

US Team
 Independent Commission of Experts
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Analysis of selected economic and financial documents at NARA II

Expanded analysis, based on Record Group 84:

“Foreign Service Posts of the Department of State”

Introduction

The documents examined thus far at the National Archives at College Park (NARA II) reveal that American diplomats in Switzerland in 1942-45 were acutely interested in the issue of flight capital and in Swiss-German banking contacts in general. However, their findings were based predominantly on circumstantial evidence and innuendo, and many questions were left unanswered, primarily because of the haphazard manner in which information reached them. In a few cases, however, documents have in fact been uncovered that reveal impressive detail about individual transactions, holdings, and contacts. It is hoped that by combining the sometimes inconclusive data collected by the American diplomats of the 1940s with materials from Swiss banks’ own archives, the Commission will be able to follow up on many of the leads the diplomats were unable to act upon.

Records originally reviewed

In compiling the original Notice de Recherche in September, a variety of source material from the American Legation in Bern and the American Consulates and Consulates-General was reviewed. Several other entries at the archives that came to light as a result of the original research have also been reviewed, including some records of the American Embassy at Vichy, France, and a number of specific Safehaven Names files. These various sources are briefly summarized below. A listing of the additional records reviewed for the expanded Notice de Recherche follows.

1. American Consulate at Basel, Confidential File 1938-49, Entry 3228.

As the closest American representation to the German border, this “listening post” gathered significant information about Germans and nationals of other occupied countries (such as the General Manager of the National Bank of Bulgaria) entering via Basel en route to meet with Swiss bankers. Furthermore, the Consul, Walter Sholes, seems to have maintained very close ties with a number of important Swiss banks, particularly SBC and Dreyfus Söhne & Co. (both based in Basel). The Swiss Bankers Association is also based in that city, and proved from time to time to be a significant source of information to the Americans. These boxes (5-8, 10) variously contain references to: *Fluchtkapital* on its way to Argentina via Switzerland as early as 1942; requests from the State Department for details on particular German, Italian and Swiss banks (perhaps suggesting which banks were most suspected of acting against Allied interests); Swiss-Italian gold traffic; attempts by prominent Nazis to sell gold on the



Swiss market, and the alleged role therein play by the Bank für Anlagewerte, Zürich; the issues raised by various Reichsbank directors during their visits to Switzerland; sales of gold (partly acquired from the Reichsbank?) to various private Swiss banks in an effort to reduce the money supply; manipulations of the currency and gold markets by taking advantage of Switzerland's role as the "honest, neutral broker"; alleged attempts by a fiduciary of the Swiss National Bank to sell gold to Italy with a valid license but also with the complicity of bribed Swiss customs officials in order to get "tainted" gold bought from the Reichsbank out of Switzerland; SBC's personnel changes in order to facilitate mark transactions in 1944 at its Kreuzlingen branch near Konstanz; the maintaining of large balances by the Japanese government in accounts at SBC Basel; attempts by Swiss banks to sell shares of I.G. Farben, Deutsches Reich Young Loan bonds, etc.; significant traffic in suspect funds between Swiss banks and Portuguese banks; attempts by German banks (such as the Deutsche Bank) to sell in Switzerland German-owned Swiss bonds held in Germany, in order to increase their Swiss Franc balances in Switzerland; attempts by Reichsbank directors von Wedel and Wolf in autumn 1944 to facilitate the placement of German banks' assets in Switzerland, as well as their subsequent concealing; Swiss banks that hesitated to sign on to "Convention L", which as a result of Allied pressure placed restriction on foreign securities trading; information on stolen artworks; the total value of German-owned funds in Basel in January 1945 (SFR 115 million), placed there using information supplied by the Credit Suisse bookkeeper H.A. Dörflinger; and a denial, dated July 9, 1945, by the Swiss Bankers Association of having accepted considerable German sums under the protection of Switzerland's bank secrecy laws.

2. American Legation at Bern, Safehaven Subject Files 1942-49, Entry 3221.
The boxes reviewed (3 and 5) contain some interesting information on: individuals covering German capital in Switzerland; German capital flight to Switzerland; German credits in Swiss and other foreign banks; very detailed and valuable information compiled by the Foreign Economic Administration on "objectionable" activities by Swiss banks, above all Credit Suisse and UBS; a published list of German dummy firms in Switzerland that had been compiled by the US Treasury department; and reports about the German sanatoria at Davos, most notably their roll as a haven for flight capital. It should be noted that these boxes tend to be "hit-or-miss"; many folders with initially-compelling titles prove to have very little information of interest.
3. American Legation at Bern, Safehaven Names Files 1942-49, Entry 3222.
Box 71 was reviewed for information on Pedasa S.A., a Panamanian corporation registered at Geneva and owned by Michel (Mikhail) Olian (Oliander), a Latvian-Russian-Jewish émigré from Paris who resided in that canton. See below for more details.
4. American Embassy at Vichy, Classified General Records 1940-42, Entry 2489.
Among others, boxes 19, 11 and 3 were briefly reviewed, as were a number of the (unclassified) General Records of this embassy, in connection with the researching of Pedasa S.A., whose owner, Michel Olian, played a significant role in helping Swiss firms to get assets out of France after they had been frozen following the German occupation. Olian, who resided at Geneva throughout the war and who maintained close ties with important Swiss politicians from that canton, was also implicated as a director of the "Franco-German-American Bank," the Société de Crédit Intercontinentale, which was founded in 1942.
5. American Legation at Bern, Classified General Records 1940-52, Entry 3208.
The box reviewed (no. 79) contains information on gold sales in 1949. This information may

ultimately be important for the Commission's final report, since it provides insight into how gold left Switzerland in the years after the war, but it does not address banking issues during the war.

Records reviewed for this expanded version

Most of the additional bulk of this report is the result of a detailed study of Hentsch Bank, based predominantly on records from the Safehaven Names files. Other records were also reviewed, as indicated.

1. Safehaven Name Files 1942 – 49 (Entry 3222), Box 37, “He – Hi” (Hentsch files)
2. Classified General records 1940-52 (Entry 3208), American Legation Bern Confidential File 1940-49, Box 13 (Not completed in original Notice de Recherche, now done), Box 23.
3. General Records, US Legation Bern 1936-46, 1949-52 (Entry 3207), Box 79: 1942: 851.2 – 860.7 (contains Banks)

Documents forwarded

1. Report: “Objectionable Activities by Two Leading Swiss Banks During 1944.” (Folder “FEA Requests”, 350/68/26/03, Box 3, Entry 3221, RG 84) Contains a transaction-by-transaction accounting of certain dealings that aroused the suspicions of the Foreign Economic Administration. It focuses on UBS and Credit Suisse.
2. Confidential letter to the Secretary of State from Walter H. Sholes, Consul at Basel, re: “Secret Funds in the United States and Switzerland: A Résumé.” (350/68/32/3, Box 10, Entry 3228, RG 84). This report from January 1945 details the estimated value of German-owned accounts at Basel, bank by bank. The total is SFR 114,500,000.
3. Report: “List of Enemy Assets in Neutral Countries Gathered from Various Files of the Ministry of Economic Warfare.” (Folder “Flight of German Capital”, 350/68/26/06, Box 3, RG 84) Enclosure to a letter of April 3, 1945.
4. Memorandum from the Finance Division of OMGUS on March 11, 1947 re: “German Credits in Foreign Banks.” (Folder: “German Credits in Foreign Banks”, 350/68/26/06, Box 3, Entry 3221, RG 84) Lists holdings of the Aussenhandel-Finanzierungs-Gesellschaft of Berlin, which had camouflaged assets of the Commerzbank at various banks, including the Eidgenössische Bank of Zürich.
5. Report of the Strategic Services Unit, War Department, 18 April 1946, re: “Activities of the Brunner Group in Switzerland.” (Folder: 820.02 A-F, 350/68/20/01, Box 23, RG 84) Documents various Swiss business executives in Zürich who were playing important roles in the management of German assets following the war, and who were believed to be “already working hard for the rehabilitation of Germany.” Details the various dummy and real firms on whose boards of directors these Swiss served. Addresses work of Nationalrat Bircher and cooperation of Nationalrat Duttweiler in this regard. The nature of these individuals’ work in cloaking German assets, as opposed to attempting to organize humanitarian and other assistance for Germany, seems unclear from this document. Also of potential interest to the Industry team.

Notes on the summaries

The document summaries that follow contain either paraphrases or verbatim citation of the documents of interest. Even within quotation marks, however, there are from time to time minor variations from what is literally written in the documents. These are limited to: in most cases abbreviating Swiss francs (Frs., etc.) as SFR, and abbreviating bank names where they may have appeared in full in the text (for example, UBS, SBC, SNB). Please also note that in the review of certain boxes, folders that were examined that were not of interest are marked “N/A” (not applicable).

At the beginning of the summary of each document, its type, author, recipient (if any), date, subject (“re:”, or “in reference to”) and other significant information are listed. Certain persons whose names occur very frequently are listed only by their last name. These are: Warren M. Chase, Esq., Secretary of Legation, American Legation, Bern; Allen Dulles, OSS representative attached to the Legation in Bern (succeeded by Robert P. Joyce); R.B. Dummett, assistant to British Commercial Secretary Sullivan at Bern; Howard Elting Jr., American Consul at Geneva by 1945; Ralph C. Getsinger, Secretary of American Legation, Bern; Leland Harrison, American Minister at the US Legation, Bern; Phil H. Hubbard, American Consul at Zürich in 1945; J. Klahr Huddle (J.K.H.), Chargé d’Affaires ad interim (in 1945) and Counselor of Legation, American Legation, Bern; Robert P. Joyce, OSS representative attached to the Legation in Bern (succeeds Allen Dulles); John A. Lehrs, American Vice Consul, Basel; J. Garnett Lomax, Esq., British Commercial Counselor, British Legation, Bern; John H. Madonne, Consul of the US at Bern; Roswell D. McClelland, Special Assistant to the Minister, Bern; Walter H. Ostrow, Representative of the Treasury Department at the American Legation, Bern; J.H.B.M. Pyke, British Consul-General, Basel; Lee D. Randall, Secretary of US Legation Bern; Daniel J. Reagan, Commercial Attaché at the US Legation, Bern; Walter H. Sholes, American Consul at Basel; Paul C. Squire, American Consul (later Consul General) at Geneva; William J. Sullivan, Commercial Secretary, British Legation, Bern; and Sam E. Woods, Consul General at Zürich. A few documents were signed only with the initials of the author; in those cases where the full name is known, it is supplied.

As one might imagine, numerous documents contained spelling errors, and in a few cases handwritten corrections were made on the documents to various figures and statements. These have generally been noted in the summaries, either in the former case with “(sic)”, or in the latter with a note in brackets ([...]). Although every effort has been made to eliminate typographical and other errors made in entering this information into the summaries, in case of doubt kindly assume that the error is in the summary only, and not in the original document.

Because of the volume of materials examined, only these summaries and a few selected documents are being forwarded to Bern. However, most documents cited have been reproduced, and will be forwarded upon request.

Conclusions

As is apparent from the above summaries, much of the information contained in Record Group 84 pertaining to financial and economic matters in Switzerland was based on reports gathered from confidential sources, some of which were not fully trusted at the time. It is hoped that much of the information contained in these summaries will be able to be corroborated at the archives of the Swiss institutions concerned. Clearly, however, the records held at the National Archives provide valuable insights, and this research should be continued.

Confidential File, American Consulate Basel, 1938-49 (Entry 3228)

RG 84, 350/68/32/01

Box 5

Copies of all relevant documents in this box have been given to Petra Barthelmess.

Box 6, 1943: 801.2 - 891

851.6: Banks

1. Strictly confidential letter from Sholes to Harrison, American Minister Bern, 12 Apr 1943. re: interest of President of SNB in keeping National Bank affairs divided from those of the private banks, since the latter were tainted by close contact with the Axis.
 “Reports reaching here from Zürich seem to indicate that Mr. Ernst WEBER, President of the National Bank of Switzerland, is much concerned over Mr. Albert Nussbaumer’s [a General Manager of SBC] ambitious and presentday (sic) activities, particularly concerning the latter’s efforts to have himself sent to Washington by the Bern Government, on business of a more or less undisclosed nature. The subject has, it seems, taken on such importance as to have resulted in important meetings at Zürich and Bern recently between government officials and private bankers, in which both President Weber and Bundesrat Wetter figured conspicuously. The former during these conversation was, I am told, quick to emphasize the great importance of keeping National Bank affairs and private bank affairs widely separated these days. He advanced two important reasons, namely, the existing important business relations between Swiss private banks and the Axis Powers which have been the source of some embarrassment in Zürich and, secondly, the very considerable secret accounts in these private banks with the nationals of various countries. He feared these relationships might easily involve his institution and lead to trouble.
 “In these circumstances, President Weber has urged upon Bundesrat Wetter the importance of restricting Mr. Nussbaumer’s activities in the United States to private banking. Bundesrat Wetter, it appears, has now fully concurred.
 “As a result, Mr. Pfenninger’s American mission will be restricted to National Bank affairs – he is a National Bank man – while that of Mr. Nussbaumer, should he proceed to the United States limited to those of his own bank, namely, the Swiss Bank Corporation, during his stay in Washington.
 “As previously pointed out in these letters, Mr. Nussbaumer is a very able and ambitious man, who has spent most of his time in recent years in Italy and London. At the national Bank in Zürich and in Government circles in Bern, they look upon him with cold eyes generally.”
2. Confidential letter from Sholes to Reagan, Financial attaché, American Legation Bern, 30 April 1943. re: names of leading directors and executives of 5 German banks. This information was supplied in response to a telegraphed request from the Department of State in Washington. The five banks were the Commerzbank, the Deutsche Bank, the Bank der

Deutschen Arbeit, the Bank der Deutschen Luftfahrt, Berlin, and the Dresdner Bank.

Regarding the Bank der Deutschen Arbeit, no names are given [but are in fact supplied in later letter, of 2 June 1943], but the following remark is offered: This bank was taken over in 1933 when the Nazis obtained power. It was formerly known as the Bank der Arbeiter, Angestellten und Beamten, organized by the Social Democratic Government. Its directors and executives may, therefore, also be considered hand-picked Nazis from top to bottom.”

Re: the Bank der Deutschen Luftfahrt, Berlin, likewise no names are given, but the remark is offered: “This bank was organized on or about 1940 – 41 by the Regime. There is a branch at Paris. the directors and executives of this bank were hand-picked by the Regime at the time and, therefore, must be listed as pro-Nazi from top to bottom. This bank is known to be active in France, where it has credits and participations in French industry.”

3. Confidential note of 29 April 1942, No: 35,900, Source: Adams. re: sale of Italian Lire by the Argentine Consul at Geneva to Swiss banks, perhaps to Julius Bär and Company, Zürich (the leading trader in Lire in the country), in the amount of Lire 5,000,000 during April. SFR 300,000 was transferred by the Consul to the national Bank of Argentina at Buenos Aires. The informant “suspects the funds now being transferred to Buenos Aires are for German accounts.” By this time, the market in Switzerland for Reichsmarks was no longer active, though the market for Lire remained lively. [Confidential note of May 13, 1943, source B, From: 22,600 says that the banks involved in the financial transactions discussed above were the SBC and the Credit Suisse at Geneva. Continues: “The total turnover in Italian lire of late has slackened very considerably, amounting to not more than 100,000 to 200,000 daily, according to informant.”
4. Confidential report from: 31,800, source: B, 4 May 1943. re: visits of German bank directors to Zürich. “According to an absolutely reliable bank official, Herr Puhl of the Reichsbank, Herr Goertz of the Dresdner Bank and Herr Abs [who was previously described by Sholes’s sources “as the most outstanding and trustworthy figure from our point of view in the German financial world today” – see letter of 20 May 1943 from Sholes to Reagan] were in Zürich last week. He had occasion to meet them and discuss postwar financial reconstruction.” They generally viewed the Keynes Plan favorably, and were waiting to see the White Plan. “Dr. Puhl is quoted as feeling that the English proposals [Keynes] may seem to anticipate being able to effect rather more than is possible under the conditions which may be expected.”
5. Cross reference of letter (to File 800-I Confidential) from Sholes to American Legation Bern of 11 May 1943 re: “General Piccio [of Italy] placing his fortune in security in Switzerland and ‘flight of capital’ from Axis countries.”
6. Voluntary confidential report of Sholes to the American Legation, Bern, of 28 May 1943. re: Secret accounts in Swiss Banks.
Sholes quotes at length Maurice Golay, president of SBC. Sholes asserts that it is known that secret accounts are held at at least two banks in Basel, namely Credit Suisse and the Kantonal Bank. Golay suggests in concluding his letter to Sholes that a “competent personality be sent from Washington to Switzerland, after the concurrence of the Bern

political Department has been obtained, to see the Swiss situation for himself and to enter into contact with Swiss banking, commercial and industrial circles.” (wording is Sholes’s).

7. Strictly Confidential Report from: 76,660, source: Frede (A1), 14 July 1943. re: closing of Turkish Embassy at Berlin’s account with the SBC Zurich branch. “The Turkish Embassy at Berlin, which for years has maintained a good sized account with the Swiss Bank Corporation’s branch at Zurich, early this month closed its account. This action has caused no little speculation in Swiss political and financial circles, as the Bank’s relations with the Turkish Mission have always been of the best; moreover, the account, which had been opened in the names of the Turkish Ambassador and some eight officers of his Mission, has, so far as known, not been transferred to another bank in Switzerland.” [In Classified General records 1940-52 (Entry 3208) (American Legation Bern Confidential File 1940-49) RG 84, 350/68/20/01, this same note is followed by a Secret Report from: 1553, Source Willy B2, 5 Nov 1943, which reports that Société de Banques Suisses, which previously had received monthly instructions from Ankara “to pay salaries, etcetera, to all Turkish Foreign Service officers and employees in Germany and in all the occupied countries” had received on November 4 instructions “to pay the salaries of this personnel, three months in advance; and to distribute to all Turkish Foreign Service officers in Switzerland huge sums in bank notes. It is understood that these large amounts in cash are being forwarded this morning to the Turkish officers concerned, by registered post. The amounts are not divulged.... “There follows the supposition that Turkey is preparing to declare war and is assuring three months’ salary in the pockets of its representatives and is furnishing Turkish officials in Switzerland with large sums for relief and transportation to numbers of Turks who may proceed by this country.”]
8. Confidential report from: 61,300, Source: B2, 19 July 1943, re: Bank für Anlagewerte Zürich (allegedly a subsidiary of SBC) offering huge parcels of gold (mostly Napoleons) on the Swiss market. “It is believed in well-informed quarters that the Zürich institution is acting for Herr Feld Marshall Goering and his nazi friends, who have succeeded in accumulating large sums in gold in Budapest, Bucharest and even in Rome, which they wish to dispose of against Swiss francs. It is understood that the Zurich bank is only accepting large orders. “Black market prices involving huge profits for the Germans and big commissions for the bank seem to mark the transactions to date.”
9. Confidential report from: 33,092, Source: Frede, 22 July 1943, re: visit of Reichsbank directors Wedel and Wolf to Switzerland. “They are trying to raise a loan of SFR 8,000,000 to meet engagements coming due shortly in this country. “The Germans are offering American bonds ‘purchased’ by them in Holland as collateral. it appears the Germans have obtained large parcels of American securities during the occupation. The Dutch banks had first issued certificates of their own against these American bonds, etc., but it appears the German authorities have since found the original (American [handwritten]) certificates in Holland. At least, this is what Swiss bankers believe. “The Germans have thus far failed to approach the Swiss Bank Corporation in the premises.” [From Confidential report from: 86,340, Source: A, 8 September 1943: “German bankers referred to left Switzerland with empty hands insofar as Swiss banks here are concerned. They were refused a loan of SFR 1,800,000 by the SBC, Basel.”]

10. Confidential report from: 28,409, Source: B2, 21 July 1943. Refers to No. 61,300, listed as #8 above. Re: Bank für Anlagewerte, Zürich.
- “The Bank für Anlagewerte, Zurich, is not connected in any way with the Swiss Bank Corporation, Basel, according to one of the general managers of this leading Swiss bank. The dominating influence in this Zurich institution is the Fran[c]k Coffee and Chicory group, (PL [Proclaimed List]),* [* = Refers to German owners of Kaiser’s Kaffee-Geschäft.] about whose German connections there can be no doubt.
- “The Bank für Anlagewerte mentioned is headed by Mr. Matthias Ehinger-Alioth of Basel, who is also president of Ehinger & Cie., a private Basel bank.
- “It is known that considerable sums of gold in the form of Gulden ‘Napoleons’ and in bars have arrived in Constantinople recently from the Balkans, believed to represent deals closed with the Zurich banking house mentioned.
- “It remains to report that the gold bars involved failed to bear German markings.”
11. Confidential report from: 64,200, Source: B2 (Frede), 22 July 1943. Refers to No. 61,300, listed as #8 above. Re: Bank für Anlagewerte, Zürich and German gold sales.
- “The following additional information has been obtained concerning the activities of the Bank für Anlagewerte, Zürich, which now admits selling gold for German account:
- “1. The gold is German-owned. (It has unfortunately not been possible for the Consulate at the present time to identify the actual owners.)
- “2. The gold has been offered in Lisbon, Madrid, in the Balkans, Turkey and elsewhere.
- “3. Sales have already been effected, although Mr. Claus Vogel, vice chairman of the company at first denied that any operation had been completed.”
4. British Consulate Zürich may have known of this issue, as well.
- “5. It may interest our authorities to know that the bank in question is controlled by the ‘Inga’ (International Nahrungs and Genussmittel Aktiengesellschaft, Schaffhausen. ‘Inga’ itself is owned by the Franck group. Mr. Johann Heinrich Franck, a German, has been living in Switzerland for years and ‘has made all arrangements so that at his death no part of his fortune will go back to German.’” (sic applies to entire paragraph)
6. previously German interests owned a number of Inga shares, but were bought up by Franck at start of war against sale by Inga of their German participations.
7. Inga is “today” purely a Swiss company, so recognized by Office Suisse de Compensation.
8. Bank für Anlagewerte, in financial statement for year ended 31 Dec 1942, shows capital of 5,000,000 reserves of SFR 2,619,075, and assets and liabilities of SFR 33,822,301.
- “9. Richard S. Guinness of London, said to be a close friend of Mr. Winston Churchill and Oliver Littleton, is a member of the Board.”
12. Confidential report from: 81,345, Source: B3, 17 August 1943. Refers to Reports Nos. 28,123 of May 11, 1943 and 61,300 of 19 July 1943, i.e. #8 above. Re: fall in gold price in Switzerland from 52 – 53 on 1 August 1943 to 41 on 17 August. Official price is 30.5. Speculation that this was a result of an attempt by SNB to break the black market for gold by selling one million Napoleons at 30.5 to Swiss banks, at least one of which (UBS-Geneva) made them available at the official price to private account holders under certain conditions. The Napoleons had originated in France and “represented a clearing balance form a third unnamed country. No French or Swiss napoleons seem to be among this lot.” Gold will

thereafter have to be registered and must remain in Switzerland.

“Attention is invited to the report 28,123 of May 11, in which the activities of General Piccio of the Italian Armistice Commission in France and Signor Modiano were mentioned. The latter is known to have made considerable gold purchases here at the time, and it is not, of course, excluded that both men made purchases elsewhere in Switzerland.”

13. Confidential report from: 61,301, Source: A1, 23 August 1943. Refers to nos. 81,345 of 17 August 1943 and 61,300 of 18 August 1943. Re: principal reason for gold sale by SNB is to decrease note circulation. “It is known, for instance, that the vaults of the Swiss banks are full of money for which there appears no safe outlets. As a result, banks like the SBC, Credit Suisse and UBS to mention a few, are buying “registered gold” from the National Bank with their idle money. This serves to spare the National Bank’s printing presses at a time when it is the policy of the latter not to increase its note circulation
 “On the other hand, at least one Swiss bank, the Commercial Bank of Bale, chose to decrease its capital recently owing to the absence of safe and profitable outlets for its funds.
 [CORRECTION contained in Report no 10,111, source B2, 27 August 1943: delete this paragraph and write “On the other hand, the fact that the Commercial Bank of Bale some years ago decreased its capital has made unnecessary such purchases.”]
 “An examination is now being made into reports current here that certain banks, including SBC, the largest Swiss bank and Roth and David, private bankers at Basel, are selling gold at black market prices and at the same time furnishing buyers with export permits.”
14. Confidential report from: 31,222, source: B2, 24 August 1943, Refers to No. 81,345 of 17 August 1943. Re: sale of 40,000 gold Napoleons at 30.5 by SNB (Banque Federale, Geneva) to “Mexican Consul at Geneva”, a “René de Werra”.
 “From the same source it was learned that the ‘Roumanian Minister’ at Berne is also interested in selling gold on the black market in amounts of SFR 100,000 at a time. The manager of the Credit Suisse at Berne seems to be active for the Minister in question and has already offered this gold to one or more agents here in Basel.”
15. Confidential letter from Sholes to Reagan, Commercial Attaché, US Legation, Bern, 21 Sept 1943. Re: 3 Italian banks being investigated by Dept. of Treasury, for which lists of directors are supplied. The banks are Banca Commerciale Italiana, Milan; Credito Italiano, Genoa; and Banco di Roma, Rome.
16. Confidential letter from Sholes to Harrison, American Minister, US Legation, Bern, 23 September 1943. Re: presence in Switzerland of Mr. Tochef, General Manager of the National Bank of Bulgaria, Sofia, who was en route to Vichy as part of a special mission.
 “When last in this country [eight months earlier], he was in the market for the purchase of 200,000,000 Rumanian Lei, equal to approximately SFR 2,000,000, which he was endeavoring to buy on the ‘black market’ at a cheap rate. It is known that Mr. Tochef had some negotiations at the Zürich branch of the Banque Commerciale de Bâle on the subject; the results of his negotiations, however, remain unknown here.”
17. Confidential Report from Sholes, 20 October 1943. Re: drop in the value of the French franc from 2.3 to 1.5-1.6 as a result of manipulation of money market by trade in “Rumanian

Occupation marks, in Gold, et cetera.” The occupation marks are imported to Switzerland (the “honest, neutral broker”) from Rumania, and then are sent on to Paris “where German agents are facilitating the business. Huge profits, it would seem, are being made by the initiated as a result.

Discussion of trade in gold follows. “When operations are effected in gold, the profits seem to be even greater.” Napoleons are bought at the black market price in Switzerland of SFR 40, then exported to Rumania, where they fetch SFR 67, whereupon the 67 SFR yields 670 occupation marks. (Since in Paris 100 occupation marks are worth 2,000 FF, and since the rate in Switzerland for FF is 1.6, the deal yields SFR 32 in Paris.) 670 occupation marks sold at Paris at 32 makes 214.14 SFR. Therefore, for capital of SFR 40, the “manipulator gets 214.14.”

Box 7

Copies of all relevant documents in this box have been given to Petra Barthelmess.

Box 8, 1944: 800H – 867.4

851.51: Border traffic in gold pieces

1. Letter from Daniel Reagan, Commercial Attaché, American Legation Bern, to Walter Sholes, US Consul General, Basel, dated 4 Oct 1944. Re: a conversation that Sholes had had with a Mr. Husted in Basel regarding Swiss-Italian border traffic in “gold pieces”. Reagan concludes that the traffic has apparently been discontinued. He encloses a memo dated 30 June.
2. Report entitled “Giraud’s inquest on authorised exportation of gold pieces from Switzerland to Italy.” dated 30 June 1944. Begins: “For a month exchanges of Latin gold pieces (especially Belgian and French, Swiss excluded) with Italian Lire have been going on with the complicity of Swiss customs officials.
 “A fiduciary of the National Bank had obtained a license for the exportation of 30.000 gold pieces [Handwritten note: what denomination?] to Italy.
 “He himself entrusted three stock-brokers in Chiasso (or rather two in Chiasso and one in Lugano) (if you are interested in the names we can communicate them [no further reference to these in the file]) with the task of exporting these gold pieces, and had given each of them a concession for 10.000 gold pieces, to be exported in groups of 50 each.
 “The gold pieces were levied with all customs, exportation and even luxury taxes, then the small bag which contained them was plumbed by Swiss customs officials.
 “The grantee, accompanied by a Swiss customs guard, then went to the net and the exchange took place. Gold when out of Switzerland and paper came in from Italy.
 “Exactly 8.000 lire for each gold piece.
 “As a consequence of the grantees’ lack of discretion, who realised a benefit going from a minimum of 5 Frcs. to 14 Frcs. per gold piece, according to the rate of exchange, this operation became known and as much as 57 applications or exportation licenses reached the Customs management in Bern. At this point the authorities revoked granted licenses, and not only refuse to grant new ones, but also to prolong those already granted. Therefore

exportation stopped on Saturday.

“According to not controlled (sic) information, it seems that exchanges of the same nature are going on with France at the frontier near Geneva.

“The first question is the following:

“How does it happen that Switzerland, who does not permit exportation of bank notes, even in small quantities, authorises the exportation of gold pieces?

“Could it be possible that Switzerland has accepted from Germany, as payment for material delivered during the last years, gold pieces coming from French and Belgian banks, and that she is now trying to get rid of them, in the fear that the Allies may declare them war booty or, worse still, may hold countries possess these gold pieces as guilty of having cooperated with the enemy.

“But in this case double damage would have been suffered (sic) by the Allies: First Germany would have been provided with arms, and now with gold, in exchange of paper she prints easily and at her good will, as she controls the Italian mint.”

Last paragraph not quoted/not of interest.

3. Letter from Sholes to Leland Harrison, American Minister, Bern, dated 4 Oct 1944. Sholes refers to the enclosure of 30 Jun 1944 cited above, noting that he had previously reported on May 15 and June 21 that the Swiss National Bank had stipulated that “gold for export must or may be ‘exported through diplomatic channels and declared at the frontier’. I was subsequently able to furnish the Legation with a sample gold export permit as in use at the Swiss National Bank.”
4. Confidential Report from 59,370, Source Frede, date Oct 30 1944. “Switzerland, it seems, is not only one of the Reich’s foremost suppliers of foreign exchange, as indicated in previous reports, but apparently of other Axis countries also, as revealed to some extent by the fact that the Japanese are evidently maintaining large Swiss franc balances in this country.” Continues that a “sizeable account” is maintained by the Japanese mission at Ankara, Turkey at SBC – Basel. “According to a Swiss banker believed entirely reliable in this matter, the Ankara Mission recently instructed the Swiss Bank Corporation to transfer three hundred thousand Swiss francs to the account of the Japanese Mission at Bern. The Basel bank hesitated to carry out its client’s instructions and, therefore, referred the matter to the Political Department, Bern. The Political Department in reply immediately informed the Basel bank that everything was in order, that the sum involved was a payment due the Swiss Government from Japan in its capacity as the Protecting Power for Japanese interests abroad. It is known, for example, that the Japanese Embassy, Berlin, is also a client of the Swiss Bank Corporation and carries large Swiss franc balances in this country.” Last paragraph not cited.
5. Letter from Sholes (Consul at Basel) to Leland Harrison, American Minister, Bern, dated 9 Feb 1944, re: Effects of developments in Russia and Italy on German currency in Switzerland
Rate for 100 German Mark notes fell from SFR 13.50 on 1 Jan 44 to SFR 8 on 9 Feb. Huge influx of Marks from Hungary and elsewhere in southeastern Europe; parcels with 1/2 to 1 million Marks arrived regularly from Budapest through diplomatic channels; these obviously had an effect on the exchange rate. Credit Suisse in Basel “Particularly the Spalenberg

branch” was “especially active” in mark transactions.

The transfer “some months ago” of the Spalenberg branch manager, Edwin Witzig, to Kreuzlingen on the Bodensee was seen as significant. As a “veteran employee of the Crédit Suisse with procuratory powers to sign for that bank,” he “appears to outrank his new post.” “Kreuzlingen is situated a stone’s throw from the ‘Insel Hôtel’, which is on German territory at Konstanz and consequently ‘conveniently located’ for currency transactions.” Last paragraph says that English are buying Marks and transferring them to Lisbon and London to outfit their aviators, etc.

6. Strictly confidential memorandum for Mr. Sholes from John Lehrs, Vice Consul, Basel, sent as attachment to Legation Bern on 26 June 1944. Re: conversation with “Mr. G,” an important [Basel?] banker [Maurice Golay of SBC?].
 “When asked whether the rumor was true that Switzerland continued to export gold, he freely admitted it, adding that at present all Swiss gold exports were subject to license, but that the volume of gold exported at present was small. In reply to a further question, as to the destination of such exports, he smilingly replied that it would be more to the point for him to say that the destination was not the Axis countries. He explained that Germany primarily is in need of foreign exchange and therefore is more interested in selling gold than buying it.” Mr. G. published an article on how he expected the post-war economic system to stabilize on 25 May 1944 (No. 21) in the Zurich *Schweizerische Handelszeitung* under the title “Questions Monétaires”.
7. There are various documents speculating on the activities of the private banking house Hans Seligman-Schürch & Co., Basel. These are dated inter alia July 19, 1944. This house seems to have been attempting to obtain a license to sell Deutsches Reich 1930 Young Loan bonds and RM 60,000 shares of I.G. Farben.
8. Letter from British Commercial Secretariat to the British Consulate General, Basel, 25 July 1944. Re: LAGASSE (Paris) dealings with SBC. According to Ministry of Economic Warfare, on 6 July SBC debited SFR 63,000 to account Banco Nacional Ultramarine Lisbon and purchased 2,000 Napoleons on instructions from Lagasse. “At the request of Lagasse, they were also going to apply for an export permit in favor of the Banco Nacional Ultramarine, Lisbon.” SBC had previously been warned not to deal with Lagasse.
9. Confidential report from 95,599, Source Frede, date 6 Dec 1944. Re: André de Bac of Geneva, who held a number of drafts from the Länderbank, Vienna. He attempted to receive payment on one draft in the amount of SFR 98,000 from SBC in Basel, but was refused, since it believed that flight capital “and other factors” were involved.
10. Confidential report from 22,221, Source Frede, date 4 Aug 1944. Re: efforts by German banks, including Deutsche Bank, to unload in Switzerland since early July 1944 gilt-edge, Swiss bonds (German-owned) that were held in Germany. Goal was presumably to create SFR balance in Switzerland. Already on July 7, 1944, SBC refused to take part in the activity, and took up the issue with the Swiss Bankers’ Association, aiming to have it send out a warning circular to all Swiss banks. The bonds were issued by some of the “leading Swiss Kantonal banks”, in value of about \$500,000.

11. Confidential report from 22,223, Source A1, 9 Aug 1944. Re: efforts by German Banks to sell bonds. 5 or 6 large lots of Swiss bonds, government, municipal and cantonal issues, were involved. SBC notified its branches to be wary of such efforts, and evidently the Swiss Bankers Association notified all its members by telephone of the Germans' (notably Deutsche Bank's) efforts. "The larger banks in Switzerland have decided, for the present at least, to hide behind the pretext that all 'opposition lists' of the Allied Governments are not on hand in the country, when receiving German offers of the kind mentioned.
12. Copy of Circular (11 Aug 1944) that indeed was issued, not by telephone, but rather in writing, by the Swiss Bankers' Association to all members in order to preclude the unloading of securities by German and other banks in Switzerland.
13. Letter from Sholes at Basel to Harrison at Bern, 18 Aug 1944. Re: replacement of Hans Pilder as head of Dresdner Bank by Hugo Zinsser.
14. Confidential report from 69,350, Source A1, 6 Sept 1944. Re: visits of Reichsbank members Herr Bode von Wedel and Herr Wolf to make postwar arrangements for German banks. Wolf, "in fact, is now endeavoring to arrange matters with Swiss bankers and others whereby German banks and business houses will be able to cover up their credit balances abroad by taking up "large loans in bland" and in this way show Germans to have a debtor and not a creditor position abroad. He says they are prepared to pay 4 to 5 per cent interest on such loans and agree not to avail themselves of them...
"The SBC has turned down an initial request for an uncovered loan of some SFR 700,000, and it is not excluded that all leading Swiss banks will refuse to participate in Herr Wolf's project."
15. Confidential letter from Sholes to Huddle, Counselor of US Legation Bern, 26 Sep 44. attached is a memo detailing a conversation between Paul Dreyfus, and Dr. Adolf Jann of the Swiss Bankers Association. Dreyfus is very critical of the restraints placed on Nazis accounts only at this late date.
16. Letter from Sholes to Harrison, American Minister, Bern 16 Oct 1944, re: Convention L compliance by Swiss Banks. Contains a list of companies that did not initially comply with Convention L, which regarded stricter controls instituted by the SBA on foreign securities, done largely under the pressure of the Allies.
17. Letter from Sholes to SecState re: Bank of Italy transfers Gold to Switzerland. This contains a lengthy memo, in Italian and English, about the transfer of 128 million SFR in gold bars on 20 April 1944, prepared by Raffaele Pilotti, Italian Manger at the BIS. 75 million SFR went to BIS, and remainder to SNB/Bern.
18. Note from Reagan to Sholes, 29 Nov 1944. re: Bank of Portugal trying to sell its gold holdings in Switzerland. "According to reports, the Bank of Portugal is at present attempting to sell in Switzerland the larger portion of its gold holdings which, almost entirely, consist of German gold deposited by the Reichsbank for the account of other Portuguese banks. The

Bank of Portugal, it is alleged, intends utilizing these deposits in payment for imports from either Switzerland or Sweden.” Letter of Sholes in reply, quoting opinion of Nussbaumer of SBC on above, follows.

19. Note from Nussbaumer to Reagan, 20 Nov 1944. re: Belgian gold reserve in Switzerland. N. says that a quite small amount of Belgian gold coins had in fact accumulated in Switzerland during the previous year, and that any gold bars in Switzerland would have come as part of Reichsbank shipments.

Box 10: 1945: 811.11 – 891

First Binder

1. Significant information on stolen art. Includes report on Looted Art in Occupied Territories, Neutral Countries and Latin America, Revised, August 1945, by Foreign Economic Administration, Enemy Branch, External Economic Security Staff. Details Allied policy toward looted art, how the Germans looted, details looting in particular occupied states, as well as its role in neutral countries and Latin America. Also includes a list of German Art personnel.
2. Letter of January 3, 1945 from American Legation, Bern, to American Consul General Walter H. Sholes, Basel, regarding visit of Director Hans Müller of Zürich office of Schweizerische Bankverein [SBC] to Portugal for business with Banco Espirito Santo and the Banco Fonsecas, Santo Santos and Viana. “The Department observes that the above Lisbon banks have had many undesirable transactions with the enemy and the purpose of Müller’s trip is seriously suspected.” Sholes is asked to use his banking contacts to find out more about Müller’s reputation and possible enemy associations.
3. The American Legation at Bern to Sholes on 10 Jan 1945; the US suspected the Bank für Elektrische Unternehmungen, Zurich, of concealing enemy activities and funds.
4. To SecState from Sholes, Consul General, Basel, dated 18 Jan 1945. re: “Secret funds in the US and Switzerland: A Résumé.” Sholes reports that on Dec 7, 1942, he estimated the total value of German owned funds in Basel alone at SFR 115 million. He arrived at this number as a result of the arrest of H.A. Dörflinger, a Swiss bookkeeper at Crédit Suisse, Basel, on espionage charges, since the man was accused of supplying “the Reich’s fiscal authorities with the names of German-owned bank portfolios at the bank in question. Dörflinger was married to a German woman.” Dörflinger’s activity was estimated by the Director of Crédit Suisse to have generated just SFR 200,000 for the Reich. Italian holdings are said to be mostly at Banque Fédérale S.A., “including those of high-ranking Fascists.” Thereupon there follows a summary, by bank, of the estimated values of German-owned accounts at 24 Basel banks: the banks with the largest suspected holdings are Basler Handelsbank (SFR 10 million), Eidgenössische Bank (10 mil), Lüscher & Co. (10 mil), Schweiz. Bankgesellschaft (10 mil), Schweiz. Bankverein (10 mil), Schweiz. Kreditanstalt (15 mil). The listing of Dreyfus Söhne & Co. (5 mil) is accompanied by the note: “(German Jews)”. It may also be of interest that the National Bank of Switzerland is listed as having holdings of 5 mil. The

total this list arrives at is SFR 114,500,000. It further states that “German deposits at Zurich banks are believed to be nearly three times larger, and when there be added German-owned securities, et cetera, in Swiss Banks at St. Gall, Winterthur and other small communities, it is not unlikely that the Reich’s holdings in this country amount to considerably more than the figure originally given, namely, \$116,000,000.

“Those familiar with the general subject say that foreign-owned accounts here are in large part accounts of \$20,000 or more, usually representing one-fourth of their owners’ wealth.” The report concludes with several pages of quotes from a letter from Mr. Maurice Golay, then President of the Board of General Managers of the Swiss Bank Corp, Basel, who submits reasons why the Swiss banks can not in all likelihood be a place where significant amounts of cloaked German assets are stored, even given numbered accounts. He cites the disincentives for placing the assets in the name of a Swiss account holder, etc.

5. To SecState from Sholes, Basel, dated 23 Jan 1945, re: “More on the Swiss Frozen Assets Problem.” Includes (unfortunately vague) revised estimates of German, Swiss and French assets in Switzerland, in the form of cash or Swiss securities, or in Swiss holding companies beneficially owned by nationals of the respective countries. He puts German assets, as defined above, at SFR 1,000,000,000. He separately lists “German direct interests in industrial and commercial concerns in Switzerland, including deposits in cash and securities held privately (outside Swiss banks) at SFR 200,000,000 – 300,000,000. Italian assets were listed at 200,000,000, and at 50,000,000 – 100,000,000, respective to the classifications above.
6. To SecState from Sholes, Basel, dated 9 July 1945, re: “Swiss Bankers Association and their Bank Secrecy Law.” The SBA denied having accepted German funds in considerable sums under the protection of the bank secrecy laws. There follows a 7 page legal opinion by the Basel attorney Dr. Walter S. Schiess on the nature of Swiss bank secrecy laws as regards the protection of information relating to legal persons’ assets. He states in closing that the withdrawal of the secrecy right regarding German assets was a very major break with this tradition of respect for bank secrecy, and that this therefore demonstrates how seriously Switzerland takes its obligation to expose assets which may have been hidden in the country by Germans exploiting Swiss laws in order to avoid having their assets frozen.

Safehaven Subject Files 1942 – 49 (Entry 3221)

RG 84, 350/68/26/06

Box 3

Folder “German Assets in Neutral Countries”

Copies of all relevant documents in this folder have been given to Petra Barthelmess.

Folder “German Capital in Switzerland, Individuals covering”

1. Correspondence from American Consulate, Geneva, Nov 13, 1945
re: Secret letter [still classified – see note below] from British Consulate Geneva to Commercial Secretariat Berne regarding “certain individuals believed to be covering large sums of German capital in Switzerland. Bloch, du Pasquier, and Kleinschroth are well known, but the other individuals mentioned are not known to the Consulate.”
2. Correspondence with British Legation, Commercial Secretariat, Berne, June 11, 1945
Requests more info. from above letter of “certain individuals” – particularly interested in info from “Felix Poulin, a British subject, procured from de la Grandiere, a Paris banker then staying in Geneva.” Brits respond that no further contact was made, and state that the matter was referred to the Ministry of Economic Warfare.
N.B. Unfortunately, the actual list of Individuals covering German Capital in Switzerland was withdrawn (one page document, access restricted 3/28/80); perhaps available in London?

Folder “Flight of German Capital”

1. Memo signed “NRM”, Feb 16, 1945
reads re: correction to Feb 13 telegram “Siegfried Mauser, German Consul Spain, is reported to be von Ribbentrop’s commercial agent.
2. Note from Financial Attaché of French Embassy, Berne to Commercial Attaché (Reagan), US Legation, Berne, 29 July 1946
“Il m’est signalé que l’un des principaux trafiquants de billets de banque français en Suisse pour le compte des Services allemands, pendant l’occupation, serait un certain HUTZLER, fondé de pouvoir de la Banque SPONHOLZ à Berlin... Malheureusement, je ne possède aucune indication concernant la nationalité exacte ni la résidence actuelle de HUTZLER.”
3. Embassy of the USA, Lisbon, Ref. 1615, 21 Mar 1945, re: “Nazi Channels for Foreign Investments”
Info from office of Attaché William M. Wheeler, Jr.:
“1. A source in Bern, Switzerland [From Airgram from Paris, 25 June 1945, signed CAFFERY: Source is informant who met with Helmut Beyer, German Commercial Attaché, Bern] has reported that Nazi funds were not being sent abroad through regular banking

channels, but with the aid of people in private banks who were in the confidence of the Nazi Party.

“2. The following seven names were given as channels at present being used by the Germans:

1. Pilger, (Hans) (Pilder?) – Dresdener Bank
2. Schmoll – Fromberg Bank, Berlin
3. Hutzler – Sponholz Bank, Berlin
4. Eydenschink – Has a private bank of the same name in Munich. Is now in Zurich
5. Tierfelder – of the Lowenbrauerei. Works through the Wehrli Bank.
6. Von Clem – Foreign Office (*handwritten: Von Klemm was in Switzerland last week*)
7. Likus – Foreign Office or Ribbentrop Bureau

[CAFFERY: “Source also mentioned the name of KATGIEN, author of the Four Year Plan. He was not included in the list above because he is not a real Nazi, and may be useful to us. He has many large accounts abroad.”]

1. Letter from Financial Attaché of French Embassy, Berne to Commercial Attaché (Reagan), US Legation, Berne, 12 Nov 1945

“J’ai reçu, en date du 25 Octobre, une réponse de notre Consulat à Bâle m’avisant qu’il ne s’agissait là, que d’une information très vague qui avait été recueillie auprès d’un fonctionnaire de l’Office allemand des devises.

“Ce fonctionnaire aurait laissé entendre à notre informateur, qu’il estimait que les sommes d’argent et les valeurs mobilières exportées en Suisse, depuis 1940, par des nationaux-socialistes, atteindraient environ deux milliards de francs suisses.”

The official (Marcel Vaidie) regrets that he is unable to offer further specifics, as his informant had already left the country.

2. Airgram from Paris (CAFFERY) to SecState, Washington, no. A-1171, 13 August 1945:

“We have been informed by the French Foreign Office that their Consul in Basle has obtained the following estimate of the amount of German capital exported to Switzerland since 1940 by the Germans:

“An official of the German Foreign Exchange Office is reported to have stated that about two billion Swiss francs of currency and other movable property were exported into Switzerland during this time by Germany.

“It is believed that this estimate relates to German flight capital, and not to transfers made on the basis of normal goods exchange.”

3. Telegram received from Department of State, Date 25 April 1945, No. 1572

“There are large quantities of German gold, brought from Germany during 1944 by diplomatic pouch, buried in cellars, according to information supplied by seasonal workers employed on the estate of Baron von der Heydt on Monte Veritas, Ascona, Switzerland. Inasmuch as Baron von der Heydt is a Swiss National it would be difficult to carry out a search.” Signed: GREW ACTING

4. “Transmitting an Additional List of Enemy Assets in Neutral Countries gathered from various files of the Ministry of Economy Warfare” Safehaven Series No. 188, 3 April 1945; From John M. Allison, Second Secretary, London Embassy.

No. 16: Società Anchina Pellami “SAP”, Varese, Italy: “Have a/c [account] with Union de Banques Suisses, Lugano, in name of Eredi fu Francesco Beretta-Piccoli, Soc. Anon. Vianello, amounting to 817,500 s.f. This resulted from an import from Pellami by a Swiss firm of 109 tons of leather; 75% payments into this account cannot be disposed of until 6 months after cessation of hostilities in Europe, and 25% into Swiss Italian Clearing.”

Folder “German Credits in Foreign Banks”

1. Letters from La Commission Mixte, from Charles Owsley, US Member of the Joint Commission, and from the Office Suisse de Compensation dated 22 Nov, 28 Nov, and 4 Dec 1950, respectively, re: possible cloaking of SS and/or particularly the assets of Dr. Leo Volk by the Switzerland-resident Austrian Hélène Hoffmann in coordination with the Deutsche Versuchsanstalt für Ernährung und Verpflegung GmbH, Berlin. Unblocking of assets; deals with transfer of SFR 150,000 from Germany to Switzerland [Pertinent letter from American Legation in Berne (James H. Mann) of 28 Aug 1947: Deutsche Wirtschaft agreed in 1944 to purchase the estate of Mrs. Hoffmann in Styria, Austria; a strange sale, since as Mrs. Hoffmann was of Jewish extraction and at the time was resident in Geneva, her property would normally have been expropriated. Instead, it was purchased for SFR 150,000 or 180,000 plus a mortgage of Reichsmark 228,000; interest of 4% on the mortgage was to be paid to Hoffmann in SFR; however, in order to conform to German-Swiss Clearing regulations, Reichsmark 228,000 had to be deposited in a Swiss bank. “This sum, deposited in Finanz Themis A.G., Zug, thereupon became the basis for the interest payment to Mrs. Hoffmann. The deposit itself, however, is owned by the Deutsche Wirtschaft... Hoffmann, although of Jewish extraction, may be holding all or part of the approximately 180,000 Swiss Francs allegedly paid to her for the benefit of the SS or Dr. Leo Volk, SS Hauptsturmführer and former legal adviser of the Deutsche Wirtschaftsbetriebe GmbH, Berlin participated in the negotiations leading to the alleged sales agreement.”][Information, according to OMGUS 11 July 1947 was from the former bookkeeper of Deutsche Wirtschaftsbetriebe, who had been interned at Dachau; was confirmed by Leo Volk.]
2. Letter from Office Suisse de Compensation, 12 April 1948, to Commission Mixte. Re: Letter of 15 April 1947 from James H. Mann sent to Commission Mixte and forwarded “En réponse à votre information nous pouvons vous confirmer que la maison Aussenhandel-Finanzierungs-Gesellschaft m.b.H., Berlin, dispose effectivement auprès de Eidgenössische Bank in Zürich, d’un avoir de frs. s. 3157.20, lequel est bloqué conformément à l’ACF du 16.2.1945.”
3. Letter from British Legation Berne (P.R. Larke) to the Joint Commission, Berne, 2 March 1948: “I have been notified by my authorities in London that the Deutsche Orient Bank, Istamboul (sic), has a credit balance with the Schweizerische Bankverein, Zurich, amounting to Swiss Francs 800,000.” Larke is seeking to have the assets blocked, according to the terms of the Washington Accord.
4. Cross Reference to Letter from Swiss Clearing Office, see: Accumulatoren Fabrik Oerlikon, dated 15 Jan 1948, re: Conflits de séquestre

“...les autorités anglaises avaient décidé le séquestre des titres déposés chez la Swiss Bank Corporation à Londres, et appartenant aux ressortissants allemands Felix Lochmann et Günther Quandt.”

5. Cross reference to SCO; see Intercustodial Matters for letter of 31 Dec 1947 p. 1, para. 3: “Ci-après nous nous permettons de porter à la connaissance des membres de la Commission Mixte un cas-type d’avoir allemand dont la liquidation donne lieu à des difficultés:
“La Banque cantonale de Schaffhouse, à Schaffhouse, gérait pour le compte de feu le Dr. Félix Lochmann, sujet allemand, de son vivant domicilié à Hilzingen près Singen (Allemagne) £ 100.0.0 2.1/2% British Consolidated Stock déposés chez la Swiss Bank Corporation à Londres. Il s’agit donc de titres gérés par des banques suisses.”

Folder “Furniture and Personal Effects Inherited” N/A

Folder “Enemy assets, their liquidation for repatriation” N/A

Folder “Enemy Assets, Mobilization of in neutral countries” N/A

Folder “Flight of individuals” N/A

Folder “Enemy Property in the US” N/A

Folder “FEA REQUESTS”

1. Letter from SecState to American Mission, Bern, re: Foreign Economic Administration report on “Objectionable Activities of Two Leading Swiss Banks During 1944.” 30 Jan 1945. Includes specific references to contacts between UBS and Credit Suisse on the one hand and banks in Germany and other Axis or German-occupied areas on the other. Also notes roles played by many smaller Swiss (i.e. Cantonal) banks further down the line. Notes in particular the role of the Basel branch of Credit Suisse in making currencies of neutral countries other than Switzerland available to the Germans. Document length: Cover letter + 6 pages.
2. A list of transfers in 1944 by Swiss banks on the order of German companies, private banks, and the Reichsbank. Includes specific amounts and dates of transfer

3. Random list of undated draft documents pertaining to relatively few specific transfers, while also quoting several letters from the Swiss Bankers' Association and the MEW.
4. Letters from British Consulate General, Zürich, to Commercial Secretariat, British Legation, Berne, dated in Feb 1945 re: case of deceased Mr. Raab who was receiving transfers from Spain (OMOEX, that is, Bank of Spain) transferred to account at UBS of a Mr. Kimche in amounts of SFR 90,000 and 60,000. (Later transfer of SFR 85,000 via American Express Basel with later transfer to Kimche's account at UBS. Some transfers from Spain to Kimche were initiated by Claire Catalan, Lisbon, via the Banco Exterior de Espagna; Catalan was not known by Kimche. It seems that the British Consulate allowed the transfers to pass in the end without raising any substantive objections.

Folder "Executive Committee on economic policy" N/A

Folder "German Assets in Spain" N/A

Folder "Foreign Assets in Liechtenstein" N/A

Folder "German Books published in Switzerland" N/A

Folder "German Chamber of Commerce" N/A

Folder "Germans, Expulsion of from Third Countries – Individuals" N/A

Folder “Germans, Expulsion of from Third Countries” N/A**Folder “German Art Exhibited in Switzerland” DEFINITELY N/A****Folder “Food packages to Germany” N/A****Folder “German Dummy Firms in Switzerland”**

1. Memorandum for the Files, E.G. Rasmussen, 5 Apr 1946 re: preliminary list of Swiss firms in which German firms held or were suspected of holding an interest. Some of the firms were reported to be liquidated. Is alphabetical, except for last 12 pages. About 100 pages in length. NOT COPIED.
2. Memo from Press Department, American Legation Berne List reported by Orvis A. Schmidt, head of the US Treasury department in charge of overseeing foreign assets, published on 19 Oct 1945 the (COPIED) preliminary list of 214 firms in Switzerland that were secretly held by Germans (i.e. dummy firms).

Box 4**Folder “German economic penetration in Switzerland”**

Contains one large report, completed in Washington. Current as of Jan 1, 1946.

Folder “Germans, expulsions of from third countries” (1 of 2)

Not of immediate interest; 0.5 cm thick.

Folder “German Government Archives and Public Property in Switzerland”

Includes several reports on Swiss administration of German assets in Switzerland in 1947, as well as correspondence from 1945 – 1947. Not of immediate interest; 2 cm thick.

Folder “Germans, expulsions of from third countries” (2 of 2)

Contains several very long lists of expelled Germans, with dates of departure. These are mainly lists of those expelled from the Americans and from China. Not of immediate interest; 3 cm thick.

Folder “German Foreign Exchange Laws”

Contains just a single brief request for information from Reagan (Commercial attaché) on May 5, 1945 re: the decision of the Federal Law Court on the topic of German Foreign Exchange Laws’

effect on Switzerland. There was an article on this subject in the NZZ on May 1, 1945. Not copied.

Box 5

Folder “German Sanatoria at Davos”

1. Memorandum to the Files, September 5, 1945, Subject: Nazi Activities in Davos-Dorf and Davos-Platz. Includes very detailed description of the German sanatorium complex at Davos, including details on the ownership structures (generally German-controlled dummy firms) and personnel structure. As regards personnel, names to look for include Dr. Walter, President (also SS-Obergruppenführer); Vice Pres. and General Secretary Prof. Dr. Kayser; 2nd General Secretary Dr. Auersbach, and Treasurer Dr. Griessmeyer; there were also a variety of District Leaders. Almost all are NS party members. Pages 10 – 12 discuss “Banking interests.” The document says that “at present time it is not know the extent to which banks in Davos have actually participated with Germans.” However, it states that they seemed to have retained independent ownership. A further name to look out for is that of Ernst Risch, a banker and one of the officers of the Konsul Burchard Haus, where the NSDAP in Davos was in essence headquartered. One Davos bank was the locally-based Bündner Privatbank (in Davos-Platz), in which Ernst Risch had an interest. Apparently the worst-offending bank in terms of receiving German money. The other two banks are the Graubündner Kantonalbank (based in Chur) and the Schweizerische Kreditanstalt (Credit Suisse) (based in Zurich).

During the month of October 1944, convoys of money, jewelry, etc. were reported to have reached persons, banks and sanatoria in Davos. On November 7 and 11 two trainloads of valuables reached Davos from Nürnberg and Munich for safekeeping. Dr. Stegemann-Morosani was alleged on May 12 to be the most important smuggler of Nazi fortunes and funds into Switzerland. Also significant was his brother in law, Mr. Morosani, who was the owner of the Hotel Belvedere in Davos; a final name mentioned is Dr. Barwirsch, a Davos lawyer who was a naturalized Swiss and former Austrian national.

More specific banking details:

“It was reported that on April 14, 1945 the Verrechnungskasse, Berlin, instructed the Banque Nationale Suisse, Zurich, to pay the Kantonalbank, Davos, SFR 70,000 in favor of the Deutsche Kriegerkurhaus, Davos-Dorf and SFR 62,500 to the directors of the German Sanatoria in Davos and Agra, and on the same date, the Reichskreditansalt to pay SFR 72,500 to the Credit Suisse, Lugan, in favor of the directors of the German Sanatoria in Davos and Agra” (p. 11)

“On June 20, 1945, it was reported that Dr. Walter, SS-Obergruppenführer, and Reichsbank Director Hinz have full control of the funds in Switzerland of the German Tuberculosis Sanatorium at Davos. Dr. Walter was reported to be the President of the German Tuberculosis Sanatorium.”

The document concludes with a roughly 10-page listing of holdings of various Germans in local firms in the Davos area.

2. Memo to the files, Draft, re: Interview with Dr. Otto Walter and A. Pozzy de Besta on August 21, 1945. Document includes interviews with the head of the Reich Tuberculosis Commission (Walter) and his Swiss attorney, who was trying to ensure safe passage for Dr. Walter from Switzerland back to Germany in September 1945. Because of Walter's influence at Davos, and his long-standing membership in the NSDAP (since 1931 – he was an SS Obersturmführer) his departure was quite complicated. He said regarding finance coming to Davos that he exclusively had control over the funds of the Reich T. C., not of the other organization, the Deutsche Tuberkulose Hilfswerke. Walter claimed to know nothing of the wares and devisen that had come to Davos in the waning months of the war. However, Reichsbankrat Hinz was in Switzerland with Dr. Walter in February 1945, then both returned home, and Walter reports that Hinz had again been there two weeks before his own return in March. Hinz was there specifically “to tackle all the difficulties of transfer when there was no Swiss-German trade contract.” Hinz was supposed to be facilitating the payment of the fees associated with the schools, sanatoria, and other legitimate purposes in Switzerland.

Box 17 contains folders: (Not fully reviewed)

- Sale of German Property in Neutral Countries POLICY: 1945, 1947, 1948: Contains notes on implementation and interpretation of Washington Accord, including about exceptional cases where German-owned assets seized under the accord were disposed of in Germany. (large folder)
- Sale of German Property in Neutral Countries 1947, 1948 (large folder)
- Sale of German Property in Neutral Countries 1949 (1950 crossed out) (large folder)
- Swiss Compensation Office (small folder)
- Swiss Authority of Review (medium-sized folder)
- Renegotiation of the Washington Accord 1949 (large folder)
- Renegotiation of the Washington Accord – Press Review on (large folder)

Saf haven Name Files 1942 – 49 (Entry 3222)

RG 84, 350/68/28/07

Box 37, “He – Hi”

Folder “Hentsch & Cie. 1944 + 1946 – 1947 – 1948 Geneva” (NB: There is a separate folder for 1942 & 43)

Info re: procuring platinum for German account in collaboration with a member of the German Intelligence Service, Olian, acting on behalf of the German authorities in France, disposal of FF 41,075,000 in July and August, 1941 through the bank. The files of the bank were examined by Price Waterhouse, and the reports were submitted to the Brit and American missions. In 1944, at time of de-listing, the AmLegation Bern was opposed, but was willing to go along with Embassy at London and MEW if their political considerations prevailed. 1941 Brit files had been destroyed, but one reason for listing was the enemy connections of partners Gustave and René (deceased) and political orientation. The bank’s report neglects private business conducted through the bank by René and Gustave and deals exclusively with certain phases of the bank’s activities.” Contains the Price Waterhouse review.

1. Letter from Harrison to Harry L. Troutman, American Consul at Geneva, 17 March 1947, re: visa application of Robert Edmond Hentsch. This letter gives a brief summary of the Legation’s information on the firm of Hentsch & Cie. It states that the firm was included on the Proclaimed List from 1942 to 1944, at which time it was removed on account of the signing of a Standard Undertaking on May 4, 1944. However, allegations are referred to that came to light only after the war (in a letter of August 7, 1946) regarding the alleged role that Hentsch may have played in facilitating platinum purchases for German account made by von Engelbrechten, German Consul at Geneva. “I have now been informed that the reports concerning the platinum transactions originated in 1943 from several reliable informants. Unfortunately no information is available as to the specific dates on which the transactions allegedly occurred, nor is any information available with respect to quantity of platinum involved.
 “In this connection I invite your attention to the circumstance that prior to its deletion from the Proclaimed List Hentsch & Cie. submitted its records to an examination by Price-Waterhouse & Company and agreed to the submission of the accounting firm’s report to the British and this Legation. The report was accepted by the Black List Committee at London as satisfactory. The principal revelation made in the report was that the bank had facilitated the disposal in Switzerland, during July and August, 1941, of French francs 41,075,000 for its client, Michael Olian, who at that time was on the Proclaimed List and who is generally believed to have been acting on behalf of the German occupying authorities in France. Shortly after this operation the bank allegedly ceased all relationships with Olian. There is no reference in the Price-Waterhouse report to any platinum transactions conducted by the bank on behalf of von Engelbrechten or other suspect individuals.”

2. Memo from Mr. Conover to Harrison, 21 Feb 1947, re: Hentsch visa application. The only additional information not cited above is that the bank received a commission of SFR 5000, according to the Price-Waterhouse report, for the disposal of Olian's FF 41 million in 1941.
3. Note from: 1924, Source: Adolf A2 as obtained from one of his agents at Zurich, no date, "Original in Intercommerz file 811.2", certainly year is 1944, re: Paul Holzach bringing German funds for account at Hentsch: "Holzach last came from Germany on August 20 with considerably more money than ever before. The informant found with him at home a check of the Daimler Works (Vienna) for 7,000 francs in his name: Hentsch & Co (ex PL) Geneba (sic). Signature rather illegible."
4. Commercial report sent by Squire to Harrison on 26 July 1944 re: Hentsch. This credit report notes that the bank publishes neither reports nor balance sheets. The report notes that "En 1942, on disait: sont actuellement sur la liste noire anglo-saxonne. Ont environ 80 millions séquestrés à New-York!!!!!!?" Contains brief biographies of Gustave-Agénor Hentsch, Jean-Frédéric Bonna, and Charles De Loes. There is also a brief description of the history of the bank, which mentions nothing of note about the World War II-era.
5. Letter from Reagan to Mr. A.C. Nussbaumer, SBC Basel, 31 May 1944, requesting that an accompanying memo be distributed among the membership of the Swiss Bankers Assoc. The memo, which was based on a telegram from London, explains that Hentsch was deleted under somewhat exceptional circumstances, that are not to be construed as a precedent. It also seeks to clarify that there is no guarantee that in the future Listed banks would be deleted in the same manner in which Hentsch had been. "The Banque Hentsch & Cie. was placed upon the Statutory List and subsequently upon the Proclaimed List for reasons not entirely covered by the list of objectionable transactions to be conveyed in the statement to Swiss Banks. Furthermore Hentsch & Cie. was offered an opportunity in 1942 of obtaining deletion from the Proclaimed and Statutory Lists by signing a form of undertaking to which, however, at that time, the Swiss Political Department objected. "As the objections of the Swiss Political Department to the signature of an undertaking by Hentsch & Cie. have since been removed, the Government of the United States of America and H.M. Government decided to give favorable consideration to the renewed request for deletion made by Hentsch & Cie.... "The Government[s of the USA and Britain] considered it desirable to find a solution for the case of Hentsch & Cie. before issuing to the Swiss Banks a statement setting forth the types of transactions considered to be objectionable by the Allied Governments, since, after this statement has been issued, an undertaking such as that which has now been accepted from Hentsch & Cie. will no longer be acceptable. "For the above reasons [the two Governments] wish it to be understood that the case of Hentsch & Cie. is not considered and must not be regarded as a precedent for the deletion of banking houses from the Proclaimed and Statutory Lists. As soon as the abovementioned (sic) statement has been issued to Swiss Banks, it is believed that no doubts should arise as to the grounds upon which banks may in the future be included upon the Proclaimed and Statutory Lists and Swiss Banks should not presume that an opportunity will necessarily be available in the future to secure deletion from the Proclaimed and Statutory lists by the signature of an undertaking."

6. Telegram received at Bern from Embassy, London, 29 April 1944, No. 100, re: reasons for de-Listing of Hentsch. These state that the case of the Hentsch listing had been highly political from the start. In December 1941, even before its listing, the Swiss Legation in London had approached the Ministry of Economic Warfare in order to avert such listing. This request came too late, for otherwise the bank might not have been listed at all. The signing of an Undertaking with the M.E.W. would have averted the listing; this undertaking would have, among other things, allowed the Brits to examine the Bank's records. However, at that time in 1942, Hentsch and later the Swiss Political Department objected to the Undertaking. By 1944, however, they had agreed.

"The chief disadvantage to deletion of Hentsch seemed to [the Black List Committee] to be the possibly detrimental effect such action in the case of a firm like Hentsch, which had been listed largely because of Italian connections, would have on the whispering campaign concerning post-war application of lists. It was pointed out, on the other hand, that the following definite advantages would be gained: (a) Our economic warfare ends as regards control of the bank through undertaking and other conditions which the Committee prescribed would be gained. (b) Good relations with the Swiss Government in general would be assisted at a critical time by deletion of this firm, a result which would be desirable in view of current negotiations which were then pending. (c) In particular, such actions might serve to expedite negotiations with the Swiss Government in respect to closer control of Swiss banks, to which considerable importance is attached by the Treasury and Department as well as MEW. Absence of an appropriate bank undertaking had, as you are aware, hampered the effectiveness of our pressure on Swiss banks....

"It was felt by the Committee, in view of these considerations, that the balance of advantage lay in deletion, and such action was approved subject to Hentsch's signature of undertaking with 5,000 pound bond and certain additional requirements which MEW reported to the British Legation in Bern. This decision was made subject to your concurrence."

Regarding the Price Waterhouse report: "This report has now been examined carefully by MEW and the Embassy, which do not find that it introduces into the case any fresh, unfavorable evidence. Consequently, it is not felt that new evidence which would warrant raising once more with the Committee the question of deletion has been introduced. For example: it is revealed by MEW's information that Hentsch accounts are of long standing, and there is no evidence of fraudulent cover by Hentsch of enemy holdings (examination of the bank's records, which is provided for in the undertaking, will at any rate afford a check on reports to the contrary); the report clearly points out as an exception the bank's dealings in 1941 in 41,070,000 French francs; relationship of Olian with Hentsch does not transcend normal bank-client relations in private clearing transactions. The Ministry of Economic Warfare says that it does not have any information with regard to private business of René and Gustav Hentsch conducted through the bank."

A main reason for going forward with the de-listing is that, though an alternative mechanism for controlling Swiss banks' dealings with the Axis had been devised by the Allies in negotiations in Portugal by this time, the Swiss negotiator (Keller) had already been informed that in principle the Allies were ready to accept de-listing of Hentsch. They did not want to back out at the last minute and appear to have "mised Keller in the course of negotiating general restrictions on the activities of Swiss banks." Thus, it is clear that the deletion was being made largely on political grounds. It is also clear that the deletion

occurred against the wishes of, but with the consent of, the American and British Legations in Bern.

7. Telegram from London to Bern, 15 April 1944. Lists reasons for de-listing of Hentsch. The MEW and Embassy wanted to have “one case of a bank’s deletion from the statutory list on signature of a satisfactory undertaking with bond. At that time the possibility of formulating a standard undertaking for Swiss banks was being considered by the Ministry of Economic Warfare. Keller was accordingly informed that the [MEW] would recommend to the Blacklist Committee the deletion of Hentsch on the above terms and Keller was subsequently told orally of the Committee’s favorable decision reported in the Embassy’s 11, of January 14. [Keller had requested de-listing from the MEW in December 1943.]...
 “The draft statement of objectionable banking transactions for discussion with Nussbaumer at Lisbon includes in the preamble a statement that the Allied Governments have not devised a method for delisting banks once listed and deletion of Hentsch would appear inconsistent and would then require special publicity.” This last paragraph was seized upon by Reagan in his objection to de-listing, since he felt that it was a compelling argument against de-listing in that it was inconsistent with other Allied positions.

8. Telegram from Bern to London, 3 April 1944, No. 528. re: reasons for not de-listing Hentsch. The Bern Legation was strongly opposed to de-listing of this bank, unless political considerations overrode their objections based on the individual merits of the case against Hentsch. They discount the Price Waterhouse report as “superficial.” Furthermore, they see it as based in large part simply on the statements of the firm, rather than on a careful, independent analysis of its dealings. The author (stated as Harrison, but presumably Reagan) further states that, though the British files from 1941 that originally resulted in the firm’s listing had already been destroyed, a report that survived stated that there had been strong allegations of enemy connections of partners Gustave and René Hentsch.
 “1. Report from Price Waterhouse is superficial and does not dispel a suspicion which is based on several reports that the bank is employed as a depository of funds of prominent individuals. With reference to French accounts, the Price Waterhouse statement on page 9 is inconclusive as new French accounts, although stated to be few, may include collaborationists who are prominent.
 “2. Statements of the firm are the basis of section of report which deals with trade with Proclaimed Listed firms and there is no indication of a careful check of the records. The firm’s very close relations with Olian, who now on the Proclaimed List, go beyond the usual relations of a bank and its client. Report states on page 23 that the bank’s dealings in French francs in 1941 was negligible, but on page 24 the report states that Olian in that year was assisted by the bank in disposing of francs 41,070,000. Suggested by this that the bank may have undertaken other undesirable transactions not mentioned in the report for its customers.
 “3. The 1941 British files have been destroyed, but a summary which is available indicates that among the principle counts against the bank were enemy connections of partners Gustave and René (deceased) and political orientation. The bank’s report neglects private business conducted through the bank by René and Gustave and deals exclusively with certain phases of the bank’s activities.
 “4. The Legation therefore believes that the acceptance of an undertaking from the bank is scarcely justifiable on the basis of the Price Waterhouse report but if in the Embassy’s and

MEW's view, political considerations override other objections willing to rest on decision of Embassy and MEW."

9. Letter from Sullivan (Brit. Legation Bern) to Reagan, 22 Mar 1944, re: visit of Charles de Loes of Hentsch Bank to inquire about the de-listing of the bank. The question of the bank's dealings in securities without non-enemy declarations was raised, "particularly with reference to his bank's dealings in Royal Dutch shares in 1941." de Loes responded to this issue in a letter of 18 March sent to the British Legation, which was subsequently forwarded to Reagan. It elucidates on the Royal Dutch transactions. "Ces opérations ont été faites dans les mêmes conditions que celles mentionnées à la page 25 du rapport de MM. Price, Waterhouse & Co., c'est-à-dire 'were carried out through reputable brokers and bankers and effected for the account of regular customers.'" He draws reference to, and encloses, page 26 of the Price Waterhouse report, which indicates that in 1941 2,592 Royal Dutch "securities" "without 'non-enemy declarations'" were traded. There is appended a comparison between the number of transactions in securities without non-enemy declarations with the bank's total number of transactions, indicating that in 1941, of 10,357 transactions, just 89, or 1%, had been without 'non-enemy' declarations, in 1942, of 9,000, just 700 (8%), and in 1943, of 6,000, just 250 (4%). However, as a handwritten note, presumably from Reagan, points out, "What about number of shares, % might be less or more." This poses the question of whether there was just a misunderstanding of the meaning of "transactions," or if in fact, even if the number of transactions without non-enemy declarations was small, the number of shares traded could have been of any size, including quite large.

10. Letter from Sullivan to Reagan, 6 March 1944, re: only real concern of MEW as regards de-listing of Hentsch was full disclosure of its Italian interests, which was accomplished through the Price Waterhouse report. Appended is a draft telegram from Sullivan, which was never sent, detailing the Italian holdings of the firm. They appear to be non-incriminating. This was also the conclusion of Sullivan: "Report does not in our opinion reveal any particularly objectionable dealings and we therefore recommend de-luke 'A' firm and de-luke 'B' officers against signature of undertaking..., under which officers of H. would be required to resign from Goldray." Goldray is not referred to elsewhere in the draft telegram, but is the Société Goldray S.A., on whose board Roch (see below) served.

11. Minute by Dummett of British Legation of 31 Jan 1944, re: recommending de-listing of Gustave Roch, former proxy-holder of Hentsch Bank, who had been interviewed by Sullivan and Dummett. Roch is described as "dull and innocuous." Roch had served as the bank's representative for its French clientele for 15 years. He had visited France 96 times in that capacity. "Since the collapse of France, he visited only the unoccupied zone and his last visit was during September 1941. Roch admitted that the Bank's clientèle included certain clients from Vichy, but he did not know whether these included any notorious collaborationists, as if this had been the case, such distinguished (sic) people would have been dealt with, not by himself, but by Konrad Hentsch. Roch had no knowledge, except the most superficial, of Hentsch's Italian connections."

Roch does give a few characterizations of the leanings of the various directors of the bank. "Roch stated that Gustave Hentsch had always traveled frequently to Italy and, no doubt, sympathises with the Italian people, although his political sympathies were not with Italy and

he had never wished for a victory for Italy or Germany. René Hentsch had relations in Germany, Austria and Hungary and had been an admirer of the Nazi powers of organisation and military successes. Konrad Hentsch has dual nationality, Swiss and French, and served in the French Army both during this and the 1914/1918 war. His sympathies are with France but Roch could not say whether he was a collaborationist.”

Roch also comments on the nature of what the British suspected were dummy companies with which Hentsch was associated. “Roch stated that the 11 holding companies mentioned in Geneva’s letter of the 8th January were primarily tax-dodging concerns, the beneficial owners of the companies being private persons in France but not including any notorious supporters of the Vichy Government. The assets of these companies were mostly in the U.S.A. and Canada, a small part being also in the U.K. and consisting, in the greater part, of investments of railway stock and public utility companies. Roch stated definitely that there had been no attempt to obtain the transfer of dividends in the cases of such holding companies as are owned by persons in occupied territories.”

Roch had resigned from Hentsch and his directorships at all firms connected with Hentsch, since he felt that he had been badly treated following an accident in 1941 in which he had fractured his skull. He then intended “to set up a gérant de fortune and he would accept only Swiss clients and certainly not such persons as Olian.”

The Brits were under the impression that Roch was willing to talk, but that he did not know about the general workings of Hentsch and that he knew of no “spectacular deals against the Allied interests.”

In general, Sullivan and Dummett were not impressed with Roch, nor with the firm Hentsch. “[Roch] made the impression also that, if it is correct, as has been suggested to us by a reliable quarter, Roch was the ‘brains trust’ in the Hentsch Bank, then the persons responsible for the running of that Bank could not be very gifted or quick-witted. Roch appears himself to be harmless.” Based on this interview, Roch was recommended for de-listing from the Black List. Roch had served on the boards of the Société Fiduciaire et de Représentations S.A. and the Société Goldray S.A., both of which were black-listed, according to Roch.

12. Letter from the British Consulate at Geneva to Sullivan, 8 Jan 1944, re: list of other holding companies associated with Hentsch, from which Roch had resigned. These are: Ara S.A., Geneva; Alexandra S.A., Geneva; Arvora S.A., Geneva; Belit, S.A., Tangier; Istar S.A., Geneva; Phocas S.A., Geneva; Samas S.A., Geneva; Soumir S.A., Geneva; Socornwalty S.A., Geneva; Tanit S.A., Tangier. The author further comments: “All these companies belong to Hentsch & Co. on List A, and it may be of interest to note the names of two, Belit S.A. and Tanit S.A., registered in Tangier, which were unknown to us before.”
13. Note from L.D.R. to Mr. Reagan of 19 Jan 1944, re: the political motivations (that is, having good relations with the Swiss government) of highly-placed Allied government officials in London to de-list Hentsch. “In its Arfar 4900 M.E.W. said it would require strong reason before supporting deluke for Hentsch. I presume this ‘reason’ is furnished in its Arfar 29 of this year: ‘in view of the effect on our good relations with Swiss Govt.’
“In any case Dummett thought it best not to broach again right now the question of Italian taint. They know how we feel on that, and it is to be hoped that the Price, Waterhouse report

will give us a basis on which to object if strong Italian taint shown by report. If not we wont (sic) be able very well to object to deletion.”

14. Telegram from London to AmLegation, Bern, 14 Jan 1944, re: MEW’s recommendation of de-listing of Hentsch and its subsidiaries Société Fiduciaire and de Représentations S.A., Geneva, and Argusia S.A., Angier (handwritten: Algier?).
15. Report produced by Price, Waterhouse & Co., Zürich, of Hentsch and Co., covering 1940 – 1944, dated 7 Feb 1944. On page 2, the report reads: “Although it should be clearly understood that we have not made a detailed audit of the records, we effected such test-checks thereof as we considered necessary to enable us to form an opinion as to whether they properly reflected the transactions carried out. The checks which we made consisted for the most part of spot tests of individual transactions and this was extended to enquiries as to the origin and nature of selected operations of the kind which only give rise to bookkeeping entries upon their conclusion.”

The report’s introduction states that the firm has carried out normal business transactions in keeping with those to be expected of private bankers. “Business of a purely commercial nature” (that is, other than normal private banking matters) was undertaken “as we understand” mainly because of the “difficulties which have arisen since the war in dealing freely with funds on foreign (principally American and British) markets.” (p. PW5)

The Hentsch subsidiary in Geneva, Société Fiduciaire et de Représentations S.A. was organized “in connection with the fiscal affairs of certain clients”, that is, probably to afford certain tax protections. Argusia, the Tangiers firm, was of the same nature, but Hentsch actually transferred to the name of Argusia the accounts and securities of the customers who business Argusia was handling, “with the object of allaying the anxiety of the clients regarding the safety of their assets under war-time conditions.” Later in the report, it is noted that none of the customers whose assets were in the name of Argusia were nationals of “so-called ‘Axis’ countries” (p. 13) – this phrasing apparently does not include persons in Vichy France.

In carrying out its analysis, Price Warehouse had access to both the card index of customers as well as the “key” to numbered accounts. Few customers were Germans, Italians, or other Central European nationals or firms of those states. Most of the French accounts, of which there were a significant number, were established before the war and had been open for many years. (A handwritten note in the margins asks if some of the accounts were in fact dummies, since Price Waterhouse had been unable to follow up on so many of the accounts held abroad on account of the war.)

There is a synopsis of the bank’s connections with Michel Olian. “It may be convenient here to refer to the relationship, previously existing, but now terminated, between your firm and a Mr. Michel Olian. This customer opened an account with your firm in October 1937 but it was not until early in the following year (1938) that the transactions passing thereon attained a substantial volume. Important movements continued to be recorded on this customer’s account until the month of August 1942, as at which time they practically ceased, the account being finally cleared in December 1942.

“From an investigation of the transactions passed over Mr. Olian’s account it appears that the operations treated by him consisted for a major part in purchases and sales of real estate, or securities quoted on the Geneva market, and in compensation and commission deals. So far

as real estate and stock exchange transactions are concerned, it would appear that your firm had no relationship with this customer other than that usually subsisting between banker and customer. In certain of the compensation and commission deals your firm took an active part in the financial work involved, and reference thereto is made in later sections of this report. It should also be mentioned that Mr. Olian introduced to your firm certain customers – principally commercial undertakings; this matter also is referred to subsequently in this report.” (p. 11)

The firm Goldray S.A. was established by Hentsch & Co., and the directors of said firm were chosen from among those of Hentsch, even though in fact the firm served as a collecting agent for the Hungarian textile manufacturing company, S.F. Goldberger & Soehne, Budapest, in which Hentsch held no capital or other financial interest. Goods sold to customers “in certain ‘free currency’ countries were billed direct from Budapest, but on invoice forms established in the name of Goldray S.A. and the customers settled their liabilities either by remittance to a bank account in the name of Goldray S.A. with a Swiss bank (not Hentsch & Cie.) or when the invoices were expressed in U.S. dollars, to a New York bank account from which transfers were made to the bank account in Switzerland; operations on the bank account were restricted to those for which instructions were issued from Budapest.”

“The sole activity of Hentsch & Cie. in connection with Goldray S.A. was that of keeping the company’s official books... and of copy bank advices supplied by the Swiss bank mentioned above; for this work, Hentsch & Cie. charged a monthly fee of S.Fcs. 200.00. It should be noted that transactions in respect of which Goldray S.A. acted as collecting agent came to an end, for practical purposes, early in the year 1942” (p. 14).

There may be more than meets the eye to the case of another firm closely associated with Hentsch & Cie., namely Sapief – Société Anonyme de Paricipations industrielles et Financières, Geneva. This firm, which was only partially acquired by Hentsch & Cie. some years after its founding, was ultimately sold off by 1940; one of the acquirers at that time was René Hentsch. The wording of the description of this firm’s association with Hentsch & Cie. is rather convoluted, but in general, the situation seems to be thus: Hentsch & Cie. continued to make advances via Sapief to certain undertaking in Austria and Hungary throughout the course of the war, including after Hentsch & Cie. had sold off its remaining shares of Sapief to one of its directors, namely René. “We have not closely enquired into the activities of this company prior to the year 1940, but we have been given to understand that when it was founded, in the year 1927, Hentsch & Cie. was in no way connected with it. The original purpose of Sapief was to act as a holding company for the joint interests, in Austria, of a Swiss national domiciled in that country, and of a Swedish group. The necessity for this arrangement came to an end in the year 1930. Sapief was however allowed to continue in existence, for the following reason.

“In 1926 (i.e. prior to the formation of Sapief), a syndicate was formed consisting of Hentsch & Cie. itself and the Swiss national domiciled in Austria to whom we have already referred, with the object of acquiring and holding certain investments in a group of small Austrian and Hungarian factories manufacturing agricultural implements. The operations in connection with such investments were carried out by the syndicate up to 1930, but when Sapief no longer retained its original holdings, the syndicate investments and operations were turned over to that company.

“It is appropriate here to state that it would appear that during a number of years past, and up

to the present time, your firm has consistently endeavoured to reduce its advances (made through Sapief) to the undertakings in Austria and Hungary and that a fair measure of success has been achieved in this way, despite the currency restrictions. To illustrate this, we set out below, in round figures, the figures of the net liability of Sapief in respect of advances made to it by Hentsch & Cie. at each year-end from 1939 to 1943 (inclusive). The figures given are before deducting reserves which your firm has set up on the books against such advances, and we would also remark that the aggregate of the advances as at December 31, 1939 is in itself much reduced as compared with the position obtaining in 1930, 1931 and 1932, when substantial amounts were outstanding:- [Table shows advances (net) to nearest SFR 1000 at year end: 1939 = 423,000; 1940 = 398,000; 1941 = 386,000; 1942 = 323,000; 1943 = 249,000]

“After certain capital reorganizations which were effected in prior years (the last being in 1939) the capital of Sapief is now SFR 1,000,000 divided into 2,000 ordinary shares of SFR 500 each. So far as we have been able to ascertain, Hentsch & Cie. now has no shareholding in Sapief; we understand that at about the end of 1933 your partners decided to liquidate the firm’s holding, and this procedure was completed in 1940 when the last lot of 180 ordinary shares was sold to the late Mr. René Hentsch” (pp. 15-16). It would appear, based on the extremely careful wording and the many subjects pertaining to Sapief that were not explored by Price Waterhouse, that perhaps the entire story is not recounted in the above.

The report then describes the private clearing transactions conducted by Hentsch & Cie. in 1940 and 1941 on behalf of private Swiss and French “reputable undertakings”. Each transaction was individually approved by the Swiss and French Clearing Offices, respectively. Olian both “introduced the business” to Hentsch & Cie., and was responsible for carrying out most of the negotiations for these transactions. “Briefly it may be said that the transactions took the form of receiving from debtors in France and Switzerland respectively, in local currency, sums owing by them to their creditors in the other country, and the payment out to creditors in the respective countries of the local currency equivalents of their claims, the differences in the rates of exchange accepted by the creditors and debtors respectively resulting in a profit, which accrued mainly to Mr. Olian, your firm receiving a small percentage thereof as remuneration for its services. It should be remarked that in certain cases your firm did not intervene in the actual financial transactions but merely acted as an agent for negotiating with the respective clearing authorities, receiving a commission from the receivers of Swiss francs in remuneration for such services, and remitting to Mr. Olian (who, we understand, was actively engaged in the negotiations) his agreed percentage of such remuneration.”

As regards Hentsch & Cie.’s involvement with other firms, the original contacts for which had been arranged by Olian, there exists a good amount of information on various Merchandise Credit operations facilitated by the involvement of this bank. In the case of Günzburger A.G., Basle, “Early in the year 1941, Mr. M. Olian (to whom we have previously referred) introduced to your firm a company named Günzburger A.G., Basle. This company had obtained from an official organization set up by the government authorities in (then) non-occupied France, contracts mainly for the supply of dried vegetables, and had in turn placed contracts therefor with suppliers in Hungary, except in the case of one contract, where the goods were ordered by Günzburger A.G. from another Swiss firm, which latter placed the contract in Hungary. The role of Hentsch & Cie. in these transactions was to receive (usually from Swiss public banking institutions, but in one case from a French bank)

irrevocable credits in favour of Günzburger A.G. covering the goods to be supplied, and in turn to open irrevocable credits for the goods with credit institutions in Hungary in favour of the suppliers in that country.

“Upon the goods being passed as regards quality, etc., by the appointed agents, your firm released the credits to the supplier. The release of the credits in favour of Günzburger A.G., followed upon the arrival of the consignments (in transit) in Switzerland, and the acceptance of the goods, whereupon the Basle company was credited by your firm with the sums involved.

“For its services Hentsch & Cie. charged commission at rates not in excess of those laid down by the Swiss Bankers Association, except that for the first operation Mr. Olian arranged with Günzburger A.G. that an additional commission should be allowed to your firm in view of the complexity of the transactions; even in this case, the amount of commission received was only approximately S.Fcs. 3,600, of which Mr. Olian received a share to the extent of some S.Fcs. 800. We might add that this was the only instance we were able to trace of any commission payment arising from merchandise credits having been shared with Mr. Olian, who, it should be noted, guaranteed the risks assumed by your firm in this business; it is of course possible that the remuneration for the risks which he himself assumed and for his services in this matter was settled by Günzburger A. G.”

“As far as we have been able to ascertain, your firm's actions in all dealings with Günzburger A.G. were those of a normal banking undertaking carrying on commercial business of this nature. The operations in question began in March 1941 and to all intents and purposes ceased in May 1942, the closing entries being passed in August 1942. We have been given to understand that it was at your firm's desire that no further credit operations were entered into; in fact as regards the last contract, it would appear from the data produced to us that Hentsch & Cie., withdrew before the contract was finally completed.” (There is a handwritten note added presumably by Reagan: “Why, suddenly shy?” It may be of interest, if the case of Olian is to be further pursued, to check the records on Günzburger A.G., for which there is a Safehaven file (Box 33).)

Hentsch & Cie. had a similar relationship with the Compagnie d'Importation de produits Alimentaires et Agricoles – Cipa S.A., Geneva. It began in January 1942, when this small, newly-formed firm won contracts to supply France with foodstuffs and seed from Hungary, and later Roumania and Turkey. “You have informed us that, although the actual owner of Cipa had been a client of Hentsch & Cie. for some years, and had had a considerable measure of success in similar businesses in France, nevertheless the financial standing of Cipa was considered as being somewhat less secure” and therefore Hentsch demanded not just the normal banking fees, but also a percentage of the company's net profit. The last contract involving supplying France with goods was entered into in May 1942, and in May 1943, as a result of British and American pressure, the bank ceased to have a relationship with Cipa. The final merchant credit relationship was with the Compagnie Générale de Commerce et de Compensation (later “Commission”) S.A., Vaduz – “Compensa”. The relationship lasted only a short while and involved only two merchandise credits. Both related to the importation of goods from Turkey into Switzerland. In both cases, the goods were sold from Compensa to Cipa.

The total value of the various merchant credits granted between 1940 and 1942 was SFR 8,995,000 (this number includes SFR 1,633,000 in merchant credits for within Switzerland.). Hentsch & Cie. earned SFR 171 000 from the transactions involving 6,250 metric tons. Most

of Hentsch's profits were derived from Cipa, though in fact the plurality of credits opened were on behalf of Günzburger.

The next topic addressed by the report is Hentsch & Cie.'s transactions in gold. The totals evidently include significant amounts that were recorded as purchases or sales by Hentsch & Cie., but which were actually carried out for customers. For 1941, sales were SFR 6,406,000 and purchases were 6,375,000; in 1942, they were 3,094,000 and 3,850,000; in 1943, they were 468,000 and 178,000. Reagan notes in handwriting "No indication of how many gold transactions made for customers — apart from those carried out as cash sales."

As regards transactions in foreign currency notes, the American reader of the Price-Waterhouse report differed with the listing of Hentsch's 1941 transactions in French Francs as "negligible"; the handwritten note states: "Why 'negligible' when amount involved was 70,000,000 of which at least 41,075,000 were [illegible word]?"

As to the "special" currency transaction involving Olian: "In July 1941, Mr. M. Olian bought for cash French franc notes totalling (sic) 70 millions of French francs, and your firm advanced the purchase price on the security of the notes. During the months of July and August 1941, your firm sold notes for cash to various purchasers, for account of Mr. Olian, to a total of F.Fcs. 41,075,000, but at about the end of the month of August the rate fell to such an extent that the notes remaining on hand did not suffice to cover the balance of the advance which you had made. Mr. Olian was therefore called upon to liquidate the advance and this was done, the remaining French franc notes being handed to him. For its services in this transaction your firm received an agreed lump sum commission of S.Fcs. 5,000.00."

Quite interestingly, Reagan notes in handwriting: "Transaction as described by H[entsch] amounts to following: O[lian] tells H he wants a lot of Fr. notes but that H should put up money and then hold notes as security for O's debt. The bank must be great friends with O to render him such an unusual service."

In the description of the firm's dealings in securities without "non-enemy declarations," Price-Waterhouse admits that it did not look at much of the records, but rather "a senior employee of your firm extracted similar particulars relating to the year 1942." A previous note: "The extraction from the records of details regarding securities without non-enemy declarations dealt in for the account of customers would be a long and complicated task," is responded to by Reagan: "No doubt, but it's the information we want" (p. 24). And on the next page, after listing the various relevant transactions (involving Royal Dutch sub-shares, Cia. Hispano-Americana de Elictricidad, Cia. Italo-Argentina de Electricidad, S.K.F., Chartered, Canadian Pacific Railway Company, American European Securities Company, and the Baltimore & Ohio Railroad Company) the report states "it should be observed that the transactions referred to above were all carried out through reputable brokers and bankers and, in the cases listed under (b) – i.e. of dealings for account of customers – the operations were effected for the account of regular customers." Reagan notes: "To judge from Mike Olian, H's regular customers must be a choice crowd." Reagan is also not satisfied with the bulk listing of the number of securities transactions for the years 1942 and 1943 (9000 and 6000, respectively), for which the number of transactions without non-enemy declarations constituted just 8 and 4 percent, respectively. Reagan comments: "But what about no. of securities? A transaction might be for one share or for 1000." Finally, in the discussion of when Hentsch & Cie. stopped performing transactions without non-enemy declarations (in March 1943 for itself and 2 – 3 months later for its customers), it is stated: "You informed us that it was in the month of February 1943 that you were advised that the British authorities

looked with disfavour on dealings in securities without non-enemy declarations, and that thereupon your firm took steps to limit and eventually to cease entirely this type of business.” Again, Reagan notes: “Was it the Br. authorities of the Bankers’ Assoc.? In any case it was pretty late to find out.”

The next section addresses advances regularly made by the firm that were of substantial amounts. These involved Società Meridionale di Elettricità, Naples, a relationship that had existed since 1930 until (apparently) 1941; “Hungaria” S.A. d’Electricité, Budapest, since 1931 as part of a syndicate formed by the Elektrobank (Banque pour Entreprises Electriques), Zurich; Compagnia Industriale Romana, Rome, since 1930, part of the original advance being transferred in 1934 to S.A. Jutificio di Terni, Rome; S. A. Jutificio di Terni, Rome, since 1935 until 1942, at which time the outstanding (SFR 12,045.55) was written off as a bad debt; and Consortium de la Porte, Geneva, which was a syndicate composed exclusively of the partners of Hentsch & Cie. through which the bank advanced sums to each individual member money as needed to acquire securities, which were held as guarantee for the advances.

The bank’s relationship with Cupertino de Miranda & Co. in Oporto, Portugal, is also briefly addressed. When Hentsch & Cie. received a dividend of Pesos 100,000 from Compania Hispano-Americana de Electricidad, it sold the pesos to Cupertino de Miranda & Co. for escudos, which were then sold to a Swiss bank in exchange for SFR.

Hentsch & Cie. was reported by Price-Waterhouse to have had only “negligible” contact with banking correspondents in Germany or Italy.

The following table reproduces that of the report, showing Hentsch & Cie.’s relationships with Black listed firms. They write that “We believe (underscore added by Reagan) that no transactions of significant amount with listed concerns have taken place, other than those mentioned in this report.” An American consular official responds to this assertion in handwriting: “What check was made? Did P.W. check all [illegible words] against PL [Proclaimed List] and SL [Statutory List]? I doubt it; if not, PW’s belief doesn’t appear to be worth a damn.”

Banca della Svizzera Italiana, Lugano	Small current account; no movement
Société Bancaire de Genève, Geneva	Two small balances; no movement
Ludwig R. Scheffer, Geneva	Unimportant overdraft, with occasional small cash transactions. Account now closed.
Ammonia Casale S.A., Massagno,	No account. Hentsch & Cie. act as paying agents for dividend coupons.
Banque de Paris et des Pays Bas, Geneva branch	No account. Occasional unimportant transactions of a normal banking character.
A.G. für Elektrische und Industrielle Unternehmungen im Orient, Zürich	No account. A partner in Hentsch & Cie. is on the board of this concern, and has held that position since the formation of the company in 1927.
Société Financière Italo-Suisse, Geneva	Hentsch & Cie. act as paying agent for coupons, and an account is maintained for that purpose. There is in addition a current account, the principal operations on which during recent years have been purchases and sales of Swiss

	government bonds. A partner of Hentsch & Cie. has been on the board of this concern since its formation in 1902.
Montecatini, Soc. Gen. per l'Industria Mineraria e Chimica, Milan	No account. A partner in Hentsch Cie. is a director of this concern, and has held that position since the year 1922, having been nominated as a representative of the Union Financière de Genève.

Hentsch appears to have had little to do with trafficking in, dealing in, or the acquisition of artwork, jewelry, or other cultural property. Nevertheless, this is another case where it seems that Price Waterhouse did not dig very deep, relying instead on the word of the firm. It writes: “Apart from a few casual and unimportant transactions in which small advances were made to individuals on the strength of guarantees in the form of jewellery and paintings, and of a purchase by your partners themselves of a painting, we observed no instances of transactions relating to jewellery and works of art during the period to which our examination extended. You have informed us that your firm does not usually conduct business of this nature and we have no reason to doubt that such is the case.”

In its conclusion, PW writes that Hentsch & Cie. seems between 1940 and 1943 to have had only normal business activities. “As regards the specific points numbered (1), (2), and (3), mentioned in that letter [which requested on behalf of Hentsch & Cie. that PW conduct a review of the firm], we would report that, so far as we have been able to ascertain, the operations of Hentsch & Cie., during the period have only been such as might normally have been effected by a Swiss banking firm, that the firm does not appear to have had a predominant interest or investment (direct or indirect) in any non-Swiss concern, and that no credit facilities have been granted outside the scope of normal banking business to individuals or undertakings domiciled or established in Continental Europe, other than in Switzerland. Moreover, within the limits of our work, we observed nothing which tended to show that business had been carried out or facilities granted by reason of any of the partners of Hentsch & Cie. having any sympathies or leanings towards any particular political regimes or parties...

“From our review of the accounts it would appear that as private bankers the firm’s principal business has consisted of the acceptance of deposits from private persons, and the safe custody of securities owned by such customers, together with the related functions of acting in an advisory capacity towards customers in connection with the investment of their funds, the administration of their estates, and the like. So far as we have been able to ascertain, business of a purely commercial character (as distinct from the ‘private’ or ‘family’ banking business) was only occasionally undertaken by Hentsch Cie., and then, so it would appear, mainly because of the difficulties which have arisen since the war in dealing with funds on foreign markets, of which, from the point of view of your firm, New York and London have always been the most important.

“In conclusion we would state that during the course of our work, which was begun on December 6, 1943, and was completed in your offices on February 5, 1944, every facility was afforded to our representatives for the purposes of the examination.” So, PW appears to have been in a position to look at everything, but in many cases, they relied upon the word of the directors rather than themselves looking into a number of dubious cases.

The summary of customers who were Axis nationals or who were resident in Axis-controlled states also relies on unverified statements of the firm. The number of such persons is 81; there is a note: "Included above are eight accounts opened since January 1, 1940, whose individual balances and security holdings at July 1, 1943, were equal to or greater than SFR 1,000, none, however, being in excess of SFR 30,000."

The fact that Price Waterhouse did not verify this information means that details of individual accounts were probably not checked; such an oversight necessarily reinforces doubts about the report's credibility and the extent of the real independence of the survey conducted of Hentsch & Cie.

1. The folder ends with a curious, unmarked sub-folder, containing the annual reports for 1943 for a number of companies associated with the Geneva banking firm Darier & Cie. Several of these bear a stamp of that firm. The companies are: Latonia S.A., Panama; Holding Nestlé et Anglo-Suisse S.A., Cham & Vevey, Switzerland; F. Hoffmann-La Roche & Co., Lausanne; and Unilac, Inc., Panama. These have not been copied.

Folder "Hentsch & Cie." (Covers 1942 – 43)

1. Letter from Lee Randall, Secretary of Legation, to Sullivan, 11 Dec 1943 re: Laval's reported deposits at the Hentsch Bank. "This is another instance of reported deposit by Axis (in this case Axis satellite) officials of money with Hentsch. I am asking the informant to try to get something more definite and am passing the above to you for notation in your files without the guarantee as to the accuracy of the information."
2. Memo from Lee D. Randall of the American Legation Bern, with attached handwritten note to Mr. Reagan, 6 Dec 1943 re: Laval's deposits with Hentsch & Cie. "Laval: Bosshard [informant] said that he knows that Laval has put money in the Hentsch (PL) bank in Geneva. L. has also put money in the Argentine and is reported to want to 'go' some day to the latter country." The handwritten note states that Bosshard is an "A3 source (A = man completely reliable, & 3 = possibly true) & ask Bosshard to get us something more definite."
3. Minute compiled by Sullivan of meeting of himself and Reagan with Charles de Loes of the Hentsch bank on 9 Nov 1943. Shows the level of pressure being exerted on the British and American Legations to reconsider the de-listing of Hentsch: "The case [of Hentsch Bank] had been the subject of conversations between [Swiss Foreign Minister] Mr. Pilet-Golaz and H.M. Minister." Also indicates that Mr. Nussbaumer (SBC and British rep of the SBA) had been responsible for drafting the proposed undertaking for the de-listing of Hentsch & Cie. Sullivan and Reagan told de Loes that "the Ministry [of Economic Warfare] was not disposed to encourage the signature of undertakings by individual firms until the whole question of the activities of Swiss banks had been clarified in the Anglo-Swiss negotiations. The Ministry in July 1942 had withdrawn their offer of an undertaking and saw no reason to modify that decision."

The only method for Hentsch to be de-listed was to submit to a "thorough Price Waterhouse investigation with a view to uncovering any of their activities which directly or indirectly might have assisted or might be assisting the enemy.... Mr. de Loes said that so far as the Bank was concerned, they would welcome such an investigation. They had nothing to hide.

Although no concern could claim to be immaculate, they could at any rate claim to have done their utmost since being listed to avoid doing anything to which we could take exception. The difficulty lay, however, in the attitude of the Political Department having regard to the bankers' secrecy act and the ordinance of the 4th November." In order for the Price Waterhouse investigation to be conducted, de Loes was advised to gain the approval of the Political Dept.

4. Letter from Randall to Sullivan, 30 Oct 1943, re: high-level pressure from Pilet-Golaz for delisting of Hentsch and Hentsch's contacts with lawyers representing Himmler.
 "I should like to refer to your letter of October 9, 1943, submitting a copy of a telegram you sent to MEW after repeated intervention's by Mr. Pilet-Golaz on behalf of HENTSCH & CO., Geneva...
 As I explained our files are sparse on the past sins for which the bank was listed, but Mr. Reagan does not like it or anything he has heard about it. This opinion is apparently shared by you. I presume that the case will again be raised by pressure from influential sources. We wish to go on record, therefore, with the following information which was received by another service of the Legation from what it terms an A-1 source. In early October Hentsch was approached by a German lawyer on Himmler's orders and on his business. If the case is opened, we should require that a thorough check be made of the bank's books to see if transactions for Himmler or any other Nazi or Fascist officials can be discovered. I have telegraphed the above report briefly to the American Embassy at London."
5. Note to the files from Randall, 30 Oct 1943, re: whereabouts of info. on Himmler contacts of Hentsch & Cie. "For Secret Memorandum of October 27, 1943 on Hentsch & Co., Geneva, and Himmler see sealed envelope (sic) in the safe of Commercial Attaché's office on Elfinstrasse 6." Unfortunately, this memo has not been found in the Archives at College Park.
6. Draft telegram (not sent – put on hold by Reagan) by Reagan and Randall to AmEmbassy London, undated, in reply to Sullivan's telegram of 8 Oct and MEW's 4900 telegram of Oct 26. Re: Himmler and Hentsch.
 "CA was informed that early in October an individual known to officer of Legation approached Hentsch and Company on Himmler's order and for Himmler's personal business. In the event of the Hentsch case being reopened this matter should be kept in mind and Price, Waterhouse check be required since the above information is from an A-1 source. [Above is primarily original text.]" Note: the last sentence was edited in handwriting; the result was more vague.
7. Copy of (unsigned on this copy) letter from British Consulate at Geneva to Sullivan. Re: speculations as to why Pilet-Golaz had taken such an acute interest in the matter of the Hentsch Bank delisting, as well as on the case against Gustave Hentsch.
 "You spoke to me yesterday about Gustave Hentsch and the Hentsch bank, now on the Statutory List. I gather that P-G is pressing the Minister to delist the Hentsch family and their bank; indeed, I recollect now that the Minister mentioned the matter to me when I was in Berne. Perhaps you will let me set down a few points in connexion with the case, for submission if you see fit, to the Minister himself.

“There are, I imagine, two reasons why P-G has taken up the cudgels on behalf of Hentsch. On the one hand he [Gustave Hentsch] is a kind of lay head of the Protestant Church, as president of the ‘paroisse de St. Pierre’, Calvin's Cathedral. Yet no one here has forgotten the part he played in the fraudulent bankruptcy of the Banque de Geneve some years back when the president of the Conseil d’Etat was sent to prison and Hentsch is reputed to have paid a fine of one million francs to escape the same fate. As a religious leader, Gustave Hentsch need not be taken too seriously.

“Yet the main reason for P-G’s Interest in the Hentsch bank is surely political. The close relations between this country and Italy are well known. Equally well known is the fact that the Hentsch bank represents most important Italian interests. What more likely, then, than that high Italian officials should be pressing P-G to save Hentsch that they themselves be saved and given access, through the Hentsch bank, to overseas financial markets either now or after the war?

“Have you thought over the disastrous effect in local banking circles if you suddenly delist Hentsch? Not one banker to whom I have mentioned his listing who did not exclaim ‘It is extraordinary that you did not do it before!’ They all knew that he was working for the Axis in a special way, and for the Italians as president of the ‘Italo-Suisse’. His pro-axis sentiments were openly expressed. I knew him well before the war and he never hesitated to plead the cause of nazism and fascism in which he sincerely believed. If you remove him now from the list the great value of the Statutory List will be nullified. You will also spread an impression that for political reasons the Swiss Government can badger or blackmail us into delisting anyone they wish to support.”

8. Commercial Circular No. 617 from J. Garnett Lomax, British Commercial Counselor, British Legation Bern, 2 Nov. 1942. Notes that the following additional directors of Hentsch & Cie. had just been placed on the Black List:

Holders of individual proxy: Charles Aubaret and George de Cintra;

Holders of collective proxy: Walter Haccius; Edouard L. Ostermann; Théodore Strasse; and Edouard Vaucher.

“Pierre Cuendet [collective proxy], Charles Perret [collective proxy], Gustave Roch [individual proxy], are already on the Black List in connection with the Goldray S.A.”

9. Minutes of the Subcommittee of the Mixed Commission of 21 Oct 1942, item no. 6 Hentsch & Cie. Geneva: “Kohli [of the Swiss Federal Political Dept.] said firm had taken up its delisting through London. We said we would not discuss the matter.”

10. Letter from Robert Hentsch to Reagan, 7 Sept 1942, re: ongoing connections between Hentsch bank and family and various interests in Axis area.

« En repensant à la conversation que nous avons eue, je me rappelle que vous avez retenu quelques indications sur nos intérêts en Allemagne. Comme je ne suis pas appelé moi-même à m'occuper de ces questions, j'ai regardé les choses de près pour rectifier ce que je pourrais avoir dit d'inexacte. Je n'avais en effet aucune note et ne m'étais pas préparé à répondre sur ces points précis.

« Ainsi que je vous le disais à la suite des évènements qui ont amené un essai de redressement économique de l'Autriche et de la Hongrie sous les auspices de la Société des Nations, MM. Hentsch & Cie se sont intéressés, dès 1926, à l'industrie des faux, qui était une

des spécialités des Alpes Autrichiennes. C'est ainsi qu'ils ont pris, en compte à demi avec un groupe apporteur, un intérêt majoritaire dans deux sociétés autrichiennes et un intérêt de 50% dans une société hongroise.

« Cette situation, que je vous avais exposée, s'est quelque peu modifiée depuis lors. En effet, à l'heure qu'il est, à la suite de réorganisations, de fusions, etc., dues aux difficultés considérables que cette industrie a rencontrées et aux pertes importantes qu'il en est résulté pour elle, la situation se trouve être la suivante :

« MM. Hentsch & Cie ne sont plus que titulaires de créances sur ces trois sociétés, créances dûment enregistrées aux accords de Standstill. Ils n'ont par contre plus aucun intérêt dans le capital de ces trois entreprises; celui-ci se trouve concentré dans la société SAPIEF, dont M. René Hentsch détient la moitié du capital, l'autre moitié appartenant au groupe avec lequel ces opérations ont été faites dès le début.

« Bien que nous ayons, et en particulier M. René Hentsch, suivi de près ces affaires, ce qui explique que celui-ci ait été appelé à se rendre en Hongrie et en Allemagne assez fréquemment aucun membre de la maison Hentsch & Cie n'a jamais occupé un siège dans les conseils de ces affaires, la direction restant aux mains du groupe apporteur. »

11. Letter from Dummett to Reagan, 25 July 1942, stating that now that negotiations for the delisting of Hentsch & Cie. had failed, he was going ahead and recommending the listing of the Hentsch directors, including Gustave Hentsch, René Hentsch, Frédéric Bonna, Charles de Loes, and Conrad Hentsch. He also recommends the listing of proxy-holders of the bank.
12. Letter from Dummett to Reagan, 20 July 1942, re: pressure on MEW to delist Hentsch. Dummett and Reagan had previously recommended against the signing of an undertaking with the bank, and upon hearing that the negotiations for said had failed, the Ministry of Economic Warfare wrote to Dummett: "I am relieved that Political Department object to Hentsch signing undertaking. I only agreed to propose an undertaking under considerable pressure from Swiss Legation.
"I was not at the time aware of connection with CIPA.
"The matter has been discussed with Nussbaumer who has been informed that an undertaking is not now acceptable. Please take no further action."
13. Summary document from F.R.C. (presumably of British Commercial Secretariat) of 10 July 1942, summarizing the information that had led to the listing of Hentsch Bank. This document is significant, since within the next short period, the British destroyed their file and were unable to make any concrete statements about why Hentsch had been listed. The main case against Hentsch is laid out below:
"The Banque Hentsch enters into the picture when HM Consulate, Geneva, wrote to the British Commercial Secretariat. on September 29, 1941, stating that Dr. de Loes director of the "A" listed A.G. Elektrische und Industrielle Unternehmungen (sic) im Orient, was also a director of the BANQUE HENTSCHE. They stated that HENTSCHE & CO. was a local private bank notorious for its representation in Switzerland of Italian interests. It acted, for instance, as the Swiss agent of the Italo-Suisse and Montecatini interests.
Another director, RENÉ HENTSCHE was known to be going in and out of Germany continually. In December of 1942, the M.E.W. gave the following information:
1) Hentsch Bank has bought and sold Italian bonds with (?P) mark New York.

- 2) Hentsch bank offered sterling notes to Banco Nacional Ultramarino.
- 3) The Bank sold large amounts of Argentine pesos to Cupertino de Miranda of Oporto (Statutory List) in exchange for escudos (sic).

In a letter from HM Consulate, Geneva to the British Commercial Secretariat dated December, 17, 1941, besides recommending the subject firm for the Statutory list, gave the following further information:

- 1) The Banque Hentsch is responsible for the Societe Financière Italo-Suisse which controls the Societa Meridionale Elettricitá at Naples. Monsieur Gustave Hentsch is the president of the Societe and makes frequent trips to Italy on its behalf.
- 2) The Banque Hentsch has always been responsible for the Montecatini interests in Switzerland.
- 3) The president, Gustave Hentsch, is a notorious Fascist and openly expresses his admiration for the Axis powers.

In January of 1942 the M.E.W. was approached in London by the Swiss Commercial Secretariat who stated that the Hentsch Bank would be willing to sign an undertaking in order to prevent listing action. The M.E.W. while willing to consider such an undertaking could not see how the firm could offer one in view of a) their representation of Italian interests and b) the pro axis sympathies of their president. In the meantime, however, HENTSCH was placed on the Statutory List (in January of 1942) The M.E.W. telegraphed the British Commercial Secretariat on December 23, 1942 (sic) [in fact, in December 1941] stating that Hentsch would be placed on the Statutory List and its six partners on the Black List – publication mid-January, 1942.

Partners: Gustave Agenor Hentsch; René Lucien Hentsch; Robert Edmond Hentsch; Jean Frederic Bonna; Conrad Edouard Rudolph Hentsch; Charles de Loës.

The question of an undertaking was brought up at the Mixed Commission meeting in January of 1942 and it was agreed that the Bank should approach the British Commercial Secretariat directly to discuss the possibility of such an undertaking.

On February 12, 1942 Dummett of the British Legation interviewed Gustave Hentsch. In reply to Hentsch's question as to why the Bank had been put on the Statutory List he was reminded of his Italian interests, Etc. Hentsch defended himself by stating that these Italian interests were very minor and consisted only of protection of Swiss interests and in collecting (sic) money from Italy. When asked whether the Banque would sign an undertaking, Hentsch stated this would not be compatible with Swiss neutrality and that this would be asking the impossible of him.

The Legation concurred in its letter of April 24, 1942 with the British on the Black listing of the following directors of Hentsch & Co.

Richard Pictet; Raoul Kroft; Andre Aubert; Ervin Schlegel; Jean Bonna; F. Wenger; Raymond Barbey; R. Pelz; H. Bachmann. [These persons were directors of another firm, and were erroneously referred to in various letters. The error was cleared up only months later.]

Mr. Brupbacher (president of A.G. fur Elektrische & Industrielle im Orient) in a letter to the British Commercial Secretariat, dated June 11, 1942, stated among other things that he represented also the SOCIETE FINANCIERE FRANCO-SUISSE. The Rationenbuch (sic) shows that four of the directors of this SOCIETE are resident in Paris. This indication that Hentsch are interested in this further enemy controlled concern make the British wonder whether it would advisable to pursue the question of an undertaking with them.

SUMMARY

The British Commercial Secretariat's point of view is that Hentsch & Co. should remain on the Statutory List for the following reasons:

1. Indication of participation in a further enemy controlled concern.

2. The fact that Hentsch dealt extensively in Italian bonds and transacted considerable business with "A" listed Cupertino di Meranda.
3. They were originally listed largely because of the political sympathies or the brothers Hentsch and the firm's interest in the Italo-Suisse and Montecatini (the British agreed to allow Hentsch to continue with their Italian business on the grounds that they were, in fact, primarily representing Swiss interests.)
4. It was later discovered that Hentsch were interested in CIPA (Note: CIPA stands for Compagnie d'Importation de Produits Alimentaires et Agricoles, S.A.) and though Cuendet has resigned, the British are still suspicious. (Pierre Cuendet has power of Attorney for and is administrator for CIPA)
5. It was also discovered that still another cloak for Hentsch existed, i.e., the SOCIETE FIDUCIAIRE ET DE REPRESENTATIONS, S.A. of Geneva. This firm is directed from the same offices as Hentsch by Pierre Cuendet.
6. GOLDRAY, S.A. of Geneva is still another firm used as a cover for Hentsch and on its board of directors is Pierre Cuendet. Both Goldray and Societe Fiduciaire et de Representations were recommended for Statutory listing as being cloaks for Hentsch.
7. M. de Loes is a director of the Statutory listed A.G. FUR ELEKTRISCHE & INDUSTRIELLE UNTERNEHMUNGEN IM ORIENT and also of the highly suspicious SOCIETE DI FINANCIERE FRANCO-SUISSE (Note: The British are still investigating the Societe Financiere Franco-Suisse.)
8. A clipping from the Geneva paper "La Suisse" shows that Hentsch is definitely connected with the Societa Meridionale Elettricita of Naples. (a fact which M. de Loes has not revealed during the course of his interviews with the British).
9. In view of the fact that it is very difficult to control whether a bank lives up to the terms of an undertaking, the British Commercial Secretariat feel that they should not accept one.
10. H.M. Consul, Geneva, has throughout the whole case been against removal from the "A" list and against an Undertaking.

F.R.C.

July 10, 1942.

The following are excerpts and copies of letters to the British Commercial from their Geneva Consulate:

Letter of May 11, 1942: (Referring to an interview between Charles de Loes of the Hentsch Bank and Mr. Dummett of the British Legation.)

'...As to the political sentiments of the Hentsch family, he (de Loeb) (sic) evaded the question in such a way as to convince me that they are what they are said to be, i.e., pro-axis, but he argues that personal sentiments have nothing to do with business.'

Personal letter to Lomax of the British Legation from Ronald Armstrong of H.M. Geneva Consulate, dated February 16, 1942:

'Dear Lomax,

I rather gather from (sic) Bill [handwritten: Sullivan?] that the Swiss authorities are inclined to take up the line, in the Hentsch case, that Gustave Hentsch is a 'pillar of the Church', etc., etc!. It might, therefore, be worth remembering that the old swindler was arrested at the time of the fraudulent bankruptcy of the Banque de Geneve and fined a million Swiss francs. Had he not paid up, it is reported that he would have been condemned to some years' hard labor!

In any case he is the bosom friend of those Genevese who support the violent daily attacks on our cause in the morning papers here, laying on insults like butter in peacetime -- and he is the intimate of the German vice-Consul. I live in the same house so I see who goes in and out!!!

(signed) Ronald Armstrong'

Letter of February 2, 1942 from HM Consulate, Geneva to B.C.S. [Sullivan]

'...We cannot see how the bank could possible (sic) sign an undertaking with the intention of adhering to it, and it is practically impossible to control a banker's complicated activities in war-time.

Gustave Hentsch, with his great interests in Italy, and René Hentsch with his in Germany, are sure to put enemy interests before our own. The general impression in Geneva in banking circles is that Messrs. Hentsch have got what they deserved. No one seems to doubt their pro-axis sympathies and activity.'"

14. Letter from Getsinger to J. Garnett Lomax, British Commercial Counselor, BritLegation Bern, 24 April 1942, re: the Black listing of the executives of Hentsch & Cie. The executives are: Richard Pictet; André E. Aubert; Jean E. Bonna; Raymond Barbey; H.G. Bachmann; Raoul Kraft; Erwin Schlegel; F. Wenger; R. Pelz. [These persons are again referred to in error.]

15. Letter from British Commercial Secretariat to Black List Section, London, 24 June 1942, re: concerns of Hentsch Bank as regards the proposed undertaking, and the Brits' suspicions that in the end Hentsch would rather just sign the undertaking, even without the intention of really abiding by it (or at least having more room for interpretation by clearing up fewer gray areas before its signing). The Commercial Secretariat in closing recommends that they not be allowed to sign the undertaking.

"At the first interview [with Hentsch representatives], they raised certain difficulties and we were accordingly asked to put up counter-proposals to you, which we assured them we would be very willing to do. The main difficulty raised by Hentsch was with regard to paragraphs B. and C. of the proposed undertaking. In particular, they were unwilling to exclude all transactions with persons on the Statutory List resident in this country and maintained that a variety of transactions with or on behalf of the enemy or involving enemy owned property would in no way harm our interests.

"A director of the firm called later for a second interview, when he was again informed that we would be prepared to consider any reasonable counter-proposals, providing that they were submitted in writing, but that we could not give him any oral assurances that these proposals would meet with your approval. At a third interview, Hentsch raised fewer objections and was again asked to put up his proposals in writing. This he still has not done.

"Hentsch now inform us that they are prepared to sign the undertaking as it stands, but that the Political Department have not yet given their agreement.

"We cannot help the suspicion that Hentsch have not dropped all their objecgions (sic), but having been unable to obtain any oral assurances from us, prefer to sign the undertaking as it is rather than have further particulars in writing."

16. Letter from Dummett to Reagan, 8 May 1942, re: terms of Hentsch undertaking, and possibility of making it even more restrictive to "tie up the firm further".
MEW set out the terms of "an undertaking which the Black List Committee would require

Hentsch to sign if the firm is to be deleted from the Statutory List.

“I am instructed that this undertaking should:

“a) cover his Italian interests in such a manner that he undertakes to represent only purely Swiss interests in Italy and to deal only in the transfer of Swiss assets from Italy to Switzerland.

“b) exclude all other transactions with or on behalf of the enemy (including persons on the Statutory List).

“c) exclude transactions involving enemy owned property or securities emanating from or intended for enemy territory.

“d) include the usual propaganda clause.

“I am instructed further that such an undertaking should be supported by a bond of £5000.

“I was called on the other afternoon by 2 directors of the firm, de Loes and Robert Hentsch (significantly perhaps neither Gustav nor René accompanied him) and I accordingly put up the terms of the proposed undertaking to them.

“I informed them also that under the terms of clause b) above, they would be required to sever all connections with the Cipa.

“I again rather had the impression that the firm will not agree to sign such an undertaking, but I may be wrong. In any case, de Loes and Hentsch told me that they would think it over and come up to see me again next week.

“Meanwhile I shall be glad to hear whether you think the terms of the undertaking suggested by the Black List Section are sufficiently far reaching, or whether an attempt should be made to tie up the firm further.”

17. Letter from Dummett to Reagan, 29 April 1942, re: unexpected proposal of undertaking for Hentsch; as a result, Dummett recommends waiting to include the as-yet unlisted directors of the firm (those who held individual and collective proxies). He expresses the view, however, that the firm should probably not even be given the opportunity to sign the undertaking as a result of its connections with Cipa S.A.
18. Letter from Garnett-Lomax to British Consulates in Switzerland, 13 April 1942, re: the placement on the Statutory List of Goldray S.A., Rue de la Cité, Geneva and its directors, Gustav Roch, Pierre Cuendet and Charles Perret.
19. Note from British Commercial Secretariat to Reagan, 16 Feb. 1942, re: proposal by Geneva Consulate of further listing of executives of Hentsch. [Note: those listed in this letter are actually incorrect; they are the executives of an unrelated firm, the S.A. de Gérances et de Dépôts in Geneva; this mistake is acknowledged by Dummett in a letter to Reagan dated 25 July 1942.] Geneva also recommends the listing of Cipa S.A. and of the Société Fiduciaire et de Représentations S.A. “The grounds on which Geneva recommends this action are that both concerns are acting as a cloak for the Statutory listed bank of Hentsch & Co.”
20. Letter from British Geneva Consulate to Commercial Secretariat, Bern, 13 Feb 1942, re: recommended listing of *all* directors of Hentsch bank, including the proxy signers, and particularly of Pierre Cuendet. They also refer to CIPA’s transactions aiming to supply Vichy with food and supplies.

“We strongly recommend that one of the ‘fondés de pouvoir’, Pierre Cuendet, should be

added to the Black List without delay. He is the administrator of CIPA... which functions from the Hentsch bank. He also directs the 'Société Fiduciaire et de Représentations S.A.' from the same offices. Both companies are merely 'covers for Hentsch', and we hear that CIPA is engaged in doubtful transactions between Turkey and Switzerland with ultimate intent to stock Vichy.

"...A full report on Cuendet and CIPA is enclosed." This report is unfortunately not in this folder.

21. Cover letter from Sullivan to Reagan, 9 Oct 1943, enclosing several letters: 1) letter and enclosure from Hentsch & Cie from 29 Sept 1943; 2) Copy of Sullivan's telegram to MEW on 8 Oct; and 3) letter from Sullivan to Hentsch & Cie on 9 Oct 1943.

22. Telegram from Sullivan to MEW of 8 Oct 1943. Notes in particular the significant pressure being exerted on the allies by Foreign Minister Pilet-Golaz in the Hentsch case.

"Your tel. 3030 1942. On more than one occasion M. Pilet-Golaz and other Federal Councillors have asked me to Interest myself personally in the Hentsch case with a view to finding a solution, which would allow the de-listing of the bank.

2) I informed P.G. that I could intervene usefully by recommending the acceptance of proposals which H. would make after discussion with C.S. [Credit Suisse] if these appeared satisfactory. Latter, after an interview with de Loes and Nussbaumer (who participated at the Bank's request) has received H's proposals in the form of a letter and draft undertaking copies of which are being sent to Bliss by Swiss bag. Undertaking which has been drafted by Nussbaumer contains a number of clauses similar to those discussed in connection with the proposals (now withdrawn) for a standard form of undertaking for banks. The draft appears to be reasonably comprehensive but in view of its highly technical character the question of its sufficiency appears to call for expert examination.

3) My U.S. Colleague to whom I am referring the case for his concurrence with no doubt comment on the omission of the text quoted in my telegram 3238 para. (d). [This is the same as in the letter from Reagan to Sullivan on 9 Dec 1942. This letter is not in this folder.]

4) If Bank's proposals are acceptable I have no objection to de-luke of Fiduciaire and Argus."

23. Letter from Hentsch & Cie. to Commercial Secretariat, British Legation, 29 Sept 1943. This letter is an attempt to assuage the individual concerns of the British and American Commercial Legations, as well as to appear engaged and cooperative. It does in fact contain some detail about various holdings and associations of the Bank.

« Comme vous pourrez le constater, le texte que nous vous soumettons entre ne de nombreux détails, afin d'atteindre la plus grande précision possible et il nous paraît couvrir la majorité des opérations que nous sommes amenés à effectuer. Nous pensons toutefois qu'il nous sera loisible, à l'avenir, de nous entendre avec vous, dans un esprit de confiance réciproque, au sujet de l'interprétation de tel ou tel cas qui pourrait prêter à équivoque.

Au cours de la revision (sic) que nous avons faite de tous les comptes figurant dans nos livres et dont les titulaires sont considérés comme ennemis aux termes de la réglementation britannique, nous n'avons relevé que neuf personnes ou sociétés figurant sur la Statutory List.

Il nous sera de liquider la majeure partie de ces comptes, mais nous permettons de signaler à votre attention : la Société Fiduciaire & de Représentations S.A., 22 rue de la Cité, Genève, au

capital de Fr. 50.000.-.

la Société Argus S.A., à Tanger, au capital de Fr. 10.000.-.

Ces deux petites sociétés sont entièrement contrôlées par notre maison, qui en détient la totalité du capital. Nous supposons, étant donné qu'elles n'exercent aucune activité en dehors de notre banque, qu'elles ont été placées sur la Statutory List parce que certains de nos fondés de pouvoirs font partie de leur conseil d'administration.

L'undertaking que nous signerions pour notre banque devrait, nous semble-t-il, couvrir également ces deux sociétés, comme entièrement contrôlée par nous et pour lesquelles nous prendrions les mêmes engagements, et permettre de ce fait leur radiation de la Statutory List.

Société CIPA S.A., Genève :

Le compte de cette société est actuellement débiteur chez nous à la suite de marchandises importées en Suisse et non réalisées. Il ne pourra probablement pas être liquidé avant quelques mois, étant donné des discussions en cours avec le Contrôle Fédéral des Prix. Nous ferons cependant le nécessaire pour le clôturer aussitôt que possible.

GOLDRAY S.A., Genève :

Société au capital de Fr. 50.000.- ; bien que son conseil d'administration soit composé de fondés de pouvoirs de notre maison, nous n'avons intérêt dans cette société, dont le capital appartient des personnes domiciliées à Budapest. Notre activité en ce qui la concerne, s'est bornée, ces derniers temps, à encaisser certaines rentrées. Nous sommes prêts, si vous le désirez, à clôturer son compte chez nous, qui présente un mouvement insignifiant. Nous nous permettons de vous signaler que le compte de la Société Montecatini dans nos livres a été clôturé, pour des raisons de contrôle des changes, déjà en 1938, et qu'il en est de même pour la Société Méridionale d'Electricité depuis le 2 juillet 1941.

D'autre part, nous vous informons que M. Olian n'entretient plus de compte dans notre maison depuis le 28 décembre 1942.

Nous tenons une foi de plus à relever que depuis de nombreuses années les opérations que, nous effectuons pour notre compte avec les pays se trouvant en guerre avec la Grande Bretagne ne représentent uniquement dans la sauvegarde d'intérêts suisses dans ces pays et dans le rapatriement de sommes dues à notre clientèle suisse.

Depuis la fondation de notre maison, en 1796, nous avons en revanche entretenu les relations les plus étroites et les plus amicales avec l'Empire Britannique et les Etats-Unis d'Amérique, et avons en particulier effectué de nombreuses opérations en collaboration avec nos amis de Londres et de New York.

Nous désirons d'autre part déclarer d'une façon particulièrement formelle que notre banque n'a jamais été mêlée à n'importe quelle propagande hostile à la Grande Bretagne.

Enfin, nous sommes prêts à verser immédiatement, sous la forme dont nous conviendrons d'un commun accord avec vous, le montant de la caution qui nous est réclamée [£5000]. »

24. Undertaking.

25. Letter from Sullivan to Hentsch Bank, 9 Oct 1943. Sullivan confirms that the proposed undertaking and bond are being forwarded to London "by the Swiss authorities." He also notes that the concurrence of "his American colleague" will be necessary for de-listing.

26. Minute by Sullivan of meeting with de Loes and Nussbaumer, 14 Sept 1943. The American reader of this report, presumably Reagan, refers to a £5000 bond being "ridiculous". The

American reader's note indicates that the Americans are not yet fully involved in the renewed de-listing effort for Hentsch. "I don't see why the anxiety to get Hentsch off [the Black List] now." He wanted to be ready with a brief to object to de-listing when the Americans were formally asked to give a recommendation on the proposal to de-list the bank.

27. Summary of conditions of proposed undertaking between MEW and Hentsch Bank; undated.
28. Confidential report from: 71,112; Source: B2, 23 Aug 1943. re: Hentsch's possible role in moving Count Ciano's assets to Switzerland. Refers to number 71,111 of 16 Aug. "Mr. Koechlin [of Geigy?] has been interviewed regarding the transfer of Count Ciano's fortune to Switzerland. He denied any knowledge of such transactions and said he very much doubted that Swiss companies would lend themselves to such an enterprise. He was not surprised to hear that Hentsch & Cie. should be connected with such reports and seemed to think that Mr. Michael Olian of Geneva was another person who should be questioned on the subject."
29. Letter from Paul Squire to Harrison, 14 Aug 1943; encloses a copy of a letter sent to the Zurich Consulate General on 5 Jan 1942 by Squire, containing a recommendation that Hentsch & Cie. be listed. This letter does not contain any new information. "Mr. Gustave Hentsch is president of the society and makes frequent journeys to Italy on its behalf. The Banque Hentsch has always been responsible for the Montecatini interests in Switzerland. president Gustave Hentsch is viewed as a notorious Fascist and openly expresses his admiration for the Axis powers."

Box 71, “Pe”

Folder “Pedasa S.A.”

1. Secret report: From: 2043, Source: Adolf A2. “With reference to my reports Nos. 1966, 2006, 2036”, Date: 4 Dec 1944, re: Paul Holzach, alleged Nazi courier of flight capital. “Adolf reports that Paul Holzach (PL) arrived back at Zurich from Germany on December 3. He is expected to proceed to Geneva on December 4 bringing the securities, gold, jewelry, etcetera, brought from Germany, and to deposit s same in the Société Bancaire de Genève (PL) of which Michel Olian (PL) [Owner of Pedasa, suspected by the Allies of being a huge war profiteer by helping Nazis to sneak their assets to South America] is an important customer. It may be recalled that nominally Holzach is Göring’s agent, but he is understood to be working also for other Nazi bigwigs.”

2. Strictly confidential Memo for the Files, Dec 1, 1944, from MWA, re: Michel Olian. Writer is employee at American legation Bern. He was interviewed by Mr. Goël of the Swiss Federal Foreign Police re: Mr. Olian. Goël had been empowered, via a power of attorney from Mr. Olian, to investigate Olian’s accounts in any bank in Switzerland. “Since Olian is believed to have had accounts only with Hentsch & Cie. and one other small bank (the name of which I have forgotten), he was desirous of learning whether there were any indications in our files of his dealings with any other banks.”
Previous to this in the memo: “Mr. Goël said that Olian had made great claims about the benefits that he had conferred on certain important Swiss industries – he asked whether this was confirmed in our files. He stated that he was of the opinion that this was not correct; that on the contrary he had done some of these firms considerable disservice by bringing certain of their activities into question.”

3. Strictly confidential report re: Michel Olian, from: 1961, Source: Byron - B2, 3 Oct 1944. “Byron first referred to the clandestine Atlantik broadcast of October 1 (11 p.m.) to the effect that under pressure the Allies had persuaded the Swiss Government to open an enquiry regarding Michel Olian (PL) as to where he had hidden large sums on behalf of the Nazis. it was well known that Olian had sent big amounts from Switzerland to South America in favor of certain Nazis among whom were ‘war criminals’.
“It is understood that the Swiss Federal Police have finished their enquiry and have decided to expel Olian from Switzerland, but that lawyer Paul Lachenal is endeavoring, rather successfully, to obtain a delay. (One talks of 100 SFR as a fee every time Olian telephones Lachenal.) Mr. and Mrs. Olian are described as Jewish, the former being from a Baltic State and the latter a Russian from Petrograd.
“‘Working his passage home’ with Rare Gobelins:
Faced with the prospects of being expelled to France Olian is now making ‘contributions’ to the FFI. More than that , he is contemplating making a magnificent gift to the French Government ‘in view of the destruction of so many works of art.’ The idea is to purchase two old Gobelin tapestries, the \owner of which may be none other than former French Minister Georges Bonnet. in any event the intermediary is a certain Bracher, Swiss, of Lausanne. The price asked is 3,500,000 SFR, but they are now talking 2,500,000...
“Olian is reputed to be worth 100,000,000 SFR. He generally receives 8% commission on an

operation, but in one instance a single operation yielded him 8,000,000 SFR. He is said to operate as follows: He first receives from the Germans the French francs, dollars, or pounds Sterling, as the case may be; he then sells, taking his commission. He would then buy Swiss or South American money, taking again his commission on the amount purchased.”

4. Secret telegram from Harrison to American Embassy London, 27 June 1944. re: involvement of Fides Union Fiduciaire with Pedasa.
 - “1. In a registered letter of Jan 28, 1943 Fides Union Fiduciaire canceled its management contract with Proclaimed Listed Pedasa.
 - “2. Fides’ political orientation and activities are satisfactory to the best of our knowledge.
 - “3. Nothing on file indicates that Banque Intercontinentale or Hentsch have an interest, either directly or through Proclaimed listed Olian, in Pedasa. HARRISON”

5. Memo from Paul C. Blum to Reagan, 30 July 1945 re: German Safehaven operations involving Olian:
 - “2. We have learned from a reliable source that Emil Roget, a close associate of Olian, has acted as courier for German Safehaven operations throughout the war.
 - “3. These operations were apparently known as “Bero” or in reverse “Robe”., a code word made up of the first two letters of Bericze’ and Roget’s names.”

6. Letter from British Consulate General Zürich [Mr. Newmark?] to Commercial Secretariat, British Embassy, Bern, 6 Nov 1942, re: initial interviews with Olian.

Olian is discussed in quite some length; he was questioned about the “Franco-German-American” bank (Banque Intercontinentale), which he had in fact been asked to subscribe to in its founding (and to which 6 American firms, including Ford and IBM, had each subscribed FFR 1,000,000) but with which he in fact played no role, having declined the offer. “The Banque Union Parisienne was also interested. The foundation of this bank was ventilated first about 18 months ago, certainly before America came into the war and he too had been asked to subscribe half a million or a million, but he had refused to have anything to do with it.” earlier: “the French had contributed 15 millions and the Germans 14 millions, and the intention was to protect American interests in France.” later: “All we know to [Olian’s] personal disadvantage is that he is rather inclined to showing off, and boasting about his big financial deals, but we know as a fact that he had been engaged in big things. We admit being very much disappointed when we heard from you regarding his bad reputation, because we had thought we had discovered an absolute mint of information who was simply bursting with the desire to help us when properly handled. It seemed to flatter his vanity that he was able to tell us things.” earlier re: the Banque Intercontinentale: “Although he had no connexion whatever with this bank he was approached some time ago by Lier, the representative of IBM of Geneva who told him that he had received a telegram from the Comte de Chambrun, Laval’s son-in-law, advising him to address himself to Olian, a director of the bank, for information regarding their business.” Also later: “He had arranged to have an interview with FINK of Eurasia next Wednesday in order to find out through what channels they were carrying on their Tanger-Germany (sic) trade.”

7. Unsigned and undated note, re: Olian and his various enterprises and bank contacts.

“OLIAN – strange and suspect character; charged with semi-official missions by various

French governments and by several Vichy ministers. Has friendly relations with the Banque de l'Union Parisienne and the Banque de Paris et des Pays-Bas [on the Proclaimed List]. Backed by Malvy's group (Malvy, former President of the Finance Commission at the Chambre des Députés, former minister), and by Pierre Arnal, Director of the Quai d'Orsay. "Buys horses in Hungary on behalf of the Ministry of Agriculture, Vichy, with Roget, member of this Ministry, as agent.

"He later organized gold traffic with three agents Glasberg, Timenovitch, and Köhlmann. "Frontier crossings were facilitated by Mézière of the French Consulate at Geneva, since dismissed, and Daulliac, Prefect of the Haute-Savoie was complacent.

"The receiving agent in Lyon was the Ukrainian Abelsohn, employee at the Banque de Paris et des Pays-Bas (Hotel Carlton, Lyon). Abelsohn himself was assisted by Claude Lévy and Rheins, the latter stock broker in Paris.

"Later on Olian attempted to interest Swiss finance in the creation of 'Transafrique'; this enterprise was to supply Europe, or more exactly, Germany, with African foodstuffs and raw materials, shipped partly in small cargoes which could sail up the Rhone, and partly by rail through Spain.

"Up to the present this enterprise has not been successful although placed under the protection of Minister Barnaud (Franco-German agreements), Leroy-Ladurie, General Manager of the Worms bank and Gibrat Minister of Communications, all three Wormsian synarchists.

"The Managing-Director of Transafrique is Monsieur Layat-Dron, Finance Inspector, synarchist, General Secretary of the Comité des Forges; he was backed by Farnier, former sub-governor of the Bank of France, at present General Manager of the Comptoir National d'Ecompte (salary 800,000 francs)"

8. Unsigned and undated Notice, in French, about the biography of Olian. Attached to various letters from the British Legation, etc., dated in mid-January 1943. Olian was from Russia (Latvia), fought in the tsarist army from 1915 – 17, and then in the White Russian militia in 1917 and 1918. Thereafter, he helped to organize the Latvian State Bank in 1922. He lived in Berlin from 1922 – 24, where he was involved in exchange and stocks. He became a stockholder of the bank von Benneckendorf, of the Merkurbank, as well as of other financial and industrial enterprises. Thereafter in Paris until 1939, working in securities at first, and later having a variety of significant real estate holdings, which were liquidated in 1938. At the same time, significant holdings were taken up in Switzerland, including the 1937 acquisition of the Avenue de la Gare No. 1 in Lausanne, a property in the Talstrasse in Zürich, and various properties in Basel, Geneva, and elsewhere. He had resided in Switzerland since that time with 3 month residency permits which were always renewed.
9. Letter from Reagan to Squire, US Consul, Geneva, 4 Jan 1943 re: Olian. "With reference to Michel OLIAN (alias Mikhail OLEANDER?)..."
10. Explanatory note of 17 Dec 1942 submitted by Olian re: Pedasa S.A. "et à la remise du dossier de l'affaire Banque PINTO & SOTTO MAYOR, à Lisbonne." describes assistance provided by Olian to Geigy and Sandoz in getting their assets out of France, as well as to R. Schwarzenbach & Cie of Talwil and the Société Industrielle pour la Schappe of Basel. Also with Viscose Suisse of Emmenbrücke; furthermore, it is stated that Olian was an important

client, but still nevertheless a CLIENT, of the Banque Hentsch & Cie of Geneva. Also had an interest from 1941 until its blacklisting in July 1942 in the firm Gunzburger S.A. of Basel, which had various dealings in France. The contract with Gunzburger S.A., which called on Olian and Pedasa to finance certain dealings in return for a certain percentage of the firm and was to have been valid through March 1943 was annulled. He also has a financial relationship with Derapil S.A., which imported to Switzerland “des peaux de mouton en provenance de Portugal et de divers autres pays.” It also states that he never held an interest in the Banque Intercontinentale of Paris.

11. Letter from Commercial Secretariat (Dummett), British legation, Bern to Reagan, 18 Dec 1942, re: blacklisting charges against Olian, in reply to a letter from Reagan.

“May I refer to your letter of the 28th November concerning Michel Olian, to which I would have replied earlier, only I wished to obtain confirmation both from Zurich and from Geneva, that there was no truth whatsoever in the claims put forward by Olian.

“As regards Zurich, I am now able to inform you that it is impossible that either Mr. Walker or Mr. Newmark gave Olian any information regarding Mr. Lier; this for the very good reason that neither of them knew that Mr. Lier had furnished you with a report. The only information which Zurich had on this subject was obtained from Olian himself. It may well be that Olian saw Mr. Walker with Mr. Lier but I attach no importance to this whatsoever.

“As regards Geneva, I am able to inform you that it was not de Blonay who informed us that Olian is a representative of the Reichsbank in Geneva. This information was obtained from a totally different and far more reliable source.. (sic)

“From the above and from Olian’s claim to be personally acquainted with the Minister, it is clear that no credence whatsoever can be placed in Olian’s statement but as he is now on both the Proclaimed and Statutory Lists, there is little which we can do in the matter beyond avoiding all contacts with Olian in the future.
12. Memo for the Olian file from Reagan, 12 Dec 1942: “According to W, the marquis de Chambrun was in Geneva last week and was in touch with Olian, presumable with regard to the Banque Intercontinentale affair.”
13. Confidential Memo for files re: Olian, from Reagan: “If not already in the records, it appears that FIDES, holding management company for Credit Suisse, is operating Olian’s company “PEDASA”.
14. Letter to William J. Sullivan, British Commercial Secretary, British Legation, Bern, from Reagan, 28 Nov 1942, re: Olian’s connections, and various sources of info. on him.

“Since my conversation on November 21 with Mr. Dummett concerning Olian, I have had two interviews with Mr. Lier.

“You will recall that Olian called on Lier on Nov 20 and accused him of having submitted to the British authorities a memorandum of his previous interview with Olian in which the latter admitted his connection with the Banque Intercontinentale. It is obvious from the fact that your Minister has never seen Olian that the latter is lying. Mr. Lier, however, is convinced that Mr. Newmark of your Zürich Consulate General has mentioned something to Olian concerning Lier’s report on his knowledge of Lier’s connection with the case. He was, for example, able to inform Mr. Lier that he knew that the latter had seen Mr. Walker of your

Zurich Consulate General on October 31. Mr. Lier believes that on that occasion he may have mentioned to Mr. Walker something about Olian's alleged connection with the Banque Intercontinentale and that the latter as a matter of course informed Mr. Newmark who revealed the source of information to Olian. Olian also informed Lier on November 21 that he knew that a certain De Blonay had written to the British that he, Olian, is a representative of the Reichsbank in Geneva. I should be interested in hearing whether or not you have, in fact, received such a report. If so, it would appear that Olian has a remarkable knowledge of the contents of your and our dossiers concerning him.

“With regard to his connection with the Banque Intercontinentale, Olian confirmed the fact that he had stated in his previous interview that he had subscribed six million francs to the bank. The version that he gave to Lier last week is that at the time the bank was being organized, Lignac requested him to subscribe that amount. Olian claims that he informed Lignac that he was not interested in the proposition but that as a personal favor he permitted Lignac to put him down for six million francs. Olian states that since his first interview with Lier he has learned that the bank's stock subscription was completed before his six million francs were used and that he therefore has no connections with the Banque Intercontinentale. Olian appears to be a practiced if not a very skillful liar.”

15. Letter from Sholes (Basel) to Harrison (American Minister, Bern), 25 Nov 1942, re: Olian and his various connections in Basel, as well as his personal finances.

Sholes was to contact Hans Gass, manager of the financial dept. of J.R. Geigy A.G., Basel, in order to corroborate Olian's work for them.

“According to the Consulate's informants, the real name of Michel Olian is Mikhail oleander. He is said to be a Russian Jew and at present to be a naturalized French citizen. “Olian is said to be married to a Russian woman, who is unhappy because of Olian's frequent infidelities as he reported to have a mistress in ‘every town in Switzerland.’ The Swiss Federal Police is suspicious about him and he has been called for examination on several occasions. When the police accused him of working in Switzerland without possessing the necessary permission, he is said to have replied that he does not ‘work’; that he arrived in Switzerland from France with 12,000,000 SFR which he had deposited in a bank here. The Police verified this statement and found it to be true, except that at present the sum on Olian's account amounted to merely 6,000,000 francs. When asked by the Police what had happened with the other 6,000,000 francs, Olian is supposed to have replied that he spent it for living expenses.

“A curious coincidence exists concerning Olian's story about the 6,000,000 francs, as above given, and the Legation's information mentioned in its letter of September 29, 1942 on the subject of Lombard, Odier & Cie., Geneva, to the effect that Olian had invested 6,000,000 francs in the ‘Franco-German-American’ bank in Paris, the ‘Banque Intercontinentale’, which is generally believed to be a German-Laval creation.

“According to the Consulate's informant, Olian's ;principal banking connection in Switzerland is Hentsch [all partners of which are on the B List]....

“It is further reported that Olian has close business relations with Fides Truehand-Vereinigung (sic) (Fides Union Fiduciaire), with head offices at Zurich (Peterstrasse 11) and branches in Basel (Aschenvorstadt 4) and Lausanne (rue du Lion d'Or 6).”

16. Memo of Conversation of Mr. Lier and Mr. Getsinger by R.C.G. of American Legation, Bern, 25 November 1942. re: Michel Olian and the secret reports of Lier to the Legation. ... "Lier seems to be less concerned about the Olian business than he was last Saturday when you talked to him. he seems to believe that the Swiss police are on his side in the matter and will do their best to protect him should Olian attempt to make difficulties. I informed him that it was my opinion, after our consultation with the British, that Olian had not, in fact, been informed by any of the British of the existence of the memorandum concerning his first conversation with Olian. I said that I believed that Olian after assuring the British in Bern and the British in Zürich that he had absolutely no connection with Banque Intercontinentale had perhaps become worried about the possibility of their having received contrary information from Lier. Therefore, to determine whether or not he had been exposed by Lier, he had called on him and accused him of transmitting a memorandum to the British. With regard to the last conversation with Olian, it appears from extracts read to me by Lier that Olian now takes the position that at the time of his first conversation with Lier he had believed that he owned six million francs worth of stock in the Banque Intercontinentale. His story is that some time ago when the Bank was being organized, Lignac had requested him to subscribe that amount. Olian declares that he informed Lignac that he was not interested but that as a personal favor Lignac could put him down for six million francs if he wished. Olian states that he has learned since his first conversation with Lier that the stock subscription was completely taken up before his six million francs were used and that he therefore has no connection with the Banque Intercontinentale. Olian stated that he had personal but no business relations with Laval and Chambrun. It appears that someone of the British, probably Newmark in Zürich, has been exposing to Olian our [handwritten note: and the British] sources of information on him. For example, Lier said that Olian informed him that a certain de Blonay wrote to the British that he, Olian, is a representative of the Reichsbank in Geneva. Secondly, on the week-end of October 31 Lier, who was in Zürich, spent a long evening with Walker, the British Vice Consul. In the course of this evening Lier thinks he might have mentioned something to Walker about Olian. This appears to be the case for Olian was able to inform Lier of the date on which he saw Walker. He could have learned this only from Newmark. Nonetheless (sic) Olian seems to have been satisfied with Lier's declaration that he had not made any report to the British on their conversation and that if the British had any information on this it must have come from an intercept at Bermuda. (Lier has given the same story to the Swiss police.) Unless Dummett is mistaken, Newmark has never seen and does not know of the existence of the memorandum in question....
- "In one extract from the transcript which Lier read to me, Olian definitely stated that he had been informed by the British Vice Consul in Zürich and the British Minister in Bern that they had learned from Lier that Olian is connected with the Banque Intercontinentale."
17. Letter from British Consulate General at Zurich to the Commercial Secretariat of the British Legation, Bern, 5 Nov 1942. re: Olian's connections with the Banque Intercontinentale, with Geigy, and with Viscose Suisse.
- "Many thanks for Michel Olian's black record. There is one point that struck us as rather odd. Olian had mentioned the Franco-German-American Bank to us, and said that Six American firms had put up Fcs. 1,00,000 each, and that it was a perfect scandal that Americans should be collaborating in such a venture. He mentioned also the Comte de Chambrun in this connexion, but said he would give us all information regarding this bank at

his next visit, but he unfortunately failed to appear again. We are still hoping he will come one day.

“He promised also to introduce us to a Frenchman connected with the Viscose Suisse who knew everything there is to be known about rayon in enemy countries, and he had no doubt that he would tell me everything we wanted to know. We are making enquiries (sic) about him [Olian], but have so far only heard that he has very good connexions and in particular is in very close touch with the chemical people of Basle. We believe he mentioned the name KOEHLIN of Geigy to us.”

18. Letter from British Consulate General at Zurich to the Commercial Secretariat of the British Legation, Bern, 12 Nov 1942. re: Sponholz Bank Berlin sales of FFR to Leu & Co, then on to Portugal.

“Michel Olian told us that Utzler, an employee of Sponholz & Co. Berlin brought 500 million FFR notes to Leu & Co. last week with instructions to sell them (limit 1.10) and to buy with the proceeds escudos to be transferred to Mr. Arsonwal, a professor at the university of Lisbon. A Hofmann & Cie are also engaged in this business. Olian himself was asked by one of the Leu people whether he was willing to sell escudos. We are not going to enquire from Leu & Hofmann for the present, as Olian has promised us further particulars next week.”

[Olian’s dubious character may be alluded to by the following offer:] “He had never done anything against our interests, but if we wanted him to desist from any kind of business in Switzerland he was quite willing to do so and to back his undertaking by a guarantee for £10,000, £20,000 or £30,000 or any other sum. He asked us also whether he should approach Mr. Pyke or Mr. Livingston.”

[Another financial note, presumably re: Zurich] “Other bits of information we gleaned were: 1. Between 70 and 80 million FFR were sold there at the rate of 1.10 last Saturday and Monday. We are not sure whether any Sponholz Francs were among these. 2. The price of Royal Dutch in France was recently about 11,000 Francs which at the rate of 1.2 corresponds to SFR 132.– compared with the Swiss market price of SFR 250 (without declaration) About six weeks ago the situation was exactly opposite. The price was then in France also FFR 11,000, but as the francs rate was then about 2.– it worked out at about SFR 220.– compared with the Swiss price of 155.”

19. Memorandum of conversation, American Legation, Bern, 21 Nov 1942, re: Michael Olian, Participants: Mr. Reagan, Mr. Elting, Mr. Getsinger. Elting had met with Lier immediately after the latter had spoken with Olian. The conversation was recorded on a dictaphone. It concerns the fact that Olian had heard from the British that Lier had made a statement about Olian’s Intercontinental Bank holdings to a Mr. Norton of the Br. Consulate in Zurich (Norton later denied ever having heard of Olian). Olian showed a memo to Elting regarding several deals Olian may have been involved in, that was at that time new and which had been furnished to the Swiss police. “This is a memorandum which forms part of the Swiss dossier on Olian, whether military or civil I wouldn’t know. He has been buying diamonds and bringing them in from France through Charles Basganger [or Baszanger, etc.?] of Paris, and Badel, jewelers of Geneva. He has also bought diamonds in Monaco. In addition to diamonds he has been handling trainloads of cauliflower from Hungary to France via Switzerland. he also imported a large number of goat skins which were seized by the Swiss. Gondrand are

the transit agents for Olian. Their employee, Mr. van Muyden, is reported to have received 20,000 Swiss francs as a commission on one deal. Olian handles foreign currency transactions for the Hentsch Bank, and he is protected by various Swiss bank directors, particularly Sarasin, the well-known bankers in Basel. Olian has dealings with Robert Pache who is best known as a football star here in Switzerland, a strong nazi sympathizer. Olian has legal relations with Vorel, Paul Lachenal, and Trotter, Geneva lawyers of various political parties. In other words, he is dealing on all sides for protection and to prevent any one group from going after him." There follows a reference to a French memo (???) about how much Olian paid in taxes last year, namely 12,000 FFR, in contrast to another memo that said 1,000.

20. Resume memorandum on Michel Olian, prepared by "L.D.R.", reproducing the Legation's note #374 of 2 Oct 1942 to the Bureau of Economic Warfare. Gives a summary of Olian's behavior and contacts. States that he allegedly traveled frequently to Basel to meet with Sandoz, Geigy, and Sarasin; bought "bauxite from Var, tungsten and molybdenum for German or Russian account"; dealt in currency outside Franco-Swiss clearing, and probably dealt in illicit gold traffic; was "in close relations with one Vieli (or Weili) at Basel"; had "an associate, Pedratzini, (spelling uncertain), who holds himself out to be an officer on the Swiss General Staff, but it is stated that he is not – Pedratzini allegedly dangerous character"; "Consulate states that Olian cannot be touched, as he is protected by Paul and Adrien Lachenal with whom he works; latter two gentlemen are lawyers and political bosses (more or less the boss Hagues of Geneva) and for that reason it is doubted much can be gained in going after them; Consulate's informant states that Lachenals have arranged that Olian pays only 1,000 francs in Swiss taxes although a very rich man"; "French authorities [state] Olian in probable relations with Annecy"; "French report states that Olian is reputedly very close to the British and Russian services in Geneva. Consulate states, however, that careful check with all British services, Geneva, reveals that they do not and have never used him in any way nor had any connections with him"; had contacts with Sandoz, which yielded naught; but contacts with Geigy resulted in him "acting as 'broker' for financial dealings with France on behalf of Geigy and is personally known to Hans Gass, manager of the firm's Financial Department; "H.M. Consulate General, Basel, further reports that Olian is known personally to Mr. Newmark, British Vice Consul at Zürich and that Mrs. Olian is a personal friend of Mrs. Livingston, wife of H.M. Consul at Geneva.
21. Confidential letter from Sholes to Harrison, Bern, 14 Oct 1942 re: "the alleged connection between the private banking firm, Lombard, Odier & Cie., of Geneva, on the one hand, and Mr. Michel Olian, a Russian-Jewish or Russian-Armenian businessman of Paris, and a newly-established French-German-American bank in Paris, Banque Intercontinentale." Information source is Paul Dreyfus, a Basel banker. "Mr. Dreyfus expressed great surprise when told that there is a rumor that Lombard, Odier & Cie. are showing an interest in the Banque Intercontinentale, which, he said, was a German creation. Lombard, Odier & Cie. according to him, has the reputation of being the best private bank of Geneva, and in the past was closely connected with the de Rothschild interests. He promised to make some discreet inquiries concerning the rumor and inform the Consulate of his findings in due course. When informed that one of the managers of Banque Intercontinentale... is General Comte de

Chambrun, Mr. Dreyfus said that this fact definitely identified the bank as being closely associated with the French Prime Minister Laval, since, he said, a brother of the General is married to the daughter of Mr. Laval.”

22. Strictly confidential letter from US Legation, Bern, to US Embassy, London, 2 Oct 1942, recommending Statutory Listing of Pedasa S.A. of Panama and of Michel Olian. Describes his various contacts and his life's events, including: “He was born in 1896 and calls himself an Armenian although born at Riga....” Berlin financial speculations until 1925.... Paris residence after 1926, “where he was connected with the Banque Oustric. In 1927 he was prosecuted for the illegal possession of a radio sending set for purposes of market quotations and condemned on August 26, 1927, to three months in prison. Malvy fils (sic) was his lawyer.
- “From 1931 to 1938 he undertook various speculations with Jean Cerf, and (sic) associate of Nathan in the film scandal in France shortly before the war and who has since been condemned on a number of counts including swindling, in connection with his company, Pathé-Nathan. Olian was the object of ten penal charges.
- “He was compromised in the Rosenfeld affair. The latter was condemned for espionnage (sic).
- “Tipped off about the devaluation of May 1938, he arranged the purchase of several thousand pounds sterling through Hentsch & Cie., bankers. He made the same operation with the Indo-chinese (sic) piastre.”
- Speculated since 1938 in Switzerland in bauxite, tungsten and molybdenum, and dealt in contraband gold transactions.
- “According to one report, Olian acts as a liaison between Hentsch & Cie. and the new German “Banque Intercontinentale” established at Paris. (See reports from the American Embassy, Vichy, with regard to this bank.) Olian admitted in an interview that he had invested 6 million francs toward its foundation but denied being a director thereof. Olian stated that one of the Paris managers of this new bank is coming to Geneva soon to discuss it with him.
- “Olian is reliably reported to be working hand in glove with Hentsch & Cie.... From one source it is reported that the considerable Swiss holdings of the Italian Royal Family are entirely managed by Hentsch & Cie.
- “The British Consulate at Geneva states that it was informed by a reliable source that Olian is acting as an official representative of the Deutsche Reichsbank.
- “Mr. Robert E. Hentsch... was evasive in speaking of Olian's connection with his bank but hinted that Pedasa S.A. was a relatively small undertaking of Olian's and that the Legation should look ‘elsewhere’ if it desired to learn of more interesting manoeuvres (sic) of Olian.
- “The Legation has been informed by one of the most reliable bankers in Switzerland that Olian is a crook. He has, however, wide business connections in Switzerland because he is useful to various Swiss firms in getting property out of France....
- “Olian is playing an important rôle in the affairs of Cipa S.A. of Geneva, which was recently added to the Proclaimed List.”

23. Strictly Confidential memo re: Olian, From Howard Elting, Jr. to American Consulate Geneva, 16 Nov 1942. “[Informant] is absolutely convinced that Olian owns the Hentsch Bank.”

24. Memo in French from the French authorities (cited above in No. 22) about Olian.
25. Strictly confidential memo from Howard Elting Jr. re: Olian, 9 Nov 1942.
 “He [Olian] was very close to a high official in the French Ministry of Finance and obtained advance information which enabled him to clean up in speculation in francs. The Hentsch Bank of Geneva was associated with him in one such affair.”
26. Letter from British Consulate-General Basle to Commercial Secretariat, British Legation, Berne, 5 Nov 1942. re: chemical industry contacts of Olian. “The Geigy representative says that... he was used by them as a broker for technical and administrative financial business in connection with the evacuation soon after the outbreak of war of Geigy’s stock from Hüningen (Alsace) to Lyons. They know that Olian was at one time connected with the Comptoir d’Escompte de Genève.”
27. Letter from Reagan to Sullivan, British Commercial Secretary, Bern, 29 Oct 1942, re: Olian’s (lack of a?) connection with Lombard Odier & Cie.
 “Mr. Squire from Geneva reports that his British Colleague has received a flat denial from Mr. Richard Pictet, of Lombard, Odier & Cie., that his firm has any connection with Olian, and that H.M. Consul has confirmed this statement from an independent and reliable source. Mr. Pictet is said to claim that Lombard, Odier & Cie. was the first bank in Geneva to spread warnings against association with Olian.”
28. Strictly confidential letter from American Legation Bern to American Embassy Vichy, 29 Oct 1942, BEW3, re: source of info. on Olian’s connection with Banque Intercontinentale, and the origins of said bank.
 Info. came from W.C. Lier, Manager of IBM, Geneva. He checked on IBM France’s involvement with the Intercontinental Bank by speaking with IBM’s manager in unoccupied France, Mr. Letourneur, and with Mr. Housset, the lawyer for the French subsidiary. They stated that the bank was organized by “The General, Count de Chambrun, American citizen, French aristocrat and well connected with American Embassy in Vichy, is the promoter of this bank and contacted all American firms in occupied France. The reason, as explained to me, was that he had apparently been encouraged by the American Authorities in Vichy to create such a bank which would play the role of the American banks in occupied France in the event of the latter not being able to function. The affair was explained to me in this light. it is for this reason that the Compagnie Electro Comptable, on their own behalf and their own responsibility, and without informing me beforehand, decided to subscribe for Fr. Fr. 1,000,000 shares. This decision is not yet definite since they need the permission of the German Authorities. I may add that according to official instructions which I received, I am no longer in a position to give instructions to our French company in Paris nor control their actions.”
29. Strictly confidential letter from American Legation Bern to American Embassy Vichy, 29 October 1942, BEW2, re: Olian’s comments on form of support of Banque Intercontinentale:
 “Olian stated that the origin of the bank dates back to the Fall of 1941 and that the promoters appear to be ‘the Morgans of New York’. Olian further stated that the aim of the bank is ‘to

replace all American banks after the war,' but he is not convinced that this aim will succeed.”
 ...“[Olian has] wide business connections in Switzerland because he is useful to various Swiss firms in getting jewels out of France at a good rate.”

30. Letter from Commercial Secretariat, British Legation, Berne to Enemy Transactions Dept., 26 Oct 1942. re: negotiations to sell Banco Pinto & Sotto Mayor to Olian as a client of Hentsch & Co., Geneva.
 re: letter from ETD of 12 Jan 1942 re: negotiations at that time for sale of one third of the capital of Banco Pinto & Sotto Mayor to a client of Hentsch & Co. The client, Berne had just learned, was Olian. “Olian told H.M. Consul-General Zürich that the shares in the Banco Pinto and Sotto Mayor were offered to him by Prince Tschichaschef, ex-President of Georgia, who, according to Olian, is well known in England, amongst others to the Prime Minister. Olian said that he himself was interested, provided the British and Swiss authorities approved. He consulted the Swiss national Bank and the Federal Department and was told by Professor Keller that the Swiss Authorities would agree to the transaction, providing that the British Authorities consented. Olian believed that he had been given the name of some high officer of state in England who was supposed to have agreed to the scheme; he said that he would inspect his dossiers in order to find out the name; the name, however, has not yet been furnished. Olian sent someone to Lisbon to meet the prince and obtain from him proof of our consent, but the prince had vanished and no one knew where to; and that was the end of the story.”
31. Letter from Paul Squire, American Consul Geneva, to Harrison, Bern, 9 Oct 1942, re: LACK of connection between Lombard Odier & Cie. and Olian.
 “Our British colleague telephoned this afternoon to say that he had just confirmed the above information [namely that Lombard Odier had never had dealings with Olian, and had been the first to spread warnings about him in Geneva] through a different and equally reliable source [in addition to the above, which came from the ‘thoroughly reliable’ brother in law of Mr. Pictet of Lombard Odier]. The latter source stated that there was not a word of truth in the alleged connection with Olian and that Lombard Odier never has had and never will have any dealings with him.”
32. Letter from British Consulate, Geneva, to Commercial Secretariat, Berne, 17 Aug 1942. re: Reichsbank connection of Olian. “We have been informed from a reliable source that Olian is acting as an official representative of the Deutsche Reichsbank. Apparently he was in difficulty with the Swiss authorities concerning the renewal of his permit to reside in this country, but for a representative of the German State bank these matters can be ‘arranged’.”
33. Letter from W.C. Lier, European representative of IBM, to P.C. Squire, Consul of USA at Geneva, 13 July 1942. re: connections between various founders of the Banque Intercontinentale and the National City Bank of New York. “To the memo relating to the French-German-American banking plan, I wish to add that the only representative now in France of the National City Bank is a Swiss citizen by the name of Gruenig who may know more about this plan. According to my information Mr. Gabriel de Man – not Mun – and Count de Chambrun are no longer connected with the National City Bank.

34. Personal letter from American Embassy Vichy (signature Kippy [S. Pinkney Tuck, American Chargé d’Affaires ad interim, Vichy]) to Dan Reagan, Bern, 10 July 1942 re: organization of the Société de Credit Intercontinentale and American banks’ participation in it. See Vichy embassy’s confidential dispatches 972 of May 19 and 1051 of June 22. “In our telegram No. 874, June 17, 11 A.M. we transmitted a message from the Guaranty Trust Company in Vichy to its head office in New York indicating that the Vichy branch when questioned with regard to the Guaranty’s eventual participation replied negatively, indicating the head office’s policy of liquidation over the past two years.” Includes enclosure of a translation of a memo left at the Vichy embassy re: the Intercontinental Bank. “[André] de Laboulaye [former French ambassador in Washington] said several of these large [unnamed] French banks, after more careful inquiry, had decided to withdraw their participation from the Société and he added that certain people in Paris (presumably René de Chambrun) were passing the word around that the organization of the Société had this Embassy’s unofficial blessing. This, of course, is complete nonsense, as we have taken no cognizance of the institution, officially or otherwise. Personally, I believe that the set-up smells out loud and Alan Arragon, in private conversation, informed me that he doubted very much indeed whether the Chase or National City banks in the United States had ever agreed to participate in the Société, despite René de Chambrun’s assurances to me to that effect.”
35. “Memorandum concerning the Société de Credit Intercontinentale,” “Enclosure #1 to Despatch (sic) No. , dated July 9, 1942, from the Embassy at Vichy.” [referred to in point 34 and commented indirectly upon in point 33]
- “American banks and certain large French industries have recently received a confidential circular with a view to sounding out their interest in a participation of 30 million francs in the newly formed Société de Credit Intercontinentale. This organization would unite French, American and German capital and would finance post-war commercial relations between America and Europe (principally France). This plan, which is still only in the circular stage, may undergo many changes, except for the principle that the financial control should remain in French hands.
- “According to the circular, the financing would be made as follows: 45% by French banks, 20% by the Berlin branch of Dillon Reed of New York, 35% by French and American banks and large companies. The circular states that the French Ford Company, Tom Watson (international machine company of Boston), Gillet (the wellknown (sic) artificial silk firm of Lyons), the Société Thibaut (manufacturer of perfumery articles of the trade mark Gibbs), have already agreed to subscribe the 45% reserved for French banks. Among other subscribers are the Banque d’Indo-Chine whose President is the former Minister for Foreign Affairs Paul Baudouin; the Banque des Pays du Nord, whose branch, the Union Européenne belongs to Schneider and Company the important French munitions firm which, at the beginning of 1939 sold the Skoda works in Czechoslovakia to the Germans for 700 million francs. A portion of this issue has also been covered by a French group of reinsurance companies which includes the more important French insurance companies.
- “The circular points out that the new bank can begin to operate with the assurance of at least 100 million francs of deposits made by industrial firms.
- “The circular specifies that the list of Directors is still incomplete but cites as president, General Count Albert de Chambrun, husband of Countess Clara Longworth, until recently director of the Paris branch of the National City Bank (a bank which is about to be

liquidated). Among the other directors are: Gabriel de Mun, who was associated with de Chambrun in the National City Bank; Seymour Heller, Paris agent of Dillon Reed, who would become General Director. There would also be directors chosen by Schneider, Baudouin, and the Reinsurance companies....

“Unlike the National City Bank, Morgan’s Bank, the Guaranty Trust Company and the Chase Bank have not been entirely liquidated. At the present time these banks, like the National City Bank and American Express Company are under the control of a German sequestrator, Dr. Horatio Julius Cesar. All three still maintain offices in Paris under a French management, but their head offices are in the free zone. (Vichy for the Guaranty Trust Company, Chatel-Guyon for Morgan’s Bank, and Chateauroux for the Chase Bank.) None of these banks have joined the new intercontinental bank in spite of having been invited to do so by the circular. Dillon Reed, whose Berlin branch has been chosen to participate 20% in the issue, has for a long time financed Italian and German industries and municipalities. It financed the construction of large Italian industries near Turin and Milan just prior to the outbreak of this war, – industries which have since been one of the main sources of Axis war industry.”

Box 108, Ve – Vi

Folder “Vieli, Joseph A.G., Basel”

Summary: The Vielis (father Joseph and son Joseph Balthasar (also referred to as José Baltazar)) were placed on the Black List because of their association with the meat-packing firm S. Günzberger & Cie. A.G., Basel, which was on the proclaimed list. Their file was consulted by PCP because Michel Olian was suggested to have had dealings with a “Vieli (or Weili) at Basel” (see Resume memorandum on Michel Olian, prepared by L.D.R., reproducing the Legation’s note #374 of 2 Oct 1942 to the Bureau of Economic Warfare). On the face of it, the Vielis do not seem to have been a very interesting case for the Safehaven program; little specific information is available on Günzberger, and the Vielis were listed simply since they were the firm’s directors. However, they attempted to have a former German (who had obtained Liechtenstein naturalization), Dr. Wangemann, use his familial connections with the British to have the firm Günzberger removed from the Proclaimed list. Wangemann was said to be acting for a fee of SFR 10,000. In the course of the investigations, it was further revealed that Günzberger held two subsidiaries or holding companies in Vaduz, namely Guba Holding and Guba Transit. Furthermore, they set up a small personal company (Grimeisen?) for trade with firms in Spain, which was said to actually be carrying on business for Günzberger “between Portugal and Germany” (see note of J.H.M. of American Consulate, Bern, 11/29/43), thus acting as a cloaking firm. In June 1944, the then-manager of Günzberger, Bernhard Goetschel, was asked by Dummett (Commercial Secretary, British Legation, Berne) about the firm’s dealings in Andorran wool and its offering of aluminum to Sofia. Goetschel replied that such deals had never been transacted. In time, the Vielis resigned from the board of directors at Günzberger and were deleted late in 1944.

What is of particular note, however, is that Joseph Balthasar was recommended to be honorary Panamanian Consul at Geneva by the Panamanian Legation in Autumn 1943. Upon dispatching a member of the American Legation (D.F.B.) to speak with the Panamanian Chargé d’Affaires a.i., Alejandro De Alba, the recommendation was withdrawn by the Panamanians. Since Olian’s dummy firm Pedasa S.A. was a registered Panamanian firm operating out of Geneva, where Olian also happened to reside, perhaps there was a real connection here. However, given the fact that half a century ago this connection was not made and the Vielis went relatively unnoticed, it seems unlikely that anything more of note on them will be found on this side of the Atlantic. Given the reality that Reagan and Dummett were highly skeptical of various firms and individuals in other documents I have encountered, their perception of the Vielis as “small fry” individuals may be a worthwhile indicator on the Vielis’ importance in the greater scheme of things.

Documents reproduced:

1. Letter of Dummett to Reagan, 20 June 1944, recommending de-listing of the Vielis, should they apply *in person* rather than through a paid intermediary to be removed from the proclaimed list.
2. Other letters of British Consulate General Basel of June 1944.

3. Draft telegram dated June 1944 from H.M. Minister, Berne, to Ministry of Economic Warfare, in response to its telegraph 379 Arfar. States that Vielis may be removed, pending the signing of separate bonds, since they had previously acted in their own names with Grimeisen, “presumably as cloaks for G. [Günzberger]”
4. Letter from Commercial Secretariat, Berne, to HM Consulate General Zurich, 31 Dec. 1943. Discusses the SFR 10,000 fee that Wangemann was paid by Günzberger for its deletion from the Statutory List. Attached is Zurich’s note of 16 Dec requesting deluking, since the Vielis had resigned their positions with Günzberger on 6 Dec 1942.
5. Memorandum for the Minister from D.F.B., 13 Dec 1943. re: D.F.B.’s meeting with Alejandro De Alba of the Panamanian Legation regarding ill-advisedness of making J.B. Vieli Consul at Geneva, since he was on the Black List.
6. Note from J.H.M., American Consulate, Bern, 29 Nov 1943 re: initial report that José Baltazar Vieli had been recommended by the Legation of Panama in Bern for the position of honorary Consul of Panama in Geneva.
7. Memorandum prepared by L.D.R. of American Legation re: Joseph Balthasar Vieli (son), November 2, 1943. This document summarizes the case against Vieli father and son, as well as against the firm Günzberger. Of note is that the Americans had never actually had a case against Günzberger, but rather just took over the listing from the British when the US entered the war. In fact, the British representations in Switzerland had never had a case against Günzberger, either, but had merely forwarded upon request some information on the firm to the M.E.W., which had in due course listed it in 1941. Unfortunately, already by 1943, the records of the British Legation on this firm from 1940 and 1941 had been destroyed.

Other files remaining to be reviewed:

Box 24: Eurasia Co. [See also Bareiss, Arthur?/Studer, Paul?]

Box 38: Nothing on A. Hofmann & Cie.

Confidential Files, American Embassy Vichy, 1940-42 (Entry 2490)

RG 84, 350/56/19/01

Box 19: 1942: 840 – 861.71

Folder “851 – Financial Conditions, Banking, Funds, etc.”

Various correspondence on the Société de Crédit Intercontinentale – Copied for later analysis

Letter re: Jacques Barnaud (Delegate General for Franco-German economic relations) and his connection with the Worms Bank.

Folder “851.6 – Banks, Banking: General, A – Z”

Air mail of 19 Aug 1942 from SecState to American Chargé d’Affaires ad interim at Vichy, re: Société de Crédit Intercontinentale. Says that Treasury Department would not allow American participation in this venture, namely “Under the Trading With the Enemy Act no American-owned enterprise, whether in United States or abroad, can participate in any undertaking involving trading with the enemy except under Treasury license. Even where trading with the enemy may not be involved a Treasury license under Executive Order 8389 as amended would still be required for transactions or dealings involving blocked countries or their nationals. Treasury would not license the transaction in question.”

Air Mail from Vichy of August 1, 1942, enclosing Ministry of Interior Report re: Banque Worms – Synarchist group.

Folder 851.7 – Financial conditions, Banks, Banking, Taxation, Loans, etc.

Note: 851.5 Counterfeit Money, Marseilles, 9 Oct 1942 (6) [not reproduced]:
 “The germans (sic) are printing in Berlin a large number of French banknotes in 5,000 franc denomination for circulation in both the occupied and the unoccupied zones. In order that the serial numbers should not increase too quickly and arouse suspicion, banknotes have been printed, bearing the same serial numbers as those previously issued by the Banque de France. My informant just returned from Lille where he obtained a ream of these bills at the local branch of the Banque de France, and he showed me two banknotes bearing the identical serial numbers.”

Box 11: 1942: 711.2 – 800

Folder “711.2 Neutral Commerce, Contraband, Blockade.”

Letter from American Consul at Nice, Walter W. Orebaugh, to S. Pinkney Tuck, Esq., Chargé d’Affaires ad interim, American Embassy, Vichy, 18 Oct 1942. re: Swiss businessman hauling wine in France for Germans.

“I have the honor to inform the Embassy that I have learned from a strictly reliable contact that a Swiss citizen by the name of Colomb, who operates a transport business in Nice, has contracted

with the Germans to haul 12,000 hectoliters of wine from the Department of Maritime Alps to an assembly point not designated but believed to be in or nearby Macon. he has likewise been engaged to transport 28,000 hectoliters from the Department of the Var. The Germans have supplied him with sufficient gasoline and lubricants to operate his fleet of tank trucks.

“I am informed that Colomb is not a pro-Axis sympathizer and that the undertaking is for him strictly a matter of business. Locally, he is known as a shrewd trader and for being not overly squeamish how he makes his money.”

Box 3: 1941 F – G

Folder “Financial (Matthews telegrams to Treasury)”

Contains detailed, including some internal, telegrams/correspondence between JP Morgan NY and France, re: ridding itself of its French subsidiary, possibly by sale of assets (not the name, thought) to French bank. Primary goal is not to achieve good price, but rather to be released from liabilities.

There is also information about attempts by Reichskreditgesellschaft, Berlin, to acquire assets of ITT in Germany (Standard Elektrizitäts A.G. with its subsidiaries, and also Lorenz A.G.)

Classified General records 1940-52 (Entry 3208)

(American Legation Bern Confidential File 1940-49)

RG 84, 350/68/20/01

Box 13: 1943, 820.02 – 851.6 [851.6 = Banks]

Folder: 851 – 851.5, 851.51 – 851.6

1. Report on War Expenditures in Axis Countries, submitted by source Ralph via Sam E. Woods, Consul General Zürich, to J. Klahr Huddle, Counselor of Legation, Bern, 7 June 1943. Includes “Conversion of Foreign Exchange Rates to Reichsmark – column (a)” (That is, of Italian, Japanese, Finnish, Rumanian, Hungarian, British, American, and Russian currency to Reichsmarks.) Includes a separate accounting of the purchasing power of the foreign currency in Reichsmark (column b). For example, in October 1940, 1 UK£ = (a) 9.9 and (b) 14.0; in Oct 1941 = (a) 9.9 and (b) 13.4; in Oct 1941 = (a) 9.9 and (b) 13.4; for US\$ same numbers are 2.5/4.2; 2.5/3.8; 2.5/3.5. As an example of fluctuations between Axis currencies, rates for 100 Italian Lire as above are 13.1/14.1; 13.15/13.00; 13.15/12.

2. Report: “Some Aspects of the Present German Clearing Debt and Finances”, submitted by Walter Sholes, Consul at Basel, to Department on May 18, 1943.

“The Reichsbank President speaks

“In this general connection [of Germany’s trading partners’ vanishing faith in the Reich’s position in the postwar world], a speech made by Dr. Walter Funk, President of the Reichsbank and German Minister for Economics, recently before the German Notenbank in Berlin is of more than usual interest. In this speech, which was not taken seriously by Basel bankers, Dr. Funk pointed out that Germany would undoubtedly be able to liquidate for the most part her heavy clearing debts much sooner than generally expected by certain people because of German territorial expansion which he urged would offer guarantees to the creditor nations. Moreover, it was pointed out by him that the size of the German debt was not a correct picture of the situation as Germany had on her side holdings and investments abroad, long-term and other, which formed a strong credit basis for the Reich, whereas her imports were practically all raw materials which she had to pay for at once. This state of affairs, he said, did not find expression in ‘clearing prices’.

“Is the Reich unable to pay?

“Will the Germans ever be able to pay their clearing debts? The answer generally hear in local banking circles [in Basel] is a loud negative. It was first thought by some that the Reich’s debt might perhaps be funded at the rate of 500,000,000 Reichsmark over a period of twenty years, but closer examination of the problem soon revealed that Berlin will, after the war, need every dollar of income from her diminished exports for food and raw materials. In these circumstances, Dr. Funk’s recent speech is not being taken seriously by the initiated.

“President Funk’s position endangered

“Indeed, reports reaching here [Basel] from high circles in Berlin reveal that Dr. Funk’s position with the Regime has been none too good recently. Certain Nazi leaders, according to these reports, would like to see Dr. Funk removed from the Ministry of Economic Affairs, a

post he has headed since January 15, 1938, but they have no one in sight for the job; however, they hesitate to swap horses in midstream, especially when qualified men were never more scarce than at present.”

3. Confidential Report from: 13,578, Source: B, 14 May 1943, re: “a” Reichsbank Director approaching SBC about its financing a “deal involving paintings and unset cut diamonds.” Also addresses Lagasse dealings in Spanish silver (handled by Banco do Espirito Santo in Lisbon) and Reichsbank attempts to sell gold coins on the open market and not to the SNB, since the SNB paid by weight only, not accounting for the 10% premium paid on the (black) market.

“The latter [the diamonds] at least did not come from occupied countries but have been the property of persons who are no longer able to pay income taxes. The Basel bank turned down the offer also to occupy itself with the sale of dollars now coming from the Dresdner Bank branch at Hamburg.

“Following the usual German technique, the Germans requested a first credit of half million francs to be followed later by the shipment of diamonds and pictures to the value of many millions of Swiss francs. Informant believes that other banks have already been approached. According to the German bankers, none of the valuables are already in Switzerland. This statement, however, is in opposition to reliable reports that diamonds to the value of 90 million Swiss francs have already reached this country.

“There have already been interesting developments here lately in connection with silver transactions. It will be recalled that a year or so ago the Germans were negotiating in Spain for the purchase of 900 tons of silver* [* = see telegram No. 39 of May 21, 1942], representing currency withdrawn from circulation. No mention was made at the time that a black market operator from Paris by the name of Lagasse was involved.

“It would now appear that the Germans succeeded in buying up some of this Spanish silver as they are now offering this commodity here in Switzerland. A part of this silver also appears to be of French origin and that such French silver is being sold with the consent of the French Government. Lagasse has been telegraphing from Madrid and Lisbon, and it would appear that the first deal will cover some on hundred to one hundred twenty tons of silver. The transaction will be handled by the Banco do Espirito Santo in Lisbon.

“The Reichsbank also appears to be offering Dutch guilder notes on the market and recently made inquiry in regard to gold coins which they will not sell to the Swiss National Bank because that bank pays only by weight; whereas a 10 per cent premium is paid on the market (more or less black market) in Switzerland. It seems the Germans are willing to accept a 4 or 5 per cent premium.
4. Sequence of notes/telegrams from June 23, 1943 to 8/19/43. In a telegram from Washington of 6/23/43, [SecState] Hull asks for info from Bern to confirm “scattered reports... being received by the Department that private and corporate Italian interests are increasingly endeavoring to acquire in neutral territories assets of any kind.” An attached, handwritten note from the military attaché at Bern reports on 6/28/43 that “the Italians are bidding to buy large and valuable quantities of high grade printing equipment from Switzerland, and are offering high prices. This is presumably as an investment, [the source’s] information being to the effect that the equipment will be left in Switzerland until after the war.” Final attached note re: increase in leather imports, submitted from: 65,200, source B2, on 8/19/43: “Official

Swiss trade statistics for June and July 1943 show that leather valued at SFR 300,000 has reached this country during the periods mentioned, whereas previous statistics over a long period of time failed to show any leather exports to Switzerland.

“A prominent Swiss leather importer, who furnished the writer with this information, said this morning he was persuaded this leather represented a transfer of Italian assets to this country.”

Note that an attached comment slip addressed to Mr. Reagan by H.L. says that “without further evidence, I do not believe these suppositions are sufficiently well founded to include them in the telegram to the Department which also attached.”

5. Secret memo to Mr. Reagan from J.K.H. on 7 July 1943 re: Italian flight capital reaching Switzerland in the form of investment in movie theaters and cinema companies, as reported by “Mr. Mayer.” They allege that the “Ciné-Studio des Bergières” at Lausanne might be involved, as well as “Sefi and Columbia (Columbus?), which are to be further looked into by the Consulate General at Zürich.
6. Memo of 10 July 1943 to Reagan from J.K.H., noting that Consul Paul Squire at Geneva had been unable to confirm that “Edda Mussolini Ciano was investing large sums in Switzerland.... The substance of [the report] was that she was making such investments through the medium of one Gustav Duckert at Lausanne.”
7. Confidential Voluntary to AmLegation Bern by Walter Sholes, 17 May 1943. “High Reichsbank Official Prefers Keynes’ Plan.” re: visit of Dr. Emil Puhl of the Reichsbank to Switzerland. Not of tremendous interest.
8. Strictly confidential report from: 1151, source Betty, 3/30/43, re: transfer of some French gold holdings. “From the Vatican: an investment administrator in charge of the portfolio of many French congregations, whose home office is in Rome, has been asked to transfer all the gold credits deposited at Geneva and at Lausanne for the account of these congregations.... According to Betty it is a positive fact that the order for an immediate transfer of gold credits (avoirs en or) was actually given.
9. Confidential Voluntary from Walter Sholes to AmLegation, Bern, 12 Apr 1943. re: reasons for Puhl’s visit: “Puhl... is expected in Basel on his way to Zürich, where at the end of the month negotiations will be resumed in connection with the German financial standstill agreement, which will doubtless be prolonged. There appear to be no new issues or problems on the general subject.”
10. Confidential report from: 61,300, Source B2, 18 Aug 1943: BIS officer confirms that the SNB had resumed selling gold to Swiss banks at the rate of 30.5; two reasons for this are stated as: “1. The Bank felt that if the Swiss public desired gold they should be allowed to acquire it at the official price. 2. The profit motive. It will be recalled that gold is carried on the books of the National Bank at little more than 27 and when sold at 30.50 or 30.80, which includes commissions, and so forth, a handsome profit is derived.
“As the national Bank has not been showing any considerable profits lately, the banker informant thought that the Zürich institution was playing up to the Kantonal Banks, which

participate in these profits. If the National Bank does not show a profit, it usually finds itself in difficulties in Berne when it comes to get laws and regulations proposed by it supported and adopted by the Government, owing to opposition arising in influential Kantonal Bank circles.”

11. Strictly confidential report from: 1409, source Willy – B2, 20 Aug 1943, re: gold dumpings in Switzerland from Italy and Germany.
 “Willy maintains that from two local banks he has learned that during the past week 300,000 gold pieces (Union Latine) were dumped on the black market between Zurich and Geneva, such gold having come from Italy. The black market rate has fallen from 52 SFR to 32. The amount mentioned was sold at the rate of 31.80, making a total of 9,540,000.
 “By a contact in the Société de Banques Suisses Willy has ascertained that gold valued at between 20,000,000 and 30,000,000 SFR, from German sources, has been put on the market in Switzerland over the last fortnight. It is stated that Marshal Rommel has over 10,000,000 SFR deposited throughout Switzerland under different names.”
12. Confidential report from: 14,500, Source A1, 20 Oct 1943, re: observation at German Railway Station, Basel, of shipment of gold from Germany valued at 40 million SFR (26 million SFR in bars, and 14 million SFR in coin).
13. Note in files from J.H.M., dated 24 Sept 1943, filed under the heading “851 – Wedemeyer”, entitled “Memorandum regard the Locarno Remittances to Agents in Mexico and the United States” There are no details other than the handwritten note: “Union de Banque Suisse or Wedemeyer.” [Cross reference for more details on transfer of funds from Locarno to Mexico in EC files, re: Dept. Telegram No. 1866, 5 August 1943. These files regarded a case that was to go to trial at the end of Sept. 1943]
14. Confidential letter from Sam Woods (Consul General Zurich) to Harrison, 1 March 1943. re: (false?) rumors on the Zurich stock exchange that Werkzeugmaschinenfabrik Oerlikon had “already received large American orders for later deliveries. This information was received from a stock exchange clerk in confidence who stated that he had obtained it from a director of a local bank personally.
 “It is reported that the Werkzeugmaschinenfabrik Oerlikon, Mr. Bührlé’s outfit, is no longer working at full capacity, the reason given being a lack of raw materials. The question arises, therefore, whether these rumors are not being spread by Bührlé’s company in order to keep its stocks up. If this company is unable to obtain raw materials, it probably will have to look forward to rather bad times, and quotations of its stocks may be expected to reflect this condition as soon as it becomes known.”
15. Strictly confidential note from Sholes to Harrison, 27 May 1943. re: role of J. Wehrli & Co. A.G., private bankers at Zürich, in transactions involving counterfeit British pound notes.
 “This seems to be the second case of its kind to come to the attention of our Service, the first having come to Mr. [Sam E.] Wood’s [American Consul General at Zürich] notice last Christmas involving an amount of some 10,000 Pounds. “Information since obtained in local banking circles tends to support the theory that, if the German Government is at all involved, the “money” must have been printed some years ago for use in England in the event of an

invasion of that country. In any case, local bankers do not believe that any new printing of this kind has been done by the German Government, especially in the engraving and printing offices of the Reichsbank. Those here who know Mr. Emil Puhl and the top executives of the Reichsbank say they can not conceive these gentlemen lending themselves or the bank to such operations.”

“The fact that J. Wehrli & Co. A.G., a private banking firm at Zürich should have been more or less mixed up in both transactions seems to warrant further investigation and study inasmuch as banks here seem to have no knowledge of the 10,000 Pound transaction mentioned above. It is considered exceedingly strange that the National Bank should have failed to notify banks here of the incident and to be on the look-out for fraudulent English banknotes.

“According to local sources, J. Wehrli & Co. (G) have a reputation for engaging in ‘funny transactions’ from time to time. A case in point was a transaction of theirs with the Union de Banques Suisses some time ago when they deposited one million francs and asked the bank to issue in return ten checks of 100,000 francs each made payable to bearer. These checks somehow subsequently found their way to Spain, and when they started coming back to Switzerland the Union de Banques Suisses suspected the Wehrli Company of ‘kiting’ operations and at first refused to honor them. When, however, their holders threatened to institute protest proceedings the bank changed its mind about the matter. It was subsequently discovered that a client of the Wehrli Company was speculating in Spanish pesetas and that the bank had lent itself in the matter.

“An effort will be made to obtain more information on the Danish transaction as well as the illegal transfer of SFR from Rumania to Switzerland by this German.”

16. Copy of Memo for Woods (at Zurich) from unknown at Basel (presumably Sholes) (attached to above document), 26 May 1943. re: forged English currency and role of Credit Suisse, SNB, and alleged printing by Reichsbank.

“We have obtained information from a reliable source that a certain Mr. Hoffmann, a former Firestone dealer with headquarters at Berlin and Hamburg, is at present at the Eden Hotel, Zürich, where he expects to remain until Friday before his return home. Hoffmann seems to be active these days in removing his personal fortune to Switzerland and on two different occasions has been known to have brought considerable sums of money into this country. Once he brought 2,000 Pounds Sterling which, he says, he bought in Denmark (Copenhagen ?) and more recently 60,000 SFR from Rumania. Both sums were smuggled out of the two countries mentioned.

“According to Hoffmann’s story, the English currency mentioned was passed through the Credit Suisse (?) Zürich successfully, but when these Pounds reached the National Bank, Zürich, they were found to be counterfeits. Hoffmann believes that these pounds, because of their 99% perfect execution, must have been printed at the Reichsbank or some other national bank under German control. Hence, it is not excluded that the Axis powers have begun counterfeiting English and American currencies, in my opinion.

“I have made inquiries here [Basel] at both the Credit Suisse and the Bankverein, where nothing seems to have been heard of the National Bank’s connection with the 2,000 Pound transaction mentioned.”

17. Letter from Reagan to SecState of 3 Nov 1943 re: “desire of Sr. Amuchastegui, Argentine Consul at Zurich, to dispose of a quantity of dollar currency.” This letter is filed in response to a despatch (sic) (no 7694, 10 Dec 1942) from the American Embassy at Buenos Aires to the SecState. The Argentine Consul, while on a leave of absence from his post in Switzerland, tried to dispose of dollars which he had brought with him to Argentina. The US Consulate General at Zurich knew nothing of this transaction, but noted that “at the time of Sr. Amuchastegui’s departure from Zurich last year on September 30, 1942, it was possible to purchase dollar currency at about 2.75 SFR on the Swiss Market. The rate was furnished by a local bank for October 1, 1942. It is possible, of course, that Sr. Amuchastegui took advantage of his departure for the Argentine to make a profit on exchange.”
18. Confidential Report from: 32,072, Source B2, 11 Aug 1943 re: significant decline in German demand for, and thus the market rate for, Turkish and Bulgarian currency following fall of Mussolini. “It is important to remember, said one banker, that the import of such notes is prohibited by both [Balkan] governments, from which he concluded that all such currency was being smuggled to Sofia and Constantinople in German or Axis Diplomatic Bags.” Bulgarian Leva fell to 1.75 “with no demand. Four or five weeks ago the price was 2.25. The Turkish pound is now down to 2.- as compared to 2.5, also without demand. Consequently, as there was no demand, the real worth of both these currencies may well be much lower, said this banker.
“It remains to be added that, in the opinion of the banker mentioned, such purchases as have been made by German agents passed through the Crédit Suisse and Leu and Company, Zürich.”
19. Report no. 35,900, Source Adams, 29 April 1943 re: sale of Italian Lire by Argentine Consul at Geneva to large Swiss banks (perhaps Julius Bär & Co) for later transfer of SFR to National Bank of Argentina.
“(1) Informant reports that the Argentine Consul at Geneva [handwritten: Castro Martinez Garcia] has been selling Italian Lire in Geneva to one or more large Swiss banks and that his transactions have already reached a total of over Lire 5,000,000 during April. On Monday he offered 1,500,000 Lire, of which 800,000 were purchased by one bank. The balance was finally sold to another large Swiss financial institution. On the following day the sum of SFR 300,000 was transferred by the Consul to the National Bank of Argentina at Buenos Aires.
“(2) Informant suspects that these Lire are reaching Switzerland by either the German or Italian* [*=The presence of Italian troops near Geneva should perhaps be considered in this connection] diplomatic bag and not the Argentine pouch. He is, however, not in possession of any details on this point, but suspects the funds now being transferred to Buenos Aires are for German accounts.
“(3) The principal buyers of Italian Lire in the country are said to be Julius Bär and Company, private banker at Zürich, who have been specializing in Italian Lire for years, where more information may possibly be obtained regarding the source of the Argentine Consul’s Lire.
“(4) In contrast with the Reichsmark, the market for Italian Lire in Switzerland continues active. The turnover amounts to some 2,00,000 to 3,00,000 daily, according to informant.”

20. Confidential report from: 45,320, Source B2, 18 August 1943, re: visit to Switzerland of M. J. Breart de Boisanger, who succeeded M.P. Fournier as Governor of the Bank of France; he was also a member of the French Armistice Commission.
 “Bankers here say that M. Boisanger was a notorious collaborator with the Germans from the beginning. His recent visit here was, they said for no other purpose than to try to impress people with his pro-Ally sentiments. His past is too well known here as to preclude his escape from just retribution, say local financiers.”
21. Confidential letter from Reagan to SecState of 11 June 1943, re: Leading directors and executives of three [info on five had been requested] German banks; contains a listing of the principal officers of the Bank der Deutschen Arbeit A.G., the Deutsche Bank, and the Dresdner Bank.
22. Confidential letter from Reagan to SecState of 4 Oct 1943, re: Leading directors and executives of three Italian banks. Specially noted are those directors that were pro-Ally in their sympathies, as well as those who were at least non-Fascist. The banks are Banco di Roma, Rome, Banca Commerciale Italiana, Milan, and Credito Italiano, Genoa.
23. Confidential report from: 1497, Source A2 “French dissident formerly in International Labor Office, favorably known to me for over a year,” 5 Oct 1943, re: Alfred Kurzmeyer, Director of Deutsche Bank. “Alfred Kurzmeyer, of Lucerne origin and having conserved his Swiss nationality, a director of the Deutsche Bank at Berlin, is understood to be the person charged by that bank with the supervision of the French banks. Kurzmeyer makes very frequent trips to Paris and has been located at Zurich for some time. His brother is said to be one of the important functionaries of the Banque Fédérale. Alfred Kurzmeyer is reported to be in friendly relations with certain persons who are very close to the Administration of Finance of Vichy. Divorced, his wife and two children reside in Switzerland.”
24. Letter from Paul Squire to Reagan, 14 Oct 1943, re: Lombard Odier & Co.
 Squire states that he has no doubt that this firm, like most others in Geneva and probably Lausanne as well carry large numbers of accounts for persons in the Vichy Government. Though Lombard Odier & Co. has a definite pro-Ally reputation, Squire says that the role of banks in Geneva has always been as a safehaven for the funds of French individuals, as he himself was told by a close friend of his who is one of the partners of Lombard Odier and Co. He argues against adding this firm to the Proclaimed List, since it would be discriminatory to add just one firm when probably all local banks merited listing. He concludes, “If we select but one or two victims these unlucky ones could complain of gross discrimination for their thus being penalized. I honestly fear it is a ticklish problem for the scales of justice to measure.”
25. Letter from Squire to Harrison of 15 Feb 1943 re: dinner between Golay (and assistants) of SBC and Mr. Giraudet, Vichy French Consul General at Geneva. Giraudet “is regarded as being very anti-British.” “I am unable to ascertain the underlying motives of this meeting and I am not in a position to state whether it had anything to do with a loan which the Vichy Government is understood to be endeavouring to conclude.”

26. Letter from Sam Woods to Harrison, 15 Sept 1943, re: Maurice W. Altaffer's (US Consul at Zurich) conversation with Dr. Paul Meierhans, editor-in-chief of the *Volksrecht* and a member of the Conseil National (SDP) regarding the Swiss Banking Secrets Law. Meierhans is opposed to the Law, and is seeking a position from the American government prior to proposing its repeal. A motivation for the repeal would be to facilitate the un-freezing of Swiss assets in the US. He is ultimately informed that the U.S. has no official position on the Law and will take none. In the process he reveals information, acquired from a "high official" at the SNB, about flight capital:

"He stated that the Swiss as a whole, and his party in particular, were very much against foreign interests carrying on secret financial transactions in this country to the detriment of friendly powers which only redounded to the discredit of the country as a whole. he mentioned in this connection the recent transfer of Count Ciano's fortune to Switzerland where it was being administered by a Geneva banking institution, also the fact that the immense fortune of the late King Boris of Bulgaria is being held for administrative purposes in Zürich. He stated that the foregoing are well established facts. As he is in an important official position, it is assumed that he has exact information on these points. the fortune of Count Ciano had been transferred to Switzerland through the medium of Tamaro, the former Italian Minister in Bern. Tamaro is, or was until recently, in prison for the smuggling of gold, stocks, and bonds and other valuables to this country for Count Ciano...."

"He [Meierhans] referred to the well-known connection of Minister Tamaro with Camillo Castiglione reported to the Department and to the Legation by this office on various occasions in the last several years. He stated that it was established beyond doubt that Castiglione was able to exercise pressure on Tamaro not only with Ciano but with Mussolini himself. He stated that Tamaro had purchased two luxurious villas, one in Vienna, and one in Trieste, from Castiglione. These sales were fictitious and the transfer is believed to have been made through Tamaro for Count Ciano.

"Dr. Meierhans was asked concerning the reported purchase of an estate in this country by the German Foreign Minister, Ribbentrop. He replied that he had seen newspaper reports on this subject and that he had also heard the report over the British radio. If it was a fact that Ribbentrop had a villa here, he was of the opinion that it would not be held in his name but in that of his brother-in-law, the well-known Swiss painter, Professor Hans Beat Wieland. A sister of Ribbentrop had married Wieland and now lives at 'Weinhalde', Kriens, near Lucerne. This may contribute something to the tracing of the Ribbentrop property in Switzerland. Ribbentrop is stated to have visited his sister at Kriens recently."

27. Letter from Maurice W. Altaffer, American Consul at Zurich, to J. Klahr Huddle, Counselor of Legation, American Legation, Bern, 20 Sept 1943, re: no American position on Bank Secrecy law according to principle of non-interference in domestic affairs of Switzerland. Also reveals more info. on Ciano's interests in Switzerland:

"He [Meierhans] stated that it was a well-known fact that Countess Ciano visited Geneva on several occasions before the war to consult Geneva bankers about financial matters and that it was also known that Count Ciano since the war had been in Geneva incognito several times to look after financial interests there. He added that the Italian royal family had financial and property interests in Lausanne and the Canton of Vaud."

Box 23: 1945, #820.02**Folder: 820.02 A-F**

1. Telegram from Department (Acheson Acting) to Bern, 26 Sept 1945. re: wife of Swiss General [Colonel de Corps] von Sprecher of World War I was cloaking German funds. "Information has been received that Frau von Sprecher... is of German birth, is a Nazi sympathizer, and it is suspected that she is cloaking German funds. She is now in Kusnacht/Zürich."
2. Memo for Mr. Huddle From Judson, 24 Jan 45, re: Flight capital coordinator Dr. Fritz Berber and exports from a German [Gestapo?]-owned Vienna weapons factory to the Swiss Army.

"(1) The last German courier brought 24 large packages for Dr. Fritz Berber who is believed to be a confidential agent of Ribbentrop and is suspected to occupy himself, among other things, with the placement of nazi (sic) investments in Switzerland [Berber is said to be active in Geneva].

"(2) An Austrian industrialist, named Becker, living in Zurich, is said to be (sic) have made an arrangement recently with the Germans, who took away his machine factory near Vienna. The factory is now manufacturing weapons and weapon parts and is said to be exporting such now here for the Swiss army. In order to avoid complications with the Swiss, the arrangement is said to be to the effect that payments are made to Becker who in fact receives 25% of the profits in exchange for covering with his name the remaining 75% which in fact belongs to the Gestapo, and is intended to be invested in this country under some sort of camouflage."
3. Report from: 2170, Source Mabel A2, 4 April 1945 re: Prof. Dr. Berber: German Red Cross Representative as Himmler instrument.

"[Berber] is described to us by trustworthy German sources as an instrument of Himmler. Berber is originally an historian, but is remaining in Switzerland on a special political mission. Of late, Berber often stops in Bern where he works in the German Legation. His membership in the German Red Cross is described as a 'cover'. Berber is arch-Nazi. ... "Berber is a friend of Schlieffen (PL) [Proclaimed List] who pretends that Berber is anti-Nazi and thanks to his relations with Ribbentrop has saved the lives of many Jews, etcetera."
4. Article "Im Vorbeigehen... Und Prof. Berber?" from the Basel *Arbeiter Zeitung*, 13 Sep 1945 re: Berber's history as lecturer/Nazi subversive at the Berlin Deutsche Hochschule für Politik from 1930 on; establishment of a "Bureau zur Vertretung der deutschen Interessen gegenüber den Besatzungsbehörden" in Stuttgart "mit Zustimmung der Amerikaner" after the war; his role as a Nazi operative in Switzerland under cover of being a Red Cross rep., and his expulsion from Switzerland [via Konstanz in late May 1945]; and his being a "Busenfreund" of his 'master' Ribbentrop, for whom he carried out "Devisengeschäfte." [By October, Berber was allegedly in the hands of the French "who treat him well because he had helped some French military." [From memo of 16 Oct 1945 by W.M.C.]
5. Secret memo from Sam Woods to J. Klahr Huddle, 2 Feb 45, re: Kurt Becher from Budapest, who visited Switzerland in November 1944 to try to effect the release of Hungarian and Austrian Jews.

“Kurt Becher... came here as an agent of the Weiss Concern in Budapest. He was at the Baur au Lac during the early part of November 1944 and was accompanied by Herbert Kettlitz. They also stayed several weeks in St. Gall, where they were in contact with Samuel Meyer of that city. It is understood that the purpose of their visit was to effect the release of Hungarian and Austrian Jews.”

6. Letter from Commercial Secretariat, UK Legation Berne, to UK Consulate General Zürich, 27 March 1945, re: Austrian industrialist Becker in Zürich
 “A certain Becker of Vienna is or has recently been staying at the Hotel Storchen, Zürich, the purpose of his visit being to sell factory equipment in toto and raw materials to the Swiss.
 “Source says that 25% of the value would be payable to Backer (sic) and 25% to Himmler.”

7. Memo from J.K.H. (Huddle) to Reagan, 21 March 1945 re: Wolfgang Behrens (at the Golf Hotel in Lausanne or possibly at Mont Fleuri s/ Territet, Vaud (sic), perhaps aiding with NS flight capital.
 “Behrens might be a channel for secretion of and the handling of Nazi bonzos and it may be well to see what you can dig up regarding him for Safehaven.”

8. Letter of 3 Sept 1945 from Reagan to Robert Kohli, Federal Political Dept., Bern. re: Georges Beridze [bearer of a Nansen Passport], who worked as an intermediary for the Deutsche Bank and the Berliner Handelsgesellschaft, as a candidate for expulsion from Switzerland.
 “Since June 1944 he has been in residence at the Hotel Montana, Lausanne. Prior to that date, Beridze is reported to have worked in Paris for the Germans in various capacities. These included collection of foreign exchange, purchase of industrial diamonds and other critical and rare items, and espionage.
 “Of special interest is the report that he served as intermediary for the Deutsche Bank and the Berliner Handelsgesellschaft to acquire assets in Switzerland from their former French owners. Swiss francs which he is said to have thus acquired were deposited in accounts in the name of these two German banks with the Credit Suisse, Union des Banques Suisses and the Société Banque Suisse. The total value of these acquisitions approximated six million SFR.
 “Beridze, himself, is believed to possess at least three million SFR here. One transaction effected through the SBC, Zurich, in 1944, involved a transfer of 800,000 SFR for the benefit of Beridze’s wife, Vera, and a certain Hans Berchtold, Moussonstrasse 14, Zurich. This involved alleged extortion from a French resident in Paris. Among deposits which are Beridze’s property is Account No. 4 at the Banque Contanale du Vaud, Lausanne. These assets represent, in part, payments made to him by the Germans for his espionage and other services; in part, they may represent sums entrusted to him for safekeeping by some of the high nazi fonctionnairies (sic) with whom he collaborated.

9. From SecState to American Mission, Bern, 29 Nov 1945, re: efforts of Paraguayan Consul General at to Bern to encourage the immigration into Paraguay of “certain military internees in Switzerland who may upon investigation be determined to be undesirable Axis nationals.”

10. Intercepted cable from Paraguayan Consul General at Bern to Foreign Relations, Asuncion, sent on 3 Oct 1945, contained in letter from US Embassy Asuncion to SecState, 24 Oct 1945.

Cable reads: "Nine military internees, nationality German, Roumanian and Yugoslavian, in better times farmers and skilled laborers by profession, desire landing permits stop Excellent reports from Commandant Camp and from Swiss Assistance to Refugees stop Request authorization stop Also request reply to my telegram September 10 with replied paid regarding transit Piazza brothers." Text in Spanish is appended.

11. From SecState to American Mission, Bern, 2 August 1946, enclosing report of OSS, 18 April 1946, re: Brunner group in Switzerland. Documents various Swiss business executives in Zürich who were playing important roles in the management of German assets following the war, and who were believed to be "already working hard for the rehabilitation of Germany." Details the various firms on whose boards of directors these Swiss served. Addresses work of Nationalrat Bircher and cooperation of Nationalrat Duttweiler in this regard. The nature of these individuals' work in cloaking German assets or in having facilitated capital flight, as opposed to attempting to organize humanitarian and other assistance for Germany, seems unclear from this document. The individuals listed are Dr. Kurt Heinrich Brunner, Max Tobler, Oberstdivisionär Dr. Eugen Bircher (Nationalrat), Claus H. Vogel, Dr. Robert C. Vogel, Dr. Franz Meyer-Stuenzi, Rudolf von Sinner, and Dr. Conrad Meyer.

12. Memo from Paul Blum to WMC, 12 May 1945, re: directors of German sanatoria at Davos: "Drs. Auersbach and Walter, respectively Reichskommissär and assistant Reichskommissär des deutschen Tuberkulose Hilfswerkes, now pretend that they are tubercular have 'untergetaucht' as patients at the Hotel National, Davos-Platz, to escape having to return to Germany." Next document is a memo for the files re: Dr. Auersbach, dated June 10, 1945, Source Oder (P), stating that Auersbach, a trusted member of the NS party, "had the power of granting or withholding permission for tubercular Germans to go to the German TB sanatorium in Switzerland. Therefore, the responsibility of sending Germans to Davos, although they may not have been afflicted with this illness, was primarily Dr. Auersbach's." Next document is a report from: 2250, Source: Mabel A2, 15 June 1945, re: Dr. Walter of Davos and Reichsbank Director Hinz, "both now in Bern, have full control of the organization's [German Tuberculosis Sanatorium, Davos] funds in Switzerland, and a short time ago disposed of a large amount."

13. Memo from F.D. to Huddle, 22 June 1945, re: Count zu Dohna-Schlobitten, Gestapo-appointed head of Phillips' subsidiary in Prague, probably since 1940. "Count zu Dohna-Schlobitten was an officer in the Luftwaffe. Some time during the war, it is believed after the French armistice in 1940, he was released from the army at Gestapo request and was put in charge of the Phillips' subsidiary in Prague, Czechoslovakia, as a 'Werksvertrauensmann.' Later Phillips Eindhoven was notified through Dutch underground channels to be careful with the Count as he is a bad egg despite his attempts to appear as a friend of the Dutch in general and the firm in particular. A few months before the collapse the Count returned to the army and after a short desk service he succeeded in entering Switzerland. He is reliably reported now to be living as the guest of a Swiss Colonel Willer (or Widder) at Schloss Meifelden (or Meilingen). He is further reported to be attempting to gain Swiss citizenship, expecting to be able to get employment with a Swiss or other neutral radio-electric firm."

14. Telegram received at US Legation Bern from Caserta on 3 June 1945, re: Italian fascists due to be expelled from Switzerland. Among them is Piero Puricelli, former Director of the Banca Commerciale.

Folder: 820.02 G

1. Report of 14 July 1945 by Headquarters, Third US Army Intelligence Center, Office of the Assistant Chief of Staff, G-2, Interrogation Center, forwarded to US Legation Bern by US Political Adviser for Germany in Frankfurt; based on interrogations of members of the German Intelligence Service, contacts in Switzerland are reported. These included contacts between members of the SS Dr. Hoettl and Herr Schellenberg on the German side, and General Guisan, of the Swiss Army, Oberst Masson, chief of Swiss Military Intelligence, Prinz Dr. Auersperg, former assistant air attaché at the German Consulate in Bern, Hauptmann Dr. Lienert, police and intelligence officer of Kanton St Gallen, Dulles, American representative in Switzerland.
2. Memo from Reagan to Huddle, 6 Aug 1945 re: British Foreign Office Expulsion list for Switzerland. Details various individuals being expelled from Switzerland for reasons including being German Intelligence Service (GIS) officials; being embassy personnel who collaborated with the GIS; proven GIS collaborators and agents; “commercially undesirable Germans”; and Nazi propagandist, party members, suspected GIS *Mitarbeiter*, embassy personnel and employees against whom there was no evidence of GIS activity, and contacts relatives, etc. of GIS officials or agents. Huddle prepared brief descriptions of those individuals listed on whom the Legation had a file; these tended to be individuals in the commercial sphere, but also dealers in looted property, particularly art. Listings of note: “No. 19, Buemming, Carl W. (PL) American national, Darmstadt representative of Fischer Art dealer, German associate of Fischer and Wendland. Entered from Germany February 4, 1944.” “No. 44 Fischer, Theodore (PL) Knowingly purchased stolen art from PL firms.” “No. 77 Jahn, Carlo (Karl) British report May 1945: ‘engaged in sale looted Italian art.’ Placed on C.L. 1843 based on report ‘fanatical Nazi’. Copper purchaser for Germans.” “No. 80 Kahl, Siegfried Hermann (PL) Nazi agent dealing in diamonds.” “No. 84 Kliemand, Alfons (PL) Stamp dealer; German national. Reported member Nazi party and spy (Br. CGZ 2/11/43)” “No. 90 Kraiss, Friedrich – Blockade runner, German national.” “No. 139 Schaeffer, Dr. Ludwig, German born 1883. May 3, 1943, reported associate of Connstein (PL), No. 22 above [Dr. Wilhelm Connstein, died 1943 at age 70], frequent traveler Paris-Berlin; associate of Michel Olian. Refused reply Brit. Consulate July 16, 1945. German agent and Safehaven man.” “No. 161 Urach, Prinz Albrecht von, German Press Attaché until November 1944 (see memo by CH to Mr. Huddle 11/14/44).” “No. 165 Wendland, Hans (PL) Art purchaser for Goering.”
3. Office memo from October 11, 1945 re: Germans in Switzerland. Michel Olian is listed, along with many SD agents, and various German government workers. Olian is referred to by source Wolfgang Krauel [a non-Nazi member of the German diplomatic corps] as a “Zweideutiger Mann.”
4. Memo from WMC 21 Nov 1945, re: Wilhelm Hinz, former Reichsbankrat and allegedly in control of the assets of the Sanatoria at Davos. Hinz had approached the US Legation, seeking “a position” in order to help him secure a residence permit for Switzerland. This he was denied. The information he provided was of disappointingly little interest. He evidently went into detail on the Swiss-German clearing, but revealed nothing of great value. He was believed to be holding back information. The matter was allowed to drop. The records are

really of no interest to the commission. He did, however, give as references the following: Hotz, Gygax and Feist of the Swiss Ministry of Public Economy; Rossey of the SNB, Bern; Dr. Minister Vieli; General Director König of the Versicherungskonzern, Zürich; and President Schwab of the Verrechnungsstelle at Zürich. Notable events in Hinz's career were his work at Remscheid from 1934-37, where he handled Devisenbewirtschaftung (foreign exchange), and his supervision of the Swiss Referat (section) of the Reichsbank in Berlin after 1937.

Folder 820.02 H-L

1. Various documents, including secret note of July 16, 1945 from US Embassy Madrid to US Legation Bern, as well as a number of internal Bern documents, regarding His Serene Highness Prince Max Egon Maria Erwin Paul zu Hohenlohe-Langenburg (or –Lagenburg?). The embassy at Madrid requests information from the Bern legation, since it intends to include Hohenlohe on a list of agents to be deported from Spain. They state that a reliable source has indicated to them that he “was a SD agent for the Germans and was regarded as one of the best ones because of his excellent contacts.” Hohenlohe had, following the German defeat, approached the Madrid Embassy. He had privately stated to an American source “that he is aware of the whereabouts of several items hidden by the Germans, but has made no effort to produce them or to inform the Embassy of their existence.... Hohenlohe has further stated to an American informant that he played an active part in attempting to prevent the Sudetenland (sic) from falling into German hands and that he had excellent relations with the American Minister at Bern, and with Allen Dulles and Robert Tyler.... While Hohenlohe has a Lichtenstein (sic) passport, it is also reported that he bore a German diplomatic passport. It is further alleged that he is a relative of the Prince of Lichtenstein.” There follows a memo of Aug 8, 1945 from the American Minister (Leland Harrison) to Robert P. Joyce (OSS representative attached to the Legation in Bern), detailing the Minister’s contacts with Hohenlohe. He had known “Max and his family at Gstaad before the war in a social way, and, in the late autumn of 1939, [Hohenlohe] volunteered certain information, which I had every reason to believe to be reliable, regarding indirect peace approaches to the British, ostensibly in Goering’s name. he often passed through Bern on his way to and from the Sudetenland after that date, usually calling on me, and I maintained the contract for information purposes. I think the same can be said for Allen Dulles and also for Royall Tyler, who had known Max for several years.... I might add that I am somewhat doubtful as to whether Max can be classified as an “SD agent for the Germans.” I would rather be disposed to consider him a self-expatriated German, or rather Austrian, who is principally concerned in protecting his own private interests as he sees them, particularly his large holdings in Czechoslovakia and his wife’s extensive interests in Mexico.... As to the purpose of the inquiry from Madrid, I take it that it is primarily for Safehaven reasons, and I would not put it by max that he may have done what he could to save whatever possible from his and his family’s holdings in Czechoslovakia. I doubt if that were much or that he was able to get out much, as his principal wealth, apparently, consisted in forests, and I recall that once he told me that, while he was well-paid for his timber during the war, his profits were of not much use to him in defraying the considerable expenses to which he was put when he brought his wife and children and a number of retainers for the winter season in Switzerland. That Max should have approached the Embassy with an offer to submit information does not surprise me, but I doubt whether the Embassy would be able to obtain his expulsion from Spain.”

To which Joyce replies to Harrison on 13 Aug: “1.) The records of this office indicate that most of the information regarding Hohenlohe comes from Madrid and Lisbon and dates back to November and December of 1943 and January of 1944. He did on several occasions make contact with Mr. Dulles and Mr. Royall Tyler in Switzerland and his statements with regard to conditions in Germany were reported with considerable reserve. The recollections of members of the staff of this office are that Mr. Dulles and Mr. Tyler merely received

Hohenlohe and listened to what he had to say. His allegations referred to in the final paragraph of the July 16, 1945 memorandum from the American Embassy in Madrid to the effect that he had 'excellent relations' with Allen Dulles [by then at Berlin] and Royall Tyler [by then at Geneva as unofficial UNRRA representative] does not appear to be justified. He was never regarded as an agent and due to his past record the information he supplied was always considered with great reserve. 2.) The information regarding Hohenlohe and the analysis you make of him and his political and economic affiliations in your memorandum of August 8 are entirely in line with the information in the possession of this office."

Royall Tyler replies from Geneva on 14 Aug 1945 to Joyce that he "wrote a letter to Norman Armour about Max H. some months ago, with AWD's knowledge and agreement, and had acknowledgment of it.

"AWD [Dulles] and I never regarded Max H. as an agent, nor have I ever seen any evidence to that effect. He is a rich man, and wants to keep his money, oddly enough. He has always had valuable contacts in a number of countries, and sometimes his stories are interesting, tho' of course to be received with reserve. That's about all I can say of him, or know."

Joyce updates Harrison on 30 Aug on the reply of Dulles regarding the matter. "Mr. Dulles added that he and Royall Tyler were fully aware of the fact that Hohenlohe saw Himmler, Canaris and others and that his chief interest lay in protecting his properties in the Sudetenland. Mr. Dulles stated that Hohenlohe obtained nothing from us and that we were able to obtain some information of value from him."

In the reply memo from Harrison to the US Embassy Madrid of Sept 5, the further information is provided: Because of the Princess Hohenlohe's large property interests in Mexico, "it is understood that for this reason the Prince had desired to obtain permission to visit the United States and Mexico shortly before Pearl harbor. So far as is known prince Max has not been in Bern since last year."

On Nov. 7, 1945, the Embassy at Madrid notifies Bern that it has compiled a report on Hohenlohe as a result of analysis of documents held at the former German Consulate in Madrid. The synopsis by Madrid states that "as indicative of the status of Hohenlohe with the German authorities at Madrid, there are enclosed translations of certain correspondence between Hohenlohe, the German Ambassador, and the Embassy regarding German endeavors to mobilize Reinhard Spitzzy and Hohenlohe's defense of him, in which it is established that Spitzzy occupied a position of key importance in the view of the former German Embassy and was regarded as indispensable. It will be recalled that both Hohenlohe and Spitzzy had been on several occasions reliably reported as very important SD agents."

The documents themselves, however, do not seem as conclusive as the above synopsis would have one believe. They have been reproduced; Madrid forwarded only English translations to Bern, and the quality of the translations seems of mediocre quality. In any case, it appears that Spitzzy worked at the Skoda- and Bruenner-Werke, and that since Hohenlohe had some influence with the Ambassador and his own interests may have been at stake, he sought to use this asset to effect protection for Mr. Spitzzy. Hohenlohe wrote [letter of June 15, 1943]: "As I told you today, I have heard from the Waffen Union Skoda-Brunn that the Consulate at Madrid has thrown doubt with respect to the military authorities upon the importance of Mr. Spitzzy's work, without first asking a competent office or myself. In view of the completed, planned, and current affairs of the Skoda and Bruenner-Werke, such a procedure seems to me to be completely understandable.

"I beg of you to take the necessary steps so that the Madrid Consulate correct its previous

report in the same manner in which it was made to the military authorities. Attached is a report [not translated or forwarded to Bern] on the exact situation and the manner in which the Consulate sent this report.”

There follow a few letters of a bureaucratic nature between the German Consulate Madrid and the Armament Command Berlin III regarding what bureau has authority over Spitzzy's mobilization for the armed forces. Then, there follows a letter of thanks from Hohenlohe to the German ambassador of June 19, 1943. “I regret having bothered you, but I am pleased that, thanks to your immediate intervention, it appears that the Consular Section of the Embassy had not made any such report. I shall be able to take information to Berlin myself concerning this matter, and therefore hope that I shall not have to bother you further....

“When I return, I hope I may visit the Ambassador or that you come to see us in Zarauz, which would be most kind.”

The translated document from Madrid end with the note that “There is also a letter from the Military-Command Berlin to the Foreign office for German Embassy dated November 12, 1942: ‘Deferment of Reinhard Spitzzy must be asked of WBK-Berlin Wilmersdorf.’ Copy of this letter was sent to Reichswerke A.G. für Waffen und Maschinenbau ‘Hermann Goering’.”

There follows a memo of 23 Nov 1945 from Joyce to Harrison regarding the recent letter from Madrid. Joyce has consulted with the Liechtenstein Chargé d’Affaires at Bern, Prince Heinrich von Liechtenstein, whether or not Hohenlohe “was or still is considered a Liechtenstein (sic) subject enjoying the protection of the reigning Prince. Heinrich von Liechtenstein (sic) replied that the reigning Prince in 1941 had warned Hohenlohe-Langenburg that if he performed any act inconsistent with Liechtenstein neutrality, his citizenship in the Principality would be immediately cancelled.” Following Heinrich von Liechtenstein’s trip to Vaduz, he reported back to Joyce that “1. Prince Max Egon Hohenlohe-Langenburg became a subject of Liechtenstein in 1923. In 1942, the Reigning prince instructed the Liechtenstein government that Prince Max Hohenlohe-Langenburg should be warned that if he behaved in an unneutral manner, he would forfeit his right to Liechtenstein protection. At the same time, orders were issued that the Liechtenstein diplomatic passport in the possession of Prince Max Hohenlohe-Langenburg would not be prolonged beyond the date of its expiration which was at the end of 1944.

“2. Prince Heinrich stated that a regular Liechtenstein service passport was issued to prince Max at the beginning of 1945 (when his diplomatic passport expired).

“3. Although the Reigning Prince of Liechtenstein heard rumors beginning in 1942 that Max Hohenlohe-Langenburg had certain connections with the Germans, no proof has ever been received at Vaduz. Prince Heinrich stated that the Swiss authorities were queried by the Liechtenstein government as to the activities of Max Hohenlohe-Langenburg and they replied that there was no proof of his alleged activities in behalf of the nazis but that his connections with German officials were in relation to properties in Bohemia.

“4. Prince Heinrich stated that there was no doubt that Max Hohenlohe-Langenburg traveled in Switzerland and Spain in 1943 and 1944 on his still unexpired Liechtenstein diplomatic passport.

“5. Prince Heinrich said that if the Liechtenstein authorities received evidence that prince Max Hohenlohe-Langenburg did, in fact, travel on a German passport or did, in fact, comport himself in an unneutral manner, the question of his present Liechtenstein nationality would be reconsidered.”

The information contained in these documents does not seem, based at least upon the

information available to the American authorities in Switzerland, to be as damning of Hohenlohe as the Madrid embassy suggests. The possibility of course remains that there was much more to this character than contained in this file, but these documents seem to fall more in line with the characterization by Minister Harrison of Hohenlohe as a well-connected man who above all worked to protect his own interests using whatever advantages he possessed.

2. Memo to Mr. Huddle; not stated who wrote it. 27 March 1945, re: Suspicious Hungarians in Switzerland, and presence of SS Major Becher (involved with Mayer in rescue of Hungarian Jews from Bergen-Belsen, etc.)

Info re: Becher: "Attention is called also to a report that SS. Major Becher, former Gestapo chief at Budapest is expected shortly in Switzerland, allegedly to negotiate with unknown circles for the exportation of an undetermined (sic) number of Hungarian Jews. I believe Becher was one of the delegates who negotiated with Mayer last Fall about the rescue of Hungarian Jews."

Info re: suspect Hungarians: These are Tomàs Péchy, Francis Palugyay, Dezső Kánya and Zsigmond Bechtold.

Pechy: "Arrived with two automobiles from Vienna. All his papers are in order, had German exit and Swiss entry visas; but states he has no intention to return to Germany and claims to have been 'persecuted' by the Gestapo. How he was able to bring under these conditions two cars, fully loaded, out of Germany is not explained. Péchy was managing director of the Hungarian Arms Factory (Fegyvergyár) at Budapest; the story he tells is that the machinery of the factory was dismantled and carried away from Budapest and he was allowed to sell it to the Swiss who are very grateful and gave him a residence permit. he is now staying at the Baur au Lac in Zürich, and is reported to have large sums of money at his disposal. It seems quite unlikely that this story is true since the Swiss do not need machinery; if it is true that this equipment did come into this country, it is more likely that the Germans are setting up under some Swiss cloak an armfactory (sic) for their own end.

Palugyay: "owner and director of the Hungarian champagne factory near Budapest, came a few days ago with all his papers in order. He has been seen in Basel, and in Zürich; he is now in Geneva and it is alleged that he has visited Berber. He is making everywhere propaganda for the nazis and intends to return to Austria in a few days.

Kánya: nephew of former Hungarian Foreign Minister, Coloman Kánya (confined after March 1944, and reported to have died in early 1945 at Sopron); director of a metal factory at Budapest, "worked closely with the Germans, made lots of money and is known for his pro-nazi views."

Berchtold: son of former Austro-Hungarian Foreign Minister Count Berchtold, "escaped without papers from Bregens and is interned somewhere by the Swiss. Although he claims to have been persecuted by the nazis, he is known to have been one of the most enthusiastic advocates of Hungarian cooperation with Germany."

3. Memo to Allen Dulles from R.C. Getsinger, 31 May 1945, re: article by Dr. Kober of the National Zeitung, about to be published, regarding Hungarian Nazis and war criminals "enjoying Swiss hospitality."

The German-language article lists a few names that might be of interest:

„Im apartement (sic) Muralto in Zürich ist Herr Tilhamer Fabinyi abgestiegen, der ehemalige Minister der Gömbösregierung. Er hatte sich selbst zum Präsidenten der grössten

ungarischen Bank ernannt und war durch die Geldmittel, die ihm zur Verfügung standen, mit der grösste Förderer der Achsen-freundschaft. Er war auch einmal deutschfeindlich, was sich beim Einmarsch der Deutschen schnell änderte. Auch dass er im Jahre 1919 Artikel schrieb im „-Der rote Jurist“, und sich als Kommunist gebärdete, wird ihm heute wenig helfen, seine spätern (sic) Sünden zu decken. Ein bekannter Mäzen der Pfeilkreuzler und Financier ihrer Propaganda....

„Herr Ladislaus Tarr war der Sekretär des Regierungskommissar Kozma für Karpatho-Ukraine. Privatsekretär eines Mannes, der in den Judendeportationen eine verantwortliche Rolle spielte. Bekannterweise erretteten sie Juden von der Deportierung – um sie später nach Bergen-Belsen doch durch die SS deportieren zu lassen! Allerdings verdiente (sic) Tarr und sein Herr Minister viele hunderte Millionen durch diese Erettungen (sic) und lebt jetzt in Zürich.“

4. Memo from source: Francois, 6 Aug 1945, re: Albert Ruedi, Swiss citizen acting as courier for Germans?

“Albert Ruedi, born 1909 at Gaechlingen, Schaffhausen, a citizen of Switzerland, has been in Zurich since April 16, 1945. His father, having the same name, is a resident of Zurich. The subject arrived in Switzerland driving a large automobile which had a Berlin number and after his arrival made a number of trips to Baden Baden via Kreuzlingen and Constance. One of these trips was as late as May 8. On July 31 he is said to have returned to Baden Baden. “It is reported that Ruedi is carrying commodities of one kind or another on his various trips and, as he has had a reputation of being a confirmed nazi, although Swiss, the Swiss police have searched his residence on a number of occasions. They have, however, found nothing as a result of these raids. “It is further said that on one of his trips Ruedi had intended to bring into Switzerland the wife of Gauleiter Wagner but the plan failed.”
5. Series of documents from January 1945 re: visa application of Werner Charles Lier, Swiss, manager of the Geneva office of IBM, and an informer on the association of Michel Olian with the Banque Intercontinentale. All documents have been reproduced. In brief summary, Lier was attempting to go to the US on business, and his application was held up by Paul Squire, the US Consul at Geneva, because Squire believed Lier to be (or have been) pro-Nazi, including having worked for the Union Nationale, a Nazi organization in Switzerland. In this regard, a Czech employee of IBM had previously informed the US government of Lier’s pro-Nazi sympathies. On the other hand, the US Consul General at Zürich, Sam Woods, felt extremely strongly that Lier was a trustworthy character. Woods was the godfather of one of Lier’s children. Woods claimed that unfavorable information supplied by Swiss Intelligence Chief Captain Clement were motivated by the latter’s interest in securing a job with IBM Belgium from IBM General Manager for Belgium Emile Genon, who had been in Switzerland as a refugee for several years and who had been supplying information to the OSS. Woods claimed that Lier had helped smuggle American aviators out of occupied territory, and had helped Howard Elting by installing a dictaphone machine (to record his conversation with Olian is the implication). In any case, Lier is ultimately issued the visa over the objection of Squire.

Lier seems to have indeed been of questionable character. He was granted the visa since he his presence in the US would not “prove detrimental to public safety.” There may be further

information on this man, who held a broad power of attorney for IBM in Europe, with the archives of the Swiss intelligence service, which evidently kept a close eye on him.

Box 24: 1945, 820.02 – 840.6

6. Folder: 820.02 M - Memo from J.K.H. to Reagan, 21 March 1945 re: Swiss jeweler possibly involved in stolen *Kulturgüter*. Note reads: “A reliable source informs me that Meerwein, a jeweler at Lausanne, who worked with Knitter of Berlin, may be a fence for nazi property such as important jewelry, paintings, etcetera being exported from Germany.”
7. Strictly confidential note No. 11237 by DFB [Don Bigelow, First Secretary], 24 March 1945 re: Federal Councilor Jean-Marie Musy (of Catholic-Conservative Party) (of Fribourg) and his attempts to sway Himmler to release 1200 Jews from Theresienstadt (on behalf of the USA-based Union of Orthodox Rabbis)

Musy was a former Swiss Federal Councilor and former President of the Swiss Confederation “and Nazi sympathizer.” Following is a memo, copied into the note, prepared by Roswell D. McClelland, Special Assistant to the Minister.

“Acting on behalf of an orthodox Jewish organization with headquarters in the United States (Union of Orthodox Rabbis) , Musy early in November 1944 undertook the first of a series of trips to Germany to confer with his ‘old friend Heinrich Himmler’. Musy, after having been approached by the Jewish circles in question, had ‘volunteered’ to use his influence with Himmler to effect the release of Jewish deportees still remaining in German hands. Musy claimed that he would accomplish this with ‘political arguments’, along the lines of pointing out to Himmler that it was in Germany’s interest (and in the Nazis’ interest) to make some humanitarian gesture at this point in the war which could only react favorably on the treatment meted out to the Nazis by the victorious Allies after the war. Musy declared categorically that he was not ‘particularly interested in the Jews’, but that the Jewish question would offer a good starting point for Nazi favorable treatment maneuvers. Musy apparently sincerely believes that the Nazis should now start launching a counter-propaganda campaign by letter out Jews or other political detainees.

“Musy is without doubt also motivated in this action by the desire to rehabilitate himself politically in Switzerland by playing the ‘beau rôle’ of a great humanitarian saving thousands of wretched and persecuted Jews from the clutches of the Nazis. When in connection with his efforts the group of 1,200 Jews from Theresienstadt were released, he attempted (assisted by the Jewish organization in question) to build up a favorable press campaign for himself in Switzerland. This was not an unmitigated success.

“Musy has hotly denied that he is rescuing Jews for personal monetary gain. It is well-known, however, that his travel expenses for his recent motor trips into Germany (so far four in number) have been handsomely covered. It is far from clear that he is not interested in making money for himself. [In the original, unedited memo there is appended: ‘He speaks of wishing to retire to [added in pencil: ‘the Argentine or’] Brazil after the war. It is reliably stated that he already holds a Brazilian passport.’] It is possible that in his dealings with Himmler political matters of far greater interest to the Nazis than the Jewish question have come up for discussion. Musy is without doubt a warm admirer of the Nazis and all their doings, and is therefore anxious to do anything he can to help them at this low point in their regime. he should be considered a dangerous person.”

There follows a Biographic Data sheet prepared for the SecState by Bigelow. It states that Musy was educated at the Universities of Fribourg, Munich and Berlin (law). His reputation is “mercenary, tricky and unscrupulous.” His influence is “Reactionary, pro-Fascist.

Influence in Switzerland has dwindled along with Axis Powers (sic) chances of victory.” Previous career is “Practiced law at Bulle and Fribourg 1906-1910; bank director (Bulle), 1910–; elected member of Government of Canton of Fribourg, 1912; elected National Councillor (sic) 1914; Federal Councillor, 1920-1934. President of Confederation in 1925 and 1930. Chief of Department of Finances and Customs during his period of office as Federal Councillor.” Attitude toward other nations is “Germanophile, extreme anti-communist. Was willing to see Europe organized under German hegemony.”

The ‘Remarks’ sections contains the following items of note: In 1945, Musy was 69 years old. “For many years, before he became a moving spirit in the National Front (or Fascist) Movement in Switzerland, he was respected as one of the leaders of the Catholic-Conservative Party.

“Has distinct peasant traits, is shrewd in money matters and in negotiation. Has a keen interest in politics, although he no longer holds public office. He is now in private business as director of La Genevoise, an insurance company with headquarters in Geneva. His numerous enemies describe him as unscrupulous and repeat stories such as the one which describes how at the age of 19 he presented a false medical certificate to escape Swiss military service....” “He is not likely to be forgiven for his dealings with certain well-known Swiss traitors during the present war, and it is generally assumed that he would have been brought to trial himself for pro-totalitarian activities if the Swiss political police had succeeded in laying hands on documents believed to have been in his possession. In February 1941 at the time of the trial of a number of Swiss Fascists and Nazis found guilty of assassinating a Jewish merchant named Bloch (Legation’s telegram No. 1210, February 21, 1943) the public prosecutor (Stampfli) stated that a ‘former Federal Councillor (M. Musy) should also be on the defendants’ bench’ (because of the effects of his advocacy of Nazi doctrine in Switzerland.

“At the beginning of the present war, M. Musy founded a review called *Le Mois Suisse* (favoring the German ‘New Order’). It had few readers in Switzerland but German agents are said to have purchased large numbers of copies for distribution in France after the German defeat of France. He was a leading spirit in the Swiss ‘new order’ movement known as the ‘Rassemblement National’ and attended several of the Nazi Party Congresses at Nuremberg....”

“Is charged with having been responsible, when he was Chief of the Federal Department of Finances, for the blocking of banking control legislation.... He is associated with a press editorial service agency (*Presse Suisse Moyenne*) subsidized by ultra-conservative Swiss business interests opposed to changes likely to involve higher taxes on business profits.”

8. Memo from source: Francois, 30 July 1945, re: Hans Riesser, German Jew at Davos who perhaps brought money for German accounts in Switzerland when traveling from Paris. “2. Hans Riesser, Chalet Fogg-Issler, Davos, is a Jew of German origin who traveled from Paris to Switzerland without interference during the period of German occupation of France. The report is that Riesser brought considerable sums of money with him for German accounts.” Also: “4. A person named Frau Urban, now in Davos, has said that she is about to visit the American and British Legations in Bern in Austrian interests. This woman is known to have been a confirmed Nazi.”

9. Airgram from Harrison to SecState, 22 March 1945, re: Nazi Agents who had defected to Switzerland in the last months of the war, particularly Wolfgang Behrens (involved in Absetzbewegungen?)
Persons listed are Hermann Henseler (German rep. at ILO), Van Doornick (press attaché at German Consulate, Geneva, and intelligence operative), Von Urach (press attaché at German Legation, Bern, and SS chief for Switzerland), and Behrens.
Re: Behrens: "Behrens has been in Golf Hotel, Lausanne. He is possessor of Dutch passport and is owner of firm in Buenos Aires, Argentina, named "Havero", which had an office at Rotterdam. President of Rotterdam Havero is Fentener van Vlissingen, said to be relative of Ribbentrop through the Henckels. Behrens is suspected of being channel for transition assets important Nazis into neutral safety and is being investigated by this Legation under Safehaven."
10. Memo from WMC to Paul Blum, 12 May 1945, re: Dr. Stegemann[Steggmann]-Morosani, "most important" smuggler of Nazi fortunes into Switzerland.
"It is not unlikely that Dr. Stegemann-Morosani, the brother-in-law of the owner of the Hotel Belvedere at Davos and at present domiciled at Vaduz (L), is one of the most important, if not the most important smuggler (Verschieber) of nazi (sic) fortunes and funds into Switzerland.
"Morosani, owner of the Belvedere, Otto Schmidt General Director der deutschen Heilstätten at Davos and Dr. Barwirsch, Davos lawyer and former Austrian now naturalized Swiss, should also be seriously suspected of helping in this smuggling. In this connection Barwirsch served as go-between in the 1944 purchase for German nazi account of the Konsul Burckhardtthaus at Davos.
"Otto Schmidt supports the 100% Nazi Frau von Puttkammer, of the Villa Baby, Davos, who has now 'untergetaucht' as a patient in the deutschen Tuberkulose Hilfswerk where her expenses have been paid in advance until next autumn. Frau v.P. says her husband is at Shanghai.
"The X-ray apparatus (valued at 100 to 150 thousand fcs) of the nazi Tuberkulose Hilfswerkes (sic) is rumored to have been recently transferred to the private ownership of an unnamed doctor (associated with the Hilfswerk) at Davos."
11. Memo from WMC to Paul Blum, 18 May 1945 re: various Nazis at Davos and vicinity (Davos except as noted): "1. Police commissioner Badrutt (Swiss) at Davos is an 'Ober-Nazi' and was intimate friend of Strasser (SD) who had short wave broadcaster at Davos." 2. Dr. Naeser, 3. former Gauleiter at Linz, Oberleinner (Oberleihner?), then at Schatz Alb, 4. Dr. Seelig, 5. Wardenberg, 6. Frau Juan, "7. Dr. Kühne, chief of the examining commission of German institutes at Davos returned to Germany this spring. Dangerous man. 8. NSDAP Führer Henkel (also SD Führer) of Davos recently left for unknown destination in Germany." 9. Frau Janson, "10. Baronin Seiler, entirely nazi, now lives at Ascona and hopes to remain in Switzerland. Has money, but from undisclosed sources. Rumored might be a dummy (Strohmann)." 11. Frau Urban, "12. Friedericianum. School sold to Nazis last fall. Number of students to be reduced to 40. Rumored that the school will become a neo-nazi academy."

12. Additional memo from WMC to Paul Blum, 18 May 1945, re: Frau Friese. “Frau Friese, about 45, thorough Prussian, nazi. Directress of the Waldsanatorium, Davos. Boasts that she has acted as courier in German (Nazi) intelligence service.”
13. Memo from WMC to EC-Safehaven, 19 May 1945, re: Dietz. “Ortsgruppenleiter Dietz, Davos, now director of Konsul Burckhardthaus, might be involved in smuggling and hiding Nazi funds here.”
14. Memo from: 2238, Source: Mabel-A2, 23 May 1945. re: Nazis in Geneva. Of note: “Unland: The secretary of the German colony and the ex-cashier of the NSDAP, namely Unland, is described as a genuine Nazi. Unland must know where the 60,000 SFR went, which the Party received out of the Consular safe.”
15. Memo from WMC to Reagan 9 April 1945, re: Austrians and Bern lawyers involved in Absetzbewegungen
 “Some months ago a certain Felix Perker-Mayer called at the Legation and said that a friend in Lausanne might be willing to give information about supposedly large assets stolen by Germans in France and brought to Switzerland for safe-keeping. To date nothing further has been heard from Perker-Mayer, born January 25, 1879, at Wien and entered Switzerland November 5, 1942, as a refugee from France. He possesses a Foreigner’s certificate issued by the Swiss authorities. his address was Kapellenstrasse 5, Bern.
 “Perker-Meyer mentioned a certain Winkler, about 50 years old, also born at Wien and expelled from Switzerland in 1944 as an undesirable German agent of Canaris.
 “Perker-Mayer also alleged that Swiss lawyers Konrad Fehr and Trüssel, Münzgraben 6, Bern, had close connections with the German Legation here presumably in connection with the disposition here of German assets stolen from European countries occupied by Germany at one time or another since 1939. Whether these lawyers were aware of the character of the assets was not made clear.
 “Perker-Mayer also mentioned a ‘Strakosch’ – former Viennese auto dealer and active in 1922 [?] in same capacity in Zürich. It appears that the Swiss also expelled Strakosch from Switzerland, whether or not in connection with stolen assets from France was not made clear.”
16. Telegram sent from Harrison to AmEmbassy Madrid, 22 Oct 1945. re: Alfred Riechers, German residing in Zurich facilitating real estate and banking deals for Germans, according to French Foreign Office report. Inquiries were being made by the Consulate General at Zurich. Riechers, according to a telegram sent from Madrid to Bern on 13 Oct, had applied for a visa for Spain.
17. Confidential Report from Adolf, submitted by Howard Elting, Jr., Consul at Geneva, 9 October 1945, re: Dr. Ludwig R. Scheffer, 10 Avenue Petit-Lancy, Geneva, and his proposal of a business dealing financed by Michel Olian.
 This report includes two declarations by two women (Marie Rabbinovitch and Elinor Connstein). Scheffer became suddenly wealthy in 1933 after the Machtergreifung, , and established himself in a large villa outside Paris. In August 1939 he moved from Paris to Switzerland. Rabbinovitch: “Er lebte bis 1945 auf sehr grossem (sic) Fusse. Nach dem Sturz

Hitlers versiegten seine Mittel.” Connstein reports on a business deal that was proposed to her husband, a German Jewish émigré living in Geneva, by Scheffer. “Die Scheffers habe ich durch meinen Mann kennen gelernt, den Chemiker Dr. Connstein. Scheffer kannte den Stiefsohn meines Mannes, der als Halbarier in Berlin die Fabrik meines Mannes behalten durfte. Mein Mann war Jude und deshalb verliessen wir Hitlerdeutschland. Der Stiefsohn meines Mannes schickte uns Scheffer ins Haus und veranlasste meinen Mann, der ausschliesslich von seinen Lizenzgebühren aus England lebte, nachdem die Nazis sein Vermögen eingezogen hatten, mit Deutschland Geschäfte zu machen. Er drohte ihm, dass das Unternehmen seines Sohnes aufgelöst würde, wenn er sich weigern sollte. Die Mittel für die Geschäfte sollte ein gewisser Oléan [handwritten: Michel O?], ein armenischer Bankier in Genf (Hôtel des Bergues) zur Verfügung stellen. Die Alliierten bekamen auf unerklärliche Weise Nachricht, dass mein Mann für die Nazis Geschäfte machen wollte, bevor überhaupt etwas zu Stande gekommen war. Sie sperrten ihm die Lizenzgebern aus England. Dann starb mein Mann plötzlich... [Scheffer] erklärte mir, dass aus den Geschäften leider nichts geworden wäre und dass die Forderung meines Mannes auf Zahlung einer Commission (sic) von Fr. 14 000.- nicht gerechtfertigt sei... [Scheffer habe auch in Deutschland Grundstücke gekauft und zwar etwa 10 grosse Mietshäuser im Rheinland die er von Juden gekauft habe und zwar nicht gegen Barzahlung, sondern gegen ‚Lebensrenten‘ von monatlich 200 Mark. Die Juden würden ja doch ausgerottet und man brauche also die Lebensrente nicht lange zu zahlen.

„[From Adolf] Soweit die Aussagen.... Bisher unbeweisbare Informationen besagen, dass Scheffer seit 1933 dem SD angehört und ein Monatsgehalt von Fr. 3000.- bis zum Januar 1945 gezogen habe.

„Die Schweizer Polizei überwacht ihn. Scheffer hat durch eine günstige Expertise die Schweizer Regierung veranlasst für die Ausbeutung der Mine von Chatillens erhebliche Subventionen zu bewilligen. Scheffer bezieht seither ein ‚angemessenes‘ Gehalt von dieser Mine. Die Schweiz möchte ihm nachweisen, dass er die Expertise ‚wider besseres Wissen und sin (sic) gewinnsüchtiger Absicht‘ abgegeben hat.“

18. Letter of 27 Dec 1945 from Hans Schmid, a Swiss national dealing in “Mineralöle und Fette en Gros,” there is a list of Germans in Ticino, including one associated with the Friedericianum in Davos. Schmid claims that none had by that point been deported, and requests the Americans’ assistance in getting Nazis out of the canton. He claims to have been an activist against the German Fifth Column during the entire war. The names are accompanied by brief descriptions of each individual. The only person perhaps of interest to the flight capital team is: “Dr. Hugo Back, Villa Fiorita, Ruvigliana: Nachfolger des ermordeten Nazi-Chefs Gutsloff in Davos und Teilhaber der deutschen Privatschule ‘Friedericianum’ (sic) in Davos, gab sich während des Krieges als persönlicher Freund Hitler’s aus. Sein einziger Sohn wurde an der Ostfront schwer verwundet und starb an seinen Verletzungen in Davos.”

1. Memo from Reagan to Huddle, 30 July 1945, SH No. 12, re: Rudolf Schury, possible Safehaven case referred by British Legation. The text of the British note is: “Zurich now informs us that Schury was arrested some time ago by the Swiss authorities but has since been released and is living with his wife and child at the Grand Hotel Dolder. Zurich have been told that Schury, who once had the very best connections with high Gestapo officers, obtained permission to stay in Switzerland on the ground that his life was endangered...”

Zurich add (sic) that Schury appears to have large funds at his disposal and may perhaps be interesting from a 'safehaven' point of view." Note from DJR follows: "Provided our British colleagues concur, we propose to signal this as a Safehaven case to Kohli."

2. Letter from Sholes to Harrison, 20 July 1945, re: Josef Seif of Fischach (Augsburg) Bavaria, Nazi accountant for several associations. "It was reported to [my informant] by one A. Geiger-Cuny... Laufen (Bern), son of the former mayor of Fischach (Augsburg), Bavaria, Germany, that Obergruppenleiter Josef Seif, postal agent at Fischach and accountant for several associations, should be arrested as a Nazi."
3. Press item from the Feb. 22, 1945 issue of *Liberation*, "a French newspaper published in Casablanca", forwarded by the Tangier Legation to the Consulate at Geneva on 24 March 1945, re: Adolf Sonnenhol, who was then at Geneva and was alleged to be working to organize Nazis' revenge against the Allies after the war. Sonnenhol had been granted diplomatic privileges by the Swiss. The article reads in part: "The French Information Union sends us the following: 'The Fascist Vermin Will Be Crushed' by J.L. Soulie. ...In Geneva, the arrival was recently announced of one Dr. Sonnenhol charged with the organization of special services for Germany against the United Nations and to whom, meanwhile, the Swiss political Department has granted diplomatic privileges of Consul while the famous Von Krugg Von Nidda, who at Vichy represented Abetz to the Government of Pétain, has created a diplomatic section looking toward the same ends." The Tangier Legation adds: "It will be noted, in the Legation's despatch No. 2278 of August 15, 1944, subject: 'Departure of Axis Agents and Other Persons from Tangier and Spanish Morocco', that Dr. Adolf Sonnenhol, with his wife, Ruth Sonnenhol, left Tangier by air for Madrid on June 2, 1944, following the closing of the German Consulate General at Tangier and the subsequent expulsion of its consular officials and Axis agents." Paul Squire, the Consul at Geneva, confirms that Sonnenhol is in that city, residing at 5 Rue des Pleïades, Geneva. Upon consulting the Geneva cantonal authorities, it is confirmed by the Chancelier d'Etat that Sonnenhol is "regarded as a Vice Consul of career, and since February 1945 receives the usual consular privileges." There is a handwritten note that by Huddle that "AWD [Dulles] is eyeing Sonnenhol."
4. Letter from the US Embassy Madrid to the Legation Bern, 23 Nov 1945, re: Dr. Paeffgen (Paefgen), Dr. Steimle, and Herr Gross fled with 20-30 million dollars of currency and jewelry to Switzerland from Germany. "The principal S-D, Group 4, agent is reported to have stated that he was in contact with a group of Germans in Switzerland with similar ideas [of organizing a resistance front against the Allies]. The Swiss group consisted of a Dr. Paefgen, Dr. Steimle, and Herr Gross, among others, whom he reported had fled to Switzerland from Germany with between twenty and thirty millions of dollars in currency and jewelry." In a Memo of 20 Dec 1945, W.J. Hood tells Edwin A. Plitt that: "Dr. Eugen Steimle is a well known German intelligence figure. Though his work was at one time concerned with Switzerland, we have no reason to believe that he is now, or ever was, in this country.
"We have information on a Richard Grossmann, one of whose alias was Richard Gross. As he is listed as being a contact of Steimle we believe him to be identical with the Richard Gross mentioned in your communication. However, we do not believe this man to be in

Switzerland now, though his wife, one Frau Grossmann-Kutter is reportedly here....

“The only Dr. Paeffgen we have record of was connected with the RSHA in Berlin. He is not known to have ever been in Switzerland, or even connected with intelligence matters concerning the country.”

5. Letters of 23 Nov 45 from Mr. Lawrence Linville of US Army Finance Section (Formerly US Treasury) to Reagan, and telegrams of 28 Nov and 5 Dec from Bern to Department, re: Hans Sturzenegger (IG Chemie financier). Not of tremendous interest to Absetzbewegungen teams, although perhaps some of the cross-references will prove valuable. There is a charge slip for a letter to MWS removed on 3 Feb 48. Linville is in Switzerland to find out info about the connection between IG Chemie and IG Farben. The first letter states that Karl Weber (Revisor, Thujastrasse 28, Zurich) was investigating Chemie, and that Weber had approached Linville to ask him what information about Chemie Linville might have. Linville reports that Weber said that he was “vested with large discretionary powers, extending even to a certain lifting of the bank secrecy law. He said that he had caused the files of the respective companies to be sealed and that the homes of Sturzenegger, Gadow and others had been searched. Linville states that, given proper authorization, he would limit his questions of Weber to general ones that would not reveal what the US authorities knew. He writes: “I would ask whether any agreement ever existed between Farben and Greutert (now Sturzenegger & Cie.) as to shares in Chemie owned by Greutert. (We have evidence of such an agreement and would like very much to have its text.)” Linville writes in a separate memo of the same day about his meeting with Sturzenegger: “As you know, we approached this man without giving advance notice and I am inclined to believe that he in fact did not know that we were coming. We presented to him the letter from Hermann Schmitz which you have seen, and he read it with the greatest concentration. He was distressed to a moderate degree, I believe, about the request and told us that he would not be able to give an answer of any sort until he had consulted with the Swiss Government and received legal advice.” Schmitz’s chief requests in the letter were: “1. That he [Sturzenegger] and his associates turn over to me all files to which Schmitz is entitled, 2. That they give me access to all files which Schmitz is entitled to see, and photoprints of such of these as I choose, and 3. That they answer any question I should direct to them in the premises and should make such answers under oath or in any other possible way which would give weight to them.” There follows a cross-reference to a memo in the Top Secret File from Reagan on 26 Nov 1945, re: the above Linville memos, “His and Mr. Goldner’s visit with Hans Sturzenegger at Basel; Weber and investigation of IG Chemie (re Weber as contact); Question of submitting matters pertaining to German assets in Switzerland in usual manner by legat on to FPD; etc.” The first telegram, dated Nov 28, states that in answer to the letter presented by Linville to Sturzenegger and Cie on Nov 22, a written response had been received on Nov 27, “signed by IG Chemie, Iselin, Germann, Sturzenegger & Cie, and Hans Sturzenegger. This reply stated that all three requests must be denied except that access was permitted to a file relative to Schimitz’ bank account with Greutert. This decision, it was stated, was made after consulting with and receiving instructions from the Swiss Government. The file on Schmitz’ bank account proved insignificant. Sturzenegger and Germann refused to amplify the written answer when Linville requested them orally to say whether the written answer meant that Schmitz had no personal files in their possession or whether, as Schmitz had stated, they had such files but refused to produce them.” The next memo of 5 Dec states that “The Swiss Compensation

Office has blocked IG Chemie provisionally and advises that assets will be freed January 31 unless proof of German control found or presented by the Allies.... [Schmitz'] letter was addressed to Sturzenegger and Gadow, IG Chemie, and requested Sturzenegger (sic) and Gadow to grant access to the files normally available to Schmitz. It was emphasized in the letter that Schmitz wished to persuade the Allies that IG Farben does not possess controlling or substantial interests in IG Chemie, and that IG Farben did not possess secret foreign funds which 'might be used to prepare for another war'." Goes on to state that no access would be accorded, per the advice of the Swiss authorities, since "Schmitz's access to IG Chemie files ended in 1940.

"On November 29 Linville and an Officer of the Legation talked with the Swiss Compensation Office, who asked for documents or leads to assist in investigation. Linville had been advised by the Legation to submit no information on the basis of your telegram No. 2627 of August 28. Under standing army orders Linville then returned to Frankfurt.

"Impression is Swiss Compensation Office's request for IG Chemie leads stems from a desire to avoid subsequent charge of failure to uncover proofs available in Switzerland. It is unlikely that the Swiss Compensation Office will make available to the Legation information gathered by it on this case. No guarantee can be given as to discretion or secrecy its personnel."

6. Memo of 10 July 1945 re: suspected Swiss business concerns acting in a safehaven capacity. "The following firms at Chur are owned and operated by Swiss who have been very pro-Hitler and pro-nazi and allegedly continue to be: 1. Grisons Schokolade Fabrik (handwritten: Chocolate Gresin A.G.) Gebr. Mueller 2. 'Die Neümuehle' (flour mills) (handwritten: Neumühle A.G.) Dr. Rudolph Lände (It has been suggested that this firm is possibly utilizing German money.)"
7. Telegram from Bern to Department, 20 Dec 1945, re: Swiss attorneys who were members of Nazi or fascist organizations and were being investigated by cantonal authorities. "Approximately twelve attorneys are at present subject to investigation by Cantonal police. Their names cannot be disclosed until completion of the investigation, probably not before next spring."

Folder: 820.02, V – Z

1. Cross reference to file 800 Germany for Letter from Zurich of 18 Jan 1944 re: Interview with A.P. of Gero von Gaevernitz ("naturalized American citizen, who arrived in Switzerland a day or two before Germany declared war [against the US] after a several months' business trip in Germany. He had been warned to leave, he tells me, by influential friends who had connections with the Foreign Office.... Mr. G tells me that he knew Ambassador Messersmith when the latter was in Germany." – from Confidential letter to SecState of 27 Dec 1941). Also included are the notes: 1.) from General Legge, Military attaché, to Huddle, 17 Apr 1944, re: some information re: Fuerst, who was subsequently arrested, that Legge had received from Von G. that had been accurate but that had come "long after the case had been handled." There is also a sheet of paper with the words "Gero von Ascona Gaevernitz" and "Casa Signor in Croce."

1. Confidential Report from #2243, Source: Mabel A2, 28 May 1945, re: connection between Olian and Dr. Weissenberger (misspelled in this memo as Weissberger), a German SS-Gruppenführer (elsewhere stated that he was formerly Standartenführer of the SS-Reiterstandarte, Grünewald) living in Geneva at 2 Place Reverdin. “Weissberger passes as a ‘schieber’ who under all kinds of pretexts has extorted considerable sums from Jewish refugees.

“Weissberger is reported to cooperate with a Dutch Nazi named Fingerhoet (Fingerhet), and also with an Armenian banker, Olean (sic) (more correctly Oléander) who at the moment is French, and with a musician named Plesch.”

Confidential Report from #2249, Source: Mabel A2, June 7, 1945, re: Weissenberger’s contacts with André Jeanrichard, owner of the Pension Tschiffeli at Geneva, and his participation in the “Deuliko” German Liberation Committee in Zurich. “[Weissenberger] carries out his work in Switzerland for the NSDAP through the ‘Deuliko’ (German Liberation Committee) in Zurich.

“André Jeanrichard, owner of the Pension Tschiffeli, Geneva, also took part in Weissenberger’s work. (A file on these people is enclosed for information and return).

[These files are not available at this location. Perhaps in the Geneva Consular files? Note says “returned 11/8/45 at Mr. Elting’s telephone request.”]

“Weissenberger’s oldest son, an SS man, Erich Weissenberger, now lives in Bloomfield, U.S.A.; the second son in Atlanta, Georgia; and the third son is a student in Geneva.”

Earlier, in a memo dated March 14, 1945, the Geneva Consulate had requested advice on the application of Dr. Weisenberger (sic) to Mr. Goirier of the French Consulate General for a French transit visa to proceed to liberated German territory, “such mission allegedly endorsed by Mr. Dulles.” Weisenberger claimed to be “an Austrian having a son in the United States Army.” Dulles said he knew nothing about Weissenberger’s case.

There is another note from: 7432, Source: Mabel, hand-dated 2 Aug 1945, stating that “Dr. Weissenberger, lawyer, formerly at Berlin-Grunewald, Fontanestrasse 2, now Geneva, 2 Place Reverdin, was leader of the SS Reiterstandarte, Grunewald. He was an agent in the German whispering campaign in Switzerland.

“Erich Weissenberger, son of the above, was a former SS man and is now married to a former Miss Allan and resides at Bloomfield, New York. Once in England, W. was a member of the so-called ‘Interpreter School’ (German Information Service). (Report subject to confirmation.)

...“Dr. Atteslander, 1 Tour de l’Isle, Geneva, a former honorary consular officer in Austria, has been said by Dr. Weissenberger to provide him an Austrian passport. It is well known in Switzerland that Dr. Atteslander procures passports for everybody who wants them – and who will pay.”

2. Note from Judson to Huddle, 10 March 1945, re: flight capital and espionage activities of Wiesenthal, director of the Mercedes-Benz factory at Vienna, who was “recently in Switzerland and who expects to return within the next few days. he is an arch-nazi and is believed to be engaged in securing precision parts for flying bombs; also I am told that he is trying to bring out looted property and be engaged in espionage service.”
3. Confidential letters, one from: 323 and evaluation B-2, 19 Feb 1945; other from: 2138, Source: Mabel A-2, 24 Feb 1945. Re: Herr von Stohrer, former German ambassador in

Madrid, who arrived in Switzerland for treatment of an “illness,” with residence limited to two months, but which would be extended if the war were to last more than another two months (Source: Mabel). From B-2, it is learned that he arrived on February 17, and that he had left Switzerland for Germany the previous June.

4. Letter from Elting to Harrison, 3 July 1945, re: work of Bern attorney de (von?) Steiger in aiding Nazis to come into Switzerland, as well as those already there. Correspondence between de Steiger and his nephew, Count Max Walterskirchen, a Nazi in a lazaret in Vöklabruck, Upper Austria (Oberösterreich), had been intercepted, probably by French Communists who then were seeking to undermine de Steiger and who planned to publish their findings in the French press. “It appears that correspondence between the two employees has been passed by various Red Cross officials and employees. Certain French newspaper and/or Communist elements intercepted some of the letters, made photo copies, and then let them continue to their destinations. It is further understood that the Count asked for letters from Mr. de Steiger in support of the cases of various Nazis, on the basis of which certain American authorities were allegedly prepared to permit the said Nazis to come into Switzerland. The correspondence also reveals that Mr. de Steiger controls a law office in Bern through which many Nazis have been aided in one way or another. Finally, it is understood that the whole story is to be published in the French press.”

5. Telegram from the Madrid Embassy to Bern, re: Charles Wehrli’s operations in Isla mayor de Guadalquivir S.A. of Seville. Copy of info. contained in Bern Absetzbewegungen-Team document re: contacts with William Albert Patry of Geneva, as well as Otta and Frederico Bemberg of Paris and Buenos Aires, Ramon Carranza and Beca and Company, both of Seville. Patry was being detained in a concentration camp for eventual expulsion as a Nazi agent, though the Swiss legation had urgently requested the postponement of the expulsion. Note from the UEK document: “Die Botschaft in Madrid will Informationen über Aktivitäten von Karl Wehrli auf der Isla Mayor de Guadalquivir S.A. in Seville... Patry hat ausgesagt, dass er Wehrli’s Interessenvertreter sei betreffend einer Grundbesitzstreitigkeit am Guadalquivir Fluss südlich von Seville, wo man dt. Radiotransmitter gefunden hat, die in einem Zusammenhang mit einem gewissen Schulze stehen.” Telegram from Bern to Madrid, 29 Dec 1945, re: Wehrli and Cie. and Johann Heinrich Carl-Wehrli-Thielen. Price Waterhouse report of Sept 8 shows following:
 “Sinfina: established 1930 to finance Cia. Hispalense de Valorizacion de Marismas (Chispalense) (formerly Islas del Guadalquivir S.A., Sevilla), engaged cultivation land on islands in mouth Guadalquivir; capitalized at Swiss francs 100,000 held equal parts St. Augustine Corp., London (owned by Ernest Rehnitzer by Timah (nominee Bemberg) and by Johann Wehrli; Chispalense went into liquidation in 1934 and now under administration of courts. Accordingly, activities Sinfina from 1939 to 1944 confined solely to maintaining its claims against Chispalense. Major portion Wehrli’s participation in Sinfina’s advances to Chispalense sold during 1944 to José Escobar, Madrid, and Beca & Cie, Sevilla.
 “Veres: established 1929 cultivation agricultural land leased in 1929 and 1930 from Chispalense but it ceased operations in 1934. Only asset consists of claim against Chispalense. Capitalization owned equally by Wehrli, Timah and Rehnitzer.
 “...Wehrli personally intervened in 1938 in Berlin with von Ribbentrop to assist recovery from Germans assets of Fritz Mandl [Proclaimed List]”

6. Memo from Leland Harrison, 20 March 1945, re: Aloys Vogt of Vaduz, “Stellvertreter Regierungschef” of the Liechtenstein government as head of the rather pro-Nazi Volkspartei, which was ruling with the Burgerpartei. Harrison had spoken with the Count de Bendern. Vogt was alleged to have taken part in a number of safehaven-type operations for Bührle of Oerlikon, and organized the Presta A.G. (Proclaimed List) in Liechtenstein for Bührle. “Count de Bendern explained that the Reigning Prince of Liechtenstein had been informed by his brother, Prince Henry of Liechtenstein, Chargé d’Affaires of Liechtenstein in Bern, who had been so informed by Count Strachwitz, who had it from an American-born secretary of Mr. Dulles with a German name, that Aloys Vogt, ‘Stellvertreter Regierungschef’ of the Government of Liechtenstein, had called upon Mr. Dulles recently [which indeed he had, according to a note from the Minister about his conversation with AWD]. Vogt, so Count of Bendern stated, was head of the Volkspartei of Liechtenstein, which, with the Burgerpartei, headed by Hoop (the Regierungschef of Liechtenstein), now constituted the Government of Liechtenstein. Prior to the war the representatives of the Burgerpartei formed the Government. After the war broke out, Vogt formed the so-called Volkspartei. Recently Hoop and Vogt had proposed an enlargement of the number of representatives in the Civil Chamber of Liechtenstein with a view to their continuance in office. It was greatly to their surprise that the referendum had resulted in their defeat by nearly six to one. This vote also forecast the probably victory of the newly formed Landespartei in the next elections with the consequent elimination of Hoop and Vogt. Count de Bendern also described the Volkspartei as being the ‘pro-German, pro-Nazi party of Liechtenstein.’ He also stated that Vogt was suspected of a great many nefarious dealings and cited the fact that he was the confidential lawyer and representative of Bührle of Oerlikon, describing him as ‘Bührle’s man’ and the organizer for Bührle of the Presta A.G. (PL) in Liechtenstein, which, according to Count de Bendern, had been busily employed in manufacturing shell cases for Germany during the war – all their product, however, being shipped into Switzerland presumably to Bührle or through Bührle to Germany. Count de Bendern stated that Prince was concerned regarding the reported visit of Vogt to Mr. Dulles, particularly on account of the report that Vogt had approached Mr. Dulles in his official capacity as a member of the Liechtenstein Government – and since in 1942 Mr. Vogt had approached Mr. Cable, the British Consul General in Zürich, alleging that he represented German interests. After seeing Mr. Cable, Vogt, during one of his many trips to Stuttgart, was believed to have informed his German connections that he was approaching them on behalf of Mr. Cable. During the war Vogt, with German consent, had repeatedly visited Stuttgart and the Prince suspects Vogt of serving his nazi friends in approaching Mr. Dulles at this time, who, so it is said, is to be the future ‘United States high Commissioner for South Germany...’
- “In reply to a question from me, Count de Bendern expressed the view that while Vogt in his capacity as a lawyer may have been used for safe haven purposes by German interests, he did not believe that such funds were now in Liechtenstein, but if they had been handled by Vogt they probably would be found in Swiss banks in Switzerland, probably well camouflaged through a chain of private individuals.” [AWD stated that he had merely ‘listened’ to Vogt, and that the visit by Vogt had been merely a courtesy call, to make contact.]
7. Confidential report from: 2190, April 10, 1945, re: Albert von Kánya (alias Deszö Kanya), purchaser for Germans of minerals in Zurich and elsewhere.

“This ‘gentleman’ arrived here [at Zurich?] some 2 weeks ago with a regular permission of the local authorities with the special help of the Germans. “Mr. Kánya was for 4 years the confidential purchaser of the Germans for zinc, wolfram and similars, travelling across Europe with a special German ‘laissez-passer’. He was the owner of the “Commission” G.m.b.H. in Budapest, which was carrying out the business transactions on behalf of the Germans.

“Zürich-Madrid-Lisboa-Ankara-Stockholm had very often the pleasure of having him as guest and as such he was arranging the financial questions both of the Hungarian and German officials with whom he was on the very best of terms.

“He was a particular friend to Mr. Otto Braun, the famous murderer of Rathenau, as well as of von Jagow, late Minister of Germany in Budapest and another Rathenau-murder.

“Mr. Clodius [German Minister at Budapest?], dr. (sic) Werkmeister were his very best supporters, respectively, he was doing their business all over Europe.

“All business-transactions done between Hungary and Germans passed through the ‘Commission’ Ltd., and all transactions of compensation-business on behalf of Germany went the same way.

“He is a very rich man, was a supporter both of Sztojaj and the Szalassi-gangster and had to leave Hungary before the Russians arrived, for which them he has a particular account to settle on account of his being partner in the combination which robbed Urkajna.”

8. Telegram from Dept. to Bern, 12 April 1945, re: Karl von Lewinski’s (former German Consul General at New York) Absetzbewegungen-activities for von Papen. Lewinski was stated to be in Switzerland at the time; he was also said to be “custodian for Associated Press interests in Germany.” However, it appeared that Karl was still in Germany at the farm of a Prof. Sauerbach near Dresden. However, his nephew, Gunther von Lewinski, entered Switzerland in late March 1945, and, though he was described as being quite inexperienced in “any business”, he “did dabble in import/export before the war.” Gunther, born in 1897, was residing at Bellevue palace in Bern, and was rumored to be nearly totally deaf, and then was in need of another stomach operation. Karl was said to be an anti-Nazi, and a handwritten note from Squire in his note of 28 April 1945 states that Karl was “a cousin of Fieldmarshall von Maristein and incidentally was Adolf’s lawyer.”

Folder: 820.02 Switzerland, Espionage

Contains no information of real interest. Includes various documents on the Werner Lier (I.B.M.) visa application in January 1945, including a lengthy defense by Woods of the Zurich Consulate General. These documents reveal nothing new about the Olian case, and the allegations that there was a connection between Masson of the Swiss Intelligence Service and Paul Holzach in a meeting with Woods are strongly repudiated by Woods in his letter.

There are also intercepted documents from a German diplomatic pouch that reveal that the Germans were covering the court costs of various Swiss who had been prosecuted for giving information to a foreign power, namely Germany. Their names were Artur Huguenin-Breitler, Sofia Breitler-Leibacher (Artur's mother-in-law), Hans Ernst von Dach, Berta Karolina von Dach, Ernst von Heftenbach Wegmann, Hans von Hagaz Locher, Adolf Robert Boeck, Ernst Stefan Kunz, Sophie Breiter, Arthur Ernst Huguenin, Josefine Sofia Huguenin, Georg Arnold, Arthur Richard Eisler, Hans Hermann Hartung, and Otto Schlatter.

Folder: 820.02 Persons offering services

As the note at the end of the folder reads, "I am returning herewith with thanks your file of applicants for jobs in Germany. On the whole they are not a promising lot; I have noted one exception. I do not think any of the others are worth referring to other SHAEF or AMG agencies. May 10, 1945, signed: R.C.G." All names were checked against the UEK database on Absetzbewegungen, and none appeared. The only person of interest for banking was Paul Maschler, Bankdirektor, Vaduz, Haus Rheinblick. This man had worked in Danzig until 1937 in various banks and financial institutions, including his own "Danziger Sparerenschutz-Genossenschaft". As an anti-Nazi, he emigrated in 1937, and settled for the duration of the war in Liechtenstein. He sought a position in the financial reconstruction of Germany.

Box 49: 1942

Contains information on the mobilization of enemy assets in neutral states, as well as on the Swiss Bank Corporation. Remains to be fully analyzed.

Box 79: 1949, #500 - 501**Folder: 501 through 501.82 (501: Gold Sales)**

Sub-folder: Gold Sales-Switzerland

1. Telegram from VINCENT to DEPARTMENT, 21 July 1949: SNB plans to sell 200 million francs in gold coins. Related to attempt to establish legal basis for SFR as legal tender, which had been based only on emergency laws that were to expire at the end of 1949.

Sub-folder: Russian Gold

2. Contains various documents from 1949 speculating about Russian attempts to sell gold on free market in France, Tangier, Italy, and Turkey. There is, however, no corroborating evidence for these rumors.
3. letter from American Consul Everett to J.C. Vincent, American Minister, Bern, 1 April 1949. Vice Consul Lehrs spoke with Maurice Golay, president of SBC/Basel, re: unconfirmed reports that SBC was supplying the Soviet government with dollar exchange against payment in gold. Golay says that this is definitely not occurring, though he does say that SBC was doing "considerable business" with the Soviet government. Albert Nussbaumer, one of the bank's general managers, had been to Moscow to foster these ties. Golay said further that "I believe the Soviet Government considers the Swiss Bank Corporation as being their bankers in Switzerland." He suggested that the Soviet government maintained a large deposit account in SFR and dollars at SBC. He estimated total Soviet deposits in all banks in Switzerland to be SFR 30 million. Golay was certain that the Soviet government was selling no gold in Switzerland.

Sub-folder: Exportation of Gold to Panama

1. A Steven Langendy gave as one of his references the Société Bancaire S.A., Zurich; he was suspected of trying to facilitate illegal gold traffic in order to export it to Panama as part of a "suspicious deal."

Sub-folder: Bulgarian Gold

1. Letter from Julius Chytil, formerly the Bulgarian Manager of the Petrole Company, the largest petroleum products company in Bulgaria, to Willard Allan, American Legation, Sofia. Chytil, a de facto refugee following the establishment of a communist regime in Bulgaria, was cooperating with the US. He wrote: "I intend to go to Switzerland to follow the gold affair. As I have already communicated you, further 10,000 kilos above the quantity of 3,000 kilos shipped by airplane in March a.c. have arrived about 2 weeks ago by special Bulgarian diesel-wagon in Amsterdam, where it was deposited with a local bank for account of the Union de Banques Suisses (Dreyfus & Co). The further sale is delayed in order to not provoke a consternation in the market. I have now the intention to follow up the sale of this gold and to find out the most important thing to know: how the proceeds in Dollars are disposed of. [in cover letter of 15 Dec 1949, Donald Heath (AmLegation Sofia) to SecState writes that "information from Switzerland does not corroborate the gold sale reports received by this legation from Mr. Chytil and others. (i.e. Bern's secret telegram 1901, December 14, 1949.)"]]

2. Telegram to SecState from Bern 28 Dec 1949 states that Basel consulate confirmed through a confidential source that the Bulgarian National Bank had sold gold Napoleons to Dreyfus Sons & Co. Basel. "Vice Consul Lehrs reports that according this informant Dreyfus bank contracted some months ago for purchase from Bulgarian National Bank 2,400,000 gold Napoleons at US\$53 per ounce. Moreover contrary to denial by Union Bank of Switzerland (Zurich) that fullfilment (sic) guarantee established in favor Bulgarian National Bank, ...informant states Union Bank of Switzerland did guarantee payment on delivery. "Unnamed bank acting as intermediary in Paris presumably Lazard Ferer of Paris and New York [and possibly also Samuel Montegue of London] which allegedly acquired controlling interest in Dreyfus bank one or two years ago. This assumption finds support in reported negotiations with Bulg national Bank conducted on behalf Dreyfus bank by two of its managers (Marcel Blum and Paul J Lang) who believed to represent Lazard Freres interests in Dreyfus bank.

See rest of copied document: gold not delivered Switzerland, but rather Paris, also of delivered napoleons, 580,000 were rejected as examination disclosed not coined by French mint although weight and gold content same as genuine. UBS credited Bulg national Bank for all Napoleons accepted by Dreyfus, and was holding in Paris for disposal by Bulg national Bank the 580,000 rejected coins.

"In connection with falsely minted gold coins mentioned Deptel to Paris under reference it may interest VOA that Agence Europeene de Presse (Paris) that falsely minted gold Louis appeared Switzerland and that these coins made of Russian-owned gold came from Bulgaria."

3. Telegram from Bern to SecState 2 Nov 1949 re: UBS denial of knowledge of agreement between Banque Dreyfus Co and the Bulgarian National Bank.
4. Airgram from American Legation, Bern, to SecState, 17 Jan 1949. The Bulgarians had attempted to make use of the Bank für Anlagewerte after having its attempts at UBS rejected. "During the war the Bank für Anlagewerte handled substantial gold transactions for the Germans which the larger Swiss banks refused to handle and ...in 1947 it was instrumental in establishing the Soci  t   de Bank Tangero-Suisse, Tangiers, purportedly to facilitate transactions which could not be consummated normally in Switzerland.

Sub-folder "Hungarian gold"

1. Telegram from Ostrow to Treasury on 18 Oct 1949: BIS is source of 1700 (or 1200, depending on source) kg gold sent to National Bank of Hungary

Sub-folder "Liechtenstein Gold"

1. Memo dated Nov. 22, 1949 from US Treasury Rep Ostrow to the Minister, Bern: Liechtensteinische Landesbank, Vaduz, seeks to purchase 5000 to 10,000 kg of gold bars from the US Treasury; recommends that sale not be consummated, since the principality does not require gold for official monetary reserves, since it is part of the Swiss monetary system.

Sub-folder "Rumanian Gold"

1. Telegram from Vincent Ostrow, Treasury rep. Bern, to SecState, 25 May 1949; missing document (report by embassy in Ankara) referred to; not in folder. This telegram states that

“Owing Swiss bank secrecy difficult obtain confirmation of information supplied by Mr. O’Connor to Embassy Ankara. However, in guarded remarks bank officer intimated the information was correct and gold was released for shipment to Prague only yesterday.

Sub-folder “Yugoslav Gold”

1. Memo from Kronthal to Minister of US Legation, Bern, 28 Feb 1949. Paris banker reports that his bank was offered 17 tons of minted gold by the Yugoslav government through the Société de Banque Suisse, Basel. Gold was for delivery to Tangiers in Feb at price of \$46.75/ounce.

Sub-folder “Jap assets in neutral countries”

1. Confidential telegram from Bern to SecState, October 5, 1949, Number 1539, “Jap private assets in Switzerland believed consist almost entirely of estimated 57,000,000 SFR deposited to account of Yokohama Specie Bank.”

Sub-folder “Russian Securities”

1. Confidential memo from Higgs to Ostrow, both US Legation Bern, cc: Kronthal, 26 April 1949, re: Sale of looted securities in Switzerland.
 “I was told in Zurich yesterday that Gunnar Salven [a Swede suspected of dealing in looted securities from Germany held by the Soviets after the war and being sold to generate hard currency for the Russians]... frequently travels to Bern accompanied by another agent named Joseph Finkelstein, alias Tresnel. In Bern they visit an official of the Russian Legation who is in charge of the organization which sells looted securities in Switzerland.
 “Joseph Finkelstein travels on a French passport under the name of Tresnel and usually stays in Zurich at the Hotel Simplon. He comes to Switzerland from Paris, proceeding to Western Germany where he meets Soviet agents.
 “It is reported that only recently Tresnel sold to the Privat und Commerzbank in Zurich a block of looted securities including Portuguese railway bonds. These securities, I was told, were brought to Switzerland from Berlin by a Russian agent. The transaction with the Privat und Commerzbank was handled through a man named Froehlich, presumably an employee of this bank. The proceeds from the sale of these securities are supposedly used for Communist purposes in Western Europe and in the Russian zone of Berlin. Finkelstein speaks French and German, the latter with a distinct Berlin accent.”

General Records, US Legation Bern 1936-46, 1949-52 (Entry 3207)

RG 84, 350/68/17/5

Box 79: 1942: 851.2 – 860.7 (contains Banks)

Folder: “851.6 Banks, Banking”

Contains vague information on banks in Europe. Includes the 1941 reports of the Reichsbank and the Banque de France, the Reichsbank statement from the first quarter of 1942, an article on the expansion of German banks in Europe, a letter from Harrison communicating that the Treasury Department has named the Swiss National Bank “a depository of public money of the United States”, as well as information on the American Legation’s financing and disbursements, which totaled \$4.6 million in 1942.

Folder “Bank for International Settlements”

Not of immediate interest; 2 cm thick.

Folder “Foreign Funds Control”

Not of immediate interest; 2 cm thick.

Folder “Intellectual and Industrial Property”

Not of immediate interest; 1 cm thick.