

Disc. 4887

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M i n u t e s

of the first plenary session of the German Armistice
Delegation for Economy and non military affairs with
the French Delegation in Wiesbaden, Hotel Vierjahres-
zeiten on 9 July 1940, 11 a.m.

Present:

On the German side:

Ambassador Dr. H.R. Hemmen

chairman

Legationsrat Freiherr von Maltzan
(Foreign Office)

Ministerialrat Ehrensberger (GBV)

ORR. Steffler (Four Years Plan)

Colonel Huenermann) O K W and armi-
) stice commission.

Lieutenant Colonel) Group Economy
Neef) and Armament

ORR. Schoene (RWM)

Direktor Hartlieb Reich Bank
 Directorate

Eisenbahndirektionspraesident
a.D. Meinecke Reich Ministry
 for Transport

Major Count Spee Liaison Officer to the
 French Delegation

Interpreter Jaeckel

on the French side:

General Huntziger

chairman

Herr de Peyrecave industry

Herr de Boisanger Bank of France

Botschaftsrat de St. Hardouin
(Foreign Office)

Colonel Lacaille Chief of Staff

Militaer-Intendant Gigot
Administration

Herr de Boissieu Ministry of
Finance

Major Vialet Secretary

" Berthelot Interpreter

Mr. Hemmen opens the meeting by declaring that he was prepared to accept the wishes of the French delegation. Since he had no complete knowledge of the material to date he suggests to present the French wishes once more.

General Huntziger states that he wished, to give a general survey of the present economical situation in France and to leave the presentation of the details to his experts.

The French economic life was changed fundamentally through the war, through the flight of the population and through the creation of the demarcation line. As a result three main problems arose:

1. The refugees should return, in order to assist in reaping the harvest;
2. The administration should be reinstated in order to restore order;
3. Work should be procured for the population in order to prevent unemployment.

In order to accomplish these tasks it was indispensable that the circulation of money and other traffic between occupied and unoccupied territory be reestablished. The situation of the population, particularly of the refugees, was already critical in many places and was becoming even more critical. At present the line of demarcation was jeopardizing the setting in motion of the economy. As it was not supposed to have the purpose of strangling the economic life, as further more it was not intended as a final borderline and as finally the Germans had given the assurance that France should go on living, an early relaxation of the line of demarcation should take place.

As an example for the present difficulties General Huntziger cited the case of a convoy of 40 to 50 cars of the Bank of France carrying personnel and currency in the amount of 5 billion Francs which was stopped in Moulins on the way from Clermont Ferrand to Paris in spite of the fact that, also according to the German

conception, the transfer of money into the occupied territory was indispensable. In the same way a transport of police officers was stopped on the way from the occupied into the unoccupied territory.

General Huntziger then entered into the subject of the change of the structure of the French economy caused by the flooding back of the population and by the creation of the demarcation line. The main resources of the French economic life, the essential agricultural area, the important industries, particularly coal and iron, were located in the occupied territory of the North. In the southern districts which, although excelling in wine, southern fruit and luxury industries are otherwise much poorer, a considerable increase of the population had taken place. This had caused serious tension in the French economy, especially in the food supply which may rapidly lead to a catastrophic situation.

To this the heavy requisitions in the unoccupied territory had to be added which were carried out by the German army for purposes other than its own and which were incompatible with Art. 52 of the Hague Convention. Thus, for instance in Lyon and St. Etienne alone, 83 freight trains full of raw materials and fuel which the industry lacked, were shipped to Germany. This had rendered the economic life in the unoccupied territory more difficult.

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Because of the preparations for the war against England there were more troops in the occupied zone than are necessary for a normal occupation. All these troops were making requisitions. According to French interpretation however, only those troops should live on the land which were necessary for the carrying out of the armistice terms. In order not to drain too quickly the resources of the occupied zone it was necessary to limit the permissible requisitions. At this point General Huntziger referred to Art.17 of the Armistice agreement.

Finally there were, at present, no imports because there was no shipping traffic. This problem had become more complicated by the British attitude in the Mediterranean to which the French Government had replied with strong counter blows.

In summing up General Huntziger requests a regulation of the French economy which permitted to set it in motion again.

Ambassador Hemmen replies that he recognized the urgent necessity to start the French economic life as soon as possible in the occupied and unoccupied zone. There was unanimity regarding this aim but the problems would have to be approached and their solution be sought in the turn of their importance. Part of these questions was going beyond the armistice agreement. Questions of the occupied and unoccupied zone in particular could mostly not be separated so that the solution must be found in cooperation with the French Government. As far as the stopping of the convoy of the Bank of France was concerned he would do his best to hasten the release because we too should welcome an early return to Paris of the institutions of the Bank of France which would facilitate a withdrawal of the "Reichs-creditkassenscheine".

With regard to the difficulties of the demarcation line Mr. Hemmen emphasized that we too did not want to divide the economy of France in two parts as far as this can be avoided. However before settling the question of the demarcation line we must be satisfied that the enemy would not be able to take advantage there of. In cooperation with the French delegation and with the French authorities we would have to make arrangements ascertaining that no stocks or other valuables coming from the occupied into the unoccupied zone would flow off to destinations outside of France. The enemy must receive no economical reinforcement whatsoever from France. Particularly at the Pyrenees and in the Mediterranean ports controls must be established which prevent the flow of assets into foreign countries. As soon as this is assured he had no objection, with a restriction as to possible military necessities, to bring about some relief at the demarcation line.

In other respects he saw his main goal in bringing the French population back to work. To this end intensive cooperation between German and French authorities was necessary. Just as work was placed before property with us and the highest objective of the Führer was hereby accomplished we wanted in France, also to promote a development which gave work and bread to the population.

He suggested discussion of the different problems in the turn of their urgency which should profitably take place in two subcommittees:

1. Problems of banking, foreign exchange and currency in the occupied zone, the barter with the unoccupied zone in connection with the fundamental question of the foreign exchange control.

2. Problems of bartering goods across the line of demarcation.

General Huntzinger accepts the proposals of Ambassador Hemmen. He declared with emphasis that France did not play a double role as proved by the strong repelling of the English attacks. Therefore the French Government had, indeed, no idea of helping the enemy who is being fought by us and with whom they too had broken off relations. The French were resolved to give us every guarantee with regard to the complete refraining from giving any help to England. The Pétain government desired work and order. Both of these were nonexistent at present. Beyond that Marshall Pétain desired that a new fresh air should blow throughout France.

Thereupon Mr. de Boisanger began to speak. He desired, as on previous occasions, a definition of the term "economic assets" (wirtschaftliche Werte) in Art.17 of the armistice agreement, asked who held the proper authority for the questions of commercial traffic in Art. 11 of the armistice agreement and broached the subject of travel between the occupied and unoccupied zone. He declared to be prepared to strengthen the law about flight of capital abroad if the Germans so desire.

Ambassador Hemmen replies that a definition of "economic assets" could easily be given in three words which previously had been coined by the French. (He alludes hereby to the "Biens, droits et interets privés" of the French in 1919). A more suitable definition would be found once the economic relations would have been started again.

Ambassador Hemmen then names the German members of the two subcommittees "Banking and Foreign Exchange" and "Goods Exchange" which may begin their work immediately.

General Huntzinger for his part names the French members for the subcommittees.

Finally Mr. Hemmen according to his instructions broached the question of the release of German property, confiscated or seized in France from the beginning of the war. General Huntzinger commissions the Councillor of the Embassy de St. Hardouin to deal with this question who shall submit it to the French Government as it is not mentioned in the armistice agreement.

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Minutes of the conference on 26 January 1941, at 12.15 P.M.

Present:

Ambassador Dr. Hemmen

Governor de Boisanger

Dr. Jekel (Interpreter)

Ambassador Dr. Hemmen reported that he returned from Berlin a few days ago with a few orders, which he was to deliver to Governor de Boisanger. Therefore he was glad, that this one had returned to Wiesbaden.

German attitude to the demarche of the same date, by Doyen and de Boisanger.

In the first place he had to report to him the attitude of the German Government to the demarche of the same date, from General Doyen with General von Stuelpnagel and Governor de Boisanger with his deputy ORR. Dr. Schoene. Following that, he read the note of the German Armistice Delegation for Economy, which he then handed to Governor de Boisanger. A certain delay occurred through his personal absence, but he hoped, that nothing had happened in the meantime on the part of the French Government with regard to the negotiations with England concerning the release of food-transport for France, which would be contrary to the contents of the German note. If the French Government had the intention to ask for the permission to take up such negotiations and to discuss the questions involved in detail, he would be at their disposal any time.

Governor de Boisanger took cognizance of the note and declared, that he did not know, what happened to this affair in the mean-time, and how far it was advanced. He repeats, that he received the order together with General Doyen from his government, to notify the German Government that negotiations would commence ("allaient commencer") with England for the mentioned purpose and that the French Government wishes to keep the German Government informed about the imminent negotiations ("imminentes"). He emphasized the extreme urgency of the question, that it would be in the greatest interest of

France to start the negotiations soon and to bring them to a good end, especially as to wheat and maize. Therefore he asked for information about the practical steps that he had to undertake to be in accordance with the German Government.

He did not know what basical attitude his government would take to the German demand, especially as to the reference to article 10 of the armistice conditions. With reservation of the decision of his government to this question he asked for suggestions of the procedure.

Ambassador Dr. Hemmen suggested to inform the French Government quickly,

that the German Government was of the opinion, that a simple notification of the intention of the French Government to negotiate with the English Government concerning the mentioned questions, would not be sufficient. Moreover it was the point of view of the German Government that those negotiations with enemy nations would be contrary to the written regulations and the spirit of article 10 of the armistice conditions and other agreements that were concluded in the meantime at Wiesbaden. Therefore, he first expected the confirmation of the French Government that nothing would be done that was only based upon the notification to the German Government; but, that before such negotiations with the English Government would be started, - as Governor de Boisanger informed his representative about them- Governor de Boisanger would talk over this affair with him once more, in order to inform him about the extent, the intentions, the contents, and the aim of such negotiations, so that he could examine, whether and to what extent the German consent could be given for that in the interest to supply France with food.

He therefore expected two things: No. 1, the fundamental communication that the French Government would agree with the German attitude, and then the request for an objective discussion in order to check the intentions of the French Government; he would be willing to it.

French negotiations about treaties of commerce with third countries.

In order to inform his government correctly, Governor de Boisanger asked for information, whether the German demand would be the same as described in the contents of the letter that was read at a previous conference ORR, by Dr. Schoene, in which the German Government asked, to be informed by the French Government before negotiations about treaties of commerce would be started; the German Government reserved the right of approval of the treaty, before the treaty was signed. If he understood this letter correctly, then it referred to commercial

negotiations with other countries than England.

Ambassador Dr. Hemmen confirmed the correctness of this attitude. The demand of the German Government, transmitted by him, is referring to negotiations with the enemy; but the letter read by ORR Dr. Schoene dealt with negotiations about treaties of commerce of the sovereign French Government with third countries that were not enemy nations. The French Government was in a position to sign treaties of commerce between the un-occupied French territory and Switzerland or Japan. As a power that exercises the highest authority in another part of France, Germany claimed the right, for the protection of the interests of this part of the country, to participate on the negotiations which the French Government conducted with third nations. It was a sovereign privilege of the French Government, to conduct such negotiations, but Germany wants to be informed about aim and procedure of them, and reserved the right for herself, in the interest of the occupied part of France, to make dependent the signing of such treaties from the preceding consent of the German Government.

German Foreign
Commissioner of
Commerce.

This task was meant for the German Foreign Commissioner of Commerce in France; but since this one did not function yet, the French Government in the meantime conducted negotiations with third countries and in some cases signed treaties without having informed the German Government about it. Therefore he was ordered to secure already now for the German delegation the cooperation and information, meant for him. In the moment in which the Foreign Commissioner of Commerce takes office, he assumes the rights provided for him. He did not think that the appointment of a Commissioner would take such a long time; he therefore demanded a solution for the time being, because France signed treaties in the meantime, some of them are disliked by the German Government,

Treaty of Commerce with Switzerland.

for instance, the fact that in the commerce treaty with Switzerland not the same exchange rate (Kurs) was used as in the German-French exchange settlement, but the last pre-war-exchange rate. Germany did not raise any objections against it,

for the Military Commander was informed about it in time, but the information reached the non-competent officials in his office, so that finally it reached the competent persons too late.

Indochinese-Spanish negotiations.

Besides that Germany is interested to the highest degree in the negotiations in Tokio. Reports were received about the fact, that there were intentions to grant to the Japanese an especially privileged position concerning duty (Zoll) etc. At this occasion he requested constant information about these negotiations and about the directives which the French Government would give to her ambassador in Tokio.

Governor de Boisanger pointed out that the German delegation expressed this request already about ten days ago.

Ambassador Dr. Hemmen wanted to have this request expressed once more, since it was expressed by ORR. Dr. Schoene at a more suitable occasion.

Governor de Boisanger summarized that he did not receive any further directives about the demarche that he undertook together with General Doyen, and therefore he could not at present give an opinion to the German note. First he had to wire to his Government what he wanted to do immediately.

Personal reply.

He was under the personal impression that the German Government would not be able to raise any fundamental objections against the import of food and raw-materials. He reminded on the question of import of mineral-oil from Over-sea, to which the German Delegation gave its fundamental consent without any reservation on 19 July 1940 in a letter. In the meantime one more letter of General von Stuelpnagel was received, that was not of the same attitude, because in it was not demanded the preceding approval to any negotiation with England, but the constant information about the progress of the negotiations. At that time the German Delegation declared, it would be good, if as much mineral-oil from over-sea as possible would be imported. The new German

note concerning the negotiations with England about the import of food/^{goes}in its demands, much further. According to his opinion however, the German Government must be interested in the import of raw-materials, as mineral-oil and food, and could therefore hardly not be in favor of it. The idea of the French Government to secure the supplies of the country, could possibly not find the German consent.

Ambassador Dr. Hemmen also replied personally that he received the directive from his government, to settle the fundamental question of negotiations with England in such a way, that the French Government would approve the German demand to obtain the German consent before taking up negotiations. But he had no doubt about it, that it would be in the interest of Germany to do everything possible within the German political - and war aims, to secure the supplies for the French population with raw-materials and food. This is a humane matter. Not even ten days after his arrival in Wiesbaden, on 19 July 1940, he wrote the detailed (weitgehend) letter about the French import of mineral-oil from over-sea, out of which his understanding for the French requirements of life can be seen. In the meantime one more letter concerning the import of wheat and corn was submitted. With it, the affair was obtaining the very serious character of the German participation with the French provisioning of supplies; this was one more reason for the German request to be asked for consent in advance. The various risks involved ought to be considered very thoroughly in advance and in detail, that could occur in such negotiations that France intended to conduct with the enemy. He especially asked, not to overlook this point.

He was certainly willing to examine seriously the question of such negotiations with Governor de Boisanger with the goal to reach what France was striving for, namely to import as much as possible of food and raw-materials in order to care of the food problems and the working capacity of the French people.

This would only be possible in closest collaboration between the German and the French government. The instructions he had received were concerned with a fundamental question but were not a refusal.

Airforce orders
in France

The second commission he had received was concerned with the negotiations on airforce orders to be given to France, which had been pending for months. An exchange of notes between the two delegations had taken place on the subject and simultaneously the question had been argued in conferences at the Group "Armament" (Gruppe Ruestung). He had now been commissioned by the German government to centralize the matter and requested Governor de Boisanger to be present to-morrow, Monday, at 11 o'clock at a common meeting together with all the affected groups including the military. The matter had become especially urgent because the Commander in Chief of the Airforce (Luftwaffe) had been informed that the French aviation industry, on instruction of the French government, still maintained that actual work could only start after conclusion of the negotiations pending in Wiesbaden. Germany took all her military matters very seriously. The first German note regarding this matter had been presented in the beginning of November while now the month of January was almost over. Therefore, the French side will understand that Germany does not want to see a delay in her air armament. The aim of to-morrow's meeting was to be to bring together all German and French parties concerned in order to make the importance of the task clear to them, to emphasize once more its urgency, and to adjust everything in the individual departments in such a manner that work could be started immediately. On the German side the Group "Airforce" (Gruppe Luftwaffe), i.e. General Foerster and his staff, Col. Huenermann, with the Group "Armament" (Gruppe Ruestung), and, from their own delegation, the gentlemen in charge of raw materials and financial questions, Oberregierungsrat Dr. Schoene and Dir. Hartlieb would participate.

He would be grateful if Governor de Boidanger would have the respective agents on the French side, also the military ones, participate in the meeting. Because he was interested ^{to} settle fundamental questions first he had not yet asked anybody from the Berlin offices to the meeting. In pursuance of his mission, he was handling the first fundamental decisions to lead them to a conclusion in order to avoid differences as they had resulted, for instance, from the fact that the Group "Armament " had been occupied with a request for the provision of food for the French workers or for effective protection against English bombing attacks. These fundamental questions should be centralized. He expected every representative from both sides to make his appearance. This is assured for the German side. In addition, he wanted to emphasize that Aviation Minister Reich Marshal Goering had personally given him instructions through General Luftzeugmeister Udet, and it was therefore very important to him that progress was made in the matter and that the matter be understood in this way also on the French military side.

French
Gold
Transports

He thanked Governor de Boisanger for the trouble he had taken with the gold transports; in the meantime he had been informed via Mr. Couve de Murville of the arrival of the first transport and he knew that the arrivals had increased further. On the German side everything had been arranged so that a new transport could be dispatched the next day. Dir. Hartlieb would make arrangements with Mr. Couve de Murville and give the names of the respective German gentlemen. He suggested, moreover, to leave a German Reichsbank official in Marseille because shipments would now start regularly from Marseille and many inquiries would be made here on the momentary state of dispatched as well as arriving gold. He did not want to bother Governor de Boisanger with this all the time and he himself did not want to be bothered with it. The German official should establish contact with his colleagues at the Bank of France as well as with the chief of transportation in Paris in order to have the necessary freight cars at his disposal. This would speed up the matter considerably, which could be finished in three weeks according to the French statement. A visa for four weeks would be sufficient.

Governor de Boisanger declared that he personally agreed to it but that he would have to ask the consent of his government.

Commissars
and Control
at the outer
borders

Ambassador Dr. Hemmen pointed out that in the presence of Governor de Boisanger he had requested him through Mr. Couve de Murville to procure instructions from his government on the commissars and the outer borders. Certain circles in Vichy apparently are of the opinion that adjustment of the situation at the demarcation line is exclusively ~~in the~~ in the German interest. On the German side, however, one is just as determined, even more determined than ever, to install the commissars and to set up outside border control. He was, as he had often proved, ready to mediate and to be as considerate

as possible of the national sensitiveness which the French government and the people might have. He would like to emphasize beforehand that he was ready to continue to mediate since the German demands and the French attitude were still so far apart and the German demands appear to be absolutely unacceptable as a violation of the feeling of sovereignty. In spite of it the German side is determined to bring the question to a close now. He would be grateful for a report on the attitude of the government in Vichy towards this question.

...that it is useless to make an agreement concerning the demarcation line today, thereby giving up all advantages they still have if the demarcation line can be crossed for political reasons in spite of it. To be sure, it has been stated by the German side that everything would be easier after an agreement has been reached but at present the French government is confronted with a very uncertain political situation which might be solved in a very short time in one way or the other. For this reason the French government prefers to examine the question of an agreement on the demarcation line only after the present crisis is over. For this reason he has not been able to make any progress in the matter.

Cost of
occupation.

A fortnight ago, before he left for Vichy, he had a personal conversation with Ambassador Reichen on the cost of occupation. In this conversation the latter had advocated a way to solve this question in a just manner, not very different from his own point of view. Ambassador Reichen told him personally that he had advocated this point of view in a memorandum, presented to the French Minister of Foreign Affairs. He has asked if a conference of the chiefs of state could

Gouverneur de Boisanger reported that immediately after receiving Mr. Couve de Murville's telegram he had made an effort to settle the matter but had not been very successful. The reasons for this are the following - already indicated by him recently-: that at present the demarcation line is practically closed, that the German authorities practically no longer issue any passes, and as you have clearly stated, are pushing back ('refoulent') the French officials for political reasons. The French government, therefore, is of the opinion that it is useless to make an agreement concerning the demarcation line today, thereby giving up all advantages they still have if the demarcation line can be closed for political reasons in spite of it. To be sure, it has been stated by the German side that everything would be easier after an agreement has been reached but at present the French government is confronted with a very uncertain political situation which might be solved in a very short time in one way or the other. For this reason the French government prefers to examine the question of an agreement on the demarcation line only after the present crisis is over. For this reason he had not been able to make any progress in the matter.

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be arranged to settle this matter, Ambassador Hemmen declared that he had no objections but added that the question of the demarcation line would have to be settled simultaneously. He had understood this to mean that, according to a proposal by Ambassador Hemmen, first goods and money matters should be settled, matters related to passengers and communication should be postponed and the question of the cost of occupation be settled instead. He had brought the matter up in Vichy and could personally state that he would be able to make progress in this direction.

Ambassador Dr. Hemmen stated first with regard to the demarcation line that, at the time, he had meant to say that French apprehension was unfounded in that an agreement on the demarcation line at the moment had no value because it could be closed for political reasons in spite of it. In the meantime, his personal opinion expressed at the time had been officially confirmed in Berlin: An agreement on the demarcation line would have had such a favorable influence on the political situation that closing of the demarcation line would not have taken place.

During his stay in Berlin he had discussed the question of the cost of occupation along the lines of his personal conversation with Governor de Boisanger. Up to now he had no instructions to negotiate this matter. The Minister of Foreign Affairs had reserved the treatment of this question for himself. But one thing he could already say: Neither he himself nor the Minister of Foreign Affairs would ever discuss this question before the question of the demarcation line, the question of the commissars, and the control at the outer borders had been settled and that not only in part, as he himself once suggested. He could understand that it was said by the French side that a partial solution for the transfer of goods and foreign exchange is insufficient because it was useless for the economy in praxis. This is not true for the German

foreign offices which would be able to telephone and correspond with the central office in Paris, with Dr. Michel. Because such a partial solution offers no advantages ^{to} France he did no longer suggest it and did no longer expect it. He was still ready today to agree to the partial solution of uncontrolled transfer of goods and foreign exchange if commissioners and an outer control were established but he could see that this was no compensation for what France would be giving in return. France also needs passenger and news traffic between the two zones. Rather than to do the job half it should be attempted to find a total settlement. He regretted that the demarcation line, at present, was closed for political and not for economic reasons because otherwise an agreement could be reached very quickly.

But he would like to add his very personal opinion with regard to the matter - that he did not believe that the demarcation line once it was closed would be re-opened as long as the political and the problems negotiated here were not solved. Since he needed a means of pressure in order to force France to fulfil his wishes, he would object to re-opening of the line before the commissars and the outer control were established at the localities arranged for them. Once before he had had an opportunity to state how he envisaged control at the outer borders in such a way as to consider French national sensitiveness as much as possible. He believed the moment to be favorable. He had done a lot of work on the matter in Berlin and, therefore, a solution was offered which will surely be acceptable to France. On the other hand, he was resolved to put everything, and that means everything, behind this question in order that France would not make any progress with regard to any other question. He is stating this frankly because he desires a final settlement of the matter and because only then a real economic cooperation would be possible.

For 3 months difficulties had now been encountered in all spheres, a situation, which originated from the fact, that the problems of the demarcation line and the commissars had not been regulated and because political developments had stagnated. The latter problem would of course have to be solved on a higher level but in the sphere where both chairmen of the economic delegation carried the responsibility, one would have to come to a decision, as to whether ~~to~~ the door should be finally closed or whether a solution of the problem should be attempted in a way that would in an economic sense, mean progress. He himself would be for the latter possibility.

It was the very essence of the economic and trade negotiations between states, to ascertain that trade would not be stopped, each time the political constellation was unfavourable, but that it should continue even if politicians could not agree with one another. Thus both chairmen would have to make an attempt to promote all these problems, in fact he saw in this situation the possibility by achieving economic understanding also to assure a general understanding. This was his own personal opinion.

He regretted therefore, that Governor de Boisanger had achieved nothing in the question of the demarcation line. Since he would inform the French Government on the attitude taken by the German Government on negotiations with England concerning food-imports and commissions for the Luftwaffe anyway, he asked to report at the same time, that no headway was made, until the problem of the demarcation line was settled. He would, as far as he could be of assistance and believed in the possibility of an agreement.

The representatives of navigation, by reason of their importance in imports from abroad would have to participate in negotiations, should the French Government be ready, to submit previously the questions of negotiations to Germany.

One would have to realize in Vichy, that everything may be frustrated, should the desired agreement on the demarcation line not materialize.

Governor de Boisanger expressed confidence that the political crisis,

which was the basic reason for the stagnation of the situation, could not last for ever and that after its conclusion things would improve.

End of discussion 13:10 hours

Hemmen

Notes on Discussion of 23 February 1941, 2230 hours.

Present:

Ambassador Dr. Hemmen

Oberregierungsrat Dr. Schöne

Dr. Jeckel (Interpreter)

Governor de Boisanger

Alteration of Caoutchouc Treaty

Ambassador Dr. Hemmen begs to excuse the late hour at which he was forced to invite to the session, but asserts that he was personally called upon by the Reich⁵minister for Foreign Affairs to procure an answer of the French delegation concerning questions of the Caoutchouc treaty on the same day. Independently of the French note, the contents of which had not yet been known in Berlin, he had been instructed to bring about a settlement in the alteration of the concluded agreement with the French delegation to the effect that the 25,000 tons of indo-chinese caoutchouc designated for the Japanese-European buyers be placed solely at Germany's and the for America designated 25,000 tons be placed at Japan's disposal. Upon his remark, that the treaty which provided for a different distribution, had been signed by the German delegation at Wiesbaden and that the French delegation in a note had insisted upon the carrying out of the provisions of this treaty, the Foreign Minister had retorted, that, had he known of this planned treaty he would never have given his consent, and that, at any rate, he did not know the contents of the French note. Upon further interjection, that Indo-China had been granted permission for sale of part of its caoutchouc crop to America, because of the necessity to obtain free foreign currency exchange in order to pay for her imports, he had been told, that this would be a question of secondary importance for which a regulation must be found. He, Foreign Minister von Ribbentrop had concurred with the Japanese Foreign Minister MATSUMIA, that America could not be allowed to obtain such great quantities of Indo-Chinese caoutchouc, which in an indirect way, would eventually reach the English enemy. He would, therefore, request the chairman of the French delegation to consider that the treaty concluded in Wiesbaden had been the subject of subsequent ^{political} negotiations between the Foreign Ministers of both Germany and Japan and remind, that the newly appointed Japanese Ambassador had just been with the Foreign Minister, whereupon a call had been sent out to him, to make representations to the

French delegation in the light of these negotiations. He would carry this appeal to Governor de Boisanger with the request, that he should emphasize to his Government the special importance of the matter, since he had to report the same evening on the result of the discussion.

Governor de Boisanger explained that he had received instructions to the contrary, as was evident from his note. He must request, therefore, that the treaty concluded in Wiesbaden, be carried out and he was commissioned to ask Germany to intercede with the Japanese Government in order to make Japan renounce her claims. He could not understand why the treaty, arranged for and concluded by representatives of the German Government and the German rubber-industry, could suddenly not be put to use. One had believed therefore, that the communication of the Japanese Foreign Minister to the French representative in Tokio was based on a misunderstanding. What was the main-reason now? Was it that America should not participate at all in the Indo-Chinese crop or did Germany suddenly want more caoutchouc than at the beginning and conclusion of the treaty? The French Government had been extraordinarily surprised and considers the non-compliance with the treaty a very serious matter. It believed to be within its rights, to demand that the treaty be carried out ~~as provided~~.

Ambassador Dr. Hemmen pointed out that a decision on a higher political level was involved and that the fact of the conclusion of the treaty was not denied. Governor de Boisanger could perhaps point out that Germany herself might not have any objections to shipments intended for America, but that Japan was influential in Indo-China and could prevent them. He realized that Governor de Boisanger, in view of his instructions could not give an answer this evening, especially not a final one. Upon his question, whether any payment had been made on the American deliveries Governor de Boisanger replied that he did not know, since, after the conclusion and the signing of the treaty, he had forwarded the same to Vichy and since had heard nothing of it. He could now but inform his Government of the changed attitude of Germany towards the treaty, which would thus be considered invalid. It would not be sufficient to assure payment of the caoutchouc in dollars or free foreign

exchange but it would also be important for Indo*China to maintain regular trade relations with America.

Ambassador Dr.Hemmen on his part wanted to inform the Foreign Minister, that the French answer, in his absence, would be put at the disposal of the presiding representative of the German delegation as soon as possible.

Delivery of note
concerning import
of food from America

Hereupon he presented the German note concerning import of food from America with the remark that the assurances contained therein, that German authorities in France would not take possession of any of these quantities to be imported, might presumably open the way for scheduled negotiations with the United States. Foreign Minister Ribbentrop apparantly attached great importance to these imports.

End of conference 2300 hours

s/ Hemmen

Notes on Conference of 3 March 1941, 21:00 hours.

present

Ambassador Dr. Hemmen
Oberregierungsrat Dr. Schoene
Dr. Jeßkel (Interpreter)

Governor de Boisanger
Prof. Robert (Interpreter)

Indo-China
Caoutchouc

Governor de Boisanger reports on efforts being made by him to gain the consent of the French Government for the alteration of the caoutchouc-treaty according to German proposals, in the course of which a session in the Cabinet in Vichy had taken place in the late afternoon under participation of all members of the Armistice Commission. The result of the session had been made known to him by a coded telegram, which, however, could not be decoded until the following morning. This telegram would illustrate the attitude of the French Government and would summarize the discussions with the United States. He was, consequently, not in a position to disclose any details. However, upon his request, he had been informed by telephone of the amount by which the quota, designated for Japan, was to be increased at the expense of the American quota. Accordingly, Japan was to receive an additional 7000 tons and America only a total of 18 000 tons. Since he himself intended to fly to Vichy the next morning and had received no further instructions but the telegram mentioned, he would be able to present the same on the following day through Monsieur Couve de Murville.

Ambassador Dr. Hemmen regretted to have no knowledge of the contents of the note of the French Government, which would reveal its attitude. He could say now that the stipulated amount was considered completely unsatisfactory, not only, because it represented only a fraction of the quantity desired by Japan, but rather because it had been expressly intended, to prevent all and every export to America, for fear of thus increasing England's supply. This German argument was valid in case of a delivery of 18000 as well ^{as} 25000 tons.

Governor de Boisanger replied, that he was not in the position to change the teletype message without first consulting with his government, and if he did not fly to Vichy, he would not be able to make the necessary contact with his government. The note would probably only state that negotiations with America had already started with a concession of a certain tonnage of caoutchouc, and it would be difficult to come back to it.

To this Ambassador Dr. Hemmen remarked that the negotiations with America were a great surprise to him, especially since it was the German desire, if not to say demand, ^{which} had been expressed urgently and repeatedly, to be kept informed about any negotiations France might enter into with any third power concerning commercial policies. Instead, he had found out about these negotiation with the United States only through this last French note. He thought it necessary to lodge a protest, and would not consider seriously whatever had been negotiated so far with the Americans. If the agreements with America had so far been of private nature, then ensuing private obligations would have to be liquidated.

Since he himself was to depart again on the following evening, he wanted to settle this affair beforehand with Governor de Boisanger, because it was very important and had already been drawn out for eight days, although the Reich Foreign Minister had currently received reports on the development of things. He wanted at last to be able to make a final report. The departure of the plane for Vichy could readily be postponed until after the discussion about the French note. He wanted to use this opportunity to make a new proposal for the discussions at Vichy. It was urgent to get the rest of the Belgian gold of which so far 40 tons had been brought to Marseille, leaving about 20 tons, as quickly as possible from Kayès to Oran. So get this done he proposed the use of 2/3 of the planes for the transport from Kayès to Oran and the remaining third for the transport from Oran to Marseilles. The French request for replacement of the necessary fuel, which was to be anticipated would not offer any difficulties although considerable figures would have to be expected. That must, however, be taken as it is and he asked to accept his consent now.

Removal of
Belgian Gold

He furthermore wanted to raise two other points for which, however, a satisfactory settlement of the Caoutchouc affair would have been the basis.

Transport Costs of
the occupation army.

The first are the transport costs which have been carried out by the state railroad for the occupation army. Ever since the French note had been sent off a few months ago this matter was pending. He was now ready to send a note on the following day, in which he gives his consent that these costs had to be paid out of the account for occupation costs, i. e. no other payment should be demanded in addition to the costs of occupation.

Upon the remark of the Governor de Boisanger that the principle as such had never been questioned by the French, only one did not know where payments had to be made, Ambassador Dr. Hemmen replied that on the German side they had pondered for over three months whether the transport costs had to be paid via the account for occupation costs or outside of it. However, the proper place would very soon be found.

Exchange of French
shares against 4%
guilder Bonds of 1939

He had sought information about the state of negotiations in the subcommittee regarding the exchange of French shares in Rumanian Oil etc. against stocks of the Dutch portion of 4% bonds of 1939 and had heard that as yet no agreement had been reached regarding the price at which the guilder bonds should be taken over. Against the German demand of counting them at par, by using the currency parity of RM.1 equal to French Francs 20, there was an offer at 100% at the official French rate of exchange of the Guilder. Practically, one wants to agree on a certain lump sum, and, since this matter has to be finally settled, one should try, if it was possible, to agree on the basis of 90% according to German parity.

Governor de Boisanger explained that Mr. Couve de Murville personally has made the compromise proposal of 90%. He himself wants to advocate it at Vichy and try to bring about acceptance. In the meantime, Mr. Couve de Murville was preparing the technical side of it.

Ambassador Dr. Hemmen emphasized that, up to now, he had not given his consent to a rate of 90%. This had been his intention

in case of a satisfactory solution of the caoutchouc affair.

Norske Hydro. It was known to him, that the German side has recently become interested in another paper, Norske Hydro (Norvégienne de l'Azote), for which, however, a rather large amount, about RM 6 - 8 million is necessary. He asked now, whether the French side would be prepared to give its consent to the sale of those shares. In that case the German side had to try to acquire other French foreign securities, because the above mentioned amount for Norske Hydro had not been recorded in the first list of accounts, especially since the package of guilder bonds, which is now in Belgian possession, had not been taken over up to now on account of exaggerated Belgian demands (100% at the rate of 1 to 20!) He wanted to give the Belgians another chance by another combination. If they did not agree, he wanted to take measures so that they remained stuck with a paper which they would like to get rid of. Certainly, the French government would have no objections to that.

Exchange against 4% bonds of 1939 It was possible to get the 4% French bonds of 1939, which are still current for three months. However, he had to know whether the French government would accept them.

Governor de Boisanger declared that he was ready to submit this question to his government. However, he considered it useful before he started such a new business to complete the first transaction in itself.

Ambassador Dr. Hemmen agreed to that, since the negotiations had, up to now, only reference to such French bonds which were already in German possession.

Announcement of the agreement about colonial products to USA. After a telephone call from Mr. Couve de Murville Governor de Boisanger explained that he had received the order from his government to put the question to the German delegation, whether the agreements, made up to now, regarding the shipments of French colonial products

to Germany could be published during the negotiations with the United States regarding the shipments of wheat and maize. The Americans had misgivings since they thought that France furnishes much more of her products to Germany as was actually the case. By publishing these agreements it would be proven that Germany really had made much more moderate demands.

Ambassador Dr. Hemmen spoke against such a communication, because all that would be told to the Americans would, at any rate, come to the attention of the English. As soon as they heard these certain facts about the colonial agreements, they would stop all further shipments of colonial products to France. The Americans themselves are only interested in selling wheat and maize to France and he did not see why that should concern the German-French agreement about colonial products. Whatever Germany took over on French wheat had been replaced with rye, because the German soldier was not accustomed to wheatbread.

Much more rye was delivered to France than French wheat to Germany.

Governor de Boisanger, who did not know up to now about these return deliveries, emphasized that France had to feed the German occupation armies from her own supplies. As far as the negotiations with the United States are concerned, he could see nothing unpleasant in the publication of the agreements regarding colonial products, since the United States and England were informed about the facts as such, and would only assume that France is furnishing far more to Germany than is actually the case. The publication of the agreements could only appease the American concern. Indirectly Germany would also profit by it.

Ambassador Dr. Hemmen represents the view that we must not even speak of the agreements because the passage of French ships through the straits of Gibraltar, as long as it is a fact, can be assumed to be silently tolerated by the English. However, he cannot do it any longer, if the English expressly confirm the facts with reference to the signed treaties. As long as they let the ships pass as before, we are lucky and should make the most of it.

Governor de Boisanger emphasized that the negotiations with England were broken off, he did not want to refer to them anymore. On the other hand, he needed exact data for the negotiations with the United States. If France wanted to buy American wheat and corn and it is pointed out to him that on account of these American shipments it would become possible to increase the shipments of French colonial ^{products} from the occupied territory to Germany, he wished to be able to counter the Americans with exact figures showing that the shipments to Germany do not surpass a reasonable figure.

Ambassador Dr. Hemmen recommended not to give in to the Americans as nothing would be achieved by it anyway. He

predicted that neither one ship nor one dollar from the frozen assets, neither wheat nor corn would come to France. France had been trying, for four or five months, to obtain shipments of mineral oil and had not received anything yet.

American Mineral Oil for France

Governor de Boisanger stated that the United States was now ready to release the necessary amount of dollars, only, the tankers would have to be procured; As soon as the ships were loaded, the corresponding amount of dollars would be released.

Ambassador Dr. Hemmen explained that on the same day he had signed a note for the French delegation by which he consented that a tanker should go from the antilles to the American continent in order to load mineral oil. He did not believe that it would get through; but if it got lost the French government had to give the assurance that a tanker of equal size would be delivered to Germany. If in this way the English fleet of tankers were enlarged by 14000 tons, he demanded the same for Germany as a compensation. A government which on one hand took away the dollar assets of the French government, and on the other hand confiscated the French ships in its harbors, because they did not pay their fees, something they could only do if the French government furnished the necessary amounts of dollars, which it could not do on account of the attitude taken by the United States, such a government could not call itself neutral and was not sincere in its promises.

Only in order not to expose himself to reproach, did he declare himself ready to release the first ship. He wanted to release the other ships, if the United States stipulated an actual release of the French assets for the French expenses, for the purchase of mineral oil and for transportation and harbor fees. Then the American government could prove how serious its intentions were to help France. In reality, however, it wanted to assemble its own fleet of tankers and by taking

this road it expected to reach its goal faster than by building ships itself.

Governor de Boisanger emphasized that progress had been achieved in the negotiations and that the achievements should therefore be accepted. Now Germany demanded still more than she had demanded up to now in the negotiations with the United States. The Americans were not going to look kindly upon the French shipments to Germany, especially upon the orders for airplane and ship constructions which were also known.

Ambassador Dr. Hemmen proposed that Marshal Petain write to President Roosevelt and inform him that the Americans were mistaken: Germany was treating France better than anybody thought. France found so much understanding by Germany in the food question that she was better off if England and the United States showed the same understanding. Therefore he asked that President Roosevelt after receiving such assurances, should use his influence that American shipments of food for France could be carried out without further obstacles. Such a letter certainly would have more success than detailed statistics about the agreement on colonial products.

If these agreements were published, it would be greatly damaging to both parties. It was fully conceivable that the United States after conferring with England might declare: We are ready to furnish you with wheat and corn but only on the basis that you do not furnish any colonial products to Germany any longer. But he wanted to care for them as a victor toward the vanquished, totally different from the former Allies or from the Americans who strongly sympathized with France, and did not want to use the same measurements they used. Thereby it should not be forgotten that Germany was involved in a struggle for life and death and yet exercised all possible lenience toward the vanquished. He did not intend nor could he prevent that the occupation army ate every day and dominated wherever it was, because one must face the facts. But there was no doubt that Germany endeavored to give France a place in Europe. If a practical solution had not been found up to now, the reasons for this were different, but certainly did not exist in the economic field, where we endeavored to find a solution which would satisfy Germany and leave France a possibility of continuing her existence. In comparison to this, the English and Americans

were much more sober. It now was reported again that the English had raised four French ships, whereby during the last four weeks, England had acquired a total of 48000 tons of French tonnage.

Berlin reproached him for this, because he did not prevent such losses. But in the common endeavor to save the French tonnage he had first said that the experiment should be tried to let the English come aboard. On occasion of the first scuttling of a French ship he had raised objections against acting too fast. Today, due to the English attitude, he was forced to reverse himself.

Of course, Governor de Boisanger should endeavor to achieve something, he understood this ~~this~~ fully. He expected, therefore to receive detailed reasons for the 7000 ton offer to Japan.

End of the conference 2150.

Transcript of the conference of 11 March 1941, 17:00 o'clock.

Present:

Ambassador Dr. Hemmen

(Government official) ORR. Dr. Schoene

(Railroad director) Dir. b.d.Rb. Hartlieb

Dr. Jekel (interpreter)

Governor de Boisanger

M. Couve de Murville

M. van Troostenberghe (interpreter)

1. Indo-chinese rubber.

Governor de Boisanger stated that he had discussed the German demand in Vichy. A reply could only be expected if the result of the talks with Tokio was available.

Ambassador Dr. Hemmen replied that in the meantime he had received new requests from the Reichsminister of Foreign Affairs, that he himself had taken further steps with the French delegation, and that from the French note he was already familiar with the answer just given. The communication that the French government was awaiting the reply ^{of} the Japanese government and that the export of indo-chinese rubber to the United States had been stopped to safeguard the supply of foodstuff to Indo-China, could not be considered satisfactory by the Germans. Therefore, he had asked to communicate to the French government the German misgivings with regard to supplying the United States and indirectly England with 18000 or 25000 tons of rubber. He stressed that the French government should immediately give its consent to sell nothing to the United States, but to offer to Japan the quantities to be released. He asked once more to point out to the French government the seriousness of the matter. He was forced to let the Reichsminister of Foreign Affairs know on the same day that he had not received an answer.

2. Agreement on aluminum.

Governor de Boisanger stated that he telephoned several times to Vichy regarding the aluminum agreement, without receiving an answer. Mr. Raty could not be at Wiesbaden before the day after to-morrow, since he had first to get instructions in Paris and Vichy.

Ambassador Dr. Hemmen reported that he had ordered the gentlemen from the firm of Junkers to Wiesbaden for the following day, and that in the meantime Dir. Raty had had an opportunity to discuss the various questions. Therefore, he would be able to telephone the decisions to Wiesbaden, in case he could not personally attend the conference.

The German delegation did not wish to see any further delay, but only a yes or a no. He had the impression that the negotiations were being systematically retarded by the French in every respect. For weeks they knew that Germany lost one month and one half of aluminum shipments because the shipment originally due on 31 January according to the old agreement, were scheduled only on 15 March. It should have been possible to negotiate a new agreement by that time.

He himself had no great desire to see Mr. Raty again, since he knew that Mr. Raty did not expedite the work of the delegation. For this reason he had asked once before to have him replaced several months ago. At any rate he wanted to call a meeting regarding the aluminum agreement for the following afternoon. This applied also for the shipments of alumina and for the bauxite agreement.

Governor de Boisanger promised to fly to Paris next morning in order to transmit the instructions by phone from there for the afternoon meeting.

3. France's negotiations of trade treaties with third countries.

Ambassador Dr. Hemmen confirmed the reception of the French note containing the questions relating to his proposal

to negotiate France's trade agreements with third countries at Wiesbaden or near it, only in the interest of better relation with the German delegation. To that he had to reply that the German delegation had no intention to participate in the negotiations, that the possibility would be given to negotiate personally and to operate a communication system, that other hotels would be made available as the French delegation seemed to stress that point, that no difficulty would arise for the French representatives in crossing the demarcation line, and finally that the required couriers would be allowed to function. Regarding the telephone connections, certain reservation had to be made by the German side. What kind they would consist in the armistice commission would let the French delegation know. Generally speaking the telephone service with foreign countries were so regulated that only certain lines could be used. Some telephone apparatus would certainly be available for such sessions. At last he could also give the assurance that the French delegation would have the possibility to receive their partners without witnesses.

4. Airplane construction program

He wanted to clear up the question of financing the German airplane construction program in so far as the beginning of the work made it necessary, and he asked therefore about the French wishes in this matter.

Mr. Couve de Murville remarked that the German Luftwaffe officials had on the occasion of some smaller orders already informed the French industrialists about certain conditions of payment, especially about the terms (Staffelung) of payment. Accordingly, 30% of the amount of the invoice were to be paid after procuring the supplies, 30% after finishing the most important parts, 20% after finishing and 20% after delivery. A model for this were the orders of the French state during the war. The difficulty lay in the question of financing the purchase of raw materials as well as the wages at the beginning. This system was not sufficient for this, since it did not provide for a down payment at the time the orders were given. But for buying the raw materials and for the first wage payments it was necessary to have cash since the plants had been idle for over one year and now had to start from scratch. Since both points of views were not too far apart, he believed that it would be easy to reach an agreement, if for instance the German government gave the French firms a guarantee, or in another form secured a down payment at the time the orders were given.

Ambassador Dr. Hemmen confirmed that absolutely this question had to be solved before beginning the work, in order to get it started at all, while other questions, like the one about about responsibility for war damages etc. did not have to be regulated in advance, since it would not delay the beginning of production.

ORR. Dr. Schöne suggested that with the large orders to be distributed by Germany, it should become possible to bridge over from one series to the next by using interim bank credit.

Governor de Boisanger called attention to the fact that the main difficulty existed in starting a production. The basic consent of the French government to take over the German orders did not mean a financial guarantee for the banks, which therefore were going to be careful in granting credits. The crux of the

problem was to get the companies going again part of whom due to long inactivity were not in too good a condition. It was not easy to state the total amount required, since not all orders would be started at the same time. The French side had figured a down payment of 25% at the time the order is given, not for the total German orders for 3000 machines, but for each series laid out in a certain plant.

Governor de Boisanger further suggested that no special amounts should be earmarked for new investments, since the German orders were calculated on the base of the present French capacity. It could only be the question of constructing a new hangar or the normal amortisation of the plant, which were included in the purchase price, anyhow. In case the German Government had the desire that larger amounts should be invested for the expansion of the French plants an entirely new situation would be created.

Ambassador Dr. Hemmen stated that the French demand to obtain an initial credit in form of a down payment with order was perfectly in order. He was convinced that the French banks later on would not want to miss the business and would be willing to set this initial credit to their own bank credit.

He was also of the opinion that on account of the German orders no large amounts should be reserved for new investments. If the French government approached the German Government with such requests the question of ownership of the factories would have to be raised again.

Governor de Boisanger proposed to conclude a skeleton agreement regarding the terms of payment for the orders for the different factories which would be channelled through the Organization Committee (Comité d'organisation) to the factories so that they were enabled to conform to this.

The acceptance of orders for the account of Germany which was at war with England would involve a war risk, higher than the normal risk covered by general overhead, involving the danger not only of material losses but also of the obligation

of paying pensions to the dependents of **killed** workers. It would be impossible for France to accept the terms of the German draft which imposed the war risk on the factories themselves. He did not believe either that the factories could cover insurance with any French company. The solution proposed by him would be that either a premium was added to the down payment or that the German Government assumed the war risk.

Ambassador Dr. Hemmen admitted that the orders for French factories created a situation different from that for German companies which had to take the consequences of the war in account. In order to find a solution in cooperation with the air ministry he must know the French viewpoint. He wanted to find a solution satisfactory to both parties. The beginning of work however needed not depend upon this as the English fliers would not immediately start bombing the French air plane factories. He asked for written proposals.

Governor de Boisanger assented to ~~that~~. Since it was not possible to insure the French factories with German companies he thought it best to add the actual losses including the possible pensions for dependents.

Ambassador Dr. Hemmen suggested to extend this arrangement later on to all other French enterprises which worked for Germany; explosives factories, shipyards etc. as far as they were especially imperiled. In Germany the problem of air raid damages was regulated by an insurance guaranteed by the state. Governor de Boisanger reported about the status of the entire matter that the detailed memorandum promised by General Foerster would be thoroughly examined by the council of ministers and by the armistice council as soon as it arrived. Before this his government could not render any decision. Ambassador Dr. Hemmen was of the opinion that the examination of such a long memorandum which also could not be drafted in one day, would possibly take many weeks. He therefore preferred to take each individual point out of the entire complex and settle it separately, the same as the demands for control on the day before and the financing at this moment. He requested an earliest possible submission of the promised memorandum to which he then would attend in the same quick way. The matter of raw materials would also be settled until 15 March.

4. Transfer of the Belgian gold from Kayès to Oran.

Governor de Boisanger reported that he sent a new telegram to Vichy to hasten the reply to his inquiry. To his knowledge a group of transport planes was being employed. The principle of the transfer was not questioned, the discussion concerned only the practical execution which was in the hands of the Secretary for Air Transportation. He had sent a telegram concerning this case to General Huntziger and asked General de Jeffrier to urgently request General Bergeret to expedite the matter. The principal difficulty was the supply of gasoline at Kayés because the range of the French airplanes was not long enough to be able to take enough gasoline for the two way trip.

Ambassador Dr. Hemmen pointed out that enough gasoline was available in Dakar and also in Oran and Algier. The French government had time enough to prepare the transport in its technical details but the misgivings always arose only in the last moment. If he found a further delay he would issue orders so that the representatives of the German air force who were to replace the Italian Control Commission in Morocco take this matter in hand.

He had already proposed, to use 2/3 of the planes for the transport from Kayès to Oran and could see no reason why a cruiser could not also be used for a transport of 100 tons, even at the risk of having it destroyed by the English. He considered it of greatest importance to have the gold arrive without interruptions. The German gentlemen were to remain in Marseilles until all the gold had arrived. If it could not be done otherwise, he would send the German Mission from Casablanca to Dakar. The planes released for the transport would be recalled immediately if they should fail to find their way to Kayès. In case of emergency, Germany was determined, to use her own machines in order to prevent any further delays.

For a long time he was already under the impression, that France did not want to fulfil the contract she had signed, in any case not to the extent which exceeded the first rate of 60 tons. He was not saying this for pleasure or from displeasure, but to warn the French side. He went on the assumption that they would now take all measures in order to assure the regular transportation of the gold, and urgently requested that a reply be given on the following day. He stressed once more that he would no longer be satisfied with verbal assurances. All these still open questions could no longer be put off. He called attention to the critical situation and asked that the French Government take care of it very promptly so as not to force him to consider such means as would bring a forced fulfilment of the German demands. The encounter of French air-transport with British military planes over the Mediterranean had been entirely accidental and had caused no losses so that this was no reason to postpone further transports which, however, could just as

well be made by ship. He agreed to having the 15 to 17 tons stored at Oran or Algier, transported to Marsailles first. But in the meantime all preparations were to be made for transporting the remaining quantities from Kayès.

End of conference: 18:00 o'clock.

Memorandum of the conference of 4 March 1941, 11.00 o'clock.

Present:

Ambassador Dr. Hemmen

Oberregierungsrat Dr. Schoene
Dr. Jekel (Interpreter)

M. Couve Murville.

Indochina-Caoutchouc. Ambassador Dr. Hemmen explained that after an ex-

haustive examination of the reason given for the attitude of the French Government in the caoutchouc affair he had to ask a few more questions. First of all, why were the 7000 tons, offered to Japan, not expressly mentioned in the telegram.

Mr. Couve de Murville replied that the figure as such had been mentioned in another coded telegram.

Ambassador Dr. Hemmen stated further that he could not possibly submit the French argument to his Foreign Minister, as only the Indo-Chinese Export figures of 1938 were indicated but not the decisive figures of 1939 and 1940.

To the remark of Mr. Couve de Murville that the figures of 1938 have been chosen as the last peace time year because the export to America in the two following years had been extraordinarily increased through the stockpiling there, Ambassador Dr. Hemmen replied that this was a strong argument in his favor, because it was hereby admitted that the Americans had already received great stocks of Indochinese caoutchouc. He could not transmit the French reply in this form and there was only one thing left to do for him, namely to ask Mr. Couve de Murville to listen once more to the German arguments in all clearness so that he could transmit them to Governor de Boisanger for his conferences in Vichy.

The German misgivings against the export of Indo-Chinese caoutchouc to the United States were based on the fear that the Americans might supply England. As America was assisting England with all her economic power, it had to be expected that of everything that was permitted to go to America of such a war-important product as caoutchouc

England will benefit directly or indirectly. This argument applies to 25000 tons as well as to 18 000 tons and also to 13 000 tons in case the French Government should decide to free 12 000 tons for Japan. This alone was reason enough to consider the French offer unsatisfactory to make 7 000 tons available to Japan.

In this connection he also wished to remind of his conferences last fall with Finance Minister Bouthilier, the representative of the Colonial Ministry, Mr. Devinat and Vicepresident Laval. At that time the last crop of Indo-Chinese caoutchouc was also discussed and it was said that part of it would be sold to Russia in order to barter it for Russian mineral oil. He had replied to that, that this could not be done because Germany wanted the caoutchouc and wanted to give Rumanian mineral oil for it. When Mr. Devinat said that the Americans had already purchased part of the caoutchouc and paid 6 months in advance Finance Minister Bouthilier had declared that their money would have to be returned to the Americans in order to void the agreements already concluded. Although it was agreed that the surplus of the 1940 crop should go to Germany, a short time later, at the conference in Wiesbaden, it was announced that nothing was left of the 1940 crop. No notice was taken of the expressly stated German wish, the advance payments were not returned to the Americans, instead the orders were fully completed. Therefore, it is certain that America has received large quantities of Indo-Chinese caoutchouc in 1940.

It was with reference to this that he now gave utterance to the demand of the Reich Foreign Minister to put the entire quota earmarked for America at the disposal of Japan. He had so far not referred to those conferences because he thought there would be a possibility for an understanding.

A further argument was the already cited fact that America in 1940 had purchased far more Indo-Chinese caoutchouc than in normal times, hence she had to go without in 1941.

He also mentioned the blocking of the Indo-Chinese Dollar accounts in America. To this the Foreign Minister would surely say that France had every reason to do nothing for the benefit of America, because the blocking was an example of the pressure which America wanted to exert on France after France had forbidden the export of caoutchouc only in order to establish an export organisation and to control more strictly the export of caoutchouc. If the United States blocked the accounts of countries like Belgium, Holland, Denmark and Norway, they did this because of the consideration that Germany could force these countries to cede the disposition of these accounts. Indo-China, however, was not in a state of dependency to Germany.

Mr. Couve de Murville replied to this that Indo-China was dependent upon France and that the release of the accounts in America could be obtained fairly easily if proof were submitted that the assets were to be used for the purposes of Indo-China.

However, very few dollar accounts were available which would be insufficient for the support of Indochina.

Ambassador Dr. Hemmen stated here, that in this case the French argument ceased to be valid, while a strict freezing of the accounts would rather increase the German sentiment and demand. He therefore repeated his proposal of the previous evening to put the gold from the deposits on Martinique, at the disposal of Indochina in order to carry out the indispensable purchases in America which certainly would still be accepted by the United States.

Mr. Couve de Murville pointed out that it would be still simpler to release the dollar-accounts of the mother country to cover the needs of Indochina. It was to be found out whether the Americans would be willing to do that or to accept the gold. Practically, Indochina was in a position to dispose of the dollar assets from the current export transactions because in this case America would not make any difficulties.

Ambassador Dr. Hemmen urgently recommended to present these thoughts and arguments once more to Governor de Boisanger by telephone and at the same time emphasize the great political importance of this matter due to which he had been forced to re-open the agreement, dealt with and concluded on a clearly economical basis. Otherwise he feared that Governor de Boisanger would come back with an offer of 12,000 tons for Japan to which he would be forced to remonstrate again, because Mr. von Ribbentrop would not be satisfied with any other solution but the complete discontinuance of caoutchouc shipments to America.

He already gave to understand that the question of payments would then be considered secondary. It would then be a concern of the French to make appropriater proposals.

Mr. Couve de Murville promised to contact Governor de Boisanger by telephone immediately after arrival of the

airplane in Vichy. Due to the German demand this matter was naturally not made easier; especially with regard to the United States the position of the French would be a difficult one after engagements had already been entered into. He also feared repercussions as to the negotiations about deliveries of wheat and corn. The United States had adopted the same political point of view, only with an application opposite to that of Germany. Therefore the situation as such was very clear and simple. The only thing left would be to wait for the result of the conference in Vichy.

End of the conference 11:30 o'clock

Transcript of the conference of 3 March 1941, 2300 hours.

Present:

Ambassador Dr. Hemmen

ORR. Dr. Schoene

Dr. Jeckel (Interpreter)

Governor de Boisanger

Professor Roberts (Interpreter)

Presentation of the instructions
of the French Government

Governor de Boisanger presented ^{the} arguments in support of his government to reserve for the Japanese needs from the quota of 25,000 tons additional 7,000 tons designated for "other countries". He emphasized that the instructions which he had received were the product of a meeting of the armistice council, and therefore asked to consider the significance which the French government, like the German, attributed to this matter. All ministries concerned had cooperated in formulating the teletype. (Text of the arguments enclosed with this transcript!).

Ambassador Dr. Hemmen replied that in this telegram the same arguments were used which Governor de Boisanger used himself and with which the German government and especially the Reichs Foreign Minister was quite familiar; the main argument was the necessity of supplying Indo-China with merchandise from the United States.

Governor de Boisanger added that the release of the Indo-Chinese funds was of no lesser importance. Without it Indo-China was not in a position to cover her needs from third countries, therefore could not secure her provisions. It went without saying that without release of the funds no rubber would be furnished, because both questions were tied together as far as the French government was concerned.

Ambassador Dr. Hemmen proposed to put gold from the stocks at Martinique at the disposal of the colony for its purchases from third countries.

Governor de Boisanger doubted whether the Americans would accept the gold. However, he wanted to submit the question to his government, and he also asked to submit to the German government the arguments mentioned in the telegram.

Ambassador Dr. Hemmen expressed his fear that the answer would not be considered satisfactory. Therefore, he could only ask that Governor de Boisanger

to point out to Vichy with the greatest emphasis, the importance placed upon complete settlement of the matter by Mr. von Ribbentrop. It was not only an affair of the Foreign Office but as he had stressed already several times, through the discussion between the Reich-Minister of Foreign Affairs and the new Japanese^{sg} ambassador it had been brought up to a higher political level.

Governor de Boisanger emphasized, that the question of providing for Indo-China was a very serious matter, since the colony was not able to produce the necessary food, and it would mean death by starvation, to sell the caoutchouc to Japan instead of to America, because Japan could not give the goods needed in exchange.

Ambassador Dr. Hemmen reminded of his proposition again to put French gold from the Antilles at the disposal of the colony, and also that already when the agreement was signed, it had been considered, that part of the caoutchouc was to be reserved for export to such countries, whose products were essential to Indo-China. But to this very point the Minister of Foreign affairs had objected, and had given special instructions, to revise the existing agreement to the effect that the 25,000 tons intended for export to "other countries" should ~~should~~ be delivered to Japan also, in order to fulfil their wishes and allay the fears that the caoutchouc from Indo-China would by way of America after all land in England.

Governor de Boisanger remarked that this would be extremely difficult for the French government. Since the same demands were made simultaneously by the German government and the Japanese government he presumed that the latter had received the same reply. Before taking further steps it was therefore necessary for the Reich-government and the Japanese government to contact each other.

Ambassador Dr. Hemmen declared once more that he had nothing to add to his statements. He was going to report that

the Japanese government had been informed to a similar effect, but he did not want to accept this answer as final, he was rather hoping and expecting that Governor de Boisanger would succeed in convincing his government of the necessity to comply with the wishes of the Reich Foreign Minister. In the meantime he expressed his appreciation for having had the opportunity to give a temporary answer the same evening still, and that he expected a further more satisfactory reply.

End of conference: 23.20 o'clock.

TRANSLATION

(Teletype-message to Governor de Boisanger, 3 March 1941)

.....It is advisable to point out to the German delegation the large sacrifices which Indo-China will have to make in favor of Japan. While actually the Japanese import of Indo-Chinese caoutchouc in 1938 did not exceed 1198 tons, it will now be considerably higher, whereas the import of the United States from Indo-China, which in 1938 amounted to 20.938 tons, will now - due to the new concessions on the part of the French government - be considerably reduced. The export of caoutchouc from Indo China to the United States in 1938 amounted to 233 millions out of a total of 249 million Francs, or more than 90% of the total exports to this market. In return Indo-China received from the United States essential raw-materials and finished products such as mineral oil and its derivatives amounting to 97 million Francs in 1938, raw cotton for 46 million Francs in 1938, miscellaneous products, automobiles, metals etc. (for 28 million Francs). The credit-balance in dollars, in favor of Indo-China after paying for the above named imports (amount of this balance in 1938: 75 million Francs) was used by the Bank of Indo-China on third markets with free currency-exchange (Hongkong, Dutch Indies, Great Britain, Finance establishments of the Straits, British-India, Netherlands etc.) to pay for additional essential import-goods, which, since the armistice, the colony has no longer been able to secure on the last named markets. And exactly now, at a time when Indo-China is more than ever in need of the American market, because the third markets were closed, the demand is made upon the French Government, to limit to a large extent the export of this colony to America. Moreover, Indo-China's possibilities to buy on this market were foreclosed through measures of the Federal Government to freeze the dollar accounts of the colony because of the export prohibition of caoutchouc from Indo-China. In order to avoid being tied off all together, it is absolutely necessary to see to it that the blocking of Indo-Chinese accounts for use in the American market be removed

as soon as possible. The French government has only one means of accomplishing this, and that is a trade agreement with the Federal government, regarding which negotiations have recently been stated. Under these circumstances the French government requests you to ask the German government to consider the new sacrifice made by Indo China regarding caoutchouc and to use its influence upon the Japanese government so that it will be possible for Indo-China after the conclusion of negotiations in Tokyo to continue its exchange of absolutely essential products with the United States. At present the Japanese market is certainly not in a position to re-place the United States as a resource to Indo-China. Consequently even if Japan should agree to pay in dollars for certain purchases from Indo-China, as would be the case with the additional caoutchouc contingent, the cessation or a considerable limitation of the Indo-Chinese caoutchouc export to the United States would be a great obstacle to the release of Indo-Chinese assets in the United States. On the other hand, dollars paid by other countries than the United States can only be used on third markets, but not in the United States. These markets, from a practical standpoint, are those of South America. Even if the motherland and some of our colonies are naturally interested in the existance of such dollar-reserves in South-America, they would be of no use to Indo China, since South America is in no way in a position to replace the United States as resource for this colony.

Minutes of the conference, held on 13 March 1941, 17:00 o'clock

Present:

Ambassador Dr. Hemmen
Dr. Jekel (Interpreter)

Governor de Boisanger.

1. Indochinese Caoutchouc.

Governor de Boisanger stated that he had forwarded the German note, with an accompanying letter, to Vichy, where it left a strong impression through the emphasis of the serious, political side of the matter. Therefore a conference of the competent ministries would take place on 14 March, the result of which would be approved by the whole cabinet and which was promised him to be sent to Wiesbaden by teletype the same day. Thus he would be in a position to give an answer by the evening of the next day.

2. Removal of the Belgian gold from Kayès.

Concerning the removal of the Belgian gold he had no information as yet therefore would remind them again. Although the ministry of finance was responsible they could do nothing without the Luftwaffe who considered itself a transportation agent only and, up to now was in no particular hurry arranging the program. The ministry of finance therefore must bring pressure to bear upon the Luftwaffe in order to attain an acceleration.

Ambassador Dr. Hemmen reminded that according to French promises in January, 60 tons would be shipped to Marseilles within two to three weeks. As neither these nor the other 200 tons have been shipped although sufficient time was available he must assume mala fides: Although one knew the obligation quite well one waited, until from the German side one was reminded to keep it. He therefore requested to transmit his impression to General Huntziger, that in the question of transportation, settlement of which he had been promised, no serious efforts were being made, and that he appealed to him very strongly to use every opportunity in order to ship the rest of the gold.

3. Question of the cost of Occupation.

Although he himself had no reason to go into the question of the cost of occupation he would like to report that Ambassador Abetz had notified him of an action by Mr. Barnaud. On his official request for reducing the cost of occupation Ambassador Abetz had answered that the armistice delegation for economy would be the competent authority. To his knowledge Mr. Barnaud would not be the competent authority on this question either.

Governor de Boisanger rectified this interpretation in remarking that Mr. Barnaud had a somewhat different instruction. In the note from Admiral Darlan to Ambassador Abetz various questions were specified which need a clarification, among others the questions of the cost of occupation. He, Governor de Boisanger had stressed, that this one especially must be solved immediately. Admiral Darlan did not want to allow a discussion of this subject in view of its strong political note without Ambassador Abetz's consent. Therefore Mr. Barnaud was instructed to ask if Ambassador Abetz had objections against the taking-up of the discussion in Wiesbaden about the cost of occupation. His answer was that he had no objections but only demanded to be informed currently with regard to the action of the discussions. Thereupon he, Governor de Boisanger, would present a note.

3. French negotiations of commercial treaties with third countries.

He reported to Vichy about the German wishes with regard to current information about the conferences with third countries, especially as to the signing of commercial treaties and clearing treaties. He was also in the position to give an answer to the German objections to the ratio of the Finnish mark to the French franc, but had to speak first to Mr. Couve de Murville whom he had not seen since his return from Paris.

4. Building program of the Luftwaffe.

The German note concerning the control rights in French air-plane factories had been discussed at a meeting in Vichy the day before. He hoped to present the answer, which was being prepared, the following day.

5. Aluminum treaty.

Ambassador Dr. Hemmen pointed out that in a meeting the day before, he explained the German wishes clearly to Mr. Couve de Murville and that the next conference would take place the following day.

At the end he regretted that he still was not in a position to give a final answer to the Reich Foreign Minister in the matter of the Indochinese caoutchouc and the Belgian gold.

End of conference 17:10 o'clock.

Minutes of the Conference held on 20 March 1941 at 16:30

Present:

ORR Dr. Schoene

Dir. Hartlieb of the RB

Dr. Jekel (Interpreter)

Governor de Boisanger

Governor de Boisanger appeared immediately after his return from Vichy in order to give the following information:

1. Indochinese Caoutchouc.

The French Government was willing to cede 15,000 tons from the America-destined contingent to Japan, while the rest of 10,000 tons should go to the United States. In return France would like to have 5,000 tons for her own use out of the German-Japanese contingent.

The export of Indochinese caoutchouc amounted to 33,200 tons in 1939, the amount for 1940 is not known yet.

ORR Dr. Schoene replied, that the Reich Foreign Minister consented to the proposed distribution of the American contingent although only 8,000 tons were shipped to America up to now. As to the French wish, to receive 5,000 tons of the German-Japanese contingent, it would be better not to speak about it.

After the basic question regarding the distribution was solved, the earlier assurance in the matter of payments would be tackled immediately. After the situation had improved considerably due to the German concession, he asked Governor de Boisanger to influence his Government to renounce the 5,000 tons.

2. Costs of the Occupation.

ORR Dr. Schoene stated that the French note concerning the costs of the occupation could be discussed after the return of Ambassador Dr. Hemmen on 23 March. For clarification he asked for an explanation if the French Government on presenting the note intended to discontinue the payments in to the account of ^{the} cost of occupation which would have very unpleasant reaction.

Governor de Boisanger replied that the note did not threaten the discontinuance of the payments but only wanted to express that he had no doubt that on 23 March Ambassador Dr. Hemmen would approve of the discontinuance of the payments.

3. Removal of the Belgian gold.

As he did not have an opportunity to examine the incoming mail after his arrival, Mr. Couve de Murville would afterwards give information regarding the transportation program for the shipment of the Belgian gold from Cayes to Marseilles.

4. German rights of control over French airplane-factories.

Before his departure for Wiesbaden 8 days ago the French military delegation, due to a detailed answer from Vichy, prepared a note in which all questions connected with German orders for air weapons construction (Luftwaffenbauaufträgen) are dealt with. Therefore this note should at the same time be handed by General Doyen to General Vogl and by him personally to Ambassador Hemmen. He could say so much for the German rights of control that they would be accepted with some provisions tolerable for Germany.

End of conference 16:50

Schoene

/s/ Schoene

Minutes of the conference held on 15 March 1941 at 10:00.

Present:

Ambassador Dr. Hemmen

Dr. Jekel (Interpretar)

Governor de Boisanger

1. Cancellation of the "dérogation générale" for
Swiss merchandise in transit.

Ambassador Dr. Hemmen delivered a note concerning the cancellation of the "dérogation générale", permitted by the Germans up to now, for the transit of Swiss merchandise through France to Spain and Portugal. It had been confirmed that Swiss firms has misused this dérogation générale in order to make false declarations for military equipment destined for England. The precision-tool industry in the Swiss Jura produced fuzes, clockworks and other war-important instruments, 90% of which it delivered to England and 10% to France prior to the armistice. As Germany did not want to display her blueprints, this industry was not being used for German deliveries. As definite proof existed about the deceitful use of the transit through France, the French Government was asked to cancel the "dérogation général" favoring Switzerland. He hopes that the French Government would see the possibility to meet the German wish, all the more so as to prevent the control of the free import and export trade between Switzerland and France. He chose this way, although the demands of the German military were considerably stronger:

They demanded the creation of a German customs-belt along the Swiss border and also in the territory of unoccupied France. It was true, of course, that in August 1940 in Wiesbaden a solution had been brought about, that the "dérogation générale" should be employed in the present form, however

due to its confirmed abusive utilization, the French custom authorities should have the opportunity, to examine the merchandise for conformity with the customs-declaration which could not be done while the "dérogation générale" existed. For the time being it would be assumed that no intermediaries were being tolerated in France who would take over the forwarding business to England. He recognized the loyal position of the French customs-authorities which presented to the German delegation a list of 300 confiscated cases of merchandise of Swiss origin for which no certificates of transit were enclosed.

The Swiss customs officials had let the shipments pass and Switzerland must now take the consequences. At the same time steps would immediately be taken in Switzerland.

Governor de Boisanger agreed to present the note to his government.

2. German orders for air-weapons construction.

Upon his telephone inquiry he was informed in Vichy that the cabinet council had been in session the evening before. He did not know, whether they came to a decision in regard to the German control rights or if the discussion would be continued in the morning. He therefore asked Mr. Couve de Murville who left for Vichy in the morning to look into this matter.

3. Removal of the Belgian gold.

He also instructed Mr. Couve de Murville to look especially into the question of the removal of the Belgian gold as he was under the impression that in Vichy no one was in a particular hurry to find a settlement of this matter.

- 4. Extension of the aluminum-treaty.

It was his intention to busy himself personally in Vichy with the question of the extension of the aluminum-treaty, which the armistice council had been handling. In his place this was now being done by Mr. Raty to whom he clearly explained his opinion. He hoped, that his thoughts would be truthfully represented by Mr.

Raty in Vichy. He asked him to take the experts with him to the meeting on Tuesday and mentioned to him the attitude of Ambassador Dr. Hemmen to Mr. Dupin.

5. Aide-mémoire about the Indochinese Caoutchouc.

While the meeting was in progress Leg. Secr. Bérard presented the French aide-mémoire about the German demand for renunciation of deliveries to the United States which was acknowledged by Ambassador Dr. Hemmen. He thanked Governor de Boisanger for his efforts who personally did everything to meet the German wishes. He regretted that no better results were reached and promised transmittal of the note to the Reich Foreign Minister. After he himself had used all available means in his power the Reich Foreign Minister would employ the means at his disposal and as he assumed, entrust Ambassador Abetz with this affair.

Concluding Governor de Boisanger emphasized that he and the remaining members of his delegation did not have an easy position in Vichy; they continuously had to fight with the authorities there in order to receive satisfactory answers to the German wishes.

End of the conference 10:30 o'clock

Minutes of the conference held on 8 April 1941, 16:00 o'clock

Present:

Ambassador Dr. Hemmen
ORR. Dr. Schöne
Dr. Jekel (Interpreter)

Governor de Boisanger
Barnaud, Chief Delegate

Ambassador Dr. Hemmen thanked the Chief Delegate for the German-French Economic Relations, for his willingness to contribute by his presence at the summary re-capitulation of the as yet unsolved problems to their speedy settlement. He was asked by the German Government to report about the state of affairs of the delegation and therefore wished to bring to a conclusion as many of the still open questions as possible.

1. Appointment of Dr. Neumann as representative of the delegation in Saigon.
Governor de Boisanger disclosed that according to a telegram of his government the German proposal was declined and that the reason for it would be submitted in writing. Ambassador Dr. Hemmen replied that this refusal was not in accord with the previous agreement on the occasion of the re-starting of French shipping. In November 1940 when the question of retaining the French colonies was very critical and after the additional consent of the French Government to the German proposal he had desisted from establishing observers at important points of the French colonies to report about ship movements, but he had reserved his right in this matter. Up to now he had not raised the general question again because the French had said that in all individual cases the requested consent would be given. Thus, the setting up of Mr. Klaube in Dakar had been granted but Mr. Klaube, although already en route did not depart yet, in consideration of the difficulties of Governor Boisson.

He had supported the French proposal because he was of the opinion that only very few such observers were involved. But if he had to forward a refusal to Berlin, he was afraid that the whole and fundamental question would again be raised.

Except for Saigon which had already been thought about for a long time, he never heard of any further going intentions in Berlin.

Just as Embassy Counsel (Gesandtschaftsrat) Auer in Casablanca, Dr. Neumann, as a representative of the armistice-delegation for economy, would confine himself to the same work as that (of the delegation) and would take along only one secretary for his assistance. From time to time he would have to submit a general report about the situation. Germany some time ago generously permitted shipping between Indochina and the neighbouring countries even with British-India, in consideration of the necessities of life of the French colony in return of which he could expect, that the French would treat the German request just as generously.

Chief Delegate Barnaud explained that he would wait for the reasons, given for the refusal and at the end of the week, during his presence in Vichy, point out to his government the German interest in the appointment of Dr. Neumann.

2. Removal of the Belgian gold.

Governor de Boisanger stated that Mr. Allier, on 6 April, sent a note to the department Armament of the WAKO with regard to the shipments of mineral-oil, pointing out the German wish of settling the matter as soon as possible; however no answer had been received as yet.

Ambassador Dr. Hemmen remarked that he was satisfied with the proposed French alternative and that he had asked Colonel Huenermann personally for an opinion of the department of Armament in this matter. He was now asking for confirmation that the shipments of gold had really started.

Governor de Boisanger consented to a telephone inquiry in Vichy.

3. Status of German nationals in Morocco.

Ambassador Dr. Hemmen reminded of the German note referring to the status of German Nationals in Morocco, which on the basis of the treaty of Versailles, discriminated against them opposite nationals of third countries. Such a condition did not correspond to the present situation. The French answer to this was unsatisfactory.

The changed conditions did not warrant putting aside in the same way the matter formerly considered not very important. Germany wished, - the same as the Governor General of Morocco who voiced this wish repeatedly, - an

expansion of trade between both countries. German firms therefore, who were to undertake this job must have a guarantee that they would not be in a worse position than that of the nationals of other countries. Although this was a clearly economic matter it had a strong political accent.

Governor de Boisanger mentioned, as his personal opinion, that the French Foreign Ministry was of the opinion that the treatment of Germans in Morocco was based on the old peace-treaties and must be settled anew in the coming peace-treaty. In the meantime the German nationals in Morocco would be treated de facto on the same basis as the nationals of third countries. He deemed it favorable if a corresponding written confirmation would be given by the Ministry.

For a discussion about this visit of Mr. Delenda, Subdirector (Sous-directeur) for the department of economy of the Foreign Ministry, has been provided.

Ambassador Dr. Hemmen replied he preferred first to receive Mr. Arnal, director of economics department even though he knew that Mr. Delenda was his right hand. He feared to obtain a refusal from the German authorities if entry-permits for several gentlemen were applied for all at once.

Governor de Boisanger consented to the telephone transmission of this to his government.

4. Agreement between IG. Farben Industry and S.A. Kuhlmann.

Chief Delegate Barnaud stated that, on the occasion of the meeting of both industrial groups, he gave the written approval of his government to the already signed protocol in the presence of the representative of the military commander in France and various representatives of French ministries.

Ambassador Dr. Hemmen pointed out that the matter, upon a French request of 5 August 1940, had been dealt with in Wiesbaden where he also received the oral approval of the French government through Governor de Boisanger. Just as Ambassador Abetz dealt with the political questions between Germany and France so was he the only deputy of the Reich-government for all German-French economical questions.

Even though it often seemed desirable to get in touch with the military commander on those questions, because the French factories mostly were located in occupied territory, it must be understood that the French Government ^{should} deal with the authorized representative, in other words with him, should they wish to close an agreement of any nature between the German and the French economy.

He himself had no knowledge of the above mentioned Farben-Protokoll, therefore, did not know if it contained any deviations from the original treaty to which he, as had been said before, had the oral consent of the French government. He, on his part, was prepared to give the German consent in writing as soon as the written French confirmation was in his hands.

Chief delegate Barnaud declared that he was willing to direct the written confirmation which had first been sent by him to the address of the military commander, to the economic delegation, together with the protocol. Thus both delegations could express the consent of their governments by an exchange of letters.

5.-Exchange rate between franc and Finnmark.

Ambassador Dr. Hemmen reminded of his statement that, under certain conditions he would be prepared to initiate negotiations on a reduction of the cost of occupation but that the exchange, rate of 1 : 20 was not to be brought up in this connection. Therefore, the question was if France would prefer to drop the agreement with Finnland on the shipment of cellulose, etc. or would like to adjust its currency in general and officially to the rate of 1 : 20.

Governor de Boisanger replied that his government preferred not to bring up the question of the adjustment of the French currency now and would prefer to forego the trade agreement with Finnland even though unpleasant results should follow for the economic relations with other countries with whom clearing agreements were planned for instance Sweden. Although all agreed on the principle of general adjustment of all European currencies one did not so on the rate at which the French franc was to be fitted into the European currency system.

Ambassador Dr. Hemmen pointed out that without such French adaptation Germany would not only not assist French trade with third countries but would do everything to prevent it in order to carry out, as soon as possible, the determined policy of the unification

of the currency system in Europe.

n 6.- Suspension of liberty of transit through France in favor of Switzerland.

Ambassador Dr. Hemmen once more gave as the reason for the German request for the suspension of liberty of transit the repeatedly observed exports of war materials from Switzerland to hostile foreign countries in transit through France. Such export should be made impossible through the possibility for the French customs to determine if the goods coincided with the customs declaration. Switzerland frequently admitted goods for export without a permit (Geleitschein) because she could ^{not} decide to check into the existence of permits in regard to exports in order to protect herself against the reproach from the English that she was no longer neutral. On the other hand, the Swiss firms could not refuse to supply a permit if it is requested for transit through France.

Gouverneur de Boisanger replied that the French answer was ready. His government suggested extention of permit requirements because this would be the only guarantee for Germany that only such goods were exported for which a German permit existed. His government feared that suspension of the liberty of transit would result in a delay of transit - trade also through Switzerland in favor of France. But because his government did not want to encourage deception by circumventing the transit prohibition for war materials, etc., he agreed to a discussion between the experts (RR. Dr. Eichhorn with the Messrs. Roux and Drillien).

Ambassador Dr. Hemmen also emphasized that the German request was made before train traffic between Geneva and Bellegarde was discontinued. He could not promise that that traffic would be resumed after a satisfactory settlement of the matter.

7/- Enforcement of the export prohibition lists in the colonies, etc.

In regard to this matter pending for six months Governor de Boisanger pointed out the difficulties of communicating with the colonies, protectorates and the mandate territories. After the already submitted text of the announcement in Morocco he now could submit those from Tunis. For other territories he had already reported that the enforcement had taken place.

8.- Transit prohibition through Syria in favor of enemy countries.

Mr. Couve de Murville will deal with this question.

9.- Polish gold.

Ambassador Dr. Hemmen acknowledged receipt of the 12 page French note which at present was still under examination. It would be answered later. He asked for a written confirmation of the originally oral promise that no payments would be made to the Polish refugee government.

According to German opinion the gold was not safe in Cayès. The given promise would only be taken serious on the German side when the Polish gold would be placed in the present location of the Bank of France, i.e., in Clermont-Ferrand.

Governor de Boisanger confirmed once more that no payments were to be made to the former Polish government and that he agreed to the shipment of the gold to the unoccupied territory (Marseilles or Clermont-Ferrand). Because this was a ticklish question it was at present still examined how the Bank of France could protect itself in case of eventual future claims and reimbursement demands. The shipments were to follow those of the Belgian gold.

10.- Airplane construction program.

Ambassador Dr. Hemmen suggested that the point still open, be clarified as soon as possible in the sub committee particularly

the question of the German raw material shipments, since the financing should not present any difficulties. On the other hand, no agreement on the war risk had yet been reached and in the meantime it had been arranged that the French were also informed of the additional decrees contained in the already submitted German laws concerning war damage. Of course, it must be firmly established that the French manufacturer who suffered bombing damage received the necessary money for re-building the plant and for the purchase of raw material and that the indemnity claims of the individuals in question were covered. He assumed that there was agreement on the matter in principle.

In the meantime the French proposals for the control of the plants were under examination. But he was chiefly interested in seeing work started soon because he knew that preparations were already under way. In his opinion everything was going along well.

Governor de Boisanger agreed to a discussion of the raw material question in a meeting with Dir. Raty and Chief Eng. Daum as the French experts, on the following day.

11.- Aluminum.

To Ambassador Dr. Hemmen's request to accelerate settlement of the matter as far as possible, in view of the special importance attached to it by Reich Marshal Goering and because otherwise the Fuehrer would have to be informed, Chief Delegate Barnaud replied that he did not understand the urgency with which the fulfilment of the German wish was requested.

The difference of 600 tons a month could not be as important to Germany as it was to France in her present situation of want. In the many discussions of the matter within the cabinet this point in particular was emphasized.

The misunderstanding in regard to figures, especially those of the distributor, he explained with the necessarily overhasty building of French planned economy in which connection the distributor often had to start his work from one day to another and, therefore, was not able to collaborate well with industry and government from the beginning.

Together with the Minister of Production he had repeatedly examined the German wishes and he confirmed the sincerity of the offer to put at the disposal of Germany all those amounts of aluminum not needed for the indispensable requirements of French industry or for export purposes since France had almost no more goods left to be exported in order to import vital goods, food, etc.

Ambassador Dr. Hemmen first remarked that only a minor decrease of the amount marked for export would be necessary in order to secure 3,100 tons for Germany. He would have to do his utmost to achieve this, which would also be a good introduction to (future) collaboration in Paris. Otherwise, one would run the risk that aluminum would be declared an implement of war which would also give to the German control commissions in the unoccupied territory the right to check supplies at hand, etc. In order to avoid this, he had proposed to send Dir. Jungels to Avignon in order to come to an understanding on aluminum shipments on a business basis with the directors of the Pechiney group there and to supervise the execution of it. Should the French government agree to approve the contracts in the planned form, he hoped, that through a future increase of the amounts, after increase of production, an agreement between both industries would be achieved making further supervision of its execution superfluous.

Chief delegate Barnaud opposed a commissioning of Dir. Jungels with an inquisitional control of the plants in unoccupied territory.

He believed, that he could say that his government agreed to grant permit of entry to him for conferences with the directors of Aluminum Francais and the Pechiney group on production possibilities, increase of production and shipment. As far as he could see there was agreement on all points of the contract with the exception of the amount and, second, the beginning of the shipments (1 March or 1 April). His government attached the utmost importance to keeping as much as possible of the home production of aluminum because the plants were located in unoccupied territory and represented the most important, still free industry there, while the occupation army controlled most other French industries including iron and steel production. His government did not want to create reserves in order to ship them to, God knows where but only wanted to keep French economy alive. Because it was hoped that it would be possible to increase production considerably^{up} to the end of the year it was intended to make larger monthly deliveries to Germany at that time.

Ambassador Dr. Hemmen insisted on the German demand for a monthly shipment of 3.100 tons of aluminum and 2.000 tons of alumina, beginning 1 March. In addition, 10.000 tons of alumina from residue (Tr. note: or: outstanding shipments or reserves. "Rueckstaenden") etc., should be delivered which could not be difficult in view of the large supplies of alumina and because the bag question had also been solved. He would see to it that the bags would be returned immediately.

In order to justify his demand he made lengthy statements on the intended incorporation of the French aluminum industry into the future European economy to be governed by Germany.

The planned amalgamation of both industries together with the Norwegian and Swiss aluminum industries would be based on the profitable supply with bauxite. It would assure the provision of aluminum also in peace time and would make it possible to utilize cheap water power. Just as the German interest in S.A. Kuhlmann were paid with shares of the I.G.

Farben industry shares, not with occupation cost francs, it was planned to carry out the integration in the aluminum industry, in many ways even more important, on a purely business basis. He emphasized that he had been able for the first time to secure the shipment of German coal to France in connection with the aluminum agreement. True, 17,000 tons were not much, but valuable as a beginning, because now it was much easier to get an increase. The prerequisite was the fulfillment of German wishes in regard to the amounts of aluminum and alumina to be delivered.

Chief delegate Barnaud pointed out that the French government had already taken a definite stand in regard to this point and that, therefore, it would be very difficult to bring about a change. He would again bring the matter up for discussion in the cabinet council on Friday afternoon and would pass on the results by telephone on Saturday.

12. - Bauxite.

Ambassador Dr. Hemmen reported that Dr. Westrick in the meantime had concluded two contracts with French firms, one for 100,000 tons of bauxite, the other for 150,000 tons. One of the contracts had been signed by both sides, the other only by the Germans because the French government had voiced protest against it. This was not quite as urgent as the aluminum; negotiations could be carried on without haste.

Chief delegate Barnaud recommended approaching of the organizational committee rather than negotiations with individual firms because their capacity might not measure up to large contracts.

13. - Cost of occupation.

Governor de Boisanger referred to his earlier personal remark that his government objected to the amalgamation of the question of the cost of occupation, acceptance of the three commissioners and the control at the outside borders because these problems were neither directly nor indirectly connected with each other. His government regarded the matter of the commissioners as a political question which should better not be handled at present and in this connection. When the French government was going to take up the matter some day, it should not be treated as a matter of the armistice commission and not in connection with the cost of occupation. Originally the commissioners had been planned for as a return for the desired alleviation at the demarcation line expressed in the memorandum of 15 July 1940. Since the claim had been given up in the meantime, his government saw no reason for bringing up the commissioners again. This time his reply was official after he had indicated it in a personal way only during the last conference. At the end of his note, he had expressed sincere hopes that the German government would consent to the suspension of payments during the time of the negotiations since such high sums had been deposited with the Reichskreditkasse that they could not have been spent.

Today the account amounts to 56 billion francs^{and} could be used to pay for expenses during the negotiations. Since the French payments by far exceeded the amount really needed by the occupation army, the French request was legitimate and justified. He called attention to the fact that through transfers to the occupation cost account the advance by the Bank of France to the state treasury had been completely used up (100 billion francs). For the continuation of payments the state would have to float new loans and the psychological effect upon the population was to be feared, while there was danger that the general council (Generalrat) of the Bank of France would refuse these credits.

Ambassador Dr. Hemmen expressed his surprise that suddenly a question which had been handled by the delegation for months was designated as political and not belonging under the authority of the delegation. Texts on the appointment and authority of the commissars had already been agreed upon and only small details were still to be settled. At the time, from August to October 1940, the French delegation did not object to the appointment of commissars and the shifting of control to the outer border in return for loosening of the demarcation line. In the meantime the draft for the latter had been changed in favor of the French because continuous control was to be replaced by German civilian officials, to number approximately 250 instead of going into the thousands. Their duties was only to consist in checking on the actual execution of measures agreed upon by the German commissars and the French government. (Governor de Boisanger confirms that this form corresponds to the proposal made in the ^{French} memorandum of 15 July 1940). The German government attached importance to a certain control over French taxes (Warensteuerung) and foreign exchange policy in order to adjust them according to the higher economic and financial policy goals it (German government) believed to be right for Europe.

The commissars were to implement this security.

Together with the appointment of the commissars and control at the outer borders in its considerably milder form, the noticeable alleviation for trade and foreign exchange at the demarcation line was to take place.

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But, if the French government declared that she cannot connect the questions of the commissars and the outer border control with that of the decrease in the cost of occupation, the latter could not be discussed and the question of temporary discontinuation of payments also would not become acute. Under the above mentioned conditions, on the other hand, the German government was ready to enter into serious negotiations on the decrease of the cost of occupation. After taking cognizance of and examining the French point of view it was concluded that the French note could form a basis for negotiations.

He emphasized once more that the activities of the commissars were not to consist in giving orders but should only be of an advisory nature and that only in rare, important cases were they to make use of their veto rights. The only office authorized to negotiate on the cost of occupation was the German armistice delegation for economic affairs. In case the French government was of the opinion that the decrease of the cost of occupation did not compensate for acceptance of the commissars, he would like to ask for announcement of further French wishes.

Chief delegate Barnaud declared, that it was the opinion of his government that the question of the appointment of the commissars, which also had a political angle, should be discussed with the German government within a more extensive framework and in connection with other questions besides that of the decrease of the cost of occupation and that he was ready to do so at any time.

The cost of occupation could very well be discussed by itself. It was the opinion of his government that, on the one hand, it had bound itself to payment but only a type of down payment and no lump sum had been fixed. Today his government was convinced that the sum named at the time - since some sum had to be accepted - had been much too high and by far exceeded the actual cost of occupation. The lowering of the cost of occupation, therefore, represented only a purely technical matter.

It was clear to him that this could not be straightened out in one day and he was asking if the German government would be willing to have payments discontinued during the course of negotiations and, in case no understanding should be reached, to take the matter up later.

He personally gave examples of further consideration in exchange for the returning of a few rights of sovereignty e.g. in the "departments" Nord and Pas-de-Calais, whereupon ambassador Dr.Hemmen made the remark that this question being a politico-military one could not be entered into, exactly as the abolishing of the restrictions of traffic, of news and persons at the demarcation line had been recognized by both parties: as an essentially military affair, about which the military authorities of both sides had not been able to come to an agreement.

Governor de Boisanger stressed the fact that for that reason the French Government refused to accept the German offer, as the project as far as goods and foreign currency were concerned was an economical only whereas the commissioners concerned the sovereignty of the state so that they could be accepted only if equivalent political concessions were offered in exchange.

Ambassador Dr.Hemmen drew attention to the fact that Germany was offering the hope of an essential lowering of the cost of occupation as well as the easing up of formalities at the demarcation line in exchange for the commissioners and the control of the outside frontiers; the demarcation line having had lost much of its former character during the months gone by could no longer be used as a subject of negotiations this, however, did not mean that one has desisted in the meantime from putting Commissioners in office. One could only bide one's time as long as the military commander governed the occupied zone. He himself was interested in offering for later circumstances the advice of the German Commissioner, also for the unoccupied zone.

As soon as this person would be in office the question proffered by the French delegation, whether anything would be changed concerning the way in which import and export permits were granted, in Paris for the occupied zone, in Vichy for the unoccupied area, would lose its meaning. The commissioner was to aid in bringing about uniform conditions for the whole of France and it would be more

advantageous to grant all permits at one and the same place then if the German commissioner in Paris were obliged to put a deputy in office at a branch office at Vichy.

The same applied to the foreign currency exchange traffic. Besides France was interested in controlling the foreign currency in the country. The commissioner would advise as to the best way of executing this control; his knowledge coming from the German experience on the subject. In that way the tax revenue estimated at 60 billion would be secured at the same time. As long as the obligation to declare foreign exchange was not established the financing of the state's expenditure could not be placed on a sound basis.

Germany knew by its own experience the scourge that inflation represented and would like to protect France from it. It had already today the possibility of shaking the French currency by withdrawing the outstanding debt of 56 billion ffrcs. but Germany was far more interested in having the French factories work again. Therefore the question of lowering the cost of occupation appeared as of second order to him; he considered essential what was going to happen to the German outstanding debt as the destiny of France's currency and economy was bound up with it. Even if one could still realize 20 or 100 million ffrcs. the sudden realization of 50 billion would pull down the whole economical and price structure.

He saw no gain in obliging the-French government to pay 20 million RM daily for another 6 months so as to have 120 billion of ffrcs. in his hand after half a year's time. But he did not like to abandon this economical means of pressure as the demarcation line had dissolved between his fingers.

He understood French hesitation in view of such a weighty decision, but if the collaboration was taken seriously, it should be able to be overcome. Difficulties arising in the details could be settled by subcommittees.

The Deputy General Barnaud confirmed that the conception proffered was right from a purely economical point of view. But such measures had at the same time a political and psychological aspect. It was essential not to let the French people know what pressure was exerted upon France's economy through the cost of occupation. They only saw German officials actually present in the unoccupied territory representing for them a new sorely felt burden on the home country and its continuation in North Africa. Considering the dangerous and seditious radio propaganda especially in Africa, the decision should not be taken lightly.

The French government was ready to examine the question, but by drawing attention to its political character the French government would like to assure at least certain psychological suppositions, if actual exchange values were not obtainable, so that the population would understand the measures more easily and comprehend that they corresponded to the new political relation between both governments and did not represent an additional charge. Even if it was not correct, strictly speaking, the new economical measures demanded would be interpreted as an increase of political pressure. That was the reason why his government would like to see the affair examined on a larger political scale. Deputy General Barnaud sums up the German point of view so as to be able to transmit it correctly to his government. He would meet Minister Pucheu the next day upon whom depended, to a large extent, the decision for the aluminum contract, and Friday evening 11 April at Vichy he would participate in the cabinet council where the various questions were to be discussed. On the following Saturday he would be able to telephone the result.

End of the discussions: 19:15 o'clock.

Minutes of the conference on 16 April 1941 16:00 o'clock

Present:

Ambassador Dr. Hemmen
Dr. Jekel (Interpreter)

Governor de Boisanger

1. Seat of the delegation.

Governor de Boisanger expressed the wish to have an occasional meeting scheduled in Wiesbaden so as to indicate to the military Armistice Committee that the seat of this delegation was still Wiesbaden and that it still had the same competencies.

Ambassador Dr. Hemmen agreed.

2. The sending of Dr. Neumann to Saigon.

Governor de Boisanger reported that Deputy General Barand had spoken with General Huntziger in Vichy. The standpoint of the French Government had not changed. He was instructed to draw the attention to the fact that the refusal was dictated by reasons of expediency and not by principles. It was feared that after the military and political events in Indo-China the appearing of a German representative there would tend to weaken still further the prestige of the French authorities. Besides there was the precedent in Morocco where, after the visit of the councillor to the embassy (Ges. Rat) Auer, there appeared first a 60 persons mineral-oil committee and then a 200 men military committee, tended to make his government hesitate.

Ambassador Dr. Hemmen stressed the fact that the sending of counsellor of the embassy (Ges. Rat) Auer to Casablanca had been entirely independant from the replacement of the Italian control-committee by a German one which had been agreed upon beforehand. The sequence was a pure coincidence. He had no information as to the intention of his government to send a similar committee to Saigon, but naturally he could not pledge himself to this effect.

Governor de Boisanger indicated on his own personal account, that if he should again personally present the case before the Government and that the Germans

kept insisting, a consent would probably be obtained.

3. Aluminum treaty.

As he had to deal with a government-decision made in his absence, he did not see a possibility of reopening the question without his presenting a new proposition, e.g., the dividing up of the contested 600 tons aluminum. The decision of the Council of Ministers was based on the report of the Ministry of Production which stated that essential interests of France's economy would be endangered if more than 2500 tons would be delivered to Germany. Germany did not have a right to demand such a unilateral delivery of goods as the aluminum industry was situated in the unoccupied zone and treaties concerning delivery of goods could be drawn up only on the basis of freely discussed agreements.

In the meantime the French delegation in Wiesbaden had given its consent to Director Jungels' visit to Avignon who could examine there the correctness of the accounts submitted by the French aluminum industry. Until the results of his voyage were available he suggested, after the remaining quantities of aluminum from the old treaty had been delivered, to conclude a provisional agreement, so that according to Director Jungels proposal, 200 tons would be shipped every workday, one half aluminum, the other half alumina, but 2500 tons of aluminum at the most, i.e., in April, counting 26 workdays, 2700 tons alumina, which method would allow catching up with the alumina arrears and would, at the same time, allow to continue without interruption the present shipments. Whereas no coal was demanded for the amount still open from the old agreement nor for alumina, 5 tons of coal per each ton of aluminum would be expected - in compliance with the German proposition of the treaty concerning 3100 tons aluminum. The deliveries were to begin on 1 April so that Germany already had a credit of more than 1000 tons aluminum and 1000 tons alumina. Director Jungels could come to an agreement about details with Director Dupin at his next visit in Paris.

Ambassador Dr. Hemmen gave his consent to this provisional settlement of the question. In his opinion the provisional agreement could not stop the fate of the shortsighted French aluminum industrials. Now the decisions would be made in Berlin. He regretted that the French industry or the Ministry of Production tried to exploit the embarrassing situation of the German

aluminum market to exert a certain pressure, instead of offering to collaborate honourably.

Governor de Boisanger denied such an intention and drew the attention to the fact that France was deprived of all other metals for civil use. He was convinced that already in one or two months the French aluminum industry could be developed to a point where the German demands could be met. But the aluminum industry would not like to enter into obligations today, as it knew they could not be fulfilled.

4.- Air construction program.

a) Beginning of the preparatory work.

Ambassador Dr. Hemmen reported from the session of the subcommittee that in opposition to his request Mr. Roos had not yet given the order to the French factories (Amiot) to begin the preparatory work, because in his opinion the compilation of files, lists of subcontractors etc. did not belong to the preparation. The reason for this omission was that assent of the government was still missing. Governor de Boisanger answered that the firm Amiot which according to his personal opinion would like to procure the lacking means of production in a not completely permissible manner had asked Mr. Roos's permission for procuring the necessary machines and constructing devices.

b) Honoring of requisition receipts.

Ambassador Dr. Hemmen expressed the opinion that the general question of honoring requisition receipts for machines requisitioned and brought to Germany, and their payment by French authorities should not cause the supply of the necessary means of production to the French factories to be postponed. He had no objection to the opening of the question by the French whether requisition receipts should be paid via clearing or occupation costs; that question would be brought up in the discussion about the lowering of the latter.

Governor de Boisanger asked for an exact list of those payments which the French state would have to pay to the airplane factories, thereupon one could find a means of settlement. The whole question should not be considered to be too pathetic.

5.- Discussion with secretary (Ministerialdirektor) Arnal.

Up to now he had not yet succeeded to reach Mr. Arnal because of the latter's being on a vacation. He was expected back towards the end of the week, so that a discussion with him would be possible next week.

6.-Removal of the Belgian gold.

Governor de Boisanger reported that Captain Brandts of the Wako, section armaments, could not give an answer to the French inquiry until certain German questions concerning the discussions with the U.S.A. were clarified. In answer to the telephone message of ORR Dr. Schöne that in Paris no questions had been presented by the Germans Captain (Hauptm.) Brandts had declared himself ready to confirm in writing Germany's approval of the transport of Gasoline (Benzin) to Africa. After having received the letter he would let Vichy know that they could begin with the transports.

Ambassador Dr. Hemmen answered that he had agreed already on 8 April to the alternative proposed by the French. That was why he was against the effort of the group Armament to combine the question of restitution of mineral oil that was used for the removal of the gold with another mineral oil question. On the other hand he expected after this useless delay of another week that the transports would now begin immediately.

7.- Direct means of communication Paris Vichy for the French Delegation.

Governor de Boisanger reported that according to an assent given by the German (Wako) in Wiesbaden a direct news-communication from Paris to Vichy via Wiesbaden was established and thereby achieved a shortening of the former way from Paris via Wiesbaden to Vichy (a courier bag 3 times a week).

8) Cost of occupation and Commissioners

Governor de Boisanger asked two questions regarding the German demand to install commissioners and external control before beginning the discussion about lowering the cost of occupation: 1. Would the German side consider the condition as fulfilled if the French government declared itself ready on principle to accept commissioners and external control?An

unconditional acceptance before-hand, would be very difficult for his government to accept because there existed no guarantee whatsoever of actual future reduction of the occupation cost.

2.) Would the German government be satisfied with the appointment of the commissioner for banks and foreign exchange, while in the meantime the German delegation for economics instead of the commissioner of foreign trade, would as hitherto be informed about the intentions of the government. Especially the activities of the Commissioner for foreign trade would be felt as an encroachment upon French sovereignty.

Ambassador Dr. Hemmen answered the first question in the negative. To the second he said an agreement had been reached concerning the commissioners half a year ago, until one day France's military representative had taken up the whole question again at the (Wako) and had spoken of purely political things such as the shaping of the eastern frontier, the line of resistance in the North etc. questions which he himself would like to have reserved for discussion between the Reich Foreign Minister and Mr. Laval. Germany was pressing the appointment of commissioners but it was not in a hurry to discuss the cost of occupation. Hope was the best argument for him but no guarantee for the French.

Governor de Boisanger confirmed, that France still hoped to see her opinion acknowledged by the Fuehrer and overcome the present political deadlock. In July 1940 Vichy had in mind to accept the commissaries in spite of strong hesitation because a counter-government in the occupied territory under German control was feared. This danger does not exist anymore to-day and there was also no more cooperation in exchanging the commissars for clearly economical advantages, as the military would regard the questions of finance and currency. As a last compromise he is asking, whether the discussion about the costs of occupation could be taken up again, if France declared also to accept, on conclusion of negotiations about the costs of occupation, the foreign trade commissar and foreign control.

Ambassador Dr. Hemmen stated to be willing to accept this offer, because he was not interested in destroying the finances of France. The account of the Reichskreditkasse in the amount of fifty six billion french francs is presently sufficient for him as a means of pressure and has grown steadily during the past six months, while the line of demarkation has been lost to him as a means of negotiation.

End of the conference 17:10 o'clock

TRANSLATION OF DOCUMENT NO. 3782
cont'd

I, Dr. H.v.V. VEITH, AGO No. D 150649, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document Nr. 3782.

26 April 1946



Dr. H.v.V. Veith

AGO No. D 150649

Doc. 4007 Evid.

Folder 19

(81)

INTERNATIONAL PROSECUTION SECTION

Doc. No. 4007

24 May 1946

ANALYSIS OF DOCUMENTARY EVIDENCE

DESCRIPTION OF ATTACHED DOCUMENT.

Title and Nature: Copy of minutes of Franco-German Economic Armistice Delegations

Date: 1940-44 Original (x) Copy () Language: German

Has it been translated? Yes (x) No ()

Has it been photostated? Yes (x) No ()

LOCATION OF ORIGINAL: Office Chief of Counsel, Nurnberg

SOURCE OF ORIGINAL: OCC, Nurnberg

PERSONS IMPLICATED:

CRIMES TO WHICH DOCUMENT APPLICABLE: aggression -
Indo China

SUMMARY OF RELEVANT POINTS (with page references):

German pressure on France regarding Indo China; the rubber deliveries to Jap and USA are discussed during the meetings of 26 Jan 1941, page 3; 23 Feb 41 pp 1-2; 3 Mar 41 p 1; 11 March 41 p 1; 4 March 41 p 1; 13 March 41 p 1; 20 March 41 p 1; 15 March 41 p 2; 8 April 41 and 16 April 41 p 1.

Continuous and extremely hard pressure were exercised by the German Government far beyond the stipulations of the Armistice agreement. France is forced to cancel the rubber delivery quota to the USA in order to deliver 25,000 tons of rubber to Japan. This is done on the demand of Germany despite French protests.

Germany forces France (p 1 of the minutes of the meeting of 16 April 41) to admit a German Delegation in Indo China which would undermine the prestige and the authority of French Colonial administration.

The Japanese rubber deliveries were demanded by the Japanese Ambassador in Berlin; Ribbentrop was asked to use all his influence to force the French Govt. to cancel deliveries to USA and to deliver the tonnage intended for the States, to Japan.

/A.N. Nurnberg Doc. No. 3782-PS; cf:1967-PS, 2850-PS./
Analyst: C.W.J. Phelps Doc. No. 4007

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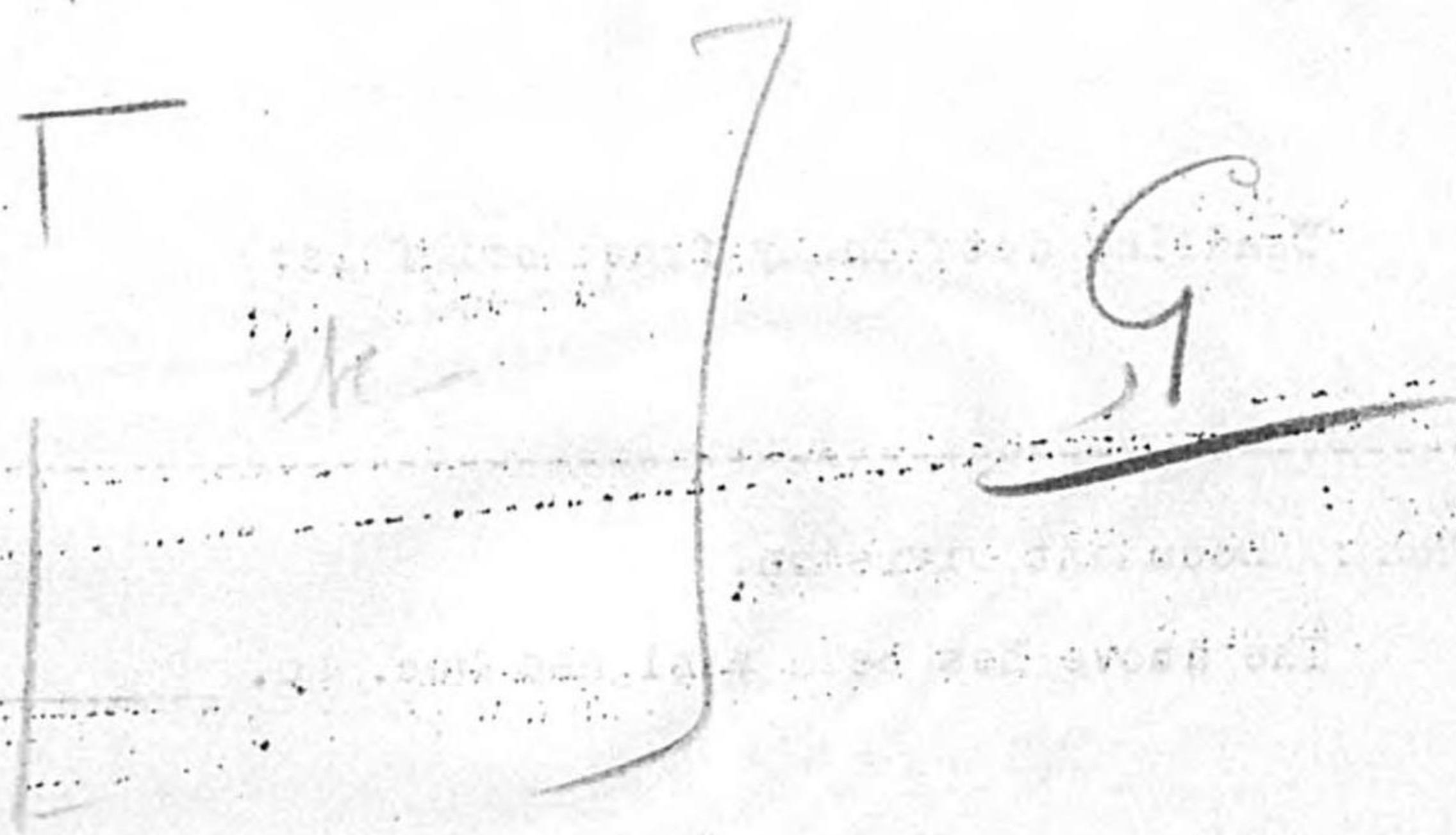
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Memorandum Doc. No. 4007

一九四一年(昭和十六年)一月二十六日十二時十五分

會談記録 (東京人員)

出席者

公便 ヘンメン博士

ド・ホアサシエ 總裁

イエケル博士(通譯)

x x x x (東京人員)

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印度支那

スハイシ

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Never say Never