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## United States Senate

COMMITTEE ON MILITARY AFFAIRS

PAUL L. BADGER, CLERK

May 24, 1946

The Honorable  
 Harry S. Truman  
 The White House

My dear Mr. President:

As you know, I have been following closely the current negotiations of the United States and other Allied representatives with Swiss representatives in regard to the elimination of Nazi resources in Switzerland. It has been reliably reported that these negotiations are about complete and that an agreement will shortly be signed. The tentative agreement as reported to me is such that it violates, both in spirit and in form, the Allies' pledges to root out Nazism and the German war potential. From the facts which have come to my attention and which are briefly summarized below, the effect of the proposed agreement would be to leave intact Nazi resources and to strengthen the hand of Nazis and Nazi collaborationists in Switzerland, and eventually in all neutral and allied countries.

I think it is only appropriate, in view of the strong condemnation that I am making of the proposed agreement with the Swiss, that I present a review of its principal features and their effects as I understand them.

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1. Looted gold. According to the information available to date, the Germans looted over \$700,000,000 in Europe. At the same time, over \$400,000,000 of gold was transferred to Switzerland. Assuming that the Swiss received all of the non-looted gold that the Nazis possessed, they still received at least \$200,000,000 of looted gold. Reasonable calculations, however, show that the Swiss received approximately \$300,000,000 worth of gold looted from Czechoslovakia, Belgium, France, and other countries conquered by the Nazis. Yet, it is my understanding that the proposed agreement considers as looted gold only the \$130,000,000 of gold which has been identified bar by bar as it was shipped from the conquered countries to Germany and then into Switzerland. Of this \$130,000,000, the proposed agreement does not hold the Swiss responsible



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for some \$40,000,000 of gold which the Swiss claim to have shipped in behalf of the Germans to other countries, such as Spain. Of the remaining \$90,000,000, our negotiators have tentatively agreed that only \$58,000,000 will be returned. Justice, decency, and plain horse sense require that the Allies hold Switzerland responsible for all of the \$300,000,000 of looted gold which they accepted from the Nazis and reject their proposition of settling for 20 cents on the dollar.

2. Other Nazi assets. The Swiss have refused to recognize the rights of the Allies to take over Nazi assets in Germany and to use these as reparations in accordance with the fundamental decision of the Allies. As a business proposition they have proposed that they will liquidate certain of the Nazi assets in Switzerland, with the understanding that they will retain 50 percent for themselves. It is my understanding that the whole intention of the Swiss is to use this 50 percent to reimburse certain Swiss nationals who, in their lucrative dealings with the Nazis, were finally stuck with some bad accounts because the Nazis lost the war. The proposal places the profit of those who dealt with the Nazis above the rights of those who were robbed and despoiled by the Germans.

3. Exclusion of certain German assets from seizure. The proposed agreement, it is my understanding, provides exemptions to Germans who entered Switzerland after 1939. Nominally, this provision has been introduced with a view to safeguarding the assets of refugees. No one who has opposed the Nazis as I have could be unsympathetic with such a provision if it contained adequate guarantees that it would not also safeguard assets of wealthy German industrialists and cartelists who aided and abetted Hitler before or during the war. It is my understanding that these guarantees are still not provided.

4. Allied supervision. The proposed agreement includes no provision for investigation and supervision by the Allies of the divesting operation, leaving the matter entirely to the judgment of the Swiss government, which, during the war against Nazism, engaged in "business as usual" on an international scale and whose trading merchants made vast sums in dealing with the Nazis. A provision for Allied supervision is a sine qua non in the case of all the neutral countries which did business with the Nazis during the war. Liaison, advice, and post-mortem scrutiny is not adequate.

5. American responsibility. It is America's responsibility above all the other Allies, to reject the proposed agreement because we have in this country \$1,500,000,000 of assets which were held in the name of Swiss nationals, some of which are undoubtedly cloaked holdings for Nazis. The pattern that is suggested by the proposed agreement would not only permit Nazi and Nazi collaborators to retain vast resources in Switzerland, but would set the pattern for a return in the same indiscriminate way of the billion and a half dollars of Swiss and Nazi-cloaked assets in this country.



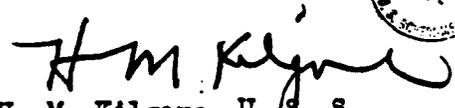
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Switzerland is a small country. If it could retain these vast sums which run into hundreds of millions, it would seem to be a great source of riches. But these Nazi holdings, if permitted to be retained, would not benefit the Swiss people. They would benefit only those who sided with the Nazis against the cause of the United Nations. They would enrich only the Nazi collaborationists, make more certain that Switzerland will remain an outpost of Nazi influence in the postwar world.

The effect of the agreement is not only lightly to throw away hundreds of millions of dollars of looted property and Nazi assets abroad which belong to the peoples of the Allied countries, including the United States, but to set a pattern by which the Allies agree that Switzerland and other former neutrals — Spain, Argentina, Sweden, and Turkey — can serve as safehavens for Nazi resources.

Mr. Randolph Paul, the principal American negotiator, has personally informed me that he does not believe it possible to secure from the Swiss, by negotiation, any more stringent terms with respect to seizure and elimination of Nazi assets in Switzerland. I believe that this is probably the case. I accordingly urge that all negotiations be broken off and that the United States take the initiative in bringing this matter to the attention of the United Nations as a matter of the highest order of security to the nations which sacrificed so much in blood and treasure to defeat Nazism and Fascism in the field of battle.

Most sincerely yours,

  
H. M. Kilgore, U. S. S.



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UNITED STATES SENATE  
Committee on Military Affairs

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/s/ H. M. Kilgore  
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