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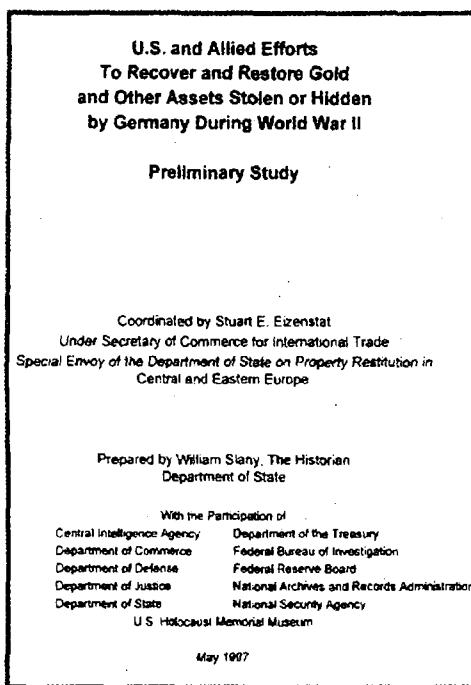
"The New Kid on the Block": Personal Experiences of an NSA Historian and the Nazi Gold Report, January – May 1997

Robert J. Hanyok

(U//~~FOUO~~) This story picks up on the dark, windy, and rainy morning of March 3, 1997. I was walking down 15th Street Northwest in Washington, DC, carrying a locked briefcase filled with nearly 400 recently declassified translations of Swiss diplomatic cables from 1946 that had been found in the archives of the National Security Agency. These cables revealed the tactics and terms Bern communicated to its delegation in Washington, DC, during negotiations with the Allied Commission in the spring of that year regarding the disposition of national gold looted by the Nazis and deposited in banks throughout Switzerland. Resurrected fifty years later, these translations were part of the headline story known in the press under the headline-grabbing sobriquet of "Nazi Gold."

(U//~~FOUO~~) I was then (and still am) a historian in the National Security Agency's Center for Cryptologic History (CCH). My destination was the Office of the Historian of the State Department, who, at the time, was Dr. William Slany. The Swiss translations represented *terra incognita* for our office. Although a few years earlier the CCH had participated in the public release of the Venona material, the Soviet spy messages from the 1940s, there were some distinct differences between the two events

with which to contend. For one thing, our office was working with some federal agencies and departments that had little or no prior experience with our material. Secondly, there was a current and intense public interest in the Nazi Gold issue. Not only was the story front-page news, but also there were a number of individuals with claims against Swiss banks. Their collective stories told before the House and Senate Banking Committees created enormous public pressure for action. Finally, the material that surfaced in NSA came as a surprise to everyone involved. Unlike the Venona espionage messages, which were contained in a special project, the translations of the Swiss messages I was carrying had been found without any warning.



(U//~~FOUO~~) This is the story of the NSA role in the interagency government study titled *U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II*.² This government report was overseen by Stuart Eizenstat, then undersecretary of commerce for international trade, and prepared by Dr. William Slany, the historian for the Department of State. This article also is a description of the public history process in which federal records (the translations)

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relevant to the Nazi Gold study were discovered, reviewed, declassified, and released to the public. This process had three considerations that made it unique. First of all, the translations had to be declassified. Despite their age (fifty-one years at the time) and relevance to the Nazi Gold issue, the translations had to be reviewed, sanitized (if necessary) and released by the National Security Agency. The main tension in this process would be in the clash between the public's right to know and national security needs. Secondly, there was the dynamic of the decision process, such as security interests, within the NSA that could influence the nature and scope of the release of the translations. In other words, how many translations and how much of each page would the public see? Finally, the decision to include the NSA records or their content in the final government report depended upon the report's authors accepting the translations' utility and whether they carried an "aura" about them (an intense public interest in "Ultra" material since first released in 1976) that might distract from the report's impact.

(U//~~FOUO~~) This article also contains some personal observations about the nature of the process in which a federal historian, hailing from an agency usually quarantined from the public by a wall of security considerations, got involved in the headline issue of Nazi Gold. However, before continuing with the story, three items need to be briefly explained: the public background to the Nazi Gold controversy, the role of the Center for Cryptologic History, and what was in the Swiss translations and how were they discovered.

(U) Background

(U) The expression "Nazi Gold" has been used by the media, government officials, and scholars as a shorthand way to refer to the Nazi policy and process of looting, blackmailing, and otherwise illegally expropriating valuables of all types from victims of the Holocaust, mostly Jews, and the treasuries of conquered nations. What the Nazis took included national gold and foreign currency

assets from conquered countries and individually owned gold, jewels, art, and financial holdings. The gold from both national treasuries and individual holdings was taken by the German Reichsbank, melted down, stamped with the Reichsbank icon, and shipped to Switzerland for payment of war material purchases. Other assets were liquidated or expropriated through a series of front companies and individual accounts. Nazi Gold also referred to the unilateral disposal by Swiss bank officials of assets in dormant bank accounts of Holocaust victims, despite the claims of heirs to these holdings. An exact total accounting of the assets taken by the Nazis will probably never be known. By late 1998, one estimate ranged near \$3 billion in today's exchange (or about \$350 million in 1945 rates).³

(U) In the mid-1990s a number of initiatives in the United States, Switzerland, and other countries were begun to determine the extent of the gold, valuables, and other assets stolen by the Nazis. Among these efforts was the appointment, in May 1995, of an Independent Committee of Eminent Persons jointly sponsored by the World Jewish Council and the Swiss Bankers Association and under the chairmanship of Paul Volcker, the former chairman of the United States Federal Reserve. This committee was responsible for ensuring that all assets belonging to victims of the Holocaust were returned to them or their heirs. In 1996 the Swiss Federal Council appointed a historians' commission, chaired by Jean-Francois Bergier, charged with investigating the location of German-looted gold, money, and other assets held in Swiss banks. This committee had been given access to all sources in Switzerland, including those of the normally secretive Swiss banks.⁴

(U) In 1996 the United States government started an interdepartmental study of allied efforts to recover gold and other assets stolen by Nazi Germany during World War II. Eleven U.S. federal departments, agencies, and other organizations contributed to this report, which probably

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was the first effective, if only preliminary, overview of the entire story. The major purpose of the report was to identify, locate, and categorize the records held by the U.S. government that later researchers could use in their work. It was to this report that the NSA supplied the pertinent Swiss translations.

(U//~~FOUO~~) The history office at the NSA, located at Fort George G. Meade, Maryland, officially known as the Center for Cryptologic History (CCH), is much like any other government history program. Its primary roles are two: preserve and disseminate the historical record of American cryptology, and instill in the NSA workforce an appreciation for the historical legacy of its predecessors. The Center publishes its own histories, supports the National Cryptologic Museum, and participates in a number of outside conferences, as well as sponsoring its own symposium on cryptologic history every two years. Unlike most federal history programs, the NSA Records Center and Archives literally are one door away from the historians' desks. Unlike many other federal history programs, for most of its modern existence the CCH has not been part of the executive staff of the director, NSA; rather it is part of a separate office component. Since 1992 the CCH has resided in Support Services, Public Affairs (a common residence of other federal history offices that often is viewed by private scholars as trivializing the function of history), and the NSA training school. Unfortunately, this "distancing from the center" has limited further the CCH's roles as and advisor or participant for records retention and documentation of current activities, and as source for agency precedent. Generally speaking, NSA historians (and the services they can provide) remain something of a mystery to agency senior officials, and, in some degree, to the general workforce.

(U) The NSA is the U.S. government agency responsible for signals intelligence (SIGINT) and the security of government communications and computer systems. SIGINT is the intelligence

derived from the intercept and processing of foreign signals. NSA has been performing these functions since 1952. Prior to NSA, a number of government organizations, jointly (and separately) performed SIGINT. During World War II the U.S. Army's Signals Intelligence Service (SIS), later designated the Army Security Agency (ASA) in late 1945, intercepted and analyzed foreign diplomatic communications. The wartime messages were snatched out of the ether by intercept operators at monitoring sites around the world, or were turned over to the army by wartime government censors assigned to commercial cable terminal offices in the United States and its possessions.⁵

(S//SI) In the spring and early summer of 1946, a delegation from Switzerland, headed by the career diplomat Walter Stucki, met in Washington with an allied committee – the United States, Great Britain, and France – that represented the claims of eleven nations for national gold reserves looted by Nazi occupiers. The Swiss delegation communicated the allied terms to the political section (*Politique*) of its foreign ministry in Bern and received instructions all via transatlantic cable. Almost all of the messages between Bern and Stucki's group were encrypted with the Swiss version of the famous German Enigma machine. The Swiss Enigma was a much simpler variant of its well-known German cousin. In fact, during World War II a number of countries, including the United States, Great Britain, France, Fascist Italy, Finland, and possibly Sweden were able to read Swiss diplomatic messages encrypted on this machine.⁶

(S//SI) The ASA intercepted, decrypted, and translated the Swiss messages concerning the gold negotiations. In doing this, the ASA continued a portion of the wartime program in which commercial cable companies turned over copies of all cable traffic to government censors. It is difficult to determine if the translations the army produced were used during the negotiations by the American delegation. The available trans-

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lations often were completed sometime after intercept – even as late as ten days. To date, no records have been found that confirm that any translation was provided formally to the American team on the Allied committee. However, the information could have been passed along before a formal translation was completed. In postwar Washington, signals intelligence was still distributed to cleared recipients the same way as during World War II: by excerpts in intelligence summaries or by a per-

sonal briefing from a specially designated War Department Special Security Officer (SSO). A review of the existing intelligence summaries shows no entries on the negotiations until a week after the allied acceptance of the Swiss final offer. SSO briefings, if they occurred, would have entailed the hand delivery of relevant translations to involved individuals, who reviewed and returned them to the officers. This was a procedure used during the war that was based on a British system.⁷

WAR DEPARTMENT
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2725

From: Washington (Swiss Legation)
To: Bern (Politique)
26 November 1945

1187

Your #1119^a.

Useful counter-action is hardly possible as long as the problem of the German assets is pending. The attacks come from Treasury officials exclusively, especially from those who, like SCHMIDT, have been in Switzerland and pretend to be acquainted with the situation in Switzerland. They can provoke newspaper articles at will without anyone's being able to catch them. The Foreign Funds Control group, which is engaged in a struggle with the State Department over [the question of] competence, has an interest in rousing public opinion against neutrals in order to prove the indispensability of their uncompromising control. In the last analysis, the reason for the attitude of Foreign Funds Control lies in the fear that German assets may later be used to finance a Fifth Column or [for] atomic research. Investigation showed that the State Department does not consider the time favorable for friendly discussions because too many problems involving third countries are pending and

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This sheet of paper and all of its contents must be safeguarded with the greatest care. Utmost secrecy is necessary to prevent disclosure of vital intelligence at its source.

(U//~~FOUO~~) Typical translation of Swiss diplomatic messages from legation in Washington to Bern, Switzerland

~~SECRET//COMINT//X1~~**(U) Discovery and Release**

~~(U//FOUO)~~ The NSA participation in the Nazi Gold report began quite accidentally. The Agency was never contacted as part of the original team of government agencies and departments assembled in 1995 to provide research and other support to the study on stolen gold and assets. In fact, officials at the Agency were not even asked to review its records for any possible information. It is not entirely clear why the NSA was overlooked. This failure probably was a result of two misunderstandings by other federal historians regarding the extent of the signals intelligence effort in the U.S. government during the last eighty years, and the possible intelligence records that the NSA might possess that were relevant to the Nazi Gold controversy. Upon further consideration, this oversight becomes "curiouser," especially since the Central Intelligence Agency participated from the very beginning. Also, the Department of Defense, to which NSA belongs, was asked to join. The Army's Center of Military History was tapped to look at the Defense Department's records that might be relevant to the issue.

(U) The research and drafting of the government report went forward under the oversight of then Commerce Under Secretary Stuart Eizenstat.⁸ All the while, the historians at the CCH worked on unaware of the interagency effort. The historians were not oblivious to the issue: one could hardly miss the Senate Banking Committee hearings as it deposed of sometimes heart-wrenching testimonies from Holocaust victims about their dealings with cold-blooded Swiss banking officials. Yet, like any good government history office, there was a full course of projects to work.⁹

~~(C//SI)~~ This situation might have stood, but for chance's intervention. It was the afternoon of New Year's Eve, 1996. For government agencies, the week between Christmas and New Years is a slow time, used by some employees to clear their desks or to pursue "back-burner" projects. I was

buried away in the NSA Archives reviewing post-war translations of diplomatic intercepts issued by the army. This collection is a continuation of the series begun by the ASA during World War II, known as the multinational diplomatic translation series, that resides at the National Archives in Record Group 457, the Records of the National Security Agency. The set is something of a researcher's nightmare: it is arranged by serial number, not by date or subject, although there is a sort of "rough" date progression by month and year. Still, a search for anything essentially requires a search through everything.

~~(S//SI)~~ I was looking for material on a subject half a world away from Nazi Gold, but happened to be reviewing diplomatic translations from spring 1946. There appeared some translations between Bern, Switzerland, and Swiss diplomats in Washington containing words like "negotiations," "gold," and "Swiss banks." I cannot claim an immediate epiphany, but, like any good researcher, an awareness of the significance of the find can be as critical as any research skill. It was after the third or fourth translation that I realized what was passing through my hands: the translations of the Swiss messages regarding the Swiss-Allied gold negotiations from March to June 1946. These were quite relevant to what was going on with the Senate hearings. I took a handful of the translations to the chief of our historical section. He read them and also immediately recognized their importance. We called the NSA Policy Office and said we had to see them as soon as possible.

~~(U//FOUO)~~ Two days later, on January 2, 1997, we met with representatives from the Policy Office and explained what had been found. They saw the significance of the sample translations and told us that they would send the material up the NSA management chain for a decision on its disposition. Much like the historians at the CCH, personnel in the Policy Office were surprised that there was relevant material in our archives. As described above, the nature of the accession in

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the NSA Archives precluded any prior detailed familiarity with its contents. This accession's description had been written a good fifteen years earlier when available computer memory (a TRS-80 personal computer) was limited — in this case a description was limited to fewer than forty characters. A useful researcher's index simply was unavailable.

(U//~~FOUO~~) While waiting for a response from our senior management, we began calling around to other federal history offices. If the translations were to be released, we needed to find out what to do with them, and, who should receive them. Again, chance intervened. One of the first phone calls was to the chief historian of the State Department, Dr. William Slany. After explaining what we had, he told us that the translations had to be part of the study he was authoring for Under Secretary Eizenstat. Realizing this meant that the documents would have to be declassified, we at the Center wondered if the demand for them would collide with the natural desire by an intelligence agency like NSA to keep them classified. And, if the translations were declassified, would the demand for protection of sources and sensitive information result in a pastiche of blacked out pages? Such a release would provoke criticisms and doubts from scholars and others about the validity of the translations.¹⁰

(U//~~FOUO~~) Three weeks later we got our answer. In the morning, an urgent call came from the staff chief of the Agency's deputy director to meet and discuss what was going to be done with the Swiss translations. That afternoon, a number of representatives from various NSA offices gathered at the conference table: General Counsel, Policy, Operations, Legislative and Public Affairs, and, of course, me, the historian who had started all this. Before the meeting started, I listened to the buzz of the others talking about the translations. Their attitudes towards me were mixed: they ranged from interest in the material to irritation that what had been discovered would cause

more work for them, as well as the usual security concerns about a possible release.

(U//~~FOUO~~) In strolled our deputy director. He dramatically dropped the packet of sample Swiss translations on the table with the comment: "It is not a question of whether or not we release these translations, but a matter of how." The effect of such a statement cannot be exaggerated. For the deputy director of NSA, without any hesitation, to commit to a public release, galvanized everyone present. Despite personal misgivings or reluctance, everyone cooperated and made their primary concern the solution of the technical and policy problems of a public release.

(U//~~FOUO~~) Of course, the meeting did not end right there with the deputy director's pronouncement. A number of issues and concerns remained to be addressed. On the technical side, there were questions about completing the search of the available records: How long would it take? How many pages were there to go through? And, most importantly, what were the expectations regarding potential finds? This last question was an extremely important one since it pointed to a possible "smoking gun" translation, the one intercepted message or messages that would reveal Swiss mendacity about massive, hidden Nazi holdings in their banking system. During the meeting, the deputy director asked me, based on what I had seen of the translations so far, to assess the Swiss position. I told him that, up to that point, I had seen nothing to suggest that the Swiss were involved in any sort of conspiracy to hide enormous caches of looted gold or other Nazi assets from the Allies. The translations revealed that Bern's main obstructing tactic was to question the Allied estimates of looted gold in Swiss banks. There also was a lot of material on their negotiating positions and ploys — trying to play the Allies against one another by appealing to national interests.¹¹ The messages showed the Swiss at their legalistic and, at times, arrogant and dismissive best. The translations also revealed the large sense of self-pity the Swiss felt

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at being singled out over the issue by the Allies.¹² The messages also revealed that some Swiss officials and diplomats felt that the allied demands were part of a larger effort by the United States to cripple Bern's economy and financial position in postwar Europe. The Swiss were prepared to publicize this contention in the press.¹³ The Swiss diplomats also wanted to tie a final agreement on the Nazi Gold issue to the release of Swiss gold and other assets frozen by the United States. And they wanted to terminate the so-called economic "black lists" which carried the names of Swiss firms and individuals who traded with Nazi Germany.¹⁴ The translations revealed the fears by Swiss diplomats and politicians that the lack of information on the negotiations might turn domestic public opinion against their own position.¹⁵ Still, there was nothing to indicate that the Swiss had been or still were covering up for a cache of looted gold.

(U//~~FOUO~~) The deputy director and the policy chief, with whom I would work closely in the next few months, raised an extremely important issue at this first meeting: The translations had to remain a subordinate part of the larger story of the looted gold and assets in Swiss banks, and that public interest, especially in the media, while reporting NSA's participation in the report, should not focus on its role. Everyone sitting around the table understood this concern. At the same time it was realized that NSA participation would not be overlooked. In recent years the Agency had become a more familiar figure in the news media, thanks to public releases such as the Venona espionage messages from 1995 to 1996. The problem was how to minimize interest in NSA. As it turned out, this concern was held by some of the study's other participants and would surface during meetings in the days to come.

(C//SI) After the meeting broke up, some of us stayed behind to work out the mechanics of retrieving all of the relevant translations and establishing the procedures for declassification. Finding the rest of the relevant Swiss messages

proved to be relatively simple. It took two people about a week to sift through some 50,000 pages of postwar translations. Also, at the first meeting I had suggested that the Agency include all messages between Bern and Washington from the end of World War II through the end of the negotiations. The main benefit of such a complete review and release would be to undercut any claims that NSA was withholding relevant translations. The deputy director agreed to this idea. In the end, the search turned up no extraordinary finds, nothing to indicate the Swiss were hiding gold or deceiving the Allies about how much German gold was in their banks. Similarly, except for some oblique references by the negotiators, nothing about personal gold or other assets stolen or otherwise taken from Holocaust victims was mentioned in the translations.¹⁶

(U//~~FOUO~~) The primary issue attendant to the release of the Swiss translations, one unique to the intelligence community (and to a lesser degree in the defense establishment), was to what extent should the documents proposed for public release be "sanitized" through the physical process of redaction. Those scholars, journalists, and individuals familiar with the federal government's declassification process, usually experienced during a Freedom of Information Act (FOIA) request, have learned that the resulting product can be a long time in coming – years maybe.¹⁷ Even at that, the final, sanitized product can consist of papers that are redacted – blacked or whited out – sometimes to the point of uselessness. Recent direction on declassification, notably Executive Order 12958 that was released in 1995, had brought some heretofore-missing consistency to the process. However, enough exceptions were cited in the E.O. that document releases appeared to the public to be, at best, an exasperating trickle.

(S//SI) The biggest exception – or loophole, if one looks from the perspective of requesters – was the one labeled "methods and sources," whereby any information could be held back that

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revealed any aspect of how the intelligence was gathered, analyzed, and reported.¹⁸ Often, intelligence documents were denied public release because of the singularity of their source(s). If COMINT or a particular human "asset" was the sole source of the report, and the source was still operational, then, the argument went, that source would be jeopardized by the report's release. Ideally, intelligence reports, no matter the source, were supposed to be written in such a way that the source or sources of information were transparent to the reader. However, the problem was that intelligence reports often referred openly to their sources of information. In many cases, just the way the reports were marked with classifications and caveats could reveal generic sources. The agency responsible for the release of documents was considered the only judge of the "potential" for a compromise of a source that would justify not releasing a document or file. To outsiders, viewing intelligence material twenty-five years and older, this claim of compromising such old sources appeared absurd. The process of such a determination, hidden from the public behind the walls of security clearances and beyond appeal, seemed a guarantee that useful information would not be released.

~~(S//SI)~~ Considering how many roadblocks there could have been to releasing the Swiss translations, the subsequent ease of their delivery to the public came as a surprise. The documents themselves were published virtually unscathed by the classification officer's black ink. There were two reasons for this. First, precedent was in our favor. The generally error-free release of all World War II cryptologic material in 1996 (over a million pages) had mitigated much of the natural nervousness of Agency officials about the release process. Secondly, in regards to the Swiss intercept, there was no information about current "sources and methods" to protect. In fact, what little was sanitized from the Swiss cables was a matter of protecting the privacy of individuals who were, or were thought to be, Americans.

(U) Meetings and More Meetings

(U) That finally brings me back to that cold and rainy March morning walking down 15th Street to meet with the State Department historians. As it turned out, the session with them was anticlimactic. I unlocked the briefcase and handed the translations over to Dr. Slany. I told him that, in my view, there was nothing dramatic or substantively different than what he might have already seen in his research. We all relaxed after this. The latent fear amongst all historians is the appearance of some source material that radically alters the direction of any project or book. Historians prefer that "rabbit out of hat" research to occur at the beginning of a project, not near the end when all previous work can be jeopardized. I added that, except for a handful of translations of early 1945 German commercial messages from Switzerland, the set I had delivered consisted of Swiss diplomatic messages between Washington and Bern. Their substance was what would be expected during economic negotiations, full of the legal word parsing and discussions as the Swiss sought the best possible deal. They revealed some of the subtle pressures exerted on the Swiss. These included concerns about economic measures directed against them by the allies, the "blacklists" of Swiss firms and individuals who had traded with the Axis, hold-up of import quotas on Swiss watches, and so on. The arrogance and sarcastic nature of the chief Swiss negotiator, Walter Stucki, comes through even in translation.¹⁹ Dr. Slany gave me a copy of his report's chapter on intelligence to look over. A later review of it reinforced the initial impression of the impact of the Swiss translations. The NSA material added some interesting detail and perhaps allowed for an occasional "exclamation point" to the study's narrative. Dr. Slany could proceed with the drafting of his study without any worries from an NSA "surprise."

~~(U//FOUO)~~ This meeting seemed to be a reasonable finish to my efforts, and I returned to NSA satisfied, if somewhat drenched by the rain,

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to report my impressions. I had figured that, aside from some further technical questions from Dr. Slany, my role, and that of NSA, was largely over and that we would become merely observers. However, my judgment of the situation was premature. Before the NSA material made it into the final version of the report, there would be some interesting hurdles to overcome in the next two weeks. As it turned out, the historical information contained in the Swiss translations was not enough to merit its inclusion in the report. Other government officials had to be convinced.

(U//~~FOUO~~) Almost two weeks later, our Policy Office received a call from the State Department. There was to be an urgent meeting about the Nazi Gold report, and we had to send representatives. On March 17 I accompanied the chief of the NSA Policy Office to a meeting at the State Department about the NSA material. There we met with a slew of State Department and Central Intelligence Agency officials and historians. Behind the closed conference room doors, we were confronted with the unexpected accusation of "grandstanding," that NSA was trying to push its material into the public eye. Especially suspicious, at least to some in the room, was the NSA's arrival on the scene so near the completion of the study. Our policy chief forcefully reminded everyone in the room of what we had been saying since back in January: that NSA had received absolutely no notice whatsoever of the study. We had come forward on our own with relevant material. Only after we had called State Department did we learn of the existence of the government-wide study.

(U//~~FOUO~~) The two of us were surprised by the charge. We wondered where it had originated. During the meeting, Dr. Slany had supported us and told everyone in the room that the material was important and relevant, but added that it hardly changed anything. The CIA contingent had backed us up as well. If there was a nexus of opposition, it came from the operational side of the State Department – in this case, the Country Desk

Officer for Switzerland. After Dr. Slany's defense and the CIA's seconding of it, the CDO cut in demanding that the entire NSA package of translations be excluded from the report and "swept under the rug." According to the CDO, the material could be too much of an embarrassment to the Swiss. Needless to say, we were surprised by this position, coming, as it was, so late in the game, as well as the extreme demand that everything be dropped from the report. We hardly could cram the historical genie back in the lamp; nor, for practical and legal reasons, could we ignore the material once it had been discovered. In retrospect, the CDO's argument had the feel of a bureaucratic rear guard action; later it was suggested to us that these officers on occasion were known to overzealously represent the interests of their assigned country.

(U//~~FOUO~~) Fortunately, by the time the meeting ended, the antagonism towards our role and material had been submerged in the support from everyone else. The fact that only the CDO had argued against us led us to suspect that the other participants had only wanted to clear the air of their suspicions about our timing and motive for participating in the study. However, the whole session had been a nasty surprise to the Policy chief and me. As he later told me in the van ride back to Fort Meade, the meeting had been like a "root canal without an anesthetic." Still, we were not quite out of the woods. That night, I was called at home by the Policy chief, who told me that we had been requested to meet with the head of the government's effort, Commerce Undersecretary Stuart Eizenstat.

(U//~~FOUO~~) The next day the two of us rode down to the Commerce Building on Constitution Avenue for an early afternoon meeting with Undersecretary Eizenstat. We met in his office with a number of historians and officials from the CIA, the National Security Council (NSC), and the Departments of State, Commerce, and Treasury. I am certain that in the long history of the Commerce building there have never been so

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many "spooks" inside of it before or since this meeting. Secretary Eizenstat began by telling us that he was mildly worried about the inclusion of the Swiss translations, which he believed were still classified. We told him that the translations had been declassified back in March and that this had not been an issue for some time. Our policy chief added that the NSA leadership was anxious to have the translations in the study because it was "the thing to do," that it was important for the completeness and integrity of the government study, and for the NSA's public position as a contributing agency.

(U//~~FOUO~~) Under Secretary Eizenstat turned to the CIA and NSC representatives and asked for their opinions. They concurred with the NSA stance. The senior CIA official present emphasized that his agency strongly supported the NSA position and wanted the Swiss material included in the report. At this point I could not help but observe the irony of the situation: Here the intelligence agencies were arguing so ardently in favor of releasing previously classified material into a publicly available government study. Our critics in the media and academe should be witnessing this scene. Still, Secretary Eizenstat was not completely comfortable with the NSA material being included in the report. My guess was that, in part, he was worried about the press shifting its interest from the study's findings to the NSA material – a position that the NSA deputy director had seen months earlier. Dr. Slany reminded the under secretary that the NSA material was not presented in any special way that would draw attention to it. He repeated what he had been telling everyone else that the translations did not alter the main points of the report, but that it was useful. His first point was important. Some weeks earlier, he and I had a long phone conversation about the proper way to cite the material in the report. Even though the material resided in Record Group 457, the Records of the National Security Agency, the translations had been produced by a predecessor agency, the Army Security Agency. So Dr. Slany and I had

agreed to cite the material as Army Security Agency Diplomatic Translations. I believe that our decision lessened the likelihood of media focus on the NSA.

(U//~~FOUO~~) Ultimately, the under secretary relented and agreed to include the translations in the report. He then asked if any of the NSA translations demonstrated the economic pressure brought on Switzerland during the negotiations. I told him that a number of translations referred to Swiss concerns over the remaining "blacklisted" Swiss individuals and corporations, Allied delays in approving trade and import agreements with occupied Germany, and the United States.²⁰ They expanded our understanding of the pressure the Swiss felt was being put on them to come to an agreement in June 1946. In a way, this last question assured us that we had gotten the final okay for our material; Under Secretary Eizenstat had decided that the ASA translations could offer more background information on the context of the Swiss position taken at the negotiations in Washington.

(U) Release and Aftermath

(U//~~FOUO~~) The Nazi Gold study finally was released in early May 1997. Even though it was only a preliminary study, it set the standards for any other reports that might have followed.²¹ Some translations were cited in the study, though the aggregate collection was not listed in the accompanying source material appendix;²² the printing had begun prior to our involvement. On the evening of the report's release, it was satisfying to see Senator Patrick Moynihan (D-NY) during a television interview commend the intelligence agencies for their cooperation. He especially was pleased with the inclusion of the previously "sensitive" material, which, in the parlance of the intelligence community, was an oblique reference to the SIGINT. Overall, there was little mention of NSA in the press, even though it was listed as a contributing agency on the front cover of the report. I suspected that this was because

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the translations were cited as Army Security Agency material and the press probably failed to catch that distinction. The NSA personnel who participated had the satisfaction of knowing they had contributed to a landmark study related to the Holocaust.

(U) The final payoff, almost delicious in its irony, came a month later. The senior NARA archivist/researcher for Holocaust records called me at my office and told me that representatives from the Swiss embassy were looking at the set of translations NSA had delivered to the archives as part of the public release supporting the Eizenstat study.²³ According to him, the Swiss were trying to fill in some gaps on their records by using the NSA intercepts. Or they were comparing the army's English language translation with the original German text. Whatever the case, one could not help but feel that the point had been made about SIGINT's contribution to historical research.

(U//~~FOUO~~) From this experience at NSA, I could draw a few conclusions about the practice and role of history in the federal government. For a federal historian, it was instructive how much could be accomplished with the support of agency senior leadership, especially when the vested interests of everyone coincided. But the Nazi Gold report was a special case. Whether this working relationship could be carried over into the more mundane, daily work of the Center for Cryptologic History remains unclear. One result of the report was the sensitizing of NSA's upper management to the potential historical information that may reside in its records center and archives. Concurrent and later searches mandated by congressional acts, such as the JFK Assassinations Records Review Board and the Interagency Working Group on Nazi War Crimes, were received with a resolve to respond as thoroughly as possible.²⁴ Happily, I no longer encounter that same surprise that NSA might hold records relevant to historical events. This awareness is something new and should be con-

sidered a victory. However, a realist would understand that this new mindfulness depends upon the individuals currently managing NSA. It just as easily could disappear with the first wave of personnel changes.

(U//~~FOUO~~) Still, this tentative optimism needs to be tempered with the realization that the initial failure to include NSA in the Nazi Gold study was the fault of other federal government history offices. NSA has been around since 1952; its predecessors had existed since 1919 in the army and navy (and even in the State Department that had subsidized half of the activities of the original American Black Chamber from 1919 to 1929). On previous occasions some of the federal history offices involved in the Nazi Gold report, such as those for the U.S. Army and the Central Intelligence Agency, had worked with our classified and unclassified material for histories they had produced.²⁵ We federal historians had met at various symposiums, and many were members of the Society for History in the Federal Government. Yet, NSA and its history office had been overlooked in the initial consideration of potential sources and contributors to the report. It is possible that this oversight resulted from a tendency on the part of the historians, not unlike any other scholars, to fall back on experience and precedent as guides. They looked at sources and contacted other historians that they were familiar with – a scholarly discipline's version of “rounding up the usual suspects.” Still, to accuse them of not working “out of the box” is hardly a fair charge since my find was quite serendipitous. It seems, though, that the novel experience of NSA involvement has registered with the other federal historians. However, whether this awareness will outlast individual federal historians also remains to be determined.

Notes

1 (U) This article is based on a paper delivered to the Society for History in the Federal Government annual meeting, “Clio’s Wardrobe: Styles in Federal

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History," March 15, 2001, in the Thomas Jefferson Building of the Library of Congress, Washington, DC.

2 (U) *U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II, A Preliminary Study*. Prepared by William Slany, May 1997. Also, the Appendix to *U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II. Finding Aid to Records at the National Archives at College Park*. Prepared by Dr. Greg Bradsher, NARA, College Park, MD, May 1997. And the Supplement to the Preliminary Study: *U.S. and Allied Wartime and Postwar Relations and Negotiations With Argentina, Portugal, Spain, Sweden, and Turkey on Looted Gold and German External Assets and U.S. Concerns About the Fate of the Wartime Ustasha Treasury*. Prepared by William Slany, June 1998.

3 (U) For a background to the U.S. government-wide records search and release, see Greg Bradsher, "Turning History into Justice: The National Archives and Records Administration and Holocaust-Era Assets, 1996-2001," 177-203, in Richard J. Cox and David A. Wallace, *Archives and the Public Good: Accountability and Records in Modern Society* (Westport, CT: Quorum Books, 2002).

4 (U) A number of histories have been published since 1997 when the Nazi Gold issue took popular hold. Most have been critical of the performance of the Swiss banking system and the Swiss government's most passive, sometimes hostile attitude towards Holocaust victim claimants. See Thomas Bower, *Nazi Gold* (New York: Harper Collins, 1997); Jean Ziegler, *The Swiss, the Gold, and the Dead* (New York: Harcourt Brace and Co., 1997); Isabel Vincent, *Hitler's Silent Partners: Swiss Banks, Nazi Gold, and the Pursuit of Justice* (New York: William Morrow, 1997); and George Carpozi Jr., *Nazi Gold: The Real Story of How the World Plundered Jewish Treasures* (Far Hills, NJ: New Horizon Press, 1999).

5 (U) The Army Security Agency was the latest in a long line of signals intelligence organizations serving the U.S. Army. The first was the Signal Intelligence Service, organized in 1929 under William F. Friedman and lasting until July 1943 when it became the Signal Security Agency. The SSA was reorganized into the ASA in September 1945. Ironically, it was only in this last reor-

ganization that all aspects of the Army's signals intelligence activities were placed under military intelligence (G-2). For a history of SSA during the war, see David Alvarez's excellent volume, *Secret Messages: Codebreaking and American Diplomacy, 1930-1945* (Lawrence, KS: University Press of Kansas, 2000). No single volume exists that comprehensively covers all American COMINT during the war. However, a history of the administrative aspects of American COMINT can be found in Robert L. Benson's *A History of U.S. Communications Intelligence during World War II: Policy and Administration* (Fort George G. Meade, MD: National Security Agency, Center for Cryptologic History, 1997).

6 (U) Hamer, David H., Geoff Sullivan, and Frode Weierud, "Enigma Variations: An Extended Family of Machines." *Cryptologia* (Vol. XXIII, No. 3, July 1998), 221-22.

7 (U) For a description of the SSO system see Special Research History 107, "Problems of the SSO System in World War II." A general description of the earlier British version, the Special Liaison Units, on which the SSO system was based, can be found in F.W. Winterbotham's *The Ultra Secret*. (NY: Dell Press, 1974), 42-44. Winterbotham was the organizer of the SLU system.

8 (U) Mr. Eizenstat would continue this work after he transferred to the Department of State as the Under Secretary of State for Economic, Business and Agricultural Affairs.

9 (U) See Congress, Senate Committee on Banking, Housing, and Urban Affairs. "Swiss banks and the status of assets of Holocaust survivors or heirs," Washington: Government Printing Office, 1996. iii, 73 pp. (104th Cong. 2nd sess., S Hrg. 104-582, April 23, 1996. A transcript of the hearings is also available in "Holocaust victims' assets in Swiss banks. Washington: Ace-federal Reporters, 1996. (Transcript of Hearings, United States Senate, Committee on Banking, Housing, and Urban Affairs, New York City, October 16, 1996). The House of Representatives also held hearings on the issue from 1996 into the summer of 1997. See Congress, House Committee on Banking and Financial Services, Disposition of assets deposited in Swiss banks by missing Nazi victims. Washington: Government Printing

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Office, 1997. IV, 549 pp. (104th Congress. 2nd sess., Committee Serial No. 104-76, December 11, 1996.)

10 (U) Examples of earlier publications redacted prior to release include Victor Marchetti and John Marks' *The CIA and the Cult of Intelligence*, published in 1974, which featured boldface type of the sections the CIA was forced to allow and sections marked "Deleted" that were removed. A more recent example is the CIA's history of the U-2 program, *The CIA and the U-2 Program, 1954-1974*, written by Gregory W. Pedlow and Donald Welzenbach and published in 1998, complete with blacked-out text.

11 (U) Army Security Agency Multi-National Diplomatic translations: H-231271, Washington to Bern, 25 April 1946; H-232770, Washington to Bern, 13 May 1946; and H-232839, Bern to Washington, 10 May 1946. Record Group 457, Records of the National Security Agency/Central Security Service, Swiss Gold, Box 1.

12 (U) Switzerland was the first of the wartime neutrals to be confronted by the Allies over the disposition of Axis gold and assets. Sweden, Portugal, Spain, Turkey, and Argentina in turn met with Allied commissions from 1946 to 1949 to settle the issues of looted gold they had received from trade with Nazi Germany and any German assets which were in their banks.

13 (U) Bern to Washington, H-212062, 23 March 1946. RG 457, Swiss Gold, Box 1

14 (U) Bern to Washington, H-233412, 17 May 1946 and Bern to Washington, H-233646, 21 May 1946. RG 457, Swiss Gold, Box 1

15 (U) Bern to Washington, H-232340, 7 May 1946. RG 457, Swiss Gold, Box 1

16 (U) Bern to Washington, H-216760, 1 December 1945 and Washington to Bern, H-220637, 11 January 1946. RG 457, Swiss Gold, Box 1

17 (U) A number of laws and executive orders have been implemented over the years to control the flow of intelligence information to the public. The impetus for them came in the wake of the various hearings on the intelligence community's activities during the mid- to late 1970s. The sum effect of them has been to codify the classification and determination of intelligence information and the definition of the authorities and release criteria and procedures. The following are just some of the more pertinent pieces of legislation and executive direc-

tion: E.O 12333, United States Intelligence Activities, 3 C.F.R. 200 (1981); E.O. 12356, National Security Information, 3 C.F.R. 166 (1982), which was revoked by E.O 12958; Freedom of Information Act, 5 U.S.C. 552 of the Administrative Procedure Act; Privacy Act of 1974, 5 U.S.C. 552a of the same act and The Classified Information Procedures Act, 18 U.S.C.A, Public Law 96-456, (1980), which defined the use of classified information in criminal cases.

18 (U) Executive Order 12958, *Classified National Security Information*. April 17, 1995. See sections 1.6. (d) and 3.4. (b). (1) of the E.O. for exceptions.

19 See Bern to Washington, H-215103, 10 November 1945, RG 457. During a London-based economic conference in early 1945, a British delegate humorously observed that he hoped that the conference would not be interrupted by German bombers. Stucki, the Swiss delegate acidly retorted that they should ask the Americans to give the necessary orders. This remark was aimed at the Americans who, a few days earlier, accidentally had bombed some Swiss villages near the Rhine.

20 *Inter alia*: Bern to Washington, H-216700, 1 December 1945; Bern to Washington, H-221465, 30 January 1946; Washington to Bern, H-222018, 21 January 1946; and Washington to Bern, H-222564, 26 November 1945. RG 457.

21 Following the United States government report, two international conferences were held on the Nazi gold issue: London, December 1997, and NARA, College Park, November 1998. At the London conference, a number of scholars presented papers summarizing their findings or those of national inquiries into the issue: Albania, Argentina, Austria, Belarus, Belgium, Brazil, Canada, Croatia, Czech Republic, Denmark, Federal Republic of Germany, France, Luxembourg, Italy, Netherlands, Sweden, Switzerland, United Kingdom, and United States.

22 The most recent accounting of the Nazi Gold records at NARA can be found in the NARA publication *Holocaust-Era Assets. A Finding Aid to Records at the National Archives*. Compiled by James G. Bradsher, Published by NARA in 1999 (1,200 pages).

23 The translations were placed in RG 457, "Records Relating to the Allied-Swiss Negotiations on the Disposition of German Assets and Looted Gold Held in Switzerland, August 1945 - July 1946." A set of the

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translations was kept in Box 1, Compartment 11, in Room 2000, NARA, College Park, MD, for ready access by the public.

24 See Public Law 102-526, The President John F. Kennedy Assassination Records Collection Act, October 26, 1992, and the Extension to the Act, 1994 and 1998. The final report of the mandated Assassination records review Board was published in September 1998. Also see Public Law 105-246, Nazi War Crimes Disclosure Act, 1998, which established the Nazi War Criminal Records Interagency Working Group. This Act was extended in 2000 with the passage of the Japanese Imperial Government Disclosure Act, 2000, PL 106-567.

25 The use of NSA records, and those of associated organizations, notably the Army Security Agency (later known as the Intelligence and Security Command), in government histories has been limited over the years. Sometimes the existence of the records is acknowledged;

sometimes they are obscured in the text. Some examples over the last decades are John P. Finnegan, *Military Intelligence: A Pictorial History* (Arlington, VA: History Office, U.S. Army Intelligence and Security Command, 1984); John D. Bergen, *The United States Army in Vietnam: Military Communications, A Test for Technology* (Washington, D.C.: Center for Military History, 1986); Harold P. Ford, *CIA and Vietnam Policymakers: Three Episodes, 1962-1968* (Langley, VA: Central Intelligence Agency, Center for the Study of Intelligence, 1998); and Edward C. Keefer, *Foreign Relations of the United States, 1964-1968. Volume XXVII. Mainland Southeast Asia; Regional Affairs* (Washington, D.C.: U.S. Government printing Office, 2000).

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