. No claims have ever been received for this silver.

WX-94421 is AGC IN 82737

ORIGINATOR : FIN AUTH: E J CASSODAY

INFO : S/G
FIN AD EUCOM
POL AFF
LEGAL
INTELL
ECON

CC-3011 28 Jan 48 EE/ah AG 602.3 Restit

SECRET
SECRET

Copy No.

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

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00

RG 260

Entry QMG-US

File Outgoing 1948

Box 5

1084

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

AG CABLES



OUTGOING MESSAGE

REST

SECRET

S E C R E T

ROUTINE

RECD 22 JAN 48	
ECON DIV	ACT IN FG
EXEC	
PENS	
IND	
T & M	
F & A	
O & C	
REST	

TO : DEPT OF THE ARMY FOR CSCAD
 FROM : OMGUS SIGNED HAYS
 REF NO : CC-2971

Reurad WX-93380. Since all monetary gold held at Foreign Exchange Depository is scheduled for delivery on order of Tripartite Gold Commission, we suggest that all German records in possession of Foreign Exchange Depository reflecting monetary gold movements such as Prussian Mint and Reichsbank records be delivered to Tripartite Gold Commission against receipt providing for return to OMGUS of records upon demand. This would facilitate their study of claims such as Polish claim recently submitted to Gold Commission for gold looted in Poland. Preliminary examination of these records indicates possibility that certain amount of monetary gold might have been looted Poland. Thorough examination of records not possible here because of personnel shortage. Please advise.

WX-93380 to AGC IN 81101

ORIGINATOR : FIN AUTH: E J CASSODAY

INFORMATION : S/G
 CONT OFF
 INTELL
 POL AFF
 ECON
 LEGAL
 FIN AD EU COM
 POL AD EU COM
 MR PANUCH

CC-2971

24 Jan 48

AW/cjw

SECRET

Copy No 3

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

DECLASSIFIED

Authority NND 775119

By WDP NARA Date 4/21/00

RG 260

Entry QMG-US

File Outgoing 1948

Box 5

Rest

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



AG CABLES



OUTGOING MESSAGE

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

RECD 2016222 Feb. 48

R O U T I N E

TO : DEPT OF THE ARMY FOR CSCAD
 INFO : EUCOM
 FROM : OMGUS SIGNED HAYS
 REF NO : CC-3264 CITE: ECON

ECON DIV	
EXEC	
PERS	
IND	
T & E	
F & M	
DEU	
REST	

Reurad WX-95307. Restitution cut-off date is
subj.

French and Soviet elements, Foreign Mil Missions concerned and Restitution Missions are being advised by ltr that cut-off date 30 April 48 will not apply to cultural property and securities. General exclusion of rolling stock not considered essential in view of 1-for-1 exchange rule and agreements which have been negotiated (olland, Italy) or are being negotiated (France).

WX-95307 is AGC IN 84018

ORIGINATOR : ECON AUTH: JOHN H ALLEN
Col

INFORMATION : C/S
POL AD EUCOM
FIN
LEGAL
CONT OFF
FIN AD EUCOM
MR DEVEREUX

CC-3264

21 Feb 48

WLC/cjw

AG 602.3

~~CONFIDENTIAL~~

CONFIDENTIAL

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ARMY OMGS 253b
(8 June 47)

321561

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00

RG 260
Entry ONG-US
File Outgoing 1948
Box 5

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DATE

E

INCOMING July-August 1948

SECRET

321562

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMGUS
File Outgoing 1948
Box 5C-30
(1 April 47)

HQ EUROPEAN COMMAND

STAFF MESSAGE CONTROL
INCOMING MESSAGE

UEP

S E C R E T

EUCOM 40/01C

P R I O R I T Y

TOO 010018Z TOR 011035Z

FROM : HQ DEPT OF THE ARMY FROM CHIEF CIVIL AFFAIRS DIV

TO FOR ACTION : OMGUS

TO FOR INFO : EUCOM

REF NO : WX-85011 1 JUL 48 CTTE: CSCAD-ECON

Reurad Mar CC-3558 ourad May WX-81435.

States Dept legal opinion is that Czech claim to diamonds in question is supported by ACA restitution agreements and that diamonds do not fall within terms international agreements for disposition non-monetary gold to IRO. Case differs from that of Hungarian gold train referred to urad in that loot in that case had been derived from present areas of HUNGARY as well as territories ceded to Roumania, Czechos. Yugo. natl origin and ownership being unknown as regards individual items; furthermore, absence international restitution arrangements in AUSTRIA gave us greater latitude in disposition this case.

Auth you effect restitution these diamonds to Czechos. Not considered to come within purview of policy 2 B (1) proposed restitution directive ourad

CC-3558 NOT IDENTIFIED IN SMC FILES
WX-81435 NOT IDENTIFIED IN SMC FILES

SMC IN 143

S E C R E T

COPY NO. *14*

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PARAPHRASE 5 per par 511 and 69a (4) AR 380-5

AG-2 (2) 15-48-380000-13089-40715X

321563

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMG-US
File Outgoing 1948
Box 5

S E C R E T

-2-

REF NO

: WX-85011

1 JUL 48

EUCOM 40/01C

DIST TO OMG REST CONTROL BR KARLSURHE

ACTION : D/CAD

INFORMATION : AG RECORDS

SMC IN 143 SMC TOR 011235Z JUL 48 AC/jca REF NO: WX-85011

S E C R E T

321564

DECLASSIFIED

Authority NND 775119

By WDP NARA Date 4/21/00

RG 260

Entry QMG-US

File Outgoing 1948

Box 5

EC Form 11-30
(1 April 47)

HQ EUROPEAN COMMAND

STAFF MESSAGE CONTROL
INCOMING MESSAGE

U/N

S E C R E T

EUCOM 03/220

ROUTINE

TOC 211050Z TOR 220025Z

FROM : OMCUS SGD HAYS

TO FOR ACTION : HQ DEPT OF THE ARMY

TO FOR INFO : EUCOM; RESTITUTION BR PROP DIV DARMSTRUHE
OMCUS; USMA BRUSSELS

REF NO : CC-5630 21 AUG 48

Reurads WY-94421 and WX-85030, ourad July
CC-5069, silver content Italian alloy bars is subject.

Documentation submitted by Italian Restitution
Mission in form of statement by Banca D'Italia shows that this
property was removed by German military authorities on 29
February 44 from armored premises of Fortezza where it was
held in safe keeping by Banca D'Italia, thus establishing re-
stitutability under quadripartite restitution agreements as
well as under Article 7, Paragraph 2 of Italian Peace Treaty.
Italians further submitted detailed listing of weights of gold
and silver items before their remelting by Germans into pre-
sent form of 141 alloy bars.

Hays now in Isogen. Tripartite Gold Commission
has been advised by letter that silver content subject bars
are held subject to restitution to ITALY.

Request your early advice as to manner in which
restitution should be effected. Upon separation silver and
gold should sale of silver be executed in London in open market
and proceeds credited to Italian Government? Please advise
Tripartite Commission directly.

SMO IN 4351 R

S E C R E T

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PARAPHRASE Super par 511 and 69a (4) AR 380-5

FAGI(2) 5-48-380000-13068-40715

321565

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMG-US
File Outgoing 1948
Box 5

S E C R E T

-2-

REF NO CC-5630 21 AUG 48 EUCOM 101/220

WX-94421 SMC TM 5080 21 JAN 48 HQ CMDT FOR OMG/PREP SECY
WX-85030 SMC TM 233 1 JUL 48 D/CADM
CC-5069 NOT IDENTIFIED IN SMC FILES

DIST TO OMG RESTITUTION BY PROP DIV KARLSRUHE VIA SMS

ACTION : D/CADM CORRECTED COPY: CORRECTION
INFORMATION : AG RECORDS UNDERLINED DESTROY ALL OTHER
Secy GS OCT 1948; CORRECTION
DD/VINT IS BY OIC, SMC.
Pol Adv

SMC TM 4351B SMC TOR 2208-7Z AUG 48 AC/nec REF NO CC-5630

S E C R E T

321566

DECLASSIFIED

Authority NND 775119

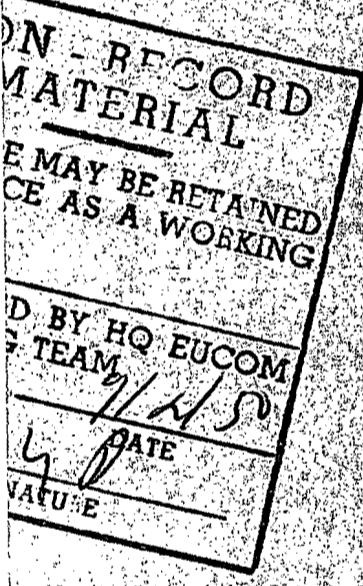
By WDP NARA Date 4/21/00

RG 260

Entry QM6-US

File Fricom 1948

Box 3



INCOMING

May-June 1944-8

SECRET

321567

DECLASSIFIED

Authority NND 775119

By WDP NARA Date 4/21/00

RG 260

Entry QM-G-US

File Incoming 1948

Box 3

EC Form 11-30
(1 April 47)

HQ EUROPEAN COMMAND

STAFF MESSAGE CONTROL

INCOMING

MESSAGE

UFW

CONFIDENTIAL

EUCOM 03/17 C

TOO 171400 Z

ROUTINE

TOR 171550 Z

FROM : OMGUS SGD HAYS

TO FOR ACTION : HQ DEPT OF THE ARMY FOR CHIEF CIVIL AFFAIRS DIVISION

TO FOR INFO : EUCOM (R) FOR RESTITUTION BRANCH PROPERTY DIR OMGUS (KARLSRUHE)

REF NO : CC-4325 17 MAY 48

Reurads April WX-80347 and April P 1674 Jewish religious objects uncovered in inventory of Hungarian loot train is subject. OMGUS concurs in transfer of these items to Offenbach Archival Depot. Offenbach Archival Depot prepared to receive material immediately.

WX-80347 SMC IN 539 RB 29 APR 48 REST BR PROP DIV OMGUS
P-1674 SMC IN 603RB 29 APR 48 REST BR PROP DIV OMGUS

ACTION : Restitution Br
Property Div OMGUS

INFORMATION : AG RECORDS

SMC IN 295 R 18 MAY 48 1240 Z JE/me REF NO: CC-4325

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AGL (2) 11-47-350000-11331-39056

321568

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00RG 260Entry OMGUSFile Incoming 1948Box 5EAC-Form 11-30
(1 April, 47)

File

HQ EUROPEAN COMMAND

STAFF MESSAGE CONTROL
INCOMING MESSAGE

URH

RESTRICTED

EUCOM 53/130

ROUTINE

TOO 131100Z TOR 131306Z

FROM

OMGUS SGD-HAYS

TO FOR ACTION : HQ DEPT OF THE ARMY FOR CHIEF CIVIL AFFAIRS
DIVTO FOR INFO : EUCOM, USAFE FOR PROP CONT AND EXT ASSETS PER
PROP DIV OMGUS; EUCOM FOR REST BR PROP DIV
OMGUS

REF NO

CC-4680 13 JUNE 48

Reurad WX-83415. There is no firm decision that Property Control Branch will be cut further in the immediate future. Careful study is being made however to determine if some of the functions presently performed by Property Control can now be performed by agencies which would ordinarily perform the duties during peace time; this would allow a corresponding reduction in personnel. This naturally leads to consideration of the resumption of representation of foreign interests in GERMANY by the consulates and military missions of each country. This has only been discussed at lower levels and because many factors must be considered, it will probably be some time before any such concrete proposal is made. State will, of course, be consulted prior to the formulation of any proposal which would change the present situation. However, it is assumed the State would not object to such representation by consulates of other nations if these nations are willing.

WX-83415

SMC IN 1310 10 JUNE 48

D/CAD

ACTION : D/CAD RELAYED TO OMG RESTITUTION CONTROL BR.
INFORMATION : AG RECORDS D/LOG KARLSRUHE FOR INFORMATION BY
Secy GS L/P&A OIC, SMC 14 JUNE 48
Pol Adv REST FOR PROP DIV

SMC IN 2805 SMC TOR-132355Z JUNE 48 RUM TFM REF NO: CC-4680

R E S T R I C T E D

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PARAPHRASE 5 per par 51 (1) and 69a (4) AR 380-5

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Authority NND 775119

By WDP NARA Date 4/21/00

RG

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Entry OMG-US

File Incoming 1948

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AS A WORKING

ED BY HQ EUCOM
G TEAM

91450

DATE

J G D

SIGNATURE

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CONFIDENTIAL

INCOMING MARCH
APRIL 18

321570

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMG-US
File ~~Freemine 1948~~
Box 3*Restitutions*

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



AG CABLES



INCOMING MESSAGE

TOO: 191647 Feb 47

~~SECRET~~RECD: 112145Z Mar 48
CN-28/11/gd~~PRIORITY~~

FROM : USFA SIGNED CLARK

TO : DEPT OF THE ARMY FOR WDSCA, ES

RELATED TO : OMGUS ATTN: OFFICE OF FINANCE ADVISOR FOR INFO BY
USFA SVC 836 (111400Z)

REF NO : P-6773

CITE: PAACI/R

1. Reurad WX-89757 on gold to be returned to Austrian Govt. Total estimated value \$4,743,809. Excluded from return is gold which presumably was brought to Austria by German forces in bags marked "German Legation Bern" and by employee of Reichssicherheitshauptamt valued \$98,287. This amount appears to fall under Paris Reparations Act, Part 3, Para G, and to be subject to transfer to European Gold Pot.

2. Request instruction regarding disposition of

(A) Gold deposit of \$98,287 described in para 1;
 (B) Silver bullion and foreign currency mostly found in same cache as gold to be returned to Austrian Govt. Total amount of silver now in US custody 1096.5 kilogram, of which 114 kilogram 5, foreign currency valued at approx \$75,000;

(C) Gold delivered to MG under MG Decree No 4. Consists of coins held by private individuals and branches of Austrian National Banks amount \$669;

(D) Gold confiscated by MG Courts for violation of foreign exchange regulation, attempted smuggle, etc. Amount \$1,186;

(E) Foreign currencies, silver and token coins confiscated by MG Courts, and funds taken from unidentified prisoners of war. Bulk of currency obsolete or worthless through inflation;

(F) US \$2,400 in bills confiscated from Hungarian war criminal;

AGC IN 87196

~~SECRET~~

Copy No.

321571

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMGUS
File Fromm 1948
Box 5S E C R E T
-2-

REF NO: P-6773

(G) Abandoned silver coins and assorted foreign currency found in Austrian church yard, approx value \$50,000;

(H) Silver coins of numismatic value taken from SS leader, monetary value unknown.

(I) Polish silver coins found in SS barracks, value unknown;

(J) Foreign currencies including US, UK, and Swiss; silver copper and token coins and silver bullion part of contents of "Hungarian loot train", value approx \$100,000;

(K) Assorted jewelry, gold coins and gold teeth confiscated from DPs as loot, value unknown.

3. Recommend transfer of (A) to gold pot and return of items (B) to (E) inclusive to Austrain Govt, items (F) to (K) inclusive to be turned over to IGCR as "valuable property representing loot seized or obtained under duress from political, racial or religious victims of Nazi Govt", as per Para 1, WX-85682.

WX-89757, is not identified in AGC
WX-85682 is not identified in AGC

INFO : C/S
 OFF FIN ADV
 PROP DIV
 CONT OFF
 LEGAL

AGC IN 87196

12 Mar 48

WLC/gd

REF NO: P-6773

S E C R E T

321572

DECLASSIFIED

Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMGUS
File Incoming 1948
Box 3

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

AG CABLES



INCOMING MESSAGE

*AMGUS*TOC: 072332Z U.N.C.L.A.S.S.I.F.I.E.D. RECD: 080443Z Apr 48
292/08/gd

P R I O R I T Y

FROM : DEPT OF THE ARMY FROM CSPID SIGNED VICKERS
 TO : EUCOM PERSONAL TO FOWLER
 INFO : CG TRUST; CINCEUR; CG USARCARIB
 REF NO. : WCL-44087

Chicago Tribune editorial 7 Apr: Gen Clay has whitewashed Brig Gen Telford Taylor, precisely as we forecast.

. . . A young woman employed in Taylor's publicity staff persuaded the clerk in the press wireless office to let her have Foust's copy. Thus Taylor got and used it as the basis of a bitter statement attacking Judge Wennerstrum. Taylor's comment as an impropriety in itself, but what made it far worse was the fact that his statement was made public before Mr Foust's dispatch as published in America. . . . Gen Clay says that Taylor got the dispatch by accident. In fact, a Miss Turner, working in Taylor's publicity office, went to the press wireless office, asked for Foust's message, and recd it from a Miss Meese, the clerk on duty, who had no reason to suspect Miss Turner's good faith. . . . If it isn't dishonorable conduct to get caught in possession of stolen messages, we can only wonder what is regarded as dishonorable conduct in the Army.

Baltimore Sun editorial 7 Apr: . . . In London the Foreign Ministers Deputies are now considering the terms for an Austrian peace treaty. Their consultation is of peculiar importance not because of the paramount importance of Austria but simply because it is one area of disagreement on which the 2 sides are down to brass tacks. They are not yet by any means agreed on the points of conflict, but they are yielding to one another on specific claims, in specific figures. The important thing is that, with a little more give and take, agreement can be reached. . . . The Austrian treaty is nowhere near settlement. But the continuing Russian concessions are a welcome relief.

AGC IN 712

U.N.C.L.A.S.S.I.F.I.E.D.

321574

U N C L A S S I F I E D

REF NO: WCL-44087

at the conference table. And the Russians are finding out that concession on their part does not prompt us to a less generous, but to a more generous, effort to meet those lowered claims.

AP Berlin 7 Apr: The Russians today threw the blame for Monday's Soviet-British plane crash on the British. British officials said the Russian story was "palpably untrue."

The Soviet report said the pilot of the Russian plane was circling over his airport at a height of about 1400 feet and was about to land. In this moment a British plane shot out of the clouds over the Soviet airfield in a downward direction, the Russian report said. The British plane hit the tail of the Soviet plane with its motors and destroyed the tail. The British plane burst into flames as a result of the collision, began to fall apart, plunged down out of control and burned out.

UP Rome 7 Apr: Italy expects to reach agreement with an Anglo-American delegation within the next few days on the export of \$10,000,000 in Italian fruits and vegetables to the Anglo-American Zones of Germany, the Foreign Office said today. The negotiations, which began this morning, were looked upon as an important pro Govt election move. The deal will reopen trade channels which carried 60% of Italy's fruit and vegetable exports to Germany before the war.

Scripp's Howard writer William H Newton, Berlin 7 Apr: Any attempt by the Russians to drive the US troops out of Berlin by force will result in a shooting war. There is no possibility of American withdrawal because of Soviet nuisance activities, such as the stopping of Allied trains or the harrassing of transport planes by Soviet fighter planes. This is the opinion of top level Allied Mil and civilian officials in Berlin today. "The average American in Berlin realizes why he is here, Gen Lucius D Clay, US Mil Governor for Germany, told me today. The Americans here have complete confidence in the strength of our country," he said. "For these reasons Americans here are certainly not nervous, and on the whole are more determined than ever to stay."

Baltimore Sun editorial 6 Apr: In the cutthroat poker game now going on between Russia and the Western Powers,

U N C L A S S I F I E D

FILE NUMBER	BOX
ENTRY Q M6-A5	4/21/60
260	BY WDC NARA Date
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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)



AG CABLES



INCOMING MESSAGE

UNCLASSIFIED

-3-

REF NO: WCL 44037

one Russian bluff, at least, has been called. For the time being, trains carrying foodstuffs and supplies from the American Zone to the troops and civilians in the American Sector of Berlin are moving again. In the face of counteraction, the Russians have expressed a willingness to discuss their right to board such trains and "inspect" them. . . . In the meantime, they have accomplished what was perhaps their first purpose in raising the issue. That is to say, they created a piece of news big enough to blanket, for a day or two at least, the final passage of the ERP and its signing by Mr Truman. All such maneuvers are related in some degree to the impending Italian election. The Western Powers undoubtedly scored a point in the preelection campaign when they proposed a revision of the Italian peace treaty providing for a return of Trieste to Italy. . . .

NY Mirror editorial 6 Apr: The Russians appear to have backed down a little in Berlin, but you can keep your fingers crossed. Their purpose still remains the same: to squeeze the Western Allies out of the German capital and so consolidate their entire zone into a part of Communist Soviet Russia.

The offensive in the cold war still remains in Soviet hands. Soviet Russia has appropriated no \$7,000,000,000 for European aid. Soviet Russia has done nothing but strip and loot and enslave. Soviet Russia aims next at Italy, through Moscow trained Italian traitors. . . .

NY Times correspondent Delbert Clark, Berlin 6 Apr: An announcement that will go far toward signifying an actual separation of Western Germany from the area controlled by the Soviet Union is expected to be made in the next few days. In an Army Day broadcast to the US Gen Lucius D Clay, the American Mil Governor, spoke of the possibility of a political break. He added: "2 years and 11 months after VE Day the US is still engaged in the task of helping the German people help themselves. This is a task which with the ERP, will be enlarged and extended to all freedom loving countries of Europe. It is a mission which must be accomplished if the basic aim of the occupation is to be achieved. To secure the peace of Europe and the world, Germany must become a peace loving nation. To insure the economic health of Europe and the world, it must become a self sustaining nation."

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By WDP NARA Date 4/21/00

RG 260

Entry QMG-US

File F400019618

Box 3

U N C L A S S I F I E D

REF NO: WCL-44087

Until these ends are achieved and until there is real peace in Europe, the occupation must continue. . . .

NY Times correspondent Jack Raymond, Frankfurt on the Main 6 Apr: There were indications tonight that Allied efforts to govern Germany with Russia were drawing to a grand finale. Leading German officials from through the British Zone in addition to representatives of the Bizonal Economic Administration led by Dr Hermann Puender, Chief Executive, have been invited to tomorrow's session of the Parliament of the North Rhine-Westphalia in Duesseldorf. . . . In connection with this there is an increasing impression among German and MG observers here that the Allies are about to make their final decision on the advisability of an "occupation statute," which would serve as an interim peace treaty. . . .

Berlin 6 Apr: The Russian controlled Berlin radio said tonight that a Communist sponsored plebiscite will be held in the Soviet occupation zone May 23 to June 13 to determine whether Germans there want a United Govt for Germany. The Communists were expected to demand that the plebiscite be extended to the Western Zones. . . .

Washington Post 7 Apr: A companion bill to the Senate bill introduced last week to send the German owned art masterpieces at the National Gallery of Art on a cross country tour, is scheduled to be introduced in the House today. . . . The legislation would keep the 202 art works by world famed painters in this country until the US recognizes a National Govt for Germany, where the paintings were found in a salt mine in 1945.

Phila Inquirer editorial 7 Apr: There's an unpleasant echo of the once wearisomely familiar Japanese "so sorry" in Soviet Marshal Sokolovsky's "regrets" at Berlin after a buzzing Russian pilot sent a British transport plane and its 14 occupants, including 2 Americans, to a flaming death. The Soviet air cowboy got what he deserved in losing his own life. But the terribly grave aspect of this incident is that whether he was off on his own or under orders. His murderous performance was simply the final brass expression of the reckless folly, hatred and ruthlessness

U N C L A S S I F I E D BOX QMG-US (IT 2)

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File Incoming 1948

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

AG CABLES



INCOMING MESSAGE



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5-

REF NO: WCL-44087

ness of the Kremlin Dictators. . . . That bad and insolent game produced its inevitable result. And no formal apology can possibly excuse it. . . . And the evidence is all against the belief that in their hearts there is genuine regret among the Moscow tyrants over the Berlin air tragedy. . . . There is only one answer: World peace has been imperiled because of the weakness of the US and it cannot be restored while that weakness continues.

INFO : C/S
 POL AFF
 CAD
 OFF ECON ADV
 LEGAL
 MANPWR
 INTELL
 PIO
 INFO CONT
 CONT OFF
 MR PANUCH

AGC IN 712

8 Apr 48

GEH/gd

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Entry QMG-US

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



AG CABLES



INCOMING MESSAGE

TOO: 152002Z

CONFIDENTIAL

ECD: 160325Z Apr 48

CII-UO/IC/GD

ROUTINE

FROM : DEPT OF THE ARMY FROM OSCAD

TO : QMGUS

INFO : EUCOM

REF NO : WX-99675 CITE: ECON

REURAD July CC-9927. Request present status inventory precious stones and jewelry Frankurt Exchange Depository, progress of restitution, library, possibility further trips to IRO, estimates of items remaining after restitution and IRO tips, together with any tentative plans for disposition of same.

CC-9927, 18 JULY 48, OFF FIN ADV

ACTION : OFF FIN ADV

INFO :
 C/S
 POL AFF
 CONT OFF
 LEGAL
 CAD
 PROP DIV

ACC IN 1465

16 Apr 48

LW/gc REF NO: WX-99675

CONFIDENTIAL

Copy No

CONFIDENTIAL

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Entry QMG-US

File Incoming Cables

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By WDP NARA Date 4/21/00

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Entry OMCUS

File Incoming Cables

Box 396

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

AG CABLE CONTROL

INCOMING MESSAGE
~~CONFIDENTIAL~~

DATED 051445B

RECD 052345B JULY 46

721/05/vea

~~CONFIDENTIAL~~~~ROUTINE~~

FROM USFET SIGNED MCNARNEY

TO AGWAR, WBS, SECDEL PARIS

INFO OMCUS, USFA, ACC HUNGARY

REF NO S-6908

CITE: ETGEC

Reference your WX-93185 2 July. Finance Division OMCUS and Foreign Exchange Depository OMCUS Rear advise that no portion of train load of Jewish property looted by SS in Hungary and particularly no gold crates were transferred to Frankfurt.

WX-93185 is AGC IN 31412, 2 July 46, Info

INFORMATION

O/SS
FIN
ECON
LEGAL
POL AFF
TA&C
CONT OFF
TRANSPORT
AG RECORDS

2

AGC IN 31675 6 JULY 46 1120B JDL/vea REF NO S-6908

~~CONFIDENTIAL~~

Copy No. 2

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

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry QMG-US
File Incoming Cables
Box 3969
OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

AG CABLE CONTROL

INCOMING MESSAGE
~~SECRET~~

DATED 041745Z

RECD 050805B JULY 46
625/05/wea~~SECRET~~~~P R I O R I T Y~~

FROM : AGWAR FROM JOINT CHIEFS OF STAFF

TO : OMGUS FOR CLAY,

INFO : WBS FOR LEWIS
USFET FOR MCNARNEY
USFA FOR CLARK
ACO HUNGARY FOR KEY

REF NO : WX-93530

The following, prepared by the Department of State and received from the State, War and Navy Departments, is furnished for your information and guidance:

"Memorandum handed Prime Minister of Hungary by Acting Secretary of State June 14, 1946 contained following paragraph regarding restitution of gold:

"In view of the urgent request of the Hungarian Government for the return of the Hungarian gold now in the custody of the US Forces in order that this gold may be used for the stabilization of the Hungarian monetary system and economy, the US Government is prepared to proceed with the return to Hungary of this gold. This return is conditioned on the receipt of assurances from the Hungarian Government that it will undertake to return to the rightful owners any part of this gold which may later be established to have been looted."

"American Legation Budapest has received from Hungarian Foreign under date June 27 requested assurances in respect of gold to be returned by US authorities to Hungarian Government in accordance this memo. You are accordingly instructed to proceed immediately with return gold and, in this

AGC IN 31620

~~SECRET~~

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REF NO WX-93530

connection, to consult with Hungarian representative mentioned
American Legation Budapest's 78 June 27 in Berlin with view
expedition arranged to that end.

"For your information, gold intended is gold
of Hungarian National Bank removed by Szalaszy Government from
Hungary found by US Army in Austria now in Reichsbank depository
Frankfurt, valued at approximately 32,000,000 dollars."

ACTION	ECON
INFORMATION	O/SS-C/S POL AFF FIN LEGAL CONT OFF

ACC IN 31620 5 July 46 1025B JDL/wes REF NO WX-93530

S E C R E T

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910.12 CABLES, INCOMING, USFET

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ET-FORM 11-30
(B Oct 46)

HQ US FORCES EUROPEAN THEATER

STAFF MESSAGE CONTROL

INCOMING

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MESSAGE

file

WARZ

SECRET

USFET 006/160

TOO 151940Z JAN

DOU PINE

TOR 160337A JAN

FROM

: WAR FROM CIVIL AFFAIRS DIV

TO FOR ACTION

: USFA

TO FOR INFO

: USFET

REF NO

: WX-89757 15 JAN 47 CITE: WDSCA-ES

Revised Dec P 6356, curad Oct WX 83898, since you have established to your satisfaction Austrian National Bank former possession of 4.7 million dollars worth monetary gold at SALZBURG and fact that gold in question did not leave AUSTRIA this gold is not subject to transfer to European Gold pool under PARTS Reparations Act Part 3 para G. You are therefore duty to restore gold to Austrian Govt with appropriate ceremony. Assume informal inquiries will be made whether Austrian Govt prefers rest action now or at later date.

P-6356 SMC IN 4529 8 DEC 46 G-5
 WX-83898 SMC IN 4533 25 OCT 46 G-5

ACTION

: G-5

INFORMATION

: AG RECORDS
FISCAL
POL ADV
SOC
OMGUS (R)

SMC IN 4532 16 JAN 47 0510A PL/vgm REF NO: WX-89757

SECRET

COPY NO 24

THIS MESSAGE MAY BE HANDLED AS CORRESPONDENCE OF LIKE CLASSIFICATION WITHOUT
 PARAPHRASE AR 380-5

AGL (2) 10-46-100000-6674-36471

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9/10/90 Report - Berlin (FD) T-108

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By WDP NARA Date 4/2/00RG 260
Entry OMGUS
File Report Berlin
Box 399

8 October 1946.

File Nr. 910.90

File 910.90

REPORT ON TRIP TO BERLIN OCTOBER 6 - 8TH

BY MR. ANGOTTI

1. Left Frankfurt by plane 1400 hrs. October 7, arrived in Berlin 1600 hrs. Reported to Finance Division 0830 hrs., 7 October.
2. Checked with Mr. Christensen the rate status of Mr. Harris. Mr. Harris is now officially a CAF-9. Papers will follow in the next few days. I was advised to show my form 50 to Miss Burmeister to establish my rating of CAF-11 on OMGUS Rear records.
3. Talked to Mr. Robertson and was advised that Lt. Bowyer reported at 0830 hrs., October 7. Gave him the information regarding SOP on releases, which is to reach him from us on October 8th. Talked to him about the three enlisted men from 508th Parachute Infantry Regiment, and he advised that everything was being taken care of.
4. Attended Monday morning the Conference, starting at 1000 Hrs. The following notes were taken:
 - a. It is the Finance Division policy to restitute everything to Hungary that was taken after the Russian occupation, but nothing was to be returned while Hungary was still an enemy nation.
 - b. Property of those convicted by the Nurnberg trials is to be used for relief of persecutees.
 - c. A Congressional Investigating Committee is expected at any time. Steps should be taken for a possible inspection.
 - d. General Clay has asked that his next Saturday meeting of Division Chiefs be a gripe session. Mr. Bennett stated that this was a good opportunity to get any complaint about Military Government out in the open. Mr. Ball would like to have any complaints sent in to him by Thursday, 10 October. Mr. Bennett then said that every Monday morning conference of the Finance Division could be used to bring out gripes.
 - e. A secret matter was discussed which will be reported to Col. Brey and Mr. Gabeil verbally.

FILE NO 91090

Resume of Berlin Visit 16 - 18 February 1947**A. Subjects mentioned by Mr. Ball at Meeting
(Per announcement at General Clay's Staff Meeting)****1. Leakage of Information**

The Russians have learned in some manner that the American contingent intends to insist on bringing up at the forthcoming conference in Moscow the subject of German PW's in Russia. All branches of MG are accordingly again cautioned to prevent leakage of information.

2. International Red Cross

This organization has no official standing, is not recognized by ACC, but nevertheless is permitted to engage in certain activities. In certain respects it is in conflict with the American Red Cross and is suspected of engaging in activities outside its proper scope. Thus data merely passed on to members of MG for their information and guidance.

3. Parcel Post

Members of the Finance Division are warned by Mr. Ball (and by Mr. Robertson) that use of APC addresses to forward packages to Germans is in conflict with regulations, and that Finance Division personnel have been worst offenders. Presumably in order if names of Germans are not indicated.

4. Censoring of Mail

General Clay stated that it was his understanding that U.S. Personnel mail to States is not being censored.

5. Commissary Accounts

Mr. Ball stated that according to Col. Milburn commissary accounts not paid by the 20th of the month will be shut off. Over-purchases will also be penalized.

B. Other Matters

1. Gave Mr. Tenenbaum paper on History of E.R.D. which was requested in connection with pending Moscow Conference.

2. Interviewed Mr. Waldemar Reekow of Berliner Stadtkontor in reference to currency totals stored in Merkers Mine. Established fact that the list of such currencies previously submitted by Reekow was incorrect, also that the records now available in this connection are fragmentary and unreliable. This subject

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By WDP NARA Date 4/1/00RG 260
Entry OMOUS
File Report Berlin
Box 399

- 2 -

will be discussed in greater detail with Mr. Keller.

3. Interviewed Herrn Georg Kropp, formerly second director Reichsbank Museum, now connected with Hubertus Krankenhaus in Schlachtensee. Kropp, in the absence of records, could not give me specific data as to disposition of the Fulton coin collection but spoke freely about numismatic practice of the Reichsbank. In view of the elaborate manner in which such rare coins were spread out for display it was impractical to transport and store the entire collection in Merkers Mine. Only the choicest and rarest coins were brought to Merkers (nine bags thereof). The remainder, together with the voluminous card index record (formerly the Reppaport index record which had been maintained up to date for past seven years) survived the bombings and remained intact until fairly recently when it was removed by the Russians. In this removal, Kropp declared, the Russians disregarded his pleas to preserve the meticulous arrangement of the coins, but dumped all in random fashion into bags. He estimated it might take ten years to again identify all specimens by use of card index if latter is still intact. Kropp agreed to send us a complete written story of origin, growth and eventual disposition of the numismatic coin collection of the Reichsbank Museum. For this purpose it will be necessary for him to consult with several of his former subordinates.


FRANK J. ROBERTS

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Box 39

9/10/90

REPORT ON BERLIN TRIP, 27 OCTOBER 1947, BY MR. ANGOTTI.

1. Staff Conference.

- a. Mr. Ball said that he had attended a meeting held by General Clay on 26 October 1947 and mentioned the following:
 - (1) Discussions between U.S. and England in Washington were blocked by problem of Pounds held by U.S. in London. General Clay ordered that JERA sign no export contracts until convertibility is settled.
 - (2) Restitution Law on physical, identifiable property will be published some time in November. Central Claim Section to be set up to handle these claims either on a unilateral, bizonal or tripartite basis.
 - (3) Mr. Freeman and Mr. Conrad are in Poland, working on trade negotiations.
- b. Mr. Reinsel, Miss Miller, Mr. Aikin, Mr. Robertson, and Mr. Bender had nothing to say.
- c. Mr. Rose said that no information had been received from Switzerland regarding 50 Million Dollars held by Swiss apparently for account of Germans, ~~on which he could get no information~~.
- d. Mr. Schwarz gave me the attached list of statistical reports which are now being submitted to his office. He passed out a similar list to each Branch Chief.
- e. Mr. Ball again spoke at this point regarding the expediting of roundrobbins affecting each Branch. He cited a specific case, in which a paper took one month to go thru four Branches, and by that time the paper was meaningless. He wants particular attention paid to things of this sort.
- f. Lt. Col. Stoker spoke at great length regarding the functions of his office. He wants the Finance Division Branches to delegate men to advise him on any of his problems. It does not appear that the FED is involved.

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 Box 399

- Deerfield*
- g. When my turn came, I briefed the gathering on the preparation for delivery of gold by the FED. I also told them that the FED was delivering some 6,000 carats of diamonds to Netherlands the latter part of this week. I told them that PW payments aggregating over 100 Million Marks were in process by the Currency Section. Also, that Paymaster General Lacombe had visited the FED regarding the counterfeit ATM and that he would probably make a formal request for information to the Finance Division.
2. After the meeting, I talked to Mr. Bender and was able to get the release for the 6,000 carats, as well as the copy of cable sent by FD to Washington regarding delivery of the diamonds. I told him that, since the Depository Section is so heavily occupied with the gold delivery, it would appreciate the holding up of any requests for information for the time being unless highly urgent. Mr. Bender advised me that he had some correspondence with regard to the delivery of the gold, which would be forthcoming to FED within the next day or so. He wanted to know about the items held by various Banks in each Land, particularly as to the letters being prepared by the FED, covering collection of these items. He expressed the opinion that they should go out as early as possible.
3. Mr. Ball told me that we should furnish guards on the delivery of the gold.
- Party*
4. Halloween is being held by the Finance Division on 30 October 1947, and an invitation has been extended to each member of the FED. This party is to be held at the Harnack House.

JOSEPH A. ANCOTTI
 Head, Currency Section

Incl.:
 One list

JAA:Fi

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Entry 0MO4S
File Report Berlin
Box 391

T/M ✓/✓/W/P

30 September 1947

910.90

MR. ANGOTTI'S TRIP TO BERLIN, 29 SEPT 1947.

1. I left Frankfurt Sunday afternoon, 28 Sept 1947 at 1630 hrs by plane and arrived in Berlin 1800 hrs and registered at the Harnack House. I reported to Finance Division Monday morning at 0830 hrs. I delivered to Mr. Bender the letter on turn over of currency to IRO and talked to him briefly about bringing up the matter of the life of Currency Section with Mr. Ball.

2. I attended the staff conference, which was presided over by Mr. Ball and attended by Mr. Aikin, Mr. Reinsel, Lt. Col. Stoker, Mr. Rose, Mr. Bender, Mr. Jones, Mr. Schwarz, and Miss Miller. The meeting was very brief. Mr. Ball had no comments. Mr. Freeman advised that payments to PW's in Berlin thru Stadtkontor had started. Mr. Bender discussed the delivery of gold from the FED in connection with the gold pot. They are still awaiting definite instructions. Mr. Rose advised that eight American cars had been picked up in the Soviet Sector in Berlin on Sunday by the Russians and wanted someone to find out why. Lt. Col. Stoker talked about his shortage of help. When I was called upon, I mentioned the following:

- (a) Depository was looking over its records to determine just what belonged into the gold pot.
- (b) That we were proceeding with paper work in connection with currencies to be turned over to IRO while waiting for okay from Finance Division.
- (c) That there was pending for release 6,000 carats of diamonds to Holland and currencies to IRO.
- (d) That the Currency Section was currently processing over 100 million marks in Certificates of Credit for PW's.

3. After the meeting adjourned, I talked to Mr. Ball, with Mr. Bender present, regarding the Currency Section. I asked Mr. Ball what new activities, if any, would be assigned to it by Finance Division. Offhand he could not say, he thought possibly we might be connected with the currency reform. I then asked him how long did the Finance Division want the Currency Section to exist. He could not answer that question at the present time. I then told him that the Currency

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Box 399

Section was in process of liquidation at the time it was assigned to OMGUS and that the only new activities started since that time were payments to PW's, the custodianship of the Army marks and MG Court fines; also that we were going out of the MG Court fine business very shortly and that it might be possible to return the Army marks and payments of PW's to the Army. Mr. Ball replied by saying that we could not get rid of those activities. I then advised him that we would continue as heretofore, closing such activities as possible. He suggested that, if possible, I take on other duties as the currency activities took less and less of my time. That closed this discussion.

4. I talked to Mr. Aiken about the minting of new coins, and he advised that the way had been cleared and they would soon start the actual work.

5. I left Berlin on the 1910 train, 29 Sept., and returned to duty to-day.

S. J. Angotti
JOSEPH A. ANGOTTI
Head, Currency Section

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

(Rear Echelons)
Finance Division
Foreign Exchange Depository
APO 757

File No. 910.90

20 January 1948

XN

SUBJECT: Memorandum on Berlin trip 17-19 January 1948.
(Staff Meeting Monday, 19 January 1948).

TO : Chief, Foreign Exchange Depository.

1. Mr. Freeman attended the Saturday meeting in lieu of Mr. Ball who was otherwise engaged and said there were no new developments or announcements.
2. Mr. Freeman later announced that the JFEA is coming to Frankfurt shortly and will be housed in the right wing of the Reichsbank Building. The organization will eventually develop into an international central bank.
3. The staff meeting itself was very dull, no one having anything to say. I mentioned that the gold packing operation was scheduled to start this morning, and also mentioned that a stateside American had visited FED on behalf of E. Viehman and made arrangements to bring Viehman and documentary evidence of ownership to FED on Tuesday.
4. Had extended conversation with Messrs. Cassaday, Bender and Mrs. Kagan on gold categories, monetary, non-monetary, etc. It was finally decided to draft a new cable to Washington, including full data as to the various types of gold held in FED, i.e. coin, good delivery bullion, other bullion, all identifiable as held as bank reserve stocks, also coin and miscellaneous bullion identifiable as private property and endeavor to obtain a new definition which would embrace all categories.
5. Mr. de Kaiserlink of Restitution Branch, Economics Division, called me on phone and wanted some data from which to frame reply to letter addressed to General Clay by Polish General re Polish claim. I gave him all background material re Melmer loot, R/B Berlin gold, etc., and he finally said he thought he had enough information for his purpose. I also met Colonel Allen in connection with this discussion.
6. Asked Mr. Robertson whether any Berlin people were slated to come to Frankfurt soon who might be interested in No. 63 Friedrichstrasse billets. He said we should hold all space possible as at least seven people were coming down to stay about the end of the month and mentioned names Freeman, McCord, Stern and others which I forgot.
7. Czech claim 139-C re a lot of diamonds found to have been removed from Czech. to Idar-Oberstein was submitted to Mr. Bender and Mrs. Kagan as requested by them for examination. Subsequently they prepared cable for Washington in which turnover to IRO is suggested. Asked them to include paragraph to effect Czechs had full data on these diamonds.

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File Reports Berlin
Box 399

Memorandum on Berlin Trip.

20 January 1948

Page No. 2

8. CURRENCY SECTION.

Mr. Hagen, Extension 44-688, spoke to me about following matters which he wanted referred to Mr. Angotti:

a. Is Currency Section now prepared to make remaining small denominational notes available for use in German economy? (I gather this question came up before Christmas, was postponed until after holidays, and that Hagen has been approached again for an answer).

b. In connection with the RM currency which recently appeared with new letter prefixes, Hagen wanted to know whether any more had appeared in substantial quantity. He said Mr. Ball had asked Russians about this currency and that they had promised to let him know. No word has been received from the Russians to date but Mr. Ball did not want to bring the question up again unless this currency was appearing in quantity.

c. Hagen also said Mr. Kanneker, on a recent visit to Berlin, had informed Mr. Ball that he was considerably concerned about the safety of the currency entrusted to his care and that he felt the security measures were inadequate. I told him I would mention this to Colonel Brey.



FRANK J. ROBERTS
Head, Claims Section

Roberts:ib

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File Report Conference
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321596

Status as at 30 June 1948 of Assets held by TFD

Ship No.	Description of property	Type	Quantities	Origin	Remarks
1	Silver million	172 bars	BOR Copper mine Yugoslavia (via Markers Mine)	Restitution to Yugoslavia has been authorized and date of return never has been set.	
46	Silver Coins in Reward Report	13500 fine oz (approx)	M/S Berlin	Comprises 23 bags, 5 of which contain Marks. There is also others mixed and damaged coin various countries. Believe this coins was scheduled for remelting & use in German economy.	
20	Contents of Safe E Deposit Boxes	7 containers	Various banking offices in France (via R/B Halle)	Monetary gold has been removed and added to Gold Pot. Bond size assets are restitutable to France.	
3	Cold plates tableware and one Chalice	9 containers	Poland (via Stadt-U-Kreis-Sparkasse Hof)	Restitutable to Poland. Never has been referred to IFM&A Section or Restitution Branch for disposition.	
5	Effects 2600,000 in worth - 119 metal less bank notes containers	N/S Nordhausen as depository for Reichsbank Reichsbank Berlin	Bank of France has recommended destruction by fire. Destruction of GVA to destroy by incineration is order to salvage paper was referred to French authorities on 3 May 1948. No reply to date.		
17	Silver Coins: Yugoslav. Dinar. Romanian Lei	9223.4 kg 9059.0 kg (338 boxes)	Hungary (via R/B Ingolstadt)	TFD drafting instructions re disposition.	
18B	Personal effects of Allied PW.	20 containers	TW Camps Stalag Luft VIIIC - do do do do	These effects consist mainly of papers, money orders, checks, securities which were possible of identification as to national origin. These documents are invaluable. Listings will be prepared shortly and submitted to OPA for authorization to restitute.	
21B	do	9 containers	PW Camp	do	
21K	Silver million. millions. shot, etc.	700 kg (approx)	Reichsmint, Hanich	Officials of Reichsmint Hanich informed TFD under oath on 26 Apr 1947 that all the records and reports of the Mint were destroyed by fire on 5 Jan 1945.	

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Authority NND 77519
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321597

No.	Description of Property	Type	Quantities	Remarks
22	One lot of diamonds & semi-precious stones	one container	Czechoslovakia (14 salt bags near Stassfurt, Germany) (via R/B Regensburg)	Possible restitution to Czechoslovakia re claim 139-C. Decision pending at OPA.
26	Patinum Nodes, gewiss, etc.	80 kg (approx.)	Italy (via Reggio)	Identified as Italian property. Authorization to restitute was requested in IRS to OPA. dated 18 June 48.
26B	Silver bullion, Italy, currency, numismatic coins, etc.	19 bars silver currencies containers other assets	Czechoslovakia (via R/B Regensburg)	Disposition being studied by OPA. Material is recorded as unperf. 1000 PWD inventory items. Greater portion of assets were found in envelope bearing name & address of Czechoslovakia.
27A	2 contracts	4 boxes	Found abandoned in Austria (via 502d Parachute Infantry)	Security of the German Finance-Ministry Electrodes of a per value aggregating 70500 pesos. dated 18 June 48.
28	Securities	1 boxes	Found buried near Faure-Laxenburg by US G/C Investigators	Certificated numbers of several issues were referred to Netherlands Mission and identified.
31	Silver Bullion & strap	1100 fine oz	Found buried near Faure-Laxenburg by US G/C Investigators	Believed to have been buried by Nazi agents together with other valuable assets Identified as formerly held by R/D Berlin and completely removed during last stages of war.
32A	Silver Sheet	200000 (100 kg)	Unknown	Delivered to XXI Corps Artillery, ACO 101.
32C	Securities	2,000,000 shs "Concordia" 65,000 shs "Compania" (approx.)	Found by Austrian forces in Dolitsch, Germany.	All shares have been inventoried by FID. On file have been filed by Belgium, France and Roumania. The last mentioned however having withdrawn their claim on 10 June 1948. Decision is pending by FID as to manner of disposition as per IRS to OPA. dated 19 April 1948.
39	Securities	2 boxes, value RM 212,000,000.	Germany	Stated to have been deposited at the Elsterber by the Finance-Ministry of the State of Saxony for safekeeping.

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By WDP NARA Date 4/21/00RG 260
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Box 399

321598

Ship. No.	Description of Property Type	Quantities	Comments
440	Silver Bullion	4400 fine oz (approx)	Germany (Russian Zone) under Law 53 Manner of disposal not decided.
47	Industrial diamonds	150,000 carats (approx)	Rogos (via R/S Niemann) Not yet investigated.
528	Personal effects Concentration Camp Victims	5 containers	Inmates of Dachau Concentration Camp. Identification completed as far as possible. Representatives of various missions scheduled to visit FED and take delivery of assets against receipt.
53	Silver Bullion	1200 fine oz (approx)	Germany (Russian Zone) under Law 53 Manner of disposal not decided.
560	Silver Bullion	77,000 kg (approx)	Degussa Identified as property of Degussa, Frankfurt. A representative of NSDAP. Restitution Control Branch was consulted as to existing claims re securities and replied to effect all securities should be treated in accordance with Memorandum No. 10 dated 23 Oct 47. Appear to be looted securities.
57	Securities	10 Pags	Believed looted from France & Luxembourg; brought to FED from Dresdner Bank Historical data disclosed securities were brought to Germany by Schreiber, a representative of NSDAP. Restitution Control Branch was consulted as to existing claims re securities and replied to effect all securities should be treated in accordance with Memorandum No. 10 dated 23 Oct 47. Appear to be looted securities.
61	Currency	1 box	Pierre Laval Restitution dependent on surrender of receipt given to Laval by US Military at time of turnover. French have been advised accordingly.
64	Diamonds & Jewlery	3 boxes	Erich Viehman, German national Data concerning identification of assets as property of Viehman was submitted to OPA on 19 March 1948.
70	Jewlery	1 box	Taken from Burns Coering Legal Division advises release to be effected on 13 July 48 approved by C/Staff.
76	Silversware & Jewlery	1 box	Property of Eva Braun do.

Bills to Gov. Sub-Accounts held pending investigation.

On instructions to take disposition.

Germar P.V.

do Unrestricted by funds 31 (box 3)

Billed in currency for a/c provost marshal
box number currencyAction 278
Currency Advanced Military Funds 1715do German Printing Plates 84 tone
(reduced)Consequently, money held pending investigation
was deposited to O.A. No instructions as to 1715on account of currenty, money held pending investigation
was deposited to O.A. No instructions as to 1715

do German P.V. 6

do German Printing Plates 84 tone
(reduced)

do German P.V. 6

Furniture

List - Description of Property
Quantity

Date

do Various Countries

REPRODUCED AT THE NATIONAL ARCHIVES

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Authority NND 775119
By WDP NARA Date 4/24/00

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Entry 0M04S
File LAW53
Box 395

900 164 - LAW53

321600

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Authority NND 775119
By WDP NARA Date 4/21/00

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Entry DMQUS

File LAW 53

Box 395

File M.700-144

FILE NO 900.61

HEADQUARTERS
U. S. FORCES EUROPEAN THEATER
G-5 Division
Financial Branch

GE-FIN 123.7-1

(Main) APO 757
28 September 1945

SUBJECT: Recommendation for Transmittal of Foreign Exchange to Depository.

TO : Chief, Financial Branch, G-5 Division, United States Forces European Theater.

1. Under the provisions of Military Government Law No. 53 certain specified types of foreign exchange assets are required to be listed on Report Form MGAX (2) and delivered against receipt to the nearest branch of the Reichsbank.

2. By authority of Para 3b, Page 114, Administration of Military Government in the U. S. Zone, dated 7 July 1945, foreign exchange assets were sent to Foreign Exchange Depository, former Reichsbank Building, Frankfurt.

3. On 10 August 1945, a cable was dispatched directing that only sizeable amounts of such foreign exchange would be delivered to this depository until further notice, pending the decision as to the ultimate disposition of foreign exchange held in the Reichsbanks.

4. This Section and the Foreign Exchange and Blocking Control Section have discussed at length the advisability of requiring the transfer to Frankfurt of all foreign exchange assets delivered to the various branches of the Reichsbank under Military Government Law No. 53. A study of the problem reveals that the aggregate amount of all foreign exchange delivered is of such physical proportions as to make storage in our vaults a practical impossibility. Moreover, the transfer to Frankfurt of such assets at this time would not appear to serve any useful purpose especially since detailed reports giving the description and location of all foreign exchange delivered will be forwarded to Frankfurt on Form MGAX (2). It is therefore recommended that only those classes of foreign exchange listed below should be required to be transferred to this Depository:

- a. Gold and platinum bullion and alloys thereof
- German and/or* *an intrinsic value*
B. Foreign gold and silver coins having an aggregate face value
of the equivalent of \$500 or more
of approximately
- c. German gold and silver coins having an aggregate face value
of RM 10,000 or more

5. Reichsbankstellen and Reichsbankenstellen having less than fixed minimum of gold and silver coins will, under supervision of military government, consolidate their holdings with the appropriate Reichsbank-Hauptstelle. When the consolidated total falls below the minimum fixed in

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By WDP NARA Date 4/21/00RG 260
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4(b) and (c) hereof or reasonable combinations thereof, the coins will be held at the Reichsbankhaupstelle or at the receiving branch and a consolidated summary by each Reichsbankhaupstelle forwarded to the Currency Section, Financial Branch, G-5, USFET, for instructions.

6. Gold or platinum units of which 80% or more of the value thereof arises from the gold or platinum content will be considered as bullion.

7. The regular Currency Branch receipts will be given to the officer or other person making delivery of the foreign exchange. Report Form MGAX (2) will not accompany the shipments.

8. No provision for filing, processing or analyzing Forms MGAX (2) or data accompanying them will be made by the Currency Section. These reports will be the responsibility of the Foreign Exchange and Blocking Control Section.

9. The foregoing procedure was discussed and agreed to by Messrs. Fox, Bennett and Banning of the Foreign Exchange and Blocking Control Section and Major Jesser and Lt. Borman of the Currency Section. If this procedure meets with your approval, it is requested that the attached cable be dispatched.

H. D. CRAGON
Lt. Col., FD
Chief, Currency Section

l Incl as stated

EAJ/leh

*When intrinsic value of the coins
is less than approximately \$500*

321602

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Authority NND 775119
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Entry OMOUS

File LAW 53

Box 395

L.N. - Please folder up other
than the balance shipments.

Frankfurt/Main, 20 August 1946

GPA/61

File Nr. ~~90001~~

Suggestions concerning Assets
acquired by operation of Law 53

1. In a letter dated 19 November 1945 (Shipment-Folder 74) from the Division of Investigation of Cartels and External Assets -John A. Banning, Acting Assistant Director- to Mr. Joseph M. Dodge, Director, Finance Division, authority is requested to procure from Reichsbank-vault all MGAX (Law 53) reports erroneously attached to the securities deposited in the vault. These reports it was explained were being urgently requested by the U.S. Census Section, External Assets Census Branch.

In reply dated 27 November 1945 (Shipment-Folder 74) Lt. Col. Cragon, Chief Currency Branch - Finance Division, stated that lack of personnel made it impossible to search all shipments for MGAX-forms, but that -according to an agreement with Mr. John A. Banning- only those reports from Wesermunde attached to securities in shipment 74, would suffice for the time being. The last-mentioned reports were subsequently sent as requested.

The recent examination of shipment-folders reveals, that in several cases bundles of MGAX-reports are still attached to the related correspondence. It may therefore be pertinent, to ascertain by a further inquiry at this time, whether the U.S. Census Section, External Assets Census Branch, still desires these reports. As they were prepared in triplicate it is possible of course that this Section has already obtained duplicate reports direct from the Reichsbank-branches. Records of Law 53 assets are to be found in shipment-folders 34 (Reichsbank Dessau und Eisleben), 36 (Reichsbank Eisenach), 43 (Reichsbank Zeitz), 44 (Reichsbank Weimar), 47 (Reichsbank Ilmenau). All these Reichsbank-branches now are situated in the Russian zone.

2. Future disposition of assets acquired in accordance with Law 53 may perhaps be expedited by segregating and separately recording such of the assets as can be so identified. There is reason for supposing that a good deal of those valuables in all shipments brought from Reichsbank-branches fall under Law 53. The proposed arrangement seems desirable in view of the likelihood that a single directive will govern the ultimate disposition of all deliveries under Law 53.

A. THOMS.

321603

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AUTHORITY NND 775/19

By WDP NARA Date 4/21/00

RG 260

Entry CMQUS

File LAW 53

Box 395

M
IC N 900.164

4 March 1948

SUBJECT: Disposition of Law 53 Assets in P.E.D.

TO : Mr. Jack Bennett, Finance Advisor,
Office of the Finance Advisor, CMQUS,
APO 742, U.S. Army, Berlin

1. It is desired to make some disposition of the Law 53 deposits held in P.E.D. The attached letter 2 Oct 1947, Finance Division, and our reply 9 Oct 1947 provides some background. It was last understood that Finance Division was to issue P.E.D. disposal instructions based generally on the attached documents (except Fin.Div. felt that silver coin should be retained at P.E.D.) but no instructions were received.

2. U.S. Zone Banks:

a. We feel that shipments received from banks now in U.S. Zone, should be returned to such banks substantially intact, as soon as possible and before any action is taken to dispose of Law 53 assets held by German banks. This would place all 53 assets and accounting therefore in the banks and eliminate the present F.E.B. - Land Central Bank divided situation. Disposition of 53 assets could then be uniformly handled by German banks. The U.S. Zone Banks should take delivery at P.E.D. after checking to extent necessary to give us an unconditional and full receipt.

b. The banks for which we desire your approval to proceed are:

Stadt & Kreiswerkbank, Hof.
Reichsbank Bremen
Reichsbank Frankfurt/Main
Reichsbank Tuebingen
Reichsbank Nuernberg
Reichsbank Munich
Reichsbank Regensburg
Reichsbankstelle Hersfeld
Reichsbankstelle Fulda
Reichsbank Schweinfurt
Reichsbank Aschaffenburg
Reichsbank Bremen
Reichsbank Augsburg
Reichsbank Erlangen
Reichsbank Fulda

321604

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Authority NND 775119

By WDP NARA Date 4/1/00

RG 260

Entry OMAIS

File 50W53

Box 395

- 2 -

c. We would return to the above banks the ordinary and usual items deposited under Law 59, such as currencies, securities, silver coin. We would not return items on which restitution by us is pending or apparently possible, unusual items such as suitcases of currency, items apparently looted, bulk lots of diamonds, precious metals. Despite these exceptions, difficult to fully enumerate and which can only arise at the time of turnover, we feel that the bulk of the Law 59 assets could be returned to the above banks.

3. Soviet Zone Banks:

a. We feel that the shipments received from banks now in the Soviet Zone should be deposited by P.E.D. in some L.C.B. now in the U.S. Zone (preferably Frankfurt or Wiesbaden). The preparation of MTA forms, the physical checking and turnover, to be done at P.E.D. by and with the receiving bank.

b. The general principles in 2c to apply.

c. Separate vault space in P.E.D., under lock of the receiving bank, could be made available. Thus P.E.D. would be discharged of its accounting and handling responsibility, and this step would accomplish this discharge.

d. Your consideration of these proposals would be appreciated with a view to our receipt or your authorization to go ahead with this disposal program.

Tel.: Frankfurt 21191

Incis.:

1. - Ltr Fin Div. 2 Oct 47
2. - IRS P.E.D. 9 Oct 47

WILLIAM G. BREY,
Colonel, GSC,
Chief, Foreign Exchange Depository

321605

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Authority NND 775119

By WDP NARA Date 4/21/00

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Entry OMGUSFile LAW 53Box 395

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

Finance Division

APO 742

2 OCT 1947

b6d

SUBJECT: Deposits Under Law 53 in the Foreign Exchange Depository.

TO: Foreign Exchange Depository
Finance Division
OMGUS (Rear) USEFT
APO #757, U. S. Army

1. This Division has been informed that certain problems have arisen due to deposits under Law No. 53 which are being held in your custody.

2. It is understood that you have the following four lots, and your comments are requested with respect to the following recommended action:

Munich
a. Bremen. It is suggested that this shipment be returned to the Land Central Bank, Bremen, since they have to prepare additional information, as to the serial numbers and ownership of certain security deposits, for the MGAX(2) tabulation, and it is understood to entail difficulties for you to have German personnel obtain this information on your premises.

Frankfurt
b. Fulda. It is suggested that this shipment be returned to the Land Central Bank Branch, Fulda, with instructions that the bank advise the Foreign Exchange & Blocking Control Branch whether or not the shipment has previously been reported on form MGAX(2), and in case it has not been reported to forward the necessary forms MGAX(2) to Foreign Exchange and Blocking Control Branch.

Munich
c. Garmisch. It is suggested that this deposit be transferred to the Land Central Bank, Munich, with instructions that the bank advise Foreign Exchange and Blocking Control Branch whether or not the shipment has previously been reported on form MGAX(2), and in case it has not been reported to forward the necessary forms MGAX(2) to Foreign Exchange and Blocking Control Branch.

Frankfurt
d. As to the deposits from the Reichsbanks in territory previously occupied by the American Forces and removed upon withdrawal of the American Forces from the present Soviet Zone. It is suggested that you deposit same with the Land Central Bank in Frankfurt, and that the Land Central Bank in Frankfurt treat such deposits as its own, preparing the necessary forms MGAX(2). At the earliest, they will submit these

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forms in detail, including the serial number of the securities, to Foreign Exchange and Blocking Control Branch. The Land Central Bank in Frankfurt is to handle these deposits in the same manner as though they were delivered to the Land Central Bank as a deposit the owner of which is a resident of a zone other than the U. S. Zone of Occupation.

Tel: BERLIN 43094


J. FISHER FREEMAN
Deputy Director

CONFIDENTIAL

321607

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMAUS
File LAW 53
Box 3951
960-901

Deposits under Law 53 in the Foreign Exchange Depository

9 October 1947

1. Chief Deputy 9 Oct
F.E.D.Dir. 1947
OMGUS Fin.
Rear Div.

APO OMGUS

757 APO

742

1. Reference is made to your letter of
2 October 1947 in compliance with which the
following comments are submitted with respect to
the proposed action.

2. Your Paragraph 2a and 2b. We concur in
your suggestion that these shipments from the
U.S. Zone be returned as proposed. For your in-
formation these shipments are described as
follows - and such description would form our sole basis for a receipt,
inasmuch as they have not yet been inventoried by us.

a. Bremen - Shipment No. 74
Received from Reichsbank Bremen 1 November 1945

299 bags said to contain 5 RM silver pieces
28 bags said to contain various coins
20 bags said to contain currency
82 packages said to contain various papers
and/or currency

b. Fulda - Shipment No. 63
Received from Reichsbank Fulda 24 August 1945

22 bags currency
1 bag coins
15 bags German coin
20 packages securities

3. a. In general, we concur in the return
of assets deposited under Law 53, to the German Reichsbanks in the
U.S. Zone from which they were received. While the inventory of these
assets entails no particular difficulty at FED, such inventory might
be expedited by the Reichsbanks doing this work. Also if most of the
Law 53 assets are now held in the Reichsbanks it is impractical for
FED to hold and process only a small portion of them.

b. Further, in 1945 it was the intention
to use the FED as a depository for all Law 53 assets. The fulfillment
of this plan was interrupted by the redeployment program. In the
meantime, the policy was changed so that FED was to receive from
Reichsbanks only certain classes of assets as ordered by FE and BC.

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Entry OMAUS

File LAW 53

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such, for marshalling and disposition to recipients (e.g. foreign currency or monetary gold). We believe that Law 53 assets held by FED, if now returned to the Reichsbanks, would make later implementation of the latter policy more practical.

c. Attention is here invited to Para 6.

d. We wish to point out that the U.S. Forces et al have held the Law 53 assets in question since 1945 and the major portion is uninventoried by the custodians. If these assets are to be returned without such a US inventory, some protection should be afforded both past and present US custodial and responsible personnel against claims of loss. Perhaps this could be accomplished by requiring the receiving Reichsbank to check the assets on FED premises and giving an unqualified receipt to us before the assets leave our custody.

4. Your 2c Garmisch. It is presumed that this refers to Shipment No 57 received on 30 July 1945. We quote below information on this shipment from our historical file:

"Items A and B from Garmisch, item C from Munich.

Item A being 1 wooden box said to contain uncounted British Sterling Pound notes

Item B being 15 bags said to contain uncounted British silver coins. The above two items had been stored in the Stadtsparkasse Garmisch and found by Lt. Col. Baker of the English Army. Records indicate the money was taken from British deceased aviators.

Item C being 10 packages said to contain foreign securities.

This item was found in the bank vaults of the Dresdner Bank in Munich. They were placed there by Kurt Hellman, assistant of Geschaeftsfuehrer Schreyer and a letter indicated the securities to be the property of the NSDAP. The securities are believed to be mostly bonds and stock shares unregistered in France, Belgium and Luxembourg."

In view of the foregoing, this shipment has not been classified by us as "Law 53". If this is the shipment to which you refer, it is suggested that it remain in the FED and be subject to the normal process of inventory.

5. a. Your 2d "deposits from Reichsbanks in Russian Zone"; a list of shipments in this category is attached, divided into those shipments which have already been inventoried and those which have not.

b. It is pointed out, if those shipments which have not been inventoried are removed from the custody of the FED, that unless FE & EC already have MGAX (2) forms covering these shipments and have assured themselves of the contents, there will be no control over the reports which may be filed by the Frankfurt Landeszentralbank.

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Deposits under Law 53 in the Foreign Exchange Depository 9 October 1947

(Cont'd -3-)

c. With regard to those shipments in this category, which have already been inventoried by the FED, it would seem that a further inventory of the same by the Landeszentralbank of Frankfurt would be a duplication and therefore unnecessary, since information concerning them is available at the FED.

d. Accordingly it is suggested that action recommended in Para 2d be deferred at this time for further study of the problem.

6. a. There are additional Shipments from the US Zone which are not mentioned in your letter. They are:

Law 53 Shipments from U.S. Zone

Shipment 13 received from IG Farben Co. Frankfurt/Main on 3 May 1945 -
1 box foreign currency (suggest that this might be delivered to Landeszentralbank Frankfurt/Main)

Shipment 62 received from Reichsbank Hersfeld on 24 August 1945 -
1 bag miscellaneous currency and securities

Shipment 65 received from Reichsbank Schweinfurt on 25 September 1945 -
78 bags 2 RM silver coins
284 bags 5 RM silver coins

Shipment 66 received from Reichsbank Euerzburg on 27 September 1945 -
23 boxes 5 RM silver coins

Shipment 67 received from Reichsbank Aschaffenburg on 28 September 1945 -
20 boxes 5 RM silver coins

Shipment 68 A received from Reichsbank Aschaffenburg on 28 Sept. 1945 -
6 boxes 2 RM silver coins

Shipment 68 B received from Reichsbank Wuerzburg on 28 September 1945 -
7 boxes 2 RM silver coins
1 box other silver RM coins

With the exception of Shipment 13, the inventory of the other shipments has not been completed by FED.

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(Cont'd -4-)

b. It is suggested that these shipments be included in any final instructions for action.

7. We would appreciate receiving a preliminary draft of instructions pertaining to the disposition of these Law 53 assets, before they are issued to us in final action form.

WILLIAM G. BREY
Colonel, GSC
Chief, Foreign Exchange Depository

WGB/D
Tel. Frankfurt 33225

Incl.
List of Shipments from Russian Zone

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Authority NND 775119

By WDP NARA Date 4/21/00

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Entry OMAGS

File TAWSB

Box 395

Law 53 Shipments from Russian ZoneUninventoried

<u>Shipt.</u> <u>No.</u>	<u>From</u>	<u>Date</u>	<u>Contents</u>
43A	Reichsbank <u>Weissenfels</u>	29 June 1945	1 bag currency, coins and securities
43B	Reichsbank <u>Zeitz</u>	29 June 1945	8 bags RM silver coins 1 bag coin currency and securities
44	Reichsbank <u>Weimar</u>	30 June 1945	8 bags silver coins 2 boxes foreign currency and securities
45	Reichsbank <u>Leipzig</u>	30 June 1945	44 boxes securities and currency 1 bag silver coins
46	Reichsbank <u>Greiz</u>	3 July 1945	1 tin box foreign currency 1 paper box foreign currency 3 packages foreign currency 348 bags German silver coins
53	Reichsbanks <u>Erfurt</u> and <u>Muehlhausen</u> (through Reichsbank <u>Eschwege</u>)	11 July 1945	126 bags securities & currency 11 cardboard cartons currency and securities 1 folder (MGAX forms) 7 bars silver 1 bag coins 180 bags German coins 3 wooden boxes currency 1 bag currency & coin

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 Entry OMAUS
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 Box 395

LAW 53 Shipments from Russian ZoneInventoried

<u>Apt.</u>	<u>From</u>	<u>Date</u>	<u>Contents</u>
25	<u>Reichsbank Halle</u>	8 June 1945	77 bags German 5 RM coins 19 " " 2 " " 3 packages securities and currency
33	<u>Reichsbank Leipzig</u>	22 June 1945	32 boxes, 2 bags and 1 package securities & currency
34A	<u>Reichsbank Koethen</u>	23 June 1945	3 bags currency 28 small gold bars
34B	<u>Reichsbank Dessau</u>	23 June 1945	9 bags coins 17 bags and 4 boxes currency
34D	<u>Mansfield Copper Mining Co. Eisleben</u>	23 June 1945	approximately 16.654.015 kgs silver shot 3 bottles silver granaries 3 bottles platinum 4 leaves gold
34E	<u>Bitterfeld</u>	23 June 1945	bonds, coins and 751 grams fine gold
35	<u>Reichsbank Nordhausen</u>	23 June 1945	2 bags currency, gold coins and securities
36	<u>Reichsbank Eisenach</u>	23 June 1945	4 bags currency 2 packages currency & securities 1 envelope of securities 1 bag currency & securities
	<u>Reichsbank Schmalkalden</u>	25 June 1945	3 envelopes currency and securities
	<u>Reichsbank Suhl</u>	25 June 1945	1 bag currency and securities
	<u>Reichsbank Hamburg</u>	22 June 1945	4 boxes currency & securities
	<u>Reichsbank Jena</u>	26 June 1945	40 bags silver RM coins 1 bag currency

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Entry OMAUS

File LAW 53

Box 395

Law 53 Shipments from Russian ZoneInventoried

<u>Shipt.</u> <u>No.</u>	<u>From</u>	<u>Date</u>	<u>Contents</u>
41A	Reichsbank Sonneberg	28 June 1945	21 bags 5 RM coins
41B	" "	" "	111 bags 2 RM coins
41C	" "	" "	445 small bags 5 RM coins
41D	" "	" "	7 bags silver bullion (kilograms 135.204)
41E	" "	" "	1 bag coins
42A	Reichsbank Zwickau	29 June 1945	1 box currency & securities
42B	Reichsbank Crimmitschau	29 June 1945	2 bags gold & silver coins 4 bags foreign currency
42C	Reichsbank Werdau	29 June 1945	4 bags foreign currency and coin
42D	Reichsbank Gera	29 June 1945	1 bag gold coins
42E	Reichsbank Merane	29 June 1945	1 bag currency, securities and coins
46	Landkreis Schleiz	1 July 1945	235 bags German silver coins 3 bags various coins includ- ing gold
47	Reichsbank Gotha (see history except attached regard- ing possible restitutability of diamonds)	3 July 1945	1 bag foreign currency 1 bag foreign currency and coins
49	Reichsbank Saalfeld	3 July 1945	1 metal case & 1 sack foreign currency & coins
			6 boxes platinum
			5 bags currency & coin
			3 cartons currency & coin
			1 folder (MGAK (2) forms)
			1 large box industrial diamonds and tools
			1 envelope foreign currency
			6 bags silver coin

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Authority NND 775119

By WDP NARA Date 4/21/00

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Entry 0MOUS

File 7AWIS3

Box 395

Law 53 Shipments from Russian ZoneInventoried

<u>Shipt.</u> <u>No.</u>	<u>From</u>	<u>Date</u>	<u>Contents</u>
50F	MG Det. A I A I Reichsbank <u>Eisleben</u>	6 July 1945	1 envelope currency & coins (some belonging to Nazi party or affiliated organizations)
58	Reichsbank <u>Weimar</u>	31 July 1945	1 bag coins 1 box foreign currency and securities

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Authority NND 775119
By WDP NARA Date 4/21/00

RG 260

Entry 0maus

File ZAW 53

Box 395

Part of Historical File, Shipment No. 47

25 June 1945

SUBJECT: Report on Industrial Diamonds Found at Stutzenbach

TO : Acting Director, Finance Division, U.S. Group C.C.

1. It was reported to me on 23 June by 1st Lt. R. V. Stokes (acting fiscal officer of the Provisional Detachment I S C 9, located at Arnstadt), that a quantity of industrial diamonds had been reported by Max Uhlig, Chief of the Industrial Diamond Section of the Reichsstelle fuer Edelmetalle, now located at Stutzenbach. Uhlig was uncertain if these diamonds should be turned in as foreign exchange assets, but on the advice of Lt. Stokes they had been deposited at the nebenstelle of the Reichsbank at Ilmenau pending instructions concerning their disposition. They consisted of three metal safe deposit boxes said to contain industrial diamonds, one card-board box sealed by Uhlig in the presence of Lt. Stokes, and two small card boxes of diamond tools.

2. In company with Lt. Stokes a trip was made to Stutzenbach and interviews were had with Uhlig, Hermann Forkel (Reichsbeauftraeger fuer Edelmetalle), Hellmuth Schlaeffer (deputy of Forkel), and other officials of that office located there. An additional package (said to contain diamonds) and an additional package (said to contain diamond tools) were turned over to us by Uhlig. Throughout detailed questioning, he insisted that these were all the diamonds of which he knew the location. He claimed he had intended to turn them in also with the others, but in the excitement of getting them together, the box of diamonds and diamond tools had been overlooked. The two additional boxes were deposited the same day, with those turned in the day before, in the nebenstelle of the Reichsbank at Ilmenau and the safe containing them resealed.

3. The value of the diamonds and diamond tools thus deposited is not known. They were said to be good quality stones and the boxes may contain as many as 150,000 carats. The diamond tools were taken from a man who had been using them illegally in Leipzig. The man was promised payment for them, but 28,000 marks were still owed him. Uhlig estimated the diamonds as having a value of 3 to 5 million RM, although in a free sale at the present time they might bring as much

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By WDP NARA Date 4/21/00

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Entry OMAUS

File LAW 53

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as 8 or 9 million RM. The inventory of the diamonds was made before they were evacuated from Berlin, but it had been burned along with all other secret papers on the approach of the American troops, in accordance with instructions.

4. The diamonds had been evacuated from Berlin to Stutzenbach in March, 1945, where they had been kept in the room occupied by Uhlig, under his bed. The diamonds had come from a diamond pool maintained by ROGES (Rohstoff Handels Gesellschaft G.m.b.H.) of Berlin. They had formerly been kept by WIFO (Wirtschafts Forschungs Gesellschaft), but due to irregularities this function had been transferred to ROGES in 1941. The diamonds were used to replenish inventories of merchants and firms using industrial diamonds under licenses issued by the Reichsstelle fuer Edelmetalle.

5. It was impossible to obtain from the officials questioned details concerning the stock ownership of ROGES, who owned the diamonds. It was controlled by the Reichs Economics Ministry. The chairman of the board of directors was a Ministerial Direktor from the Economics Ministry, and Forkel assumed that the Ministry owned the stock. The Reichsstelle fuer Edelmetalle did not own rare metals or diamonds. It was merely a licensing agency.

6. Max Uhlig was not a career civil servant. He had been a diamond merchant and was an employee of the Reichsstelle fuer Technische Erzeugnisse, but this agency was transferred in June 1943 to the Reichsstelle fuer Edelmetalle on the order of the Ministry of Armaments Productions (Ruestungsministerium). He claims never to have been a member of the NSDAP. One of the men under him in the Diamond Section was a party member, as was Forkel and numerous other employees.

7. Large numbers of diamonds were used in industry - about 20,000 to 25,000 per month (in carats). The diamonds came from various sources and were graded by ROGES and intermingled by grades, and it would be impossible to identify the diamonds from any one source. The invoices of the diamonds purchased during the war had been burned.

8. Before the war industrial diamonds had been purchased largely in England and Belgium. The English house dealt with was L. M. Van Moppes & Sons, 14 Charterhouse Street, London, E.C. 1. After the war the diamonds came from two chief sources. The first was the result of an agreement negotiated in the spring or summer of 1945 with Fourniere in Brussels. The bulk of the diamonds came from this source.

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The second source was various shady characters in France (smugglers and blackmarket dealers) who sold in small lots of around 1,000 carats each. These latter sold the diamonds during the occupation of France and the prices paid were very high, several times the prices paid before the war. Some of these diamonds came from bridles of horses, others from objects of religious art.

9. The negotiations with Fourniere were conducted on the German side by the following: A man named Schoen from the Military Government of Belgium and Northern France, Dr. Wahner from the Reichsstelle fuer Technische Erzeugnisse; Joh. Urbanek, a diamond dealer formerly on Baumweg, Frankfurt a.M., now in Hainstadt a.M. near Wuerzburg. The payment was by bank transfer in Belgian francs. The diamonds had been shipped from Belgium to France, and were then brought back to Belgium, but they were under the same ownership (Fourniere) all the time. They were large diamonds from the Congo. The price paid for these diamonds was more than before the war. It was the established market price as of May, 1940, but was of course much less than the Black Market price.

10. A few diamonds came from Brazil, even during the war. Information is lacking concerning how they were shipped or even through which countries they came.

11. At the time the diamonds were evacuated from Berlin ROGES also evacuated some rare metals, Gold and Platinum. Valises and Brief cases containing these were deposited in the Reichsbanks at Ilmenau and at Erfurt. These items had been forwarded by the Ilmenau Reichsbank to Arnstadt for disposition by Military Government. No check was made of the disposition of the Erfurt deposits.

12. The Reichsstelle fuer Edelmetalle had nothing to do with Radium. The list of firms using precious metals had probably been burned - it was not available. However, the register listing the firms to whom licenses were granted was secured, as were the cards showing the acquisitions and withdrawals from the refineries. It was estimated that the total amount of gold in the refineries, in addition to operating stock was less than 1,000 kg and this was spread among 25 to 30 refineries. They did not have enough to satisfy the authorization for use issued by the Reichsstelle.

13. The Reichs commissioner for the government of occupied Netherlands had ordered the collection of all polished diamonds in that country to Arnhem. At the time the Allied advanced on that city, the diamonds were brought to Berlin

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where they were deposited in the Reichsbank vaults for the account of the Commissioner. They were there sorted and weighed and the weights compared with those given in the records of the diamond bureau in Amsterdam. It is thought that there were originally about 18,000 carats. About 1,000 carats were sold in Berlin. The car that brought the industrial diamonds to Stutzenbach was thought to have brought the polished diamonds to Stassfurt, south of Magdeburg. The car stopped there for some little time, and presumably Dr. Heraeus (deputy Ruestungs Commissioner) who was in charge, left the diamonds there. It is not known where, but it is possible they were left in Leopoldshalle which is just across the river. This information has been reported to Captain R. W. Trottier of the Military Government Detachment I 9 B 9 at Bernburg which has charge of Leopoldshalle, who promised to relay the report to the British detachment in charge of Stassfurt.

14. The facts with respect to the industrial diamonds were reported to Major Jesser and also to the finance officer of the Thuringia provincial team. From the latter it was learned that the valises deposited at Erfurt had been evacuated.

RODNEY L. MOTT
Lt. Col. GSC
Public Finance Branch

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Authority NND 775119
 By WDP NARA Date 4/21/00

RG 260
 Entry OMAUS
 File LAW 53
 Box PPS

FOREIGN EXCHANGE DEPOSITORY-FRANKFURT

900.164

Law 53 Assets.

13 February 1948

Chief Mr. T.H. 12
 FED Ball, Feb
 Director 1948
 Finance
 Division
 OMGUS,
 Berlin.

1. Foreign Exchange Depository is holding various assets, as our Shipment No. 74, received from the Reichsbank Bremen in November 1945. This shipment, among other similar ones, was received in the Foreign Exchange Depository under a plan (since abandoned) to collect all Law 53 assets in a central depository.

2. The matter of returning such shipments to the Reichsbank from which received has been discussed over the past year and at our last conference with Mr. Freeman, he approved such a plan. The idea of returning these shipments was originally advanced by Mr. Freeman and concurred in by us.

3. We would now like to go ahead with this and desire your approval to proceed under the following general plan:

a. Our objective would be to return to the U. S. Zone Reichsbank all assets which we previously received from them. We would obtain from said Reichsbank a complete and unconditional receipt.

b. The Reichsbank would be instructed to send representatives to the Foreign Exchange Depository for the purpose of accepting the turn-over, said representatives to inventory or check such assets under our security supervision. All such assets to be returned.

c. We would like to start with the Reichsbank Bremen, and to arrange this turn-over with the officials of that bank as soon as possible. This shipment has not been inventoried by us.

4. Recommend your favorable consideration and early decision.

WILLIAM G. BREY
 Colonel, GSC
 Chief, Foreign Exchange Depository

Frankfurt Red Line 61
 or 21-191

321620

REPRODUCED AT THE NATIONAL ARCHIVES

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Authority NND 775119

By WDP NARA Date 4/21/00

RG 260

Entry OMAQS

File Title 17, PropControl

Box 395

600 152 - Title 17,

Dorothy Gandy

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry OMGUS
File Title 17 Prop Control
Box 393

Inclosure 1 to CS fr ED to CO
dtd 18 Dec 1946

17-382 Foreign Exchange Depository -

Property obtained through duress, looting or confiscation, which is now or hereafter placed in the custody of the Foreign Exchange Depository, will not be subject to the provisions of Title 17.

17-403 - Currency Abandoned by or Captured from Enemy Forces -

Currency abandoned by or captured from enemy forces generally constitutes "booty" according to rules of land warfare. OAIs will not take such currency into Property Control, but will turn it over to a U.S. Army Disbursing Officer for disposition. If not acceptable by a U.S. Army Disbursing Officer such currency should be delivered to the Currency Section, Foreign Exchange Depository, OMGUS//Rear/, APO 757, against receipt.

17-503.2 /h/ -

Add "Foreign Exchange Depository" to list of liaison contacts.

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By WDP NARA Date 4/21/00

RG 260

Entry DMAS

File Title 17 Prop Control

Box 395

TO : FOR EXCH. DEPOSITORY

RECORDED revision of title 17 AGO

File Nr. 900.152

40 17 6
JAN
47ATTCT. PD. 17. MAIL ROOM,
ROOM 4073, DIRECTOR'S BUILDING.

1. ACCORDING TO RECOMMENDATION

- a. CARRIER SHEET TO PD, AGO 11 Oct 46
WITH ENCLOSURE.
- b. CARRIER SHEET TO PD, AGO 20 Oct 46
WITH ENCLOSURE.
- c. CARRIER SHEET TO PD, AGO 14 Nov 46
WITH ENCLOSURE.
- d. CARRIER SHEET TO PD, AGO 16 Dec 46
WITH ENCLOSURE.
- e. CARRIER SHEET TO PD, AGO 23 Dec 46.

2. PURSUANT TO A FURTHER CONFERENCE WITH
THE LEGAL DIVISION, PD HAS AGREED TO NAME THE FOLLOWING CHARGE TO
TITLE 17:

PAGE 37 17-403

TO READ AS FOLLOWS:

ALL PROPERTY HELD BY OR CAPTURED FROM ENEMY
FORCES, UNFORTUNATELY ACQUIRED BY AN ENEMY FORCE
WHICH IS NOT SPECIFICALLY DESIGNATED AS BEING
IN THE RULES OF LAND WARFARE. THIS WILL NOT TELL
SUCH PROPERTY INTO PROPERTY CONTROL AND WILL TURN
IT OVER TO THE COMPTPT. CO. NO. 207, HIBBING MILITARY
SUPPLY SECTION RECEIVING FOR DELIVERY BY PD TO THE AGO
TO THE CHIEFDAY SECTION, FORWARDED THROUGH PROPERTY
SECTION, AGO 7377, AGAINST PROPERTY RECEIVED.

3. COPY OF THIS COMM-FR SHEET ARE MADE
AVAILABLE FOR INFORMATION TO THE FOLLOWING: AGO, RD, AG, LA, CO,
PD, AND ALL PD BUREAUS.

/s/ T. H. Baillie

TO: JACK D. MURRAY
DIRECTORAGL: 02542 /1/
MURRAY 502, FILE DIV. 311G.

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Authority NND 775119
By WDP NARA Date 4/21/00RG 260
Entry Omaus
File Title 17 Prop Control
Box 395

INTERNAL ROUTE SLIP

(Classification)

HEADQUARTERS, U.S. FORCES, EUROPEAN THEATER

FILE NO: SUBJECT: Proposed Revision of Title 17, MGR. DATE 10 January 1947
(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	To	Date	Has This Paper Been Coordinated With All Concerned?
1	For. Exch. Dep. OMGUS Rear APO 757	Fin. Div. OMGUS APO 742 ATT: Mr.T.H. Ball.	10 Jan 47	<p>1. Reference is made to IRS from Finance Division to CO, dated 8 January 1947, subject as above, wherein Page 37, MGR 17-403, was changed to read as follows:</p> <p><u>"Currency Abandoned by or Captured from Enemy Forces.</u> Currency abandoned by or captured from enemy forces generally constitutes booty according to the Rules of Land Warfare. CAH's will not take such currency into property control but will turn it over to the nearest U.S. Army Disbursing Officer against proper receipt for delivery by such officer to the Currency Section, Foreign Exchange Depository, OMGUS Rear, APO 757, against proper receipt."</p> <p>2. The above wording is not in accordance with that furnished you in our IRS dated 2 Dec 46, where revision was listed as follows:</p> <p><u>"17-403 - Currency Abandoned by or Captured from Enemy Forces -</u> Currency abandoned by or captured from enemy forces generally constitutes "booty" according to rules of land warfare. CAHs will not take such currency into Property Control, but will turn it over to a U.S. Army Disbursing Officer for disposition. If not acceptable by a U.S. Army Disbursing Officer, such currency should be delivered to the Currency Section, Foreign Exchange Depository, OMGUS (Rear), APO 757, against receipt."</p> <p>3. The latter wording is preferred inasmuch as all currency is not acceptable to U.S. Army Disbursing Officers, and disposition can be made only by direct delivery to the Currency Section, FED.</p> <p style="text-align: right;">WILLIAM G. BREY Colonel GSC Chief, Foreign Exchange Depository WGB/C Tel. FRANKFURT 31017</p>

(Classification)

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Authority 785010
By BKM NARA Date 3/11RG 260
Entry 103-A D&R
File HISTORY OF
1942 BRANCH
Box 167

HISTORY OF
REPARATIONS & RESTITUTIONS BRANCH

In early August 1945, when the rear echelon of USACA moved from Verone, Italy, to Salzburg, Austria, and thence in September to Vienna, key personnel had already been assigned to handle restitution matters. This key personnel consisted of F. T. Simpson, Major, INF, Chief of Reparations & Restitutions Branch (though the branch itself was not to be actually activated until a much later date), Ernest T. DeWald, Lt. Col., AUS, Chief of Monuments & Fine Arts Branch; Morrie S. Grinberg, 1st Lt., INF, Investigator for MFA Branch; and Mr. William P. Herod, Chief of Archives Branch.

The word "restitution" is not found in the London Declaration, and although no specific declarations of policy on restitution were agreed upon on the governmental level, it seemed reasonable to assume that from the beginning it was the intent of the Allied Nations to restore to the lawful owner nations as much of the property looted by Germany, or other enemy nations, as could be clearly identified and was capable of restitution, furthermore, that steps for such restitution should be undertaken as promptly as circumstances permitted.

The fundamental basis for restitution stemmed from the Declaration of London of January 1943, which was signed by the US, UK and USSR, as well as by most of the other United Nations. The declaration contained the following statement on property rights:

"Accordingly, the Governments making this declaration, and the French National Committee, reserve all their rights to declare invalid any transfers of or dealings with property rights and interests of any description whatsoever which are or have been situated in the territories which have come under the occupation or control, direct or indirect, of the Governments with which they are at war or which belong or have belonged to persons including juridical persons resident in such territories. This warning applies whether such transfers or dealings have taken the form of open looting or plunder or of transactions apparently legal in

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Entry 103-A/R
File HISTORY OF
MFA Branch
Box 167

Austria - cont'd

122 Paintings (including many Old Masters)	2,100,000
Paintings (including many Old Masters), Stained Glass Windows, Coins, Medals, etc. (330 items)	330,000

CZECHOSLOVAKIA

2 Vehicles, 22 Rugs (Persian, Inland & China) 13 paintings, 4 boxes of National Costumes and several paintings, 2 boxes of books and 2 boxes of Glass Chandeliers.	54,000
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NETHERLANDS

Two restitutions comprising 86 paintings (including many Old Masters)	61,000
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POLAND

Astronomical Instruments (2 boxes), property of the Astronomical Observatory of the Uni- versity of Warsaw.	1,000,000
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SOVIET UNION

Laboratory equipment, models, books and other school and scientific materials, property of the Smolensk State University.	75,000
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HUNGARY

The Holy Relic "Holy Hand of St. Stephen", part of the Crown Jewels of Hungary.	1,000,000
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No expert personnel was available for assistance in assessing valuations. However, it is believed that as a whole they were conservative.

In January 1946 it was thought that the restitution of Monuments & Fine Arts was substantially completed. Therefore, inasmuch as Lt. Col. Ernest T. DeWald, Chief of this branch, was returning to the States for terminal leave and separation from the Service, it was decided to deactivate Monuments & Fine Arts as a branch. All future work of this nature was to be handled by Reparations & Restitutions Branch. 1st Lt. Grinberg, Investigator for MFA Branch, was also deployed to the States for separation from the Service. Mr. Robert M. Miller was then assigned as MFA Investigator for the R&R Branch. The latter part of the month Major F. T. Simpson returned to the States, to be gone for a period of three months, and upon his return was to be

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re-assigned inasmuch as it was anticipated this T/O position would be civilianized.

During January the following claims were received:

USSR	1
Poland	77
Czechoslovakia	181
France	11
Netherlands	9
Belgium	1
Italy	2
Hungary	1
Austria	7 (Art)

Also, the following property was identified and returned to the countries specified:

AUSTRIA

Crown Jewels of the Holy Roman Empire.	Est. Value
	5,000,000
10 tons of Rare Historical Austrian Archives, some dating back to the year 846, property of the Austrian Staatsarchives.	100,000

FRANCE

Material and equipment for sleeping cars, property of the Cie Internationale des Wagon-Lits.	2,000
30 paintings (including Old Masters)	320,000

Italy

Hertziana Library of Rome (consisting of 693 cases of books, bibliographical material, photographs, documents, etc)	400,000
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Library of the German Archaeological Institute of Rome (consisting of 1928 cases of books, bibliographical material, photographs, documents, etc)	1,500,000
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February 1946 saw the actual activation of the Reparations & Restitutions Branch, with the following assignments: Francis A. Wendell, Lt. Col., FA, as Chief of Branch; Miss Evelyn Tucker, as Administrative Assistant, and Miss Gertrude Knolik, Austrian, as clerk-typist. The Archives Branch was deactivated and Mr. William P. Herod was assigned as Archives Investigator for the R&R Branch.

A working arrangement was evolved between this headquarters and Headquarters, USFET, whereby the MFA Representative of Office of Military Government for Bavaria, at the Central Collecting

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Point in Munich, was authorized to sign restitution receipts on behalf of the Commanding General of USFA. These receipts were to cover restitutions effected from art loot uncovered in the US Zone of Austria and sent to the Central Collecting Point for identification and restitution. This arrangement eliminated the necessity of maintaining an MFA representative from this headquarters in Munich.

During February the following claims were received:

Yugoslavia	52
France	8
Netherlands	5
Rumania	1

Also, the following property was identified and returned:

<u>NETHERLANDS</u>	<u>Est. Value</u>
7 Paintings (including Old Masters)	14,000

On 5 Mar 1946, cable WARK 99226, from the Joint Chiefs of Staff, was received in this headquarters. It defined the conditions under which limited restitutions were to be made to ex-enemy or satellite nations. The Commanding General of USFA was ordered to seek quadripartite or tripartite agreement in the Allied Control Commission of the application in the other zones of occupation of the policies laid down in this directive. If, however, in his judgment, it appeared impossible to obtain such agreement, application of this directive was to proceed in the US Zone of Austria.

The directive in WARK 99226 differed from that in WARK 85965 as follows: Restitution was limited to items removed from claimant countries between certain dates; claimant government was required to submit proof that property (with the exception of works of art and cultural objects) was acquired by Germany as the result of an act of force and was removed into Austria without compensation; goods found in storage or bulk form were subject to the minimum requirements of the Austrian economy. Following are the periods during which limited restitutions were authorized to be made to ex-enemy or satellite nations:

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The activation of the branch was continued with the assignments of Richard P. Webster, Major, IE., and William R. Loeffler, Capt., IE, as Field Representatives.

During March the following claims were received:

Yugoslavia	3
France	1
Netherlands	4
Luxembourg	1
Austria	1 (Art)

Also, during the month, the following property was identified and returned to the countries specified:

AUSTRIA

	Est. Value
The entire contents of Salzburgerwerke (Salt Mine) of Alt-Aussee, Oberoesterreich, consisting of Austrian works of Art, Documents, Archives, and Objects of Cultural importance.	\$25,000,000

CZECHOSLOVAKIA

Two restitutions of Scientific Equipment and Instruments (74 cases), property of the University of Brno.	55,000
Scientific Equipment and Instruments (22 items), property of the Technical College of Prague.	6,000
Platinum Equipment (weight 1314.68 grams), property of the Montanische Hochschule, Pribram, Bohemia.	15,000

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FRANCE

Remainder of materials and equipment for sleeping cars, property of Cie Internationale des Wagon-Lits. 8,000

6 Paintings 55,000

NETHERLANDS

Art Treasures consisting of Paintings and Antique Furniture (61 items) 42,000

21 Paintings (including Old Masters) 17,000

YUGOSLAVIA

Measuring Instruments and Land Tax Maps (21 wooden boxes and 387 parcels), property of the Cadastre Administration of Ljubljana. 10,000

In April Mr. William P. Herod completed his contract of employment and returned to the States.

RESTITUTION COSTS: On 29 Apr 1946 the Allied Commission adopted the following resolution:

- "1. The cost of transportation within the frontiers of Austria, as well as the cost of necessary repairs for transportation, including labor, material and organization, necessary for the restitution of property removed from countries occupied by the German Army and which has been recovered in Austria, must be borne by Austria. Expenses incurred outside of Austria, with the exception of Germany, must be borne by the recipient countries.
- "2. The Austrian Ministry of Finance will issue the necessary instructions so that it be sent the bills representing the expenditures anticipated in paragraph 1, and so that these may be handled with the least delay."

During April the following claims were received:

Poland	2
Czechoslovakia	1
Yugoslavia	2
France	1
Netherlands	3
Austria	1 (Art)

Also, during the month, the following property was identified and returned to the countries specified:

AUSTRIA

Est. Value

5 truckloads of Works of Art (279 items), were returned to Kremsmuenster Monastery. (Included was a restitution from Germany to Austria of 175 items). 75,000

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FRANCE

23 Paintings (including Old Masters) 170,000

NETHERLANDS

Two restitutions comprising 37 Paintings 105,000
(including Old Masters)

POLAND

Objects of Art removed from the deposit of 1,110,000
art works at Schloss Fischhorn Castle,
Bruck, Austria, together with the Polish
Zoological Collection (219 items), removed
from Haus der Natur, Salzburg (12-car train)

YUGOSLAVIA

64 cases of Land Maps, Books and Records, 20,000
property of the Military Geographical
Institute of Belgrade.

Miscellaneous Printing Equipment, including 15,000
a complete Planetta two-color off-set machine,
Stitching Machine with motor and Reproduction
Camera (33 items), property of the Military
Geographical Institute of Belgrade.

Archives, Maps and other State Papers, includ- 25,000
ing General Staff Documents and Marine Per-
sonnel Records (20 tons), property of the
Yugoslav Army.

In May Lt. Col. Francis A. Wendell was deployed to the States for separation from the Service, and E. S. McKee, Lt. Col., INF, was appointed Chief of R&R Branch. Miss Juanita Moore was assigned as Secretary to the Branch Chief.

The entire Armor Collection of Castle Konopiste, Czechoslovakia, was located in three separate deposits in Austria. One deposit, which was discovered in Alt-Aussee Salt Mine was returned during the month to Prague. The two remaining deposits were in the International Zone of Vienna and were handled as a quadripartite restitution.

Libraries and manuscripts from the various deposits which were collected by the Nazis for the contemplated Hitler Library at Linz, were removed to the Linz Documents Center for check as to political content. When this was completed they were transported to the Central Collecting Point, Munich, for cataloging and check against the numerous claims for looted libraries.

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During the month of May large scale restitutions of property to claimant nations was begun. This was possible because of the completion of many lengthy field investigations and increased familiarities on the procedure for processing claims.

This branch continued to assist the Netherlands technicians engaged in the dismantling of the Dutch nitrate manufacturing equipment at the Stickstoffwerke, Linz. A train regulation and control point was established at Linz, from which the first train of 40 carloads was ready for shipment by 30 May.

During May the following claims were received:

France	2
Netherlands	4
Hungary	39
Austria	1 (Art)

Also, during the month, the following property was identified and returned to the countries specified:

<u>AUSTRIA</u>	<u>Est. Value</u>
Two and one-half truckloads of Art Objects (146 items) (Included was a restitution from Germany to Austria of 94 items)	50,000

<u>CZECHOSLOVAKIA</u>	<u>Est. Value</u>
4 truckloads of Armor and Museum Pieces, property of the Czechoslovak Military Museum, Prague.	2,000

The Franz Ferdinand Collection from the Castle of Konopiste (consisting of 113 paintings, 296 books, 6 boxes of art objects, and 66 miscellaneous items).	15,000
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The Gold Cross of Monastery Hohenfurth.	8,000
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<u>FRANCE</u>	<u>Est. Value</u>
49 French Battle Flags and Standards, property of the Musee de l'armee, Paris. (Restitution from International Zone of Vienna).	1,000,000

French Armor and War Relics (approximately 2 carloads), property of the Musee de l'armee, Paris. (Restitution from International Zone of Vienna).	373,000
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3 carloads of Art Objects (111 items).	27,750
--	--------

8 Paintings and 1 Tapestry. (Restitution from International Zone of Vienna).	28,000
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NETHERLANDS

	<u>Est. Value</u>
120 carloads of Machinery for the production of Nitrogenous Fertilizer.	3,000,000
1 Paper-cutting Machine, Krause 234933.	1,250
1 Piccolo Fly Press.	1,500
6 Railroad Cars.	120,000
3 Centrifuges and 17 Storage Tanks.	14,000
23 Machine Tools and 1 piece of Measuring Equipment.	15,000
18 Carloads of Railroad Electrical Equipment.	198,000

YUGOSLAVIA

3 Stallions of the Ponovice Stud, 3 Carriages, and 300 items of carriage and stable equipment.	1,500
27 Lippizanner Horses of the Demir Kapia Stud, property of Prince Paul of Yugoslavia.	10,000

In June directive contained in cable WARX 99226 was amended to change the periods during which limited restitutions were authorized to be made to ex-enemy and satellite nations. The revised periods of restitution were:

Italy	From 25 Jul 1943 to 15 May 1945
Hungary	From 15 Oct 1944 to 15 May 1945
Austria	From 12 Mar 1938 to 15 May 1945 (no change)
Rumania	From 23 Aug 1944 to 15 May 1945
Finland	From 2 Sep 1944 to 15 May 1945

Restitutions continued to be hampered by the lack of sufficient and trained personnel to conduct field investigations, as well as a shortage of proper personnel for the control of foreign missions in the Zone.

The Machine Tools Survey Teams in Zone Command Austria, which were set up in the Fall of 1945 to make a survey of all machine tools in the US Zone of Austria, were nearing completion of their assignment. Therefore, arrangements were made to convert these teams into restitution investigating teams. In order to better control restitutions in the Zone, the Property Control Section, of Office of Chief Military Government Officer, Zone Command Austria, to which the survey teams were assigned, was reorganized into the Property Control & Restitution Section. Henceforth all restitution claims were processed through this

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office, instead of through the individual property control offices of Land Salzburg and Land Upper Austria, which had no investigating personnel.

During June the following claims were received:

Poland	1
Czechoslovakia	2
Yugoslavia	1
France	3
Netherlands	4
Hungary	48
Austria	2 (Art)

Also, during the month, the following property was identified and returned to the countries specified:

AUSTRIA

2 truckloads of Art Objects, Records and Photographs (153 items) (Included was a restitution from Germany to Austria of 133 items).	55,000
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2 carloads of Austrian Survey Kataster Maps.	5,500
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FRANCE

Two restitutions of Art Objects, comprising 9 carloads.	108,000
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NETHERLANDS

Art Treasures consisting of Paintings and Antique Furniture (77 items).	451,000
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YUGOSLAVIA

1 Sheering Machine and 1 Circular Knife Cutting Machine.	1,000
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HUNGARY

110 cases of Bank Records, 2 Mercedes-Benz Trucks and 1 Mercedes-Benz Car, property of the National Bank of Hungary.	105,000
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In July 1946 the receipt of new claims from Allied Nations slowed down as the various restitution missions concentrated on actual delivery of claims already filed. From the ex-enemy nations, the filing of claims by Hungary continued at a high level. Also, negotiations were made to receive claims from Italy. After a slow start, Austrian declarations of looted property (in compliance with an Austrian law) were coming in at an increasing rate. A working agreement was completed with the Austrian Government to effect restitution of all Monuments and

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Fine Arts materials which were proven to be of Austrian ownership.

Many requests continued to be received for the restitution of railway rolling stock. Since Austrian equipment was also widely distributed over Western Europe, restitution in the conventional manner of foreign rolling stock in Austria would have brought about the collapse of Austria's economy. Therefore, at a joint meeting of the Reparations, Deliveries & Restitutions Directorate and Transport Directorate, in July, agreement was reached that the general question of restitution of rolling stock from Austria was one that must be settled by European agreement, and that pending settlement of the general question the Transport Directorate had the right to direct the return of locomotives and rolling stock to an extent where it would not conflict with settlement of the general European question.

Although official custody of Alt-Aussee Salt Mine was given to the Austrian Government in Mar 1946, actual possession was not surrendered by US Military Authorities due to the discovery at that time of additional non-Austrian works of art in the mine. However, by 30 July it was believed that all non-Austrian material had been removed, therefore, custody of the mine was released to the Ministry for Property Control & Economic Planning of the Austrian Government.

During July the following claims were received:

USSR	1
Czechoslovakia	18
Yugoslavia	1
France	4
Netherlands	5
Rumania	1
Greece	1
Hungary	154
Austria	1 (Art)

Also, during the month, the following property was identified and returned to the countries specified:

<u>AUSTRIA</u>	<u>Est. Value</u>
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19 Cases containing 77,695 Coins and Medals 5,000,000
which represented part of the looted Collections of Austrian Monasteries by the Nazis.

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NETHERLANDS

	<u>Est. Value</u>
2 freight carloads of School Equipment removed by the Nazis from Hengelo, The Netherlands, to Gallspach, Austria. (Due to the loss of one freight carload through bombing only about 25% of the claimed equipment was restituted.)	2,000
1 freight carload of Miscellaneous Fittings, Gear Boxes and Bar Stock.	1,000
56 Paintings (including Old Masters)	230,000
7 Rotary Current Transformers (3 $\frac{1}{2}$ freight carloads)	7,000

CZECHOSLOVAKIA

The remainder of the Konopiste Historic Armor and Gun Collection, consisting of 12 truck-loads. (Restitution from the International Zone of Vienna).	5,000
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FRANCE

35 freight carloads of Oil Refining Machinery which was removed by the Nazis in 1943 from the Port Jerome Oil Refinery in France. Machinery was brought to Ebensee, Austria, where construction of a huge oil refinery was started as part of the German war industry. Although extensive preparations were made, the project remained unfinished at the end of the war.	1,250,000
5 carloads of Art Objects (177 items).	60,000

YUGOSLAVIA

One freight carload of Art Objects and personal household effects of the former Croat Head of State Pavelic (18 cases).	30,000
6 freight carloads of Printing Machinery and Miscellaneous Survey and Printing Equipment.	5,000

Mr. Robert M. Miller, Art Investigator, having completed his contract of employment, returned to the States.

As investigations of restitution claims increased with an accelerated rate, vast quantities of industrial equipment were uncovered in the industrial area of Upper Austria, centering around Linz. The magnitude of the amount of such equipment looted by the Germans and concentrated in this area, was such that the Austrians themselves were unaware of the existence of much of the industrial equipment stored there. With the knowledge obtained from the Machine Tools Survey, attempts were begun to locate and

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tion of US armed guards.

During August the following claims were received:

USSR	1
Poland	1
Czechoslovakia	37
Yugoslavia	3
France	5
Netherlands	5
Italy	38
Hungary	43
Austria	2 {Art}
Germany	2 {Art}

Also, during the month, the following property was identified and returned to the countries specified:

	Est. Value
<u>AUSTRIA</u>	
Two restitutions of 358 Paintings, including the Lanckoronski Collection, and 9 boxes of Old Coins and Numismatic Books.	228,500
<u>CZECHOSLOVAKIA</u>	
6 Paintings.	400.
<u>FRANCE</u>	
215 boxes of French Infantry Ammunition (2025 rounds per box)	200.
42 pieces of French Period Furniture.	12,000
<u>NETHERLANDS</u>	
One-half freight carload of Medical Laboratory Equipment and spare parts.	1,000
<u>HUNGARY</u>	
All remaining property of the Hungarian National Bank, including books and records, office machines and equipment, vehicles, Pengo banknotes, household furniture, records of the Institute of Measure and of the Academy of Science, etc., comprising 24 freight car-loads.	2,065,000
Library books, Survey Instruments and Miscellaneous Records of the Hungarian Ministry of Agriculture (1 truckload).	15,000
91 cases of Household Goods, Clothes and Linens, personal property of Hungarian DPs.	20,000
33 cases of Agricultural Material, parts of the outfits for Hungarian State Stables.	15,000
The Factory of First Hungarian Agricultural Machine Works, Ltd. (EMAG), comprising 60 freight carloads of factory equipment used in the manufacture of farm machinery.	750,000

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The activation of the branch was completed with the assignment of John W. Dalton, as Deputy Chief and Chief Field Representative.

In September investigation was accelerated in Land Salzburg for looted property of Queen Wilhelmina's upon the discovery of a few items in the possession of Mrs. Seyss-Inquart, at Mattsee. Further search was futile.

Clearance of Museum Collections from Lauffen Mine continued, and the Haus der Deutschen Kunst collection of paintings were removed from Bad Aussee Mine to the Property Control Warehouse in Salzburg.

During September the following claims were received:

Poland	2
Czechoslovakia	39
France	6
Netherlands	5
Rumania	10
Hungary	5
Austria	1 (Art)
Germany	1 (Art)

Also, during the month, the following property was identified and returned to the countries specified:

AUSTRIA

	<u>Est. Value</u>
2 Paintings.	3,000

FRANCE

13 Paintings.	6,500
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NETHERLANDS

1 freight carload of Electrical, Mechanical and Radio Transmission Equipment.	10,000
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21 Paintings.	27,000
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SOVIET UNION

2 carloads of Machine Tools (18 items), from Soviet factories, which were discovered in the captured cargo of one of the Danube barges.	10,000
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GERMANY

Scientific equipment of the Zoological Institute of the University of Munich (22 cases).	110,000
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Assistance was given the Archbishop of Vienna in the packing, loading and transport of Stained Glass Windows from the Alt-Aussee Mine to Vienna. Windows were identified as the property of the

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Church St. Georg, in Wiener Neustadt, and the Church of Maria am Gestade, Vienna.

Inasmuch as the Austrian Government wished to renew the production of salt in Lauffen Mine, work was speeded up to clear the lower level of the remaining Archives, and the upper level of the Museum Collections.

Polish technicians completed the loading of a 40-car train of machine tools, which left Steyr, Austria, enroute for Poland. These machine tools were discovered in the Steyrwerke by the the Machine Tools Survey Teams, and were readily identifiable as property of the Polish State Rifle Factory.

In October the filing of restitution claims, from both Allied and ex-enemy nations, increased in tempo. During the month 401 new claims were received, the largest number received in any single month. They were as follows;

Poland	18
Czechoslovakia	30
France	17
Netherlands	26
Belgium	2
Norway	2
Italy	66
Hungary	230
Austria	10

Also, during the month, the following property was identified and returned to the countries specified:

AUSTRIA	Est. Value
Austrian Museum Collections from Upper Level of Lauffen Salt Mine, identified as follows:	100,000,000
Kunsthistorisches Museum - 787 paintings	
Museum fur Volkerkunde - 88 cases art	
Akademie der Bildenden Kunst - 42 paintings	
Nationalbibliothek - 150 cases art	
Denkmalamt - 6 cases art, 21 Pictures, 8 Sculptures	
Amt fur Bodenforschung - 22 cases art	
Graphische Sammlung Albertina - 50 cases art	
Eauptvermessungsabteilung XIV - 278 cases Maps etc	
Miscellaneous owners - 342 paintings	
Archives der Landeshauptmannschaft, Graz, from lower level of Lauffen Mine, identified as follows:	500,000
120 cases of 16th and 17th century records of the Internal Austrian Central Administration;	
26 large cases, 1 box and 6 cartons of rare, old parchment documents of the Landeshauptmannschaft.	

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FRANCE

Two Hydraulic Presses for the manufacture of Dry Ice, with accessories, property of the Society Carbonique Francaise, Bobigny, Seine. 73,000

Paintings and Antique Furniture (95 items). 20,000

Paintings, 2 Gobelins, Sculpture Pieces and Antique Furniture (138 items). 51,200

POLAND

1500 Machine Tools, identified as property of the Polish State Rifle Factory. 3,500,000

YUGOSLAVIA

7 cases of Land Tax Maps, property of the Cadastre Office in Slovenia. 3,000

HUNGARY

3000 gr. Platinum and 16 miscellaneous items, property of the Hungarian Ministry of Agriculture, Institute of Geology. 100,000

6 cases of Agricultural Books, Accounting Books, Tobacco Seed and China Tableware. 10,000

1 Studebaker Passenger Car, Motor 62872. 2,000

ITALY

Italian Diplomatic Property, comprising 32 cases, 15 of these containing silver, and 1 pair of Skis. 30,000

Hertziana Library Books (143 cases), 22 folding tables, 7 crates of office furniture and 21 items of office furniture not crated. 103,000

Italian books, paintings and prints (19 boxes). 20,000

BELGIUM

28 Paintings. 20,000

In November Polish technicians began the loading of an estimated 80 carloads of Polish nitrate manufacturing equipment, which were discovered at the Stickstoffwerke, Linz. A 45-car trainload left during the month for Poland.

Loading operations of the Hungarian firm EMAG were completed, and a 60-car train left Linz enroute for Budapest.

45 freight carloads of Netherlands nitrate manufacturing equipment were shipped to Holland from the Stickstoffwerke, Linz.

At the Iron & Steel Works, Linz, restitution was made and dismantling operations begun on a former Dutch air-splitting

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apparatus, having a capacity of 20,000 tons of Nitrogen per year.

Loading of a 30-car train was completed at Zipf, Austria, of a large Dutch air-splitting apparatus discovered there, which had a capacity of 40,000 tons of Nitrogen per year.

26 additional freight carloads of Polish machine tools were loaded at Steyr, and left enroute for Poland. This operation at Steyr involved considerable hauling of machinery by truck, as much of the Polish machinery was dispersed in small villages 40 to 60 km. distant from the railhead at Steyr.

In November this headquarters was directed to proceed with the restitution of Danube river craft without delay. Inasmuch as the status of the Austrian Danube Steamship Company was not yet determined, restitution of river craft to Austria was withheld.

Most of the Danube river craft was moved earlier to the area of Passau, Germany, therefore, at the time of receiving the above directive there were few ships in Austrian waters. However, those countries having shipping in the Linz area were invited to send in crews immediately, so that the ships could be returned prior to the freezing-over of the Danube.

Personnel changes during the month consisting of the transfer of Miss Juanita Moore to the office of the Division Chief, and the assignment of Miss Dorothy Bongiorni as Secretary in the branch.

During November the following claims were received:

USSR	1
Poland	8
Czechoslovakia	3
Yugoslavia	1
France	11
Netherlands	6
Belgium	1
Hungary	2
Austria	1 (Art)
Germany	4 (Art)

Also, during the month, the following property was identified and returned to the countries specified:

AUSTRIA

Est. Value

Taxation Registers of Upper Austria (1 case),
property of the Cartographic Institute of

500.

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CZECHOSLOVAKIAEst. Value

4 Paintings, Skoda Truck, Motor 82819, 4,500
 Typewriter, Bicycle, etc. (14 items),
 property of Dominik Dlouhy, Prague.

Textiles (36 bundles of linen and 28 single strips, property of V. Patzak, Dvur Kralove. 6,450

Danube Shipping (15 barges and 1 motor tug-boat) property of the Czechoslovak Danube Shipping Co., including essential ship machinery. 5,085,000

- 1 Steel Barge No. 5005 (478 tons)
- 1 Steel Barge No. 3206 (309 tons)
- 1 Barge No. 5003 (460 tons)
- 1 Steel Barge No. 05001, CDSP (491 tons)
- 1 Barge No. 4401 (456 tons)
- 1 Steel Barge No. 365
- 1 Steel Barge No. SDP 6612 (644 tons)
- 1 Steel Barge (oil) III (821 tons)
- 1 Steel Barge No. 1201
- 1 Steel Barge No. 2801 (300 tons)
- 1 Steel Barge ZSDP 06001 (556 tons)
- 1 Steel Barge No. 05701 (614 tons)
- 1 Steel Barge (oil) No. TXXI-CDSP (980 tons)
- 1 Barge No. 5004 CAA (480 tons)
- 1 Boat "Nitra" (576 tons)
- 1 Barge No. 6801 (641 tons)

FRANCE

6854 Rifles of French Manufacture. 274,160

NETHERLANDS

2 Diesel Electric Aggregates (2 carloads) 30,000

2 Persian Rugs, 1 Radio and 1 Silver Platter, property of Queen Wilhelmena. 2,000

22 Paintings. 47,000

One Tugboat "Ali", 7½ tons. 25,000

POLAND

Machines and Apparatus (80 carloads), property of the United Nitrate of Soda Factories, Moscice, Poland. 3,000,000

YUGOSLAVIA

1 complete Transformer, No. 35772, 80 KVA, 500.
 3100/230 V., make Pischler-Weiz.

HUNGARY

5056 wooden cases of Hungarian "Filler" Coins (250 tons), property of the National Bank of Hungary. 110,000

Calculating Machine, Typewriters, Cameras, etc. (8 items). 10,000

1 Opel Super Sedan Passenger Car, Motor No. 38848. 1,000

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GERMANY

Books of the Prussian State Library (410 boxes).	350,000
Rueck Musical Collection of Nurnberg, consisting of organs, pianos, klavikords, Hammerkleviers, manufactured between the 14th and 18th centuries, together with spare parts (2 freight carloads).	350,000
Scientific Equipment of the Zoological Institute of the University of Munich (3 cases).	15,000
Botanical Collection of the University of Munich (1804 sets of specimens and 289 books).	395,000

The von Ribbentrop Photograph Collection was released to Linz Documents Center, for transmittal to the Library of Congress, Washington. The collection tells quite vividly the story of Hitler and his war of aggression, with photographs of all important events, such as the surrender of France at Compiegne.

The NSDAP Library, from villa Castiglione, Grundlsee, and the Hitler Library, Linz, were shipped to the Central Collecting Point for cataloging and identification.

A detailed plan of operation was set up to expedite restitution of French vehicles. This involved the registration of all vehicles of French manufacture, at Bezirk headquarters, throughout the US Zone of Austria.

Dutch technicians completed the dismantling of an air-splitting apparatus which was discovered in Vocklabruck. This restitution was included in the shipment of a 25-car train of machinery from Zipf, Austria, to Holland.

Another train of 45 cars was dispatched to Moscice, Poland, containing Polish nitrate manufacturing equipment.

During December the following claims were received:

Poland	1
Czechoslovakia	2
Netherlands	1
Bulgaria	1 (Shipping)
Hungary	54
Austria	4 (Art)
Germany	1 (Art)

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Also, during the month, the following property was identified and returned to the countries specified:

AUSTRIAEst. Value

Paintings and Objects of Art, including items from the Bondi, Rothschild and Blum Collections (126 items).	55,000
Library Books of the University of Salzburg (15 cases), which were confiscated by the Nazis in 1939. In the summer of 1946 the books were discovered in a small Inn, at Oberkirchberg, Germany (US Zone). Two of the most valuable books are missing and could have been looted only by an expert. (This was a German restitution to Austria).	2,000
57 Bolts of Brocade Cloth, property of the Wiener Staatsoper, were recovered from the Munich area. This was a timely restitution for the Vienna Opera, for with this assistance they were able to costume the entire cast of "Aida" in time for the opening performance of the 1946+47 Opera Season. (This was a German restitution to Austria).	600.
Oil painting "Large Landscape with River" by van Ruysdael, property of Louis de Rothschild.	20,000

CZECHOSLOVAKIA

1 Tankcar, Czech No. 551007.	11,000
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NETHERLANDS

3 Oil Paintings.	9,000
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HUNGARY

Scientific material and equipment (59 cases and 10 items), property of the Institute of Fermetology and Agriculture.	2,000,000
4 freight cars of Household Goods, property of Hungarian DPs.	15,000
Consular Documents and 1 Steel Safe, property of the Hungarian Consulate in Vienna.	2,000
Entire factory of International Machine Trading Company (IMHAG), a machine manufacturing firm.	680,000

GERMANY

Cultural documents (2 cases), property of Dr. Walter Freier, of Nordlingen, Germany.	37,000
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C O N F I D E N T I A L

Extract from SPCOM/H(SI)12, 12 July 1951.

157. PAPERS OF THE INTERGOVERNMENTAL STUDY GROUP SUBMITTED TO GOVERNMENT

The Committee considered IOC/P(51)69 Final, IOC/P(51)112 Final, IOC/P(51)99 Final, IOC/P(51)91 Final, IOC/P(51)41 (2nd Revision) and IOC/P(51)103 Final.

THE COMMITTEE

(157) (a) noted that the US Government had approved the above paper and wished the High Commission to make preparations to enter into discussions with the German Delegation on the subjects of all those papers, including IOC/P(51)41 (2nd Revision) in the case of which it was proposed that discussions would be instituted on the basis of a formula which would not prejudice decision on the disagreed paragraphs;

(b) agreed that each Delegation would study the questions as listed below -

R restitutions - UK Delegation

R reparations and Possible Claims by Germans - French Delegation

R Foreign Interests in Germany - US Delegation

and prepare

- (1) a draft of a statement to be made to the German Delegation;
- (ii) an outline statement of action which it was necessary to take in Germany.

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

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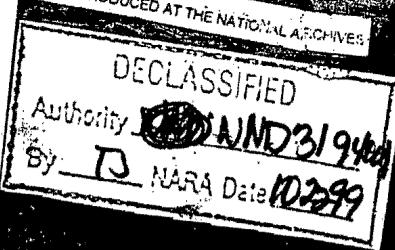
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Abby

Helene

ADMINISTRATION OF THE WARTIME FINANCIAL AND PROPERTY CONTROLS OF THE UNITED STATES GOVERNMENT

UNITED STATES TREASURY DEPARTMENT
FOREIGN FUNDS CONTROL
WASHINGTON, D. C.



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statement was prepared and issued indicating that any importation of securities by means of the diplomatic pouch or on the person or in the baggage of incoming diplomats would constitute a violation of our controls unless such securities were turned over to a Federal Reserve Bank immediately after being brought into this country.

Another aspect of the control of securities entirely separate from the problem of preventing the marketing of looted securities is the control adopted by this Government to prevent blocked nationals thereafter from obtaining control over American enterprises through the purchase of the securities of such enterprises. Under Public Circular No. 14 which was issued on February 3, 1942, blocked nationals have been prohibited from purchasing directly or indirectly securities of any corporation in such a manner that more than 1% of the securities issued by the corporation will be held by blocked nationals. In this way, the United States has been able to prevent blocked nationals from taking over the control of business enterprises within this country by means of stock and bond purchases.

(2) CURRENCY

The Axis today, in the prosecution of its war effort, requires goods and services which it can only obtain from unoccupied or neutral areas. Certain of these goods and services can be obtained through force and through compulsion of various sorts, but there are limitations beyond which such force and compulsion can not be used without causing the economy of the neutrals to collapse—preventing them from giving the Axis further effective aid. Consequently, the Axis must pay for certain of the goods and services which it needs to obtain. That payment can be made directly by the Axis in terms of goods and services which it produces. But payment in this fashion weakens the Axis by diverting manpower from its own war effort. Therefore, from the Axis point of view, it is desirable to effect payment to the neutrals in the United States currency or securities which are at its disposal, having been looted from the occupied areas. Much of the currency has been accumulating in Europe for many years. It has gotten there through remittances which immigrants to the United States have sent to relatives remaining in their native lands, through funds which American tourists have spent while abroad, and through a variety of less important ways. The possession of this currency by the Axis places at its disposal an economic weapon of tremendous importance. Inasmuch as United States currency is acceptable in neutral areas as long as it can be profitably employed in the purchase of goods and services in other parts of the world, it is the policy of the United States to reduce the value of such currency as far as possible and thus make it valueless to serve Axis purposes. This Government recognizes that to allow the Axis to make use of the dollar currency which they have stolen is to allow the financing of sabotage and other subversive activities in this and the other American Republics. Unless the value of the dollar bill can be depreciated in Europe, Axis agents throughout the Western Hemisphere can flourish with adequate financing, and black markets can continue to exist in the other American Republics in contravention of the exchange control laws of those Republics.

In order to combat the manifest evils inherent in this situation, the United States first issued General Ruling No. 6A and then amended General Ruling No. 5 under the freezing control. By this device the importation of currency into the United States is subjected to the same controls as are applied in the case of securities imported into the United States. The Treasury, at the present time and probably for a short while to come, is allowing persons entering the United States to keep minimum amounts of dollars in their possession; but all other currency is turned over to a Federal Reserve Bank from which, as in the case of securities, release can only be had pursuant to licenses issued by the Treasury Department. Just as in

Role of
US
Currency

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By **TJ** NARA Date **10/29/99**

the case of securities, the enforcement of the restrictions on the importation of currency is in the hands of the Customs Service and the Post Office Department, the former controlling importations of currency brought into the United States by persons entering the country, and the latter, with the assistance of the Office of Censorship, controlling importations of currency in the mail.

It has been announced to the other American Republics (within which the dollar is not a part of the circulating medium of exchange) by the United States Missions to those Republics that the Treasury will entertain applications for the release of currency forwarded to the United States by the Central Bank of any American Republic. The Central Banks should not buy this currency and should only accept it for collection. Each application (which may be filed by the bank receiving the currency in the United States or by any other interested party) will be required to show the owner of the currency, when such currency was acquired, from whom, the nature of the transaction resulting in the acquisition of the currency, the price paid, why such currency was being held, and all other relevant facts. No application will be considered until after the currency to which it relates has been imported into the United States and forwarded to a Federal Reserve Bank.

The Treasury requires that each application relating to currency forwarded to the United States by the Central Bank (or equivalent or analogous banking institution) of an American Republic be accompanied by a certification from the forwarder, wherein it is stated that the forwarder has investigated the circumstances relating to the currency and certifies that the facts stated in the application are true. In the event that the forwarder is unable to supply such a certification, the Treasury requires a full and complete explanation from the forwarder as to the reason for its inability to supply the certification.

The manner in which any currency is to be dealt with is not announced prior to the receipt and examination of such currency in the United States and the filing of an application with respect thereto. Each application is decided upon its merits. Factors which are considered are the character of the owner of the currency, its ownership as of May 19, and the steps which the country from which the currency comes has taken to prevent the introduction of looted currency into its own territory and to implement the controls by the United States over United States currency. In considering the steps taken by the country involved, consideration is, of course, given to the enforcement and administration as well as to the character of the relevant laws adopted.

It has been urged that all dollar currency in the American Republics (save in those in which it forms a part of the circulating medium) be forwarded to the United States as soon as possible pursuant to the procedure outlined, inasmuch as the Treasury expects to refuse applications for the release of currency which is not promptly imported.

The Treasury has stated that the consideration of any application for the release of currency will be facilitated if the currency to which it relates has not been commingled with any other currency. In the event that an application refers to currency which has been commingled, an explanation will be required as to why the commingling occurred.

Funds which are covered by applications approved by the Treasury Department may be credited to the account of the Central Bank (or equivalent or analogous banking institution) rather than to the account of the individual who turned over such currency to such bank or institution, if such action is desired by the government of the American Republic concerned.

The United States Missions to the American Republics have been instructed to advise the government to which they are accredited that it will be helpful if, at the time shipments of

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Box **405**

currency are forwarded to the United States, they are furnished with the facts and the nature of the certification of the Central Bank or other institution with respect thereto. They have also been instructed to advise such governments to notify central banks and other institutions not to purchase dollars but merely to accept them for transmittal on a collection basis.

In order to make effective the controls of the United States with respect to the importations of United States currency, the cooperation of the other American Republics has been sought to prohibit the importation and exportation of United States currency except by means of direct movements between the United States and the Central Banks (or equivalent or analogous banking institutions) in the other American Republics. It has been indicated that certain minor exceptions of strictly limited amounts might be made for actual traveling expenses of persons going to or coming from the United States or other dollar areas if there is any clearly established necessity for them. This country has also requested the American Republics to require the immediate delivery of all United States currency in the American Republics to the Central Bank (or equivalent or analogous banking institution), or into a blocked account under the control of such bank or institution, and to prohibit all other dealings in United States currency.

Certain special arrangements have been made and are in the course of being made by the United States with various American Republics in which dollars are a part of the circulating medium inasmuch as at the present time it is not felt to be practicable to remove or replace all dollar currency in those areas. However, the cooperation of these countries has been enlisted and obtained in preventing dollars from entering these areas from any place other than the United States. In this way, dollar currency is being prevented from flowing from Europe, where it has been looted, into the United States or other dollar areas through devious channels.

The Treasury Department, in carrying out its freezing program in connection with currency, has warned Americans not to take more than absolute minimum quantities of cash with them in traveling abroad.

The position taken by the Treasury Department with respect to dollar currency imported directly from Europe itself is that there is a presumption that it is looted currency.

The success of this program which has been adopted in an effort to decrease the value of looted currency in the hands of the Axis may be seen from the fact that the dollar today will buy for the Axis only half as much Portuguese currency in Lisbon as could be bought for a dollar before. This control over United States currency is not intended to affect the exchange rate for dollar drafts, telegraphic transfers, and other bills of exchange.

E. Elimination of all Financial and Commercial Activity Engaged in by Real or Juridical Persons Within the United States Whose Influence or Activity Is Deemed Inimical to the Defense of the Western Hemisphere

It is the policy of the United States Government to eliminate all financial and commercial activity engaged in by individuals and concerns within the United States whose influence or activity is deemed inimical to the defense of the Western Hemisphere.

This discussion will deal primarily with the steps which have been taken by this Government under the First War Powers Act in dealing with the activities of individuals and concerns within the United States. It should be borne in mind, however, that other agencies of the Government have taken appropriate steps to eliminate the activities of individuals and concerns within the United States which are not in the public interest. Thus, for example, all German, Italian and Japanese nationals whose activities have been found to be detrimental to the United States have been interned.

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Authority NNI 750140
By NM311 NARA Date 4/24/00RG 876
Entry 16
File 100287
Box 1196

M280

Report of the War Refugees Board
for the Week of November 20 to 25, 1944

STATISTICS REGARDING EUROPEAN JEWS

DEC 16 1944

Statistical information was received from a private source through our Legation in Bern reflecting the fate of the Jews of Europe. It was pointed out that, since exact statistical data are unobtainable, these figures are based on numerous reliable reports and represent the best available information. The numbers who have died since 1941 were given as follows:

From France	150,000
Belgium	27,000
Holland	140,000
Denmark	2,000
Italy	10,000
Germany	160,000
Austria	80,000
Protectorate (Moravia and Bohemia?)	70,000
Slovakia	50,000
Yugoslavia	65,000
Hungary	450,000
Rumania, including Bessarabia and Bucovina	200,000
Greece (mainly from Salonica)	55,000
Lithuania, Latvia, and Estonia	220,000
Poland	2,500,000
Number murdered, deported and killed in extermination camps, or starved to death	4,509,000
Killed in Russia during German occupation of the Ukraine and White Russia, estimated to be at least	1,000,000
Total killed	5,509,000

Of those remaining alive, there were said to be

In France, about	120,000
Belgium	20,000
Holland	15,000
Italy	25,000
Sweden, including 5,000 refugees from Denmark and Norway	15,000
Switzerland, including 26,000 refugees	43,000
Spain and Portugal	3,000
Germany and Austria	10,000
Czechoslovakia	2,000

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Hungary	250,000
Rumania	300,000
Bulgaria	45,000
Greece	12,000
Poland, an unspecified number, probably not exceeding	<u>50,000</u>
In special camps and labor service:	910,000
At Theresienstadt	36,000
Bergen Belsen and similar camps	20,000
Various labor camps in Poland, Silesia, Germany, and Austria, approximately	<u>200,000</u>
	<u>256,000</u>

Total number of Jews at present alive in
continental Europe outside Russia and Turkey 1,166,000

SITUATION IN GERMANY AND GERMAN-CONTROLLED AREAS

Representative McClelland forwarded to us information which he received from a reliable and confidential source concerning the composition of the internees in the camp at Bergen Belsen. According to the figures which he received, there were in the camp at the beginning of September:

Approximately	1,370 Hungarian Jews
	593 Polish Jews with "foreign" passports
	660 Dutch Jews holding Latin American documents
Approximately	33 Other Jews, of unspecified nationality, holding Latin American documents
Approximately	5,500 Jews of Dutch, Greek, French, Polish, and other nationalities with no documents or with documentation considered by the Germans as insufficient
	8,156

The first two of these groups were said to receive tolerable treatment, but the last and largest group comprises Section Four of the camp, which is a work camp called "Albala" where the treatment is bad and the food, hygienic, and housing conditions are inadequate.

A representative of the International Red Cross who recently returned to Switzerland from Hungary reported that there are some 18,000 Jews working in the vicinity of Vienna. Most of them are Hungarians, but there are some Poles and Czechoslovaks included. They are divided into a number of small camps or work detachments, with 300 to 500 persons in each one. The Intercessor representative advised Representative McClelland that the

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German authorities in Vienna, surprisingly enough, seem willing to permit the International Red Cross to assist these Jews in collaboration with and through an official who still holds his position with the Vienna Jewish Community. The latter informed the Intercross representative that foodstuffs and clothing could be obtained in Vienna if funds were available. McClelland is exploring with Intercross and representatives of private organizations the possibilities for undertaking a program of relief for these people. The operations will have to be conducted as unobtrusively as possible, however, since the authorities in Berlin know nothing of the tacit working agreement of the German officials in Vienna with the Jewish Community there and the International Red Cross.

According to another report received through our Legation in Bern, there are indications in Germany from which the inference may be drawn that some leading Nazi circles, including SS executives, are beginning to adopt a different view towards arrests and deportations on political and racial grounds. This late change of heart was thought to be the result of Allied occupation of German territory, by virtue of which the Germans are faced with a reversal of conditions, so that they feel they may themselves find it necessary to appeal to international organizations or neutral countries for protection for their civilian population. The Germans are reported to have started the dissolution of some of their concentration camps in Northern Italy, particularly the Fossoli camp.

Slovakia and Hungary

Following our recent request, the Swiss conveyed to the German Government this Government's protest against deportations of Jews from Hungary and Slovakia, its demand that all persons holding documents issued in the names of American Republics who have been deported from recognized civilian internment camps be immediately returned to camps supervised by the International Red Cross, and its determination to hold strictly accountable all persons sharing the guilt for deportations and other forms of persecution. The Swiss Foreign Office advised our Legation in Bern that the response of the German Government amounted to a representative of the German Foreign Office was that it does not recognize the right of the American Government to make representations in these matters which do not concern the protection of American nationals and that it considers the notes from the Swiss presenting our views unacceptable because of their threatening tone. In a later cable from our Legation we learned that the Swiss Minister to Berlin, during a recent visit to Bern, declared that the refusal of the German Government to accept this and similar messages was founded mainly on the threatening tone of the messages and objections on the part of the Germans to accepting reproaches of this kind from another government, even though the Swiss Minister assured the Germans that this position is merely that of a communication channel between belligerents.

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ENTRY	BY MAIL MAIL DATE 4/24/45
11	AUTHORITY MUL750140
RG	DECLASSIFIED

Germans show resentment against the Swiss for transmitting such messages from the Government of the United States. For this reason and the accompanying adverse effect upon his relations with German Foreign Office authorities, he expressed the wish that notes of this character not be sent to the Swiss Legation for delivery to the German Government. It was indicated that officials of the Swiss Foreign Office shared their Minister's opinions in this respect.

In view of the position taken by the German Foreign Office spokesman, the Swiss Foreign Office saw no useful purpose in making the representations which we recently requested concerning the deportation of bearers of documents issued in the names of American republics who were formerly interned at Marianka in Slovakia. It accordingly instructed the Swiss Minister in Berlin not to pursue the matter further. The Foreign Office later agreed, however, to have the Swiss Legation in Berlin make the desired approach to German authorities with respect to persons in the group who are bona fide nationals of the United States and of Latin American countries represented by Switzerland. The Swiss also pointed out that an approach to the Germans along the lines suggested by the Swiss Consul in Bratislava, with respect to Jews claiming United States nationality, requesting the German Government to surrender the Jews in question to the Slovak Government might be interpreted as implying recognition of the Slovak State.

In response to the observations of the Swiss, we advised Representative McClelland that it is our view that the transmission by the protecting power of messages regarding the mistreatment of victims of enemy persecution serves a useful purpose regardless of whether or not the enemy government "accepts" such messages in a formal sense. We pointed out that, in view of this Government's stand regarding the holders of documents issued in the names of American republics, which is shared by the Inter-American Advisory Committee for Political Defense, no distinction between claimants to American nationalities on the theory that some may be bona fide while others may not, can be countenanced in communications to enemy governments relating to the treatment to be accorded such persons. The special interest of this Government in citizens and claimants to citizenship of the United States has already been indicated in a cable to our Legation asking that the Swiss be requested to inform the German Government that the United States Government expects to obtain assurances that the German authorities in Slovakia have not taken any action against claimants to citizenship of the United States which deprived them of any of the rights to which they are entitled, and that if any such persons have been so deprived of their rights or have been removed from Slovakia to some other area under German control, the German Government should provide the names of the persons concerned.

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BY MAIL NAME Date 4/24/44
ADDRESSEES: *AMERICAN LEGATION*
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and information regarding their whereabouts and welfare. We asked Minister Harrison and Representative McClelland to bring to the attention of the Swiss the fact that acceptance of the German view with respect to the right of this Government to make representations concerning the treatment of claimants to nationality of American republics would leave these persons without such slight protection as our repeated representations may afford them. Moreover, in the light of the reportedly wavering position of some of the Nazi leaders on the matter of arrests and deportations on political and racial grounds, the German attitude toward such approaches is not likely to prove inflexible. With regard to possible misinterpretation of our request that Jews deported from Marianka be surrendered to the Slovakian Government, we expressed the belief that technical niceties cannot be allowed to stand in the way of saving human lives and suggested that any misconception regarding the American attitude toward the present regime in Slovakia can be avoided if in communications to the Swiss reference is made to "Dr. Tiso and his associates" or "the present regime in Slovakia."

Representative McClelland cabled us additional information regarding the fate of the Jews in Slovakia, particularly in Bratislava, which was contained in a trustworthy report dated October 28 which reached Switzerland on November 13 through Czech underground channels. The number of Jews sent by the Germans from Bratislava to Sered during the latter part of September and the first part of October was given as 4,000, somewhat lower than the previously announced figure. It was indicated that only about 300 persons are left in the camp, over 3,000 having been deported to an unknown destination. An estimated 20% of the Jews in Bratislava were said to have succeeded in escaping deportation by hiding and fleeing. The round-up was described as a general action conducted against all Jews in German-controlled Slovakian areas and included even so-called Class B baptized Jews, only Jewish wives of "Aryans" being excepted. Most of the Jews arrested in the eastern and central parts of Slovakia were sent to a newly established camp near the town of Topolcany. Nothing was known about this new camp beyond the fact that it is heavily guarded and cut off from outside contact, the inhabitants within a radius of four kilometers having been evacuated. In submitting this report, McClelland pointed to the significance of the fact that, until the termination of this action against the Jews in mid-October, the Gestapo delayed granting a German transit visa to the International Red Cross delegate who was scheduled to leave for Bratislava during September.

Minister Johnson advised us that the Swedish Legation in Budapest had cabled the Foreign Office in Stockholm that approximately 4,500 Jews with special Swedish passports have been moved to a ghetto established especially for them. The Legation is endeavoring to arrange transportation to Sweden for

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27C	AMERICAN MILITARY COMMITTEE	BY MILITARY COMMITTEE DECLASSIFIED MAY 1950 140

an initial group of about 150 of these persons within the next few days. It has successfully intervened to obtain the gradual release of about 15,000 Jews from labor service and deportation. Thousands of Jews were reported to be on the way to the western border of Hungary, traveling on foot under conditions of extreme suffering.

SITUATION IN YUGOSLAVIA

Ambassador Kirk cabled us from Italy that the group of refugees who are awaiting evacuation in a Partisan-controlled section of Yugoslavia are not on a possible line of German retreat and that our military authorities have assured him that they are in no danger from the Germans. The Balkan air force has made and is making special efforts to keep them supplied with food and clothing, but their evacuation is extremely difficult because of the reduced number of flights resulting from winter weather and priority given to the sick and wounded. He reported that some progress was being made, however, in efforts to evacuate small numbers. In a later cable, he reported that the Office of Strategic Services had informed him that a new air strip had just been completed near the present location of this group. It is planned to move them near the sight of this new field and then to evacuate them as soon as possible. In the meantime, they are in no immediate danger and will continue to receive supplies.

SITUATION IN RUMANIA

Representative Katzki informed us that, according to reports received by the Jewish Agency representative in Istanbul, Dr. Ernst Marton, a former member of the Rumanian parliament, has submitted a memorandum to the Nationalists proposing: (1) the extension of medical, financial, and other types of assistance to the 400 to 500 Rumanian Jews who remained in the Ordeal section of Transylvania after the German and Hungarian armies were driven out; (2) the registration and safeguarding of the real and personal property which was confiscated by the Hungarians from the 140,000 Jews deported from Ordeal to Germany or elsewhere; and (3) the rescue by exchange, similar to exchanges of prisoners of war, of Jews deported from Ordeal, 33% of whom it is believed are still alive. With reference to the third proposal, the memorandum stated that all Jews originating from Ordeal automatically became Rumanian citizens without distinction if at the date of the Allied occupation they had been deported by the Nazis to Germany or to Poland. It was suggested that the Rumanian Government propose the exchange of the deported Jews for the "great number of German subjects as well as suspected persons who upon joining the German army lost their status as Rumanian subjects in the eyes of the law as did their families."

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		BY 1931 MARA DEB 4/20/82
		AMERICAN LIBRARY

Representative Katzki reported that Jewish Agency representatives in Istanbul had also received a telegram from the Budapest representative of the Agency suggesting an exchange of Ibdar Jews for German nationals in Rumania through the International Red Cross, similar to the proposal described above. The Budapest representative stated that the Germans have promised to consider the matter provided the Rumanians are in agreement. He expressed the view that the possibility for making such an exchange depends largely upon the attitude of the Rumanian, the United States, and the Russian Governments. Our representative indicated his belief that, while first-hand knowledge of the position in Bucharest is lacking, these exchange proposals, whether involving Hungarian and Rumanian Jews against Germans and Hungarians or some other combination, merit further inquiry and investigation.

The substance of a radio broadcast from Rumania on October 30 intercepted by the Office of War Information in Istanbul was reported to us from Ankara. The broadcast referred to information received regarding the present situation of Rumanian citizens in Germany and Austria, of Jews deported from the north of Transylvania, and of Jews of Rumanian nationality who are in Germany or Hungary or in territories occupied by the Germans. The Rumanian Government was declared to have requested the International Red Cross to make an inquiry concerning the fate and the situation of these Rumanian subjects, and at the same time to have requested the Swiss government to inform Berlin and Budapest authorities that "the Rumanian Government will apply reprisals toward German and Hungarian subjects and toward the respective Ethnic minorities."

EVACUATIONS THROUGH TURKEY

Representative Katzki reported the departure of a total of 104 persons from Istanbul on November 16 and 17, proceeding by railroad to Palestine. There were included in this number 38 Polish refugees from Rumania who had arrived by train on November 11, 46 persons from Bulgaria, including 36 children, who had arrived by train on November 13, and 20 individual emigrants from Bulgaria who arrived by train during the week of November 12.

UNITED STATES VISAS FOR CHILDREN

Representative McClelland informed us that organizations in Switzerland responsible for the care of refugee children had inquired as to whether the 4,000 United States immigration visas authorized under the Board's program will still be available after the war. We advised him that this authorization was given for the purpose of encouraging the Swiss to receive refugee children and that it will remain in effect as long as necessary to influence Swiss action with respect to refugee children.

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By Mail NASA Dec 4/24
Author: MUL750414
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seeking admission to Switzerland to escape enemy persecution. We asked him to give us his views as to whether, in order to accomplish this purpose, it will be desirable to continue the authorization for a period beyond the time when flight from enemy persecution is necessary.

RECOGNITION OF LATIN AMERICAN PASSPORTS

Our Embassy in Quito was informed by the Ecuadorian Foreign Office that, in response to its cabled request of October 31, the Ecuadorian representative in Switzerland reported by telegram dated November 10 that Swiss authorities stated that they regretted that they would not be able to assume representation in Hungary of Ecuadorian interests. In view of a former statement by the Swiss that, unless they were requested to assume such representation, they would be unable to undertake protection of persons in Hungary holding documents issued in the name of Ecuador, we informed Minister Harrison and Representative McClelland of the foregoing and asked them to endeavor to obtain clarification of the Swiss attitude and their reasons for the reply declining to assume representation of Ecuadorian interests in Hungary.

WAR REFUGEE BOARD APPROPRIATION

In view of the provisions of the Russell Amendment (Section 213 of the Independent Offices Appropriation Act, 1935) the Board has requested an appropriation of \$150,000 to finance its operations for the last six months of the fiscal year 1945. The Congressional hearing on this request took place on November 20th at which time Mr. Pehle testified before the Deficiency Sub-Committee of the House Committee on Appropriations.

(Signed) J. W. Pehle

J. W. Pehle,
Executive Director

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BY MAIL MARCH 4 1946	
Authority #A11750140	
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Authority NND 750140
By M31 NARA Date 4/24/87

RG 246

Entry 16

File 122409

Box 1401

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SECRET
C.I.D. 122409

CLASSIFICATION

OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

INTELLIGENCE DISSEMINATION NUMBER

A-53483

COUNTRY Germany and Hungary

ORIGINAL RPT.

RB-9586

SUBJECT Nazi Financial Transactions

DATE OF INFO.

Current

ORIGIN Switzerland
THEATRE

DATE OF RPT.

6 April 1945

SOURCE 2
SUB SOURCE
EVALUATION B-2

DISTRIBUTED

10 April 1945

CONFIRMATION
SUPPLEMENT

NO. OF PAGES

ATTACHMENTS

1. Thomas Pechy, Managing Director of a Hungarian small arms and ammunition factory, recently arrived in Zurich from Vienna. He brought with him a trunk weighing 250 pounds which contained securities.
2. Pechy works closely with SS Obergruppenführer Becher (sic. Possibly Herbert Becher) of Vienna, who arranged his trip to Switzerland. Becher, who is one of the chief "fixers" in the Nazi Party, is suspected of being charged with the task of providing safe haven for Nazi funds.
3. Pechy also is reported to be negotiating the sale to the Swiss of German copper for 3,000,000 Swiss francs payable outside their clearing account. The copper is said to be stored in Regensburg, Bavaria, where it has been earmarked by Becher as Swiss property.

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RG 153 JAG/WAR
Entry _____
File 108-7
Box 94

321659

Branch

B6003

Interior

0221655

Stockholm, October 19, 1945.

JAG
K.O. 6-38CONFIDENTIAL

Subject: Additional Information Concerning the Sale
of Looted Diamonds by the Germans in Sweden.

The Honorable
The Secretary of State,
Washington.

P.R.
I.R.

In reference to the Legation's despatch no. 6012, dated August 13, 1945, entitled: "British Report on Trade in Smuggled Diamonds and Precious Stones; SALTBURN", I have the honor to transmit the following information concerning the sale of looted diamonds by the Germans in Sweden. This information was received from a confidential source.

Graf von Schwerin, a junior official of the German Foreign Office, prior to the capitulation, visited Stockholm twice monthly in his capacity of official German courier. Von Schwerin is stated to be the principal figure in the German Government sale of Dutch diamonds in Stockholm and is reported to have brought stones to Sweden in the German diplomatic pouch. The sale of these diamonds was made on the direct orders of the Nazi Government.

The appropriate Swedish authorities have requested the Legation to transmit to them any information that may be obtained should von Schwerin be questioned.

Very respectfully yours,

For the Minister:

C. I. Ravndal
Counselor of Legation

Original and hectograph to the Department

2 copies to the American Embassy, London

1 copy to the U. S. Political Adviser for Germany, at

File No. 851

Donald Bloomingdale, Jr.

CONFIDENTIAL

108-7-1

USA War Crimes Office

27 DEC 1945

66

J. D. S.
G: 400/ Restitut

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: October 20, 1948

SUBJECT: Italian Restitution from Germany.

PARTICIPANTS: Mr. Kiefer - EP.
Mr. Ortona, First Secretary, Italian Embassy.

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Mr. Ortona called at his request to take up three messages from the foreign Office on this subject. He was considerably agitated. The Italians had been given a cut-off date in the American Zone of Germany for the filing of restitution claims, to be November 30, 1948, with all deliveries to be completed by December 31, 1948. This was an impossible situation. Not until April, 1948 had the Italians been given the inventories of German looting in Italy (Roges files) which had been in possession of U. S. military forces, and seven months was not enough time in which to prepare their claims. Furthermore, the Germans were systematically hampering the restitution of Italian property by making fraudulent statements about the manner and time of acquiring such property, and this was apparently not being dealt with adequately. Finally, Military Government was accepting "meritorious" Italian restitution claims outside the cut-off date on the sole basis that the Italians could prove conspiracy by the Germans to withhold information on looted property. The Italian Government could not accept these restrictions and proposed that they be given until December 31, 1949 to file restitution claims. They also proposed that Italians be included in the field parties for inspection of German plants which possibly contain looted machines.

The Italian Government had also been told by the Chief of their restitution mission in Germany that Italian looted property had been shipped out of Germany among reparations deliveries and requested that inventories of Italian property shipped out in this manner be made available to the Italian mission and that the mission henceforth be admitted to consult with reparations authorities in connection with future deliveries.

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BOX

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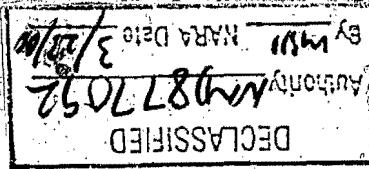
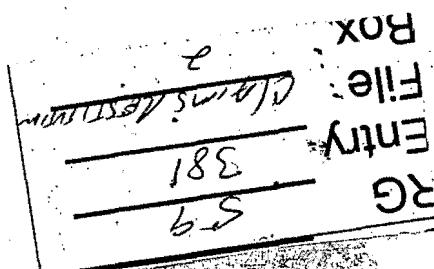
3/20/48
NARA Ref# 3/20/48
Autograph May 27 1992
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It was pointed out to Mr. Ortona that we had been advised that Roges files had been made available to the Italians in successive instalments, of which the last was made in April 1948. As for the cut-off date, it had been announced in October 1947 to be set at April 30, 1948; and if the Italians had been given an extension of seven months, that appeared to be a generous provision. Surely Mr. Ortona would concede that the earliest possible termination of the program was both a reasonable and equitable objective, for both the occupation authorities as well as the Italian economy. The cut-off date for deliveries was actually no more than a target date, and we intended to continue deliveries even thereafter of any property which remained to be dealt with. Mr. Ortona was reminded that on the whole we had gone out of our way to accommodate the Italians in the matter of restitution and that there appeared to be no reason for a wholesale condemnation of the restitution authorities in the field, such as Mr. Ortona had made.

The Department would, of course, always be prepared to take up with the field any serious difficulties which the claimant countries might encounter in connection with restitution, and Mr. Ortona was advised to submit such data to the Department in as much detail as possible. He promised to give us a note shortly, and requested in the meantime that the Italian complaints be taken up as a matter of urgency.

OFD:EP:APKiefer:mcm
10/20/48



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Authority NY 877092
By WIII NARA Date 3/28/00

RG 59
Entry 381
File: External Assets
Box. 2

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~~URGENT~~~~URGENT~~

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VM - Mr. Reinstein
Lo/B - Mr. Rubin
xxm - Mr. Oliver
A-H - Mr. Rudlin
✓CS - Mr. Lightner
SC - Mr. Parsons
SE - Mr. Culbertson

March 3, 1947.

From: Lo/B - W.S. Surrey

I am attaching herewith a memorandum on the German External Property Commission. The memorandum sets forth a detailed discussion of the basis for transferring title from the German External Property Commission to appropriate countries. This is for discussion at a meeting in Mr. Rubin's office on Tuesday, March 4, at 5:30 p.m.

Attachment:
Memorandum.

Lo/B/Surrey:ws

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D. 2nd

ACK
RCM:

Thurfield
J.

MEMORANDUM FOR THE FILES

June 24, 1947

Lieutenant Colonel Van Nispen tot Sevenaer, the Delegate for Belgium and France of the Dutch Restitution Branch called this morning to introduce Mr. Dumig who is the President of the Dutch Office charged with the recuperation of precious stones and metals looted by the Nazis.

Both men identified themselves with their passports.

Mr. Dumig examined the diamonds in my presence and took copious notes on their description, weight and the markings on the individual packages. He also weighed five packages at random and confirmed our records of weights were correct.

He said that although he could not at present give us any inkling as to whether or not the diamonds might be identified as Dutch he hoped that from the lot numbers and code words such identification might be possible. From his cursory examination he said that apparently four to six large parcels might be made of the packages we had and that by comparing hand writings and code words these lots were quite obvious.

Mr. Dumig is returning to Amsterdam and will consult the Dutch records there. He also will contact the diamond merchants and endeavor to ascertain whether any merchants still living today are familiar with the code words on the packages which indicate their content's value. If he is successful he will then write directly to the Embassy or else via Col. Van Nispen.

He explained that when the Germans took the large amounts of diamonds from Holland the Dutch themselves inventoried the diamonds looted for at first the Germans claimed that they were merely safe-guarding them. These records are naturally voluminous but according to Mr. Dumig form a clear basis for restitution claims.

G.W.G.
B.M.G.

321663

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SEARCHED

84

ENTRY 21663-113

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SOLARIS

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED

Authority NND 755009
By WDP NARA Date 3/19/00

RG RG 84

Entry 2780

File 851

Box 27

DECLASSIFIED

Authority NND 755009
By WDP NARA Date 3/19/00

RG RG 84

Entry 2780

File 851

Box 27

321664

TELEGRAM RECEIVED

16-37118-1 GPO

From: Brussels

Date: December 30, 7 pm, 1947

No.: N/N

Code: Secret

Received: January 1, 1948

FN from Dorr.

As Dept aware Italy claims 1777 KG gold held for ISTCAMBI by Banca d'Italia and taken by Germans 1944. This amount showed up in statistical part on questionnaire reply as having been received from Germany in 1943. Italy now states "This lot of gold has been delivered in February, 1943 to Bank of Italy by Reichsbank for account of the ISTCAMBI as an advance payment of the gold equivalent of \$2,000,000 granted by the Reichsbank against a credit of ISTCAMBI for \$3,021,120."

Commission recently received from OMGUS copy statement by Graupner former Reichsbank Attaché and head Gold Section Reichsbank Berlin, to US authorities if 1945 concerning 1941 agreement between Reichsbank and ISTCAMBI. Banca d'Italia in America was to put two million dollar notes at disposal Reich gold counter value being held Italy's credit Berlin. Because of US blocking enemy assets transaction "could not be carried through". Nevertheless Berlin sent the 1777 KG to Rome, 1943. Later Reichsbank asked return gold but Italy delayed until March 1944. Graupner uninformed re disposition of dollar notes in US.

"recognize Graupner testimony not conclusive but is clear occasion for further inquiry. Believe this portion Italian claim must be reserved pending satisfactory explanation transaction.

Does Dept now or can it determine whether Banca d'Italia new York dollar notes or book credit for Reichsbank on June 14, 1941 and if so whether such credit represents advance under loan arrangement described? If not, Italy may never have given value for gold, which therefore would have remained German property and should not be claimed by Italy.

Commission requesting full explanation from Italy.

Sent Dept 2057, rptd Rome unnumbered.

MILLARD

drf:hcs

Sebastos and
Aug - Do you know anything
about a blocked/frozen (?) 2 million
account Banca d'Italia with a
1941 instruction to transfer to Germany?

On file

SECRET
CLASSIFICATION

OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

INTELLIGENCE DISSEMINATION NUMBER

A-57688

COUNTRY	Switzerland	ORIGINAL RPT.	RD-16427
SUBJECT	Activity and Plans of Bernhard Berghaus	DATE OF INFO.	18 June 1945
ORIGIN THEATRE	Italy	DATE OF RPT.	19 June 1945
SOURCE	Z	DISTRIBUTED	23 June 1945
SUB SOURCE	R&A	CONFIRMATION SUPPLEMENT	
EVALUATION	A-3	NO. OF PAGES	
		ATTACHMENTS	

1. Bernhard Berghaus, the German industrialist and owner of substantial light metal interests and valuable patent rights, is at present at the Hotel Bar au Lac in Zurich.
2. Bernhard Berghaus entered Switzerland about 12 April 1945 on a passport stamped February 1945. His family have been in Switzerland since 1940 and he has visited them regularly.
3. His brother-in-law is Paul Kurt von Gontard, President of Anheuser Busch in the United States.
4. Bernhard Berghaus owns valuable properties in Germany, Austria, Spain, Jugoslavia and Italy. He left for Switzerland with the avowed intention of trying to safeguard his properties by resuming negotiations for a union with Gontard which was projected before the war.
5. At the end of August 1939 he deposited \$400,000 in a New York bank. The money was partly proceeds from the sale of British stock. The account is either a joint account under the names of Gontard and Berghaus or perhaps a single account under the name of Gontard alone.

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C. 31 and 32, as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

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Authority NND77519
By WBD NARA Date 11/22/93

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Entry

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

AG CABLE CONTROL

INCOMING MESSAGE

D-TID 2218003

RCD 230242B Aug 46

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TOP SECRET**TOP SECRET**

P R I O R I T Y

FROM : ACC HUNGARY FROM WEEKS

TO : OMGS FOR POLITICAL, USMA PARIS, OPD, WDGI FOR JCS,

INFO : G-2 USFET, G-2 USA, G-2 MTOUSA, ACC RUMANIA

RELAYED BY : AGWAR (222141Z) *ag 602.3 Readi*

REF NO : Z-3826 *F/W Agc in 34824*

Responsible Hungarian Govt official made categorical statement on behalf Prime Minister to this mission on 21 August that status of gold recently restituted to Hungary was settled so that the gold will remain property of Hungarian National Bank. See our ad 3718 of 13 August have purported copy resolution Supreme Economic Council of 8 August instructing Finance Minister to make request for partial transfer to State. Presume from official statemtn above that plan abandoned.

Z-3718 AGC IN 34824, 15 Aug 46 POL AFF

ACTION : POL AFF

INFORMATION : O/SS C/S
FINANCE
ECON
CONT OFF
AG RECORDS

AGC IN 35402 23 Aug 46 1115B JDL/JB REF NO: Z-3826

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Copy No:

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 File Economic
Communist
 Box 80

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By	VR NARA Date 4/13

PMA / BMW

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Abstracts of
 Reports on German Domination Over Industry
 (see excerpts and sources)

Germany

Textiles

Thirty textile cartels are said to have been dissolved in line with the recent general policy on cartels. "The disbanded textile cartels comprise groups in the clothing industry, organized for the purpose of price fixing and regulation. ... The State-managed 'Business Group of Clothing Industries' (Wirtschaftsgruppe Bekleidungsindustries) will take over their functions."

Glass

Germany controls continental glass production. The German international cartel, Verein Deutscher Tafelglashütten G. m. g. H. has marketing agreements with Belgium, France, Italy and Serbia. It is now trying to secure Sweden's participation, whose cartel, Oxelösunds Järnverks A.B. is expanding its production.

Concentration of capital

Discussion and tables showing steady growth of concentration of capital in Germany. (See tables) "The tendency toward the concentration of corporate capital in the larger corporations and an increase in the average size of the capital of the corporations in Germany again took place in 1942, according to the statistics recently published by the official Statistical Bureau of the Reich. Simultaneously the number of the larger corporations increased and small and medium sized corporate enterprises diminished both in number and in the amount of their capital. The growth in the average size of corporate capital was primarily the result of the transfer of accumulated reserves to capital and not the establishment of new corporations or increases in capital."

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-3-

Austria

Chemicals

The chemical and ammunition company, Donau-Chemie, at Moosbierbaum near Tulln, now belongs to I. G. Farben, and produces sulphuric acid. It has a staff of 5,000.

Pulp manufacturing

The Lenzinger Papierfabrik Akriengesellschaft at Lenzing, Pettighofen and Schorfling, Ober-Oesterreich, which is the most important pulp manufacturing plant in Austria, is now part of the Hermann Goering Werke. It produces up to 18,000 tons of pulp annually, for paper and for manufacture of ammunition.

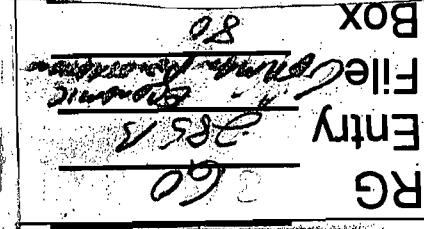
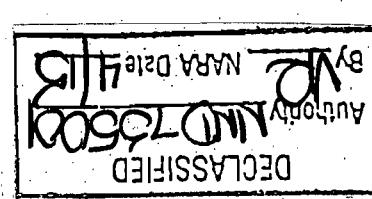
Engines and locomotives

The Kloeckner-Humboldt-Deutz Co., which is held by the Kloeckner Works Co. of Duisburg, has acquired a commanding share in the Simmering-Graz-Pauker Co. for machine, boiler and truck construction. The latter company was previously part of the Hermann Goering Works. The extent of the Kloeckner Concern's interest in the Simmering-Graz-Pauker Co. is believed to be 10 million RM out of the packet of 12 million RM hitherto owned by the Goering concern. The reason given for this transaction is that the two concerns manufacture almost the same products, that is, engines and I.C. locomotives, dressing and conveying equipment. "The transaction thus represents a typical case of verticle expansion of an industrial combine. In view of the size of the Vienna works, which after the triple fusion of July, 1941, had been equipped with a share capital of 13 million RM, it has been an expansion of the first magnitude."

Italy

There are indications that enemy property owners in Italy are attempting to avoid sequestration and other measures resulting from their defeat by transferring their property to neutral owners. In one case, intercepted documents have revealed that the Swiss Basler Handelsbank arranged to acquire, as collateral, the shares in the Bosch subsidiary in Milan owned by Bosch Stuttgart, in return for a three-year prolongation of a loan to Bosch Stuttgart. Following disclosure of this evidence, the British House of Lords stated that both the British and American governments would reserve the right to treat transfer of enemy-owned rights to property in Italy to neutrals as invalid, and that such neutral parties would be subject to the sanctions of both governments.

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P.P.M.
CC: Mr. Martin

Mr. Edward H. Levi
Special Assistant to the Attorney General
Mr. Sidney A. Diamond
Special Attorney
Italian Trademarks on Goods Seized by the Army.

January 28, 1944

The Foreign Economic Administration has requested our opinion on the problem arising from the proposed introduction on the United States market of wine seized by the Army in Sicily. The first shipment of about one thousand hectoliters is expected in this country in the near future.

The wines are the property of the Army. F.E.A. is to act as selling agent.

The shipment will be made in casks but it is desired to have the wine bottled for sale. The brand names under which these wines were formerly sold in the United States are known. They were distributed by exclusive agents in this country.

The particular problem on which advice has been requested is that of trademarks. This problem appears to be worthy of serious consideration because of the possible effect on a purchaser's mind of suddenly finding Italian brands on the United States market.

F.E.A. makes the following assumptions:

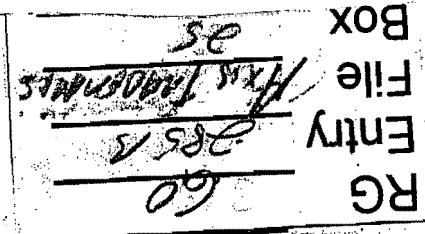
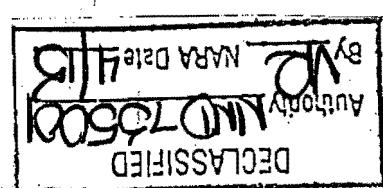
The exclusive contracts between the Italian producers and their United States agents were cancelled by the commencement of war.

It is necessary that the wines be bottled and sold as they were prior to the war in order to protect the brands and the high market value of the wine.

The pre-war exclusive agents should not obtain exclusive sales rights for the wines seized by the Army.

As you know, there is some doubt concerning the conclusion that the agency contracts referred to were cancelled by the war. However, this does not affect the proposal of the Chief of the Italian Division of F.E.A. to engage the services of the pre-war agents to bottle and label the wines. He suggests that the U. S. Commercial Company be directed to make these arrangements and that a public auction then be held in New York to dispose of the wines.

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The P.E.A. has been advised by the Alien Property Custodian that that office will immediately vest the trademarks on request, if they are registered in the United States Patent Office in the names of enemy nationals. The Alien Property Custodian would also be willing to vest the contract rights of the Italian producers with their pre-war agents. These ideas are appealing, but the Alien Property Custodian also states his belief that he might then become subject to an action for damages by the pre-war agents if the latter were not permitted to distribute the wines. I should not think that any cause of action could arise, with or without vesting, concerning goods seized by the United States as prizes of war.

My personal view is that it would create an unfortunate impression if these wines were to appear on the United States market bearing their Italian trademarks without further explanation. I think that all legal problems, as well as the problem of the public reaction, would be solved if they were to be marketed under a purely descriptive name, without any trademark at all. The only objection I can see to this proposal is the War Department's problem of getting as much money as possible for the property. I understand from Harriet Zetterberg that the War Department feels very strongly on this matter. However, I am inclined to believe that, if the auction is held for wholesalers and they are given the opportunity to taste the wine, an excellent price should be realized regardless of the brand name. Under such circumstances, I would suggest a label which simply described the wine and explained its availability.

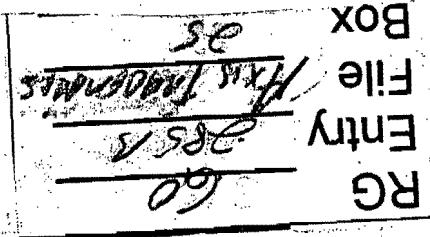
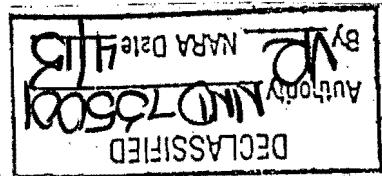
If this proposal should not be adopted, it seems to me that the alternative would be to bottle the wines under their proper trademarks and add a supplementary label to explain their presence on the market.

Substantial shipments are apparently on the way and it is anticipated that very large additional shipments will be ordered if the market response is favorable. This is accordingly not as small a problem as it might seem. I think that we might talk about it. P.E.A. would like our reaction in the near future.

SIDNEY A. DIAMOND
Special Attorney

SAD/r1

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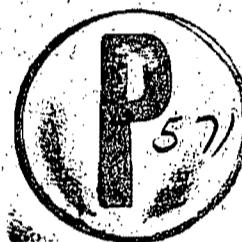


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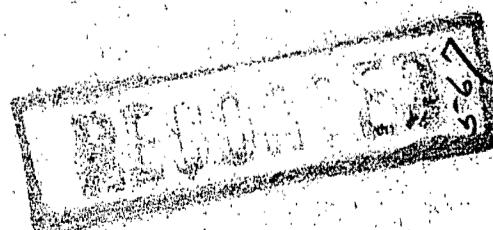
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THE EUROPEAN RECOVERY PROGRAM



COUNTRY STUDIES

CHAPTER IX-ITALY



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and petroleum products. United States Foreign Relief Program shipments got under way in August 1947, assuring Italy's minimum cereal and coal requirements until approximately the end of 1947. The Foreign Aid Act of 1947, which was enacted in December, is designed to provide a flow of foodstuffs and raw materials sufficient to maintain present consumption and production levels through the first quarter of 1948. Italy's total holdings of uncommitted gold and dollar exchange now are estimated at no more than three weeks' minimum import requirements.

Italy's present balance-of-payment difficulties are largely due to wartime dislocations. Germany and the Balkan countries, where before the war Italy sold between 30 and 40 percent of its exports, have all but disappeared as markets and sources of supply. Coal, previously obtained from the Ruhr and the United Kingdom, has to be shipped from the United States at considerably greater cost. Shipping earnings are drastically reduced as Italy's present merchant tonnage is only about one-half that of the prewar merchant fleet.

Revival of the tourist trade has been hampered by incomplete restoration of tourist facilities, unstable conditions in Italy, and restrictive exchange controls practiced by foreign countries. Finally, Italy has been unable to use part of her current sterling earnings for imports, because of limited availability of required imports from the sterling area.

9. United States Aid Since the War. Since the invasion of Sicily in the summer of 1943 the United States has extended assistance to Italy in the amount of about \$1.7 billion, as summarized in the table on the following page. In addition, in the period December 1, 1947 to March 31,

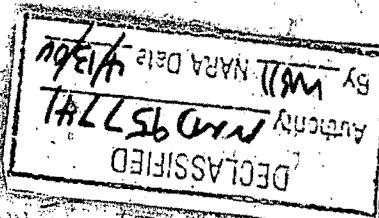
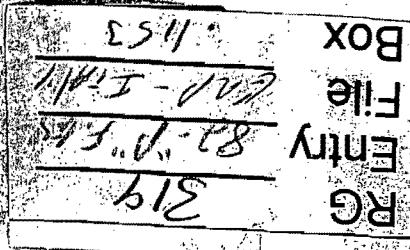
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1948, it is expected that the United States will finance approximately \$200 million of Italian imports under the Foreign Aid Act of 1947.

United States Assistance to Italy Since Liberation,
September, 1943-December 31, 1947
(millions of dollars)

<u>Agency</u>	<u>Amount authorized</u>	<u>Purpose</u>
1. U.S. Army Military Relief Program (U.S. Share)	376	To avoid "disease and unrest" among Italian civilians during period of war.
2. Foreign Economic Administration, Transitional Program (U.S. Share)	34	Relief assistance in 4th quarter 1945 to tide Italy over to beginning of UNRRA program.
3. UNRRA Program (U.S. Share)	375	
4. Treasury, Suspense Account	312	Dollar counter-value of circulation lire expended by U.S. in Italy for troops, pay, supplies, services and facilities.
5. OFLC, surplus property credits	178	
6. Maritime Commission	62	Purchase of 110 surplus ships.
7. Export-Import Bank Credits	131	325 million cotton loan, 55 million tobacco loan, and 101 million for loans to Italian industries and handicrafts.
8. U.S. Foreign Relief Program	121	
Total	1,689	

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The above table does not include assistance to Italy resulting from United States decisions not to avail itself of its rights under the Peace Treaty. These include (1) the transfer to Italy of 27 merchant vessels representing Italian ships seized prior to the outbreak of war, and (2) the return of blocked and vested Italian assets in the United States valued at \$60 million.

The contribution of this assistance to Italy's recovery has been invaluable. United States financial assistance was responsible for more than two-thirds of total Italian imports in 1945 and 1946 and for about one-half of total Italian imports during the first six months of 1947. Total imports into Italy in 1945 and 1946 were valued at approximately 400 million and 850 million (exclusive of war surplus), respectively, and at about 736 million for the first half of 1947. Of these amounts it is believed that United States assistance covered about \$320 million in 1945, about \$500 million in 1946, and over \$240 during the period January-June 1947.

Most Italian imports of foodstuffs and coal were obtained from the United States. Without United States bread grains it would have been impossible to maintain the limited rations distributed to Italian city dwellers since liberation; without United States coal Italy's industry, public utilities, and railroads would have remained practically paralyzed. Italian exports, which in 1946 reached \$400 million, would have been less than half that figure had it not been for coal, cotton, and other raw materials supplied from or financed by the United States. Industrial production, which stood at only 20 to 25 percent of the prewar level at the beginning of 1946, would probably have recovered but little beyond this point. Without United

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States assistance there would unquestionably have been chaos in Italy.

With it, partial recovery has been generated and a foundation laid for future development.

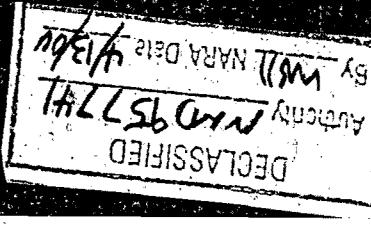
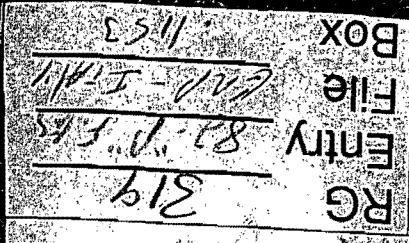
B. Political Aspects

It has been the objective of United States policy since 1943 that Italy take its place as a free democratic state among the nations of the world. It was recognized that a firmly established, economically healthy, democratic regime in a vital strategic area containing Europe's third largest population group is essential to a stable peace. To this end the United States has extended economic assistance to Italy, advocated the prompt conclusion of peace and supported Italy's admission to the United Nations.

Following the liberation of Rome, in June 1944, a coalition government was formed including the six political parties which composed the Committee of National Liberation. In national elections for a Constituent Assembly held on June 2, 1946, the Christian Democrat (Catholic) party polled 35 percent of the vote as compared to 20 percent for the Socialists and 19 percent for the Communists. At the same time a referendum on the form of government resulted in the establishment of a Republic.

The resulting three-party coalition government formed under Prime Minister De Gasperi (Christian Democrat) faced serious problems. Its first task was to obtain an Italian peace treaty. Until a treaty was in effect, Italy could make no definite plans for economic reconstruction nor play an effective role in international affairs. During the prolonged treaty

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THE WHITE HOUSE
WASHINGTON.

August 26, 1944

MEMORANDUM FOR
THE SECRETARY OF WAR

This so-called "Handbook" is pretty bad. I should like to know how it came to be written and who approved it down the line. If it has not been sent out as approved, all copies should be withdrawn and held until you get a chance to go over it.

It gives me the impression that Germany is to be restored just as much as The Netherlands or Belgium, and the people of Germany brought back as quickly as possible to their pre-war estate.

It is of the utmost importance that every person in Germany should realize that this time Germany is a defeated nation. I do not want them to starve to death but, as an example, if they need food to keep body and soul together beyond what they have, they should be fed three times a day with soup from Army soup kitchens. That will keep them perfectly healthy and they will remember that experience all their lives. The fact that they are a defeated nation, collectively and individually, must be so impressed upon them that they will hesitate to start any new war.

The following are a few extracts of things which have caught my eye in a very hurried reading of this "Handbook". There are doubtless many others.

"Your main and immediate task, to accomplish your mission, is to get things running, to pick up the pieces, to restore as quickly as possible the official functioning of the German civil government in the area for which you are responsible The first concern of military government will be to see that the machine works and works efficiently".

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"The principles with which Officers in Military Government Staffs and Detachments will be concerned include: the reorganization of the German police and the maintenance of Law and Order; the supervision of the German Judiciary and the establishment of Allied Military Courts; the control of the German Finances; the protection of property; the establishment and maintenance of an adequate standard of public health; the promotion of agriculture; the control, supply and distribution of food and essential supplies of every kind; the restoration and maintenance of public utilities; the provision for the gradual rehabilitation of peace-time industry and a regulated economy; the employment of Labour and the prevention of industrial unrest ..."

"Military Government Officers will, in conjunction with other interested and affected agencies and authorities, ensure that steps are taken to:

- (1) Import needed commodities and stores.
- (2) Convert industrial plants from war to consumer goods production.
- (3) Subsidize essential economic activities where necessary.
- (4) Reconstruct German foreign trade with priority for the needs of the United Nations.
- (5) Modify existing German regulations controlling industrial and raw material production".

"The highly centralized German administrative system is to be retained unless otherwise directed by higher authority".

"All existing German regulations and ordinances relating to production, supply or distribution will remain in force until specifically amended or abrogated. Except as otherwise indicated by circumstances or directed by higher authority, present German production and primary processing of fuels, ores and other raw materials will be maintained at present levels".

"The

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"The food supply will be administered so as to provide, if possible, a diet on the basis of an overall average of 2000 calories per day. Members of the German forces will be rated as normal consumers. The control of retail prices will be continued. The existing rationing system and classification of consumer groups will be maintained subject to modifications required by circumstances... Should the indigenous products of Germany be insufficient to provide such a basic ration, the balance will be made up by imports".

"All possible steps will be taken to ensure the utilization of German economic, material and industrial facilities to an extent necessary to provide such raw materials, goods, supplies or services as are required for military and essential civilian needs, and to any additional extent -- as approved by higher authority -- necessary to provide surpluses for international transfer, supplies for reparational requisition, and legitimate industrial stock-piling".

"The fishing industry has long been important in German economy, but owing to the requisitioning of trawlers for naval operations, the most important North Sea fish catch has been seriously curtailed. Before extensive commercial fishing can be resumed, a considerable amount of fishing gear will be required as well as stores and material for the repair and reconditioning of fishing vessels. There will possibly also be an immediate shortage of fuel and lubricants".

"The Agricultural economy will be freed of Nazi discrimination; it will not otherwise be changed except where direct advantages are to be gained. Agricultural production control, and grain and other agricultural products collection agencies existing prior to occupation will be maintained or reestablished. Equitable prices co-ordinated at Reich level will be fixed for farm products. Violations of farm price control, wages or rationing regulations will be severely punished".

"The main objective of Allied Military Government in the financial field is to take such temporary measures as will attempt to minimize the potential financial disorder and chaos that is likely to occur and thus assist the military forces in their operations

and ease

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and ease the burdens that will face the more permanent Allied control organization that will later deal with the problems of Germany".

"Wherever possible, removals and appointments (of civil servants) will be made by Military Government officers acting through German officials who are vested with this authority under German law; nothing will be done which would unnecessarily disturb the regular German civil service procedure or deprive the official or employee to be removed of any ultimate rights to which he may be justifiably entitled under German law, after cessation of military government".

"International boundaries will be deemed to be as they were on 31 December 1937".

There exists a school of thought both in London and here which would, in effect, do for Germany what this Government did for its own citizens in 1933 when they were flat on their backs. I see no reason for starting a WPA, PWA or a CCC for Germany when we go in with our Army of Occupation.

Too many people here and in England hold to the view that the German people as a whole are not responsible for what has taken place -- that only a few Nazi leaders are responsible. That unfortunately is not based on fact. The German people as a whole must have it driven home to them that the whole nation has been engaged in a lawless conspiracy against the decencies of modern civilization.

Please let me see the revision of this and also let me have this original copy back.

F. D. R.

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Marce :
Will you return
in front in Florida

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GILLETTE SAFETY RAZOR COMPANY
Boston, U.S.A.

November 7, 1945.

The Honorable Will Clayton
Assistant Secretary of State
Washington, D. C.

Re: Gillette Trade-Marks in Germany or Held by German Subsidiaries

Dear Sir:

We understand that certain discussions are now going on with regard to what disposition is to be made of German trade-marks, and that certain orders have been issued by the Allied Control Commission in Germany vesting in them title to all trade-marks in foreign countries standing in the name of a German company even if that company is wholly United States owned. Insofar as this deals with true German owned trade-marks, we have no interest, but we are very fearful that unwittingly a great injury may be done to American business and to American exports unless some way is found by which trade-marks owned by German subsidiaries of American parent companies can be transferred to those parent companies.

Facts with Regard to the Gillette Safety Razor Company Situation

The Gillette Safety Razor Company was incorporated under the laws of Delaware in the United States in 1917, taking over a business established in 1901. Gillette stock is listed on the New York Stock Exchange and so far as we know none of the shares are owned by Germans. In fact very few shares are owned by anyone not a national of the United States. The business of the Gillette Company has been the manufacture and sale of razors and blades and other shaving appliances since its organization, and these products are sold by it in practically all of

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the countries of the world.

In connection with this distribution it is often convenient to incorporate a selling organization under the laws of the foreign country in which it is going to operate, and in some cases it is also expedient to establish factories in foreign countries. The Gillette Company, therefore, has wholly-owned subsidiaries in many countries of the world.

In Germany the Gillette Company has two subsidiaries, Gillette Safety Razor Company G.m.b.H., which is wholly owned and was located up to the time of the war in an office near Potsdamer Platz, Berlin, whose business was the distribution and sale of Gillette merchandise. This office was blown up during the war and a new office was established in the factory of Roth-Buchner G.m.b.H., next referred to. The Gillette Company also owns substantially all the stock (99.6%) of Roth-Buchner G.m.b.H., having a factory located at Oberlandstrasse 75, just south of the Tempelhof Airport in Berlin. Thus the headquarters of both of the Gillette subsidiaries are within the American zone of occupation in Berlin.

Each of these German subsidiaries of Gillette have for many years owned certain very valuable trade-marks in Germany and other countries. Since there are too many trade-marks to talk about them individually (there are probably 700 to 800) we are dividing them up into three distinct groups in order that the full facts with regard to them may be understood. These groups are as follows:

1. The trade-mark "Gillette", which is owned by Gillette Safety Razor Company G.m.b.H. in Germany, Austria, Czecho-Slovakia, Danzig, Hungary, and Poland.
2. Certain other marks used largely on goods manufactured by Gillette's London and Montreal subsidiaries, which marks are owned in some places by either

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Gillette Safety Razor Company G.m.b.H. or Roth-

Buchner G.m.b.H.

3. Certain marks registered in Germany and throughout
the world for merchandise that was made by Roth-

Buchner G.m.b.H.

1. The trade-mark "Gillette", which is owned by Gillette Safety
Razor Company G.m.b.H. in Germany, Austria, Czecho-Slovakia,
Danzig, Hungary, and Poland.

In 1892 the Madrid Convention with regard to trade-marks was accepted by various countries in the world but it was not accepted by the United States. As a result it was possible to get better protection for trade-marks in countries accepting the convention if the trade-mark was registered in the name of a corporation incorporated in one of the countries accepting the convention. Accordingly, the name "Gillette" was registered in Germany in 1908 as belonging to Gillette Safety Razor Company G.m.b.H. Then late in 1921 it was also registered in Germany in the name of Gillette in the United States, the laws of Germany allowing this double registration. In 1913 the mark was registered in Austria and Hungary under the name of Gillette G.m.b.H. In 1922 it was registered in Danzig in the same name, in 1923 in Czecho-Slovakia, and in 1924 in Poland. None of the officers of the Gillette Company responsible for these registrations are now alive to say exactly why this was done, but we assume it was because additional rights were thus obtained under the Madrid Convention. In Poland it was also possible to obtain a double registration and the mark was therefore registered there also in the name of Gillette in the United States.

In addition to the above registrations of the name "Gillette", there were certain defensive marks with a picture of the blade, envelope, etc. also

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registered in one or all of these countries in the name of Gillette G.m.b.H.

Here are trade-marks which are purely of American origin used to promote American business, and if they should be considered German merely because they stand in the name of a German corporation, a great injury would be done to American interests.

In connection with this we think we ought to call your attention to the further fact that if the trade-mark "Gillette" is lost in any country so that blades called "Gillette" can be legally manufactured there by others, the sale and distribution of such blades will by no means be confined to the country of origin, but will spread out all over the world, irrespective of what the trade-mark situation in other countries may be. For example, in the Solingen area of Germany there are many small companies which have manufactured blades of a poor quality. It is readily apparent that if the mark "Gillette" were made available to them, great damage would be done to American interests. Blades are of considerable value in proportion to their weight, they are easily transported, easily concealed, not perishable or breakable, on account of which there is always smuggling going on by sailors, travelers, etc., and the loss of the Gillette trade-mark, therefore, in one country will result in very many of these Gillette blades made by others finding their way into other countries, even though there the Gillette mark is held by Gillette in Boston.

2. Certain other marks used largely on goods manufactured by Gillette's English and Canadian subsidiaries, which marks are owned in some places by either Gillette Safety Razor Company G.m.b.H. or Roth-Buchner G.m.b.H.

The principal marks involved in this category are Minora and Mem. The Minora mark was originally exclusively the property of Roth-Buchner G.m.b.H.

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At that time Gillette was very anxious to establish another mark besides "Gillette" that could be used in certain countries and wished to obtain for this purpose a mark which already had some public acceptance, thus clearly reducing the expense of advertising and sales promotion necessary to establish a new mark. Accordingly, arrangements were made to transfer the Minora mark from Roth-Buchner G.m.b.H. either to the Gillette Safety Razor Company or to one of its subsidiaries which was going to manufacture the mark or sell it within certain individual countries. Accordingly, ownership of the mark was transferred in the

Argentine	to	Gillette-Boston
Australia	"	Australian Subsidiary
Brazil	"	Brazilian Subsidiary
Canada	"	Canadian Subsidiary
Chile	"	Gillette-Boston
Colombia	"	Gillette-Boston
Cuba	"	Gillette-Boston
Ecuador	"	Gillette-Boston
France	"	French Subsidiary
Great Britain	"	British Subsidiary
Irish Free State	"	British Subsidiary
New Zealand	"	British Subsidiary
Panama	"	Gillette-Boston
Peru	"	Gillette-Boston
Porto Rico	"	Gillette-Boston
Philippine Islands	"	Gillette-Boston
Union of South Africa	"	British Subsidiary
United States	"	Gillette-Boston
Mexico	"	Gillette-Boston
Venezuela	"	Gillette-Boston

Starting with this mark in a small way, the sales were gradually increased until it became one of the very large items manufactured by the Gillette organization. A certain amount of the blades continued to be made by Roth-Buchner G.m.b.H. in Berlin, but only a very small volume and they of course were sold only in those countries where the mark had not been transferred to other Gillette subsidiaries.

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It should be especially pointed out that such transfer will not in any way help re-establish German trade but will on the contrary serve most effectively to restrict and prevent any future German trade in this mark. The mark is not one which sounds German when spoken or written. It has a large established market in many countries of the world, particularly within the British Empire and it is of great importance that for the business of the Gillette Company it not only retain the right to prevent others from using the mark but obtain the right to use it itself in all countries of the world where it is desirable.

The other principal mark coming under this heading is "Mem". The "Mem" trade-mark originally belonged to M. E. Mayer & Company, who operated a large department store in Vienna and carried on a large wholesale distributing business in Europe. Sometime in the twenties, M. E. Mayer & Company agreed with Gillette G.m.b.H. to take on the distribution of Gillette blades, and as part of the transaction conveyed to Gillette G.m.b.H. the mark that they had been using on their own blades, -- namely, "Mem". This trade-mark was then registered in the name of Gillette Safety Razor Company G.m.b.H. in Austria, Bulgaria, Denmark, Finland, Greece, Japan, Norway, Sweden, and in those countries members of the Madrid Convention through an international registration.

However, since Gillette G.m.b.H. had no factory and practically until the time of World War II no blades were sold except those manufactured by Gillette subsidiaries outside of Germany, it never used the mark "Mem". Still, the "Mem" mark had a certain amount of public acceptance in some of the countries in which it was registered and accordingly blades under this mark were manufactured and sold by the Gillette Safety Razor Company's subsidiary in England. These sales took place in countries such as Sweden, where the mark was registered in the name of Gillette

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G.m.b.H., as well as Italy and Poland, where the mark is registered in the name of other Gillette subsidiaries.

While the volume of blades sold under the "Mem" mark was always far smaller than those under "Minora", it still controlled an important amount of business and great damage will be done to the business of the Gillette Company unless it can retain the right not only to manufacture the blades, but to prevent others from manufacturing and selling them.

3. Certain marks registered in Germany and throughout the world for merchandise that was made by Roth-Buchner G.m.b.H.

Under this category there are a very large number of marks which were distributed for the most part within Germany. They had a small market outside of Germany, particularly in the adjoining countries, such as Switzerland and Sweden, but the overwhelming amount of distribution was within Germany itself.

Within Germany probably between 80% and 90% of the total razor blades sold to the public bore one or the other of these Roth-Buchner marks, while probably less than 10% of German exports carried these marks. If the manufacture of razor blades within Germany is to proceed, these marks have a very considerable value within the country. They also have a considerable value even yet in countries adjoining Germany, such as Sweden, Denmark, Switzerland, etc. In the case of Switzerland, the Gillette Company has used these marks for a good many years under the peculiar provisions of Swiss laws controlling imports so as to actually increase the number of Gillette blades imported into Switzerland.

In Switzerland a quota system limiting the amount of imports of particular products is in effect. There is also provided that if some of these products are manufactured in Switzerland by one who is also an importer, then the quota of that importer is thereby increased. At the time when this quota system was first

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established, there was a very considerable public acceptance within Switzerland of German "Rotbart" blades (one of the principal brands of Roth-Buchner G.m.b.H.), and in order to be able to import more Gillette brands, we thereupon had Roth-Buchner cease shipment of blades into Switzerland and instead had them ship in blanks which were manufactured in Switzerland into blades and sold to the public. By this means we increased the quota of Gillette blades we were allowed to import into the country. Sometime prior to the war it became impossible for the Germans to supply these "Rotbar" blanks and we therefore had the blanks made in Sweden and sent to Switzerland for further manufacture. When the United States entered the war, this matter was taken up with the Department of State and at their request all manufacture of blades in Switzerland under the "Rotbart" brands was discontinued. Now, however, the problem has come to the fore again and there is still a very considerable acceptance throughout Switzerland of the "Rotbart" marks and if we can once more initiate their manufacture in Switzerland, we will be able to correspondingly increase the number of Gillette blades that we can ship into Switzerland.

It might be thought that Gillette could equally well build up a new brand in Switzerland and thus establish local manufacture. This is what it has been trying to do during the last few years since the "Rotbart" brands were discontinued, but such substitution is very slow and exports to Switzerland will be unnecessarily restricted unless manufacture of the "Rotbart" marks, this time under American ownership, is re-established.

Suggested Solution

However justifiable the reasons may have been many years ago for holding certain trade-marks in the names of wholly-owned German subsidiaries, no

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American Company has liked this situation for many years. However, for the last twelve years it has been impossible to rectify it because the German Government would not consent to the transfer of such marks from a German subsidiary to its parents. These laws restricting transfer were part of the laws imposed on Germany by Hitler. If now the Allied Control Commission will do away with these Hitlerian regulations and will allow a German subsidiary of a company in one of the United Nations to transfer to its parents all of the patents and trade-marks which it owns, not only will the business and sales of the parent company be increased, but the German people and government will be forever prevented from using these marks which are in all equity the property of citizens of the United Nations. In this way the value of the Gillette and other trade-marks can be preserved for the benefit of the Gillette Safety Razor Company.

It is therefore requested that the State Department urge the Allied Control Commission to enact that all German subsidiaries of United States corporations can transfer trade-marks to their parent organizations, and to the extent that such trade-marks have been vested in the German Property Commission they may be recovered by such parent organization in the United States.

If any other disposition of such trade-marks is contemplated, we should like to be given an opportunity to present our views orally.

Very truly yours,

GILLETTE SAFETY RAZOR COMPANY

Herbert Marcy
Vice-President

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DEPARTMENT OF STATE

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Memorandum of Conversation

DATE:

1/15/48

SUBJECT:

Proposed cancellation of agreements between duPont and Duco A.G. and Schering A.G.

PARTICIPANTS:

Mr. Graselli II, E.I. duPont de Nemours & Co.
Mr. Karasik, OE
Mr. Vernon, IR
Mr. Glantz, IR

COPIES TO:

Departmental participants

1-1498

The purpose of the meeting was to discuss the Department's position regarding two alternative drafts of a proposed letter to be sent by duPont to Duco A.G. and Schering A.G., Berlin, Germany. These drafts had been previously submitted to the Department and were concerned with the cancellation of duPont's various agreements with the two German firms dealing with the product "Duco."

In giving the background, Mr. Grasselli stated that duPont's "Duco" patents and trademarks dated back to the early 1920's, at which time duPont decided to establish several joint companies in Europe to manufacture and sell the product. In England, the Nobel Chemical Finishers was formed with duPont having about a 35% interest; this joint company since has been taken over by ICI which now has complete control. In France, the SFD (Société Française Duco) was formed with duPont having about a 50% interest which has since been sold. In Italy, a firm was formed which is now a subsidiary of Montecatini. In exchange for its interests in the Italian company, duPont was later given a stock interest in Montecatini amounting to a fraction of 1% of the latter's outstanding stock. In Germany, Duco A.G. was

formed

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formed with duPont having 49% of the stock and Schering A.G., 51%.

In reply to Mr. Vernon's question as to the reason for the proposed cancellation, Mr. Grasselli indicated duPont feared that if a peace treaty with Germany were signed, Duco A.G. might demand of duPont, in accordance with outstanding agreements, that it turn over technical information developed since 1939. Since duPont has developed much technical information on the subject of finishes, which they do not desire to turn over to Duco A.G., they seek cancellation of the agreements in exchange for their stock interest in Duco A.G. which would be taken over either by the latter company or by Schering.

Mr. Grasselli also advised that the Duco patents have expired and that trademarks are now duPont's only protection for their product. The British have their own trademark, Belco, for Britain while using Duco in the British Empire. Consequently in selling into the British Empire, duPont uses a different mark.

Mr. Vernon said that what the Department was concerned about were arrangements similar to those made by Sterling Products after World War I with reference to the Bayer trademark. Sterling, which had purchased the Bayer mark from the Alien Property Custodian, shortly thereafter entered into agreements with the German holders of the mark, Schering, dividing up the markets of the world.

When reference was made to general trademark problems, Mr. Grasselli volunteered to arrange for a duPont representative to discuss with Mr. Vernon their whole trademark policy.

Mr. Vernon stated that on the basis of the information submitted, the Department had no objection in principle to the proposed cancellation of the duPont agreements with Duco A.G. and Schering A.G. Mr. Karasik then prepared a letter to duPont containing the Department's position.

IR: HNglantz:mmp

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G. 852 - Property

~~CENTRAL~~

August 19, 1948

TO : CE - Mr. Karasik
 FROM : CE - C. Kidd
 SUBJECT: Foreign Interests in Germany (Annex E to London Report)

The outline of a position developed in your memorandum of August 17 seems in general a very satisfactory approach. I should appreciate at some time a little further discussion of Point IV, Repatriation of Earnings, and Point VI, Application of Reform Program.

With reference to Point IV, the question that occurs to me is the extent to which regulations against withdrawing foreign exchange will act as a brake on investment in Germany. I should think that foreign investors will expect freedom to withdraw a reasonable return on capital already invested, increased by amounts proportionate to whatever additional investment they put into the German economy in the future. I take it that this point is partly covered by the final clause "except as permitted etc".

With reference to Point VI, it appears that if compensation must be agreed upon before measures of deconcentration, public ownership, and agrarian reform are applied to foreign property, the program may get out of line with the treatment of domestic property. Moreover, any of the flaws in those programs will really begin to pinch when applied to foreign properties, as we have recently seen when the General Motors Opel Werke came within the danger of the Hesse Works Council law.

CE:CKidd:mrh

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BRITISH EMBASSY

WASHINGTON, D.C.

26th October, 1942

NO. ANS. REG.

INITIAL

DATE

BY MESSENGERNo. TF-732Personal Attention of Mr. J. W. Pehle

Dear Mr. Pehle,

You may be interested to see the following account of German efforts to raise funds in Portugal by the sale of looted bonds, which we hope have been successfully frustrated.

In 1902 the Portuguese issued a Sterling loan which in 1940 was converted into bonds expressed in escudos. It is estimated that about 6½ million florins worth of these bonds were held in Portugal, but only a small proportion had been converted from Sterling into escudo bonds. It was learned in May by the Ministry of Economic Warfare that an agent of the Amsterdamsche Bank was trying to sell a quantity of these bonds which were held in Holland, and later that bonds to the value of 18,000,000 escudos had been sold to a Portuguese bank.

The Netherlands Minister in Lisbon requested the Portuguese Government to stop these transactions, and at the request of the Netherlands Government H.M. Ambassador was instructed to support the representations made by his Netherlands colleague. The Financial Adviser to H.M. Embassy, who was already in touch with the Portuguese authorities, was given to understand that official instructions had been given by the Bank of Portugal to stop such purchases.

It seems that the 18,000,000 escudos represented almost the whole of the outstanding loan in Holland which had been converted into escudo bonds. Further transactions which were envisaged concerned the conversion into escudos of bonds still expressed in Sterling. The interest on the Sterling loan has always been payable both in London and certain continental financial centres, but the London paying agents have received no funds for the service of any part of the loan other than that held in the U.K. The Ministry of Economic Warfare point out that there is no particular advantage in opposing the conversion of the bonds with a view to blocking the interests, nor indeed have they any power to interfere with such conversion. The Portuguese attitude is that they will agree to accept the bonds, but will take no steps to issue new ones during the war. The German agents were told that Portuguese bonds owned in Holland would find no market in Portugal, and the same reply was given to an enquiry as to the possibility of disposal of French owned Portuguese bonds.

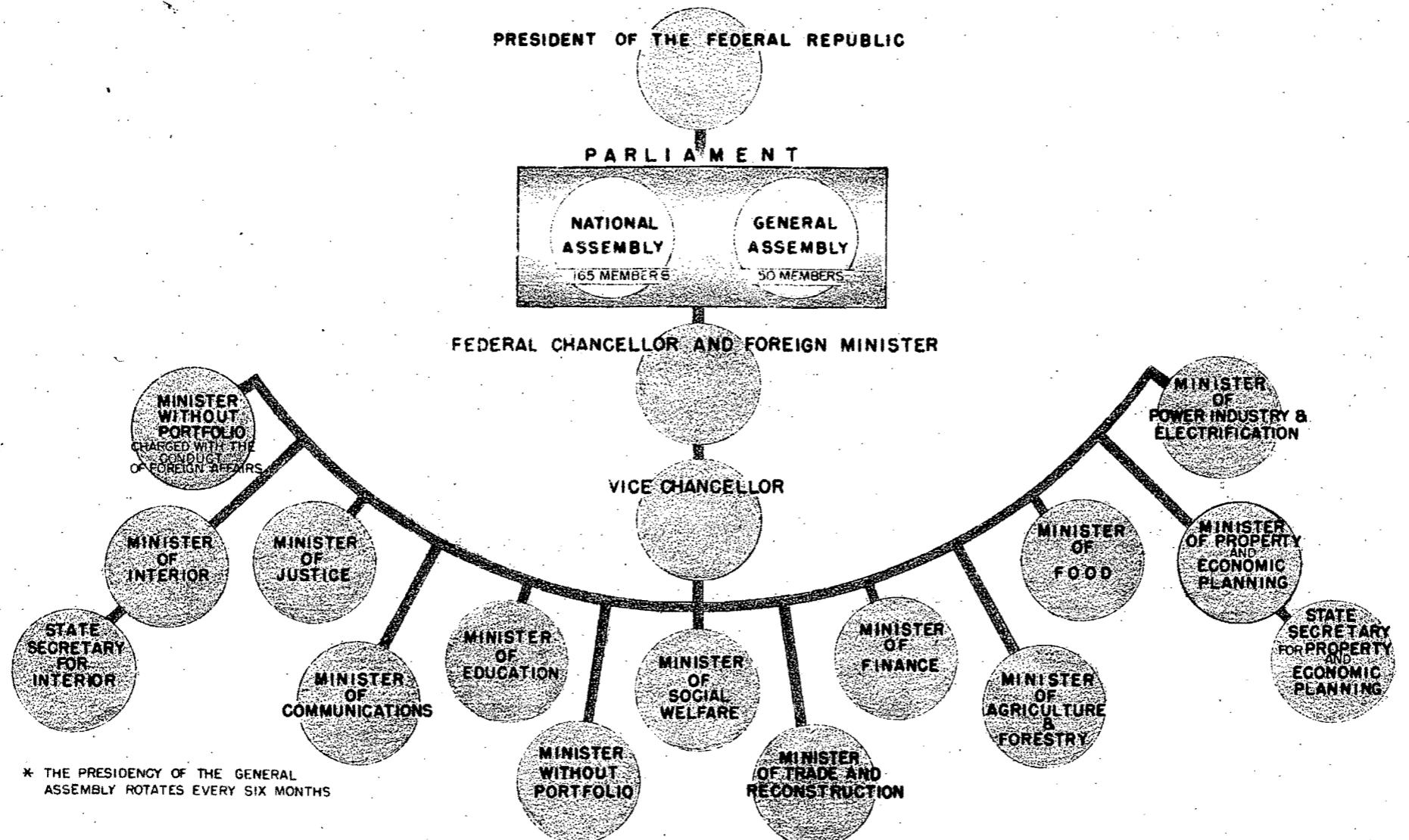
Yours sincerely,

Mr. J. W. Pehle,
Foreign Funds Control,
U.S. Treasury Department,
Washington, D.C.

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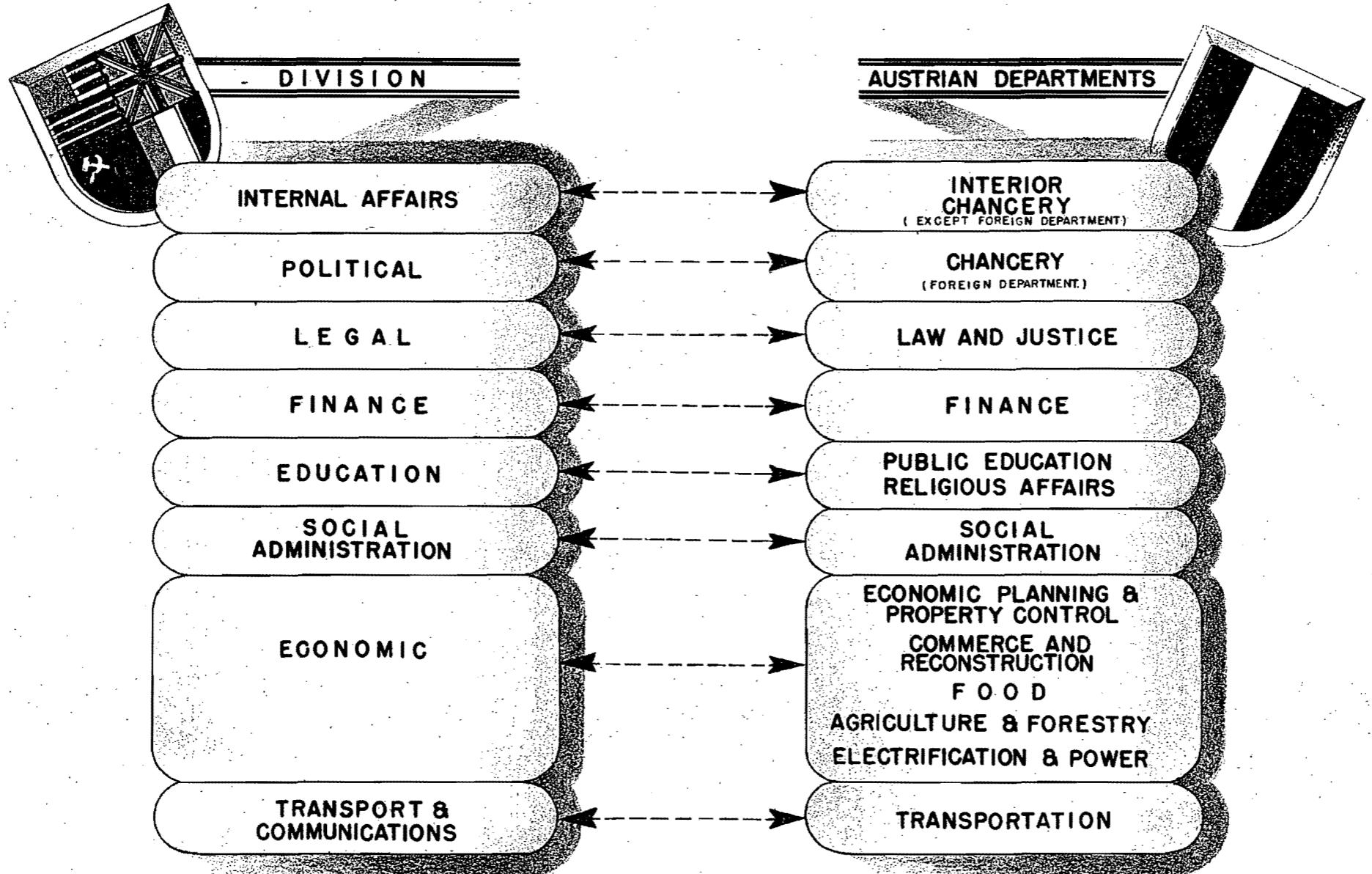
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 Box 1442

ORGANIZATION CHART
 THE AUSTRIAN GOVERNMENT
 AS OF 20 APRIL 1948



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Aust-Sys*

RELATIONSHIPS OF DIVISIONS TO AUSTRIAN DEPARTMENTS



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Entry 368B
File Foreign
Box 1442

ALLIED COMMISSION FOR AUSTRIA

AGREEMENT
BETWEEN THE GOVERNMENTS OF THE UNITED KINGDOM
THE UNITED STATES OF AMERICA
THE UNION OF SOVIET SOCIALIST REPUBLICS
AND
THE GOVERNMENT OF THE FRENCH REPUBLIC
ON THE
MACHINERY OF CONTROL IN AUSTRIA

DATED
28 JUNE 1946

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ALLIED COMMISSION FOR AUSTRIAAGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED KINGDOM, THE UNITED STATES OF AMERICA,
THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE GOVERNMENT OF THE FRENCH REPUBLIC ON
THE MACHINERY OF CONTROL IN AUSTRIA

The Governments of the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Union of Soviet Socialist Republics and the Government of the French Republic (hereinafter called the Four Powers);

In view of the declaration issued at Moscow on the 1st November, 1943, in the name of the Governments of the United Kingdom, the United States of America and the Union of Soviet Socialist Republics, whereby the three Governments announced their agreement that Austria should be liberated from German domination, and declared that they wished to see re-established a free and independent Austria, and in view of the subsequent declaration issued at Algiers on 16th November, 1943 by the French Committee of National Liberation concerning the independence of Austria;

Considering it necessary, in view of the establishment, as a result of free elections held in Austria on 25th November, 1945, of an Austrian Government recognized by the Four Powers, to redefine the nature and extent of the authority of the Austrian Government and of the functions of the Allied organization and forces in Austria and thereby to give effect to Article 14 of the Agreement signed in the European Advisory Commission on 4th July, 1945; have agreed as follows:

Article I

The authority of the Austrian Government shall extend fully throughout Austria, subject only to the following reservations:

- (a) The Austrian Government and all subordinate Austrian authorities shall carry out such directions as they may receive from the Allied Commission.
- (b) In regard to the matters specified in Article 5 below neither the Austrian Government nor any subordinate Austrian authority shall take action without the prior written consent of the Allied Commission.

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Article 2

- (a) The Allied organization in Austria shall consist of
- (I) an Allied Council, consisting of four High Commissioners, one appointed by each of the Four Powers;
 - (II) an Executive Committee, consisting of one high ranking representative of each of the High Commissioners;
 - (III) Staffs appointed respectively by the Four Powers, the whole organization being known as the Allied Commission for Austria.
- (b) (I) The authority of the Allied Commission in matters affecting Austria as a whole shall be exercised by the Allied Council or the Executive Committee or the Staffs appointed by the Four Powers when acting jointly.
- (II) The High Commissioners shall within their respective zones ensure the execution of the decisions of the Allied Commission and supervise the execution of the directions of the central Austrian authorities.
- (III) The High Commissioners shall also ensure within their respective zones that the actions of the Austrian provincial authorities deriving from their autonomous functions do not conflict with the policy of the Allied Commission.
- (c) The Allied Commission shall act only through the Austrian Government or other appropriate Austrian authorities except:
- (I) to maintain law and order if the Austrian authorities are unable to do so;
 - (II) if the Austrian Government or other appropriate Austrian authorities do not carry out directions received from the Allied Commission;

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- (III) where, in the case of any of the subjects detailed in Article 5 below, the Allied Commission acts directly.
- (d) In the absence of action by the Allied Council, the four several High Commissioners may act independently in their respective zones in any matter covered by subparagraphs (I) and (II) of paragraph (c) of this Article and by Article 5, and in any matter in respect of which power is conferred on them by the agreement to be made under Article 8 (a) of this agreement.
- (e) Forces of occupation furnished by the Four Powers will be stationed in the respective zones of occupation in Austria and Vienna as defined in the Agreement on Zones of Occupation in Austria and the administration of the City of Vienna, signed in the European Advisory Commission on 9th July, 1945. Decisions of the Allied Council which require implementation by the forces of occupation will be implemented by the latter in accordance with instructions from their respective High Commissioners.

Article 3

The primary task of the Allied Commission for Austria shall be:

- (a) To ensure the enforcement in Austria of the provisions of the Declaration on the Defeat of Germany signed at Berlin on 5th June, 1945.
- (b) To complete the separation of Austria from Germany, and to maintain the independent existence and integrity of the Austrian State, and pending the final definition of its frontiers to ensure respect for them as they were on 31st December, 1937;
- (c) To assist the Austrian Government to recreate a sound and democratic national life based on an efficient administration, stable economic and financial conditions and respect for law and order;

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- (d) To assist the freely elected Government of Austria to assume as quickly as possible full control of the affairs of state in Austria;
- (e) To ensure the institution of a progressive long-term educational program designed to eradicate all traces of Nazi ideology and to instil into Austrian youth democratic principles.

Article 4

- (a) In order to facilitate the full exercise of the Austrian Government's authority equally in all zones and to promote the economic unity of Austria, the Allied Council will from the date of signature of this Agreement ensure the removal of all remaining restrictions on the movement within Austria of persons, goods or other traffic, except such as may be specifically prescribed by the Allied Council, or required in frontier areas for the maintenance of effective control of international movements. The zonal boundaries will then have no other effect than as boundaries of the spheres of authority and responsibility of the respective High Commissioners and the location of occupation troops.
- (b) The Austrian Government may organize a customs and frontier administration, and the Allied Commission will take steps as soon as practicable to transfer to it customs and travel control functions concerning Austria which do not interfere with the military needs of the occupation forces.

Article 5

The following are the matters in regard to which the Allied Commission may act directly as provided in Article 2 (c) (III) above:

- (I) Demilitarization and disarmament (military, economic, industrial, technical and scientific).

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- (II) The protection and security of the Allied Forces in Austria, and the fulfillment of their military needs in accordance with the Agreement to be negotiated under Article 8 (a).
- (III) The protection, care and restitution of property belonging to the Governments of any of the United Nations or their nationals;
- (IV) The disposal of German property in accordance with the existing agreements between the Allies.
- (V) The care and evacuation of, and exercise of judicial authority over prisoners of war and displaced persons;
- (VI) The control of travel into and out of Austria until Austrian travel controls can be established;
- (VII) (a) The tracing, arrest and handing over of any person wanted by one of the Four Powers or by the International Court for War Crimes and Crimes against Humanity;
- (b) The tracing, arrest and handing over of any person wanted by other United Nations for the crimes specified in the preceding paragraph and included in the lists of the United Nations Commission for War Crimes.

The Austrian Government will remain competent to try any other person accused of such crimes and coming within its jurisdiction, subject to the Allied Council's right of control over prosecution and punishment for such crimes.

Article 6

- (a) All legislative measures, as defined by the Allied Council, and international agreements which the Austrian Government wishes to make except agreements with one of the Four Powers, shall, before they take effect or are published in the State Gazette be submitted by the Austrian Government to the Allied Council.

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In the case of constitutional laws, the written approval of the Allied Council is required, before any such law may be published and put into effect. In the case of all other legislative measures and international agreements it may be assumed that the Allied Council has given its approval if within thirty-one days of the time of receipt by the Allied Commission it has not informed the Austrian Government that it objects to a legislative measure or an international agreement. Such legislative measure or international agreement may then be published and put into effect. The Austrian Government will inform the Allied Council of all international agreements entered into with one or more of the Four Powers.

- (b) The Allied Council may at any time inform the Austrian Government or the appropriate Austrian authority of its disapproval of any of the legislative measures or administrative actions of the Government or of such authority, and may direct that the action in question shall be cancelled or amended.

Article 7

The Austrian Government is free to establish diplomatic and consular relations with the Governments of the United Nations. The establishment of diplomatic and consular relations with other Governments shall be subject to the prior approval of the Allied Council. Diplomatic Missions in Vienna shall have the right to communicate directly with the Allied Council. Military Missions accredited to the Allied Council shall be withdrawn as soon as their respective Governments establish diplomatic relations with the Austrian Government, and in any case within two months of the signature of this Agreement.

Article 8

- (a) A further agreement between the Four Powers shall be drawn up and communicated to the Austrian Government as soon as possible, and within three months of this day's date defining the immunities of the members of the Allied Commission and of the forces in Austria of the Four Powers and the rights they shall enjoy to ensure their security and protection and the fulfillment of their military needs;

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RG 467
 Entry 368B
 File Foreign Affairs - People
 Box 1442

- (b) Pending the conclusion of the further agreement required by Article 8(a) the existing rights and immunities of members of the Allied Commission and of the forces in Austria of the Four Powers, deriving either from the Declaration on the Defeat of Germany or from the powers of a Commander-in-Chief in the field, shall remain unimpaired.

Article 9

- (a) Members of the Allied Council, the Executive Committee and other staffs appointed by each of the Four Powers as part of the Allied Commission may be either civilian or military.
- (b) Each of the Four Powers may appoint as its High Commissioner either the Commander-in-Chief of its forces in Austria or its diplomatic or political representative in Austria or such other official as it may care to nominate.
- (c) Each High Commissioner may appoint a deputy to act for him in his absence.
- (d) A High Commissioner may be assisted in the Allied Council by a political adviser and/or a military adviser who may be respectively the diplomatic or political representative of his Government in Vienna or the Commander-in-Chief of the forces in Austria of his Government.
- (e) The Allied Council shall meet at least twice in each month or at the request of any member.

Article 10

- (a) Members of the Executive Committee, shall, when necessary, attend meetings of the Allied Council;
- (b) The Executive Committee shall act on behalf of the Allied Council in matters delegated to it by the Council:

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File Foreign Affairs
Box 1442

- (c) The Executive Committee shall ensure that the decisions of the Allied Council and its own decisions are carried out;
- (d) The Executive Committee shall coordinate the activities of the Staffs of the Allied Commission.

Article 11

- (a) The staffs of the Allied Commission in Vienna shall be organized in Divisions matching one or more of the Austrian Ministries or Departments with the addition of certain Divisions not corresponding to any Austrian Ministry or Department. The List of Divisions is given in Annex I to this Agreement; this organization may be changed at any time by the Allied Council;
- (b) The Divisions shall maintain contact with the appropriate Departments of the Austrian Government and shall take such action and issue such directions as are within the policy approved by the Allied Council or the Executive Committee;
- (c) The Divisions shall report as necessary to the Executive Committee;
- (d) At the Head of each Division there shall be four Directors, one from each of the Four Powers, to be collectively known as the Directorate of that Division. Directors of Divisions or their representatives may attend meetings of the Allied Council or of the Executive Committee in which matters affecting the work of their Divisions are being discussed. The four officials acting as the head of each Division may appoint such temporary subcommittees as they deem desirable.

Article 12

The decisions of the Allied Council, Executive Committee, and other constituted bodies of the Allied Commission shall be unanimous.

The Chairmanship of the Allied Council, Executive Committee and Directorates shall be held in rotation.

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Box 1442

Article 13

The existing Inter-Allied Command in Vienna, formerly known as the Kommandatura, shall continue to act as the instrument of the Allied Commission for affairs concerning Vienna as a whole until its functions in connection with civil administration can be handed over to the Vienna Municipality. These will be handed over progressively and as rapidly as possible. The form of supervision which will then be applied will be decided by the Allied Council. Meanwhile the Vienna Inter-Allied Command shall have the same relation to the Municipal Administration of Vienna as the Allied Commission has to the Austrian Government.

Article 14

The present Agreement shall come into operation as from this day's date and shall remain in force until it is revised or abrogated by agreement between the Four Powers. On the coming into effect of the present Agreement the Agreement signed in the European Advisory Commission on 4th July 1945, shall be abrogated. The Four Powers shall consult together not more than six months from this day's date with a view to its revision.

In witness whereof the present Agreement has been signed on behalf of each of the Four Powers by its High Commissioner in Austria.

Done this twenty-eighth day of June 1946 at Vienna in quadruplicate in English, in French, and in Russian, each text being equally authentic. A translation into German shall be agreed between the four High Commissioners and communicated by them as soon as possible to the Austrian Government.

For the Government
of the United
Kingdom

Lieutenant General

/s/ J.S. Steele

For the Government
of the United
States of America

General

/s/ Mark W. Clark

For the Government
of the Union of
Soviet Socialist
Republics

Colonel General

/s/ L.V. Kourasov

For the
Government
of the French
Republic

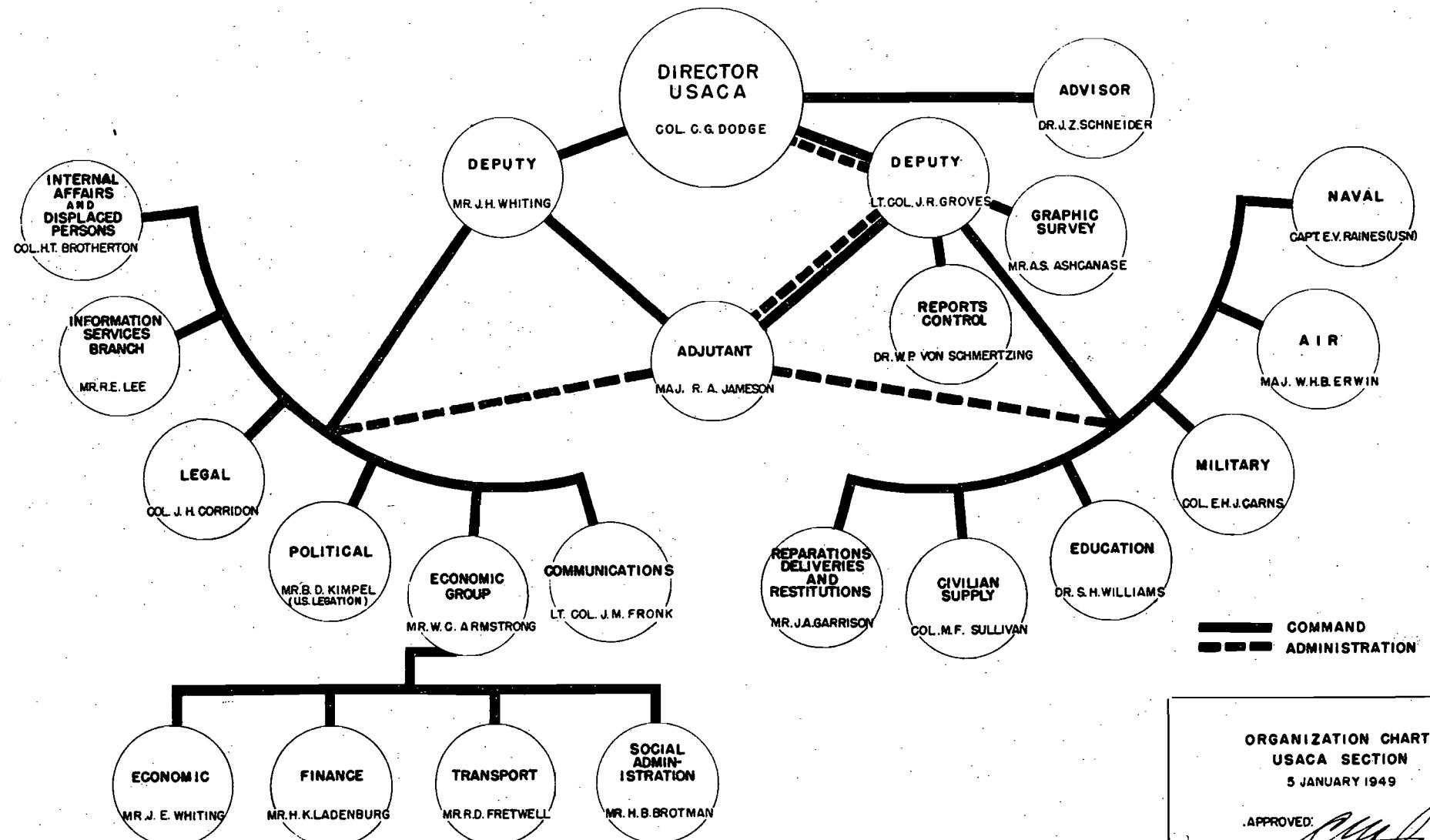
General de
Corps d'Armee

/s/ M.E. Bethouart

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Entry 467
368B
File Foreign Affairs-Soviet
Box 1442

ORGANIZATION CHART USACA SECTION HEADQUARTERS UNITED STATES FORCES IN AUSTRIA



ORGANIZATION CHART
USACA SECTION
5 JANUARY 1949

APPROVED:
C.G. Dodge
COLONEL G.S.C.
DIRECTOR

DECLASSIFIED	
Authority	HND78509
By	EN
NARA Date 3/2/00	

RG	84
Entry	3017
File	REFILE ENVELOPE
Box	4

ASSETS

Enclosure No. 2 to Despatch No. 94, dated March 10, 1948
from the American Embassy, The Hague, Netherlands.

CONFIDENTIAL

AMSTERDAM (C.), 21 Juli 1948

 Weesperplein 4
 Telefoon 63044-
 Postrekening
 306046

RIJKSBUREAU VOOR DIAMANT

No.

v3/B

Bericht op schrijven van:

Betreffende:

Bijl.:

Herewith I, the undersigned, Direktor of the Netherlands Diamond Government Bureau (Rijksbureau voor Diamant) declare:

During the occupation it was not allowed to buy or sell diamonds without license of the "Rijksbureau", so that in my position, firstly as secretary and later on as direktor of that bureau, I am informed of all transactions which have taken place on this domain.

On Thursday, the 16th. April 1942, appeared before Dr. Ir. A.H.W. Hacke, the then direktor of the Rijksbureau, the following Germans:

1. Assessor Hanemann of the "Rüstungsinspektion"
 2. A. Bozenhardt, adviser of the "Rüstungsinspektion"
 3. Inspektor Gerbig of the "Devisenschutzkommando"
 with a number of armed officials of the "Devisenschutzkommando" I, the undersigned, then secretary of the Rijksbureau, was present. Assessor Hanemann informed us, in the way of authoritative order, that all diamonds which were present in Amsterdam, on command of the Rustungsinspektion had to be delivered to the Rijksbureau and had to be transported to Arnhem where they should be put into safety. Assessor Hanemann delivered an address to the diamond traders and manufacturers in the Diamond Exchange at Amsterdam and told them that the persons involved who should refuse to obey this command should be punished for "sabotage".

The diamonds remained in name the property of the traders and manufacturers, but actually they lost their rights to dispose of their diamonds.

The firm Bozenhardt at Amsterdam, a branch-establishment of the firm Bozenhardt at Hamburg was instructed by the "Vierjahrspolitik" (General Körner, now in prison at Neurenberg and K.F. Kadgien, now emigrated to South Amerika) to buy as many diamonds as possible in Holland, to acquire foreign currencies for Hitlers millennium.

...She "bought"...

321706

DECLASSIFIED
Authority <u>IND 7609</u>
By <u>EP</u> NARA Date <u>3/2/00</u>

RG <u>84</u>
Entry <u>3017</u>
File <u>REFILE ENVELOPE</u>
Box <u>4</u>

Enclosure No. 2 to Despatch No. 94 dated March 10, 1949,
from the American Embassy, The Hague, Netherlands.

VERVOLGBLAD No. 1

-2-

CONFIDENTIAL

The "bought" these diamonds out of the stock which was delivered at Arnhem, and which was the property of Jewish traders and manufacturers. These instructions were actually sales under compulsion because the characteristic element of normal business-transaction, namely the free will of both parties to do business, failed absolutely. The Jewish owners were under compulsion, if they did not agree, the German had the power to force them. The most simple way was to deport them, and it is clear, that, as they were much afraid of deportation, they obeyed in all that Mr. Bozenhardt asked them.

Amsterdam, 20 Juli 1948

(SEAL of the RIJKSBUREAU
VOOR DIAMANT)

(signature illegible)

Director of the Netherlands
Diamond Government Bureau

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Authority NND 765011
3/25/00
By WDP NARA DateRJL 84
Entry 2531-B
File 400.B
Box 130

ASST 75

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



AG CABLES 1/2



INCOMING MESSAGE

TOO 211013Z

~~CONFIDENTIAL~~RECD 212355A OCT 47
CN-41/21 cb~~CONFIDENTIAL~~~~ROUTINE~~

FROM : DEPT OF THE ARMY FROM CSCAD ECON
 TO : OMGSUS
 INFO : EUCOM
 REF NO : WX-88721

Requredas WX-96654 Para 2F, WX-82826 and urads
 CC-9080, CC-1228, ur ltr to CAD, 21 Aug, with list of Concentra-
 tion Camp Securities in FED.

You are now auth make these securities avail
 PCIRO. Suggest however, you consider possible restitutability
 to Poland of our registered bonds Polish 6% State loan of
 1934 (Page 5 of bond list) in view of Polish names of owners
 and type of security. Please advise action taken.

WX-96654, 23 Apr 47 is AGC IN 55912, FIN
 WX-82826, 26 July 47 is AGC IN 65306, FIN
 CC-9080, 9 May 47, FIN
 CC-1228, 12 Aug 47, FIN

POLITICAL DIVISION

OCT 23 1947

BERLIN, GERMANY

ACTION : FIN

INFORMATION : C/S
 ECON
 POL AFF
 LA&C
 LEGAL
 MANPWR
 FIN AD EUCOM
 POL AD EUCOM
 INTELL
 US SEC ACA
 CA
 POW & DP

AGC IN 74527

22 OCT 47 URGENT REF NO: WX-88721

PA 4574

~~CONFIDENTIAL~~

Copy No

Form OMGSUS-252
(29 May 47)

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

321708

SECS

SECRET

OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

RE

DISSEMINATION NO.	A-40662
ORIGINAL REPORT NO.	RB-21829
DATE OF REPORT	Undated
EVALUATION	As stated

S.I.B. 95596

DISTRIBUTED 6 October 1944
 COUNTRY Germany
 SUBJECT Nazi Transfers of Money
 and Material

SOURCE 2
 SUB SOURCE

DATE OF INFORMATION Current
 PLACE OF ORIGIN Switzerland

CONFIRMATION
 SUPPLEMENT }
 CORRECTION }

NUMBER OF PAGES 2
 ATTACHMENTS
 THEATRE WETO

- B-2 1. It has been brought to the attention of Swiss officials that the Nazis are endeavoring to take all kinds of material out of Germany and northern Italy into Switzerland in transit to evade Allied control.
- B-2 2. The Germans have already approved several Swiss forwarding agents in regard to storing the entire equipment of several big factories in Hamburg, the Ruhr, and Berlin. Two hundred streetcars and a large supply of marble slabs from Italy are bonded for re-export into Spain whenever the situation will allow.
- B-2 3. The Swiss Customs Office has declined to issue an import license under such conditions.
- B-2 4. During the first part of September 1944, representatives of Goering, traveling with diplomatic passports, arrived in Switzerland and made large deposits in the Davos branch of the Banque Cantonale des Grisons and the Banque Cantonale Vaudoise at Lausanne.
- B-3 5. Money is being sent to the Exchange Bureau at Badischer Bahnhof in Basel from the Deutsche Verkehrs Kredit Bank at Karlsruhe.
- B-1 6. The 19 September 1944 confidential circular issued by the Swiss Bankers Association instructs its members to avoid taking part in any deals which might make it easier for assets from belligerent or neutral

DECLASSIFIED

Authority NND 750140

By T H NARS Date 5/10/49

CLASSIFICATION							
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FCC	JICA	L					

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Authority NND 750140

By T H NARS Date 5/10/49

BOX 1100

FILE # 95596

ENTRY 76

RG 226

BY MR NARA Date 4/17/49

Authority NND 750140

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OFFICE OF STRATEGIC
SERVICES

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A-40662

-2-

nations to be hidden or cleared in Switzerland, especially fugitive assets or assets which might have been looted.

- B-3 7. Nazi Party chiefs are taking out all deposits from the Sueddeutsche Diskonto Gesellschaft A.G. in Baden and Wuerttemberg. (CSS Washington Comment: Sueddeutsche Diskonto Gesellschaft A.G. was merged in 1929 with the Deutsche Bank.)
- B-3 8. Bankers in Freiburg are placing money and security in the Swedish Consulate in Karlsruhe.

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Box	1160
File #	955-96
Entry	76
RG	226
Authority	81304S
DECLASSIFIED	By MBL NARA Date 4-7-04

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