

JUL 2 1946

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

AG CABLE CONTROL 7/3  
INCOMING MESSAGE

DATED 020010Z

RECD 020905B JUL 2 1946  
124/02/wea

**CONFIDENTIAL**

C O N F I D E N T I A L

R O U T I N E

FROM : AGWAR FROM WDSCA  
TO : USFET, USFA  
INFO : OMGUS, ACC HUNGARY  
REF NO : WX-93185

POLITICAL DIVISION  
JUL 2 1946

400-B-Hungary

Reurad June P-9355. Representatives of Jewish Agency report that trainload Jewish property looted by SS in Hungary consisted 24 RR cars comprising following items, as indicated by Hungarian Station Master:

50 crates gold bullion, 30 crates gold coin, 30 cases jewelry, 40 boxes gold watches, 1560 boxes silverware, 100 art paintings, 5,000 valuable carpets.

USFA reports in P-9355 following as inventory of trainload of personal property from Hungary now in Salzburg MG warehouse. Jewish representatives believe this represents 16 of 24 original cars, eight having been stopped in French Zone Austria:

100 cases jewelry and watches, 140 cases linens and cloth of various types, 440 cases china and porcelain assorted, 300 cases silverware assorted, 152 cases furs, various kinds, 800 cases miscellaneous items and bales of rugs.

Is there possibility that some portion property this train was transferred to Frankfurt prior to inventory reported by USFA? In particular, have gold crates been so transferred? Question important since acting Secretary State has committed US to restitution of only Hungarian National Bank gold (subject to reservation legitimate claims against this gold for looting), and private

AGC IN 31412

**CONFIDENTIAL**

Copy No

PD 2803

Exempt from paraphrase. Handle in compliance with AR 380-5.

RG 84  
Entry 2551 B  
File 400B Restitution Hungary  
Box 54 (1946)

345837

DECLASSIFIED  
Authority NND 765023  
By BT NARA Date 7/12/00

C O N F I D E N T I A L

REF NO WX-93185

gold may now be with National Bank gold. Please advise urgently also informing SecDel, Paris via USPOLAD. USFA please investigate Salzburg and advise similarly.

P-9355 is not identified in AGCC.

I N F O R M A T I O N

O/SS  
POL AFF  
TRANS  
CONT OFF  
ECON  
FIN  
LEGAL  
IA&C  
AG RECORDS

AGC IN 31412 2 July 46 1115B CB/wea REF NO WX-93185

C O N F I D E N T I A L

DECLASSIFIED  
Authority NND 705023  
By IST NARA Date 7/12/02

RG 84  
Entry 2531 B  
File 400B Reproduction - Hungary  
Box 54 (1946)

345838



DECLASSIFIED

RG 59

Entry DF 1945-49

File 800.515/10-3-46

Box 4215

NND 760080

JK ENRA. 7/25/00

PREPARING OFFICE INDICATE WHETHER

### OUTGOING TELEGRAM

PREPARING OFFICE WILL TYPE HERE CLEARLY THE CLASSIFICATION OF THE MESSAGE:

## Department of State

Charge Department:

Washington

Charge to

- 2 -

advise your decision before taking final action.

"The definition of 'valuable' in para 4 of directive was intended to facilitate execution. In case of articles already in custody of US forces as 'looted property', expression 'uncommon value' should be inclusively applied."

Request you inform Fr Govt re above action and attempt persuade them take similar action with respect that part Hungarian gold train located Fr zone Austria.

Sent Paris as 6474, repeated <sup>AUS</sup> ~~US~~ <sup>VIENNA</sup> ~~SPOLAD~~ 1067.

JAT  
JPL

Acheron, Achony  
(C.T.O.)

DISTRIBUTION DESIRED (OFFICES ONLY)

GA: JAT <sup>add</sup> PJ

11/18/46

SE

CE

WE

G-A  
A-H

CTO

→ 1067 B

CK

WW

Eaf

CODE ROOM: Please repeat to AUSPOLAD. VIENNA

✓  
ZK

TELEGRAPHY RELEASE DESK

DEC 13 PM 7

JAT  
JPL

DC/T

642

DECLASSIFIED

Agency NND 760050  
By JK Date 7/25/00

RG 59  
Entry DF 1945-49  
File 800.515/1-8-47  
Box 4222



EMBASSY OF THE  
DIVISION OF FR  
UNITED STATES OF AMERICA

CAF 2/14  
1947 JAN 30 AM 10 29

RESTRICTED

Paris, January 8, 1947.

MAIL ROOM P-31

No. 7170

Subject: Hungarian Gold Train.

RECEIVED  
DEPARTMENT OF STATE

1947 JAN 29 PM 2 35

DC/M  
FACILITIES BRANCH

*Handwritten:*  
L. M. Moore - esp  
Treas (7-7c - War)  
2/14/47 800.515/1-347  
ESP

The Embassy refers to its telegram 39 of January 3, 1947, and has the honor to enclose, for the Department's information, a copy of a note dated December 28, 1946 received from the Ministry of Foreign Affairs stating that the contents of the Hungarian gold train at present in French occupied territory in Austria has not yet been opened, but that instructions have been forwarded to Vienna, requesting that an appraisal thereof be made at the earliest possible moment.

ACTION  
ESP  
COPIES  
TO: WE  
SE  
LFC

1 DC/K  
6 DC/B  
1 C/S  
3 EUR

2 War  
3 News/FFA

19 2/14/47

DEPARTMENT OF STATE  
FEB 2 1947

Enclosure: *att. MRS K*  
Copy of note received from  
Ministry of Foreign Affairs  
dated December 28, 1946.

Original and Hectograph to the Department.

711.9  
WSP.sdh

na.  
lev.  
Car.  
Dist.

RECEIVED  
FEB 27 1947  
Esb

345841

800.515/1-847

CS/A

DECLASSIFIED

NND 760050

JK 7/25/00

 RG 59  
 Entry DF 1945-49  
 File 800.515/1-8-47  
 Box 4222

enclosure to Despatch No. 7170, January 8, 1947, from Paris, France

TRANSLATION

MINISTRY  
of  
FOREIGN AFFAIRS

REPUBLIQUE FRANCAISE

-----  
DIRECTION DES ACCORDS  
TECHNIQUES

By Note No. 2085 of December 19, 1946 the Embassy of the United States was good enough to call the attention of the Ministry of Foreign Affairs to the instructions which have been issued by its Government to the American occupation authorities in Austria concerning gold of Hungarian origin which was found in a train on Austrian territory upon the arrival of Allied troops. The Embassy added that it wished to know whether the French Government was disposed to take similar action with respect to that part of the gold which is situated in the French zone.

The Ministry of Foreign Affairs has the honor to inform the Embassy of the United States that the French authorities in Austria, while aware of the existence of cases originating from the train in question, are not yet informed as to the contents. In view of the fact that there are no qualified experts to make an inventory, the cases have remained sealed. However, the necessary instructions have recently been issued to Vienna in order that an appraisal may be made.

Under these conditions it is not, at present, possible to indicate the final disposition which will be made of the contents of the cases in question.

December 28, 1946.

345842

DECLASSIFIED  
Authority NND 760050  
By EK NARA Date 7/8

RG 5-9  
Entry Dec-Files  
1945-49  
File 800.515/4-18-47  
4-2347  
Box 4226

345843



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA  
DIVISION OF FOREIGN ACTIVITY CORRELATION  
JUL 14 1947  
DEPARTMENT OF STATE

*Handwritten:* The Department of German and Austrian Economic Affairs  
JUN 5 1947  
30

No. 2964

AMERICAN LEGATION

SECRET

Budapest, Hungary, April 22, 1947

SUBJECT: Art Treasures of the Manfred Weiss Family

*Handwritten:* ESP  
FR  
PCR  
EUR  
PC

RECEIVED  
DEPARTMENT OF STATE

1947 MAY 16 AM 11 22

DEPARTMENT OF STATE  
ECONOMIC AFFAIRS BRANCH

DIVISION OF OCCUPIED AREAS  
ECONOMIC AFFAIRS  
OCT 8 1947  
DEPARTMENT OF STATE

*Handwritten:* Sel - m more ESP  
no outside dist

*Handwritten:* safehouse 5/27/47

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D.C.

SIR:

With reference to Despatch No. 13383 (SH No. 249) of January 30, 1946 from the American Legation at Bern, I have the honor to transmit herewith a copy of Note No. 31, KHJ-1947 dated April 12, 1947 from the Hungarian Ministry for Foreign Affairs in which is contained information concerning the location of certain of the items with the request that the items be returned to Hungary.

In as much as this Legation has no information as to whether these items still belong to the Manfred Weiss family or whether they belong to the Hungarian Government or some Hungarian institution, this request is transmitted to the Department for its consideration and instructions.

Copies are also being sent to London, Bern, Lisbon and Berlin to provide the same distribution as that given the despatch under reference from the American Legation at Bern.

Respectfully yours,

For the Minister:

Robert S. Folsom  
Second Secretary of Legation

Enclosure: *Handwritten:* 1

Copy of Note No. 31/KHJ-1947 dated April 12, 1947

RSFolsom:eh  
File: 840.3  
In triplicate to the Department

Copy to: Amembassy, London; Amlegation, Bern;  
Amembassy, Lisbon and Amembassy, Berlin.

SECRET

Enclosure  
By  
On  
File

800.515/4-2247

CS/A

SECRET FILE

800.515/4-2247

FILED

JUL 21 1947

ES DISTRIBUTION  
sent G.A.  
JUN 1 1947  
6-3-47  
DEPARTMENT OF STATE

*Handwritten:* Copy to Dept of State

DECLASSIFIED  
 Authority NND 760050  
 By EK NARA Date 7/8

RG 59  
 Entry Dec-Files  
1945-49  
 File 800.515/4-18-47  
4-23-47  
 Box 4226

enclosure  Despatch No. 2964 of  
 April 22, 1947 from the American  
 Legation, Budapest, Hungary

Hungarian Ministry for  
 Foreign Affairs.  
 31/KHJ-1947

N o t e V e r b a l e

The Hungarian Ministry for Foreign Affairs presents  
 its compliments to the American Legation and has the honor  
 to communicate as follows:

Concerning the art treasures of the family Manfred  
 Weiss, mechanic Joseph Lakatos (Budapest V, Csaky utca 28)  
 presented himself to the Hungarian competent authorities,  
 where he declared that the art treasures in question are  
 stored at a brewery which served probably as a war plant.  
 This is situated at the left side of the road Passau-  
 Salzburg next the village Ried-Zipf at about 1.5 - 2 kms.  
 at a foot of a mountain. According to his opinion colonel  
 of the SS Kurt Bachert - who was the leader of the industrial  
 looting of Hungary and who for the price of above mentioned  
 art treasures brought about the escape of the Weiss family  
 to Switzerland - has perfect knowledge of the exact lieu  
 where those are treasures were hidden, as he was present  
 when they were stored. The above named colonel of the SS was  
 captured by the American Military Authorities near Bad-Ischl  
 and is still in American custody.

The Hungarian Ministry for Foreign Affairs has the honor  
 to beg the American Legation to be kind enough to make request  
 on the competent American authorities for conducting the  
 necessary investigations and for taking further steps for the

sake of

345844

DECLASSIFIED  
Authority NND 700050  
By EK NARA Date 7/8

RG 59  
Entry Dec-Files  
1945-49  
File 800.515/4-18-47  
4-23-47  
Box 4226

76884  
76885  
76886  
76887  
76888  
76889  
76890  
76891  
76892  
76893  
76894  
76895  
76896  
76897  
76898  
76899  
76900  
76901  
76902  
76903  
76904  
76905  
76906  
76907  
76908  
76909  
76910  
76911  
76912  
76913  
76914  
76915  
76916  
76917  
76918  
76919  
76920  
76921  
76922  
76923  
76924  
76925  
76926  
76927  
76928  
76929  
76930  
76931  
76932  
76933  
76934  
76935  
76936  
76937  
76938  
76939  
76940  
76941  
76942  
76943  
76944  
76945  
76946  
76947  
76948  
76949  
76950  
76951  
76952  
76953  
76954  
76955  
76956  
76957  
76958  
76959  
76960  
76961  
76962  
76963  
76964  
76965  
76966  
76967  
76968  
76969  
76970  
76971  
76972  
76973  
76974  
76975  
76976  
76977  
76978  
76979  
76980  
76981  
76982  
76983  
76984  
76985  
76986  
76987  
76988  
76989  
76990  
76991  
76992  
76993  
76994  
76995  
76996  
76997  
76998  
76999  
77000

sake of finding out and restitution to the Hungarian Government of art treasures in question.

Budapest, April 12, 1947

American Legation,  
Budapest.

DECLASSIFIED

NND 760080  
JK 7/25/70RG 59  
Entry DF 1945-49  
File 800.515/1-8-47  
Box 4222

SE PRESS

Hungary

152/105

San Francisco Chronicle

JUL 5 1947

## A \$35,000,000 Trainload of Gold How Uncle Sam Rescued Hungary

By HAL BOYLE

Associated Press Staff Writer

NEW YORK, July 4 — The new Communist custodians of ancient Hungary took over a country rescued from financial chaos by a \$35,000,000 train ride with Uncle Sam at the throttle.

The followers of the hammer and sickle, now in power, have conveniently overlooked that little detail, but some among the Hungarian masses must remember.

It was right out of a Hollywood script—that train ride last August that saved Hungary from total collapse by the timely return of its entire gold reserve—22 tons of the precious metal.

I was the only reporter aboard the train. And I'd like to tell a few angles about the trip that weren't pointed out at the time.

The Hungarian government's store of gold had been captured by the American Third Army in Austria, and removed to Frankfurt for safekeeping. When the Hungarian pengo soared to fantastic inflationary levels, it became evident that only solid money could save the country. The American Government agreed to return the Hungarian gold reserve to back a new currency—the florin.

The hope was that by this act America could keep "a window open

to the West" in this Russian-occupied nation.

The gold was loaded aboard three baggage cars at Frankfurt. There was a kind of victory symbolism in the train itself. It had been built by Adolf Hitler as a present for Benito Mussolini but taken over by the fuhrer for his own use after he decided his Italian ally no longer deserved expensive favors.

There were 33 American military guards aboard the train.

Several times during the journey Dr. Nicolas Nyardi, then an undersecretary in the Hungarian Ministry of Finance, went into the baggage cars to be sure the gold hadn't fallen out on the tracks. He was still dazed that every ounce was being returned.

"We are very grateful to the American Government," he said. "This is the first step toward Hungary's reconstruction."

Our trip was supposed to be a deep secret, but once we crossed the Hungarian border crowds lined the train at every station. They knew that the gold we brought again would give them a money that had meaning.

But at one way stop a middle-aged Hungarian asked us:

"Why are you bringing back our gold now? You are only handing it over to the Russians."

We assured him that the gold

would be turned over to the Hungarian government itself, not to occupying Soviet officials, and he merely shrugged and said:

"No matter who you deliver it to, the Russians will get it out through the back door."

The train was repeatedly delayed by the Russian engineer who had taken over at the border. He gave no reason for the halts. We reached Budapest at dusk, several hours behind schedule.

"It is a simple mystery," said one of the Hungarian officials aboard. "The Russians had no intention of letting you arrive in broad daylight, when the whole city could see you Americans bringing us our gold."

And Communist newspapers in the capital in inspired articles immediately told the Hungarian population that only strong Soviet pressure had brought return of the gold reserve.

The happy Hungarians threw us a party and gave everybody a bundle of the vanished pengoes as souvenirs. Then we went right back where we came from—and there were no train delays on the way out.

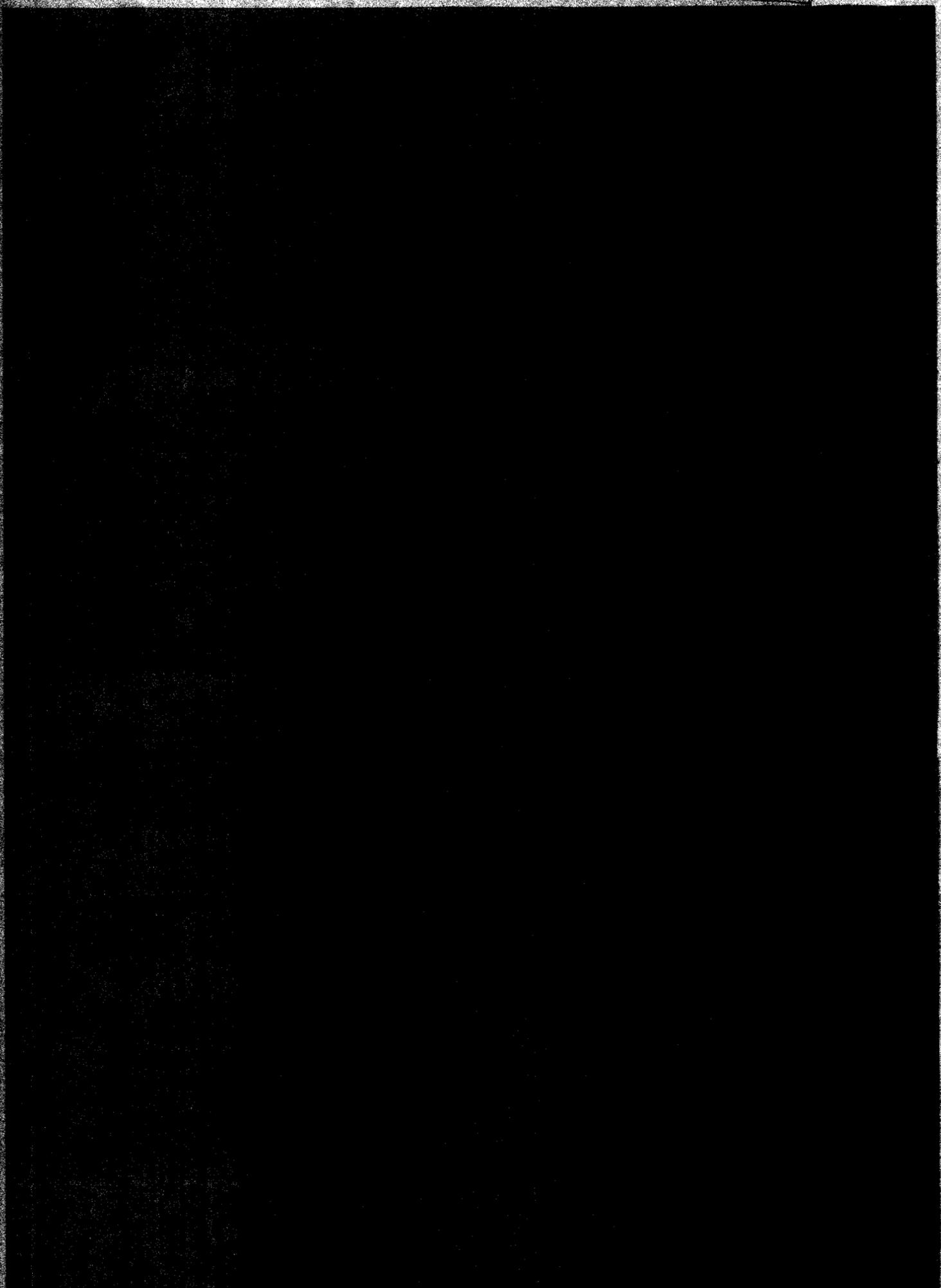
Well, anyway, it was a nice ride, the scenery was lovely and now the Hungarian Communist government has 22 tons of pure capitalistic gold in its proletarian treasury. But they sure drew down the shade on the window looking West.



[Redacted]

DECLASSIFIED  
AUTHORITY [Redacted]  
By [Redacted] DATE [Redacted]

RG 59  
Entry [Redacted]  
File [Redacted]  
Box [Redacted]



345848

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED

Authority AND 70050  
By EK HARA Date 7/8

RG

Entry

File

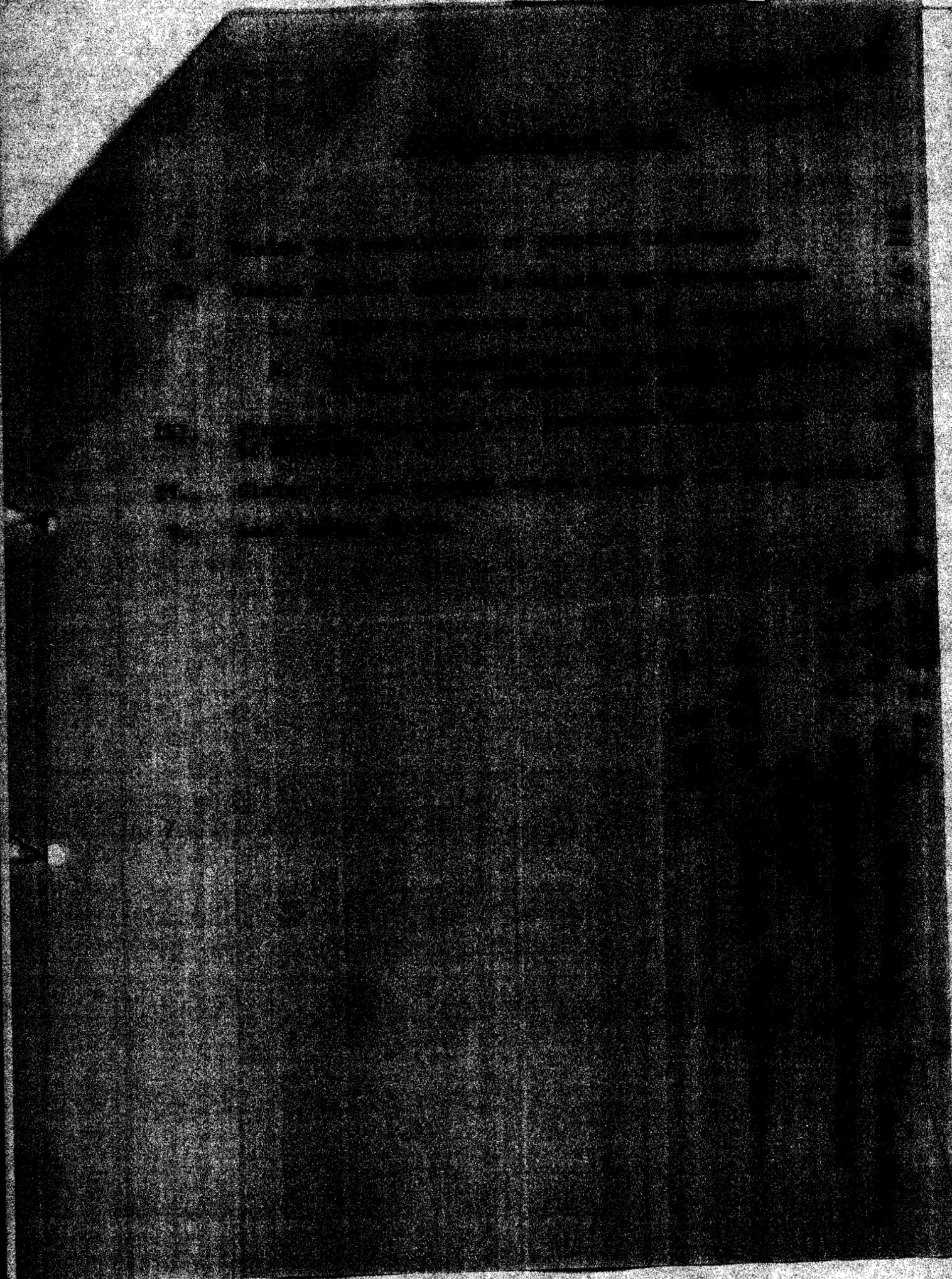
Box

59

pac files

1945-49

4000



345849

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED

Authority *NND 70050*

By *ELHARA* Date *7/8*

RG

*59*

Entry

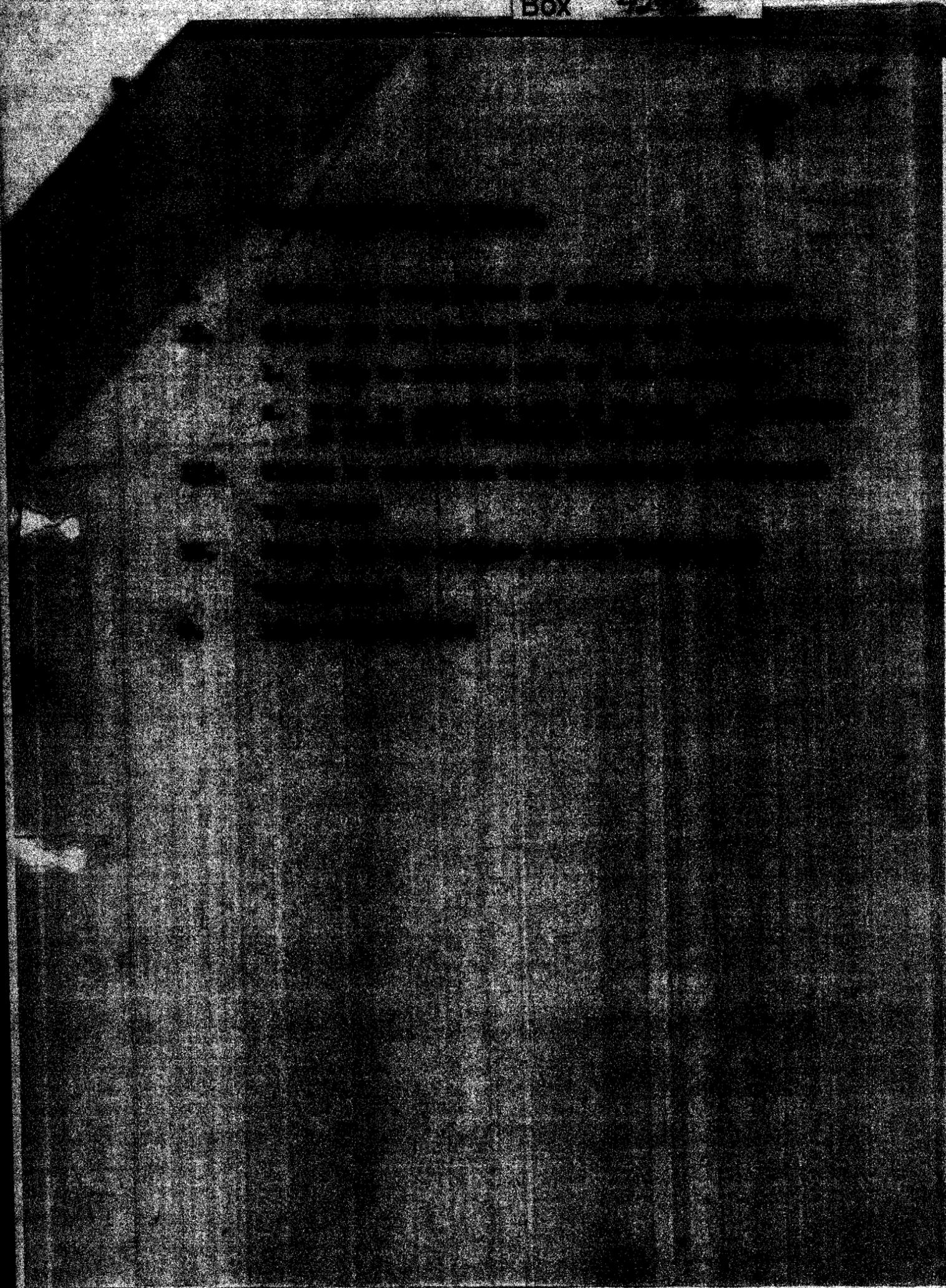
*DEC 7105*

File

*1945-49*

Box

*4000*



345850



DECLASSIFIED

Authority NND 760050  
By EK NARA Date 7/8

RG 59

Entry Dec-Files  
1945-49

File 800.515/6-948  
6-11-48

Box 4246

345852

~~DIVISION OF FINANCIAL AFFAIRS~~

JUN 25 1948

THE FOREIGN SERVICE

DEPARTMENT OF STATE OF THE UNITED STATES OF AMERICA

~~ACTION~~  
is assigned to

No. 515

~~DIVISION OF FINANCIAL AFFAIRS~~  
~~ECONOMIC AFFAIRS~~

AMERICAN LEGATION

AUG 9 1948  
Budapest, Hungary, June 11, 1948

RESTRICTED

SUBJECT: Transmittal of Translation of Newspaper Articles Regarding the Auctioning of Hungarian Non-Monetary Gold in the United States

The American Chargé d'Affaires at Budapest has the honor to transmit two articles which appeared recently in the Hungarian newspaper regarding the alleged auctioning of Hungarian gold treasures removed from Hungary and carried to the West. These articles are forwarded for the Department's information and it is respectfully requested that the Legation be informed as to the facts of the case in order to refute any Hungarian misrepresentations.

In connection with this matter of non-monetary gold, the Legation was recently informed by Dr. Istvan Vasarhelyi, Undersecretary of State in the Ministry of Finance, that he desired to confer with the Legation within the near future on the restitution of such gold still in the possession of the American authorities. (Legation telegram No. 904 of June 4). He added that the French had restored, in accordance with the Hungarian-French protocol of January 1948, (Legation despatch No. 183 of February 27, 1948) the identifiable Hungarian non-monetary gold from Austria. This restitution, according to Latour of the French Legation at Budapest, was made as a quid pro quo for the continued restitution to France of the French-owned railway cars and other machinery still remaining in Hungary.

Enclosures:

1. Translation of article which has been published in "Szabadsag" on June 3, 1948
2. Translation of article which has been published in "Szabadsag" on June 6, 1948

CC: Vienna, Paris, Sofia, Bucharest

File Nos.: 350/711.9

EAMag/CPClock:dv

In ozalid to the Department

RESTRICTED

800.515/6-1148

*Handwritten notes:*  
X/R 840. 48/2/2/2/2  
840. 403  
RECEIVED DEPARTMENT OF STATE  
JUN 22 PM 2 10  
DEPARTMENT OF STATE  
ACTION  
COPIES TO:  
SF  
OLE  
FC  
O  
D  
D  
CFS  
NCP  
Tr  
Eve  
Army  
navy  
CIA  
Treas

*Handwritten notes and stamps:*  
464.11 Ew/2-2748  
XR 740.0011 Ew  
D/L  
EP  
AUG 10 1948  
DEPARTMENT OF STATE  
JUN 24 PM 12  
SFD Unit  
Dist

DECLASSIFIED

Authority NND 760050  
By EK NARA Date 7/8

RG

Entry

File

Box

59

Dec-Files  
1945-49800.515/6-948  
6.1148

4246

RESTRICTEDEnclosure No. 1 to Despatch  
No. 515 of June 11, 1948  
from American Legation,  
Budapest, Hungary

Translation of article which has been published  
in "Szabadsag" (Communist daily) on June 3, 1948:

"The Hungarian gold treasures which had been  
robbed and taken to the West, will be auctioned  
in New York"

"It is reported from New York: The New York daily  
MAGYAR JOVO writes that the treasures that had been robbed  
by the Nazis will before long be auctioned in the Parke-  
Bernet Galleries, New York. The treasures of the so-called  
gold-train will be auctioned for two days. On June 16  
the jewels and on June 22 the silver, China and gold ar-  
ticles.

The International Refugee Organization sells the  
valuables. It was decided at the Paris reparations con-  
ference in 1946, that these valuables will be auctioned  
and their purchase price will be turned for the relief  
of the victim of the German war.

At the time NYARADI Miklos, then Undersecretary of  
Finance, negotiated in America in the case of the gold-  
train that had been carried away from Hungary, requesting  
the Government in Washington that it should permit the  
return of the valuables. The negotiations were unsuccess-  
ful. The World Jewish Congress also intervened in the  
case of the gold-train - estimated at quarter of a million  
dollars, - because it feared that the 'nyilas' who escaped  
to the West would also receive relief from what they had  
robbed, under the title of 'relief for refugees'. Yet, in  
the end the treasures came into the hands of businessmen.  
The New Yorkers may go to the auction to purchase, they  
might perhaps find the valuables of their killed parents  
or children; and the money they pay for it, might perhaps  
be given to the murderer of their family members - concludes  
the paper".

345853

DECLASSIFIED

Authority NND 760050  
By EK NARA Date 7/8RG 59  
Entry Dec-Files  
1945-48  
File 800.515/6-948  
6-11-48  
Box 4246RESTRICTEDEnclosure No. 2 to Despatch  
No. 515 of June 11, 1948  
from American Legation,  
Budapest, Hungary

Translation of article which has been published  
in "Szabadsag" (Communist daily) on June 6, 1948:

"Finance Minister Nyaradi on getting back  
the treasures that had been taken away  
from Hungary"

"We made steps for the auctioning in New York  
to defend the rights of Hungarian citizens"

"SZABADSAG reported the American news that the treasures taken away from Hungary by the Germans and the 'nyilas' will be auctioned in New York from June 16 on. Public opinion learned with great indignation that the United States will have the Hungarian citizens' valuables auctioned, instead of returning them.

We had a conversation on this subject with Finance Minister NYARADI Miklos who on several occasions had already carried on negotiations concerning the return of the gold treasures that had been carried abroad.

'The nyilas authorized Gendarme Colonel TOLDI Arpad to ship abroad the treasures, and a large part of the stolen jewels and precious stones were shipped to Germany by Gendarme Colonel TOLDI's gold train.

'Part of the contents of the gold train was seized by the American occupation troops, while the other part was seized by French occupation authorities.

'Recently we received from France gold and precious stones to the weight of two tons. Inventory will not be taken of these in the Hungarian National Bank. The value of the treasures to be auctioned in New York amounts, according to estimates, to 2-3 million dollars.

'The valuables sequestrated by the American and French authorities, i.e. the jewels and precious stones found so far, are but a minor part of the contents of the gold-train. The other valuables are now being searched for by Hungarian committees in Germany.

'Of course these investigations are often difficult, because part of the treasures were taken away by the inhabitants, wherefore the committee has to do real detective work.'

The Minister further said that, among the treasures found so far, there are not only jewels that were stolen from persecuted persons but also property which the Germans

and the 'nyilas'

345854

0-38/16

DECLASSIFIED

Authority NND 760050By EK NARA Date 7/8

RG

Entry

File

Box

59Dec-Files  
1945-49800.515/6-948  
6-11-484246

- 2 -

Enclosure No. 2 to Despatch  
No. 515 of June 11, 1948  
from American Legation,  
Budapest, Hungary

and the 'nyilas' had plundered indiscriminately in the  
pre-siege times from apartments and bank safes.

We asked Finance Minister NYARADI Miklos what steps  
the Hungarian Government has done upon learning the news,  
according to which the valuables seized by the Americans  
will not be returned to Hungary.

'We have made the necessary steps for the defense  
of the Hungarian citizens' rights, and proceedings in  
this connection are in course' - answered the Finance Min-  
ister."

345835

381

DECLASSIFIED  
Authority NND 760050  
By EK NARA Date 7/8

RG 59  
Entry Dec-Files  
1945-49  
File 300.515/6-948  
6-1148  
Box 4246

AIRGRAM SENT

TO BE TRANSMITTED

SECRET  
CONFIDENTIAL  
RESTRICTED

# Department of State

UNCLASSIFIED

NO A-142

Washington,  
July 27, 1948.

2061

TIME

ALLEGATION,

BUDAPEST.

2061

Reference is made to Legation's Despatch No. 515 of June 11, regarding news reports on the sale of looted property of Hungarian origin. As the Legation is undoubtedly aware, the disposition of the so-called Hungarian gold train was the subject of correspondence in 1947, between the Legation and the Central Board of Jews in Hungary and was also discussed in various communications between the Legation and the Department.

Following is a brief summary of the facts of this matter. Prior to their withdrawal from Hungary the Nazis had collected a considerable quantity of movable property belonging to Jewish victims of Nazi action. It is understood that this property was picked up in all parts of so-called Greater Hungary. It was removed by train to Austria, where, having been separated into two trains, it was found by American and French Forces.

American Forces having examined the portion of the Hungarian train in the American Zone of Austria, the US Commander determined that the contents thereof was unidentifiable as to owners and, in view of the territorial changes in Hungary, as to national origin; restitution to Hungary being therefore not feasible, it was determined, with the approval of this Government, that the property in question would be given to the Intergovernmental Committee for Refugees (succeeded by the Preparatory Committee for the International Refugee Organization). The basis for this action was the decision of this Government to apply to so-called non-monetary gold found in Austria the principle of Article 8 of the Paris Reparation Agreement of December 1945 and of the Five Power Agreement of June 1946 for the implementation of this provision. The Legation is probably aware that the PCIRO, as successor organization to the IGCR, is a United Nations Agency charged with the responsibility for the resettlement and rehabilitation of the non-repatriable victims of Nazi action, and that ninety percent of the proceeds of the so-called non-monetary gold transferred to this agency under the terms of the international agreements referred to are used for the benefit of Jewish victims of Nazi persecution.

ECH-OPD UNIT

Anal B  
C  
Gen Beck  
D

300.515/6-1148

300.515/6-1148  
CSA

DECLASSIFIED  
Authority NND 760050  
By EK NARA Date 7/8

RG 59  
Entry Dec-Files  
1945-49  
File 800.515/6-948  
6-11-48  
Box 4246

OUTGOING AIRGRAM

CLASSIFICATION

Department of State

UNCLASSIFIED

NO. A-142 to Budapest

Washington,  
July 27, 1948.

-2-

2061

In the course of Mr. Nyaradi's visit to Washington in the early part of 1947 he raised with the Department the question of that section of the Hungarian train which was found in the American Zone of Austria, and in a communication to the Dept. dated February 25, 1946, the Hungarian Legation among other things, stated that the Hungarian Government had "waived all claims to this property" but wished to turn over the goods to Jewish welfare organizations in Hungary and "would gladly help its citizens by protecting their rights to claim the return of this property". Mr. Nyaradi was advised of the decision taken and of the basis therefore. Later in 1947 the matter was also discussed with Mr. Marik of the Hungarian Legation. The Department understands that on May 29, 1948, the Hungarian Restitution Mission in Geneva wrote to the Preparatory Commission of the IRO requesting that the property in question be withheld from disposition and returned to Hungary, indicating at the same time that an official restitution claim therefor had been filed with American authorities in Austria on October 17, 1947, and had not been acted upon. It is understood that the PCIRO replied to the effect that it could not question the determination of unidentifiability which the US military authorities had made concerning the gold train but that it was prepared to release any property which these authorities may determine to have been transferred to the PCIRO in error. For the information of the Legation, it is anticipated that the decisions in regard to the disposition of this property will not be changed.

The valuables recently auctioned by the PCIRO in New York include some items which were in the Hungarian gold train, as well as valuables found in Germany. The valuables are being sold in such manner as to realize the largest possible amounts for the beneficiaries of the fund. There is of course no substance to implications in the Hungarian press that they are being disposed of for private profit or that the proceeds may aid Hungarian Nazis.

The Legation should use these facts in its discretion to refute misrepresentations in the Hungarian press. On the basis of the articles transmitted in the Legation's Despatch No. 515 it would appear doubtful that a refutation would serve a useful purpose at this time.

DISTRIBUTION  
DESIRED  
(OFFICES ONLY)

MARSHALL  
*Marshall*  
(CMH)

UNCLASSIFIED

Revised P 2 cleared with:  
EP:AFKiefer:ddec (7/16/48)  
SE:RMMcKisson:hy (7/20/48)

CR CLEARANCE

O:NHemmendinger:lk  
7/26/48 *lk*

L/E  
Metzger

CE  
Vedeler

EP  
Todd

*See attached file*

JUL 23 1948  
CR  
*W*

1130

345857