

Stubborn Swiss Balk Allied Attempt to Obtain Sizable Share of 'Frozen' Nazi Gold

By GRAHAM HOVEY

WASHINGTON—The recent Allied-Swiss agreement for disposal of German assets in Switzerland had a lot of significance, and the three months of hard bargaining which produced it also produced some fascinating related angles.

One of these was an attempt to trace \$130,000,000 of stolen gold which apparently showed up in five countries during the war.

The agreement was significant because it set a pattern for Allied negotiations on German assets with the other European wartime neutrals—Sweden, Spain and Portugal. The Allies got only about "half a loaf" from the Swiss. They hardly can expect more from the others.

More important from a long-range view is that the agreement apparently tossed into discard a lot of previously-accepted international law concerning neutrals. This was the picture when ne-

gotiations started in Washington March 18:

The United States, Britain and France claimed all German assets in Switzerland, which they estimated at upwards of \$750,000,000. They said it was necessary to take over these holdings to make certain they never could be used to help Germany rearm. Also, they added, the Allied countries devastated by Germany had a right to use the assets to rebuild.

The Swiss had different ideas. They would seize the assets—which they estimated at only about \$250,000,000—and guarantee they never would be used to finance a German war machine. They said that under international law they could not turn the assets over to the Allies without compromising their neutrality. Also, they had claims of their own against Germany which they believed should be satisfied from the assets.

Allied officials suggested that perhaps the loss of these Swiss claims against Germany would constitute the price of neutrality in a World War. Indirectly, the Swiss were given to understand that unless they came across, the United States might be slow in releasing about \$1,750,000,000 in Swiss assets "frozen" here during the war.

The Swiss were stubborn. They said a lot of what the Allies called German assets were really Swiss, having been acquired in legitimate trade transactions. Twice the negotiations bogged down.

Finally a compromise was reached. The Swiss would keep half the German assets, exclusive of gold money, and give the other half to the Allies. The Swiss would keep all the gold money, estimated at \$88,000,000, but would pay the Allies about two-thirds of that amount—\$58,140,000—in Swiss francs.

Law Yields to Policy

The Swiss said no more about international law, aside from observing that this was a "policy" decision, not a "legal" one.

The American negotiators said they never had expected to get all the assets. They conceded, however, that by using the frozen Swiss assets here as a club, they probably could have forced the Swiss to come across in full.

The United States was unwilling to do this, they said, because it would constitute economic warfare against Switzerland, whom the Allies need as an economic partner in rebuilding Europe.

British officials admitted they were unable to apply pressure because they could not afford to lose their trade with Switzerland. French Were Resentful

Only the French expressed blunt dissatisfaction with the agreement. They signed it, they said, only under British-American pressure—because they could not hold out alone. They expressed particular resentment over the gold settlement—because France figured heavily in the episode of the \$130,000,000 of stolen gold.

This was the story:

The \$130,000,000 originally belonged to Belgium, which deposited it in the Bank of France at the start of the war. When France collapsed, the gold was smuggled out to Dakar in French West Africa, but the Vichy government eventually brought it back and turned it over to the Germans.

Germany "appropriated" the

United States Faces Silver Famine in Midst of Plenty

By MORRIS M. CLEAVANGER

WASHINGTON—It hasn't received much notice in recent weeks, but there is a silver shortage.

Manufacturers are feeling it keenly. Congress is aware of the situation and for several weeks has been trying to find a solution to the problem. But as often happens, the House and Senate so far

The shortage has come about while Treasury coffers bulge with 225,000,000 ounces of unmonetized silver. The catch is that there is no law on the books right now that says the Treasury can sell any of it.

The Treasury stockpile is the main hope of the silver manufacturers. Experts estimate that since 1940 there has been a 200 per cent increase in the industrial use of the metal, while domestic production has dropped 57 per cent. Mint reports show that during the past five years not enough silver was mined in this country even to meet coinage demands.

During the war years, processors were permitted to buy Treasury silver at 71.11 cents an ounce. The act authorizing this expired last December, however, and the western silver bloc in Congress so far has prevented its renewal.

Controversy Over Price

The tug-of-war now going on, which has kept the Treasury doors firmly closed to buyers, is over price.

Senators and representatives from the silver mining states

gold and the French claim, each in Switzerland for safekeeping and to buy war materials. When the war was over, France was hard-pressed itself but reimbursed Belgium for the lost gold, hoping to get much of it back from the Germans. Under the Swiss agreement France will get but a fraction, and French claims will have to be balanced against those of other Allied nations.

Hence, the French are asking why a neutral country which maintained profitable trade with Germany through much of the war should be permitted to keep gold looted by the Nazis from Allied countries.

The Swiss denial that the gold was "looted" does not impress France, and probably does not convince other European Allied nations which suffered from German aggression.

The Tower of London once housed a menagerie.

Arizona boasts the world's four highest reclamation dams; Boulder, highest wedge type; Roosevelt, highest masonry type; Coolidge, highest multiple dome type, and Bartlett, highest multiple arch type.

Oil containing as high as 17 per cent microcrystalline wax—paraffin of a high melting point—has been salvaged from weathered tank bottom settlements under processes developed in government laboratories.

The Tower of London once housed a menagerie.

Umpqua Forest Timber Sales On Bids Scheduled

Two timber sales amounting to 25,400,000 feet of timber are to be made on the Umpqua National Forest, it was announced by M. M. Nelson, forest supervisor.

A tract of timber on Little River, 36 miles east of Roseburg on a newly constructed forest access road is to be sold. This tract contains 14,000,000 feet most of which is Douglas fir. The second tract is located near Quartz creek on the South Umpqua river, 24 miles east of Tiller. This tract contains more than 12,000,000 feet of high quality sugar pine timber. It will be logged on a selective cut basis.

Bids will be opened for both of these sales on July 15, at the regional office at Portland. This timber, like all National Forest timber, will be sold under competitive bidding.

When these tracts of timber are sold, they will make the fourth large sales sold by the Umpqua Forest during the past two months. Local forest officers are preparing additional sale areas to be sold at a later date.

"The Forest Service is doing everything possible to keep local dependent mills supplied with logs as its part in the national housing emergency," Nelson stated.

U. S. Proposal on A-Bomb May Break Paris Deadlock

By DeWITT MacKENZIE

(AP Foreign Affairs Analyst)

America's proposal to the United Nations for international control of atomic energy development, and for the scrapping of the atomic bomb as a weapon, may be the lever needed to break the deadlock in the conference of Big Four foreign ministers re-assembled in Paris for a "show-down."

There is no doubt that Uncle Sam's possession of the only atomic bombs in existence, plus the secret of their manufacture, has created in Russian minds doubts and fears which have done much to widen the breach be-

tween Moscow and the Western Allies. Washington's offer to pool this terrific secret—the greatest discovery of its kind in history—and to join in outlawing the bomb in war, is calculated to remove much of this suspicion.

If this gesture by the United States doesn't set the quartet of foreign ministers to harmonizing, then it is difficult to see what will turn the trick. Certainly no more likely moment could have been chosen to make this move since, as I've reported previously, there have been recent signs that Russia was veering about in the direction of compromise after winning many of their most important demands.

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