

VIII-2/1

15 August 1945

MEMORANDUM TO: Lt Col H. D. CRAGON.

In our memorandum of 19 June 1945, we outlined the general procedure to be followed in evaluating the gold and silver values stored in the Reichsbank in Frankfurt. The inventory having been made, we submit our findings and comments for your information.

Attached is Schedule XII showing the values found by the committee. Also, attached are Schedules I to XI showing recapitulation of the work sheets and other pertinent data as follows:

- Schedule I - Schedule of Bar Shipments to Merkers Mine
- Schedule II - Gold Bars
- Schedule III - Gold Coin
- Schedule IV - Gold Coin
- Schedule V - Rare Coins
- Schedule VI - Silver in Shipment I
- Schedule VII - Silver Coin in Shipment I
- Schedule VIII - Platinum Metals
- Schedule IX - Melters
- Schedule X - Summary of Silver
- Schedule XI - Value of Gold and Silver
- Schedule XII - Recapitulation of Shipments by Type of Metal

We leave with you 234 work sheets covering gold, platinum metal and odd bars, 108 work sheets on gold, silver and rare coin, and 5 folders of work sheets on silver bars. These work sheets are in poor condition and should be typed before they are examined and handled too much. They are the original records of our work, and if lost before typing, it would be necessary to reweigh the bars and coin. In order to understand the work sheets, we submit the following relative to the procedure followed in accomplishing our task.

#### Gold Bars

Shipment 1. The attached Schedule I of the bars taken to the Merkers mine by the Germans was obtained from Thoms, formerly head of the bullion department in the Reichsbank in Berlin. This schedule shows the bars as they were stored in the various compart-

the total of the various compartments listed on Schedule I. Compartment A 14d was not complete with bar numbers, etc., because, as explained by Thoms, this was a residue compartment that was prepared for shipment at the last moment. We reconstructed the bars in A 14d from the Verschiedene book and obtained the total number of pieces listed by Thoms, namely, 181. Two large natural nuggets appear in this lot.

The bars and scrap listed on page 211, 12 large Degussa bars, 6 small bars, and 2 bags of scrap, were in shipment I but not listed for shipment to Merkers. In addition, 172 silver bars were found in A 14d that were not listed. Thoms knew of the silver bars but did not know the total number.

Schedule I was used as a starting guide and work sheets were prepared with the following columnar headings inserted:

- Column 1      Date received by Reichsbank
- Column 2      Melter
- Columns 3, 4 & 5      Assayer
- Columns 6, 7, 8 & 9      Bar Numbers
- Columns 10, 11 & 12      Gross Weight
- Column 13      Fineness
- Column 14      Fine Ounces
- Columns 15 & 16      Reichsbank

The following information was recorded from the Reichsbank books to the work sheets. The information so recorded was not the determining factor in compiling our inventory. It was merely used as a guide and for recording information that may be of help in investigating the origin of the bars. The inventory was compiled from the actual weighing of the bars and coin.

Column 1. Date received by Reichsbank. In this column was recorded the date the gold bars were entered in the Reichsbank's bar books and classified as to fineness.

Column 9. Bar Number. In the last of the four columns under this heading was inserted the Reichsbank number assigned to the bar. The practice was followed of assigning a number to a bar even though such bar had a melt number stamped on it. This practice was followed no matter what kind of bar was involved. The number corresponded to a number labeled on the bar (pasted on with Scotch tape). This number we called the Reichsbank number and in all but a very few cases it was the identifying number. If no Reichsbank number was available we recorded the melt number.

Column 10. Gross Kilos. The gross weight of the bar, in

Columns 15 & 16. Reichsbank. In column 15 was recorded the fineness of the bar as it appeared on the German books. In column 16 was recorded the fine kilos as calculated by the Germans. Fine kilos were obtained by multiplying Column 10 by Column 15.

The columnar work sheets with the above information were prepared from the German records and from converting gross kilos into ounces, and were taken to the vaults where entries were made in the remaining columns, namely, 2, 3, 4, 5, 6, 7, 8, 12 and 13.

Column 2. Melter. The name of the original melter of the bar was inserted in this column, the information being taken from the bar. Only in a few instances were we not able to obtain the name of the melter. Because persons not familiar with the various melters throughout the world may examine this report, we attach Schedule IX showing the names of all the melters found on the bars together with the abbreviations used in recording the melters and the country.

Columns 3, 4 & 5. Assayer. In one or more of these columns was entered the name of the assayer of the bar. For example, if a United States bar was processed, one column would show this bar had a United States assay on it. If the bar had also been in France and had a French assay, it would be listed in another column, etc.

Columns 6, 7 & 8. Bar Number. Under the heading "Bar Number" there appear 4 columns. Entries into Column 9 have been explained above indicating that the Reichsbank number appeared in this column. It was explained that this number was taped on the bar. If the bar came from a refinery or bank and had an identifying number stamped on it, that number was recorded. Columns 6, 7 & 8 are headed "U.S.", "B/E", and "Others". If United States bars were weighed, the melt number was entered under Column 6 headed "U.S.". Bars bearing the Bank of England mark were listed under Column 7, "B/E". Numbers on the other bars, including numbers on the Prussian Mint bars, were recorded under Column 8 marked "Other".

Column 12. Actual Ounces. This is the most important column on the work sheet. In this column was entered the actual weight of the bars as they passed over the scales.

Column 13. Fineness. Entries in this column were made at the time of actual weighing or later from assay certificates or records if no assay appeared on the bar. If the bar was of English or United States origin with the fineness stamped on it, that fineness was accepted and listed at the time of weighing (all United States bars have the fineness stamped on the bar and the majority of the English). This fineness will not necessarily correspond with the fineness recorded on the German book and entered in Column 15 because the Germans followed the practice of taking the lowest assay on the bar. For example, if a United States bar had been assayed by a French assayer and stamped lower than the United States assay, the Germans would accept the French assay.

In a few cases where there were no certificates and the fineness was not recorded on the books, we estimated the fineness. The estimate was always conservative.

After the bars were weighed and the fineness determined, the fine gold content was calculated. All calculations were checked, that is, the original was made by one person and the answer checked by another.

Shipment 20 A. Shipment 20A consisted of Hungarian gold packed in boxes. The same procedure was followed in inventorying these values as in Shipment I except the information was taken from the books of the Hungarian National Bank. There was no Reichsbank number on the bars and the Hungarian number stamped on the bar was used as the identifying number both in the books and on the bars. There were no assay certificates and the fineness was taken from the bars, and in a few instances from the books.

Miscellaneous Shipments. All other shipments of gold bars were apparently not scheduled for shipment by the Germans, and there were no records available to identify them. In such cases the bars were sorted according to melt number and information was taken from the bars and traced back to the books. Shipment 27G, for example, had been buried in the wet ground and all identification marks had been destroyed. This shipment was reconstructed from the melt numbers appearing on the bars. Only in a few shipments were we unable to trace the bars back to the records, namely, 26C, 27B, 27C, and 2C. Also, in Shipment 1, the items appearing on page 211. We weighed the bars in these shipments and estimated the fineness.

Procedure. The bar bags were sorted by compartment number and by bag number where a tag was on the bag. In a great many instances the tags had been lost. The bags were opened and the bars sorted by Reichsbank number if one was on the bar, otherwise, by the melt number.

The work sheets were prepared in such a manner that each sheet represents a stack of 30 gold bars or as near to 30 as was possible to obtain. The bars were stored in piles of 30 or the number on the sheet, in the compartments. We attach location charts showing the stacking of the bars. On the location sheet one bar number in the stack will be listed. A bar can be traced from the books to the work sheet to the stack or from the stack to the work sheet and to the books. For example, if one desires to find bar number 24,904 the first step is to look at Schedule I for the lot number, which is Ald. On the work sheets labeled Ald one can find the bar number under the Reichsbank number on page 9. From page 9 one can obtain the pile number and from the location chart the actual stack in which the bar is located.

#### Gold Coin

Shipment 1. The bulk of the gold coin as shown in Schedule XII was contained in the Merkers shipment. The coins were sorted according to compartment number insofar as practicable. The coins were in small bags inside a large bag. The large bag had a tag

After sorting, the large bag was opened and the number of the tag on the large bag was recorded in Column 3 of the coin work sheet under the heading "German Bag Number". Also, in Column 2 was recorded the denomination or type of coin under the heading "Denomination and Country." In Column 4 was recorded the bag number assigned by us under the heading "Our Bag Number". The small bags inside the large one were then opened and the contents poured into a container and weighed. The gross weight of the coins was recorded in Column 5 headed "Gross Weight." Caution was exercised to assure the correct recording of the weight. The tag that was to be attached to the seal of our bag was filled out by the clerk who recorded the weight and he listed the bag number, denomination and weight on the tag after he had recorded it on the work sheet. The weigher then checked the weight on the tag with the weight on the scale. Also, the tags on the small bags were saved and placed inside our bag with the coin. In addition, the numbers appearing on the small bags were recorded in Columns 7 to 13 of the work sheet. There were usually 5 small bags with tags which were recorded and the tags placed in the large bag. However, in several instances the tags were missing from the small bags or the numbers could not be read as they were often written in with a pencil or "scratched out". The Reichsmarks were packed 10 small bags to a container and were in very bad condition. As a rule, there were many tags missing on the Reichsmark bags. In column 6 was entered the fineness of the coin. The fine weight of coins of the same fineness was obtained in one calculation.

Location charts are attached showing the location of the bags according to our bag number. From this can be obtained other pertinent data from the work sheets.

Miscellaneous Shipments. As stated above and shown on Schedule XII, there were not many coins in the other shipments. These were handled in the same manner as described above in Shipment I except that there were no compartment numbers.

#### Platinum Metals

Considerable quantities of the platinum group metals were inventoried by the committee. Schedule VIII shows the quantities of each type metal found in each shipment. More detailed information is available from the work sheets. In Shipment 1, six platinum bars were found in a coin bag. These bars were weighed and the stamped fineness on the bars was taken. In Shipment 5 we found 6 boxes of platinum metals as they had come from the refinery. The weights on the wrappers were recorded and check weights were made from time to time. Shipment 22 was platinum scrap all of which was weighed and bagged in lots of approximately 600 ounces. In this shipment there were also 25 bottles containing platinum metals and the weights on the bottles were accepted after check weighing a few.

#### Silver Bars

The procedure for making the inventory of the silver values

recapitulation sheet. The work sheets including a summary of the contents of each vault have been bound into 5 folders. Charts showing the position of each stack and of each shipment have been made. To facilitate easy reference to any particular bar each layer of each stack is represented by one column on the work sheet - the first column for each stack containing the details of the bottom layer, and the last column those of the top layer. Further, the first bar of each layer has been placed in the same relative position in all stacks and has been indicated by a red dot on the charts.

Wherever possible the bars have been grouped according to their fineness and stacked in a manner to facilitate counting and to spread the weight on the floor.

The method adopted for making the inventory of the bars was as follows: Wherever the number, ~~of~~ the fineness and the weight were stamped on the bar this was recorded as experience has shown that for practical purposes these are invariably correct. In those cases where no weight was stamped the bars were weighed on an automatic scale especially obtained for the purpose. Although such a scale cannot be considered as accurate as a bullion balance any aggregate error was reduced by weighing, usually, 5 bars at a time. Where the fineness was not stamped on the bar it was estimated. Where neither weight nor fineness were stamped, as in part of Shipment 56, both were estimated on a conservative basis.

In addition to the bars a certain amount of shot silver and silver scrap was weighed. Other items in Shipment 56, said to be silver were inventoried but it was found impracticable to assess their value. There is considerable silver in the items not evaluated and care should be exercised over them in the same manner as the items inventoried.

*Remarks*      *Lt*  
Summary      *Mo.*

We wish to point out that the personnel used on the inventory by the committee was totally inexperienced. Men engaged in handling the metal had no previous experience and most of the clerical work was done by similarly inexperienced enlisted men. The calculations were made by men who had never before used a calculator. Even the equipment used was assembled from bomb-wrecked Frankfurt. The committee feels, however, that the work is substantially accurate.

Working conditions were extremely unsatisfactory. The vaults in which the work was carried out were never built to handle or to store gold in such large quantities and the work was accomplished under cramped conditions. Especially was this true at the start when the sorting of the bags was in progress.

The committee has stored the values in an orderly manner so that the bars and work sheets and books can readily be compared. We recommend that the compartments be left under seal unless it becomes extremely urgent to open them. In that case great care should be taken not to mix the contents.

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The committee thanks you and your associates for your cooperation in helping us carry out our assignment.

Bank of England Representatives

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