

Annex I

New Information About Victim-Origin Gold at the Reichsbank¹

The Preliminary Study on *U.S. and Allied Efforts To Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II* examined how the Nazi government looted gold from individual victims whom it persecuted and how that gold was disposed of during and after the war. Since publication of the Preliminary Study in May 1997, U.S. Government researchers have uncovered additional information that: 1) provides further details about the sale of victim gold by Nazi Germany's central bank both to foreign countries and to German domestic banks; 2) demonstrates what the industrial firms that converted victim gold into bullion for the Reichsbank knew about the origin of such gold; and 3) provides the most detailed data currently available concerning the value of the gold (and other personal loot) that the SS robbed from its victims and delivered to the Reichsbank; these figures yield an estimate for total victim gold shipments that is markedly higher than all previous estimates.

The Preliminary Study described the Reichsbank's practice of purchasing from the SS gold (including dental fillings), jewelry, precious metals, securities, and currencies that the SS looted from its victims at the killing centers and concentration camps. It noted that there were 78 known shipments of SS loot to the Reichsbank between August 1942 and the end of the war. Each shipment was originally placed in the "Melmer" account, named for SS Captain Bruno Melmer, who delivered the shipments. The Reichsbank then opened and sorted the contents of these shipments, incorporating currencies, securities, and gold and silver coins and bullion into its own holdings and disposing of the remaining contents in the following manner: small items made of precious metals, such as rings and gold teeth, were sent to the Prussian State Mint, smelted into bars, then returned to the Reichsbank, which incorporated them into its holdings; precious stones, jewelry and larger items made of precious metals were sent to the Berlin Municipal Pawn Shop, which arranged for the more valuable items to be sold abroad for foreign currency, and sent the remainder to the Degussa Company to be smelted. Once the contents of the shipments were processed, the Reichsbank credited their value in Reichsmarks to the SS account at the Ministry of Finance.

The Reichsbank used the gold it acquired from the SS shipments in the same way it used the gold Germany looted from the central banks of the nations it occupied: it sold the gold to domestic and foreign banks in order to acquire foreign currency needed to finance Germany's war effort. The May 1997 Preliminary Study cited specific evidence of SS-looted gold that the Reichsbank sold to the Deutsche Bank and to banks in Switzerland and Italy. The report also presented the first-ever conclusive proof that victim-origin gold (from the Melmer account) that had been incorporated into the Reichsbank's reserves and remained there at the end of the war was transferred by the United States after the war to the gold pool administered by the Tripartite Gold Commission (TGC). During the past fifty years, the TGC has distributed all but 5.5 tons of the gold in the gold pool to the central banks of European nations that were looted by Germany during the war. The proof uncovered by U.S. Justice Department researchers of "tainting" of the TGC gold pool with victim-origin gold has provided the factual foundation for the present joint U.S.-U.K. appeal to the TGC claimant nations to permit the undistributed gold balance to be applied for the benefit of victims of Nazi persecution.

As the May 1997 Preliminary Study detailed, when the U.S. Army seized the remaining Reichsbank treasure in April 1945, the Melmer account still held 207 containers of unprocessed SS loot. These containers, some of which held hundreds of pounds of gold teeth and dental

¹ This section of the report was prepared by the U.S. Justice Department's Office of Special Investigations (OSI), based on research and analysis conducted by OSI personnel.

fillings, represented part of the contents of 21 SS shipments. In addition to the Reichsbank treasure, the U.S. Army seized the records of the Reichsbank's Precious Metals Department and captured that department's chief, Albert Thoms, who had been responsible for receiving and processing the shipments of SS loot. Included in the seized records were receipts prepared by the Reichsbank showing the amount in Reichsmarks that was credited to the SS for some of the contents of the first 43 SS shipments of loot. A November 1946 report by the Office of the Military Government United States (OMGUS) on these receipts noted that they totaled RM 23,455,781.96, "of which RM 1,866,329.18 is gold coins and RM 3,018,062.13 gold bars."²

Unfortunately, OMGUS did not complete a study of the Reichsbank records pertaining to the Melmer account prior to transferring custody of the records in 1948 to the newly established Bank deutscher Länder and its first director, Albert Thoms. Although the U.S. did microfilm many of the Reichsbank records prior to relinquishing them, it did not microfilm the Melmer receipts. The United States Government urged the German authorities last year to attempt to locate these records and they have searched for them. However, to date, neither the Bundesbank (the successor to the Bank deutscher Länder) nor the German Government has succeeded in locating the Reichsbank records that OMGUS turned over to Thoms in 1948.

In April 1997, as a result of the U.S. Government interagency effort directed by Under Secretary Eizenstat, the microfilms that OMGUS made of part of the Reichsbank records were discovered by U.S. Government personnel in records that had recently been transferred to the U.S. National Archives by the U.S. Treasury Department. It was not possible to complete an analysis of the voluminous microfilmed records prior to release of the Preliminary Study in May 1997. In the intervening months, however, several researchers not affiliated with the U.S. Government have studied the microfilmed Reichsbank records to determine how much gold the SS deposited in the Melmer account. The conclusions of these studies differ significantly: the most conservative study, conducted by the Swiss Independent Commission of Experts (also known as the Bergier Commission) and confined to the gold bullion and coins delivered directly by Melmer, concluded that a total of \$2.5 million in gold had been deposited in the Melmer account; German sociologist Hersch Fischler concluded that the value of the gold in the SS shipments totaled \$3 million, while American researcher Sidney Zabludoff's report for the World Jewish Congress put the total value at \$4 million.³ (Figures cited are in wartime values, when the price of gold was set at \$35 per ounce. The price of gold is currently approximately nine times higher.)

Late in 1997, it was revealed that another set of microfilms of selected Reichsbank records existed in a private collection in Vienna. These microfilms had been made at the Bank deutscher Länder during the 1950s by Herbert Herzog, a Viennese businessman and Holocaust survivor who was attempting to trace the gold from the Italian central bank that had been taken to Germany late in the war. In 1998, at the request of Under Secretary Eizenstat, a Justice Department historian sought and obtained permission to review the Herzog microfilms in Vienna, which remain in the possession the Herzog family there; although he was not allowed to copy any of the records on the microfilms, he was permitted to take extensive notes. This review revealed that, while the Herzog microfilms do include some Reichsbank records that were not microfilmed by OMGUS, those records do not pertain to the Melmer account. In addition to copying Reichsbank records, however, Herzog also microfilmed postwar studies that Albert Thoms produced based on those records. One study of Diverse Goldbarren, i.e., gold bars that were not of a high fineness, shows that during a six-month period beginning in May 1943, 17 such bars in the Melmer account were released to the Dresdner Bank, while the Deutsche Bank acquired 22

² Preliminary Study, p. 167.

³ Swiss Independent Commission of Experts, "Gold Transactions in the Second World War: Statistical Review With Commentary," December 1997, p. 14, which also cites the Zabludoff and Fischler reports.

such bars from the Melmer account; the Reichsbank sent another 4 bars from the Melmer account to Rome, presumably to the Italian central bank.⁴ In addition, three bars originating from the Melmer account that this Thoms report lists as having been sent for resmelting had numbers that match the numbers on bars that were seized by U.S. forces at the end of the war and turned over by the United States to the Tripartite Gold Commission in 1948.

Of particular importance among the microfilmed studies produced by Thoms is one that is titled "Recapitulation of Proceeds: Melmer Deliveries." This undated study of the proceeds from the Melmer shipments of SS loot contains 29 columns. The first column, which has no heading, contains the numbers one through nine, with each number followed by an amount in Reichsmarks. The amount following number one is identical to the amount in the Reichsbank's first receipt showing payment to the SS for some of the contents of its first three loot shipments, the only receipt of which a copy is known to exist.⁵ Moreover, the total amount of Reichsmarks that Thoms listed at the bottom of the first column matches the figure of RM 23,455,781.96 given in the November 1946 OMGUS study of the Melmer receipts.⁶ Consequently, it appears that the numbers in this column are based upon the receipts prepared by the Reichsbank showing the amount in Reichsmarks that was credited to the SS for some of the contents of the first 43 SS shipments of loot. The remaining 29 columns have headings indicating categories of loot in the SS shipments, including the following: "Foreign Exchange (Bank Notes)"; "Gold Bars"; "Silver Bars"; "Alloy Bars"; "Gold and Silver Coins"; "Purses, knives and forks, jewels, pearls, gold and diamond rings, etc., watches"; "Dental Gold, broken gold, silver, etc." Each column contains a total Reichsmark value for the entries under each heading. The total of all the columns is RM 23,173,430.11.⁷

It is unknown what documents Thoms used as the basis for columns 2 through 29 in his report, but it does not appear that the sums in these columns represent proceeds that are included in the receipts listed in the first column. When it received the SS loot shipments, the Reichsbank sorted their contents and remunerated the SS for those items that were most easily disposed of first, while credit for those items whose disposal was more complicated—because, for example, they required resmelting or marketing by another agency—had to wait until their value could be determined.⁸ In addition, there were fifteen shipments of SS loot whose contents were no longer in the Melmer account at the end of the war and also were not included in the receipts for the first 43 shipments. Fourteen of the columns in the Thoms report pertain to contents of SS shipments that would have been sent to another agency to be smelted or sold, e.g., jewelry, dental gold, and broken gold and silver. It therefore appears likely that the amounts in columns 2 through 29 in

⁴ The section of this report concerning the wartime gold trade in Turkey addresses the purpose for which these gold releases were made to the Deutsche Bank and the Dresdner Bank.

⁵ A copy of this receipt was used as an exhibit in a war crimes trial before the U.S. Military Tribunal at Nuremberg and consequently still exists in those records: Nuremberg Document 3949-PS, *Verwertung von Noten, Gold, Silber und Schmuckstücken zu Gunsten des Herrs Reichsministers der Finanzen* (19 September 1942), NARA Microcopy M-897, roll 39, frames 604-605.

⁶ The Director of the Finance Division of the U.S. Military Government also mentioned the sum of RM 23,455,782 as representing the net proceeds from the first 44 Melmer shipments. See "Report: SS Loot and the Reichsbank by Colonel Bernard Bernstein dtd 30 October 1945," NARA, RG 260, OMGUS, AG004.2 Banking, Box 8, Folder 3. The figures in both this report and the November 1946 report were probably provided by Thoms, who was employed by the Finance Division to analyze the Reichsbank records.

⁷ Since the heading of the last column is not fully legible but may be "Expenses," the RM 16,629.11 total listed under that heading has not been included in the total given here for columns 2 through 29.

⁸ For example, the first receipt, which covered the first three Melmer shipments of SS loot, only gives the value of the gold, silver, and currency in those shipments but not of the jewelry, which the receipt notes was "not yet examined and evaluated." Preliminary Study, p. 167.

the Thoms report represent proceeds from the contents of the first 43 shipments that had to be sent to other agencies for processing, as well as proceeds from the contents of later shipments that were processed before the end of the war.

If this analysis of the Thoms report is correct, then the report shows that the total value of the proceeds that the SS received for its loot shipments to the Reichsbank was RM 46,629,212.07 or \$18,809,686.19.⁹ According to the November 1946 OMGUS study of the receipts for the first 43 SS loot shipments to the Reichsbank, the total value credited to the SS for the gold bullion and coins in those receipts was RM 4,884,391.31 or \$1,970,307.10. In columns two through 29 of Thoms's report, there are five columns pertaining solely to gold (two with the heading "Gold Bars," two with the heading "Gold Coins," and one column titled "Gold Rings") that have a total value of RM 4,894,610.71 or \$1,974,429.49. Adding this sum to the amount of gold bullion and coins reflected in the receipts in column one produces a total of RM 9,779,002.02 or \$3,944,736.60 that was credited to the SS for gold in its loot shipments. In addition, however, there are seven other columns in the Thoms report with headings that list gold along with other valuables, e.g., "Gold and Silver Coins," "Alloy Bars," "Dental Gold, broken, gold, silver, etc." and "Diamonds, watches, gold and platinum." The total value for these columns is RM 3,509,618.91 or \$1,415,739.78. Thus the total value that the Reichsbank credited to the SS for the gold in its loot shipments was between \$3,944,736.60 and \$5,360,476.25. Given that in wartime Germany gold was far more expensive than silver and that the total value of gold seized from Jews appears generally to have dwarfed the total value of silver seized from Jewish victims,¹⁰ it can be safely assumed that gold accounted for at least half (and probably much more) of the value of the columns listing gold along with other valuables, particularly since 70 percent of the total value of these columns is accounted for by the columns titled "Dental gold, broken gold, silver, etc." and "Alloy Bars" (i.e., bars made of gold and silver). Consequently, the total amount credited to the SS for the gold in its loot shipments to the Reichsbank can be very conservatively estimated as at least \$4,652,606.48.¹¹

It should be kept in mind that this estimate of \$4,652,606.48 pertains only to the amount that the Reichsbank apparently credited to the SS for the gold in its loot shipments. This figure appears somewhat low in view of the fact that SS and Police Leader Odilo Globocnik reported in 1944 that he had shipped RM 9,883,658.12 or \$3,986,953.66 in gold bullion and coins to the SS in Berlin to be forwarded to the Reichsbank just in the course of Operation Reinhard, the SS program for exploiting Jewish property and labor and murdering millions of Jews in killing

⁹ The exchange rate used here is the same as that employed by the Swiss Independent Commission of Experts: RM 2.479 per \$1.00.

¹⁰ For example, a wartime SS report on the loot taken from Jews during the Operation Reinhard program in Poland valued gold at RM 2,800 per kilogram and silver at just RM 40 per kilogram. Consequently, although the report notes that the Operation Reinhard program turned in 18,733.69 kilograms of silver ingots as opposed to 2,909.68 kilograms of gold ingots—or more than six times more silver than gold -- it lists the total value of the silver ingots as only RM 749,347 or nine percent of the RM 8,147,610 value listed for the gold ingots. See Nuremberg Document NO-059: "Report on the Administrative Development of the Operation Reinhardt," signed: SS and Police Leader Odilo Globocnik, undated (ca. January 1944), attaching NO-062: "Detailed List of Money, Precious Metals, Jewels, Other Valuables and Textiles, signed by Globocnik and Wippert (Undated)," *Trials of War Criminals before the Nuernberg Military Tribunals under Control Council Law No. 10*, Nuernberg 1946-1949 [hereafter "Green Series"], 14 vols. (Washington, D.C., 1950), v. 5, *U.S. v Pohl*:725-731.

¹¹ This \$4,652,606.48 figure was reached by adding half of the value of the columns listing gold along with other valuables (i.e., half of \$1,415,739.78 or \$707,869.79) to the value of the columns that only list gold (\$1,974,429.49) plus the value of the gold coins and bullion in the receipts listed in Column One (\$1,970,307.10). This assumes that gold items accounted for only half the total value of the seven columns that list gold along with other valuables.

centers in Eastern Poland.¹² The gold shipped by Globocnik, which was deposited in the Melmer account, did *not* include the gold looted by the SS from its victims at Auschwitz and at the concentration camps and slave labor camps outside Lublin District in Poland. It is quite possible that some of the SS-looted gold that the Reichsbank sent to third agencies for processing was not returned to the Reichsbank before the end of the war.

It should also be borne in mind that the gold in the SS loot shipments to the Reichsbank probably represented only a fraction of the gold looted from individual victims of persecution under the Nazi regime, since the victims of the killing centers and concentration camps had already been deprived of most of their valuable possessions before their arrival at the camps. Nor was the SS the Reichsbank's only source of gold looted from individual victims of persecution. For example, beginning in 1939, Jews in Germany and in areas occupied by Germany were forced to turn in jewelry and other personal items containing gold to the Berlin Municipal Pawn Shop, which sent the lesser-quality items to industrial smelters to be melted and refined. The fine gold extracted from the items was held by the smelter in a special account at the disposal of the Reichsbank, which would make regular withdrawals. The name of this account was the "J" account, or sometimes, more explicitly, the Judengold or Jewish gold account.¹³

The primary smelter used by the Reichsbank to transform gold articles in the SS loot shipments into bullion was the industrial firm of Degussa (Deutsche Gold- und Silber- Scheideanstalt). In 1998, at the request of Under Secretary Eizenstat and after the World Jewish Congress had reached an agreement with Degussa officials granting access to Degussa files to a researcher from the United States to be designated by the WJC, a Justice Department historian briefly reviewed Degussa's wartime smelting records and correspondence files. Unfortunately, the available smelting ledgers only identify gold sent to Degussa by its gross weight, the date of receipt, and the originating agency, with no description that might indicate whether the gold consisted of personal possessions. Similarly, the smelted gold that Degussa sent back to the Reichsbank is identified only by date and the weight of the entire amount being sent, so that it is apparently impossible to match up a particular delivery of gold to Degussa with a subsequent amount of smelted gold sent to the Reichsbank. The only exceptions are entries from the period 1939-1941 containing the abbreviation "Jd.," which, in a few documents, is expanded to Judengold (Jewish gold), evidently referring to the gold confiscated from German Jews during that period.¹⁴ These "Jd" and "Judengold" notations indicate that the Degussa company was aware at the time that it was receiving gold seized from Jews.

¹² Although it is possible that Globocnik exaggerated some of his "accomplishments" in his reports to Himmler, he does state that this amount of gold was "handed over on receipt to the SS Economic and Administrative Main Office." It seems unlikely that he would inflate a figure for which he could be held accountable. See Nuremberg Documents NO-059 and NO-062, Green Series, 5:725-731.

¹³ See, for example, Bundesarchiv-Zwischenarchiv Dahlwitz-Hoppegarten, Collection R 8 X (Records of the Reichsstelle für Edelmetalle), folder 15, reports of gold stocks held in inventories of various Scheideanstalten, viz.: 5 June 1941 report of the Staatliche Sächsische Hütten- und Blaufarbenwerke regarding "Judengold Fonds 'J'" noting that 50 kg. had been placed at the Reichsbank's disposal in May, reducing the account to 18.0768 kg.

¹⁴ Degussa archives, Frankfurt am Main, Germany, Scheidebuch Zweigniederlassung Berlin entries with the notation "Jd." from May 1939 (Nota 60, 61), June 1939 (Nota 69), May 1940, June 1940, July 1940, August 1940, September 1940 (also notation "Jd'gold"), December 1940, January 1941, February 1941, March 1941, April 1941 (also notation "Jdgold"), May 1941, June 1941 (also "Jd'gold"), and entries with the notation "Judengold" from August 1940, January 1941, September 1941, and December 1941. These references were brought to the attention of the Office of Special Investigations by Dr. Ralf Banken, an independent researcher who, with the permission of Degussa, is studying the Degussa smelting records from the Nazi period. Dr. Banken theorizes that these notations were made for accounting purposes, because during this period Degussa charged the Reich a reduced rate for smelting, a practice that ceased after 1941.

The Justice Department's review of Degussa's correspondence files proved even more disappointing. All of the correspondence from the period 1942-1943, when the Reichsbank began sending articles from SS loot shipments to Degussa to be smelted, has apparently been destroyed. One significant letter remains, written to Degussa's director on February 8, 1945 by the head of Degussa's Berlin branch plant, where the Reichsbank sent much of the gold in the SS shipments that needed resmelting. In this letter, the head of the Berlin plant reported on his efforts to evacuate the stocks of precious metals in Berlin and noted that he was in the process of destroying the Geheimakten or confidential records of the Sonderring, a special group within Degussa's Berlin organization that was established in 1942 to deal with precious metals. This letter thus reflects that records pertaining to the processing of victim-origin precious metals by Degussa for the Reichsbank were intentionally destroyed near the end of the war, which provides additional grounds to conclude that Degussa was aware that some of the materials it had been processing had not been legitimately obtained by the Reichsbank.¹⁵

¹⁵ In addition to permitting Dr. Ralf Banken free access to its records pertaining to its wartime gold smelting operations, Degussa has this year commissioned Dr. Peter Hayes of Northwestern University, a noted expert on German business history, to write an independent history of the company's activities under the Nazi regime, including not only its involvement in the conversion of loot taken from Nazi persecutees but also its acquisition of companies confiscated from Jewish owners, its employment of forced labor, and its role in supplying the poisonous "Zyklon B" hydrogen cyanide gas used in the mass murder of Jews at Auschwitz.