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Authority NND 760050
By EK WPA Date 7/8

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1945-49

File 800.515/9-347

Box 4234

MEMORANDUM FOR FILES
(Gold Transactions in Turkey)

The attached documents, copies of which have been retained in the files of the American Embassy at Ankara consist of the following:

- 1) Memorandum (including translation by the Department) received by the American Embassy from the French Embassy in Ankara, which in turn received it from the French Foreign Office, relating to the identification and history of the 249 bars of gold believed to have been looted by the Germans from the Bank of Belgium and subsequently purchased by the Turkish Government.
- 2) Proposed note drafted by Mr. Francis W. McCombe, Consultant from the Ministry of Economic Warfare, London and British delegate in Ankara during the "preliminary" negotiations with the Turkish Government. Mr. McCombe in this note roughly translates the French memorandum referred to above. When no gold conversations were held, it was his intention to present this material to the Turkish Government after the joint note of August 18, 1947 concerning the three Allied declarations, presented by the U.S., U.K., and French Governments had been acted upon by the Turkish Government.
- 3) Memoranda of July 22, 1947 from Mr. McCombe to Mr. Baker concerning 8 tons of ingots of varied and relatively low fineness and 3 tons of miscellaneous and unspecified gold coin believed to have been looted by Germany and purchased by the Turkish Government. If gold conversations had been held with the representatives of the Turkish Government and agreement had been reached on the 249 bars of Belgian gold, it was deemed advisable to insert a clause embracing this material in the note presented by the three governments. However when the conversations reached an impasse, it was proposed by Mr. McCombe to incorporate that material in a section entitled "Part III" in the gold note mentioned in (2) above.
- 4) Letter dated July 24, 1947 from Mr. McCombe to Mr. Otto Fletcher of the Department of State discussing the advisability of incorporating the material on the 8 tons of ingots and the 3 tons of miscellaneous gold coin in the note to the Turkish Government. Attached to this letter is Mr. McCombe's proposed draft on this material entitled "Part III." (See (3) above.)

This Document Must Be Returned to
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5) Proposed
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5) Proposed Gold Note drafted by Mr. McCombe after re-considering the whole question with the American representatives. It was agreed by the American representatives that a note along these lines would be more advantageous to the Allied position than the first note referred to in 2, 3, and 4 above since it did not reveal the full extent of the three governments' knowledge prior to a disclosure by the Turkish Government of the information which it possessed. A note along these lines was considered necessary should the Turkish Government, after the presentation of the joint Allied note of August 18, 1947, refuse to enter into informative discussions concerning its purchase of gold from Germany for the years 1941 to February 1944 with representatives of the three governments.

OE: RDonhauser: dos

9-3-47

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NOTE

9 Mai 1947.

Received from
M. Baretier
French Embassy

OR de la BANQUE NATIONALE DE BELGIQUE

REFONDU par la MONNAIE PRUSSIENNE et CEDE par la REICHSBANK

à la BANQUE CENTRALE de la REPUBLIQUE de TURQUIE

I. Description des documents permettant de déterminer le sort réservé à l'or belge transféré en Allemagne.

Les livres comptables de la Reichsbank et les registres de la Monnaie Prussienne permettent de déterminer, avec certitude, le sort réservé à l'or belge, que la France a dû remettre à l'Allemagne en 1940 - 1942, bien que la forme matérielle et le nombre de barres et monnaies qui composaient le dépôt belge à la Banque de France aient été profondément modifiés par les opérations de fonte effectuées par la Monnaie Prussienne.

Ces opérations ont pu être également suivies grâce à la correspondance échangée entre le Département des Métaux précieux (Edelmetall Schir) et la Hauptkasse de la Reichsbank.

Parmi les principaux livres comptables de la Reichsbank qui donnent des indications précises sur:

- les mouvements intérieurs affectant le dépôt d'or belge et en particulier les mouvements correspondants à des opérations de fonte;
 - la destination donnée aux divers éléments provenant de ce dépôt,
- il faut citer:

a) un "Journal de Travail" (Tresorarbeitsbuch) mentionnant, dans l'ordre chronologique, tous les mouvements matériels de valeurs affectant les métaux renfermés dans les serres du Département des métaux précieux. Ce journal présente un caractère particulier d'authenticité du fait que l'exactitude de chacun de ses articles est attestée par les signatures de trois personnes: le délégué du Directeur de la Caisse principale, le Caissier Chef de la Serre intéressée et l'employé responsable de la manutention.

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b) un grand livre "Asservat Der" divisé en sections distinctes réservées, l'une aux lingots, les autres à chaque sorte de monnaie et permettant de contrôler pour le compte suivi, la quantité de métal demeurant en solde après chaque opération. A cet effet, chaque entrée ou sortie est ajoutée au solde précédent, ou retranchée de ce solde, et la balance nouvelle ressort de cette opération. Ce grand livre mentionne la provenance ou la destination du métal entré ou sorti, ainsi que les numéros assignés par la Reichsbank aux lingots ou aux sacs de monnaie faisant l'objet de ces entrées ou de ces sorties.

D'autre part, sur les feuillets du "Cahier de fonte" de la Monnaie Prussienne figurent, en face des dates exactes des opérations de fonte, et inscrits au crayon, les faux millésimes et les numéros de série gravés sur les lingots provenant de la refonte de l'or belge.

II. Conditions dans lesquelles une partie de l'or belge a été cédée à la Turquie par l'Allemagne. - Preuve de l'origine belge de l'or cédé.

La photocopie de la page 9 du Grand Livre du compte "Asservat Der" de la Reichsbank (Annexe no I) montre que le 27 Mai 1943 la Reichsbank a cédé à la Banque Centrale de la République de Turquie 249 lingots de haute teneur. Ces lingots, numérotés de 39.980 à 40.228 par la Reichsbank, les numéros étant inscrits sur des étiquettes de papier collées sur les lingots, représentent un poids brut de 3.054 Kg 591 soit 3.047 Kg 320 de métal fin.

La preuve de l'origine belge de cet or est donnée explicitement par les livres comptables et la correspondance décrits au paragraphe I.

1°) La photocopie de la page 9 du Grand Livre du compte "Asservat Der" de la Reichsbank fait ressortir, à la date du 29 Mai 1943, une entrée d'or en provenance du dépôt de la Banque Nationale de Belgique. Cette entrée se décompose comme suit:

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<u>No des lingots</u>	<u>Nombre de lingots</u>	<u>Poids brut</u> K	<u>Poids de fin</u> K
39 980 à 41 573	1 594	19 889, 1345	19 843, 7897
41 574 à 41 745	172	2 135, 0390	2 107, 9951
	<u>1 766</u>	<u>22 024, 1735</u> K	<u>21 951, 7848</u> K
37 044 à 37 045	2	5, 6180	4, 9765

On voit que les 249 lingots cédés par la Reichsbank à la Banque Centrale de la République de Turquie (No 39 980 à 40 228) sont compris dans cette entrée. Certes celle-ci a été inscrite sur le Grand Livre du compte "Asservat Der" à une date postérieure à la cession susvisée. Mais il n'y a pas lieu de s'arrêter à cette anomalie. Il est vraisemblable que les écritures considérées ont été passées au compte "Asservat Der" au vue de pièces comptables établies à des dates ne concordant pas exactement avec l'ordre chronologique des opérations matérielles. (T)

Un argument en faveur de cette interprétation est fourni par le "Journal de Travail" (Annexe No. 2) sur lequel la cession d'or à la Turquie est indiquée à la date du 28 Mai 1943, - et non du 27 Mai comme au compte "Asservat Der" - alors que l'entrée à ce compte y est cependant mentionnée au 29 Mai.

2^o) Le libellé de ces deux écritures du "Journal de Travail" constituent une preuve supplémentaire de l'origine belge de l'or vendu par la Reichsbank à la Banque Centrale de la République de Turquie.

3^o) Enfin une lettre de la Hauptkasse au Département des métaux précieux de la Reichsbank en date du 29 Mai 1943 (Annexe No 3) indique également l'origine belge des lingots entrés au compte "Asservat Der" le 29 Mai 1943 et dont 249 ont été cédés, par la Reichsbank, à la Banque Centrale de la République de Turquie.

III. Description des lingots d'or cédés par la Reichsbank à la Banque Centrale de la République de Turquie.

On retrouve la trace des 1.766 lingots, numérotés de 39.980 à 41.745, et mentionnés dans la lettre de la Hauptkasse du 29 Mai 1943,

(I) Des anomalies de cette sorte se présentent parfois dans la comptabilité matière des Instituts d'Emission, par exemple à la Banque de France.

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et par suite des 249 lingots vendus à la Turquie, sur le "Cahier de Fonte" de la Monnaie Prussienne. (Annexe No 4).

On constate que ces lingots proviennent de la refonte de 1.751 lingots belges effectués du 13 au 31 Mars 1943.

Les 1.766 lingots obtenus par la refonte, et d'un titre compris entre 997,4/1.000 et 997,6/1.000 portent gravés le millésime 1937 et les numéros de séries compris entre 949 et 1010. Si on additionne le nombre de lingots figurant dans ces séries, on obtient, en effet, un total de 1.776, identique à celui porté sur la lettre de la Hauptkasse du 29 Mai 1943, pour un poids brut de 22.024 K. 405, très voisin de celui inscrit sur la lettre précitée soit 22.024 K 1735. Ce léger écart de 231,5 gr. est vraisemblablement imputable à des différences constatées dans les pesées réalisées à la Monnaie Prussienne et à la Reichsbank. Il peut être considéré comme normal.

*

*

*

De ce qui précède, on peut donc conclure que la Banque Centrale de la République de Turquie a reçu de la Reichsbank 249 lingots provenant de l'or belge refondu et portant:

- 1°) sur des étiquettes, collées sur les lingots, les Nos 39.980 à 40.228.
- 2°) gravés sur le métal, le millésime 1937 et les numéros des séries 949 à 957 se décomposant comme suit:

série 949	No d'ordre I à 28	soit	28	lingots
" 950	" I à 27	"	27	"
" 951	" I à 26	"	26	"
" 952	" I à 30	"	30	"
" 953	" I à 30	"	30	"
" 954	" I à 29	"	29	"
" 955	" I à 30	"	30	"
" 956	" I à 29	"	29	"
" 957	" I à 20 (I)"	"	20	"

soit 249 lingots

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Ces indications devraient faciliter la récupération de l'or belge acquis par la Turquie; en prouvant aux Autorités de ce pays, le bien fondé de la demande en restitution que l'on pourrait leur présenter.

(I) ou compris entre I et 26

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59Dec-Files1945-49800.55/8-29474234DEPARTMENT OF STATE
CENTRAL TRANSLATING DIVISION

[TRANSLATION]

TC NO. 43637

T-3/RIII

French

May 9, 1947.

N O T E

GOLD of the NATIONAL BANK OF BELGIUM MELTED DOWN
by the PRUSSIAN MINT and TRANSFERRED by the REICHSBANK
to the CENTRAL BANK of the REPUBLIC of TURKEY

I. Description of Documents Making it Possible to
Determine the Disposition of the Belgian Gold Transferred
to Germany.

The account books of the Reichsbank and the registers of the Prussian Mint make it possible to determine accurately the disposition of the Belgian gold which France was obliged to send to Germany in 1940-1942, although the physical form and the number of bars and coins which comprised the Belgian deposit in the Bank of France have been greatly changed by the melting operations performed by the Prussian Mint.

likewise
It has/been possible to follow these operations through the correspondence exchanged between the Department of Precious Metals (Edelmetall Schir) and the Hauptkasse /Central Cashier's Office/ of the Reichsbank.

Among the principal account books of the Reichsbank which give specific information concerning:

internal

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internal movements affecting the deposit of Belgian gold and particularly movements in connection with melting operations:

the use made of the various items from that deposit, there should be mentioned:

(a) a "Job-Book" (Tresorarbeitsbuch) mentioning, in chronological order, all the physical movements of securities affecting the metals locked in the vaults of the Precious Metals Department. This record has a particularly authentic character because of the fact that the correctness of each of its articles is attested by the signatures of three persons: the representative of the Director of the Central Cashier's Office, the Chief Treasurer of the Vault concerned and the clerk responsible for the handling.

(b) a large book, Asservat Der., divided into separate sections, one reserved for ingots, the others for each kind of coin, and making it possible to check on the running account the quantity of metal remaining on hand after each operation. For that purpose, each entry or withdrawal is added to the preceding balance, or subtracted from that balance, and the new balance is shown by this operation. This large book indicates the origin or the destination of the metal entered or withdrawn, as well as the numbers assigned by the Reichsbank to the ingots or the bags of money which are the subject of those entries or withdrawals.

Furthermore, on the sheets of the "Melting Down Register" [Cahier de Fonte] of the Prussian Mint there appear, opposite the exact dates of the melting operations,

and

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and written in pencil, the false dates and the serial numbers engraved on the ingots from the melting down of the Belgian gold.

II. Conditions under which Part of the Belgian Gold was Transferred to Turkey by Germany - Proof of the Belgian Origin of the Gold Transferred

The photocopy of page 9 of the large account book, "Asservat Der", of the Reichsbank (Enclosure No.I) shows that on May 27, 1943 the Reichsbank transferred 249 highgrade ingots to the Central Bank of the Republic of Turkey. Those ingots, numbered 39,980 to 40,228 by the Reichsbank, the numbers being written on the paper labels glued to the ingots, represent a gross weight of 5,054.591kg. or 3,074.320kg. of fine metal.

The proof of the Belgian origin of this gold is explicitly given by the account books and the correspondence described in paragraph 1.

(1) The photocopy of page 9 of the large account book "Asservat Der", of the Reichsbank shows, under date of May 2, 1943, an entry of gold from the deposit of the National Bank of Belgium. This entry is made up of the following items:

<u>Ingot Nos.</u>	<u>Number of Ingots</u>	<u>Gross Weight</u> Kg.	<u>Weight of Fine /Gold/</u> Kg.
39,980 to 41,573	1,594	19,889.1345	19,843.7897
41,574 to 41,754	<u>172</u>	<u>2,135.0390</u>	<u>2,107.9951</u>
	1,766	22,024.1735	21,951.7848
37,044 to 37,045	2	5.6180	4.9765

It is evident that the 249 ingots transferred by the Reichsbank to the Central Bank of the Republic of Turkey

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Turkey (Nos. 39,980 to 40,228) are included in this entry. To be sure, this entry was made in the large account book, "Asservat Der," on a date subsequent to the above-mentioned transfer. But this anomaly should not stop us. It is probable that the entries in question were made in the "Asservat Der" account upon presentation of vouchers made out at dates which do not agree exactly with the chronological order of the physical operations. (1)

An argument in favor of this interpretation is furnished by the "Job-Book" (Enclosure No. 2), in which the transfer of gold to Turkey is mentioned under date of May 28, 1943 - and not of May 27, as in the "Asservat Der" account - while the entry in that account is, however, mentioned under May 29.

(2) The wording of these two entries in the "Job-Book" constitutes an additional proof of the Belgian origin of the gold sold by the Reichsbank to the Central Bank of the Republic of Turkey.

(3) Lastly, a letter from the Hauptkasse to the Precious Metals Department of the Reichsbank, dated May 29, 1945 (Enclosure No. 3), likewise indicates the Belgian origin of the ingots entered on the "Asservat Der" account on May 29, 1943, 249 of which were transferred by the Reichsbank to the Central bank of the Republic of Turkey.

III.

(1) Anomalies of this kind sometimes appear in the bookkeeping of Institutions of Issue; for example, at the Bank of France.

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III. Description of the Gold Ingots Transferred by the Reichsbank to the Central Bank of the Republic of Turkey

Evidence of the 1,766 ingots, numbered from 39,980 to 41,745, and mentioned in the letter of the Hauptkasse of May 29, 1943, and later on of the 249 ingots sold to Turkey, is also found in the "Melting Register" of the Prussian Mint. (Enclosure No. 4).

It is noted that those ingots came from the melting down of 1,751 Belgian ingots, which took place from March 13 to 31, 1943.

The 1,766 ingots obtained by melting down and of a fineness ranging from 997.4/1,000 to 997.6/1,000 are engraved with the date 1937 and with serial numbers ranging from 949 to 1010. If the number of ingots appearing in this series is added, a total of 1,776 is obtained which is the same as that given in the letter of the Hauptkasse of May 29, 1943, with a gross weight of 22,024.1735 Kg. which is very close to that indicated in the aforesaid letter, or 22,024.405 Kg. / This slight variation of 231.5 gr. is probably to be attributed to differences noted in the weighings made at the Prussian Mint and at the Reichsbank. It may be considered normal.

*

* *

From the foregoing, it may therefore be concluded that the Central Bank of the Republic of Turkey received from the Reichsbank 249 ingots from Belgian gold melted down and bearing:

(1) on the labels, glued on the ingots, the Nos. 39,980 to 40,228.

(2) engraved on the metal, the date 1937 and the serial numbers

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serial numbers 949 to 957, which may be broken down as follows:

series 949	nos. 1 to 28 or 28 ingots
" 950	" 1 to 27 " 27 "
" 951	" 1 to 26 " 26 "
" 952	" 1 to 30 " 30 "
" 953	" 1 to 30 " 30 "
" 954	" 1 to 29 " 29 "
" 955	" 1 to 30 " 30 "
" 956	" 1 to 29 " 29 "
" 957	" <u>1 to 20 (1) or 20 ingots</u>

or 249 ingots

(1) or included between 1 and 26;

This information should facilitate the recovery of the Belgian gold purchased by Turkey, by proving to the Authorities of that country how well-founded is the request for restitution which might be presented to them.

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4234*McCoubie's first
proposed note*(2)CopySECRETGOLD

On 27th May, 1943, the Reichsbank took steps to lead to the delivery of a consignment of gold to the Central Bank of the Turkish Republic. For this purpose it withdrew from the Department of Precious Metals of the Prussian Mint (Edelmetall Schir) the quantity of gold bars required, and credited this in its ledger "Asservat Der". This ledger, which was divided into sections dealing with gold bars, and other species of monetary gold, indicated as a species of balance sheet the quantity of gold which at any given time was at the charge of the Reichbank, each entry indicating either an addition to stocks, or a withdrawal from stocks, with the resulting balance. The ledger also showed in each case the numbers assigned by the Reichbank to gold bars, or sacks of gold coin, which were the subject of outgoing transactions. These numbers in the case of gold bars were also in practice marked upon small paper labels stuck upon each of the bars, and represent a positive means of subsequent identification, since it is usual for the receiving bank to retain note of these numbers or even to leave them attached to the bars, in addition to the characteristics offered by the bars themselves, such as the date of the year of minting (millesime) engraved in the bars themselves, and the general weight and assay fineness of the bars, either individually or by lots as mentioned in covering schedules.

The Allies possess the Tresorarbeitsbuch of the Department of Precious Metals (Edelmetall Schir) which is of a special character of authenticity since each entry is countersigned by (1) the Director of the division concerned (2) the Chief Cashier and (3) the individual employee charged with

the

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actual movement of the gold.

This Journal du Travail, which was kept in chronological order, shows under date the 28th May, 1943, the setting aside for the Central Bank of the Republic of Turkey of 249 bars bearing numbers 39980 - 40228, corresponding with the entry in the "Asservat Der" of the 27th May, 1943, of the transfer by the Reichbank to its depot for the Central Bank of Turkey of bars 39980 - 40228, totalling 249 bars, of a gross weight of 3,045.5910 kilos, or 3,047.3200 kilogrammes of fine gold. The entries in the "Asservat Der" show that before this setting aside of 249 bars the Reichbank held 6365 bars of a gross weight of 78,941.067,5 kg. or 78,025.442,5 kilogrammes of fine gold, and the next succeeding entry shows a resulting holding of 6116 bars, of 75,886.476,5 gross and of 74,978.122,5 kg. fine gold.

The transaction is further evidenced by a covering note delivered by the Edelmetall Schir to the Hauptkasse of the Reichsbank dated the 29th May, 1943, corresponding to the incoming entry in the "Asservat Der" of the Reichsbank, which each mentioned the bars numbered 39980 - 41573, and 41574 - 41745 with their respective gross and fine total weights. These bar numbers, appearing therefore in the note of the Edelmetall Schir, in the records of the Hauptkasse of the Reichsbank, and in the book-keeping of the Reichbank, appear to establish the receipt by the Central Bank of the Republic of Turkey of bars of these numbers, vizt., 249 bars numbered 39,980 - 40,228, of 3,054.591 kg. gross, or 3,047.320 kg. fine gold. According to further information in the possession of the Allies, these 249 bars bear the millesime "1937" of the Prussian Mint, and were divided into the nine lots as

Described

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described in the Schedule annexed.

The Allied representatives desire to exchange data with the Central Bank of the Republic of Turkey which would confirm, or dispel, their present indications that 249 gold bars of the characteristics described were in fact received by the Central Bank from the Reichsbank at some date following the 29th May, 1943.

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Characteristics of 249 bars delivered to Central Bank of Turkey May/June, 1943, as recorded in the records of the Reichbank and Prussian Mint

<u>Millesime</u> 1937	<u>Series No.</u>	<u>Bar Numbers</u>	<u>No. of bars in series</u>	<u>No. of each series taken</u>	<u>Fine-ness</u>	<u>Gross weight k.g.r.</u>
"	949	39,980 to 40,007	28	28	997.6	346.020
	950	40,008 to 40,034	27	27	996.9	328.335
	951	40,035 to 40,060	26	26	997.6	311.930
	952	40,061 to 40,090	30	30	997.9	370.150
	953	40,091 to 40,120	30	30	997.6	372.505
	954	40,121 to 40,149	29	29	997.7	354.085
	955	40,150 to 40,179	30	30	997.4	364.260
	956	40,180 to 40,208	29	29	998.2	356.840
	957	40,209 to 40,234	26	20	991.6	*323.945
			<u>255</u>	<u>249</u>		<u>*3055 Kilos gross</u>

* These figures indicate the total gross weight of lot 957, and by taking an average for the 20 bars, and allowing for the lower fineness of this in comparison with other lots, we can arrive at an approximate gross weight of the 249 bars of something under 3055 kilos gross, or a little under 3050 k.g. fine gold.

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The history of the gold bars comprising, it is thought, the bars already mentioned, is as follows. During the years 1940 to 1942 the German authorities caused to be delivered to them in Berlin, and there seized, 11,767 ingots of fine gold, the property of the Bank of Belgium, but previously held for that bank en depot by the Bank of France. The total weight of this gold of which Belgium was despoiled was 145,768.551 kilogrammes of fine gold. Early in 1943 this gold was melted down and resmelted by the Prussian Mint, in 6 batches. Batch No. 4 consisted of 1754 ingots of Belgian gold, as is evidenced in the books of the Edelmetall Schir, as follows:-

"Die Noch im Depot der Belgischen Nationalbank
"befindlichen St.

"1754 goldbarren Kgr. 22.057.825,0.

"(unbekannte deingehalte)

"haben wir von der Preussischen Staatsmunze
"umschmelzen lassen und bis auf eine kleine
"Restmenge als:

"1594 goldbarren (now numbered 39980 - 41573)
"kgr 19,889.134,5: kgf 19,843.789,7

"172 goldbarren (now numbered 41574 - 41745)
"kgr 2,135.039,0: kgf 2,107.005,1"

totalling

1766 bars (No. 39980 - 41745)
Kgr 22,024.173,5: kgf 21,751,784,5.

The full details of all this resmelting and forgery of minted bars are recorded. The Allies possess the "Cahier de Fonte" of the Prussian Mint showing the "Goldbarren ohne feine" resmelted on dates from 13th March, 1943, to the end of that month, and the sale "1937" indicated as inscribed in the new bars, the new lot numbers, running from 949 to 1012, the number of bars in each lot, and the total weight, by lots, of the new bars. This "Cahier de Fonte" records that 1766 bars were thus produced, thus agreeing with,

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and confirming, the entries by the "Edelmetall Schir" of 29th March, 1943, which records 1754 Belgian bars of a gross weight of Kgr 22,057.825 as having become 1766 bars of a gross Kgr of 22,024.1735. It is true that the "Cahier de Fonte" shows a total gross weight of 22,024.405 for these bars, but this is within normal divergencies of weighing as between any two bodies, Mint of Central Banks, in weighing such a quantity of gold bars.

Moreover, the "Asservat Der" of the Reichsbank itself records that it had brought into credit at the end of May, 1943, from the depot of the Belgian National Bank, under numbers 39980 to 41573, 1594 bars of Kgr 19,889.1345: Kgf 19,373.789,7: and, under numbers 41574 to 41745, 172 bars of Kgr 2,135.039: kgf 2,107.995,1. These total 1766 bars of Kgr 22,024.173,5: kgf 21,951,784,9, exactly agreeing with the delivery letter of the Prussian Mint. And in the "Asservat Der" the bars numbered 39980 to 41573 are separated by only a single entry from the consignment of bars numbered 39980 to 40228 shown as delivered to the Central Bank of the Republic of Turkey. The identity of the missing, and stolen, bars of the Bank of Belgian thereby appears to be firmly established.

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To: Mr. Baker

From: Mr. McCombe

I have had news from London that the Central Bank here has recently attempted to arrange with the Bank of England for the latter to re-smelt into uniform bars of gold of high mark or "titre" of fineness e.g., .995 plus, certain miscellaneous gold holdings of the Central Bank, apparently held within Turkey, and described as 8 tons approximately of ingots of varied and relatively low fineness, and 3 tons of miscellaneous and unspecified gold coin.

I have telegraphed that this must certainly be declined, in accordance with the Bank's own inclination, and that I will gleefully rub it in during the forthcoming talks on looted gold that on two grounds such dealings must be declined by all the central banks of the Allies and their Mints, as well as by all other countries associated in the Allied Declarations of 1943 and 1944, as well as those countries with whom we have had gold settlements.

The first ground is that there is a universal resolve to take no gold which has not been cleared of all possibility of being loot, or of being admixed with loot: and until we have pronounced ourselves satisfied that the Government of Turkey and its Central Bank do not hold any looted monetary gold, a matter upon which we, as the duly appointed spokesmen for all the countries despoiled by Germany, are not prepared to take Turkey's ipse dixit, or until there has been a settlement in respect of any monetary gold shown to have been loot, we can only warn the Turkish Government that the Allies and associated governments and their banks adhere to their Declarations, of which the foregoing incident is a practical example.

The second point is that, whether the technical experts of the Central Bank had worked it out for themselves or not, ingots of a fineness below .950 are suspect as of looted origin until it is shown that they did not originate in Germany during the war.

We are able to assert that such bars were not commonly minted, but only came into circulation as a result of the haul of looted coin of the Latin Union stolen by Germany.

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The Allied experts would be able before any qualified technical body to show that although the transmutation of any specific coin or bag of gold coins of the Latin Union into bars could not be traced with the specific clarity of the proofs of the identity of the Belgian bars, since the Germans did not record the previous history of coin as they did for bars resmelted, there is in the opinion of the Allied experts a strong probability that bars of less than .950 fine were resmelted of coins, which is supported by the knowledge, founded upon the books of the Reichsbank and the Prussian Mint, that coin received by the latter was equally resmelted into bars of a low fineness or titre.

You may care to submit this to your experts in Washington, for which purpose I enclose an extra copy, but I believe that I am right about it, or nearly enough to add something to our bill against Turkey in respect of these 8 tons of ingots and 3 tons of coin until they (if they can) produce some factor which damages our case.

As regards the 3 tons of miscellaneous gold coin, we should, I suggest, ask when and how it came into the possession of the Central Bank and, if any came from either of the two German banks in Istanbul, we should confront them with our knowledge that they allowed these banks to import, after the Allied Declaration of January, 1943, (I have the Customs particulars and dates, but not any individual identifications) over 57,000 gold coins, British, French, Dutch, etc., and our strong suspicion which would, we feel, be endorsed by U.N. or anywhere we choose to ventilate the matter, that Germany had no other source of gold coin than the banks and safe deposits in Europe which she looted. It is noteworthy that no German coins were imported into Turkey, not one.

In view therefore of this further well founded suspicion that Turkey holds, in addition to the specific gold bars of Belgian origin, about 11 tons at least of monetary gold of a value, one may suppose, of say 8-1/2 million, we might suggest that as an all over settlement and to recoup in justice in some measure the countries despoiled of monetary gold, for whom we act, Turkey will put up, say, the equivalent of 2 tons of this miscellaneous holding, following which she can arrange to have the lot resmelted, or as she chooses, and as opportunity occurs, our gold paragraph in the draft Note being revised accordingly, as below: -

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Draft Note, Art. I, B, to read as follows:-

Effect restitution to the three Governments, for the account of those countries occupied by Germany during the war who were despoiled of monetary gold, of the equivalent of any monetary gold of which satisfactory indications exist that such gold was looted by Germany and had been acquired by Turkey, including 3,047.32 kilogrammes of fine gold owned by the Bank of Belgium and looted by Germany, as well as reasonable compensation in respect of gold bars and coin acquired by the Central Bank of the Turkish Republic and identified as or deriving from gold coin of the Latin Union looted by Germany.

22nd July, 1947

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ANKARA.*McCamb's letter 64*
Fletcher

24th July, 1947.

Dear Dr. Fletcher,

In connection with our hopes to get to grips with the Turks on the matter of restitution of looted gold, a new point has arisen on which we shall all be glad to have your opinion. Baker, who is now en route to Washington, has a memorandum which I wrote a few days ago on it, but learning that an opportunity for swift delivery of a note to you was possible, I hope that it will be in order for me to send you in advance of Baker's arrival, the details.

The Central Bank of Turkey recently attempted to arrange with the Bank of England for the latter to resmelt into uniform bars of gold of high "titre" e.g., 995 plus of fineness, some gold bars and coin described as 8 tons of ingots of varied and relatively low fineness, and 3 tons of unspecified gold coin.

We would not of course agree to this, and of itself the incident will be useful in explaining to the Turks that none of the central banks of the Allies and associated countries, or their mints, will touch Turkish gold until the question of loot has been satisfactorily determined.

But, this apart, I would like to make a claim to this gold as bearing prima facie indications of looted origin until the contrary can be shown. My impression is that before the war gold bars of a fineness below 950 were a rarity, and that we have proofs that they first came into existence as bars manufactured by the Prussian Mint by the resmelting of coins, principally those of the Latin Union, which were themselves of a low degree of fineness. If these assumptions are justified, we would have to ascertain just what degree of fineness these particular bars possess, and what history of them the Turks can furnish, but if we could only get on the offensive on the basis of a reasonable suspicion of looted origin, we might be able to force some compromise even though our proofs are very much matters of conjecture.

As regards the coins, although as a matter of proof coins are obviously untraceable, the same story may still give us room for argument. We can point to the knowledge which we have of the attraction of all forms of monetary gold for the looting Germans, and perhaps we might discover that

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much of this coin came from the German banks here. We know, and I have the day to day tally, that the German banks even after January, 1943, received by air from Germany no less than 57,000 gold coins, British, French, Dutch, Swiss, etc. The story is thin, but in my mind the suspicion is nevertheless strong. What do you think of it and have you any material which would support it or could be used in general argument?

Please remember me to all still engaged upon Saf haven, and believe me, with very kind regards,

Yours sincerely,

Dr. Otto Fletcher
Department of State,
Washington, D.C.

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To be added to memo on gold.

PART III.

The Central Bank of the Republic of Turkey holds a quantity of bars of monetary gold of low titre or quality of fineness and also an amount of gold coin, equally suspected of having reached Turkey through German hands. In view of the special depredations by Germany of gold coin looted in the occupied countries, and of the facts known to the Allies of the receipt by the German banks in Istanbul, with the knowledge of the Turkish authorities and even after the Allied Declarations of 1945 and 1944, of large quantities of European gold coin and of bars of low titre of fineness suspected of having been manufactured by Germany from looted European gold coins, especially those of the Latin Union themselves of low titre of fineness, the three Governments cannot but feel satisfied that of these bars, and coins, a quantity, which for the present and until the contrary is shown they must continue to estimate at not less than 5 tons, held by the Central Bank is no less of looted origin than the 249 bars referred to in Parts I and II of this memorandum.

The three Governments therefore propose that the Turkish Government, in fulfilment of the principle of restitution of looted property and in harmony with the course taken by other Governments (e.g., of Switzerland and of other countries by whom in the like circumstances restitution has been made), should restore the equivalent of 3,047.32 kilogrammes of fine gold, as mentioned in Parts I and II of this memo, and a full equivalent in respect of other acquisitions of gold of looted origin whether in bars or coin.

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*Mc Combs' proposed gold note to
be presented after present action
main note has been made*

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His Majesty's Embassy presents its compliments to the Ministry of Foreign Affairs of the Republic of Turkey and has the honour to refer to its Note of delivered to the Ministry in concert with the Embassies of the United States of America and of France, in which reference was made to the restitution to its owners of looted property, including monetary gold.

The principle of restitution of looted property is prominent in Resolution VI of the Conference of Bretton Woods and the acceptance of that principle by the Government of Turkey rests no less upon the unity of Turkey with the United Nations and its membership of the (World Bank), than upon assurances given by the Ministry to His Majesty's Embassy and the Embassies of the United States of America and France. H.M.'s Embassy, therefore, upon instructions from H.M.'s Principal Secretary of State for Foreign Affairs, has the honour to request the Ministry to agree that, in pursuance of that principle, very early attention should be given by the Government of Turkey to the carrying out of the spirit and terms of that Resolution in relation to the monetary gold which, according to information in the hands of H.M.G., came into the possession of the Central Bank of the Republic of Turkey and is looted gold of which certain of the occupied countries in Europe were despoiled by Germany.

On behalf of Belgium, the primary victim of German spoliation in the matter of monetary gold, H.M.G. in association with the Governments of the United States of America and France ~~identify~~ ^{*claim*} as having come into the possession of the said Central Bank 249 bars of gold. Further, they desire enquiry into the nature, and subsequent history of, some 32,000 gold coins and 243 kilos gold ingots (mainly monetary gold of the Latin Union or gold bars which demonstrably

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were minted from such coin) delivered to the Turkish authorities by Swiss officials who then had charge of German affairs, as well as of the miscellaneous gold coin and bars of low titre recently the subject of correspondence between the Central Bank and the Bank of England.

His Majesty's Embassy cannot fail to remind the Ministry that in July last every effort was made by it, in concert with the Embassies of the United States of America and of France, in order to afford to the appropriate Turkish authorities a timely opportunity, by examination of material facts between them and the available Allied experts, to agree or dispel the conclusions which H.M.G. and other Governments have drawn from the facts in their possession. This opportunity was not taken and H.M.G. must therefore regard its conclusions as well founded, not only by reason of the facts themselves, which the Central Bank was apparently unwilling to meet in open discussion, but because they form part of a planned and systematic programme of looting by Germany, the records of which exist and the proofs of which have been tested and accepted by numerous other Governments and their Central Banks, as well as by the expert officials of the Bank for International Settlements.

H.M.G. therefore, on behalf of the nations despoiled of monetary gold, propose that the Government of Turkey should, in restitution of monetary gold looted by Germany and which came into possession of the Central Bank of the Republic of Turkey, deliver the equivalent of 5,000 kilogrammes of fine gold, or such other amount as may be established by a conference of experts representing the U.K., the U.S.A., France and Turkey, as the reasonable estimate of the amount of looted monetary gold of which the Central Bank has had possession.

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: October 8, 1947

SUBJECT: Turkish Gold

PARTICIPANTS: Mr. Siraud, French Embassy
George W. Baker

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Some days ago Mr. Siraud telephoned to inform me of an instruction he had received from Paris concerning the Turkish position with regard to looted gold. The Foreign Office asked that the Department be informed of its dissatisfaction over the failure of the Turkish Government's General Assembly to enact at the brief September session the legislation which the three Allied Governments have requested concerning a census of German assets, a census of Turkish claims against Germany, and a statement of intention to effect restitution of looted gold. The French referred to a report that Turkey had applied for a loan from the International Bank. He suggested that Turkey be informed that she cannot have such a loan until she has supplied the information requested in July 1947 concerning her gold acquisitions from Germany and has made restitution of any ~~such~~ gold.

Mr. Siraud called at my office today on instructions from the Foreign Office. The French Ambassador at Ankara has brought to the attention of the Foreign Office the fact that a year ago Turkey had gold reserves of 212 tons. Her present reserves are 158 tons and they are decreasing at the rate of approximately 5 tons per week. Much of this gold is being used to acquire American dollars. The French Foreign Office requests that we invoke the Gold Declaration of February 1944, thus preventing Turkey from disposing of any further gold. The French suggest that we follow the procedures employed against Roumania.

I told Mr. Siraud that the Department, too, was distressed over the failure of the Turkish Government to give us the requested information on acquisitions of gold from Germany. I said that I had learned that Turkey had not made a formal application for a loan from the International Bank and that, therefore, the first French proposal was not feasible at this time.

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With regard to the second proposal, I stated that I would raise in the Department the possibility of invoking the Gold Declaration against Turkey . . .

I discussed the foregoing with Mr. McGuire of FN and Mr. LeBreton of NE. It was decided that we would invite Mr. Yazici, Financial Counselor of the Turkish Embassy, to call on October 9 and we would advise him that, unless the requested information on Turkish acquisitions of gold was forthcoming, this Government might reluctantly find it necessary to prohibit further transactions in Turkish gold *after Turkish holdings in the U.S. are exhausted.*

In connection with this general subject, the following memorandum prepared by Mr. Doherty in FN on September 30 is pertinent.

"When Mr. Yazici was in my office on September 25, he said that Turkey's gold holdings had declined from \$230 millions on September 7, 1946 to \$174.1 millions on September 6, 1947, or by \$55.9 millions. In terms of quantities of gold, he said that 8.5 metric tons had been sold in Turkey, 9.0 metric tons given to the International Monetary Fund, and 40.5 metric tons sold to acquire dollars, or a total of 58 metric tons disposed in one way or another. At \$1,125,276 per metric ton, this would amount to about \$65 millions. The 40.5 metric tons sold to acquire dollars would amount to about \$45.6 millions.

"Of total Turkish gold holdings, Mr. Yazici said, 46 metric tons, valued at TL 145 millions or about \$52.0 millions, was owned by the Turkish Treasury. This gold was bought from Great Britain in the early days of World War II."

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STANDARD FORM NO. 64

Turkey - Gold

Zanger

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Baker
 FROM : Robert Donhauser *rd*
 SUBJECT: Proposed Draft of Gold Note to the Turkish Government

*Fletcher
 + Baker are
 altering note
 2/2/47*

DATE: Oct. 21, 1947

This Document Must Be Returned to
 Central Files
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You will recall that McCombe's first draft of a note concerning the gold held in the Central Bank of Turkey, believed to have been looted by the Germans was divided into two parts: The first part concerned the proof of the transaction between the Central Bank of Turkey and the Reichsbank, whereby the gold was brought to Turkey; the second part outlined a history of the looting of the gold bars from the Bank of Belgium and their subsequent transfer to the Reichsbank.

At a later date McCombe drafted a third part to the original note which concerned the 8 tons of ingots and the 3 tons of miscellaneous and unspecified gold coin of the Latin Union stolen by Germany. With reference to the first two parts of the note, McCombe stated that the Allied representatives desired to exchange data with the Central Bank of the Republic of Turkey which would "confirm or dispel their present indications that the 249 gold bars referred to in part 1 and 2 of the note under reference were received by the Central Bank from the Reichsbank at some date following the 29th of May 1943." In addition, the note requested the return of 5 tons of the Latin Union gold described in part 3. In this connection McCombe pointed out that the three governments "cannot but feel satisfied that of these bars and coins, a quantity, which for the present and until the contrary is shown, they must continue to estimate at not less than 5 tons held by the Central Bank is no less of looted origin than the 249 bars referred to in parts 1 and 2 of this memorandum." The note concluded with a proposal that the Turkish Government in fulfillment of the principle of restitution of looted property restore the equivalent of 3,047.32 kilograms of fine gold and a fuller equivalent not respective of other acquisitions of gold of looted origin whether in bars or in coin.

After you

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After you left Ankara, McCombe drafted another note, which the attached note resembles except for a few minor changes. McCombe, Moore, and I thought that it would not be advantageous to show our hand as the first draft had envisaged, and that consequently, if we were to present a note on gold, it should be in general terms without specific information. If the Turkish Government following the receipt of this note was still unwilling to disclose the information, it was suggested that the history of the gold bars be outlined in detail, but until that time the general phraseology of the attached draft would suffice.

You will note that in the attached draft specific mention is made of Belgium and the British Government in association with the U.S. and France "identify" as having come into the possession of the Central Bank 249 bars of gold. In addition, the note states that the three governments desire "inquiry" into the nature and subsequent history of some 20,000 coins and 100 kilos gold ingots delivered to the Turkish authorities by Swiss officials. (This, you will recall, is the gold which the Turks must admit to be in their possession.) The note further requests that an inquiry and history be made of the miscellaneous gold coin and bars of low titre recently the subject of correspondence between the Central Bank and the Bank of England. The note concludes with the proposal that the Turkish Government deliver the equivalent of 5,000 kilograms of fine gold "or such other amount as may be established by a conference of experts representing the UK, USA, France and Turkey as the reasonable estimate of the amount of looted monetary gold over which the Central Bank has had in its possession."

The following inquiries seem to be in order:

1. Why does McCombe limit the gold delivered by the Swiss to the Turks to that which belonged to the Dresdner Bank? On September 3, 1945 the Swiss Legation turned over to the Turkish authorities the following amounts:

(a) Dresdner Bank - 20,000 gold coin and 100 kilos of gold ingots.

(b)

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(b) Property of German Reich - 143.6 kilos of gold ingots, 12,799 coins and 250,000 ₺T.

Of the Turkish Lira a certain amount was retained by the Swiss Legation to wind up the affairs of its special section for German interest. In the draft of this note McCombe gave me, he includes the full total of 32,000 gold coins and 243.6 gold kilos. For some reason that sum has been changed in this draft.

2. Would it not be better in the note to mention the specific date upon which the transfer occurred?

3. After making reference to specific amounts except for the miscellaneous gold coins, why does he end by requesting the restitution of a lump sum of 5,000 kilos?

OE:RDonhauser:des

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