

DECLASSIFIED

Authority NND 943011

By SR NARA Date 11-9-99

RG 218

Entry 3 - GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY - ASSETS

Box 512 3-21-45

SUPREME HEADQUARTERS
ALLIED EXPEDITIONARY FORCE
OFFICE OF THE CHIEF OF STAFF

20 April 1945

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

TO : The Secretaries
Combined Chiefs of Staff Committee

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

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

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

226612

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By SR NARA Date 11-9-98

RG 218
Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

~~SECRET~~

for the prosecution of war criminals should be informed, and at the proper time should be permitted to inspect and investigate this part of the property.

For the Supreme Commander:

/s/ W. B. SMITH
Lieutenant General, U. S. A.
Chief of Staff

226613

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By SR NARA Date 11-9-99

RG 218

Entry 2 - GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY - ASSETS

Box 572

3-21-45

~~SECRET~~

ENCLOSURE

SUMMARY INVENTORY OF CURRENCY AND FINANCIAL
ASSETS STORED IN REICHSBANK
FRANKFURT - am - MAINThis is merely a preliminary inventory made without
weighing or counting gold bars, coins, currency, etc.DOLLAR
EQUIVALENT

A - GOLD AND SILVER (APPENDIX "A")		\$ 241,113,302.00
B - CURRENCY		
1. REICHSMARKS		
M 1000	M 650,000,000.00	
M 100	1649,540,000.00	
M 50	300,000,000.00	
M 20	100,000,000.00	
M 5	60,000,000.00	
M .50	20,000.00	
	<u>TOTAL</u>	\$ 275,956,000.00
2. FRENCH FRANCS		
1000	50,000,000.00	
500	30,000,000.00	
100	18,000,000.00	
	<u>TOTAL</u>	\$ 1,960,000.00
3. BELGIAN FRANCS		
50	1,500,000.00	
20	2,000,000.00	
	<u>TOTAL</u>	\$ 3,500,000.00
4. NORWEGIAN KRONER		
100	1,800,000.00	
50	800,000.00	
10	1,700,000.00	
5	50,000.00	
2	80,000.00	
1	30,000.00	
	<u>TOTAL</u>	\$ 4,460,000.00
5. CZECH KRONER		
mixed	TOTAL 100,000.00	\$ 1,500.00
6. CROATIAN KUNA		
50	TOTAL 500,000.00	\$ 3,000.00
7. ITALIAN LIRA		
500	1,000,000.00	
100	600,000.00	
50	200,000.00	
10	200,000.00	
	<u>TOTAL</u>	\$ 2,000,000.00
8. HUNGARIAN PENGOES		
50	500,000.00	
20	200,000.00	
10	300,000.00	
	<u>TOTAL</u>	\$ 1,000,000.00
C - MISCELLANEOUS		
190 parcels, plates, dies, etc.		
14 wooden boxes containing Reichskredit Kassenscheine.		
2 wooden boxes containing calculating machines, trays and coin bags.		
6 boxes containing seals, trays, and parts of weighing machine weights.		
4 scales.		
15 sacks of seals, binders, weights, currency bands and twine.		
7 rolls sealing wire.		
18 sacks said to contain gold or silver bars (said to be SS property).		
189 boxes, parcels, and suitcases (known contents of several indicate contents are jewelry, silverware, coins, etc.) (said to be SS property).		

226614



APPENDIX "A"
GOLD AND SILVER

226615

Gold bars estimated on basis \$35.00 U.S. per fine ounce.
Germany utilized basis Rmks. 2784. per kilo or Rmks. 86.592138 per ounce fine.
German mark thereby valued at .4041937 (cents U.S.)
According to German report gold at Merkers mine valued at Rmks. 500,000,000. to 550,000,000.
Thereby making 6,315,601.589 ounce fine gold equivalent to U.S. 222,306,055.61
Former value \$1.00 U.S. - gold dollar now equivalent to \$1.69462 (basis \$35.00 per ounce)

Gold bars 3398 (list A) + 1800 (list E) + 3095 (list B) = 8293 Bars of 400 Oz. = @ 995 fine = Oz. 3301.614. - @ \$35.00	=	\$115,556,490
Gold bars 14 (list A - odd bars) of 400 Oz. 995 fine Oz. 5572 @ \$35.00	=	195,020
Gold coins U. S. 738 bags - Presumably containing \$18,548,495 former value - present equivalent	=	31,093,725
Gold coins British 408 bags - Presumably containing 2036878 Sovereigns - present equivalent	=	16,662,863
Gold coins French 746 bags - Presumably containing \$14,840,000 - former value - present equivalent	=	25,148,160
Gold coins German 400 bags - " " 7,971,212 - " " " "	=	13,508,175
Gold coins Swiss 64 bags - " " 1,272,000 - " " " "	=	2,155,556
Gold coins Holland 558 bags - " " 11,160,000 - " " " "	=	18,911,958
Gold coins Duk 62 bags - " " 1,302,000 - " " " "	=	2,206,395
Gold coins Austrian 285 bags - " " 5,700,000 - " " " "	=	9,659,333
Gold coins Russian 7 bags - " " 160,000 - " " " "	=	261,138
Gold coins Italian 1 bag - " " 20,000 - " " " "	=	33,892
Gold coins Rumanian 1 bag - " " 20,000 - " " " "	=	33,892
Gold coins - Miscellaneous 15 bags - *Presumably containing \$300,000 - former value - present equivalent	=	508,386
Silver and Gold coins - miscellaneous 33 bags **Presumably containing \$330,000 - former value - present equivalent	=	559,224
(Gold coins - Norwegian 40 bags - " " 800,000 - " " " "	=	1,355,696
(Gold coins - Okr (Presumably old coins) 1 bag - " " 20,000 - " " " "	=	33,892
Silver Bars - 63 bags - rough estimate - " " 20,000 - " " " "	=	20,000
Platinum Bars - 1 bag - " " 100,000 - " " " "	=	100,000
Gold Rings - 8 bags - " " 10,000 - " " " "	=	10,000
Maria Theresa Thalers - 5 bags - rough estimate - " " 5,000 - " " " "	=	5,000
Gold bullion and coins - 55 boxes - No other details available other than weight of about 54 kilos per box - Basis of calculation 2,750 kilos gold - 88,414.5 Oz. at \$35.00 per ounce.	=	3,094,507
		\$241,113,302.00

* These miscellaneous bags include nine (9) bags of gold coins said to be a collection of rare coins.

**These are merely estimates made without opening or weighing the bags and without any value appearing on the bags.

RG 218
Entry 2 - Geographic
File CONTROL OF GERMAN
PROPERTY & ASSETS
Box 172
3-21-45

DECLASSIFIED
Authority NND 943011
By SP NARA Date 11-19-99

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Appendix "A"

DECLASSIFIED
Authority NND 943011
By SR NARA Date 11-9-99

RG 218
Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

CS 9159



THE COMBINED CHIEFS OF STAFF
WASHINGTON 25, D. C.

28 April 1945

MEMORANDUM FOR THE COMBINED CIVIL AFFAIRS COMMITTEE:

Subject: Disposition of Bullion and Other Property Discovered by Third Army.

Reference: C.C.S. 845. Y.C.C.A.C. 184

Special Distribution

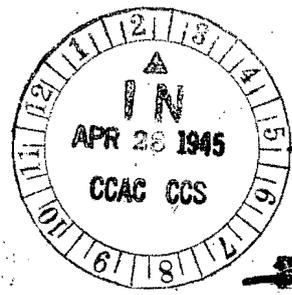
C.C.S. 845 is referred to the Combined Civil Affairs Committee for consideration and recommendation.

C 26 amendments
A. T. CORNWALL-JONES
Brigadier

W. J. McFarland
W. J. McFARLAND,
Brigadier General, U.S.A.

Combined Secretariat

Lt. Col. Warde M. Cameron ✓



FILED
INITIALS
DATE

DECLASSIFIED PURSUANT
TO JCS 927
Date: 17 Dec 1970

for 4/28/45

9

See 386 Germany (3-21-45)

4-28-45

226616

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Authority NND 943011

By SR NARA Date 1-9-99

RG 218

Entry 2 - GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY & ASSETS

Box 572 3-21-45

COPY NO. 11

(SPECIAL DISTRIBUTION)

~~TOP SECRET~~
C.C.S. 845

27 April 1945

COMBINED CHIEFS OF STAFF

DISPOSITION OF BULLION AND OTHER PROPERTY
DISCOVERED BY THIRD ARMY

DECLASSIFIED PURSUANT
TO ICS 927.951
Date: 17 Dec 97

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Admiral King	3
General Arnold	4
General Handy	6
Admiral Edwards	7
Admiral Davidson	8
General Hilldring	9
Secy, JCS	10
Secy, JCAC	11

cc JCS & Germany (3-21-45)

CCS 845

226617

H

8

2/12/14

DECLASSIFIED
Authority 100943011
By SR NARA Date 11-9-99

RG 218
Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

~~SECRET~~
COPY NO. 11

~~SECRET~~
C.C.S. 845
27 April 1945

COMBINED CHIEFS OF STAFF

DISPOSITION OF BULLION AND OTHER PROPERTY
DISCOVERED BY THIRD ARMY

Note by the Secretaries

The attached letter from the Supreme Commander, Allied Expeditionary Force, has been referred to the Combined Civil Affairs Committee for comment and recommendation.

A. J. McFARLAND,
A. T. CORNWALL-JONES,
Combined Secretariat.

86 Summary (3-21-45)

6

H

CCS 845

226618

2/12/45

DECLASSIFIED

Authority NND 943011

By SR NARA Date 11-9-99

RG 218

Entry 2 - GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY & ASSETS

Box 572

3-21-45

SUPREME HEADQUARTERS
ALLIED EXPEDITIONARY FORCE
OFFICE OF THE CHIEF OF STAFF

20 April 1945

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by Third Army near Merkers

TO : The Secretaries
Combined Chiefs of Staff Committee

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

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Authority NND 943011

By SR NARA Date 11-9-99

RG 218

Entry 2- GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY - ASSETS

Box 572 3-21-45

for the prosecution of war criminals should be informed, and at the proper time should be permitted to inspect and investigate this part of the property.

For the Supreme Commander:

/s/ W. B. SMITH
Lieutenant General, U. S. A.
Chief of Staff

CCS
845

DECLASSIFIED

Authority 110943011By SR NARA Date 11-9-99

RG 218

Entry 2 - GEOGRAPHIC
FILEFile CONTROL OF GERMAN
PROPERTY & ASSETSBox 572 3-21-45ENCLOSURESUMMARY INVENTORY OF CURRENCY AND FINANCIAL
ASSETS STORED IN REICHSBANK
FRANKFURT - am - MAINThis is merely a preliminary inventory made without
weighing or counting gold bars, coins, currency, etc.

		<u>DOLLAR</u> <u>EQUIVALENT</u>
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	\$241,113,302.00

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**These are merely estimates made without opening or weighing the bags and without any value appearing on the bags.

RG 218
Entry - Geographic
File CONTROLS OF GERMAN
PROPERTY ASSETS
Box 67
B-21-45

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Authority NND 943011
By [Signature] NARA Date 11-9-99

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Appendix "A"

- 4 -

CCS 845

220022

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Authority NND943011
By SR NARA Date 11-9-99

RG 218
Entry 2- GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 52 3-21-45

Jc AC

~~TOP SECRET~~

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COPY NO. 12

J.C.S. Info Memo 401

(SPECIAL DISTRIBUTION)

2 June 1945

DECLASSIFIED ON: 19-01-72

AUTHORITY: MEMO FROM DIR., HISTORICAL OFFICE
BUREAU OF PUBLIC AFFAIRS
DEPT. OF STATE,
JOINT CHIEFS OF STAFF
DATED MAY 16, 1960

MEMORANDUM FOR INFORMATION NO. 401

GOLD BULLION AND MISCELLANEOUS PROPERTY DISCOVERED
NEAR MERKERS, GERMANY

Reference: C.C.S. 845/1

Letter from the Acting Secretary of State

In reply refer to
Le 740.00116 E.W.
/5-2145

31 May 1945

My dear Admiral Leahy:

I have your letter of May 21, 1945 (C.C.S. 845/1) regarding the stock of gold bullion currency and miscellaneous property recently discovered by the United States Third Army near Merkers, Germany.

The United States representative on the United Nations War Crimes Commission is being advised of the information contained in your letter in regard to the loot taken from individuals who have been murdered so that the various members of the Commission may notify their governments in regard thereto.

Sincerely yours,

/s/ Joseph C. Grew
Acting Secretary

DISTRIBUTION

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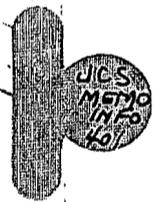
- Admiral Leahy
- General Marshall
- Admiral King
- General Arnold
- General Handy
- Admiral Edwards
- Admiral McCrea
- General Hilldring
- Secy, JCS
- Secy, JCAC

- 1
- 2 & 5
- 3 & 6
- 4
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- 8
- 9
- 10
- 11
- 12

DECLASSIFIED: Authority letter of
1-11-72 from W.M. Franklin, State Dept.
By ANMM Date 6-16-72

226623

Case 386 Memorandum (3-21-45)



H
6/4/45

DECLASSIFIED

Authority NND 943011

By SR NARA Date 11-9-99

RG 218

Entry 2 - GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY - ASSETS

Box 572 3-21-45

COPY NO. 11

C.C.S. 845/2

23 May 1945

COMBINED CHIEFS OF STAFF

DISPOSITION OF BULLION AND OTHER PROPERTY
DISCOVERED BY THIRD ARMY

Reference: C.C.S. 845/1

Note by the Secretaries

The Combined Chiefs of Staff have approved the recommendation in C.C.S. 845/1.

A. J. McFARLAND,
A. T. CORNWALL-JONES,
Combined Secretariat.

*Case 386
Case 386
Army (3-21-45)*



34

CCS 845/2

226625

3-23-45

5/23/45

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Authority NND943011
By SR NARA Date 11-9-99

RG 218
Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

~~TOP SECRET~~

~~TOP SECRET~~
C.C.A.C. 184/2
22 May 1945

COPY NO. 15

COMBINED CIVIL AFFAIRS COMMITTEE

DISPOSITION OF BULLION AND OTHER PROPERTY
DISCOVERED BY THIRD ARMY

DECLASSIFIED PURSUANT
TO JCS 927/1954
Date: 17 Dec 1970

Note by the Secretaries

The Combined Civil Affairs Committee, by informal action, approved C.C.A.C. 184/1 and submitted it to the Combined Chiefs of Staff for consideration on 15 May 1945.

By informal action, the Combined Chiefs of Staff approved C.C.A.C. 184/1. Enclosure "A" was dispatched as FACS 225 on 21 May 1945. Subsequent unilateral action was completed on Enclosures "B", "C" and "D" as recommended in paragraph 8 of the approved paper.

T.E.H. BIRLEY,
W. M. CAMERON,
Combined Secretariat.

Serial 386 Summary

TOP SECRET

33

22965

226626

5-23-45

DECLASSIFIED
Authority: NND943011
By: SR NARA Date: 11-9-99

RG 218
Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

~~SECRET~~
WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER

~~SECRET~~
OUTGOING MESSAGE

Joint Chiefs of Staff
CSP 2405
Col C. R. Peck 77500

21 May 1945

Supreme Headquarters
Allied Expeditionary Forces
Forward Echelon
Rheims, France

Number: WAR 85918

TOPSEC to Eisenhower from the Joint Chiefs of Staff.

Letter of 20 April 1945 from SCAEF concerns treasure uncovered by 3rd Army near Merkers and now in vaults at Frankfurt. Included in inventory is a large quantity of apparent loot taken from murdered individuals such as thousands of gold and silver dental crowns, bridges and plates and some personal articles. These may constitute items of evidence of war crimes. Suggest advising War Crimes Branch in office of your Judge Advocate as SCAEF indicates he will permit inspection of such property at proper time.

End.

DECLASSIFIED PURSUANT
TO JCS 927/495-1
Date: 20 May 68

ORIGINATOR : JC/S

INFORMATION: Gen Somervell (for JAG), Adm Leahy, Gen Arnold, Gen Hull, Gen Bissell, Adm King, C of S

CM-OUT-85918 (May 45) DTG 221252Z vp

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32

~~SECRET~~
COPY No. 49

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

CCAC 386
Hemmung (3-21-45)

5-21-45

DECLASSIFIED
Authority MM0943011
By SR NARA Date 11-9-99

RG 218
Entry 2- GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY - ASSETS
Box 72 3-21-45

~~TOP SECRET~~
C.C.S. 845/1 ✓
16 May 1945

COPY NO. 11
(SPECIAL DISTRIBUTION)

DECLASSIFIED PURSUANT
TO JCS 927/1954
Date: 17 Dec 1972

COMBINED CHIEFS OF STAFF

DISPOSITION OF BULLION AND OTHER PROPERTY
DISCOVERED BY THIRD ARMY

<u>U.S. DISTRIBUTION</u>	<u>Copy No.</u>
Admiral Leahy	1
General Marshall	2 & 5
Admiral King	3
General Arnold	4
General Handy	6
Admiral Edwards	7
Admiral Davidson	8
General Hildring	9
Secy, JCS	10
Secy, JAC	11

*ccac 386
Kornwall (3-21-45)*

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

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

H

30
CCS 845/1

W

5-16-45
226628

DECLASSIFIED
Authority NND 943011
By SR NARA Date 11-9-99

RG 218
Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

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C.C.S. 845/1
16 May 1945

COPY NO. 11

DECLASSIFIED
Authority NND 943011
By SR NARA Date 11-9-99

COMBINED CHIEFS OF STAFF

DISPOSITION OF BULLION AND OTHER PROPERTY
DISCOVERED BY THIRD ARMY
Reference: C.C.S. 845

Report by the Combined Civil Affairs Committee

THE PROBLEM

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

FACTS BEARING ON THE PROBLEM

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

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

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By SR NARA Date 11-9-99

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Box 572

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

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

CONCLUSIONS

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

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

RECOMMENDATION

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

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By JR NARA Date 11-9-99

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File CONTROL OF GERMAN PROPERTY & ASSETS
Date 6-21-45

APPENDIX "A"

D R A F T

MESSAGE TO THE SUPREME COMMANDER,
ALLIED EXPEDITIONARY FORCE

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

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Box 572 3-21-45



APPENDIX "B"

D R A F T

LETTER FROM THE UNITED STATES CHIEFS OF STAFF
TO THE DEPARTMENT OF STATE

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

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

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

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By SR NARA Date 11-9-99

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File CONTROL OF GERMAN PROPERTY & ASSETS

Box 572

3-21-45

APPENDIX "C"D R A F TLETTER FROM REPRESENTATIVES OF THE BRITISH
CHIEFS OF STAFF TO THE FOREIGN OFFICE

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

The Combined Chiefs of Staff have approved a request by the supreme commander for the assistance of three United States Treasury Department experts and two bullion experts from the Bank of England to assist in identifying the gold bars found among the treasure.

Included in a preliminary inventory is a large quantity of material evidently belonging to the SS or Gestapo. A portion of this part of the treasure represents loot taken from individuals who have been murdered, as it includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. It may, therefore, constitute items of evidence. The Combined Chiefs of Staff have approved the supreme commander's proposal that agencies engaged in the determination of evidence for the prosecution of war criminals should be informed and at the proper time should be permitted to inspect and investigate this part of the property. Will you kindly advise the United Kingdom representative on the United Nations War Crimes Commission to enable the Commission to notify appropriate national agencies of the United Nations in this respect.

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By SR NARA Date 11-9-99

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File CONTROL OF GERMAN PROPERTY & ASSETS

Box 572

3-21-45

APPENDIX "D"

D R A F T

MESSAGE FROM THE UNITED STATES CHIEFS OF STAFF TO THE
COMMANDING GENERAL, U.S. ARMY FORCES,
EUROPEAN THEATER OF OPERATIONS

Letter of 20 April 1945 from SCAEF concerns treasure uncovered by Third Army near Merkers and now in vaults at Frankfurt. Included in inventory is a large quantity of apparent loot taken from murdered individuals such as thousands of gold and silver dental crowns, bridges and plates and some personal articles. These may constitute items of evidence of war crimes. Suggest advising War Crimes Branch in office of your Judge Advocate as SCAEF indicates he will permit inspection of such property at proper time.

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DECLASSIFIED
Authority NND 943011
By SR NARA Date 11-9-99

RG 218
Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

CCAC/WMC
73167

15 May 1945

MEMORANDUM FOR THE SECRETARIES, COMBINED CHIEFS OF STAFF:

Subject: Disposition of Bullock and other Property Discovered by Third Army.

Reference: C.C.S. 845.

1. In your memorandum dated 28 April 1945 C.C.S. 845 was referred to the Combined Civil Affairs Committee for comment and recommendation.
2. The Combined Civil Affairs Committee submits the attached report (Enclosure) for consideration by the Combined Chiefs of Staff.

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NOTE: CCS 845 is CCAC 184. The attached report is CCAC 184/1, which was informally agreed by the UK Members on 14 May 1945. Action of the CCAC and CCS will be published as CCAC 184/2.

T. E. H. BIRLEY,

W. M. CAMERON,

Combined Secretariat.

Encl.

COPY FOR:
Brigadier Cornwall-Jones
Brigadier General McFarlane

DECLASSIFIED PURSUANT
TO JCS 927.1
Date: 17 Dec 1970

File us 5/15/45
5/15/45

CCAC 386 Summary (3-21-45)

DECLASSIFIED
Authority NND943011
By SR NARA Date 11-9-99

RG 218
Entry 3 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 572 3-21-45

~~TOP SECRET~~

COPY NO. 15

~~TOP SECRET~~
C.C.A.C. 184/1

12 May 1945

COMBINED CIVIL AFFAIRS COMMITTEE

DECLASSIFIED PURSUANT
TO JCS 927/195-1
Date: 17 Dec 1978

DISPOSITION OF BULLION AND OTHER PROPERTY
DISCOVERED BY THIRD ARMY

Memorandum by the Director, Civil Affairs Division, War Department

THE PROBLEM

1. To consider C.C.A.C. 184 and make recommendations to the Combined Chiefs of Staff (CCS).

FACTS BEARING ON THE PROBLEM

2. In a letter dated 20 April 1945 (C.C.A.C. 184) the Supreme Commander, Allied Expeditionary Force (SCAEF), forwarded a preliminary inventory of gold bullion, currency and miscellaneous property discovered by the Third Army near Merkers and now in vaults in Frankfurt. He asks the Treasury Department to send two expert weighers of gold bars and an expert to study assay certificates and other records to identify the gold bars. They would be needed for only a few weeks and should bring sufficient canvas bags, seals and tags to retag the bars and coins.

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

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

CCAC
Case
Forming (3-21-45)

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5-12-45

DECLASSIFIED

Authority NND 943011

By SR NARA Date 11-9-99

RG 218

Entry 2 - GEOGRAPHIC FILE

File CONTROL OF GERMAN

PROPERTY & ASSETS

Box 572

3-21-45

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

CONCLUSION

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

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

RECOMMENDATION

8. It is recommended that the CCAC recommend to the CCS the dispatch of the cable at Enclosure "A" and agree to the dispatch of the letters at Enclosures "B" and "C" and the cable at Enclosure "D".

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Authority NND 943011

By SR NARA Date 11-9-99

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Entry 2 - GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY & ASSETS

Box 572 3-21-45

ENCLOSURE "A"D R A F TCABLE FOR DISPATCH TO SCAEF

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

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Authority 110943011By SR NARA Date 11-9-99

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Entry 2 - GEOGRAPHIC FILE

File CONTROL OF GERMAN PROPERTY & ASSETS

Box 172

3-21-45

ENCLOSURE "B"D R A F TLETTER FROM UNITED STATES CHIEFS OF STAFF FOR DISPATCH TO DEPARTMENT OF STATE

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

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

Included in a preliminary inventory of the treasure is a large quantity of material evidently belonging to the SS or Gestapo. A portion of this part of the treasure represents loot taken from individuals who have been murdered, as it includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. It may, therefore, constitute items of evidence. The Combined Chiefs of Staff have approved the Supreme Commander's proposal that agencies engaged in the determination of evidence for the prosecution of war criminals should be informed and at the proper time should be permitted to inspect and investigate this part of the property. Will you kindly advise the United States representative on the United Nations War Crimes Commission to enable the Commission to notify appropriate national agencies of the United Nations in this regard.

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Authority NND 943011
By SR NARA Date 11-9-99

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Entry 2 - GEOGRAPHIC FILE
File CONTROL OF GERMAN PROPERTY & ASSETS
Box 512 3-21-45

ENCLOSURE "C"

D R A F T

LETTER FROM REPRESENTATIVES OF THE BRITISH
CHIEFS OF STAFF FOR DISPATCH TO THE FOREIGN OFFICE

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

The Combined Chiefs of Staff have approved a request by the Supreme Commander for the assistance of three United States Treasury Department experts and two experts from the Bank of England to assist in identifying the gold bars found among the treasure.

Included in a preliminary inventory is a large quantity of material evidently belonging to the SS or Gestapo. A portion of this part of the treasure represents loot taken from individuals who have been murdered, as it includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. It may, therefore, constitute items of evidence. The Combined Chiefs of Staff have approved the Supreme Commander's proposal that agencies engaged in the determination of evidence for the prosecution of war criminals should be informed and at the proper time should be permitted to inspect and investigate this part of the property. Will you kindly advise the United Kingdom representative on the United Nations War Crimes Commission to enable the Commission to notify appropriate national agencies of the United Nations in this respect.

DECLASSIFIED

Authority NN0943011
By SR NARA Date 11-9-99

RG 218

Entry 2- GEOGRAPHICFile CONTROL OF GERMANBox 572 PROPERTY & ASSETS
3-21-45ENCLOSURE "D"D R A F TCABLE TO CG, USAFETO FOR DISPATCH BY
THE U.S. CHIEFS OF STAFF

Letter of 20 April 1945 from SCAEF concerns treasure uncovered by Third Army near Merkers and now in vaults at Frankfurt. Included in inventory is a large quantity of apparent loot taken from murdered individuals such as thousands of gold and silver dental crowns, bridges and plates and some personal articles. These may constitute items of evidence of war crimes. Suggest advising War Crimes Branch in office of your Judge Advocate as SCAEF indicates he will permit inspection of such property at proper time.

SUMMARY OF U.S. ARMY INVOLVEMENT WITH THE
ACQUISITION, ACCOUNTABILITY, AND SECURITY
OF GERMAN MONETARY GOLD AND RELATED
ASSETS FOLLOWING WORLD WAR II

PART I

HISTORICAL NARRATIVE

In early February 1945, German officials decided to relocate the German gold reserves to various remote locations south of Berlin. The extensive bomb damage to the Reichsbank in the German capital and the approach of the Soviet armies from the east precipitated this decision.¹ About 400 million RM in gold was shipped to Merkers and stored in the neighboring salt mine complex. An additional 50 million RM in gold was distributed to branch offices of the Reichsbank in central and southern Germany. Both the Merkers treasure and most of the lesser holdings were captured by U.S. Army forces during the closing days of the war and transported to Frankfurt am Main for security and central accounting.² Later comparisons of captured records from the Berlin Reichsbank and U.S. Army

¹ Portions of this narrative are extracted from an information paper: U.S. Army Center of Military History, "Allegations of U.S. Army Removal of Jewish Valuables From Buchenwald Concentration Camp," no date.

² Interrogation of Mr. Walter Funk by MAJ Hiram Gans, 4 June 1945, pp. 47-48, in National Archives Records Group 260, Records of United States Occupation Headquarters, World War II (Box 629); herein referred to as RG 260 [Walter Funk was president of the Reichsbank in Berlin]. The Merkers gold cache is well summarized in Earl F. Ziemke, The U.S. Army in the Occupation of Germany, 1944-1946 (Washington, DC: Government Printing Office, 1975), pp. 228-31.

inventories at the Frankfurt Reichsbank indicated that "98.6% of the 255.96 million dollars worth of gold" had been found and secured.³

The discovery of the German gold reserve at the Merkers mine was accidental, but singularly significant because of the quantity of material that was found and because it became the catalyst for the Army to seek and find additional assets hidden elsewhere in Germany. In spite of the windfall at Merkers, there was considerable confusion over how much gold was actually recovered there. A number of factors contributed to this confusion, not least of which was the continuation of combat operations while the cache was discovered and secured. Reports from different sources, both German and American, varied, and this was exacerbated by the inconsistent means of measurement that recorded inventories of the same material. Thus, the initial inventory from the Merkers salt mine recorded such acquisitions as: "Gold Bars, Bullion, 8198"; "Gold Bar - 1"; "Crated Gold Bullion, Boxes 53"; and "Crated Gold Bullion, Long Boxes, 2."⁴ But there was nothing which might define the

³ R.A. Nixon, Chief, Financial Intelligence and Liaison Branch, Finance Division, memorandum to Director, Finance Division, U.S. Groups Control Council, 6 September 1945, subject: "Report on Recovery of Reichsbank Precious Metals"; in RG 260 (box 440), file 940.60 Overall Gold Report. In RG 260 (box 444), file 940.62 Records, are several German language documents with English translations which include inventories of the gold reserve from the Berlin Reichsbank at six-month intervals from December 1934 to February 1945.

⁴ Headquarters, XII Corps, "G-4 Functions in ETOUSA Operations, Merkers-Herringen-Frankfurt Areas in Germany, 9 April to 22 April 1945," 26 April 1945, appendix I, p. 1, in

difference between the (presumably) 8,198 bars of gold bullion and the solitary gold bar; neither did any records indicate how much gold bullion was in the 53 boxes, or how large these boxes or the "Long Boxes" were. Understandably, the initial surveys focussed on a general physical inventory, rather than a detailed financial accounting of what was found.

The confusion surrounding the actual material recovered from the Merkers salt mine was compounded in later months by differing reports of what had been sent there and what was actually found. Most secondary sources, for instance, mentioned "Nazi loot," such as dental gold, jewelry, and associated artifacts.⁵ Yet, the president of the Reichsbank categorically denied that his agency had held any non-monetary gold or engaged in any smelting operations. He did, however, admit that "the SS" had made one deposit in his institution, but he did not know what it was.⁶ Subsequent reports clearly indicated that the Army realized that some of the material seized at Merkers, as well as subsequent finds, included both Nazi loot and material which had been resmelted to disguise its

CMH files, HRC 091.33, German National Gold Reserve. This inventory, however, is difficult to reconcile with what the chief cashier at the Berlin Reichsbank reported having delivered to Merkers; see "Statement of Albert Thomas [Thoms], Merkers, Germany, 12 April 1945," in RG 260 (box 403), file 940.304 SS Loot "Melmer Loot".

⁵ See for instance: Ziemke, p. 229.

⁶ Funk interrogation, pp. 49-50, in RG 260 (Box 629).

origins.⁷

The first inventory the Army created became the primary document used to prepare the material for shipment from its cache at Merkers to more secure and accessible facilities in Frankfurt. In view of the military and political situation at the time, the inventory certainly was adequate in establishing accountability for what was found, and the security in actually relocating it to Frankfurt was impeccable.⁸ Later, when some military authorities suspected that there may have been some pilferage of the Merkers cache because of some broken bags of

⁷ BG Frank J. McSherry, Deputy Assistant Chief of Staff, G-5, memorandum to Commanding General, European Theater of Operations, 19 April 1945, subject: "Gold bullion, currency and other property discovered by Third Army near Merkers"; in RG 338 (box 13), file 123/2 USFET Captured Gold Bullion and Art Treasures 7 Apr.-30 May 1945. "Signed Statement by Albert Thoms on Handling of SS Loot by Reichsbank," 29 May 1945, in RG 260 (box 423), file 940.304 SS Loot "Melmer Loot". CPT Paul S. McCarroll, memorandum for Executive Officer, Finance Division; USFET, 24 January 1946, subject: "Foreign Exchange Depository"; in RG 260 (box 394), file 900.10 Org & Hist. of FED. See also a collection of correspondence from the Foreign Exchange Depository in RG 260 (box 444), file 940.63, in which an investigation of gold "sticks" that had been identified as non-monetary gold actually was found to be resmelted monetary gold from Belgium.

⁸ Information paper, "Report of the German Treasure Cache at the Merkers Salt Mine," no date, p. 7; Supreme Headquarters, Allied Expeditionary Force, G-4 Division, report to MG Robert W. Crawford, ACS G-4, April 1945, "Report covering the discovery, removal, transporting and storage of gold, silver, platinum, and currency...", pp. 9-10. Both documents are in CMH files, HRC 091.33, German National Gold Reserve. See also: Carolsue Holland and Thomas Rothbart, "The Merkers and Buchenwald Treasure Troves," After The Battle, no. 93 (August 1996), pp. 5-15; the authors, obviously using a variety of primary and secondary sources (but the article is not footnoted), have reconstructed a detailed account of how the Army secured the Merkers' assets.

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coins and currency, a prompt and thorough investigation concluded that all reasonable security measures had been exercised. If there had been any losses (and even that supposition was arguable), they would have occurred prior to the Army's discovery of the cache.⁹

The problem of determining exactly what Nazi monetary assets were under Army control, however, was complicated after the Merkers material arrived at the Foreign Exchange Depository (FED), which the Army established at the Frankfurt Reichsbank. In the closing days of the war, additional gold was recovered from all parts of Germany--sometimes from banks, sometimes from businesses or individuals, sometimes from soldiers or U.S. Army units. Over a 30-month period, this comprised 91 different "shipments" from a wide variety of locations.¹⁰ All of this

⁹ CPT L.F. Murray, Assistant Inspector General, memorandum to Commanding General, Third Army, 7 May 1945, subject: "Report of Investigation of Alleged Discrepancies in Currency and Coin Found in Mine at Merkers, Germany"; in RG 260 (box 424).

¹⁰ "Register of Valuables in the Custody of the Foreign Exchange Depository, Frankfurt A/M Germany," 9 February 1948, in RG 260 (box 399). [NB: The use of the word "shipment" causes some confusion in Army documents dealing with this subject. "Shipment" had three different meanings--all of which might apply in a single document. The first general use of this word applied to individual shipments of German assets to the Foreign Exchange Depository (FED), which would be comparable to an accession (i.e., a collection of material coming from one source at one time). The FED also cited "shipments" of assets coming into and out of the FED, usually currency transactions for Allied Military Marks. Other shipments, however, referred to the release of monetary and non-monetary gold and related assets to countries or organizations. Thus, "Shipment 1" was the Merkers cache received in 1945, "Shipment 33" was gold flown to the Bank of England in 1948, and "Shipment Berlin" was currency being sent to OMGUS in Operation BIRDDOG in 1946.]

gold was shipped to Frankfurt, along with other captured assets as well. It seems that the intent always was to centralize these assets at one site for ease of security, accountability, and disposition. By August 1945, the FED was overloaded, and shipments were suspended temporarily while cultural properties and related non-monetary materials were transferred to other sites in southern and central Germany. The FED resumed its receipt of captured monetary assets later in August, but not until November 1945 was the FED officially tasked to serve as the central repository for all captured "gold and silver bullion and coin, foreign currencies, foreign securities, precious stones or jewels, jewelry, gold teeth, and other similar valuables."¹¹

From the initial discovery of the Merkers cache to the final disposition of the remaining assets held by the FED in 1950, two issues dominated everything that happened at the former Reichsbank building in Frankfurt: maintaining tight security of the assets, and compiling a complete inventory of everything that the Army was securing there. The reports, memoranda, message traffic, and other documents that discuss these activities comprise a large portion of the archival

¹¹ A.U. Fox, Acting Deputy Chief, Finance Branch, USFET, OMGUS, memorandum to LTC H.D. Cragon, Chief, Currency Section, 9 November 1945, subject: "Looted Valuables." The initial decision and justification for the central location at Frankfurt appears to have originated from 12th Army Group; see: G-5, Headquarters, 12th Army Group, message to LTC Cragon, Currency Section, 26 May 1945. Both documents will be found in RG 260 (box 394), file 900.10 Org. & Hist. of FED.

records.

Armed guards were scattered throughout the exterior of the complex. A series of checkpoints restricted access to the building, while others were used to secure various parts of the interior. Once assets were placed in a secured room or vault, the entrance was locked and sealed. Opening these chambers required the approval of the FED's higher headquarters, the Finance Division of the Office of the Military Government of Germany, U.S. (OMGUS).¹²

The staff of the FED was especially sensitive to maintaining firm security of both the building and its contents. Literally every instance of petty theft was reported to the Army's Criminal Investigation Division (CID)--from a stolen light bulb and four bottles of soda to a vandalized sign and an unlocked desk drawer. Few of these minor cases were solved, but one prominent incident resulted in even stricter security procedures. The first major shipment of monetary gold to leave the FED was momentarily suspended when some Displaced Persons (DPs) tasked to help move the material tried to pilfer some currency and gold coins. They were caught in the act, and a thorough investigation concluded that two lieutenants detailed to supervise them had been lax in their duties. The solution for subsequent shipments was to double the number of

¹² See for instance: COL William G. Brey, Chief, FED, memorandum to Director, Finance Division, OMGUS, 18 June 1946, subject: "Opening Cages within Main Vault", with endorsement and approval, same date; in RG 260 (box 393).

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checkpoints, security guards, and supervisors.¹³

All the assets at the Reichsbank building in Frankfurt were held on behalf of the Allied Control Council--a fiduciary responsibility that the FED did not take lightly. In fact, it could be argued that the Army exercised more care for the security and accountability of these assets simply because they was not Army property. No one in the Army exercised any decision-making authority over the disposition of these assets, which was a point that frequently was made by and to Army personnel.¹⁴ As one Military Government official was bluntly informed: ". . . you are advised that the FED is merely the custodian of the property in question and has no power over its

¹³ Every theft and breach of security was carefully and completely documented and investigated. See RG-260 (box 399), file 910.73 Internal Security, Violations. It is important to bear in mind that prior to this attempted theft and its subsequent solution, the security measures at the FED replicated the practices employed in any U.S. mint (see: CPT Paul S. McCarroll, memorandum to Executive Officer, Finance Division, USFET, 24 January 1946, subject: "Foreign Exchange Depository"; in RG 260 (box 394), file 900.10 Org. & History of FED).

¹⁴ See for instance: BG L.S. Ostrander, Adjutant General, memorandum to Director, FED, 27 February 1946, subject: "Removal of Assets"; in RG 260 (394), file 310.3 Removal of Assets, F.E.D. Authorities Required; See also: 1LT Frank C. Gabell, Executive Officer, FED, memorandum no. 16, 14 June 1946, subject: "Restitution"; in RG 260 (box 393). Several cables from the War Department/Department of the Army to U.S. European Command (EUCOM) in 1947 and 1948 cited the State and Treasury Departments as the approving authorities in all dispositions of monetary gold. A courtesy copy of a cable from the U.S. Secretary of State to various American representatives in Europe was sent to the Deputy Military Governor on 18 August 1945; the cable made it very clear that "the President, the Secretary of the Treasury and others" were the decision-makers concerning the disposition of all captured gold; see: RG 260 (box 444).

disposition or release."¹⁵ The FED received and processed claims from individuals and governments, but its principal responsibility was to secure the assets that it held.

In order for the security to be effective, the Army had to have a reliable inventory. The initial inventories were adequate for achieving immediate accountability for what was being secured, but Army personnel felt that only specialists could compile more precise data. Both SHAEF/OMGUS and FED personnel sent numerous and urgent requests to the United States for qualified experts, who could evaluate precious metals, gems, and foreign currencies and securities.¹⁶ Eventually, the first team of experts arrived in June 1945: two personnel from the Bank of England, and three from the U.S. Treasury Department. They conducted an extensive evaluation of the precious metals, primarily the gold and silver, and prepared a seven-page summary of their work. Named the "Howard Report" (for the team leader), it became a primary reference document in conducting subsequent inventories and evaluations

¹⁵ COL William G. Brey, Chief, FED, memorandum to Property Control Regional Supervisor, OMG Hesse, 25 May 1948, subject: "Box Containing Precious Stones...."; in RG 260 (box 436), file 940.4064 Shipment No. 64.

¹⁶ See for instance: LTG W.B. Smith, Chief of Staff, SHAEF, memorandum to General Marshall, 19 April 1945, subject: "Gold bullion, currency and other property...."; in RG 338 (box 13), file 123/2 USFET Captured Gold Bullion. USFET (Main), cable to AGWAR, ref. no. S-25884, 30 September 1945; USFET (Main), cable to Secretary of War, ref. no. S-27954, 14 October 1945; both in RG 260 (box 397). COL William B. Brey, Chief, FED, memorandum to Director, Finance Division, OMGUS, 11 June 1946, subject: "Request for Allied Personnel - Technical"; in RG 260 (box 393).

of the holdings in the FED.¹⁷

By August 1945, the FED reported to the Deputy Military Governor that 91 percent of the gold found in Germany and inventoried at Frankfurt came from the Merkers salt mine,¹⁸ which underscores the magnitude of what was recovered four months earlier. The rest of the gold came from banking facilities in central and southern Germany, some businesses and individuals, and non-monetary gold from victims of the Holocaust.

Determining with absolute accuracy how much gold the Army held at Frankfurt is exceedingly difficult as is defining how much was monetary gold and how much was non-monetary gold. Part of the difficulty arises from the inconsistent measurements that were applied in establishing accountability for this material. At varying times, all or parts of the entire treasure of jewelry, artifacts, precious metals, and currency were reported in pounds or kilograms, bags or boxes, or monetary value (often dollars and once each in pounds

¹⁷ The Howard Report was the only contemporary document we found (aside from infrequent IG and CID investigation reports) which cast a shadow on the Army's handling of the captured assets. The concluding remarks of the experts included a mild rebuke for the Army's "inexperienced" personnel and "unsatisfactory working conditions." See: Leland Howard, memorandum to LTC H.D. Cragon, 15 August 1945, in RG 260 (box 440), file 940.60 Gold Report and Original Work Sheets.

¹⁸ U.S. Group Control Council, report to LTG Lucius D. Clay, Deputy Military Governor, 19 August 1945, "Value of Gold and Silver Bullion and Coin Held by Commanding General USFET at the Reichsbank Building in Frankfurt", in CMH files, HRC 091.33, German National Gold Reserve.

sterling or reichsmarks); and they included gold, gold bullion, bags of gold, gold coins (from at least 15 countries), gold pieces, and miscellaneous gold. Yet, the historical record clearly demonstrates that the Army conscientiously refined its inventories to achieve greater accuracy in reporting what it held, and it never lost accountability for the material that was in its custody. Thus, it may require an extraordinary effort to determine the size and value of the "two blocks of gold" and the "four packages of gold scrap" from Shipment 5, but it appears that the archival records exist which would make it possible for such an audit to be conducted and completed. More importantly, each successive inventory of these assets accounted for the material from its receipt in April 1945 to its final disposition in 1948 (i.e., a complete accounting history appears to have been maintained for each shipment and its component parts from arrival at the FED to its ultimate destination).

Through 1945 and into the first half of 1946, documents indicate that the FED personnel were busy establishing accountability for all the material that was arriving or had arrived at Frankfurt. Once basic accountability was established, the FED began to focus its energies on the higher-valued pieces of the total inventory: the monetary gold.¹⁹

¹⁹ One of the other complications in determining the quantity and value of all gold held at the FED were the changing definitions of "monetary gold" and "non-monetary gold." For the purposes of this manuscript, we have adopted those definitions that were initially used as guidance for the

Throughout this process, valuations of the FED's holdings included all assets--gold, other precious metals, currencies, securities, gems, jewelry, and associated materials. For the first 18 months of the FED's existence, all valuations of the gold held at Frankfurt were estimates, and these estimates tended to fluctuate as items were added and refinements made in the inventory process. In some cases, what might have been identified originally as a gold coin, might later be called a gold piece, and then recognized as melted dental gold, which would move the item from the monetary category to the non-monetary category. And all this would occur while more gold was being added to the FED's holdings.

Beginning in June 1946, the FED employed about a dozen DPs and German civilians to assist them in a summer-long comprehensive inventory of all monetary and non-monetary assets by "shipment."²⁰ Each separate shipment inventory was documented on a form that included the name of the individual conducting the inventory, the security officer, the recorder of the form, and the approving official for that specific

FED in its accounting and disposition of property: monetary gold consisted of bullion and coins (less numismatic/collectors' items); non-monetary gold consisted of gold objects looted from private citizens and holocaust victims (less cultural/religious objects) and rare coins (which had no identifiable institutional or individual owner). See: Frank C. Gabell, Deputy Chief, FED, memorandum to Director, Finance Division, OMGUS, 28 January 1947, subject: "Disposition of Valuables"; in RG 260 (box 161), file Disposition of Valuables.

²⁰ The original inventory sheets can be found in RG 260 (boxes 401-414).

inventory. The form also cited the origin of the objects (e.g., "Shipment No. 1" [Merkers]), date of the inventory, type of container the objects were kept in (e.g., "metal box"), a general classification of the objects (e.g., "precious metals, scrap gold"), the location, a container number, a tag number, and a brief description of the objects inventoried (e.g., "1 lot of 4 pieces low grade gold and silver, weight about 25 grams; 1 lot of dental gold 18 and 22 carats, weight about 740 grams"). These individual inventory sheets (and there are thousands of them) provide yet another documentary source to account for the FED's holdings.²¹

By October 1947 and on the eve of the first release of monetary gold from the "gold pot," most of the major inventories had been completed. At that time, the FED reported "more than \$260,000,000 of monetary gold, approximately one-half in bar form and one-half in coin." An "agreed valuation of approximately \$750,000" in non-monetary gold already had been released to the International Refugee Organization.²²

From this time forward, the FED's primary focus was on the disposition of its assets. There were some minor acquisitions in 1948--all from Military Law 53, a directive which

²¹ One inventory sheet even accounted for 84 "meal tickets" that came from Shipment No. 16--Buchenwald.

²² Theodore H. Ball, Director, Finance Division, memorandum to Finance Adviser to Commander, EUCOM, 3 October 1947, subject: "Present Status of Disposition of Precious Metals...."; in RG 260 (box 424), file 940.309 Precious Metals. It is important to keep in mind that these are 1945 prices, with gold valued at \$35 per ounce.

essentially forbade German nationals from holding foreign currencies or securities, or large amounts of precious gems or jewelry, or precious metals. The inventories for precious metals, currencies, and all assets that comprised the "Nazi loot" were completed. Generally, the only significant inventory activity in 1948 and 1949 dealt with foreign securities and precious gems, principally diamonds and their eventual restitution to various governments.

The restitution of the captured assets from the Foreign Exchange Depository was handled with the same precision that had characterized its previous activities in receiving and accounting for them. In fact, each major restitution had all the makings of a major production, with numerous meetings to coordinate the shipment, operations orders, extensive message traffic, increased security measures, press releases, and photographic coverage of the event.

The FED had engaged in some minor restitution initiatives prior to November 1947. On 5 February 1946, 801 sacks of Russian rubles were released to Soviet military representatives. Other releases included cultural properties, religious objects, and counterfeit English currency. The largest restitution of this early effort was the return of \$32 million dollars in gold to Hungary.²³

²³ Several individual transactions are documented in RG 260 (boxes 160, 394, 396, 398, and 436). The Hungarian gold was not part of the Nazi "gold pot," and instead consisted of Hungarian national assets that its officials were attempting to move west--away from the advancing Soviet Army--when captured

By the latter quarter of 1947, the restitution of both monetary and non-monetary gold proceeded at a more rapid pace. On 5 September 1947, the first shipment of non-monetary gold was released to a representative of the Preparatory Commission of the International Refugee Organization (PCIRO).²⁴ One month later, the Tripartite Commission for the Restitution of Monetary Gold directed the Military Governor of the U.S. Zone of Occupation, Germany to release a total of 3,381,560.9146 fine troy ounces of gold to representatives of Belgium, Luxembourg, and the Netherlands. A French representative and his team received 75,794.5985 fine kilograms of gold on 19 November 1947 (this gold later was transferred to Belgium and Luxembourg). At 6:00 a.m. three days later, five trucks and one automobile arrived at the Foreign Exchange Depository to receive 541 boxes of gold bars and 550 boxes of gold coins for

by U.S. combat forces. The decision to release it apparently was based upon the economic need of Hungary, and that decision appeared to come from the U.S. State Department.

²⁴ Shipping Ticket, No. 16, 5 September 1947, in RG 260 (box 424), file 940.38 PCIRO General. In the same file, a newspaper clipping reported the transfer occurred on 6 September and a press release reported the restitution happened on 8 September. The Shipping Ticket, however, represented the signed receipt for the receiving institution, which also specifically released the U.S. Army for any further responsibility for the shipment. Although often referred to as "non-monetary gold," these restitutions to the PCIRO also included silver, jewelry, precious stones, dental gold, and personal items--including purses and alarm clocks. A 168-page inventory of what was released in this first restitution may be found in RG 260 (box 424), file 940.401 Joint Inventory Schedule "A" of 1st non-monetary gold release to PCIRO.

the Netherlands.²⁵

With the restitution to the Benelux countries completed, attention turned to the disposition of the remaining gold.²⁶ The Tripartite Gold Commission directed the last major release of monetary gold through two contracts with Pan American Airways, which served as the principal carrier to deliver "approximately 58,705.5410 kilogrammes of monetary gold coins" in one contract for the first group of flights and "approximately 74,498.64262 kilogrammes of monetary gold coins and/or bars" in the second contract for the remaining flights to the Bank of England in London. The actual shipment, recorded two years later, reported the first shipment as comprising 53,234.446 kilograms (valued at \$59,903,407) and the second shipment comprising 75,900.028 kilograms (valued at \$85,408,426). The 53 individual flights began on 15 June and concluded on 3 August 1948.²⁷

²⁵ Several pieces of correspondence and messages concerning this directive may be found in RG 260 (box 422), file 940.1551 Monetary Gold, 1st Distribution.

²⁶ COL William G. Brey, Chief, FED, internal routing slip to Financial Adviser, OMGUS, 28 June 1948, subject: "Packaged Gold"; in RG 260 (box 422), file 920.1551 Monetary Gold 2d Dist. Extensive documentation exists indicating that the FED prepared to release gold to Italy and Austria (689,295.906 fine ounces for Austria and 286,102.445 fine ounces for Italy). However, the completed transactions never appear in later summaries of FED operations, suggesting that either the gold was never released, or that it was an entirely different accounting transaction unrelated to the restitution issue.

²⁷ Documentation for the Tripartite Gold Commission's directives, contracts, and related message traffic can be found in RG 260 (box 422), file 920.1551 Monetary Gold 2d Dist; see also (box 163), file FED Tripartite Commission; and (box 166),

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Throughout 1948 and 1949, there were a variety of restitution shipments taking place, with the PCIRO receiving the largest amounts of material in March and October. Other restitutions, some precious metals (not gold) and mostly currencies, were released to several governments.²⁸ With all these restitutions in progress, it is surprising that there were so few shortages reported resulting from theft. In fact, only two incidents were discovered and reported: one involved a stolen gold bar, pilfered from a Reichsbank before the bar was to be sent to the FED in 1945; a second resulted when four crates holding over 100 pieces of jewelry for the PCIRO were lost in transit to New York. In the former incident, the gold bar was recovered in the United States in 1947 and returned to the FED, which had always listed the 25-pound bar as missing from its initial inventory. In the latter case, the loss occurred after the Army formally released custody of the

file Gold File (Brussels). Two memoranda by a Mr. Fred B. Smith, dated 20 January and 14 April 1948, of either the U.S. State Department or the U.S. Treasury Department, discussed the contract arrangements for the gold shipments to London. Army transportation had been considered and rejected by either the Treasury Department, New York Federal Reserve Bank, or the Tripartite Gold Commission. The 14 April memorandum is the only reference we found which suggests that some of the gold going to London would be reshipped to New York. The documents were copied from the historical files of the U.S. State Department and are on file at the Center of Military History.

²⁸ See RG 260 (box 424), file 940.401 Joint Inventory Schedule "C" and file 940.401 Joint Inventory Schedule B; (box 421), file 940.154 Second Turnover to IRO; (box 466), file 960.61 Security Officer Daily Report Jan-July 1948; (box 163), file International Bank for Reconstruction and Finance; (box 400), file 910.92 Reports-Daily Jnl 1948.

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material to the PCIRO.²⁹

By early 1948, the FED was able to report the origin and quantity for all of the gold assets that came into its custody: 1,581,832 kilograms, plus 603.734 kilograms seized under the provisions of Military Law 53.³⁰ In June 1950, a chart prepared by the International Reparations Agency summarized the disposition of all gold assets for European countries that received or participated in restitutions, principally from the "Gold Pot."³¹ But the scope of these activities transcended the efforts at Frankfurt and were thus was beyond the Army's interest or control.

By the end of 1948, the Foreign Exchange Depository was preparing to go out of business.³² Silver, gems, currency, securities, and an assortment of jewelry and rare metals were released to a variety of countries, and even some German industries. In what appears to be a close-out accounting for the disposal of all FED assets, the last and Acting Chief of the Foreign Exchange Depository submitted a final monetary

²⁹ See RG 260 (box 164), file Foreign Exchange Depository 1947; (box 421), file 940.154 Second Turnover to IRO.

³⁰ See RG 260 (box 161), file FED.

³¹ See chart prepared by A. Kipoy, Deputy Director of Finance, IARA, copy provided by Kenneth D. Alford, an independent researcher who is currently preparing a forthcoming study titled "Great Treasure Stories of World War II."

³² Jack Bennett, Finance Adviser to the Military Governor, memorandum to Chief, FED, 29 December 1948, subject: "Receipt of Additional Assets by FED"; in RG 260 (box 401), file 920.401 FED Space & Liquidation.

report to the Office of Economic Affairs in dollar values.³³ The entries of "assets released" included \$263,680,452.94³⁴ and \$145,325,827.64³⁵ to the Tripartite Gold Commission for the Restitution of Monetary Gold and \$808,369.00 to the IRO.

After December 1950, the Foreign Exchange Depository ceased to exist. Its few remaining assets consisted of unclaimed personal items, some platinum bullion, German securities, and an odd assortment of foreign currency and industrial diamonds. This material was transferred to the Bank Deutscher Laender, which already had taken over most of the FED building (the former Frankfurt Reichsbank) a year earlier. Ironically, at least one of the platinum bars and some of the securities had come from the Merkers cache in April 1945. Albert Thoms, the man responsible for shipping the Berlin Reichsbank assets to Merkers, was one of the two representatives for the Bank Deutscher Laender who accepted custody of the FED's remaining assets.

³³ Mr. F.J. Roberts, Acting Chief, FED, memorandum to Mr. Leonard, Finance Division, 19 December 1950, subject: "Final Report on Status FED"; in RG 260 (box 400), file 910.98 Reports Weekly FED Status Report.

³⁴ This probably represents the dollar value of the gold that eventually went to the Benelux countries.

³⁵ This probably represents the dollar value of the remaining gold that was sent to the Bank of England. [We found no records of any gold being sent from the FED in Frankfurt to the Federal Reserve Bank in New York.]

Concluding Observations

The Foreign Exchange Depository frequently was referred to as the "Fort Knox of Germany," but it might be more accurate to characterize it as "the Bank of Europe." The captured German and Nazi assets were only a part of the FED's total operation. It also was responsible for all currency transactions in Germany, receipt for all restricted property (Laws 52 and 53), and funding for all U.S. military activities in Germany and it seems to have served as the "banker" for several allied countries as well. The breadth of its responsibilities is amazing; that it accomplished so much with limited personnel resources is all the more remarkable.

The first chief of the Foreign Exchange Depository was Colonel Bernard Bernstein, a lawyer by education and experience. COL Bernstein had served as an attorney with the U.S. Treasury Department from 1933 to 1942, when he resigned his position and went on active duty in the Army as a lieutenant colonel in the Coast Artillery Corps. In 1945, as a newly-promoted colonel, he served as the Chief of Finance in the G-5 Division of Supreme Headquarters, Allied Expeditionary Forces (SHAEF). From that vantage point he was able to influence and direct the policies that established the FED and the Army's control over all captured assets. Bernstein left the service in 1946 to return to private law practice, but he

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also served as legal counsel for the next two years with the American Jewish Congress and was active in other Jewish organizations for several years. He died in 1987 or 1988 in New York City.

Colonel Bernstein was ably assisted by a small group of company grade officers, none of whom seem to have come from the Finance Corps. In fact, most of the officers came from the infantry and cavalry, and few were from the Regular Army. Personnel turnover, particularly in 1945, was a persistent problem in the FED (at its peak, it seems to have employed about 150 personnel), but the steady leadership and management of Colonel Bernstein and his successor, Colonel William Brey, helped weather these difficulties. By 1946, the personnel situation stabilized with the addition of dedicated clerical support and three or four civilian employees in mid-level management positions.

Prior to 1946, it was apparent that the Army's principal concerns were providing effective security for what was found and establishing a physical accounting for all these assets. Although there was little difficulty in determining how many boxes, bags, and stacks were being secured, it was very confusing whenever anyone tried to quantify these holdings. Estimated values might have included all assets, or just precious metals (gold and silver), or all gold, or simply monetary gold (with no clear definition of what the reporting agency meant by "monetary gold"). Weights also varied,

especially when dealing with gold; quantities were measured by pounds, kilograms, fine ounces, troy ounces, grams, or simply plain ounces. And sometimes even unquantifiable measurements were cited, such as "\$500 million in fine gold."

Yet, by 1946 and as the Army personnel at the FED became more familiar with the holdings, there was a clear trend toward establishing a more precise accounting for the assets under their custody. This was reflected in the inventories for many of the component shipments at the FED. By this time, too, there seemed to be a very clear idea of what was non-monetary gold and what was not. Judging by the inventory procedures and their results, the only non-monetary gold (i.e., "Nazi loot") that was found, aside from the obvious materials coming from concentration camps and SS accounts, were melted gold pieces (described in one report as "rough moulds of gold about the size of a cookie"³⁶).

The scope of the FED's operations embraced three distinct phases: security, inventory, and receipt of assets; restitution of assets to appropriate parties; and termination of operations. From April 1945 through December 1947, the FED received 91 separate shipments, ranging from the Merkers cache (the largest) to a single envelope containing securities. The height of activity in this first phase was during the first 12

³⁶ BG Frank J. McSherry, Deputy assistant Chief of Staff, G-5, memorandum to Commanding General, European Theater of Operations, 19 April 1945, subject: "Gold bullion, currency and other property..."; in RG 338 (box 13), file 123/2 USFET Captured Gold Bullion and Art Treasures 7 Apr.-30 May 1945.

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months of the FED's existence. Although some minor restitutions were made prior to September 1947, it did not become a major activity until the first shipment went to the PCIRO. Restitutions after August 1948, measured by both the volume and value of material involved, declined significantly in the months that followed. And the third phase of the FED's operations lingered throughout 1949 and 1950.

Clearly, the Army had a distinctly restricted role in this entire issue: soldiers guarded the treasure, while a small cadre of Army officers and civilians tried to determine what they had and how to account for it. A review of the archival record underlines how fastidious the Army was in documenting everything that it did and everything that happened. Well annotated daily journals, weekly reports, bi-monthly meetings, security officer logs, and countless inventories, internal memoranda, and working papers (including scribbled notes, accounting ledgers, and adding machine tapes) documented the entire effort. Nearly every cable, memorandum, message, letter, and note of, pertaining, or related to Army involvement with the FED and captured German assets appears to have been saved and ultimately found a home at the National Archives. No evidence exists that the Army was trying to hide anything or mask any unsightly blemishes. Indeed, the greatest problem in dealing with the Army's involvement in this issue is not the paucity of information, but rather its abundance.

There are some possible explanations for the plethora of

minute detail found in so many of the documents. First and foremost, conditions in the FED were constantly changing. Thus, while it eventually became possible to compile detailed reports of specific inventories, it was virtually pointless in compiling the individual components, or "shipments," into one complete summary. To say how much monetary gold was in the FED on any day of the year meant little, because the individual inventories that would have supported such totals would have changed while the statistics were being compiled and after they had been reported. Then too, the FED was not as concerned with how much it had as it was with being able to secure and account for each component part.

Perhaps a second explanation might be buried in an obscure internal memorandum from one section chief of the FED who requested photographic support in anticipation of a history of the organization that Colonel Brey thought might be written. Regrettably, it seems that no such history was ever composed (doing so might have diffused some of the later quasi-histories of the Army's involvement with captured assets from World War II), but the FED leadership certainly seemed sensitive to preserving the historical record.³⁷ Indeed, the questions surrounding the restitution of gold to other countries and the International Refugee Organization being asked today were

³⁷ There are two historical reports from 1947 in RG 260 (box 394), file 900.10 Org. & History of FED. Both documents seem to have been prepared in anticipation of a more comprehensive study being done at a later date.

addressed and answered 48 years ago.³⁸ According to Frank J. Roberts, the Acting Chief of the FED, the total value of assets secured by the Army and released to the IRO was \$806,369. The total value of gold disposals pursuant to instructions of the Tripartite Gold Commission was \$263,680,452, with deliveries of \$85,289,953.00 to France (for Belgium and Luxembourg), \$33,064,672.00 to the Netherlands, and \$145,325,827.00 to London (Gold Pot). It seems likely that much of the paperwork that the FED retained was intended to ensure that these and other questions might be answered if ever raised on some future date.

³⁸ Frank J. Roberts, Acting Chief, FED, internal routing slip to Finance Adviser, OMGUS, 12 April 1949, subject: "Confirmation of Information transmitted by Phone"; in RG 260 (163), file FED Tripartite Commission.

PART II

SOURCES CONSULTED

Nearly all of the primary records concerning this topic are at the National Archives and Records Administration (NARA). Currently, the NARA staff is conducting a broad sweep of its holdings and compiling a document that eventually will include all records groups of documents that have anything to do with this subject. Currently, this bibliographic document is being updated periodically, and at the time of this review it included records from several federal agencies. Released in "draft," it was 250 pages long and included virtually anything associated with "Nazi gold" or German monetary assets during and following World War II.

At the U.S. Army Center of Military History (CMH), the research effort began with a review of this bibliographic document and focussed exclusively on records cited which specifically dealt with the Army's involvement in the acquisition, security, and disposition of gold from Germany in the closing days of World War II and the first five years of the post-war occupation of Germany. Occasionally, Center researchers studied documents that dealt with other assets (e.g., other precious metals, gems, jewelry, currency, securities, and cultural properties), but only because these issues either influenced or reflected the process that was followed in the handling of both monetary and non-monetary gold.

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With the parameters cited above as a guide, the Center reviewed individual documents as quickly as possible, sometimes summarizing specific memoranda in notes and occasionally copying entire documents. All of this material has been retained. Researcher notes were transcribed and included with the copied material to be stored with other historical records at CMH. The original notes for the researchers were retained by their individual authors.

The following records were reviewed at NARA II:

- * RG 218 Records of the U.S. Joint Chiefs of Staff.
 - + Central Decimal File, 1946-1947 (Entry 3); Boxes 61 and 72.

- * RG 239 Records of the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas.

- + Reports, 1944-1946 (Entry 6); Box 9.
- + Correspondence, 1943-1946 (Entry 7); Box 13.
- + London Files, 1943-1945 (Entry 12); Box 37.
- + Restitution of Cultural Materials, 1943-1946 (Entry 14); Box 40.

- * RG 260 Records of United States Occupation Headquarters, World War II; Records of the Office of the Military Governor, United States.

- + Records of the Reparations and Restitution Branch; Records Related to the Restitution of Precious Metal, 1947-1950; Boxes 20-28.

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+ Records of the Office of the Finance Adviser and Financial Division; Financial Policy and Advising...Identification of Assets, 1944-1945; Boxes 41-43.

+ General Records Regarding Financial Policies and Military Government Legislation, 1945-1949; Boxes 64-77.

+ Records Relating to External Assets, 1946-1948; Box 130.

+ Records Regarding the Foreign Exchange Depository, 1947-1949; Boxes 160-167.

+ Records of the Financial Intelligence Group; Reports of Assets and Liabilities of Insurance Institutions, 1947-1948; Boxes 260-264.

+ Records of Foreign Exchange Depository Group, Central Files, 1945-1950; Boxes 392-466.

+ Miscellaneous Records Regarding Operations, Payments, and Shipments, 1945-1948; Boxes 467-471.

+ Records Relating to Operations BIRDDOG and DOORKNOB, 1945-1950; Boxes 472-483.

+ Records of Subordinate Agencies, Shipments of Gold and Silver, 1945-1947; Boxes 484-488.

+ Records of the Property Division, Interrogations and Reports Pertaining to German Financial Matters, 1945-1946; Boxes 629-631.

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- + Records of Sections and Offices; Restitution Section, 1946-1949; Boxes 702-705 and 712-719.
- * RG 331 Records of Allied Operational and Occupation Headquarters, World War II.
 - + Secretariat, G-5 Division; Box 1.
 - + AG Division, War Diaries; Boxes 51-60.
 - + Records of SHAEF General Staff Organizations, Historical Section, Information Branch; Box 165.
- * RG 338 Records of United States Army Commands.
 - + Secretary, GS, General Correspondence; Box 13.
 - + AG Section, Admin Branch; Boxes 426-428.

Center researchers also visited the Still Picture Branch at NARA II. The purpose in this half-day digression was two-fold. First, they wanted to have a clear idea of what kind of supporting photographs might be available and how they would be organized. Second was the hope that photograph captions might provide additional clues to an understanding of how and when gold shipments went in and out of Frankfurt. Since Army Signal Corps photos often have precise captions with explanatory information and dates, there was the chance that a stray photograph might supplement what other records glossed over. However, the photographic archives recorded no documentary data that would have been essential to supplement the written narrative. Nevertheless, the Center researchers found dozens of photographic images that clearly demonstrated the volume of material that the Army had to deal with and the magnitude of

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the associated problems with establishing accountability and providing security for all these assets. Several images showed the extraordinary security precautions that were employed with various shipments leaving Frankfurt. Other photos illustrated the type of security used within the FED.

The photographs themselves are scattered throughout RG 111, the Army Signal Corps photos. Some of the better photographs were collected into photo albums, and they usually addressed the Merkers Treasure or the material taken from Buchenwald. By themselves they constitute a comprehensive visual history of the Army's role in acquiring, securing, and transferring captured German assets from World War II. Several key photographs, all from RG 111, that would be useful aids to any study of this topic are noted below:

283610	293551	251730
283612	251732	251733
293548	251719	333924
293550	251720	262088
333924	251721	294082
294081	251704	291705
291706	251707	291708
291709	293549	293553
239737	239732	213755
205409	204517	

Besides the records held at NARA II, CMH researchers also surveyed other sources--often with less favorable results.

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Those at the Center of Military History are incomplete. Only two large file folders were helpful to the study: HRC 091.33, "German National Gold Reserve"; and HRD 386.3, "Captured Property - Art Treasures (Germany)".

In the realm of secondary (published) sources, the following were useful:

Holland, Carolsue and Thomas Rothbart. "The Merkers and Buchenwald Treasure Troves," After the Battle, no. 93 (August 1996), pp. 2-25.

Office of the Senior Historian, U.S. Holocaust Memorial Museum. Disposition of Non-Monetary Gold in US Military Custody in Occupied Germany, 1945-1949, interim report [February 1997].

Ziemke, Earl F. The U.S. Army in the Occupation of Germany, 1944-1946. Washington, D.C.: U.S. Government Printing Office, 1975.

Three other secondary sources, noted below, were consulted, but they dealt with peripheral issues and time precluded a detailed review.

Alford, Kenneth D. The Spoils of World War II: The American Military's Role in Stealing Europe's Treasures. New York: Birch Lane Press, 1994.

Higham, Charles. Trading With the Enemy: The Nazi-American Money Plot, 1933-1949. New York: Barnes and Noble Books, 1995.

Report of the American Commission for the Protection

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and Salvage of Artistic and Historic Monuments in War Areas. Washington, D.C.: U.S. Government Printing Office, 1946.

During the research at NARA II, one of the team members met with author Mr. Kenneth Alford, who was visiting the Archives on a different research project. Alford has done extensive research on the fate of monetary and cultural assets following the end of World War II. Although extremely critical of the individual actions of selected personnel, he speaks very highly of the Army as an institution and its collective efforts to secure captured assets and ensure their equitable distribution to appropriate recipients--particularly in the U.S. Zone of Occupation in Germany. His view of other federal agencies who were involved in this issue are more critical.

Although Alford shared research notes with the Center researchers, most were from Army documents that the team had already reviewed. Two documents, however, from the files of the U.S. State Department, were copied and cited in the narrative portion of this report. Alford also had conducted personal interviews with at least three surviving members of the Foreign Exchange Depository staff (Colonel Bernard Bernstein of New York, now deceased; and two security officers, one from a suburb in Philadelphia, and the other one residing in Washington, D.C.). Unfortunately, none of the taped interviews had been transcribed, and he had not brought any of his tapes with him.

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PART III

SOURCES NOT CONSULTED

Finally, there were some Army records that the Center researchers passed over because of time constraints and the expectation that they contained either duplicative or peripheral material. Further research on the subject, however, might necessitate including the following record groups and files:

- * RG 107 Records of the Secretary of War.
- * RG 153 Records of the Office of the Judge Advocate General.
- * RG 165 Records of the War Department General and Special Staffs.
 - + Safehaven Materials; Boxes 784-787.
 - + Safehaven Target, Safehaven Intercepts; Box 2051.
- * RG 200 General Lucius D. Clay, Personal Papers, April 1945-May 1949.
- * RG 260 Records of United States Occupation Headquarters, World War II; Records of the U.S. Allied Commission for Austria (USACA) Section of Headquarters, U.S. Forces in Austria.
- * RG 260 Records of United States Occupation Headquarters, World War II; Records of the Office of Military Government for Germany (U.S.) (OMGUS).
 - + Records Relating to Tabulation and

850000

Classification of Deposits, 1945-1949; Boxes
489-559.

+ Inventory Forms of Assets Released, 1945-1947;
Boxes 560-563.

+ Miscellaneous Registers, 1945-1949; Boxes 564-
567.

+ Records of the Currency Section, Financial
Branch, G-5, Supreme Headquarters, Allied
Expeditionary Forces (SHAEF), 1944-1945; Boxes
568-574.

+ Records of the Currency Section, 1944-1945;
Boxes 575-582.

+ Records of the External Claims Branch of the
Finance Division, Claims for Property Not
Returned, 1948-1950 (4 boxes).

+ Records of the External Claims Branch of the
Finance Division, Claims for Personal Property,
1946-1951 (2 boxes).

+ Records of the External Claims Branch of the
Finance Division, Claims for Securities, 1948-
1950 (62 boxes).

+ Records of the External Assets Investigation
Section (134 boxes).

+ Records of the Restitution Section, Monthly
Reports, 1946-1950 (17 boxes).

+ Records of the Financial Intelligence Group

273032

(196 boxes).

In spite of the seemingly large gaps among the records reviewed, the Center is satisfied that the Army's role in acquiring, securing, and disposing of captured German assets was sound and in accordance with directives from other federal and international agencies. The Army secured and accounted for all assets that were placed in its custody and disposed of the material when directed by proper authorities. In an age of manual typewriters, carbon paper, and primitive copy machines, it is incredible how much paperwork was generated by the small staff at the Foreign Exchange Depository. More importantly is how each property transaction was recorded so meticulously, how careful infantry officers and sergeants were to document every action, and how conscientious Army personnel--both military and civilian--were in exercising their fiduciary responsibilities for all the assets that were in their custody. That this much was accomplished with an infinitesimal margin of error merits commendation; that this much was accomplished in addition to all their other financial duties and responsibilities in the reconstruction of occupied Germany deserves praise.

Research Team:

Mr. R. Cody Phillips (Team Leader), DAMH-ZCB

Dr. Clayton Laurie, DAMH-HDC

Ms. Mary Haynes, DAMH-FPR

Mr. David C. Cole, DAMH-MDC

[This report is current as of 3 March 1997.]

SS8871



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Date: 3/26/97

Number of pages (including this page) 7

Original will will not be sent.

TO:

David Humphrey

FROM:

Carol Britey

Phone Numbers:

(Fax) 202-663-1289

(Ofc) _____

Phone Numbers:

(Fax) (816) 833-4368

(Ofc) (816) 833-1400

Subject/Message: _____

226678

- 127 -

an embarrassment. Not long thereafter an Army major and a WAC captain became the subject of world-wide public scandal for having taken from a German castle things that didn't belong to them.

Years later I was in a bookshop near my office on Fifth Avenue in New York City and I saw on the shelf a thin book entitled Letters Written by General Eisenhower to General Marshall During the War. I thumbed through the book and I saw that General Eisenhower wrote a letter to General Marshall on the day he had been at the salt mine or the day thereafter. In any event he referred to what he had seen in the salt mine, and he expressed regret in the letter that he didn't find any diamonds among the things that had been taken from the victims of the Nazi camps. I wasn't quite sure what General Eisenhower had in mind by that.

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All that treasure was very securely guarded. The more than 200 battered valises and bags filled with the valuables taken from the concentration camp victims were kept in a separate vault of the Reichsbank which had strong wirework so that anyone from the outside of the vault could see anyone who was on the inside of the vault. No one was allowed on the inside other than myself, and I could go into the vault only when other officers and American civilian visitors were present and were watching me.

When American officials and other prominent American visitors came to the Frankfort Reichsbank, I took them on a tour and told them some of the stories of the treasures. I would go into this caged area alone and open up some of the valises to show the eyeglass frames, wedding rings and the melted down pieces

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of gold from the gold fillings and so on. Nothing was ever taken from the treasures while it was under my control.

After the war I understand some of the gold was returned to France because it had been the equivalent of gold that the Germans had taken from the Bank of France and that had belonged to the Belgian Government. France had made good to the Belgian Government and France's loss was made good in part out of this gold. The art treasure, from the studies made by the art experts of SHAEF, seemed to have been the legitimate property of the Berlin Museum. Our Government turned all of that art back to the West German Government. Some of it has been taken by the German authorities on tour in the United States and was shown some years ago at the Metropolitan Museum in New York City and some of the other

226681

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great museums in the United States.

MCKINZIE: Sir, were there any records at all in that mine concerning the treasure? Were there any records?

BERNSTEIN: Well, in the area of the mine, we picked up two German civilians who turned out to be officials of the Reichsbank. They had been sent down from Berlin to keep an eye on that gold and treasure. We began our examination of the gold question by our examination of these men, and it was started even while I was there in Merkers. We got a great deal of information from them including location of some other places in Germany that were available to us where we picked up some treasure and brought it all to the depository in Frankfurt. This was many years ago, but my recollection is that among the information

226682

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they gave us was that the Reichsbank and the German Government decided to move the gold and the other treasure into an area that was more likely to be occupied by the American Army than leave it in an area that was more likely to be occupied by the Russian Army. And in a sense it reflected the German feeling of confidence in the essential decency of the United States and the American Army as against the feelings that the Germans apparently entertained of the Russian Army and the Soviet Union.

We gradually got together extensive reports for governmental files, some may have gone to the Treasury or the State Department, or mostly I suppose to the Pentagon, as to the origins of the gold and the various nations that had an interest in the gold. With respect to the battered valises, etc.

226683

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filled with the treasure taken from concentration camp victims, we got together a good deal of evidence showing the role that the SS and the German Reichsbank and Funk, the German Finance Minister, played in gathering this treasure and the wickedness that they had indulged in. Incidentally each one of these valises had an SS mark on it.

I turned over copies of these reports to Mr. Justice Jackson and his staff in connection with their preparations for the trials at Nuremberg. One of the defendants who was found guilty was Walter Funk, and one of the counts on which he was found guilty related to this treasure found in these valises and taken from the concentration camp victims.

MCKINZIE: Did you talk, sir, to Colonel Harrison, who made an inspection of the camps at General Eisenhower's invitation?

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CSA

SECRET

SECRET

SHAEF FORWARD
STAFF MESSAGE CONTROL
OUTGOING MESSAGE

SECRET

PRIORITY

TO : AGWAR FOR COMBINED CHIEFS OF STAFF

FOR INFO : AMSSO FOR BRITISH CHIEFS OF STAFF, SHAEF MAIN
FOR G-5 FOR FINANCIAL BRANCH

FROM : SHAEF FWD SIGNED EISENHOWER

REF NO : FWD-23018 TOO: 011430B

SCAF - 427

A. Reference is FACS 225.

1. 3 US treasury and 2 Bank of ENGLAND experts welcome.
2. We believe that the experts should be warned that we are not aware of the existence here of any special scales or other technical apparatus that they may require, which they will, no doubt, arrange to bring with them.
3. Please advise names and estimated time of arrival of experts at FRANKFURT. Also advise expected time of arrival of bags, seals and tags.

B. Reference GOV 349.

In view of foregoing, it is considered that no inspection by other nations of MERKERS treasure should be permitted until US and British experts finish appraisal and inventory and you have decided on policy for disposal.

FACS 225 is FS IN 5822, 22/5/45, G-5
GOV-349, WX-87416 FS IN 6478, 25/5/45, G-5

FS OUT 5864

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S E C R E T

REF NO: FWD-23018

-2-

TOO: 011430B

ORIGINATOR	: G-5	AUTHENTICATION:	D S VAUGHAN Major
INFORMATION	: SGS	COORD WITH:	CHIEF OF STAFF
	G-1		
	G-2		
	G-3		
	G-4		
	MR MURPHY		
	MR STEEL		
	COM Z		
	**		
	AG RECORDS		

10 OCT 5864 1 June 45 1505B HFK/vgm Ref. No: FWD-23018
TOO: 011430B

S E C R E T

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COPY NO. 91

C.C.S. 845/1

16 May 1945

COMBINED CHIEFS OF STAFF

DISPOSITION OF BULLION AND OTHER PROPERTY

DISCOVERED BY THIRD ARMY

Reference: C.C.S. 845

Report by the Combined Civil Affairs Committee

THE PROBLEM

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

FACTS BEARING ON THE PROBLEM

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

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

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

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

CONCLUSIONS

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

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

RECOMMENDATION

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

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APPENDIX "A"

D R A F T

MESSAGE TO THE SUPREME COMMANDER
ALLIED EXPEDITIONARY FORCE

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

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APPENDIX "B"

D R A F T

LETTER FROM THE UNITED STATES CHIEFS OF STAFF
 TO THE DEPARTMENT OF STATE

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

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

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

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

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 By JW NARA Date 9-10

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 File CCS 845 Series
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APPENDIX "C"

D R A F T

LETTER FROM REPRESENTATIVES OF THE BRITISH
 CHIEFS OF STAFF TO THE FOREIGN OFFICE

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

The Combined Chiefs of Staff have approved a request by the supreme commander for the assistance of three United States Treasury Department experts and two bullion experts from the Bank of England to assist in identifying the gold bars found among the treasure.

Included in a preliminary inventory is a large quantity of material evidently belonging to the SS or Gestapo. A portion of this part of the treasure represents loot taken from individuals who have been murdered, as it includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. It may, therefore, constitute items of evidence. The Combined Chiefs of Staff have approved the supreme commander's proposal that agencies engaged in the determination of evidence for the prosecution of war criminals should be informed and at the proper time should be permitted to inspect and investigate this part of the property. Will you kindly advise the United Kingdom representative on the United Nations War Crimes Commission to enable the Commission to notify appropriate national agencies of the United Nations in this respect.

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File CCS 845 SERIES
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APPENDIX "D"

D R A F T

MESSAGE FROM THE UNITED STATES CHIEFS OF STAFF TO THE
COMMANDING GENERAL, U.S. ARMY FORCES,
EUROPEAN THEATER OF OPERATIONS

Letter of 20 April 1945 from SCAEF concerns treasure uncovered by Third Army near Merkers and now in vaults at Frankfurt. Included in inventory is a large quantity of apparent loot taken from murdered individuals such as thousands of gold and silver dental crowns, bridges and plates and some personal articles. These may constitute items of evidence of war crimes. Suggest advising War Crimes Branch in office of your Judge Advocate as SCAEF indicates he will permit inspection of such property at proper time.

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By JW NARA Date 9-10

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Entry AGWAR General
File CCS 845 Series
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SHAEP FORWARD
STAFF MESSAGE CONTROL
INCOMING MESSAGE

WARZ
00 212325Z MAY

SHAEP FWD 57/22
TOR 220340B MAY
1k-j 220417B MAY

TOP SECRET
PRIORITY

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

BOOK MESSAGE
FACS 225.

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

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

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

ACTION : G-5
INFORMATION : SGS MR. MURPHY
 G-1 MR. STEELE
 G-2 COM ZONE
 G-3 SUSPENSE
 G-4 AG RECORDS

00 22 MAY 3045 0000 MR/wml REF NO AW-85726 55

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Gold

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By JW NARA Date 9-10

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Entry ADJUTANT GENERAL
File CCS 845 SERIES
Box 806

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SUPREME HEADQUARTERS
ALLIED EXPEDITIONARY FORCE
OFFICE OF THE CHIEF OF STAFF

20 April 1945

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

TO : The Secretaries
Combined Chiefs of Staff Committee.

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

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

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

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for the prosecution of war criminals should be informed, and at the proper time should be permitted to inspect and investigate this part of the property.

For the Supreme Commander:

/s/ W. B. SMITH
Lieutenant General, U. S. A.
Chief of Staff

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RG 260
 Entry ADJUSTING GENERAL
 File CCS 845 SERVICES
 Box 806

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E N C L O S U R E

SUMMARY INVENTORY OF CURRENCY AND FINANCIAL
 ASSETS STORED IN REICHSBANK
 FRANKFURT - am - MAIN

This is merely a preliminary inventory made without
 weighing or counting gold bars, coins, currency, etc.

		DOLLAR EQUIVALENT
A - GOLD AND SILVER (APPENDIX "A")		\$ 241,113,302.00
B - CURRENCY		
1. REICHSMARKS		
M 1000	650,000,000.00	
M 100	1649,540,000.00	
M 50	300,000,000.00	
M 20	100,000,000.00	
M 5	60,000,000.00	
M .50	20,000.00	
TOTAL	2,759,560,000.00	\$ 275,956,000.00
2. FRENCH FRANCS		
1000	50,000,000.00	
500	30,000,000.00	
100	18,000,000.00	
TOTAL	98,000,000.00	\$ 1,960,000.00
3. BELGIAN FRANCS		
50	1,500,000.00	
20	2,000,000.00	
TOTAL	3,500,000.00	\$ 80,500.00
4. NORWEGIAN KRONER		
100	1,800,000.00	
50	800,000.00	
10	1,700,000.00	
5	50,000.00	
2	80,000.00	
1	30,000.00	
TOTAL	4,460,000.00	\$ 669,000.00
5. CZECH KRONER		
mixed	100,000.00	\$ 1,500.00
6. CROATIAN KUNA		
50	500,000.00	\$ 3,000.00
7. ITALIAN LIRA		
500	1,000,000.00	
100	600,000.00	
50	200,000.00	
10	200,000.00	
TOTAL	2,000,000.00	\$ 20,000.00
8. HUNGARIAN PENGOES		
50	500,000.00	
20	200,000.00	
10	300,000.00	
TOTAL	1,000,000.00	\$ 2,500.00
C - MISCELLANEOUS		
190 parcels, plates, dies, etc.		
14 wooden boxes containing Reichskredit Kassenscheine.		
2 wooden boxes containing calculating machines, trays and coin bags.		
6 boxes containing seals, trays, and parts of weighing machine weights.		
4 scales.		
15 sacks of seals, binders, weights, currency bands and twine.		
7 rolls sealing wire.		
18 sacks said to contain gold or silver bars (said to be SS property).		
189 boxes, parcels, and suitcases (known contents of several indicate contents are jewelry, silverware, coins, etc.) (said to be SS property).		

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APPENDIX "A"
GOLD AND SILVER

Gold bars estimated on basis \$35.00 U.S. per fine ounce.
Germany utilized basis Rmks. 2784. per kilo or Rmks. 86.592138 per ounce fine.
German mark thereby valued at .4041937 (cents U.S.)
According to German report gold at Merkers mine valued at Rmks. 500,000,000. to 550,000,000.
Thereby making 6,315,601.589 ounce fine gold equivalent to U.S. 222,306,055.61
Former value \$1.00 U.S. - gold dollar now equivalent to \$1.69462 (basis \$35.00 per ounce)

Gold bars 3398 (list A) + 1800 (list E) + 3095 (list B) = 8293 Bars of 400 Oz. = @ 995 fine = Oz. 3301.614. - @ \$35.00	=	\$115,556,490
Gold bars 14 (list A - odd bars) of 400 Oz. 995 fine Oz. 5572 @ \$35.00	=	195,020
Gold coins U. S. 738 bags - Presumably containing \$18,548,495 former value - present equivalent	=	31,093,725
Gold coins British 408 bags - Presumably containing 2036878 Sovereigns - present equivalent	=	16,662,863
Gold coins French 746 bags - Presumably containing \$14,840,000 - former value - present equivalent	=	25,148,160
Gold coins German 400 bags - " " 7,971,212 - " " " "	=	13,508,175
Gold coins Swiss 64 bags - " " 1,272,000 - " " " "	=	2,155,556
Gold coins Holland 558 bags - " " 11,160,000 - " " " "	=	18,911,958
Gold coins Duk 62 bags - " " 1,302,000 - " " " "	=	2,206,395
Gold coins Austrian 285 bags - " " 5,700,000 - " " " "	=	9,659,333
Gold coins Russian 7 bags - " " 160,000 - " " " "	=	261,138
Gold coins Italian 1 bag - " " 20,000 - " " " "	=	33,892
Gold coins Rumanian 1 bag - " " 20,000 - " " " "	=	33,892
Gold coins - Miscellaneous 15 bags - *Presumably containing \$300,000 - former value - present equivalent	=	508,386
Silver and Gold coins - miscellaneous 33 bags **Presumably containing \$330,000 - former value - present equivalent	=	559,224
(Gold coins - Norwegian 40 bags - " " 800,000 - " " " "	=	1,355,696
(Gold coins - Okr (Presumably old coins) 1 bag - " " 20,000 - " " " "	=	33,892
Silver Bars - 63 bags - rough estimate - " " 20,000 - " " " "	=	20,000
Platinum Bars - 1 bag - " " 100,000 - " " " "	=	100,000
Gold Rings - 8 bags - " " 10,000 - " " " "	=	10,000
Maria Theresa Thalers - 5 bags - rough estimate - " " 5,000 - " " " "	=	5,000
Gold bullion and coins - 55 boxes - No other details available other than weight of about 54 kilos per box - Basis of calculation 2,750 kilos gold - 88,414.5 Oz. at \$35.00 per ounce.	=	3,094,507
		\$241,113,302.00

* These miscellaneous bags include nine (9) bags of gold coins said to be a collection of rare coins.

**These are merely estimates made without opening or weighing the bags and without any value appearing on the bags.

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File *CCS 845 Series*
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Appendix "A"

March 25, 1945 (cont'd p2)

140,000 German prisoners and destroyed the First and Seventh German Armies.

General Weyland brought a lady photographer, a Miss or Mrs. Bourke-White to the house where she took a number of pictures of Weyland and myself.

We had over 200 enemy planes over our bridge site at Oppenheim yesterday.

March 26, 1945

General Eisenhower requested that I meet him in the First Army area with Hodges and Bradley. I think the purpose of the meeting was to take pictures, as that is all that happened. Before General Eisenhower arrived, Bradley and I came to a fairly satisfactory decision as to the boundary between the Third and Seventh Armies, which he hopes to be able to put over. Bradley, Hodges and Eisenhower then left to visit the First Army bridgehead.

I flew to the Headquarters of the XII Corps and directed General Eddy to send an expedition to the east about 60 miles for the purpose of recapturing some 900 American prisoners alleged to be in a stockade there.

Both Eddy and the Commanding General of the 4th Armored were reluctant to do this because they said if I failed, I would be severely criticized. However, I do not believe that fear of criticism should prevent my getting back American prisoners, particularly as in the last death struggles of the Germans, our men might be murdered.

Colonel Jack Hines, son of my old friend, Major General John L. Hines, was struck in the face by an 88 armor-piercing shell, which
1. inc. radio about prisoners at Hammelburg.

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March 26, 1945

removed his eyes, his nose and upper jaw, and also took off his left hand. Apparently his wounds had a bad effect on General Grow as the Division was very logey today. Hines was hit yesterday afternoon. I told Grow if he did not get into Frankfurt tonight, I would relieve him.

I then flew back to the rear echelon of the XII Corps and met General Walker of the XX Corps. The 80th Division attacks tomorrow night in two directions - one across the Main River and one across the Rhine north of the junction with the Main. The object is to secure a bridge site in Mainz.

General Bradley said that a task force of the 9th Armored Division had broken loose and asked if I wished it to come to Wiesbaden. I said yes. I then flew to Bad Kreuznach to see Colonel Hines. When I arrived he was on the operating table and unconscious. At least if he dies, I can tell his father I saw him.¹

March 27, 1945

I was quite nervous all morning over the task force I sent to rescue the prisoners, as we could get no information concerning them. I do not believe there is anything in that part of Germany heavy enough to hurt them, but for some reason I was nervous - probably I had indigestion.

Idan
We moved the command post to Oberstein. I intended to fly but the weather was so bad I had to drive. It is in the barracks of the 107th German Infantry Regiment and our mess is in the officers' club. However, I am sleeping in my truck, as I think we will have to move often and it is easier not to unpack.

1. He lived, and G.S.P. sent him a DSC with a request that Gen. Hines pin it on. This was done at Walter Reed Hospital. BAP

226701

April 5, 1945 (cont'd p.2)

However, there may be reasons beyond my knowledge which make it desirable to advance abreast. By so doing no one gets undue credit.

General Gay finally got promoted to Major General and "Molly" Williams, Army Artillery Officer, was promoted to Brigadier General. I was delighted but regret that Nixon, Koch and some of the others I have been trying to get promoted were not on the list.

General Arnold, of the Air Force, came in to see me. I think he is very fond of me. I urged him to get me a job fighting in China. He said that if I were in the Air Force, I would be there now.

It seems now that owing to the necessity of regrouping, which is the first time the Third Army has ever indulged in this sport, we will not be able to resume the offensive seriously until Monday, the 9th, but I told the Corps Commanders to keep pushing along so as to prevent the enemy from getting set.

April 6, 1945

Colonel Codman and I drove to the Headquarters of the 5th Division for the purpose of pinning a Medal of Honor on Pvt. Harold A. Garman, ¹ Medical Detachment, 5th Infantry Division. We had a review and a very successful ceremony.

I left by plane at 2:00 o'clock and flew to Limburg, enroute to Ehrenbreitstein, to be present at the ceremony of raising the American flag which had been hauled down by the 4th Infantry Division of the Third Army some 26 years previously. At first I had not intended to go, as I felt it should be hoisted by me or a representative of the Third Army, but on further thinking it over, I felt it was my duty to be there.

Mr. McCloy, Assistant Secretary of War, was present and handed me a letter from Bee, which he brought over. He will visit me in a few days.

1. Citation - ? x x

April 6, 1945 (cont'd p.2)

The 13th Armored Division, which we have received permission to use in lieu of the 4th Armored, was placed in Army Reserve and will close in the new assembly area in the rear of the XX Corps sector tomorrow, April 7.

Mr. Elmer Davis of the OWI, accompanied by General McClure, came to dinner and will spend tomorrow night here. Also, Colonel Darby of the Rangers and some other OPD observers will be here tomorrow.

The Seventh Army telephoned that the 14th Armored Division had recaptured the American prisoner of war camp at Hammelburg and found only a few prisoners, about 70, among them being Lt.Col. Waters, who was seriously, but not dangerously, wounded. There is an account of this in a letter attached to the Diary. *(when is it)*

→ From a military standpoint, the whole day was spent in having the Corps shifted into their new boundaries and mop up. The XII Corps telephoned at 1705 that they had overrun and captured the German gold reserve, or at least part of it. We decided not to notify higher headquarters until we had better information as it would be stupid to claim we had found the gold reserve and then not have done so.

Colonel Odom left at 1700 for Hammelburg to look into the case of Colonel Waters.

April 7, 1945

General Bradley phoned that the 13th Armored Division, if not already committed, should be held in its assembly area as it may be necessary to turn it over to the First Army to clean up the pocket between the First and Ninth Armies.

I then told the commanding generals of the XX and VIII Corps that the 4th Armored Division would be turned over to the XX Corps and remain at the front. The VIII Corps will temporarily not have an armored

April 7, 1945 (cont'd p.2)

division, but this is not disadvantageous, as the country in their zone is not suitable for armor for about 50 miles.

Colonel Odom returned to Headquarters with two L-5's which he had asked to have sent to Hammelburg, bringing Colonel Waters in a litter in the rear L-5. Colonel Waters was sent to the 34th Evacuation Hospital in Frankfurt.

A quartermaster Detachment of the Third Army captured a German lieutenant general, a colonel, a major, a lieutenant and 7 privates. The lieutenant general's name is Hahm and he is alleged to be commanding the 82d Corps. Apparently he was tired of fighting, and since the corps had been destroyed he simply stayed put until picked up.

At 1500 General Eddy stated that he had entered the gold reserve vault and had found over a billion dollars in paper money, but that the gold part was sealed in a safe behind a steel door. He also stated that he had captured two members of the Reichsbank. I directed him to blow the vault and definitely determine what was in it.

Today the 400,000th prisoner of war was taken by the Third Army, processed through the cages and had his picture taken.^{1.}

There was a considerable fight in the VIII Corps where some Germans had been pinned between the 89th and 87th Divisions. They are alleged to number about 2,000.

The XX Corps was counterattacked on the western flank of the 6th Armored Division and on the front of the 76th Division. A combat command of the 6th Armored turned west to help the 76th Division and clear up the situation.

Elmer Davis and General McClure, having spent the night, visited the XII Corps and 71st Division. General McSherry spent the day in conference with the G-5 Section.

1. I have it in photo album. BAF

PRO informed us we could not publish as it might hurt morale the individual concerned.

April 7, 1945 (cont'd p.3)

We received information that one or more French battalions would be moved into the Third Army area to take over *Mar* Oberstein¹. We informed General Dody that the French Army, so far as we knew, had no authority to come into the Third Army area and therefore could not move in until cleared by 12th Army Group.

General Giraud's Aide brought in three members of the Giraud family, whom we had rescued from a town southwest of Gotha at Friedrichroda. We gave them dinner and will give them breakfast tomorrow morning and then fly them to Metz, as it is cheaper than sending them by car.

April 8, 1945

Waters is much better, having had a blood transfusion and a hot meal consisting of chicken and potatoes.

Mr. McCloy accompanied by General Craig, Air Force, and two other aides, arrived at 9:00 o'clock and attended the briefing. Mr. McCloy was very complimentary over the presentation. He was anxious to go to the front, but owing to the distance and to the fact that the roads are very much infested with loose, small groups of Germans, I dissuaded him. Colonel R.S. Allen and three other General Staff officers of this Army were captured yesterday while driving to Gotha.

Before lunch, Mr. McCloy and I visited the Civil Government Officer in Frankfurt, where we found considerable confusion.

After lunch, I flew to the command post of the Seventh Army and saw General Devers and General Patch. While driving through Frankfurt, I called Mr. McCloy's attention to the wanton and unnecessary bombing of civilian cities. He agreed with me and later stated that he had mentioned this to General Devers and to Patch, who had the same

1. Third Army's first hdqts in Germany

226705

April 8, 1945 (cont'd p.2)

opinion. We all feel that indiscriminate bombing has no military value and is cruel and wasteful, and that all such efforts should always be on purely military targets and on selected commodities which are scarce. In the case of Germany, it would be on oil.

Colonel Elliott Cutler and an assistant came down to investigate Waters and spent the night. They will take him to Paris in the Third Army plane tomorrow.

The Chief of Staff of the 90th Division let out the news of the capture of the German gold reserve. I had intended not to release this until it was authenticated, which would not have been the case until last night, so all we could do yesterday was to state that it was rumored. Today, General Eddy has definitely located the gold which exists in considerable quantity, allegedly 4,500 bricks, each of approximately 25 lbs weight. At \$32.00 to the ounce, this would be equal to

\$43,200,000.

#57,600,000 →

I phoned General Bradley that this, in my opinion, had become a political issue, and requested that somebody be sent from SHAEF to take over the money. G-4 from SHAEF called me about dark and stated that General Eisenhower was very much excited about the money and that I was the one who had excited him. He then asked me if there was a safe vault in Frankfurt. I said that, in my opinion, the Germans had probably picked the safest vault, and to leave the money where it was. He will be here tomorrow.

April 9, 1945

Mr. McCloy, at his own request, visited the hospital to see John Waters. We then inspected several wards and the operating room. He took off in his plane about 1000. He was extremely complimentary and

1. Computation to be checked. Changed from \$57, ———

to \$43 — (troy weight) by F.A.

226706

April 9, 1945 (cont'd p.2)

said that he intended to make a public statement to the effect that I am not only a great military commander but probably the best instructor general in the army.¹ He said that there had been efforts to make it appear that I could do nothing but attack in a heedless manner. He also gave me some very secret information which it is not expedient to put in the diary at this time.²

After he left, I returned to the hospital and gave Waters his Silver Star with Oak Leaf Cluster, which he did not know he had gotten. It is very peculiar; he has actually missed about two years of his life, but his spirit is unbroken and he is in fine shape. He left by plane at about 1100, accompanied by Colonel Cutler and his assistant.

Left by L-5 with Lt. F.P. Graves, ADC, for the XX Corps at 1:30. Then visited the VIII and XII Corps. All were ready for a limited offensive attack in the morning.

The XX Corps will move provisionally on Grid Line 20, and if the situation seems to indicate it, will continue on and take Erfurt, attempting to envelop it from the south, so as to prevent any hostile important personages withdrawing in that direction.

The VIII Corps attacking with the 89th Division on the north (left) will also go provisionally to Grid Line 20 and, if the going is easy, will take Arnstadt and try to clear the wooded mountains on the south into the plain at 20-40. The XII Corps is already in advance of Grid Line 20 and will continue its advance in an easterly direction, but will probably not get far except on its right where, owing to easily negotiable terrain, it may get as far as Eisfeld and Coburg.

1. He never made the statement. BAP
2. The atom bomb, I believe BAP

226707

April 10, 1945

General Middleton called at 1000 stating that he felt sure he would have Arnstadt by night. As of 1500, the 80th Division (XX Corps) is on the outskirts of Erfurt. The position of the 76th Division (XX Corps) is not known. Leading elements of the 11th Armored are fighting just west of Coburg.

Mr. Baruch came to lunch and was most amusing. After lunch he had a meeting with the correspondents, at which he told them nothing for a long time.

We move Headquarters from the present location on the north-eastern corner of Frankfurt to Hersfeld.

April 11, 1945

Codman and I drove to Wiesbaden and had lunch with General Bradley. After lunch we discussed plans for further operations. We then drove to Hersfeld, arriving about 5:30 at the new command post. The camp is situated in what seems to have been either an armored force training center or a quartermaster training center. There is one shed completely full of spare parts for horse-drawn escort wagons. There are a number of other sheds which look like tank sheds, and there is a very excellently arranged machine shop.

The offices are in the headquarters building and one of the mess buildings. The enlisted men's mess is in a very fine gymnasium and is about the best messhall they have ever had.

On the way up I was particularly impressed with the number of empty gasoline cans which had not been collected, so I directed Colonel Harkins to have the Assistant Chief quartermaster of the Army take a trip over the road, followed by two trucks, and pick up every can he found.

I also issued orders that all civilian-impressed or looted autos, bicycles or motorcycles would be apprehended and turned in to

April 11, 1945

ordnance. It will be impossible^e to supply gasoline for this Army if every soldier in this Army has an automobile, which seems to be the present ambition. Furthermore, the bicycles are used for one day and they then tire of them, and the same thing applies to motorcycles. The German, whether we like him or not, has to live and has no transportation.

I issued an order on hats. As summer approaches, there is no reason for the sloppy appearance of this Army, which, however, Mr. McCloy says is the best looking army he has seen.

There is a persistent rumor of a German attempt to murder somebody, possibly myself, by a small glider-borne operation. Everybody, except Willie and me, is nervous about this. However, I do take my carbine to my truck at night now.

April 12, 1945

General Bradley telephoned last night that he and General Eisenhower would arrive by air at our sub landing field around 9:00 o'clock and asked me to make a program. On landing, I took them to the office and showed them the general situation. We then left by jeep for the XII Corps, arranging to have General Eddy meet us at the mine at Merzig, where the German currency was stored.

When we got to the mine, General Eddy, Colonel Bernstein and several German officials descended with us into the mine in an elevator some 2100 feet. It did not seem to go fast, but we got to the bottom in a remarkably short time.

While this is a so-called salt mine, it is not the type of salt used for the table, but for chemical purposes. It was very dry and the air was excellent.

We saw an undetermined amount of papermoney, gold bricks, French, American and English gold currency. Also a large number of suitcases

April 12, 1945 (cont'd p.2)

filled with loot such as silver and gold cigarette cases, wristwatch cases, spoons, false teeth, etc. These were packed in suitcases and were not numbered nor labeled. It looked very much like a bandit's cache, and General Eisenhower said that he thought he was going to open a box of diamonds.

We also found thousands of crated alleged art treasures. The three that I looked at were, in my opinion, worth about \$2.00 each and are of the type found formerly in barrooms.

We drove to the Headquarters of the XII Corps at Eisfeld where we had lunch. General Weyland joined us by air. After lunch we flew with an alleged air escort, which got lost, to the Headquarters of the XX Corps at Gotha where General Walker and General Middleton met us. From there we drove to Ohrdruf and visited a prison camp for slave labor, who had been employed in a munitions factory in the vicinity.

This was one of the most appalling sights I have ever seen. One of the former inmates acted as impressario and showed us first a gallows where men were hanged for attempting to escape. The hanging was done with a piece of piano wire, and the man being hanged was not dropped far enough to break his neck but simply strangled by the piano wire. It is alleged that the German generals, who were killed after the attempted assassination of Hitler in July, were hanged in the same manner.

The wire is so adjusted that after a drop of about two feet, the man's toes can just touch the ground so that death takes some time. Two prisoners next to be hanged are required to kick the plank from under him.

We then saw a whipping table which stands at a height just to a man's stomach. The person to be whipped then had his feet fastened

May 7, 1945

The V Corps sent a Colonel General from the German Army, who had come from Norway, to Prague to explain to the German Army Group Commander, General Schoerner, in that vicinity, the rules for the surrender.

General Gay directed the Surgeon of the Third Army to personally inspect the Allied prisoners of war cage at Moosburg to assure himself that the proper medical attention was being given.

Mr. Patterson, Under Secretary of War, spent the night, and we left by cub to visit the XX Corps earlier in the day. When we got there, (~~name of place?~~ ^{KREMUNSTER}), we found that the Imperial Spanish Riding Academy, which has been teaching high school riding in Vienna since the time of Charles V, had been moved to the vicinity of the XX Corps Headquarters. After lunch they gave us an exhibition of riding and made an address. It was rather peculiar to realize that with a world tearing itself apart in war, about twenty middle-aged men in perfect physical condition, and about an equal number of grooms, had spent their time teaching horses tricks. As much as I like horses, it seems to me there is a place for everything.

On leaving the XX Corps, we flew over Linz and then to the Headquarters of the XII Corps where we met the Corps Commander, General Irwin. From there we flew to Headquarters V Corps and finally returned to Army Headquarters at about 8:00 o'clock.

The Secretary was extremely cordial and had a wonderful memory for names, and could state where he had formerly met each officer. We had a very pleasant evening and I found him extremely talkative and had the good sense to let him do the talking.

The XX Corps captured the gold, art treasures and diamonds of the Hungarian Government, which were immediately placed under proper

226711

Box 3 Folder 12

LOC; MS reading Room; G.S. Patton Papers

Diaries; Annotated Manuscript

58671

May 12, 1945 (cont'd p.2)

met the Commanding General of the 4th Russian Guards Army: Generals Patton, Gay, Hughes, Maddox, Muller, Conklin, and Colonels Harkins, Hammond, and Koch and Major Popovsky. I felt it was more correct for him to call on me than for me to call on him.

The 65th Division provided a guard of honor. We then decorated the General and 12 other members of his party with different types of Legion of Merit. The General got "Commander", the Chief of Artillery got "Officer" and the rest got "Legionnaires".

No officer of the American Army can get anything above the Legionnaire grade. However, it is my guess that at the close of the war, a few of the very top Legion of Merit medals, of which I believe Grand Officer is the highest, will be used for specially selected officers of the Army and Navy, and also people in civil life.

After the ceremony was over we went to the officers' club of the 65th Division and had lunch, which consisted mostly of whiskey. The Russians tried to drink American whiskey without water with very bad results. I unquestionably drank the Russian commander under the table and walked out under my own steam.

We are going to pay back a call on the 14th, prior to which date I will drink quite a lot of mineral oil, as they will unquestionably try to get us drunk.

May 13, 1945

Nothing of importance happened.

May 14, 1945

The same group of officers that participated in the festivities on the 12th went to the Headquarters of the 4th Russian Guards Army where we were received by Marshal Tolbukhin, Commander of the 3d

226712

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August 29, 1945 (cont'd p.2)

We are also turning over to the French several hundred thousand prisoners of war to be used as slave labor in France. It is amusing to recall that we fought the Revolution in defense of the rights of man, and the Civil War to abolish slavery, and have now gone back on both principles.

August 31, 1945

Today we received an order to investigate the possibilities of destroying the Eagle's Nest, Hitler's special home at Berchtesgaden, so that it would not become a Nazi shrine. This building and the tunnel and elevator approaching it cost an approximate seven million dollars. Hitler is alleged to have been there only four times. If anything could make it a Nazi shrine it would be to destroy it. Furthermore, the first thing our soldiers like to visit when on pass is this lookout. To date some 40,000 have seen it. I wrote a letter to General Eisenhower pointing out these facts and trust the order will not be enforced.

I also wrote a letter to the Secretary of War, Mr. Stimson, on the question of the pro-Jewish influence in the Military Government of Germany. I dared to do this because when I was in Washington he showed me a great deal of correspondence he had had with the Secretary of State and Mr. Morgenthau prior to the Quebec conference.

September 1, 1945

Father Bernard Hubbard, SJ, "The Glacier Priest" spent last night with us and showed us his movies. He is very anti-Russian and anti-Semite and talks very well when he forgets to advertise himself. I decided to rewrite the letter to Mr. Stimson as I think that, even when writing to him, I stuck my neck out too far.

226713

August 27, 1945 (cont'd p.2)

of War or the Secretary of state. It was the meeting in which Morgenthau and later Roosevelt, copying him, stated that Germany was to be made an agricultural state. It is patently impossible for Germany to be an agricultural state; first, because there is not enough room in Germany for the country to feed itself on such a basis, and second, because if Germany has no purchasing power, we will not be able to sell our goods to her and therefore our markets will be very considerably restricted.

If any paper opposed to the Democrats should get hold of the stuff that is being put out by those in charge of the Military Government of Germany, it could produce very bad results for the Democratic government.

I stated that in my opinion Germany is so completely blacked out as far as military resistance is concerned, they are not a menace, and that what we have to look out for is Russia. This caused considerable furore.

August 29, 1945

Today we received a letter dated August 22, 1945, reference AG 354.1 GEC-APO, Subject: Special Camps for Stateless and Not Repatriable Individuals in which we were told to give the Jews special accommodations. If for Jews, why not for Catholics, Mormons, etc.? I called up General Bull, Deputy Chief of Staff for Eisenhower, and called his attention to possible repercussions but got nowhere. He simply stated that he had investigated it and that the letter had considerable background. Naturally I intend to carry out the instructions to the limit of my capacity in spite of my personal feeling against them, and in spite of my fear that in doing such things we will lay ourselves open to just criticism.

226714

August 18, 1945 (cont'd p.2)

of honor. There was a crowd of several thousand people and much cheering for Patton. On the way back Charles de Vaux, the son of Mme de Vaux, my old friend at Langres, was very nearly shot by the escort when he rushed out to shake my hand.

At dinner with General Juin, the remarkable statement was made by him to me that "It is indeed unfortunate, my General, that the English and Americans have destroyed in Europe the only sound country - and I do not mean France - therefore the road is now open for the advent of Russian Communism."

The use of the atomic bomb against Japan was most unfortunate because now it gives a lot of vocal but ill-informed people - mostly fascists, communists and s.o.b.'s assorted - an opportunity to state that the Army, Navy and Air Forces are no longer necessary, as this bomb will either prevent war or destroy the human race. Actually, the bomb is no more revolutionary than the first throwing-stick or javelin, or the first cannon or the first submarine. It is simply, as I have often written, a new instrument added to the orchestra of death, which is war.

August 27, 1945

I attended the Military Government meeting at Frankfurt. There were a number of speeches by General Eisenhower and his various assistants, all of which were unrealistic, and in every case the chief interest of the speaker was to say nothing which could be used against him. It is very patent that what the Military Government is trying to do is undemocratic and follows practically Gestapo methods. It is very probable, to me it seems evident, that the doctrines being executed, or attempted, are those promulgated by Morgenthau at the Quebec conference, which were not approved by either the Secretary

226715

1-1
Headquarters
THIRD UNITED STATES ARMY
Office of the Commanding General
APO 403

Apr 8 45

Darling B:

I sent all the dope about John to B through T.H. including some pictures I took.

Today Sgt Meeks, Willie and I all went to see him he is much better and had chicken and potatoes for lunch.

We just captured the entire German War Chest 4500 Gold Bars of 35 lbs each among other things. *see carbon*

Mr. McCloy is here and your ears must burn he certainly agrees with me about you.

Al Stiller fought till he ran out of gas and ammunition and was then captured and was last seen marching to Nuremburg. He will escape or be rescued soon.

I love you

George

226716

(April 13, 1945 - 2)

Col Cutler thinks John may not have to have the hole cut in his side he is in the "GENERAL HOSPITAL NO 1. A.P.O. 887 in Paris having the best possible care I will fly up and see him when I have a little leasure.

I will have to halt again in a few days until the brains make up their minds what to do next.

This weather is lovley I wish we were on the When and If going no where in a hurry.

The Watch via Handy has never come.

I love you

George.

Headquarters
THIRD UNITED STATES ARMY
Office of the Commanding General
APO 403

April 10 '45

Darling B:

Warn Sherman that another box is on the way it is full of swords I got out of some ruins. The gun in it is what the Germans are now using against us; note how crude it is.

We started an operation to day to gain about six miles and made from 10 to 15 All of us attack officially (command post) in the morning. We move our CP forward 95 miles and it will still be too far back.

Mr. Baruch came to lunch he is 75 and just as keen as can be.

There is no other news

Love

George

enclosure
letter April 13, 1945

**PRESS CONFERENCE, GEN. PATTON & THIRD ARMY CORRESPONDENTS
APRIL 13, 1945
HERSFELD, GERMANY**

General Patton: Com Z of the European Theatre has taken over a salt mine and any publicity to be given it is to go through them. There are reasons of very high level why this is so.

The force which we sent over on the 27th of March was for the purpose of misleading the Germans and make them think we were going to Nuremberg, but actually went to rescue the 900 American prisoners there, got to its objective. They met the 2nd Panzer Division and two other divisions which showed that our effort to mislead the enemy had its effect, because had he put these divisions up north our efforts there would have been much slower.

They liberated the prisoners and the German General in charge of the camp surrendered to Colonel Good. The tanks moved in knocking down the fence. They had room for only 250 prisoners. The rest had to walk 30 miles and then head west.

North of HAMMELBURG the column had to fight, and the two half-trucks of gasoline were hit and they ran out of ammunition, so they had to surrender. About 225 men were taken prisoner. There are about 45,000 prisoners at NUREMBERG.

There is a new system of classification in vogue now in the 3rd Army. They have shells filled with papers which are fired into a town telling them to surrender at a certain specified time. If they don't surrender then, they get the treatment. Meanwhile, fighter-bombers fly overhead and as the hour approaches, they go lower and lower. If the town doesn't surrender, the planes drop their eggs and then an artillery concentration opens up on the place. They usually surrender after this, and then the other towns hearing of this also surrender. Colonel Allen says we should have a war memorial in every town where we have dropped several bombs.

Colonel Allen says he was ambushed by civilians, and this is the first case we have had of this (you may put this down). We lost one officer and one enlisted man killed and three officers and three enlisted men wounded and captured. The town disappeared. It became a ghost town.

226719

Headquarters
THIRD UNITED STATES ARMY
Office of the Commanding General
APO 403

Apr 13 '45

Darling B.

Ike and Brad came yesterday and we spent the day visiting the front. We went down in the mine to see the gold it was quite impressive. Besides the gold and paper money there were hundreds of suit cases filled with silver & gold spoons, dishes, cigarette cases, watches etc - just stolen property.

Later we visited a slave camp of which I inclose a typed account.

I will send one to Nita, Harbord, George and Summerall.

I got your letter with the creel inclosure which is most interesting also I saw the article in Time which is good.

At the moment they are trying to make an incident out of my attempt to rescue John also one because I fired a censor who let out the story of finding the gold. Well owing to the death of the President it wont make the front page. How I hate the press.

(Stalin)

"Secret" The gold was found in Uncle Joe's sphere of influence hence we did not want it known until we had moved it to ours.

226720