

PRESIDENT'S COMMISSION ON HOLOCAUST ASSETS

"LOOTED BOOKS"

by

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One of the most enduring images of non-military Nazism is the burning of books. While it is certainly true that this practice was employed, the reality is a bit more complicated. Early in the Hitler regime of Germany, the Nazis had engaged in the burning or pulping of Jewish books, although some were sold on the black market. However, under Alfred Rosenberg, who established the Einsatzstab Reichsleiter Rosenberg (charged with stealing cultural artifacts from ideological enemies, especially Jews and Freemasons) under Hitler's authorization on January 29, 1940, the Nazis endeavored to collect and store Jewish materials for future anthropological study. Rosenberg had actually undertaken the confiscation program in Sudetenland during its annexation in 1938 and, ironically, had it written into the directives for Kristallnacht that November. Thus, while synagogues were burning in flames, books were removed by the arsonists for safekeeping. Some of the less valuable Jewish books (post-1800 books in Hebrew or Yiddish), though, would continue to be burned or pulped. Torah scrolls were often used in leather products.¹

These confiscated books were brought to the Institut der NSDAP zur Erforschung der Judenfrage (the Nazi Institute for the Exploration of the Jewish Question), formerly the Frankfurt City Library and, up until 1928, the Rothschild Library. The Institute's collections were looted from Jews within Germany, Denmark, France, Greece, Holland, Hungary, Italy, Lithuania, Norway, and Ukraine² by the ERR (Einsatzstab Reichsleiter Rosenberg). The ERR had

¹Friedman, Philip. "The Fate of the Jewish Book" Roads To Extinction: Essays on the Holocaust, New York: Jewish Publication Society of America. 1980

²Friedman, Philip. "The Fate of the Jewish Book" Roads To Extinction: Essays on the Holocaust, New York: Jewish Publication Society of America. 1980

NARA/CP; RG 226; M1499; Reel 81; Frames 1107-1109

NARA/CP; Trial of the Major War Criminals before the International Military Tribunal, Volume VII, Proceedings, 5 February 1946-19 February 1946, Nuremberg, Germany. 1947. p. 63

NARA/CP; Trial of the Major War Criminals before the International Military Tribunal, Volume IV, Proceedings, 17 December 1945-8 January 1946, Nuremberg, Germany. 1947. p. 84

looted books, documents, and manuscripts from every German-occupied country in Europe for the Nazi Institute for the Exploration of the Jewish Question, either through outright confiscation (the preferred method in Eastern Europe) or by forced sale at very low prices or credit that was never honored (a more common practice in Western Europe).³

All very interesting, but what has this to do with the United States? The Library of Congress initially became involved with the acquisition of books in Europe during World War II. There were large book orders (including some already paid for)⁴ from Germany by various American libraries that largely came to a halt following the outbreak of the war. Library of Congress employee, Manuel Sanchez, with State and War Department support⁵, was sent abroad in April 1943 to traverse war-torn Europe in order to procure books for the American libraries⁶, including government libraries.⁷

However, it turns out that American purchases of books from Germany continued during World War II! This apparent violation of the Trading With The Enemy Act involved the G.E. Stechert & Co. book dealership firm of Leipzig and unknown American purchasers.⁸ We do know that a major German bookdealer, Otto Harrassowitz, continued to collect books for the primary U.S. libraries during the war, including, Harvard University, although they were not paid for until hostilities ceased.⁹

Upon Germany's defeat in 1945, the major Allied powers (United States, Soviet Union, Great Britain, and France)

³NARA/CP; Trial of the Major War Criminals before the International Military Tribunal, Volume V, Proceedings, 9 January-21 January 1946, Nuremberg, Germany. 1947. p. 49

NARA/CP; RG 239; Entry 62; Box 49; File: War Crimes Office; April 9, 1945; Preliminary Report; "Outline of Operations of Task Force (Einsatzstab) Rosenberg in the West"

⁴LC; Reference Section; Call #Z663.A2; Annual Report, 1946

⁵LC; European Mission-LC; Box 27; File: Mission History

⁶LC; Reference Section; Call #Z663.A2; Annual Report, 1946

⁷LC; European Mission-LC; Box 27; File: Mission History

⁸NARA/CP; RG 260; Entry: Economics Division; Box 85; File #386 - Misc. Claims; Memo from Roy J. Bullock, Export & Import Section; "Property of G.E. Stechert & Co."; April 9, 1946

⁹LC; European Mission-LC; Box 5; File: Harrassowitz, Otto; Letter from Captain Clarence E. Mitchell (Dept. of Religion and Education, Military Government, Leipzig); April 24, 1945

LC; European Mission-LC; Box 34; File: Harvard Library; Letter from Peiss to Professor Taylor Starck; August 2, 1946

occupied four separate sections of their vanquished foe. Books that had been looted from various libraries and private owners within Germany and in Nazi-occupied countries were soon discovered. Since so many were found at the Institute for the Exploration of the Jewish Question in the American Zone, the U.S. Army decided to set up a collection point there. The Library of Congress, as the national library of the United States, was designated by the War Department¹⁰ to represent all American libraries in fielding a mission to sort, process, and ultimately, ship many of the books, estimated to be about 3 million, to America. The Library of Congress was attached to the G-2 (Intelligence) section of the U.S. Army and would attract many OSS and military intelligence types, as well as leading librarians, these roles not being mutually exclusive. The Library began to work hand-in-hand with the American Military Government in both Germany and Austria to aid in the collection and storing of these books. In return, according to Reuben Peiss, "the Mission has aided the military authorities in screening captured documents, has advised on the disposition of records, and has turned over to Military Government many thousands of books looted by the Nazis for restitution to the countries from which they came."¹¹ In September 1945, the U.S. Military Government in Germany [OMGUS], developed restitution policies and procedures for various categories of property, including books, that were looted from occupied areas by the Germans. The policy allowed the Allied governments and formerly-occupied European nations themselves to act on behalf of their injured, property-owning citizens, stating that restitution during the interim period will be made only on a country-to-country basis.¹²

But even this policy was misunderstood by various U.S. Army officers in the field. Instead of bringing all collected, looted books to a collection point, books in Russian (Jewish-owned or not) were often simply handed over to the Soviets; other books found their way to the black market; while others were even turned back over to the German libraries which were "neither legally nor morally entitled to claim any of these books."¹³ Even Jewish books found in the Sturmer Verlag were given to the Nurnberg City Library "as a possession and not as a trust, and the Library is therefore free to do with them what it pleases."¹⁴ The approximately 5,000 books eventually wound

¹⁰LC; European Mission-LC; Box 27; File: Mission History

¹¹LC; European Mission-LC; Box 4; File: Nuremberg Documents

¹²NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 722; File: MFA&A Library, General Statements - Policy & Procedure - Now Valid

¹³LC; European Mission-LC; Box 33; File: Reports, Progress - Zuckerman, J.

- 2) "helping to screen captured documents and advising which would be useful to American research or to Army or other agencies in the Theater"; ["the Mission has helped to screen several million volumes, of which several hundred thousand have been turned over for research library use and are en route to the United States or have already arrived....Furthermore, many thousands of Nazi volumes have been acquired through the cooperation of Information Control from impounded stocks that would otherwise have been pulped."]
- 3) "purchasing wartime imprints and current publications."²⁰

In a January 15, 1946 letter, Dr. Evans blandly remarked that the object of the LC Mission was "primarily to help in connection with the shipment of books for the Library of Congress and other departments of the United States."²¹ But by April 1946, the Library was "engaged in obtaining as complete as possible a documentation of German publishing during the war years and subsequent to the armistice."²² However, Evans also clearly stated in April 1946 that looted books from "non-enemy" countries be restored "to the country from which it came."²³

As part of the U.S. policy of de-Nazification, the U.S. Army, encompassing the LC Mission, on May 13, 1946, affixed its signature to Allied Control Authority No. 4, the Confiscation of Literature and Materials of a Nazi and Militarist Nature.²⁴ These confiscated items, once found, would be turned over from G-2 to the Library of Congress Mission.²⁵ Of course, what books and publications that were of a "Nazi and militaristic nature" was open to interpretation. And by June 1946, "semi-military" items; materials of "organizations associated" with the Nazi party; "libraries of industries forbidden to function in the future" were eligible for removal from Germany to the United States; as well as the original book purchase plan.²⁶ Also targeted by LC Mission Chief Reuben Peiss were collections "(a) vital to military research; (b) useful for general research; (c) potentially dangerous if left behind."²⁷ These collections included:

Deutsches Auslands-Institut
NS Lehrer-Bund [materials after 1933]

²⁰LC; European Mission-LC; Box 32; File: Reports, Progress - Peiss, Reuben

²¹LC; European Mission-LC; Box 27; File: Mission History

²²LC; European Mission-LC; Box 30; File: Regulations - Export & Import

²³NARA/CP; RG 260; Entry: MFA&A; Box 721; File: Jewish Archives & Libraries; "Information Bulletin"; April 20-26, 1946

²⁴Moore, David. "To the Victors Go the Spoils: The Library of Congress Mission to Europe: 1943-47"; unpublished manuscript

²⁵LC; European Mission-LC; Box 27; File: Mission History

²⁶NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 721; File: MFA&A Library - LC Mission

²⁷LC; European Mission-LC; Box 32; File: Reports, Progress - Peiss, Reuben

Deutsche Arbeitsfront
Ordensburg Sonthofen [NS Fuehrerschulen]
Hauptarchiv der NSDAP
Rehse Sammlung
Weltkriegsbuecherei

Peiss summed up the Library of Congress Mission by saying that "we will be getting materials which the Army refuses to leave behind... You may be assured, however, and may so assure American librarians, that our Mission will do no looting, but on the contrary will do everything in its power to aid in the legitimate restoration of German cultural life and particularly of German libraries. One day we are going to face accusations and we may find we have made unwise decisions on a few specific issues, but I think we shall continue to have a clear conscience."²⁸

And mistakes would be made by the LC Mission. As a result of the Library of Congress policy, Adolf Hitler's collection of over 3,383 items, along with Heinrich Himmler's library of 800-1,000 volumes, "mostly of Nazi content or tendency,"²⁹ among other German collections was sorted and shipped to the Library of Congress. Some of these materials, such as patent and labor union records had to be returned to Germany because they were wrongfully confiscated.³⁰ In all, during the Mission's life span, which ended in 1947, 270,100 confiscated books were shipped to the United States, in addition to speech recordings, posters, exchange materials, and newspapers.³¹

A February 14, 1946 memo from LC Mission Headquarters in Berlin to Peiss states that "approximately 50,000 titles (collected since the November shipment) and including many special groupings (freemasonry, ritual manuals, Jewish literature - on and by Jews, political pamphlets, etc.) were ready for shipment."³² What about these books? Were restitution policies followed? Were they identifiable (traceable to an owner or institution)? Did they get shipped to the Offenbach Depot which would open a month later? Since there were 12 shipments from Germany to the Library of Congress in that one-month time span, that is not likely. These books need to be

²⁸NARA/CP; RG 260; Entry: MFA&A; Box 721; File: Jewish Archives & Libraries; "Information Bulletin"; April 20-26, 1946

²⁹LC; European Mission-LC; Box 8; File: Himmler

³⁰LC; European Mission-LC; Box 28; File: Policy-General

³¹LC; European Mission-LC; Box 27; File: Mission History

³²LC; European Mission-LC; Box 1; File: Acquisitions - Clearances, Shipments

accounted for.

Following the war, looted Jewish books were to be collected at the Rothschild Library at Frankfurt, close to the Nazi Institute for the Exploration of the Jewish Question. By 1946, 2.3 million volumes of books had been assembled at Rothschild.³³ At that point, a decision was made to transfer them to a larger space in Offenbach, the former I.G. Farben complex, which became known as the Offenbach Archival Depot. An estimated 85% of the unidentifiable books were Jewish-related.³⁴ Once there, books were to be processed and returned to their rightful owners whenever possible. Because so many pre-war Jewish institutions were no longer in existence and many of the owners had been murdered, the question arose as to what to do with all the stolen Jewish artifacts.

The Offenbach Archival Depot was opened on March 2, 1946³⁵ to be the central repository of Jewish cultural property in the U.S. Zone, to sort and eventually, distribute books, manuscripts, and other publications to as many rightful owners as possible. The "first shipment" from Offenbach of 4,712 books³⁶ confiscated from the Institut Der NSDAP Zur Erforschung Der Judenfrage was delivered to the Library of Congress Mission on March 21, 1946³⁷ for transport to Washington. Although this collection contained looted books from occupied Europe, as well as Germany, Reuben Peiss and David Clift insisted (and Seymour Pomrenze signed receipts concerning), that these items were not removed from Nazi-occupied countries, only Germany, and "hence were not subject to restitution."³⁸ Other identifiable Jewish books were shipped to their country of origin, the first delivery going to

³³Friedman, Philip. "The Fate of the Jewish Book" Essays on the Holocaust, New York: Jewish Publication Society of America. 1980

³⁴LC; European Mission-LC; Box 34; File: Restitution of Unrestituted Materials (Jewish Books) NARA/CP; RG 260; Entry: MFA&A Section Chief, Box 721; File: Jewish Archives & Libraries; Memo from Colonel William Whipple to Colonel John Allen; August 16, 1946

³⁵Poste, Leslie I. The Development of U.S. Protection of Libraries and Archives in Europe During World War II. Fort Gordon, Georgia: U.S. Army Civil Affairs School. 1964. p. 262

³⁶NARA/CP; RG 260; Entry: Ardelia Hall; Box 259; File: OAD Reports; March 1946

³⁷Poste, Leslie I. The Development of U.S. Protection of Libraries and Archives in Europe During World War II. Fort Gordon, Georgia: U.S. Army Civil Affairs School. 1964.

³⁸LC; European Mission-LC; Box 8; File: NSLB Teachers Library, Bayrauth

NARA/CP; RG 260; Entry: MFA&A Section Chief, Box 721; File: MFA&A Library - LC Mission

NARA/CP; RG 260; Entry: Ardelia Hall; Box 151; File: Archives & Libraries - Questionnaires & Reports

Holland on March 25, 1946.³⁹ Notice that this process began two months before Order No. 4, regarding the LC Mission receiving books, was publicly issued.

The Library of Congress would continue to receive books from the "legitimately acquired"⁴⁰ nucleus library of the Institut der NSDAP zur Erforschung der Judenfrage stored at Offenbach:

- March 22, 1946 - 1,500 books
- March 25, 1946 - 770 books
- March 26, 1946 - 1,955 books
- April 1, 1946 - 2,118 books
- April 4, 1946 - 992 books
- April 10, 1946 - 1,771 books
- April 17, 1946 - 1,234 books
- May 22, 1946 - 2,020 books
- May 31, 1946 - 915 books
- September 3, 1946 - 953 books and 376 brochures

This begs the question, what was "legitimately acquired" for the Institut der NSDAP zur Erforschung der Judenfrage? They received their collections from the ERR who were charged with pillaging Jewish books and works of art. The ERR did not "legitimately" acquire anything! It's possible that the reference is to the books originally housed in the Frankfurt City Library, the building the ERR took over. David Clift, Deputy Chief of the Library of Congress Mission, estimated in March 1946 that the Erforschung Der Judenfrage materials contained only 8,000 books.⁴¹ Could this be the working library of the ERR; the original Frankfurt City Library collection? Since the Library of Congress received 19,316 books from Offenbach, how is the approximate 11,000 book difference explained? Perhaps these are Jewish books looted from inside Germany itself.

Reuben Peiss noted that "Library of Congress representatives, especially Dr. Zuckerman in Berlin, found thousands of Jewish volumes, sometimes in precarious housing, salvaged them, and shipped them to Offenbach."⁴² Where did these books go? Then there is the controversy over the number of books actually shipped from Offenbach to the Library of Congress. According to the Offenbach Archival Depot and Leslie Poste, the final shipment of books (September 1946) to the Library of Congress brought their total to 20,329 (19,953 books and 376 brochures).⁴³

³⁹NARA/CP; RG 260; Entry: Ardelia Hall; Box 259; File: OAD Reports; March 1946

⁴⁰NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 720; File: MFA&A - OAD

⁴¹LC; European Mission-LC; Box 31; File: Reports, Progress - Clift, David

⁴²LC; European Mission-LC; Box 32; File: Reports, Progress - Peiss, Reuben

But how was this figure arrived at when OAD's own monthly reports and the LC's receipts total 19,316 books and brochures? But this 1,013 book difference has not been explained. To sow even more confusion, the Jewish Cultural Reconstruction, Inc. (JCR) later deposited Jewish-related books to the Library of Congress following their distribution agreement with OMGUS in 1949.

A confidential source within the Library of Congress states that someone in the Hebraic Section informed him that the Hebraic Section holds many pre-1500 A.D. books in Hebrew and Yiddish within a vault (actually a caged holding area) and that at least some hold an Offenbach Archival Depot Stamp. Asked why the Library of Congress has not publicized this matter, the employee noted that Section Chief Dr. Michael Grunberger wants to "protect the collection." Obviously, any pre-1500 books, because of their value, would be identifiable and therefore, restitutable. The vault needs to be inspected.

Grunberger has said that he has "seen a stamp from the OAD on some title pages of books"⁴⁴ in the Library's Hebraic division. However, he added "to the best of my knowledge there's no way of knowing"⁴⁵ how many of the books that the Library acquired through the Offenbach Depot were in Hebrew and, therefore, segregated into the Hebraic collection. As for the Library's later acquisition of books from Jewish Cultural Reconstruction, Inc. (JCR), Grunberger states that he did not "believe item level lists were prepared by the JCR and I haven't come across them here."⁴⁶

In a recent interview with *Washington Post* reporter Michael Dobbs, former OAD Director Pomrenze states that it was "undeniable" that looted Jewish books made their way from Offenbach to the Library of Congress. Pomrenze remarked that if books received at Offenbach were marked, they were restituted to the country of origin. If not, they often were shipped to the U.S. He also claimed it was "logistically impossible" to examine every case of books

⁴³NARA/CP; RG 260; Entry: Ardelia Hall; Box 259; File: OAD Reports; May 1946, September 1946

Poste, p. 259

⁴⁴E-Mail correspondence between Dr. Michael W. Grunberger, Hebraic Section Chief, Library of Congress and Greg Murphy, Senior Historian, President's Commission on Holocaust Assets; July 1, 1999

⁴⁵E-Mail correspondence between Grunberger and Murphy; July 1, 1999

⁴⁶E-Mail correspondence between Grunberger and Murphy; July 1, 1999

for evidence of looted Jewish books.⁴⁷

Once the books were shipped from Offenbach to the LC Mission in Frankfurt, they were transported across the Atlantic by G-2 to Fort Ritchie, Maryland. From there, they made their way to the Library of Congress in Washington. Unfortunately, the Library broke up the collections by integrating the Hebrew/Yiddish portion within its Hebraic Section, while scattering the rest throughout its general collection holdings.

What is known, however, is that the eventual disposition of Jewish books was a thorny problem. There were about a half-million unidentifiable books that had been looted by the Nazis - their ownership could not be detected. Even with the half-million identifiabes there were a myriad of problems: most of the owners were now dead. Also, OMGUS was growing weary of storing assets, including books that awaited a restitution policy.⁴⁸ In the wake of Zionist fever that swept through much of post-Holocaust world Jewry, Dr. Judah L. Magnes, President of Hebrew University, pressed hard for the looted Jewish materials to be sent to the school in Jerusalem, the historical capital of Judaism. Dr. Theodore Gaster, Chief of the LC's Hebraic Section had proposed in late 1945, the transfer of the Jewish books to come to the Library of Congress⁴⁹, since so many Jews were now living in the United States and because the "Hebrew University Library, however it may choose to define itself, is not, in fact, the national library of the Jews, since there is no such thing as a Jewish state in Palestine. It is merely a Palestinian Jewish institution, no whit different from any corresponding institution here (e.g. the Jewish Theological Seminary, the Hebrew Union college,....etc.)"⁵⁰ Gaster, apparently at first, had an ally in Librarian of Congress Evans in obtaining for the LC the unidentifiable Jewish books held at Offenbach.⁵¹ However, by June 3, 1946, two-and-a-half months after the first shipments to the LC from Offenbach, Evans informed the MFA&A's (and former Library of

⁴⁷Dobbs, Michael; "Epilogue to a Story of Nazi-Looted Books"; *The Washington Post*; January 5, 2000; p. C8.

⁴⁸NARA/CP; RG 260; Entry: Property Division; Box 14; File: Restitution of Securities; Cable CC-2029; October 19, 1947

⁴⁹LC; European Mission-LC; Box 34; File: Restitution of "Unrestituted Materials" (Jewish Books)

⁵⁰LC; European Mission-LC; Box 34; File: Restitution of "Unrestituted Materials" (Jewish Books)

⁵¹LC; European Mission-LC; Box 34; File: Restitution of "Unrestituted Materials" (Jewish Books)

Congress Photograph Division Chief) Paul Vanderbilt that "the time is not right" for the LC "to interpose its services for the distribution of the 'unidentifiable residue' of this material because there is no possibility that the material may be evacuated before all the restitution has taken place."⁵² As a result, the Library's Acquisitions Director, Verner Clapp, who had also earlier expressed an interest in obtaining non-identifiable Jewish books,⁵³ directed the LC Mission not to touch the Jewish books in Offenbach.⁵⁴ Therefore, it seems that it was Library of Congress policy to acquire looted Jewish books only if they were part of an official Nazi library collection, such as apparently occurred with the Institute for the Exploration of the Jewish Question, not if they were residue.

The Library of Congress did agree, upon a request from the State Department, to assist the Yiddish Scientific Institute [YIVO], formerly based in pre-war Lithuania, now located in New York, in transporting over 79,000 of what was considered to be their restitutable items (since the United States did not recognize the USSR annexation of Lithuania) from Offenbach in 1947.⁵⁵ It is interesting to note that much of YIVO's Lithuanian collection was sent during the war to the Erforschung der Judenfrage in Frankfurt,⁵⁶ the same institute from which the Library of Congress received many of their books through the Offenbach Depot.

The State Department was also interested in the portion of Rosenberg's collection still held at Offenbach. In an August 1948 Department of the Army telegram, it was stated that State was "very anxious obtain for exploitation in US books on Eastern Europe" from lists compiled by Russian emigre, Dr. Boris Nicolaevsky⁵⁷ of Columbia University. To its credit, the Army decided not to make a decision concerning these books until their restitution status was known.⁵⁸ No documentation has been found as to what their final disposition was. What is known, however, is that Nicolaevsky, seven months previously, was accused by OAD Director Joseph Horne of "removing Ex-Libris from certain Russian language materials which he was permitted (at the request of G-2) to examine."⁵⁹

⁵²NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 722; File: AJDC Loan

⁵³LC; European Mission-LC; Box 27; File: Mission History

⁵⁴NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 721; File: Jewish Archives & Libraries - General

⁵⁵LC; European Mission-LC; Box 34; File: Restitution of YIVO Library Materials

⁵⁶NARA/CP; RG 226; M1499; Reel 81

⁵⁷NARA/CP; RG 59; Lot File 78D441; Box 6

⁵⁸NARA/CP; RG 59; Lot File 78D441; Box 6

⁵⁹NARA/CP; RG 260; Entry: Ardelia Hall; Box 257

The day after Offenbach Archival Depot opened in March 1946, Professor Koppel S. Pinson of Queens College and the AJDC liaison to Offenbach, received 1,400 books of a planned 25,000 book loan from the OAD⁶⁰ for distribution to Jewish refugees in German Displaced Persons' camps. The AJDC, through Judge Simon Rifkind, an advisor to General Lucius Clay, had been pressing the U.S. Army since 1945 to borrow these books. However, they were frustrated by the military's Museum, Fine Arts & Archives personnel who feared the loan, which included identifiable books, would complicate restitution matters. Which is what, in fact happened after General Clay overruled his staff. Pinson's desire to select books of identifiable ownership led to OMGUS Technical Advisor Paul Vanderbilt's insistence that Captain S.J. Pomrenze supervise screening measures at Offenbach before distribution to AJDC,⁶¹ a recommendation that General Clay honored.⁶² AJDC's receipt of the books bound them "either to return the....items loaned to said organization upon the authority authorizing the loan or to reimburse any possible claimants against the Government of the United States from the funds available to the AJDC."⁶³ By the time of his departure from Germany in August 1946, Pinson had withdrawn 19,447 books from Offenbach.⁶⁴ Only a fraction of these were ever returned, however. It seems that among the missing items were "books of great value and known ownership."⁶⁵ (It is interesting to note that in recommending Pinson for a job, Pomrenze stated that the Professor Pinson was "very very interested in the fate of this unique conglomeration"⁶⁶ of Jewish books.) Dr. Ernst Grummach, a German-Jewish librarian working at the OAD, claimed that "books were sold and given away wholesale in the early days. Rabbi Newhaus is known to have at least 1,000 volumes."⁶⁷ Still, Rabbi Philip Bernstein, the Advisor on Jewish Affairs to Lucius Clay, pressed the general to release the 5,000 book balance another 25,000 books, claiming despite contractual obligations, "it was

⁶⁰NARA/CP; RG 260; Entry: Ardelia Hall; Box 259; File: OAD Reports; March 1946

⁶¹NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 722

⁶²NARA/CP; RG 242; Entry: AGAR-S Document Series compiled by Seymour Pomrenze (Pomrenze Collection); Box 1; Document #318

⁶³NARA/CP; RG 260; Entry: MFA&A Section; Box 722

⁶⁴NARA/CP; RG 260; MFA&A Section Chief; Box 722; File: AJDC Loan

⁶⁵NARA/CP; RG 260; Entry: Ardelia Hall; Box 66; File: Offenbach Archival; Memo from Lt. Col. G.H. Garde to Lucy Schildkret (AJDC); "Loan of Books"; July 15, 1947

⁶⁶NARA/CP; RG 242; AGAR-S Document Series compiled by Seymour Pomrenze (Pomrenze Collection); Box 1; Document #318

⁶⁷NARA/CP; RG 242; AGAR-S Document Series compiled by Seymour Pomrenze (Pomrenze Collection); Box 1; Document #318

inevitable that many of these books would be lost, carried away, and worn out.”⁶⁸ Richard Howard, Chief of the Museum, Fine Arts & Archives Section of OMGUS, responded in an internal memo that the AJDC was “not only an unbusinesslike, but also a thoroughly unreliable organization which is incapable either of understanding or fulfilling its obligations.”⁶⁹ Fueled by the Adjutant General’s suspicions of illegal activities, Howard also called for an investigation of AJDC by the Inspector General. The 5,000 book balance instead was loaned to the newly-organized Board of Education and Culture for Liberated Jews of Germany.⁷⁰

From August 1946 until February 1947, when Lucy Schildkret arrived as the representative at Offenbach, there was no AJDC official at the depot.⁷¹ However, that situation did not deter a chaplain, Captain Herbert Friedman, a personal assistant to Rabbi Bernstein, from signing out, in Pinson’s name, 1,100 valuable, identifiable items from the Torah Room at OAD and sending them off to Hebrew University in Palestine in December 1946. The officer in charge of Offenbach at that time, Captain Isaac Bencowitz, Pomrenze’s successor, was rumored to be involved in black-market activities concerning cigarettes,⁷² and previously accused of consorting with a suspicious character who carried an “extraordinarily bulky” briefcase and preferred to exit the premises at Offenbach by climbing the wall rather than going through the main gate.⁷³ Bencowitz, who had returned from Palestine three days earlier,⁷⁴ approved the Torah Room transaction.⁷⁵ The “illegal removal”⁷⁶ occurred on the same day that Bencowitz, Bernstein, and Friedman conferred on an “Inspection of the OAD.”⁷⁷ The Torah Room was not inspected again until January 21, 1947, ten days following Bencowitz’s departure for the U.S. when a “discrepancy in the inventory of the manuscripts” was noted.⁷⁸ When questioned about the matter, Chaplain

⁶⁸NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 721; File: AJDC Loan

⁶⁹NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 721; File: AJDC Loan

⁷⁰NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 721; File: AJDC Loan

⁷¹NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 722; File: AJDC Loan

⁷²NARA/CP; RG 260; Entry: Ardelia Hall; Box 66

⁷³NARA/CP; RG 260; Entry: Ardelia Hall; Box 250; File: Personnel (2 of 3)

⁷⁴Poste, p. 284

⁷⁵NARA/CP; RG 260; Entry: Ardelia Hall; Box 253; File: AJDC/OAD

⁷⁶NARA/CP; RG 260; Entry: Economics Division; Box 116; File #007.2 - Fine Arts & Cultural Objects

⁷⁷NARA/CP; RG 260; Entry: Ardelia Hall; Box 261; File: OAD Reports; December 1946

⁷⁸NARA/CP; RG 260; Entry: Ardelia Hall; Box 261; File: OAD Reports; January 1947

Friedman at first denied the charge, then admitted he had signed the receipt in Pinson's name.⁷⁹ Upon discovery of the transfer, OMGUS, on May 2, 1947, ordered the university to return the books, which contained resitutable material of Russian, Latvian, Italian, Polish, Czech, German, and Austrian ownership.⁸⁰ Yet, within four days, OMGUS softened its stance and agreed "to leave the books and material at the University until their final disposition has been determined."⁸¹ Subsequently, the pretense of a legal transaction was enacted when Dr. Joel, the Acting Librarian at Hebrew University, stated in writing that he had received the five cases from the American Consul General in Jerusalem and would return "any and all of them on first request from that office."⁸² However, to OMGUS' credit, they did not completely forget about the items. They signed an agreement with Jewish Cultural Reconstruction [JCR] in May 1949, transferring legal custody of these objects to the JCR for disposal to the rightful owners.⁸³ It is not known at this time whether any of the resitutable works ever left Jerusalem.

An interesting footnote to the affair is that it was anonymously stated that Bencowitz disliked Dr. Sholem, the one who sorted the valuable materials in Offenbach's Torah Room, until the Captain returned from Palestine on December 27, remarking to his secretary, Miss Hirschfield, "that he had been very much mistaken" about Dr. Sholem.⁸⁴ Both Bencowitz and Friedman were admonished by the Inspector General of the Army.⁸⁵

One of the motivating factors in the removal was the issue of security. Max Weinreich, YIVO's Research Director, wrote Professor Jerome Michael of the JCR on December 6, 1946, that with Bencowitz absent, "there is no American on the spot who is watching the materials. This is very bad since the restitution officers from Poland and Russia are around the place.... It would be a calamity beyond repair if the treasures collected at the Offenbach Depot by the Army with so much vision and effort were at this late hour to be pilfered or to fall into hands where

⁷⁹NARA/CP; RG 260; Entry: Ardelia Hall; Box 253; File: AJDC/OAD

⁸⁰NARA/CP; RG 260; Entry: Ardelia Hall; Box 66; File: JCR; Despatch 132; July 24, 1947

⁸¹NARA/CP; RG 260; Entry: Ardelia Hall; Box 253; File: AJDC/OAD

⁸²NARA/CP; RG 260; Entry: Ardelia Hall; Box 66; Despatch 132; July 24, 1947

⁸³NARA/CP; RG 260; Entry: Ardelia Hall; File: JCR; draft letter to American Consul General; May 4, 1949

⁸⁴NARA/CP; RG 260; Entry: Ardelia Hall; Box 253; File: AJDC/OAD

⁸⁵NARA/CP; RG 159; Entry 335; Box 147

they by no means belong.”⁸⁶ Seymour Pomrenze had also been concerned about conditions at Offenbach security, complaining that a thousand Jewish Torahs “were miserably neglected.”⁸⁷ Then there was also the problem of “looting and destruction by Germans [very little]; US troops [some]; and DPs [more].”⁸⁸

The Library of Congress Mission had its share of personnel problems. Although the the project existed only two years [1945-47], not one staff member was there from beginning to end. In September 1945, the Library dispatched Max Loeb, detailed from the Interdepartmental Committee for the Acquisition of Foreign Publications [IDC] - OSS Mission for Germany, to travel throughout Germany and Austria “to inspect libraries of Nazi Organizations, Government agencies and persons of high rank in the NSDAP.”⁸⁹ Loeb, a European immigrant to the United States and a book dealer by profession, was especially aggressive in his work for the Library. He targeted for acquisition by the Library of Congress not only Nazi materials, such as works from the Nazi library of Education, but private libraries filled with looted books, including material on Judaism, original Wagner musical scores, and the Library of the Office, Chief of Counsel for the Prosecution of Axis Criminality {Nuernberg} for shipment to the Library.⁹⁰ His investigatory trip also took him to the valuable collection of Hans Reich, a book dealer from Berlin. It was a collection that Loeb coveted so much that he sent an anonymous telegram to the U.S. Counter Intelligence Corps, falsely accusing Reich of being an SS man in hiding.⁹¹ The OSS then ordered Loeb’s boss, Reuben Peiss, the Chief of the Library of Congress Mission, to confiscate Reich’s materials from his book store. Following Reich’s protests, Peiss discovered the scam, calling it “one of Loeb’s brainstorms.... This is thoroughly shoddy business.”⁹² Peiss suggested to his superiors that they get a bill from Reich and pay him for the loss adding, “this whole deal was badly done and that the fault is ours.”⁹³ But, apparently, the bill was never paid. Reich attempted to collect “Occupation damages” in 1950, but needed proof of his dealings with Loeb.⁹⁴

⁸⁶NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 720; File: MFA&A Library - OAD

⁸⁷NARA/CP; RG 242; AGAR-S Document Series compiled by Seymour Pomrenze (Pomrenze Collection); Box 1; Document #318

⁸⁸NARA/CP; RG 242; AGAR-S Document Series compiled by Seymour Pomrenze (Pomrenze Collection); Box 1; Document #318

⁸⁹LC; European Mission-LC; Box 9; File: Rosenberg, Alfred - Collection

⁹⁰LC; European Mission-LC; Box 9; File: Rosenberg, Alfred - Collection

⁹¹Moore

⁹²LC; European Mission-LC; Box 9; File: Reich, Hans - Library

⁹³LC; European Mission-LC; Box 9; File: Reich, Hans - Library

The Library of Congress informed Reich that Loeb was now dead and that they were "unable to furnish you with the information you request."⁹⁵ Reich then pressed the Office of the United States High Commissioner for Germany [HICOG], who in turn queried the Library of Congress as to whether Reich's books were now at the Library. Chief Assistant Librarian, Verner W. Clapp replied that Lieutenant Loeb was detailed to the Library of Congress Mission staff from the Strategic Services Unit of the U.S. Army "during the period December 1, 1945 to May 1, 1946. The alleged negotiations with Mr. Reich - in September 1945 - would appear to antedate his service with the Library of Congress Mission."⁹⁶ This statement appears to be a falsehood as it is clear from the Library's own files that Loeb was working for it when he undertook his investigation in September 1945! It is interesting to note that in its annual report for 1946, the Library of Congress, already aware of Loeb's problems, also states that his service with the Library began on December 1, 1945.⁹⁷ Yet, Reuben Peiss writes that, beginning in September, "IDC very kindly enabled Lt. Loeb to devote the major part of his time to the Library of Congress Mission."⁹⁸ The documentation for September shows that Loeb reported directly to LCM Chief Peiss and no longer used the OSS designation in his correspondence. Also, Don Travis of the Library of Congress refers to Loeb's employment by the LC Mission during October 1945.⁹⁹ A possible explanation that Loeb was not paid directly by the Library of Congress until December 1945 does not hold water since Peiss refers to Loeb's transfer "from the OSS payroll to that of the Library of Congress" in September 1945.¹⁰⁰ The evidence is clear that Loeb began working for Peiss and the Mission in September of that year. This did not matter to the Library. A further Library of Congress investigation in 1953 stated that only 20 of the 70 items Reich listed was in the Library's general collection and that only one of those was procured by the LC Mission.¹⁰¹

The Reich matter was closed as far as the Library was concerned. But where did the books go? Probably to Loeb's

⁹⁴LC; European Mission-LC; Box 9; File: Reich, Hans - Library

⁹⁵LC; European Mission-LC; Box 9; File: Reich, Hans - Library

⁹⁶LC; European Mission-LC; Box 9; File: Reich, Hans - Library

⁹⁷LC; Reference Section; LC Annual Report, 1946; Call #Z663.A2

⁹⁸LC; European Mission-LC; Box 27; File: Mission History

⁹⁹LC; European Mission-LC; Box 28; File: Acquiring of Material

¹⁰⁰NARA/CP; RG 260; Entry: MFA&A Section Chief; Box 721; File: Library of Congress Mission

¹⁰¹LC; European Mission-LC; Box 9; File: Reich, Hans - Library

book store in New York. It turns out that Loeb had also authorized numerous shipments of books from Europe to his store on Madison Avenue. Loeb had purchased these books with U.S. Government money for the Library of Congress. This operation continued even upon Loeb's discharge in early 1946 another source of controversy. Loeb was turned down for a requested discharge in late 1945;¹⁰² opened his bookstore in New York by March 1946; but was still accredited to the LC Mission until May 1, 1946.¹⁰³ Peiss discovered Loeb's transactions in June 1946, but allowed the cases of books to be shipped to the bookstore "without further inquiry as to what is in the packages," along with a warning "to a good friend" that such activities were specifically prohibited and "inexcusable."¹⁰⁴ Peiss' successor, Mortimer Taube, had no such qualms, personally stopping two cases of books from being diverted to New York.¹⁰⁵ Taube, wrote Loeb in New York, stating that "I understand that during your work for the Mission you sent several similar packages home and that some packages have already been mailed to you subsequent to your departure from Frankfurt. I have examined the material in the packages and the fact that they contain titles in multiple copies seems to indicate that they were intended for resale in the United States. The unlicensed resale in the United States of material purchased in Germany by an officer of the United States Government is manifestly illegal and the Library of Congress cannot become party to such an enterprise."¹⁰⁶ Taube also wrote Clapp, explaining his subsequent decision not to refer the matter to the Army Inspector General, stating that "the resulting publicity....might prove temporarily embarrassing to the Mission, although I do believe that the Mission's skirts are completely clean. Members of the Mission, as you know, have bought articles for themselves at advantageous prices, but Loeb is the only one who used his official position to further his own private business. My first thought in the matter was to take over the books, add them to our stock, and say no more about it, but this would have meant that the Library of Congress Mission would benefit by Loeb's shady transactions, and I do not want that to happen."¹⁰⁷ Someone must have changed their mind. The books were shipped to the Library of Congress, many within a month. None that were looked at by the author appeared

¹⁰²LC; European Mission-LC; Box 31; File: Loeb, Max, Lt.

¹⁰³LC; Reference Section; Call #Z663.A2; Annual Report, 1946

¹⁰⁴LC; European Mission-LC; Box 27; File: Mission History

¹⁰⁵LC; European Mission-LC; Box 34; File: Targets

¹⁰⁶LC; European Mission-LC; Box 28; File: Policy - Acquiring of Material

¹⁰⁷LC; European Mission-LC; Box 33; File: Taube, Mortimer

to be identifiable, although the Library has re-bound some of them.

It is also interesting to note that while Taube did not ask the Army Inspector General to investigate, Clapp did.¹⁰⁸ Apparently, however, not much became of the matter as the IG office merely acknowledged the note.

Before his nefarious activities were discovered by Taube in November 1946, Loeb even had enough chutzpah to try and sell some of the books back to the Library of Congress! He wrote Acquisitions Director Clapp a letter offering a list of books for sale to the Library. It is not known what action Clapp took, although he was certainly non-committal in his replies.¹⁰⁹

Loeb also added to his stock by acquiring a large cache of books from Austria on credit sometime in 1946, shortly after resigning from the the Library and U.S. Army. The Austrians trusted him because of his previous business dealings while a member of the LC Mission.¹¹⁰ He failed to pay this bill. The Austrians wrote to the Library of Congress, but Dan Lacy, Assistant Director of Acquisitions, said the Library was not involved in the dispute.¹¹¹

Even among his LC Mission colleagues, Loeb carried a reputation as a cheat. This is shown, not only by Peiss' correspondence, but by a David Clift letter which dryly remarks after seeing one of expense reports, that "not all the items are defensible."¹¹² This particular report also contained a Loeb request that he paid in dollars, not the local currency, as was decreed by military regulations.

Taube had his hands full with arrogant Library of Congress Mission members, such as Janet Emerson, as well as Jacob Zuckerman and his wife, Elfride. These staff members, according to Taube, liked to take extended personal leave and yet expect their usual governmental per diems when engaged in personal business or travel! By Taube's account, Emerson, a secretary, wrote herself duty orders to spend ten days in Switzerland. Apparently she felt "entitled to the trip" because other members of the Mission such as Harriet Bing, David Clift, and the Zuckermans "got away with it."¹¹³ The LC Mission Chief said Emerson "apparently thinks she's 'King (or

¹⁰⁸NARA/CP; RG 159; Entry 26; Box 806; File #333.9: Loeb, Max

¹⁰⁹LC; European Mission-LC; Box 31; File: Loeb, Max, Lt.

¹¹⁰LC; European Mission-LC; Box 32; File: Loeb, Max

¹¹¹Moore

¹¹²LC; European Mission-LC; Box 31; File: Reports, Progress - Clift, David

maybe Queen) Shit.... One might stand her bad manners if she were a good secretary which she certainly is not."¹¹⁴ One of Emerson's failings as a secretary was that she did not change typewriter ribbons because she "thought it such a bother."¹¹⁵ These travel junkets were done at War Department expense as the Mission fell under the aegis of the Army. The LC Mission Chief had feared the War Department "will wake up" and submit the Mission a bill for food, travel, and lodging. Taube also feared that he would be called upon to explain Mrs. Zuckerman's trip to Paris at War Department expense. "As I see it," he noted, "part of my job is to see to it that the question is never raised."¹¹⁶ Meanwhile, her husband, a "smooth operator" asked to be paid his full per diem for personal trips to Paris and London and for "return of retirement deductions for himself and his wife."¹¹⁷ Taube planned to "make him tell me what he and Mrs. Z did in Paris and London and if I don't like the story I'll call it annual leave.... "God damn it - he can screw the Army and Unesco or anybody else but he'll never boast about screwing LC."¹¹⁸

Taube also complained about the failure of the Mission to keep leave records: everybody put in their 40 hours each week whether they were vacationing or not!¹¹⁹ This way, the staff members accrued their vacation time and asked to be paid in full when they left the project. Even Emerson complained of the egos involved!¹²⁰

Taube, saved his greatest scorn for members of the Hoover Library of War and Peace personnel who were, in theory at least, working for the LC Mission. Taube's principal target was Louis P. Lochner. "Lochner's monkey business," according to Taube, involved the purchase of materials for Stanford University and he tried to have them shipped with LC items¹²¹ and "although segregated, was not mentioned on the invoices, in effect," performing "a criminal act in exporting material purchased for Reichsmarks and the Library of Congress was to be used as the cover for the operation."¹²² Taube also reported Lochner to G-2 for the "unauthorized removal of

¹¹³LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹¹⁴LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹¹⁵LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹¹⁶LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹¹⁷LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹¹⁸LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹¹⁹LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹²⁰LC; European Mission-LC; Box 31; File: Emerson, Janet

¹²¹LC; European Mission-LC; Box 33; File: Taube, Mortimer

intelligence materials from the field.”¹²³ G-2, in turn, cabled the War Department which greeted Lochner on his return to the U.S.¹²⁴ The “intelligence materials” in question turned out to be documents of the former Lithuanian Legation in Berlin.¹²⁵ Lochner’s was that he had “thought it best to take these documents right with me to America....” and inform Army Intelligence “at once”¹²⁶ rather than hand them over to the Library of Congress Mission that he worked for.

In 1947, a consortium of American-based Jewish groups that included the World Jewish Congress, formed the Jewish Restitution Successor Organization [JRSO]. In June 1948, the JRSO was designated by OMGUS, under U.S. Military Government Law No. 59, to settle heirless and unclaimed property in the U.S. Zone. In February 1949, just before Offenbach closed, the Jewish Cultural Reconstruction, Inc. [JCR], an arm of the JRSO, was appointed the sole custodian for the books still housed at the Depot. JCR promised to publish a worldwide notice to find Jewish owners of the books still not restituted. Whether JCR made a strong effort is a matter of debate, since it took them two months to actually begin operations, opening an office in Nurnberg in August 1948, but they were hampered by Law No. 59’s deadline of December 31, 1948 for persons to file claims.¹²⁷ A three-month extension, however, would be granted.¹²⁸ The JCR began distributing the leftover books in March 1949¹²⁹ to such institutions as Hebrew University, the Library of Congress, and YIVO. One particular controversy was their decision to ship 29,000 identifiable Baltic items to the new state of Israel rather than restituting any Jews in the Soviet-occupied Baltic states. While this violated the February 15, 1949 agreement between OMGUS and JCR which specified that only “unidentifiable Jewish cultural property” be transferred to the JCR,¹³⁰ a February 25, 1949 agreement established the JCR as “a custodian” of “Partially Identifiable” books,

¹²²LC; European Mission-LC; Box 33; File: Taube, Mortimer

¹²³LC; European Mission-LC; Box 31; File: Reports, Progress - Lochner, Louis P.

¹²⁴LC; Central File: MacLeish-Evans; Box 401; File: Seized German Documents

¹²⁵LC; Central File: MacLeish-Evans; Box 398; File: Seized German Documents

¹²⁶LC; European Mission-LC; Box 31; File: Lochner, Louis

¹²⁷Kagan, Saul and Ernest H. Weismann. Report on the Operations of the Jewish Restitution Successor Organization p. 6

¹²⁸NARA/CP; RG 466; Entry: Property Office - Restitution; Box 6; File: #257.1 - JRSO

¹²⁹Nicholas, Lynn H. The Rape of Europa: The Fate of Europe’s Treasures in the Third Reich and the Second World War 1994. New York: Alfred A. Knopf p. 434

subject to annual review and termination by OMGUS.¹³¹ This was, of course, a farce as the Military Government was in the process of closing shop in Germany. The transfer of identifiable Jewish books from the newly-designated collecting point at Wiesbaden to the JCR began on May 30, 1949.¹³² A July 22, 1949 Addendum to the February Agreement gave the JCR some wiggle room in locating owners of identifiable books. It called for the JCR "to exercise reasonable diligence" in their search and provided for a July 22, 1951 deadline for possible restitution before disposition could begin.¹³³ In all, over 250,000 books would be distributed by the JCR.¹³⁴

Following the Offenbach Depot closure in 1949 and, in accordance to the agreement with the Jewish Reconstruction Committee, 77,603 books were shipped to the JCR in Hamburg and 12,428 books were transferred to the Wiesbaden Collection Point.¹³⁵ Supervision of Wiesbaden passed from the U.S. Army to the State Department under the U.S. High Commissioner for Germany [HICOG] where book restitution continued through August 1952. At that point, all remaining books at Wiesbaden were then shipped to the State Department in Washington.¹³⁶ In 1955, the nascent Federal Republic of Germany took over what remained of the restitution process.¹³⁷

It is to be stressed that the Library of Congress received European books from sources other than Offenbach itself. Offenbach is important because much of its collection was about and/or owned by, Jews. But the Library also acquired books and periodicals from collection centers in Munich [although primarily an art collection center] and Stuttgart, as well as private book dealers.¹³⁸

¹³⁰NARA/CP; RG 260; Entry: Ardelia Hall; Box 66; File: JCR; Memo from McJunkins to Director, Office of Military Government, Hesse; February 15, 1949

¹³¹NARA/CP; RG 260; Entry: Ardelia Hall; Box 66; File: JCR; "Receipt and Agreement for Delivery of Partially Identifiable Jewish Cultural Objects"; February 25, 1949

¹³²NARA/CP; RG 260; Entry: Ardelia Hall; Box 66; File: JCR; Memo to Reparations and Restitutions Branch; "Jewish Cultural Reconstruction Inc Receipts"; July 8, 1949

¹³³NARA/CP; RG 260; Entry: Ardelia Hall; Box 66; File: JCR; "Addendum II to Memorandum of Agreement of 15 February 1949, Subject - Jewish Cultural Property"; July 22, 1949

¹³⁴Kagan and Weismann, p. 31

¹³⁵Poste, p. 296

¹³⁶Poste, p. 297

¹³⁷Poste, pp. 297-298

Overall, the Library of Congress received one million books secured from German Army and Nazi Party sources in 1946 alone!¹³⁹ By the time the Mission was terminated on September 11, 1947, an estimated 1,250,000 pieces of German military and Nazi Party materials were shipped to the Library of Congress.¹⁴⁰ Counting purchases, the Library acquired 2,500,470 items during this period. Many were duplicates and the Library started the Cooperative Acquisitions Project [CAP] which distributed copies, beginning in May 1946,¹⁴¹ to leading libraries throughout the United States. 113 libraries initially participated in the program, but half dropped out before its termination in August 1948, citing disappointment in the quality and quantity of the publications. The Library of Congress kept approximately 485,000 of these books.¹⁴² Surplus books were transferred to the United States Book Exchange,¹⁴³ an incorporated arm of the Library.

The Library of Congress needs to open their "vault" in the Hebraic Section and show the world what they have in their collections. Any and all books restitutable to private owners or their heirs must be returned. A strong case can be made for cultural restitution, i.e., the shipment of valuable artifacts to Israel, the Jewish homeland.

Obviously, it is not doing the LC any good to hide this ancient and valuable collection from the rest of the world. In fact, it is shameful.

The Library should also segregate the unidentifiable materials it received from Offenbach and the JCR into a special collection as a memorial to those who were victims of the greatest crime in the history of mankind. The decision to integrate these publications into its general collection hides a significant chapter in the Library's history, one where much good was accomplished in saving books from pulping, theft, and private sales and much bad done in taking priceless books and stashing them away.

Offenbach Inventory during Period of LCM Shipments

June 1946 OAD report:

Unidentifiables:

¹³⁸LC; European Mission-LC; Box 1; File: Acquisitions - Clearances, Shipments

¹³⁹LC; Reference Section; Annual Report, 1946; Call #Z663.A2

¹⁴⁰LC; Reference Section; Annual Report, 1947; Call #Z663.A2

¹⁴¹LC; Reference Section; Annual Report, 1948; Call #Z663.A2

¹⁴²LC; Reference Section; Annual Report, 1949; Call #Z663.A2

¹⁴³LC; European Mission-LC; Box 27; File: Mission History

Books in Hebrew Language - 43.0% - 114,800
German language books, Jewish cultural and historical subjects - 16.0% - 42,000
German language books, classical literature and scientific subjects - 8.0% - 22,600
French language - 6.4% - 17,500
Various other languages - 1.0% - 7,500
Brochures and Newspapers - 25.6% - 63,000

Total = 267,400 items

Identifiables:

Private Owners, outside France and Holland - 3,586 items
Jewish libraries (practically all in the Hebrew language) - 11,660 items
Identifiable Jewish libraries of various Eastern countries (practically all in Hebrew - 207,096 items
Total = 489,742 items

July 1946 OAD report:

Unidentifiables:

Books in the Hebrew language - 51.1% - 137,809 items
Jewish cultural and historical books in the German language - 15.0% - 49,000 items
Books in various other languages (about half on Jewish cultural and historical subjects) - 15.8% - 40,875 items
Total = 269,684

Identifiables:

Private owners, outside those of Netherlands and France - 11,416 items
Jewish libraries within Germany (practically all in the Hebrew language) - 34,500 items
Jewish libraries in Austria - 2,625 items
Jewish libraries of various Eastern countries (practically all in Hebrew) - 64,355 items
Baltic libraries - 21,000 items
German libraries - 2,108 items
Total = 406,913 items

August 31, 1946 OAD report:

Unidentifiables:

Hebrew language - 142,240 items
Jewish religious and historical in German language - 24,631 items
Other German Language Unidentifiable books - 27,088 items {NOTE: LC has most, but not all of these}
Jewish religious and historical in various languages - 24,987 items
General subjects - 75,111 items
Total = 266,969

Identifiables:

By Ex-Libris and Names - 11,416 items
Jewish Libraries within Austria - 4,228 items
Jewish libraries within Czechoslovakia - 4,163 items
Jewish libraries within Germany - 60,868 items
Jewish libraries within Poland - 4,350
Jewish libraries within Baltic States - 86,541 items
Loge B'nai B'rith of various countries - 2,812 items
Total = 174,378 items

September 30, 1946 OAD report:

Unidentifiables:

Hebrew language - 148,491 items
Jewish religious and historical in various languages - 50,721 items
General subjects - 71,809 items
Total = 271,021

Identifiables:

By Ex-Libris and names - 27,450 items
Jewish libraries within Austria - 6,426 items
Jewish libraries within Czechoslovakia - 4,168 items
Jewish libraries within Germany - 60,868 items
Jewish libraries within Poland - 4,350 items
Jewish libraries within Estonia - 91 items
Jewish libraries within Latvia - 4,439 items
Jewish libraries within Border Cities - 23,856 items
YIVO and associated libraries - 74,674 items
Total = 209,746

October 1946 OAD report:

Unidentifiables:

Hebrew language - 167,741 items
Jewish religious and historical in German language - 25,443 items
Jewish religious and historical in various languages - 24,898 items
General subjects - 74,180 items
Total = 292,666

Identifiables:

By Ex-libris, Names, and unknown library markings - 41,893
YIVO and associated libraries - 76,042 items
Jewish libraries within Austria - 6,426 items
Jewish libraries within Czechoslovakia - 4,781 items
Jewish libraries within Baltic states - 13,129 items
Total = 207,993

Countries that received restituted books from Offenbach Archival Depot¹⁴⁴

Austria - 51,305
Belgium - 5,332
Czechoslovakia - 14,587
France - 377,204
Germany [British Zone] - 10,796
Germany [U.S. Zone] - 1,380,552
Great Britain - 5,443
Greece - 8,511
Holland - 334,241
Hungary - 423
Italy - 252,068
Norway - 1,074
Poland - 34,362
Switzerland - 637
USSR - 273,645
Yugoslavia - 3,664

Special thanks to David Moore, Astrid Eckert, Erin Rodgers, and Robert Waite for their assistance.

¹⁴⁴Poste, p. 299



NARA APPROVED

[Handwritten signature]

PRESIDENT'S COMMISSION ON HOLOCAUST ASSETS

August 1999

Restitution Chronology

October 31, 1945 - The Allied Control Council unanimously approved and promulgated its Law 5 which vested in the Control Council to all German external assets, with certain exceptions stated within the text of the law. (RG 260; External Assets; Box 649; GEPC Policy).

December 21, 1945 - "The U.S. Embassy at London was instructed to present to the British Government a statement of measures which might be used to persuade the neutral governments, with whom negotiations are impending, in accordance with the Governments of France, the United Kingdom, and the United States, in agreements which would put into effect Law 5 of the Allied Control Council for Germany and the then-expected and recommendations of the Paris Conference on Reparations. It was pointed out that the use of measures constituting sanctions should be considered only if agreement could not otherwise be reached that Law 5 applies to German assets in neutral countries and that such assets should be made available for reparation purposes. In recognition of a point which it had been understood was considered troublesome by British representatives, some satisfaction of pre-war neutral claims was recognized as being consistent with application of German assets to reparation purposes. It was indicated that a variety of sanctions would be probably not necessary if a firm position were adopted at the outset, and that the decision as to the extent to which sanctions might be applied would naturally involve the taking into consideration of political and economic considerations existing at that time. It was further pointed out that agreement along these lines would merely constitute a means of implementing Law 5 of the Allied Control Council for Germany." (RG 260; External Assets; Box 649; File: GEPC Policy)

January 22, 1946 - British Government indicates disagreement with the position of the U.S., "not only in general and on principle, but with respect to almost all of the measures mentioned as possible inducements or sanctions. The interpretation is placed on Resolution I of the Paris Conference on Reparations that the means proposed by the Government of the United States are not "suitable" within the meaning of that Resolution. The memo states the unwillingness of the British Government to subordinate even such considerations as the orderly disposition of surplus military property to the objectives indicated in Law 5 and in the Final Act of the Paris Reparation Conference. This attitude minimizes to a great degree the importance of this problem. Nevertheless, the British Government, together with the Government of the United States, has insisted over a period years, that German external assets are not only a probable source of reparation but are also, unless taken out of the hands of present owners, a threat to the peace and security of the world. Recognition of the importance of the problem seemed implicit in

May 28, 1946 - The Soviet Union laid claim to all foreign assets found in Germany, interpreting the Potsdam Agreement and Allied Control Council Law 5 as meaning that these assets [including securities] fell "under the jurisdiction of the Allied Power in whose Zone of Occupation" they were located and "not under the jurisdiction of the German External Property Commission." (NARA; RG 260; U.S. Element, ACC; Box 42; Foreign Securities - Investment)

January 22, 1949 - General Lucius Clay states that "Military Government's external restitution program has been carried out by restituting to governments of countries from which property was looted, and not to individual owners. This was done on the basis of agreements by governments receiving such restituted property that they would entertain individual claims of persons resident in their countries and assume responsibility for determining the merits of these claims. It has been possible for Military Government to carry out this external restitution only because the claiming governments were willing to assume this responsibility. Military Government did not and could not undertake the responsibility of making the thousands of decisions which would have been involved were they to restitute to individual claimants.... The Military Government program for release.... of property to United Nations' owners has been limited to returning these properties which were placed under control solely by reason of absentee ownership where the title was clear and there were no conflicting claims to the property." (RG 260; Decimal Files; Box 608)


January 22, 1949 - General Lucius Clay states that "when it came to the matter of establishing an internal restitution program, it was necessary for Military Government to devise a procedure which would not put upon Military Government authorities the colossal task of passing upon the relative merits of all the thousands of cases where there were conflicting claims. To accomplish this, a procedure was very carefully worked out which would allow the disposition of a large portion of the claims received under the law by mutual agreement between the claimant and the present holder of the property. Where such mutual agreement was not possible, it was provided that the parties should have recourse to the German courts...." Appeals would be heard by a "Board of Review composed of Military Government officials." (RG 260; Decimal File; Box 608)

the reservation to the lifting of exchange controls, which was introduced by the British representative in Section 8 [ii] [c] of the recent Financial agreement, in order to preserve the position of the British Government on the possible necessity of continued controls to carry out a 'safehaven' program. Resolution I of the Paris Reparation Conference reemphasized the importance of this problem." (RG 260; External Assets; Box 649; File: GEPC Policy)

February 5, 1946 - The U.S. expresses "its deep concern" to the British in regard to Law 5 of the Final Act of the Paris Reparation Conference. (RG 260; External Assets; Box 649; File: GEPC Policy)

February 5, 1946 - Aide Memoire states that at the Paris Conference on Reparations, distribution of German external assets was made to the claimant countries participating therein. Included among the German external assets specifically so distributed were German assets in neutral countries. Article 6, paragraph C of the reparation agreement thus provided that "German assets in those countries which remained neutral in the war against Germany shall be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America..." Resolution I, unanimously agreed upon by the Conference, provided: The Conference unanimously resolves that the countries which remained neutral in the war against Germany should be prevailed upon by all suitable means to recognize the reasons of justice and of international security policy which motivate the powers exercising supreme authority in Germany and the other powers participating in this Conference in their efforts to extirpate the German holdings in the neutral countries." (RG 260; External Assets; Box 649; File: GEPC Policy)

1946
February 5, 1956 - The U.S. Government "feels that negotiations with the Swiss Government must begin shortly, and with the Governments of Sweden, Spain, and Portugal soon thereafter." (RG 260; External Assets; Box 649; File: GEPC Policy)



~~January 22, 1949 - General Lucius Clay states that "Military Government's external restitution program has been carried out by restituting to governments of countries from which property was looted, and not to individual owners. This was done on the basis of agreements by governments receiving such restituted property that they would entertain individual claims of persons resident in their countries and assume responsibility for determining the merits of these claims. It has been possible for Military Government to carry out this external restitution only because the claiming governments were willing to assume this responsibility. Military Government did not and could not undertake the responsibility of making the thousands of decisions which would have been involved were they to restitute to individual claimants.... The Military Government program for release of property to United Nations' owners has been limited to returning these properties which were placed under control solely by reason of absentee ownership where the title was clear and there were no conflicting claims to the property." (RG 260; Decimal Files; Box 608)~~

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SECURITIES ADDENDUM

[add to p. 22 of First Comprehensive Draft]

Austrian Securities

The question of Austrian securities also arose in February 1946. It is estimated that there were 354.6 million Reichsmarks worth of Jewish securities in pre-Anschluß Austria. Austrian Jews were then forced to sell their securities in Vienna at very low prices. These securities were then traded on the open market in Vienna and the subsequent proceeds sent to Berlin. Following the war, it was estimated that 37% of restitutable Austrian securities were unclaimed, compared to the 50% unclaimed restitutable securities in the U.S. Zone of Germany,⁵⁸ an indication of the magnitude of the Holocaust, especially in light of the lack of any heirs left in many of these cases.

The headquarters of U.S. Forces in Austria (USFA) was anxious to release securities housed in the FED, which they considered to be of "vital importance" to the Austrians, contending that securities of the former Wertpapiersammelbank (a clearinghouse for depositing securities whose only participants were Viennese banks, largely Jewish-owned),⁵⁹ now the National Bank of Vienna, were shipped to Regensburg, Germany prior to the liberation of Vienna. Their presence in Germany, according to USFA, was therefore accidental.

⁵⁸ NARA/CP; RG 59; Lot File #58D223; Box 8; File #586; "Report On Jewish Heirless Assets In Austria"; circa December 1952

⁵⁹ NARA/CP; RG 260; Entry: USACA Decimal Files; Box 10; File #102.1 - Financial Accounting - Currency Conversion; Cable CC-23473; March 8, 1946

[next paragraph, the final paragraph on Austrian securities, remains the same]

The stock exchange was never looked upon with much favor by the Nazi Government in Germany.(1) During the war especially, there was little activity, due to governmental restrictions and the lack of sellers.(2)

(1) NARA/CP; RG 319; Entry 82A; Box 141; File: Handbook - SHAEF; "Military Government, Germany: Financial and Property Control Technical Manual"; March 21, 1945; p. 16

(2) Ibid

NARA/CP; RG 165; Entry 27 [UD]; Box 3; File: ~~Hartge~~ *HENT/alt*

Law 53 directed Germans to deposit their securities at "the nearest branch of the Reichsbank" if their ownership or indebtedness was issued by persons outside of Germany or persons in Germany if expressed in a currency other than German currency.(3)

(3) same as (1) except pp. 87-88

Bearer Securities:

According to Military Government Law 59, bearer securities were not subject to restitution if the present holder proves that, at the time he acquired the security, he neither knew nor should have known under the circumstances that the security had been confiscated at any time. Unless special circumstances indicate otherwise, good faith shall be presumed... if such property was acquired in the course of ordinary and usual business transactions, especially in the stock exchange, and if the transaction did not involve a dominant participation."(4)

(4) NARA/CP; RG 84; Entry 2108 - Brussels; Box 132; File #711.3; "Military Government - Germany, United States Area of Control, Law No. 59, Restitution of Identifiable Property"; January 28, 1948



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JEWELRY ADDENDUM

Negotiations with the Degussa Smelting firm were first undertaken by the PCIRO during June 1947 when it appeared that quantities of the jewelry received from the U.S. Army under the Paris Reparations Agreement could not be sold in their original forms.

PCIRO signed a contract with Degussa in the Precious Metals Office of OMGUS in the presence of its representative, Col. Fruitman. The contract called for PCIRO to receive smelted gold in return for payment in Reichsmarks and also for Degussa to receive 5% of the precious metals resulting from the refining process.

In July 1947, the first delivery of jewelry was made from PCIRO to Degussa. When the smelted gold "was returned, it became apparent to both OMGUS and the PCIRO that the portion of metal being retained by Degussa was excessive and probably outside the legal limits of Public Law 53."

(NARA/CP; RG 260; Box 94; File: IRO; Statement of David L. Rolbein to U.S. Army to Criminal Investigation Division [CID]; December 3, 1947)

D. Fruitman

Proton C. Rolbein

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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, X
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 423), 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.

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.

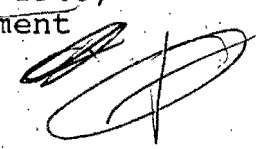
records.

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

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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).



checkpoints, security guards, and supervisors.¹³

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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).

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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 G. 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).

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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). ✱

NO VALUATIONS LISTED

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

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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),

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 165) file International Bank for Reconstruction and Finance; (box 400), file 910.92 Reports-Daily Jnl 1948.

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 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

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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. *(NO)*

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.

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.

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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.

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.

+ 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.

- + 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

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.

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

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.

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

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

(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.

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



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APPROVED NARA