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48.09

OFFICE OF U.S. CHIEF OF COUNSEL.

27 November 1945.

MEMORANDUM FOR: General Donovan.

As I have previously told you orally, and as I reported to Mr. Shea and to Colonel Taylor and to Mr. Dodd, I had a conversation in Berlin with Mr. Donald Heath, Personnel Director of the Political Division, US Group CC and formerly First Secretary at the Embassy at Berlin, on 5 October 1945. The substance of what Mr. Heath told me is as follows:

Heath, on behalf of the State Department and also on behalf of the Treasury, kept in contact with Schacht. Heath arrived in Berlin on 15 January 1938 and began to see Schacht shortly thereafter. Schacht's attitude with Heath was always anti-Nazi and he spoke against the regime. When Sumner Welles was in Berlin Heath arranged for Welles to see Schacht. Schacht warned him in a guarded way about the attack on France but it was not very clear. Later Schacht claims to have warned Heath of the attack on Belgium but he put it in such a way that Heath did not understand at the time. Schacht said that something was going to happen next week and he did not want to be in Berlin. Schacht told Heath later that he had intended to convey the information that Belgium was to be attacked.

As to the attack on Russia, Schacht clearly warned Heath two weeks before the attack actually took place and Schacht was wrong on the date of the attack by only three days. Heath cabled this information to the State Department and the Soviet Ambassador was informed. It is not clear whether the tip came only from Schacht or from others.

Heath did not see Schacht thereafter because he was transferred to a South American post just before June 22 1941. During the talks in 1940 and 1941 between Schacht and Heath, Schacht gave some general information. He only said once that he was going to see Hitler but he did not say about what.

Heath never discussed the Anschluss with Schacht. Heath thinks that Schacht's information on Hitler's plans came from Generals Beck and Halder. Schacht never indicated to Heath that he actually knew that Hitler planned war prior to the outbreak of war against Poland. He told Heath later when Heath interrogated him at an internment camp that he, Schacht, had first had his eyes

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opened to Hitler's aggressive intentions at the time of Munich.

*M.I.S.*

M. I. GURFEIN,  
Lt. Colonel, A.U.S.

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