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IX-61

File

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FOREIGN EXCHANGE DEPOSITORY

## FINANCE DIVISION

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

History from V-E Day, 8 May 1945 to 30 June 1946

PART I - NARRATIVE1. Origin

a. The Foreign Exchange Depository, located in the Reichsbank Building, Frankfurt a. Main, is a successor organization to the Currency Branch; SHAF, which Branch was created by Supreme Headquarters, Allied Expeditionary Force on 7 September 1944 (\*1). The primary function of the Currency Branch was the receiving, holding and supplying of occupation currency for Allied Armed Forces and for Military Government operations, but it was also empowered "to act as required as depository for and/or to exercise control over assets seized or impounded by Allied Military Authorities" (\*1). The latter function was not exercised by the Currency Section until April 1945, as until that time currency and other financial assets seized from enemy forces or found abandoned were treated as outlined in SHAF Administrative Memorandum No. 49, 7 March 1945 (\*2) and types of property falling under provisions of Military Government Law No. 53 were turned into Reichsbank branches.

b. The Currency Branch/Depository has always been under the control, supervision and direction of the Finance Division of the following successive Headquarters:

(\*1) AG C 40-1 GE-AGM dated 7 September 1944 (See Appendix)  
 (\*2) Administrative Memorandum No. 49, 7 March 1945 (do)

SHAFF G-5	to 14 July 1945	(*1)
USFET G-5	to 1 October 1945	(*3)
OMG(US ZONE)	to 1 April 1946	(*4)
OMOUS	to date	(*5)

2. Development

a. Under the impetus of discovery of valuable and bulky caches of assets by advancing American troops, the need for a central and secure storage place became apparent (\*6). A suitable structure was found in the Reichsbank Building in Frankfurt which was taken over and quickly altered in certain respects. Time was of the essence since early in April 1945 and in rapid succession thereafter until the end of the year, shipment after shipment of gold and silver bullion, currencies, securities and jewelry was delivered by the U.S. Army for safekeeping. In July 1945 Reichsbank branches also began delivering accumulated Law 53 assets to the central depository in Frankfurt (\*7).

b. As the primary currency functions which formerly pertained to several European countries gradually became restricted to the U.S. Zone in Germany, and the new functions of the Currency Branch as a central depository assumed greater importance, its name was changed to the Foreign Exchange Depository.

3. Present Organization

a. The staff of the Depository consists of its Chief, William G. Brey.

(\*3) Cable WX-30877 and WX-36000, July 1945 (See Appendix)  
 (\*4) AG 014.1 GEC-AGO dated 26 Sept 1945  
 (\*5) AG 123.7 GEC-AGO dated 19 March 1946 (See Appendix)  
 (\*6) JCS 1067/76 Part III, Para 49 (a) "Financial" (See Appendix)  
 (\*7) Letter Hq USFET File AG 014.1-1 Section VII, Finance, Part 6, Para 3 (See Appendix)