

DECLASSIFIED

Authority NWD 765029
By BHM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

347849

TELEGRAM RECEIVEDFrom: SIGSTATE WASHINGTONDate: July 24, 6 p.m., 1945.
759

RESTRICTED/M

No: July 25, 2:15 p.m.Code: AMEMBASSYUR URGENT

Received:

ANKARA

759 - July 24, 6 p.m.

Re Department's telegram 2042 to you of June 15, 1137 to Stockholm, 988 to Lisbon, 618 to Ankara, 4828 to London, 2768 to Paris, 1316 to Moscow.

Formally notify Foreign Office that powers occupying Germany claim title to or control of German owned or German controlled assets and request that government to which you are accredited take no action which would conflict with this control which must be recognized as having come into existence. British have agreed to foregoing specifically for neutrals and French have indicated will instruct their missions to join U.S.-U.K. in warnings of this nature. Russians have been informed we assume their consent from Russian actions at Ankara and Stockholm. Inform your colleagues representing occupying powers of your proposed action and ask them to take identical steps. Madrid has already acted. Ankara to await parallel British instructions.

Sent to Bern, Stockholm, Lisbon and Ankara for action. Repeated to London, Paris, Buenos Aires and Moscow for information.

GREW, Acting

Decoded: pgw
Typed : bwCC: Lawson ✓
Ambassador, Istanbul

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By BM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851-Safe Haven
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TELEGRAM RECEIVED

From AMEMBASSY
 LONDON
 Code RESTRICTED/M

Date July 28, 1945
 No 72
 Received July 30, 9 a. m.

AMEMBASSY

ANKARA

72 - July 28, 7 p. m.

Following are MEWFO's and Embassy's views re questions raised in Bern's 3678 July 25 to Department (repeated 1307 to London. Numbers unknown to Paris, Stockholm, Ankara, Moscow, Buenos Aires) (Letters correspond to Bern's 36780):

(a) MEWFO has advised Bern to confine demarche to German (repeat German) assets instead of Axis assets. British feel we can always add other enemy assets when deemed desirable.

(b) and (c) In order to avoid certain difficulties feared by British (reference London's 6507 June 28 to Department, repeated 224 Moscow, 409 Paris, 177 Madrid, 200 Bern, 476 Stockholm, 63 Ankara) Department and British agreed (and British now feel strongly) that demarche should omit any reference to ultimate vesting. Accordingly we urge that French omit in their demarche any (repeat any) reference to WOC or to vesting as was done apparently by French in Lisbon (Lisbon's telegram July 27 number unknown) Department repeated London 375, Paris 267, Buenos Aires 2, Moscow 8, Bern 58, Stockholm 14). These omissions will confine French demarche to the points mentioned in Department's 6100 July 24 to London (repeated numbers unknown to Bern, Stockholm, Ankara, Moscow, Buenos Aires, Paris) and ARFAR 623 July 12 to Bern (repeated 735 Washington, 17 Moscow, 68 Paris, 252 Stockholm).

(d) MEWFO and Embassy agree with suggestions in your (d) and your immediately following paragraph excepting that for sake of uniformity phrase "must

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be recognized" should be adhered to rather than phrase "which came into existence etc." as you suggested although we see no inherent objection to your phrase. Accordingly first sentence of Department's 6100 would thus read "formally notify Foreign Office that powers occupying Germany claim title to and control of German owned or German controlled assets and request that government to which you are accredited take no action which would conflict with this title and control which must be recognized as having come into existence."

Please be guided by foregoing unless otherwise instructed by Department. MEWFO has instructed British colleagues along similar lines.

MEWFO has informed British Mission Bern that they can delay presentation of note in their discretion provided American colleagues agree. Embassy feels that in this crucial matter of allied claim to German external assets a uniform policy and procedure should be followed in so far as possible.

We therefore feel that demarche to Swiss should not be delayed particularly since the notes have already been delivered in Madrid (Department's 6100) and Lisbon (Lisbon's 375 to London). However await specific instructions from Department on this point.

This telegram sent as 224 Bern. Repeated 7623 Department, 527 Stockholm, 72 Ankara, 266 Moscow, 12 Buenos Aires, 490 Paris.

WINANT

Decoded: hs
Typed: mp

Copy P The Ambassador, Istanbul.
Mr. Lawson

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By RKM NARA Date 7/26RG 84
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PLEASE RETURN
PROMPTLY TO FILE ROOMCopy for Ankara
(A2)

CONFIDENTIAL

EMBASSY OF THE UNITED STATES
OF AMERICA
AUG 14 1945
ANKARA

AIRGRAM

WDP
PROM
Stockholm

Dated August 6, 1945

Rec'd

Secretary of State,
Washington, D. C.

	ACTION	INFORM
AMB	8	
ELP		
EBL	2	
RWB		WD
JEH		
NEG		
DEW		
JRS		
PE		
RR		
PJK		PK

Confidential - Safehaven

A-319, August 6, 1945

Comments Legation on view Safehaven authorities to proposed Safehaven Agreement (Legation's 2544 July 20, 1945 London, 42 Bern, 7 Madrid, 9 Lisbon, 3 Ankara, 11 Buenos Aires, 1 Tangier, 36 Moscow; Department's 1469 July 31, 6367 London, 109 Moscow, repeated by airgram to Madrid, Lisbon, Bern, Paris, Ankara, Buenos Aires, Tangier) follow:

Introductory Statement (References are to paragraphs Legation's 2544.) Legation will press Sweden for phrase suggested by Department, concerning which we do not expect difficulties.

(4 A) Legation appreciates authorities' views on dual census, but in Legation's view basis suggested Department's 1469 for holding dual census does not adequately go to our objectives. In suspicious cases Sweden will fully investigate and require suspects to submit full and complete information, including information that would be obtained from dual census as conceived in Department's 1469. Our objective which goes further is as follows: Asset census is directed to obtaining information from present holders of German assets concerning such assets. However, a transaction census will require reports from all persons who have held German assets even though they

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no longer have any title to or interest in such asset, as well as information as to details of how they acquired and disposed of their interest or title. With such information, Swedes will be able to investigate whether that asset has been reported in the current "asset census" and if not make further investigations and take appropriate action. This proposal, to which Swedes have agreed in principle, appears to go beyond what authorities suggest in Department's 1469, since it may well involve reporting on assets which neither Swedes nor we presently have any information. Legation recommends we attempt work out procedure obtain additional check from "transaction" census and requests suggestions authorities to method which would circumvent administrative problem admitted by authorities in Department's 1469. Fleming FSA is fully conversant on this point, having sat in on previous discussions.

B) We concur with authorities that objective should be accomplished by Swedish Government making available results of census. Concerning right to see actual forms on specific cases Legation has had preliminary and unofficial discussion with Swedish administrative head Safehaven and we expect no difficulty on this. Our basis for this vis-a-vis Swedes was not represented as expressing any dissatisfaction with their controls or suspicion concerning their administration but as a method of assistance to them and of obtaining complete information to us.

Paragraph 1: Legation believes our authorities are considering question of Swedish "adherence" to Resolution VI and two declarations on a very technical basis. Proposed letter would state that Swedish Government has decided to assist United Nations in carrying out policy laid down in two declarations and Resolution VI, and that they agree to continue in force measures already taken for above purpose and to take into favorable consideration such other measures as are indicated in the declarations and resolution. Public statement to this effect has already been made by Swedes in public release of minutes meetings of King and Cabinet, Legation's despatch 5789, July 5. Swedes will also further make public statement of their decision to assist us in carrying out policies laid down in resolution and two declarations. Legation after it has worked out proposed letters (Swedish letter and British and American reply) will submit letters for consideration authorities.

Questions

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Authority NND 765029 B1 BYMA NARA Date 7/26	Entry Turkey Ankara EMBASSY
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3-4-319, from Stockholm

Questions last paragraph Department's 1469 raise serious problems. Our negotiations have always been based on fact that controls will be exercised by Swedes and checked by this and British Legations. Department's concurrence on this view, along with concurrence members Washington Safehaven Committee as of time of drafting objectives, was made clear to Surrey. Subsequently question of Allied administration was precipitated by what was taking place in Spain where there was apparently danger of dissipation of assets under Spanish administration. Department's 1137 June 15, which was transmitted to this Legation for information and not for action. The question of taking title to and control of German assets and possible administration by ACC through Legations was then subject of numerous information telegrams.

Ruben's comments Paris's 105, July 10, 4132 to Department, stated that local controls will constitute main reliance but ACC or its representatives should be in position to take control over specified properties to prevent dissipation assets. Ruben also stated that the right of ACC to intervene may be as effective as actually taking such action.

In its 117 July 19 to Paris, 2528 to Department, Legation approved Ruben's proposals on following understanding: that title in and control of four countries represented on ACC to German external assets be made known to neutrals but that actual taking over and management of such assets be exercised only where there is evidence of dissipation. Legation expressed desire to leave control to Swedes under existing circumstances while maintaining residual right to taking over control if necessary. This was basis on which we worked out proposed Safehaven agreement on July 19 (Legation's 2544). Subsequently Department's telegram 1416, July 24, was not believed to be in conflict with this, since it requested us to notify Swedes occupying powers claiming title to and control of German assets and that Swedes should not take any action which would conflict with this control. Such notification was not deemed inconsistent with Legation's understanding Ruben's proposal.

Actual situation here today is as follows: Swedes have frozen all German assets and a census of such assets is being currently conducted. Simultaneously Swedes have selected certain accountants to investigate certain industries where German interests predominate or are

important

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By BK/M NAPA Date 7/26

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Entry Turkey Ankara
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4-4-319, from Stockholm

important. These include electrical, mining, insurance, shipbuilding and I. G. Farben companies. Accountants have had no previous connection with firms being investigated. This investigation is designed to obtain full information on certain key German investments here. Under law, Swedes can seize company and administer it where there is danger of dissipation assets. Swedish administrators will work on principle that such danger exists where there is German control. Such control will be deemed to exist where there is majority or controlling German interest, where company has large debt to Germans, where, in summary, there is a factual basis for German control regardless of Swedish nominal ownership or control. In seizing a firm Swedes will appoint a person to run company (interventor), who will first have to be approved of by British and this Legation. Moreover, we have requested Swedes that in cases where they take control we reserve right to review books, etc., to which request we expect no objection.

In informal conversation with Swedish head Safehaven agency, Legation discussed future of German firms. He pointed out that certain ones are essential to economy here, referring as example to the mining industries owned or controlled by Germans, which Swedes wish eventually to have sold to purely Swedish interests. This is consistent with paragraph 4 Department's 1276, July 6. Others which are clearly not essential to Swedish economy he agreed should be liquidated. This is also consistent with Department's 1276. Borderline cases would consist of subsidiaries of German firms which are found to be important to local economy, but decision may depend on what is done with parent firm. Legation pointed out that for I. G. Farben firms, while we may permit continuation of some of its activities in Germany, we may well desire to eliminate its world control, in view part Farben has played in the furtherance of Nazi Germany's world position. He recognized this danger and believed that this type case would have to be discussed by us at future date, and did not deny possibility that it may be necessary to eliminate such firms.

Thus Swedes intend at present on basis discussions with British and this Legation held since middle April (Legation's 1496 April 21) to administer freezing of German assets, and to supervise (i.e. through interventor) important firms which are German controlled or owned. Legation and British Legation will under this procedure check on freeze and interventorship. If there is any evidence of dissipation, then we will be in position to take over

control

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control on basis fact occupying authorities own and control German assets. (Demarche concerning this ownership and control was made August 4 by representatives four governments on basis Department's 1416, July 24.)

Legation strongly prefers this procedure to that now recommended by Department its 1469. Reasons can be summarized as follows:

a) We fully expect Swedes to give satisfactory administration and have no basis to expect dissipation assets. Fact this danger exists in Spain is not argument for its occurrence here.

b) Legation would not wish to administer firms through Swedes appointed by it and British Legation. We knew of only one firm (Price Waterhouse) to whom we would entrust this responsibility and even there we have no basis for knowing persons (Swedes) within firm, but only head of firm, Thompson, an Englishman. A Swede accepting position of interventor responsible to us would as Swedish subject have indirect responsibility to Swedish Government. Swedish Government would be in position of having passed laws authorizing control of German assets, and established administration for execution control, all at our request, and then in effect being informed that we fear their administration will permit dissipation assets (concerning which in fact we have no basis at present for such fear). Thus Government would not be too sympathetic to our evident distrust of them, and consequently our Swedish appointee as Swedish subject would be in anomalous position not too favorable to us.

c) Expecting as we do an honest and effective administration by Swedes, we believe more can be obtained by our concentrating our efforts on assisting Swedes by making information available to them, by working on principles and methods of administration with them, by checking into specific cases with them. At all times Swedes will be impressed that their responsibility is as trustees for us, and that in event of failure in this capacity, we would have to control.

d) Legation recognises that should Swedes fail to give effective administration and we must intervene, then we are locking the barn door after the horse has left. This danger, however, must be considered against fact that we do not expect an ineffective administration, that we believe a less effective administration would be obtained

by

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By BM NARA Date 7/26RG 84
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by our administration, using necessarily some Swedes, which would be interpreted as evidence of distrust of Swedish Government administration, concerning which neither Legation nor Swedes believe is presently justified. From position of mutual cooperation with Swedes, as under our proposed procedure, we would find Swedes less sympathetic and less cooperative as result our unjustified distrust of them.

e) Legation also recognizes that question is raised as to whether we are prejudicing whatever position we may finally take on disposition assets by leaving control with Swedes. Legation does not believe this will prejudice our eventual position. Question of disposition has not been officially discussed, although Legation supports Huben's second alternative (Paris's 105 July 10) that neutrals be notified that satisfaction their claims will be partially conditioned on effectiveness their controls. Legation's 117. We believe that demarche by representatives four countries that we own and control German external assets adequately safeguards us on disposition question. Even without this Swedes recognize that eventual disposition is subject to decision four occupying authorities as is set forth Resolution VI. They hope, however, to obtain some satisfaction for pre-war credits to Germany, and some consideration as to investments in Germany.

If above view on interventionship is accepted, which we strongly believe will best serve our purposes, then we recommend following procedure should be followed on listing, and made known to Swedes:

1. German owned or controlled firms.

a) When Swedes have fully controlled firm in question, and request deletion, we first determine whether firm is essential to Swedish economy and therefore to be continued in existence. If not essential then firm should be liquidated and question listing status is eliminated.

b) If firm is essential to economy, then we ascertain whether all undesirable persons have been removed and whether all factors which made for our listing and all other undesirable factors have been satisfactorily eliminated.

c)

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c) If conditions of (b) are met, then we believe German interest in firm should probably be sold to persons approved by British and ourselves as unobjectionable, with purchase price blocked. However, to obtain desirable purchasers and largest possible price, firm would first have to be deleted. Otherwise we run risk of speculators bidding for firm, in order to resell when firm deleted on basis consequent rise in value. Moreover, many desirable persons despite permission from us may not wish to purchase a listed firm. In certain cases, depending on particular circumstances, we may wish undertaking from purchasers concerning future operations firm, and it may be possible that we will wish continued supervision of firm for limited period by Swedish Safehaven authorities. Legation believes sooner we eliminate German-owned or controlled firms not essential to economy, and sooner we transfer German ownership or control to desirable Swedish persons for those essential to economy, the more effective will be our Safehaven program. But elimination of such ownership by transfer to unobjectionable persons, for best results should come only after deletion.

d) Legation recognizes that in certain cases decision as to whether firm will be permitted to continue will depend not only on decision of essentiality but also on policy in Germany. Type of case Legation considering here is of electrical firm where we may find firm is important to economy but formula will have to be worked out so it is not placed in position of again being dominated by German electrical firm. This may raise considerable problems of putting firm on its own independent of German parent firm, if in particular case policy of such separation is adopted. However, this field of cases is difficult to actually decide now, as decision will vary on circumstances each case. We believe that for this category Swedes be advised that decision on deletion will be relatively slow in forthcoming, but that broad principle on which deletion will be made is clear, once decision is reached on essentiality of firm.

2. Firms in which there is German minority interest but not German ownership or control. Here we believe that when we are satisfied that all German interests have been ascertained and blocked, then before deletion and subsequent sale German interests take place we must first determine that all undesirable persons and conditions have been

eliminated.

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eliminated. When this has been accomplished, firm should be deleted and sale German interest follow. Here too in certain case we may desire prior to deletion to obtain undertaking concerning firm's future relations with German interests or Germany, and also similar undertaking from purchasers of German interest.

We believe it important to advise Swedes now of basis on which firms which have been listed for German ownership or control, or for German interest in firm, may be deleted, and that procedures involved should make it possible for such deletion when undesirable conditions have been eliminated and when conditions set forth above have been met. Department's statement that "there is little likelihood a German firm will be deleted unless it is completely liquidated" (Department's 1469) appears to be inconsistent with statement paragraph 4 Department's 1276 concerning transfer of German controlling interests to unobjectionable persons. Legation believes such transfer, presumably by sale, can best be made after deletion. No advantage is seen to having transfer to unobjectionable persons, and then penalizing those persons, in whom we must have confidence, by maintaining firm on list. Legation believes announcement such policy now will assist in obtaining effective controls in freeing, entirely apart from interventorship question discussed above.

Nor does Legation believe that deletion following correction undesirable conditions weakens our list. Sufficient publicity can be given to fact elimination undesirable German interests, undesirable persons, etc. Moreover, policy would affect only firms which are owned or controlled from Germany, or where there is German interest in firm. Purely Swedish firms listed for other reasons will be treated in accordance with outstanding instructions.

Nor does above recommended procedure put us in position of making deletions subject to wishes of Swedes. We are only pointing out conditions that must be met before deletion can take place for a certain category of firms. This is consistent with announced policy of Russell in his May 4, 1944, speech, where he specifically referred to fact of deletion where appropriate corrective measures are taken by firms or government involved. Moreover, to

fail

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fail to delete where such action is taken will only prejudice our ultimate objectives in Safethaven, which are to eliminate as quickly as possible German economic spearheads outside of Germany, since sale of German interests will be delayed.

All above views are based on Legation's considered judgment of situation in Sweden. Legation fully believes that within that framework execution recommended above affords best opportunity of our obtaining ultimate objectives Safethaven. Legation ~~cannot~~, ^{in view} of above, in view his participation in discussions here.

JOHNSON

F66/1el

Teletograph to Department

- 1 copy to American Embassy, Ankara
- 1 copy to American Legation, Bern
- 1 copy to American Embassy, Buenos Aires
- 1 copy to American Embassy, London
- 1 copy to American Embassy, Lisbon
- 1 copy to American Embassy, Madrid
- 1 copy to American Embassy, Moscow
- 1 copy to American Embassy, Paris
- 1 copy to American Legation, Tangier

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Authority NND 765029

By BKAY NARA Date 7/26

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Entry Turkey Ankara

Embassy

File 851-Safehaven

Box 1

347861

9/3/45

MEMORANDUM

To: E. L. Packer, First Secretary

From: Edward B. Lawson, Commercial Attaché

Date: August 8, 1945.

Subject: German Assets in Turkey

1/ There is attached a draft memorandum of demands to be made to the Turkish Government, prepared by the British Embassy in Istanbul. For some reason this draft was sent to Mr. Maby, with instructions that he was to place it in my hands. Mr. Maby had no further instructions and he had no idea as to the reasons for those instructions, but he tied it in with the fact that Ambassador Wilson had discussed a proposed note to the Turkish Government with the British Ambassador and took it for granted that this was a result of that conversation. Therefore, you may wish to send a copy of this memorandum to Ambassador Wilson and place a copy with our master file on the subject of control of German assets. I believe it advisable that I take a copy with me to Washington and before I leave we might go over the several points raised in it.

EBL/mhd

Enclosure:

- 1/ Draft memorandum of demands to be made to the Turkish Government, in duplicate.

See Dept 836
and subsequent
8/14

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Authority NWD 765029

By BKH NARA Date 7/26

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Entry Turkey Ankara

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Draft Memorandum of demands to be made to
Turkish Government

1. That the Government of Turkey announce publicly its intention to adhere to the terms and spirit of Bretton Woods Resolution VI, the Gold Declaration of 22nd February 1944, and the principles enumerated in the United Nations Declaration of 5th January 1943.
2. That the Government of Turkey take over all assets in any form whatever belonging to the Governments of Axis countries and arrange to block these assets effectively and hold them for the account of the United Nations.
3. That the Government of Turkey cause to be liquidated all existing Axis commercial organisations, such as companies, agencies, etc., so that these organisations cease to operate in any form whatever. That, having ordered and arranged this liquidation, the Government of Turkey block the resulting assets and hold them for the account of the United Nations. There may also be assets in the form of holdings in Turkish companies and these should be treated in similar fashion.
4. That all assets, in any form whatever, held by Turkish organisations, institutions or citizens on behalf of Axis Governments, business organisations or private citizens be reported to the Government of Turkey, who should take steps to block such assets adequately.
5. That the Government of Turkey take over, where they have not already done so, all Axis institutions such as hospitals, clubs, schools, etc.
6. That the Government of Turkey provide information about all persons in Turkey who possess the nationality of Axis nations.
7. That the Government of Turkey give due notice and take whatever steps are necessary in law, with penalties for non-compliance, to ensure that these measures are carried out within a reasonable time.
8. That the Government of Turkey give to the representatives of the United Nations full details of the assets reported to them with an indication of how the measures outlined above have been implemented.

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Authority NWD 765029

By BLM NARA Date 7/26

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34786-

8-11-45

Zacker -

This letter from Mr. Currie was
received at 12:30 today.

M. Dowd

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AUTHORITY NND 765029
By PMA NARA Date 7/26RG 84
Entry Turkey Ankara
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C O P Y

77/16/45

British Embassy,

Istanbul

10th August, 1945.

AMERICAN EMBASSY
ANKARA, TURKEY
AUG 11 1945
DeS. Ed.

We have, as you know, been considering carefully the proposals which Washington recently sent you for the control of enemy assets here in Turkey. On instructions from London, we have tried to produce a statement of these conditions which I attach hereto and which is perhaps of a less complicated nature than that contained in the draft you received from Washington. I think you will agree that it meets all of our requirements, without throwing an undue burden on Turkish administrative machinery.

I hope that you may have the opportunity of considering these alternate proposals before you leave for Washington.

Yours sincerely,

s/ James Currie

E. B. Lawson, Esq.,
Commercial Attaché,
U. S. Embassy,
Ankara.

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B1 BY NARA Date 7/26

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DRAFT MEMORANDUM OF DEMANDS TO BE MADE
TO THE TURKISH GOVERNMENT

1. That the Government of Turkey announce publicly its intention to adhere to the terms and spirit of Bretton Woods Resolution VI, the Gold Declaration of 22nd February 1944 and the principles enumerated in the United Nations Declaration of 5th January 1943.
2. That the Government of Turkey take over all assets in any form whatever belonging to the Governments of Axis countries and arrange to block these assets effectively and hold them for the account of the United Nations.
3. That the Government of Turkey cause to be liquidated all existing Axis commercial organisations, such as companies, agencies, etc., so that these organisations cease to operate in any form whatever. That, having ordered and arranged this liquidation, the Government of Turkey block the resulting assets and hold them for the account of the United Nations. There may also be assets in the form of holdings in Turkish companies and these should be treated in similar fashion.
4. That all assets in any form whatever, held by Turkish organisations, institutions or citizens on behalf of Axis Governments, business organisations or private citizens be reported to the Government of Turkey, who should take steps to block such assets adequately.
5. That the Government of Turkey take over, where they have not already done so, all Axis institutions such as hospitals, clubs, schools, etc.
6. That the Government of Turkey provide information about all persons in Turkey who possess the nationality of Axis nations.
7. That the Government of Turkey give due notice and take whatever steps are necessary in law, with penalties for non-compliance, to ensure that these measures are carried out within a reasonable time.
8. That the Government of Turkey give to the representatives of the United Nations full details of the assets reported to them with an indication of how the measures outlined above have been implemented.

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By BM NARA Date 7/26RG 84
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JL
TM Lewis
Dopman
AIRGRAMSECRETSeptember 4, 1945
9.20 A.M.

CIRCULAR AIRGRAM TO CERTAIN DIPLOMATIC MISSIONS ABROAD

The following is a telegram received from the American Embassy, London and is repeated to you for your information. This airgram contains direct quotation from coded material and should be treated so in all respects.

"In response British invitation Rubin has been in London since August 14 and has participated with SAFERAVEN and Treasury representatives of Embassy in discussions with British Ministry of Economic Warfare Foreign Office, Foreign Office and Treasury on subject of German external assets. Preliminary meeting held August 14 with British and meetings held next two days with French present. British pointed out that neutral replies to our demarches would probably question our right to German external assets and insist that neutral claims should be satisfied out of such assets. Primary problem raised by British was how to meet these objections.

"Memorandum drafted by Rubin and cleared with Collado was submitted merely as expression of opinion on basis of which recommendation would be made to US Government. On same basis, viz., that participants in meeting would recommend memorandum, as modified during meetings, to their governments, memorandum was approved. Memorandum being sent forward in entirety via Andrews of London Embassy, leaving here August 18. Substance of memorandum is as follows:

"One. Potsdam protocol waives USSR rights in receiving German external assets except in countries reserved in protocol. US, UK and France must act re others although our view (this point not discussed with British or French) is that USSR should be consulted before contemplated program is inaugurated.

"Two. It may be expected neutrals will contest Allied claims to such assets. To obviate difficulties involved in neutral position so far as possible, following program should be presented to neutrals by 3 governments concerned, acting on behalf United Nations:

"A. Allies have suffered great damage during course of war including severe depletion of natural resources. Neutrals have profited at least relatively and partially because of programs Allies forced to undertake to prevent more aid to enemy such as preclusive purchasing.

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"B. A necessary (though not sufficient) condition of neutral eventual participation with other nations on a full association basis is that they make some contribution to rehabilitation of countries which have suffered immense damage in fight against Fascism. Though surrender of German assets is not really contribution by neutrals, willingness to have such assets used in such manner may be taken as evidence of their willingness to share some of burdens with United Nations. Neutrals should therefore consent to program designed both to eliminate German influence and to realize on German external assets for such purposes.

"C. Program to be presented envisages liquidation of German external assets, with compensation to German owners in German currency, purchasers to be either United Nation or neutral nationals. In all cases circumstances of sale and purchasers must be subject to approval of Three Powers acting on this matter. Elimination of undesirable persons of course one of primary conditions. Proceeds of sale to be made available to United Nations, acting through Three Powers. Proceeds would be used, in discretion of Three Powers, for such purposes as reparation, rehabilitation, payment for essential imports into Germany. To meet probable neutral objection that this may represent large scale capital withdrawals from their territory, Three Powers will agree to use proceeds for purchase to extent practicable of local products in accordance with fairly long range program to be worked out with neutrals. Such program would contemplate purchasing, to extent possible, local indigenous products which might otherwise be export surpluses, such products to be shipped (probably on repatriation account, though neutrals have no legitimate interest in this point) to United Nations for relief and rehabilitation, perhaps to Germany as essential import (if approved by Allied Control Commission) to relieve possible burden on occupying powers. Such program damages neutral economy and foreign exchange position as little as possible, gives neutrals advantageous procedure for liquidating German investment in their territory and makes products immediately available to meet United Nations needs.

"Three. If agreed in principle, US to draft note incorporating above for concurrence UK and France. In addition following points included in memorandum but not (repeat not) to be included in note to neutrals.

"A. Legal objections may be expected. Those will include argument Allies have no jurisdiction and, even conceding jurisdiction, have failed to exercise their power to act as Government of Germany. Memorandum states that question of extraterritorial effect of decree is largely political and that legal objections raised by neutrals can be cured by their own political decision to cooperate and public statement that such decree as Allied Control Commission may issue is in accordance local public policy. Also that Allied Control Commission has full governmental powers under surrender documents and lastly that Allied Control Commission will (if it has not by then already done

DECLASSIFIED

Authority NWD 765029

By BKH NARA Date 7/26

RG 84
Entry Turkey Ankara
File 851.516
Box 4

347868

- 3 -

so) issue appropriate vesting law. British feel that issuance of vesting law should be postponed pending this approach to neutrals; Rubin indicated his views that order should be issued as soon as possible, given agreement with USSR that US, UK and France would manage external assets in neutrals. At French suggestion memorandum also includes paragraph to effect that allies will cause German Government, when constituted, to recognize validity of steps taken by Allied Control Commission or by neutrals, with Allied Control Commission consent, under this program but not (repeat not) of steps otherwise taken by neutrals.

"B. Rubin memorandum suggested that claims of neutrals be rejected outright, on ground advances to Germans represented by German clearing deficits should not (repeat not) be given any priority or even equal position with claims of Allies attributable to war damage, etc. British indicated belief that we should clarify our position re other types of claims as well as clearing balances. This portion of memorandum as modified by British indicates that: (A) claims arising out of war transactions--clearings--to be rejected outright; (B) pre-war debts--memorandum indicates that neutrals should not (repeat not) be informed of this now, but that offering the neutrals chance to use German assets to pay these claims, provided amount of claims is not large 'might be considered as less prejudicial' than other alternative concessions. We reserved our position completely after indicating reluctance to make this concession; (c) unmatured pre-war debts--to remain for such treatment as future may bring to all such claims; (d) claims with respect to property in Germany. Neutrals cannot sell their property and expect to transfer proceeds out of Germany. However we recognize in general their right to property though like all other property in Germany it must be subject to general program of removals, requisitioning, etc., against payment comparable to that given to German nationals. Program of removals as it affects United Nations and neutral property is expressly reserved as subject for further negotiations. Discussion at meeting indicated that British position was not yet formulated on extent to which United Nations or neutral ownership should impede program of removals for reparation purposes.

"Four. Suggested Department consider above urgently on principles. If approved in principle Department will, under terms of memorandum, have obligation of drafting proposed demarche.

"Five. There was also discussed possible desirability of establishing an informal consultative body, on which US, UK and France would be represented, to deal with current operating problems with respect to German external assets and to discuss policy questions in first instance, referring major questions to governments. Such a body would deal with such problems as

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Authority NND 765029
By BYRNE NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

347869

- 4 -

British proposal that paper bags paid for by Germans and now held in Sweden be shipped to British Zone in Germany and problem of disposal of German owned canned fish discovered in Tangier. Until action by Allied Control Commission on vesting or similar order such body would discuss manner of disposition of German external assets and serve as allocation agency under plan described in above memorandum. This suggestion had been discussed by Rubin with Fagen and Labouisse in Paris. Suggestion seemed to have favourable reception here, all being agreed some expeditious method of dealing with operating problems and an informal forum for preliminary policy discussions were needed. Suggest this be given consideration with view to formulating definite proposal.

"Six. Proposal contained in this telegram has been approved by Clayton, Collado and Stinebower.

"Above sent Department, repeated Paris 537 via courier pouch for information and comment. Moscow 300 for information and comment on question of consultation with USSR on this proposal and to USFOIAD Berlin 86 from Winant for Murphy and Fauley."

WINANT^W

BYRNES

DECLASSIFIED

Authority NWD 765029

By BFM NARA Date 7/26

RG 84

Entry Turkey Ankara
Embassy

File 851-Safehaven

Box 1

347870

AIRGRAM

~~SECRET~~September 4, 1945
9.20 A.M.

CIRCULAR AIRGRAM TO CERTAIN DIPLOMATIC MISSIONS ABROAD

The following is a telegram received from the American Embassy, London and is repeated to you for your information. This airgram contains direct quotation from coded material and should be treated so in all respects.

"In response British invitation Rubin has been in London since August 14 and has participated with SAFEHAVEN and Treasury representatives of Embassy in discussions with British Ministry of Economic Warfare Foreign Office, Foreign Office and Treasury on subject of German external assets. Preliminary meeting held August 14 with British and meetings held next two days with French present. British pointed out that neutral replies to our demarches would probably question our right to German external assets and insist that neutral claims should be satisfied out of such assets. Primary problem raised by British was how to meet these objections.

"Memorandum drafted by Rubin and cleared with Collado was submitted merely as expression of opinion on basis of which recommendation would be made to US Government. On same basis, viz., that participants in meeting would recommend memorandum, as modified during meetings, to their governments, memorandum was approved. Memorandum being sent forward in entirety via Andrews of London Embassy, leaving here August 18. Substance of memorandum is as follows:

"One. Potsdam protocol waives USSR rights in receiving German external assets except in countries reserved in protocol. US, UK and France must act re others although our view (this point not discussed with British or French) is that USSR should be consulted before contemplated program is inaugurated.

"Two. It may be expected neutrals will contest Allied claims to such assets. To obviate difficulties involved in neutral position so far as possible, following program should be presented to neutrals by 3 governments concerned, acting on behalf United Nations:

"A. Allies have suffered great damage during course of war including severe depletion of natural resources. Neutrals have profited at least relatively and partially because of programs Allies forced to undertake to prevent more aid to enemy such as preclusive purchasing.

DECLASSIFIED

Authority NMD 765029

By BKM NARA Date 7/26

RG 84

Entry Turkey Ankara
Embassy

File 851-SafeHaven

Box 1

347871

- 2 -

"B. A necessary (though not sufficient) condition of neutral eventual participation with other nations on a full association basis is that they make some contribution to rehabilitation of countries which have suffered immense damage in fight against Fascism. Though surrender of German assets is not really contribution by neutrals, willingness to have such assets used in such manner may be taken as evidence of their willingness to share some of burdens with United Nations. Neutrals should therefore consent to program designed both to eliminate German influence and to realize on German external assets for such purposes.

"C. Program to be presented envisages liquidation of German external assets, with compensation to German owners in German currency, purchasers to be either United Nation or neutral nationals. In all cases circumstances of sale and purchasers must be subject to approval of Three Powers acting on this matter. Elimination of undesirable persons of course one of primary conditions. Proceeds of sale to be made available to United Nations, acting through Three Powers. Proceeds would be used, in discretion of Three Powers, for such purposes as reparation, rehabilitation, payment for essential imports into Germany. To meet probable neutral objection that this may represent large scale capital withdrawals from their territory, Three Powers will agree to use proceeds for purchase to extent practicable of local products in accordance with fairly long range program to be worked out with neutrals. Such program would contemplate purchasing, to extent possible, local indigenous products which might otherwise be export surpluses, such products to be shipped (probably on repatriation account, though neutrals have no legitimate interest in this point) to United Nations for relief and rehabilitation, perhaps to Germany as essential import (if approved by Allied Control Commission) to relieve possible burden on occupying powers. Such program damages neutral economy and foreign exchange position as little as possible, gives neutrals advantageous procedure for liquidating German investment in their territory and makes products immediately available to meet United Nations needs.

"Three. If agreed in principle, US to draft note incorporating above for concurrence UK and France. In addition following points included in memorandum but not (repeat not) to be included in note to neutrals.

"A. Legal objections may be expected. Those will include argument Allies have no jurisdiction and, even conceding jurisdiction, have failed to exercise their power to act as Government of Germany. Memorandum states that question of extraterritorial effect of decree is largely political and that legal objections raised by neutrals can be cured by their own political decision to cooperate and public statement that such decree as Allied Control Commission may issue is in accordance local public policy. Also that Allied Control Commission has full governmental powers under surrender documents and lastly that Allied Control Commission will (if it has not by then already done

DECLASSIFIED
 Authority NMD 765029
 By BM NARA Date 7/26

RG 84
 Entry Turkey Ankara
 Embassy
 File 851-SafeHaven
 Box 1

34787-

- 3 -

so) issue appropriate vesting law. British feel that issuance of vesting law should be postponed pending this approach to neutrals; Rubin indicated his views that order should be issued as soon as possible, given agreement with USSR that US, UK and France would manage external assets in neutrals. At French suggestion memorandum also includes paragraph to effect that Allies will cause German Government, when constituted, to recognize validity of steps taken by Allied Control Commission or by neutrals, with Allied Control Commission consent, under this program but not (repeat not) of steps otherwise taken by neutrals.

"B. Rubin memorandum suggested that claims of neutrals be rejected outright, on ground advances to Germans represented by German clearing deficits should not (repeat not) be given any priority or even equal position with claims of Allies attributable to war damage, etc. British indicated belief that we should clarify our position re other types of claims as well as clearing balances. This portion of memorandum as modified by British indicates that: (A) claims arising out of war transactions--clearings--to be rejected outright; (B) pre-war debts--memorandum indicates that neutrals should not (repeat not) be informed of this now, but that offering the neutrals chance to use German assets to pay these claims, provided amount of claims is not large 'might be considered as less prejudicial' than other alternative concessions. We reserved our position completely after indicating reluctance to make this concession; (c) Unmatured pre-war debts--to remain for such treatment as future may bring to all such claims; (d) claims with respect to property in Germany. Neutrals cannot sell their property and expect to transfer proceeds out of Germany. However we recognize in general their right to property though like all other property in Germany it must be subject to general program of removals, requisitioning, etc., against payment comparable to that given to German nationals. Program of removals as it affects United Nations and neutral property is expressly reserved as subject for further negotiations. Discussion at meeting indicated that British position was not yet formulated on extent to which United Nations or neutral ownership should impede program of removals for reparation purposes.

"Four. Suggested Department consider above urgently on principles. If approved in principle Department will, under terms of memorandum, have obligation of drafting proposed demarche.

"Five. There was also discussed possible desirability of establishing an informal consultative body, on which US, UK and France would be represented, to deal with current operating problems with respect to German external assets and to discuss policy questions in first instance, referring major questions to governments. Such a body would deal with such problems as

DECLASSIFIED

Authority NND 765029
By PMA NARA Date 7/26RG 84
Entry Turkey Ankara
File 851-SafeHaven
Box 1

347873

- 4 -

British proposal that paper bags paid for by Germans and now held in Sweden be shipped to British Zone in Germany and problem of disposal of German owned canned fish discovered in Tangier. Until action by Allied Control Commission on vesting or similar order such body would discuss manner of disposition of German external assets and serve as allocation agency under plan described in above memorandum. This suggestion had been discussed by Rubin with Fagen and Lebouisse in Paris. Suggestion seemed to have favourable reception here, all being agreed some expeditious method of dealing with operating problems and an informal forum for preliminary policy discussions were needed. Suggest this be given consideration with view to formulating definite proposal.

"Six. Preposal contained in this telegram has been approved by Clayton, Collado and Stinebower.

"Above sent Department, repeated Paris 537 via courier pouch for information and comment. Moscow 300 for information and comment on question of consultation with USSR on this proposal and to USPOLAD Berlin 86 from Winant for Murphy and Pauley."

WINANT"

BYRNES

*Copy and return
P.M.*

DECLASSIFIED

Autumn JMD 765029
By *[Signature]* NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

347874

TRUE RECORD

TELEGRAM RECEIVED

FROM: AMEMBASSY, LONDON

Date: Sept. 10, 1945 - 8 pm
No.

Code: Restricted/ M

No. 89
Received: Sept. 12, 1945 - 7:40 am

AMEMBASSY

ANKARA

89, September 10, 1945 - 8 p.m.

9/12 not yet ready for transmission

1. Lawson and Embassy discussed entire Turkish Safehaven situation with MEWFO on basis DEPTEL 7496, August 31 London (rnd 836 - Ankara 4127 - Paris) and memorandum of British mission, Ankara formulating simplified approach (See ARWAR 981 - Sept. 4 MEWFO to Washington). MEWFO is telegraphing Ankara's memorandum to Washington for transmission to you.

2. We feel and MEWFO now agrees that Ankara's memorandum is unsatisfactory because it is too general and will thus enable Turks to evade achieving a number of our specific objectives. We further emphasized following inadequacies Ankara's memorandum:

(A) It makes no (repeat no) provision for licensing transaction after freeze (Paragraph 2 Washington's draft).

(B) It does not define "assets" (Paragraph 4 Washington's draft) which Lawson strongly believes should be done in any Safehaven note otherwise Turks would themselves define assets in terms which would certainly not satisfy us.

(C) Omits provision Turks will investigate assets or persons (Paragraph 2 and 6 respectively Washington's draft) which we bring to their attention. Lawson feels inclusion these provisions important. (Paragraph 6 provides Turks shall give full details of reported assets to representatives United Nations. We feel Turks should give full information to U.S. and U.K. (and possibly French) but in view Potsdam communique no expression should be used which might be interpreted as obligating Turks to give Russians any information. MEWFO agrees with above specific criticisms.

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AUG 19 NND 765029
By BM NAPA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

347875

- 2 -

3. Embassy and Lawson also feel Ankara's memorandum inadequate because it omits:

(A) Any provision comparable with paragraph 8 Washington's draft regarding placement by Turkish Government of supervisor personnel satisfactory to us; and

(B) Provision for consultation with our representatives. (last paragraph Washington's draft) However Lawson feels might be preferable omit this from note and instead make formal arrangements with Turks for such consultation.

4. However we and British believe Washington's draft even as amended by Deptel 7496 involves degree of administrative capacity and organization of which Turks are incapable. Especially we and MEWFO feel that paragraph five Washington's draft (re gold info) would jeopardize Turkish acceptance our Safehaven demands. MEWFO urged omitting paragraph five and leaving question obtaining gold info till later date. Lawson and Embassy appreciating cogent reasons for obtaining such information suggested if British would join us in separate demarche requesting such information Washington might be disposed consider omitting paragraph five. MEWFO very reluctant but agreed consult other interested British agencies.

5. We have persuaded MEWFO to agree that Lawson upon his return Ankara (approximately end this week) should work out with British colleague revised Safehaven note for submission approval Washington and London. Such revision will endeavor include best features Washington and Ankara drafts.

6. Lawson agrees with foregoing.

Sent Dept. as 9281, repeated 584- Paris, 89 Ankara.

WINANT

Decoded and typed: emj

CC: The Ambassador, Istanbul
Mr. Lawson

DECLASSIFIED

Autocopy NWD 765029

by *PKM* NARA Date 7/26

RG 84

Entry Turkey Ankara

Embassy

File 851-Safehaven

Box 1

34787-

1 copy only

American Embassy, Ankara

	ACTION	INFO/R
AMB	<i>600</i>	
CSIR		
CA	<i>1000</i>	
WP		
HM	<i>Replies</i>	
DEW		
RR		
PIK		<i>b PK</i>
AC		
ANSWO		

AIRGRAM

SECRETSecretary of State AMERICAN EMBASSY
Washington

A-892. September 11, 1945 OCT 11 1945

SAFEHAVEN.

ANKARA, TURKEY

FROM Embassy, London
DATE September 11, 1945
RECVD

Reference Embassy's 9281 September 10 to Department (repeated 584 Paris and 89 Ankara) regarding discussions which Lawson and Embassy have had with MEWFO concerning Turkish Safehaven approach on basis of Department's telegram 7496 of August 31 to London (repeated as 886 to Ankara and 4127 to Paris) and memorandum of British Mission, Ankara, formulating a simplified approach.

Embassy's 9281 stated that MEWFO was telegraphing Ankara's memorandum to British Embassy, Washington, for transmission to our authorities. However, MEWFO has suggested that since there is no urgency, Embassy might send Ankara's memorandum to Washington by airmail.

Accordingly, following is text of memorandum prepared by British Mission, Ankara, entitled "Draft memorandum of demands to be made to Turkish Government":

"(1) That the Government of Turkey announce publicly its intention to adhere to the terms and spirit of Bretton Woods Resolution VI, the Gold Declaration of 22nd February 1944, and the principles enumerated in the United Nations Declaration of 5th January 1943.

(2) That the Government of Turkey take over all assets in any form whatever belonging to the Governments of Axis countries and arrange to block these assets effectively and hold them for the account of the United Nations.

(3) That the Government of Turkey cause to be liquidated all existing axis commercial organisations, such as companies, agencies, etc., so that these organisations cease to operate in any form whatever. That, having ordered and arranged this liquidation, the Government of Turkey block the resulting assets and hold them for the account of the United Nations. There may also be assets in the form of holdings in Turkish companies and these should be treated in similar fashion.

(4)/

(Copy sent to C. A. 10-12-45)
RWB/mp

DECLASSIFIED

Autocopy NMD 765029
By BHM NARA Date 7/26RG 84
Entry Turkey Ankara
Embassy
File 851-SafeHaven
Box 1

347877

-2-

(4) That all assets, in any form whatever, held by Turkish organisations, institutions or citizens on behalf of Axis Governments, business organisations or private citizens be reported to the Government of Turkey, who should take steps to block such assets adequately.

(5) That the Government of Turkey take over, where they have not already done so, all Axis institutions such as hospitals, clubs, schools etc.

(6) That the Government of Turkey provide information about all persons in Turkey who possess the nationality of Axis nations.

(7) That the Government of Turkey give due notice and take whatever steps are necessary in law, with penalties for non-compliance, to ensure that these measures are carried out within a reasonable time.

(8) That the Government of Turkey give to the representatives of the United Nations full details of the assets reported to them with an indication of how the measures outlined above have been implemented."

Copies of this airgram are being sent to American Embassies in Ankara and Paris.

WINANT.

MR. BLAISDELL

MR. PETERSON

MR. GRIFFITHS

MR. ROBBINS

(Original hectograph end 6)

AHR:jmc

DECLASSIFIED

Authority NMD 765029
By BM NARA Date 7/12/6RG 84
Entry Turkey Ankara
File 851-SatetHaven
Box 1

347878

1214

fcl

PARAPHRASE OF TELEGRAM SENT TO THE DEPARTMENT OF STATE

SEPTEMBER 12, 1945

Instructions have been received from London by the British Embassy here to request the Government of Turkey to hold in trust for the United Nations the German currency and gold, which was mentioned in my telegram early in September, until a decision was reached regarding its ultimate disposal. The British charge was also requested to ask his American colleague to join in a request of this nature. Therefore the note from the Ministry of Foreign Affairs on this subject has been today acknowledged by me and I have included in my answer a paragraph which requests the Turkish authorities to hold in trust such German currency and gold until steps have been taken with regard to its ultimate disposal. The phrase "for the United Nations" was omitted in my note. I had in mind the instructions received from the Department on the last day of May and late in July with regard to the property of the Germans.

cc: ELP
EBB
CR
FR

402

DECLASSIFIED

Authority NWD 765029
By PMA NARA Date 7/26

RG 84

Entry Turkey Ankara

Embassy

File 851-Safehaven

Box 1

347879

American Embassy, Ankara.

AMERICAN EMBASSY	
OCT 11 1945	
SECRET ANKARA, TURKEY	

AIRGRAM

FROM Embassy, London

DATE September 14, 1945

REC'D

ACTION		INFO
AMB	✓	
CSR	✓	
CR		
EP	✓	
HT	✓	
ME	✓	
DEW		
RR		R
PK		OK
AC	✓	
		ANSWER

Secretary of State

Washington

A-1014. September 14, 1945

SAFEHAVEN.

Reference Embassy's A-992 September 11 transmitting text of "Currie" Memorandum prepared by British Mission, Ankara, and Embassy's 9281 September 10 to Department (repeated 584 Paris and 89 Ankara) regarding discussions held by Embassy and Lawson with MEWFO.

Following is text of Arfar No. 1008 September 10 from MEWFO to Washington (repeated as 135 to Ankara):

"We have now heard from Lawson who is in London that he did not take the Currie memorandum to Washington. We have shown him the memorandum and he wants certain amendments. He is returning at once to Angora where he will discuss with Currie. An agreed text will then be telegraphed to London and Washington for approval.

2. Lawson showed us the amended American instructions to Angora. We think that they remain much too detailed and complicated and that Turks would never enforce them. Apart from this we have grave doubts regarding paragraph 5 on the subject of gold acquired by the Turkish Government from the German Government. Safehaven is concerned with German external assets still under German or cloaked German control. Paragraph 5 deals with Turkish property. The Allies have made no similar demands on other neutral Governments. We have little doubt that if paragraph 5 were allowed to stand, it would torpedo the whole business. If considered advisable it would be possible to raise this question later, after the Turks have agreed to Safehaven demands."

Copy of this airgram is being sent to Ankara.

WINANT.

(Original hectograph end 5)

GG:AHR:jmc

MR. BLAISDELL

Copy sent to C. A. 10-12-45
RWB/mp

MR. PETERSON

MR. ROBBINS

MR. GRIFFITHS

DECLASSIFIED

Authority NMD 765029

By BLA NARA Date 7/26

RG 84

Entry Turkey Ankara

Embassy

File 851-Safehaven

Box 1

347880

TRUE READING

TELEGRAM RECEIVED

From: AMERICAN EMBASSY LONDON Date: September 15, 1945, 8 p.m.

No.: 95

Code: RESTRICTED/M Received: September 18, 10 p.m.

AMB	
CNSL	
GEC	
SEC	
FILE	

AMERICAN EMBASSY

ANKARA

Revd P.M.
9/19/45 USG

95, September 15, 8 p.m.

SAFEHAVEN.

British Mission Istanbul recently reported that Swiss had intimated their intention to transfer to Turkish government German gold (MEWFO surmises some 300 kilograms) plus currency which Swiss held as protecting power. Following is substance MEWFO's reply:

"Until final disposition decided we think Turkey should be asked hold German gold and currency taken over from Swiss Legation in trust for United Nations. Kindly request American colleague join approach Turkey but do not delay action if colleague cannot do so without instructions."

Sent Department as 9578, repeated Ankara 95.

WINANT

Decoded and typed:HS

CC: Mr. Lawson

DECLASSIFIED

Autocat NND 765029
By BM NARA Date 7/26RG 84
Entry Turkey Ankara Embassy
File 851.516
Box 4

347881

~~TRUE READING~~
TELEGRAM RECEIVED

From:

SECSTATE, WASH.

Date:

No Sept. 25, 1945 - 8 a.m.

Code:

Restricted/M

Received 951

Sept. 27, 1945 - 7.25 am

AMEMBASSY

ANKARA

951, September 25, 1945 - 8 a.m.

If British position is that approach to Turks on gold question should be delayed pending satisfactory performance by Turks on Safehaven your 9364, Sept. 12 (repeated Ankara as 92). Department cannot agree acquisition of gold info from Turks is considered of major importance and Department sees no reason why request should not be included in overall approach. We are willing, however, to agree to separation gold question from Safehaven note if British would be willing to approach Turks in advance Safehaven presentation.

Sent to London as 8461, repeated to Ankara as 951, please discuss with MEWFO on latter basis.

ACHESON, Acting.

Mr. Lawson

Decoded: PGW
Typed: emj

DECLASSIFIED	RG 84
Authority NWD 765029 By PMA NARA Date 7/26	Entry Turkey Ankara File 851-Safehaven Box 1

347882

TRUE READING

TELEGRAM RECEIVED

From: SECSTATE, WASH.

Date: Sept. 25, 1945

AMEMB
ANSA
CC
IC
1-114
23
EO
FILE

No.: 951

Code: Restricted/M

Received: Sept. 27, 1945 - 7.25 a.m.

AMEMBASSY

ANKARA

951, September 25, 1945 - 8 a.m.

If British position is that approach to Turks on gold question should be delayed pending satisfactory performance by Turks on Safehaven your 9364, Sept. 12 (repeated Ankara as 92). Department cannot agree. Acquisition of gold info from Turks is considered of major importance and Department sees no reason why request should not be included in overall approach. We are willing, however, to agree to separation gold question from Safehaven note if British would be willing to approach Turks in advance Safehaven presentation.

Sent to London as 8461, repeated to Ankara as 951, please discuss with MEWFO on latter basis.

ACHESON, Acting.

Mr. Lawson

Decoded: PGW
Typed: emj

DECLASSIFIED

Authority NND 765029
By BM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

347683

Copy for the Ambassador only

TELEGRAM SENT

To : SECSTATE WASHINGTON Date : September 27, 1945, 1 p.m.
 No. : 1266
 Code : SM/S Charged to :

SECSTATE

WASHINGTON

1266, September 27, 1 p.m.

Embassy's 1232, September 19.

Foreign Office informs me by note dated September 25 that Swiss Legation turned over German gold and currency to Turkish authorities September 18.

Note adds that Turkish government does not plan at present to dispose of funds except to cover maintenance costs of German assets in its care, but fully reserves its rights to funds in question and to all assets in Turkey of German state, for eventual indemnification of Turkish nationals who have suffered damages or losses in Germany or in territory occupied by German armed forces, as well as to cover debts which Turkish government may claim from government of Reich or authorities acting in its name.

Am informally advised similar notes have been sent British, French and Soviet Embassies Ankara.

To Department as 1266, London as 97.

WILSON

WP/wp

Encoded and typed:HS

DECLASSIFIED	RG	84
Authcode <u>NND 765029</u>	Entry	<u>Turkey Ankara</u>
By <u>BKA</u> NARA Date <u>7/26</u>	File	<u>Embassy</u>
	Box	<u>851-SafeHaven</u>
		<u>1</u>

Copy: Mr. Lawson
Mr. Packer
Code Room
File Room

Paraphrase of telegram received
from the American Legation at Bern, September
28, 1945.

The following telegram has been sent to the Department repeated to the missions at Ankara, Buenos Aires, Lisbon, London, Madrid, Moscow and Stockholm.

I called on Mr. Petitpierre, as I had been requested by him to do, at which time he handed me a note dated December 2 (date probably should be September 25) which is in reply to my note of August 23 (contents of said note having been previously transmitted to the missions listed above). The Swiss note above referred to, in unofficial translation, is transmitted below:

	ACTION	INFORM
AMB		<i>Car</i>
CSIR		
SA		
WP		<i>WPA</i>
HH		<i>NS</i>
JEM		<i>NS</i>
REG		
DEW		
RR		
JK		<i>PK</i>
A/C		
ANSWD		

The Federal Political Department acknowledges the receipt of the Legation's note No. 2132 by which the United States of America, through its Legation, informed the Political Department of the request of that Government to exercise the right of ownership to, or control of, assets of Germans located in Switzerland. This request has been studied by the Federal Council and it is not able to perceive clearly the legal basis on which this request is made. There can hardly be any effect given beyond German borders, according to the conception of the Federal Council, to the actual occupation of German territory by the Allied powers.

It is also the desire of the Federal Council to call attention to the fact that - aside from these questions of a legal nature - that it came to an agreement with the Governments of France, Great Britain and the United States, on March 8 concerning the question of the assets of Germany which are located in Switzerland and which on February 16 had already been rendered inalienable (indisposibilité). Since that time the measures to block German assets have been reinforced and perfected. The Confederation for its own interests and needs is at present carrying on a census of all German assets located in Switzerland. This census will soon be completed. It will only be possible for the Federal Council to form its opinion on other steps to be taken after the results of this investigation have been ascertained.

The Department thinks it opportune to point out that which had been agreed to by the Governments signatory to the agreement mentioned above with respect to looted assets which might be located in Switzerland. In confirmation of its decision to

prevent

DECLASSIFIED	RG 84
Authority NND 765029	Entry Turkey Ankara
By BKA NARA Date 7/26	File 851-Safethaven
	Box 1

347885

-2-

prevent Swiss territory and that of the Principality from being employed for the reception, concealment or disposal of assets which may have been taken by illegal means under the stress of war, the Federal Council expressly stated that all facilities would, under existing framework of present Swiss legislation and as it will be completed in the future, be given to owners who have been dispossessed of their property to make claim for such assets in either Liechtenstein or Switzerland that may be found there. The Swiss Government is furthermore desirous to make contributions, within the limits of its possibilities to the reestablishment of legality - decided as the Swiss Government is to lend its support to the efforts of the Allies in this connection - and would appreciate receiving from those states, whose patrimony has been the object of spoilage, lists of such assets as were stolen from their rightful owners in order that they may determine whether such assets are located in Switzerland. If they should be located in Switzerland it is their desire to facilitate their restitution to the rightful owners.

Likewise, there is no desire or intention on the part of the Federal Council to protect the assets which belong to nationals of Germany, who have during the period of the war been guilty of committing crimes or acted contrary either to the laws of war or to international law. The Swiss Government is ready to examine the claims in each individual case which may be set up with regard to these assets by the Allied governments. (Translation ends here.)

A parallel reply to his note dated August 3 was received from Mr. Petitpierre by my British colleague.

I informed Mr. Petitpierre that the text of his reply would be submitted to my Government. At the same time I took the occasion to impress upon him the dissatisfaction which has been felt in his Government's slowness in completing the census, the inadequacy of the measures which they have taken and their non-cooperation. I also informed him that in concert with my French and British colleagues this matter would be taken up with him in a very short time. I was assured by Mr. Petitpierre that it was the desire of the Federal Council to comply with their engagements and that he would be happy to receive and discuss such proposals as might be presented by us. It is the intention of my French and British colleagues and myself to call upon Mr. Petitpierre and explain to him that which we desire to have done, which would seem to be requisite in the light of the difficulties which were outlined in my recent telegram to the Department, repeated to Paris and London.

RR/mp

DECLASSIFIED

Authority NMD 765029
By BK/M NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4~~34788~~COPYTELEGRAM RECEIVED FROM LONDON
DATED 3rd OCTOBER 1945

No. 139 Arrar.

Americans now agree to separate safehaven from gold question provided however that approach on latter is made prior to lodging of safehaven note. What do you think? I deprecate any approach on gold question, and am of opinion that if I follow American line of safehaven objective will never be reached.

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Authority NWD 765029
By BMH NARA Date 7/26RG 84
Entry Turkey Ankara Embassy
File 851.516
Box 4

Mr. Roosevelt

Recd

851.51

~~TELEGRAM RECEIVED~~

From :

Date :

SECSTATE, WASH.

No : Oct. 8, 1945 - 6 p.m.

Code :

Received : 1305

paraphrase - secret

SECSTATE

WASHINGTON

1305 - October 8, 1945 - 6 p.m.
To Dept. as 1305, London as 102.

In concurrence with my British colleague (reference London's telegram to Department 9281 and to Ankara 89), the following draft memorandum of Safehaven demands to be made to the Turkish Government is submitted for consideration. An identical draft is being telegraphed to London by the British Embassy here. No comments or suggestions have been made with regard to the originally proposed preamble. Paragraph 5 of the Department's originally proposed note, which refers to information regarding gold here in Turkey has been omitted as a subject for separate consideration for a joint demarche by the British and American Embassies.

1. That the Government of Turkey announce publicly its intention to adhere to the terms and spirit of Bretton Woods Resolution VI, the Gold Declaration of 22nd February 1944 and the principles enumerated in the United Nations Declaration of 5th January 1943.

2. That the Government of Turkey, concurrently with the announcement referred to in paragraph 1, above, take over all assets (as hereinafter defined) belonging to the Government of Axis countries (as hereinafter defined) and arrange to block these assets effectively and hold them for the account of the Governments of the United Nations.]

ED (Signature) 10/8/45

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Authority NMD 765029
By BMN NARA Date 7/26RG 84
Entry Turkey Ankara
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Government of Axis countries, or persons and firms who
are nationals or residents of or domiciled in
Axis countries

3. That the Government of Turkey take the necessary steps to ensure that all assets held by Turkish organizations, institutions or citizens on behalf of Axis Governments, business organisations or citizens, be reported to it and that it will take the necessary steps to block such assets effectively; that the Government of Turkey take whatever steps are necessary in law, with penalties for non-compliance, to ensure that these measures are carried out, and within a reasonable time.

4. That the Government of Turkey institute satisfactory supervisory controls over, [and cause to be liquidated] all existing Axis commercial organisations, such as companies, agencies, etc., so that these organizations cease to operate in any form whatsoever [that, having ordered and arranged this liquidation, the Government of Turkey take over and block the resulting assets, holding them for the account of the United Nations.]

5. That, in order to permit transactions which may be necessary to effect the complete liquidation and final blocking of all assets, the Government of Turkey will consult the representatives of the United States and the United Kingdom before granting any facilities whereby transactions involving these assets may take place.

6. That the Government of Turkey provide information to the representatives of the United States and the United Kingdom about all persons now in Turkey who possess the nationality of Axis countries, or of countries formerly under Axis control or occupation, and about all such persons who have been in Turkey at any time since 1st January 1939, regardless of present nationality, including those who have since January 1, 1939, obtained Turkish or other non-enemy nationality or who have become stateless persons. Such information shall include all relevant details which may aid in ascertaining whether such persons are, or may have been, acting for or in the interest of Axis nations or Governments. *etc.*

7. That the Government of Turkey establish a suitable procedure for carrying out the foregoing measures and appoint an official who will act in liaison with the representatives of the United States and the United Kingdom and who will be consulted at appropriate intervals by these representatives; that the Government of Turkey give to the representatives of the United States and the United Kingdom full details of the assets reported to them, and full details of how the foregoing measures are being or have been implemented and arrange to investigate at the instigation of the representatives of

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Authority NND 765029

By EMJ NARA Date 7/26

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- 3 -

the United States and the United Kingdom any cases which the latter may bring to their attention and which may appear to be violations of the foregoing measures.

DEFINITIONS1. Assets

The term "assets" as used in this memorandum includes, but not by way of limitation, any real property or interest therein, enterprise (commercial, industrial, financial or cultural), security or interest therein, patents, trade marks, corporate and contractual rights, including management, patent licences and arrangements, insurance reserves and policies and re-insurance contracts, bank accounts and deposits, including trusteeship accounts, safe deposit boxes, vaults, cheques, drafts and credits, gold and other precious metals, options and any other type of arrangements or undertakings, written or unwritten.

2. Axis Countries

No attempt has been made in this draft or is being made here to define this term and it would be useful if, before this draft memorandum is finally approved, a clear definition of what is intended could be added.

WILSON

Encoded: PGW/EMJ
 Typed: emj

cc. Mr. Packer
 Mr. Lawson

347889

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Authority NWD 765029

By BMN NAPA Date 7/26

RG 84

Entry Turkey Ankara
Embassy

File 851.516

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Copy for Mr. Lawson

TELEGRAM RECEIVED

From :

Date :

AMERICAN EMBASSY LONDON

No October 15, 1945, 11 a.m.

Code :

Received :

RESTRICTED/M

103 October 16, 10 p.m.

AMERICAN EMBASSY

ANKARA

103, October 15, 11 a.m. /

1. Please see ARFAR 139, October 3 Foreign Office to Ankara (repeated 1101 Washington) which requested Ankara's views regarding Washington's request that approach to Turks for gold information precede presentation Safehaven note (Department's telegram 8461, September 25 to London repeated 92 Ankara). ARFAR 139 stated Foreign Office deprecated any approach on gold question and that if "American line" is followed Safehaven objective will never be reached. MEWFO waiting Ankara's reply.

MEWFO extrapolated following further views in several discussions with Embassy (McCombe present at one discussion): (a) Turks unable carry out detailed provisions regarding gold information even assuming they so desired and had requisite administrative capacity. British especially felt Turks could not possibly supply requisite information regarding gold coins. We emphasized information requested related to lots (repeat lots) of coins and not necessarily each coin. MEWFO insisted however Turks would not even have information regarding lots. Accordingly while British admit large quantities gold in Turkey constitute serious problem we should confine ourselves to attainable objectives. (b) MEWFO strongly feels since we have not made similar demands on other neutrals for gold information (Embassy's A 1014 September 14 repeated Ankara quoting ARFAR 1008 September 10 from MEWFO to Washington repeated 135 Ankara) we could not insist on this information from Turks. (Information regarding similar requests to other neutrals would strengthen our position considerably in discussions with British). MEWFO therefore feels Turks will undoubtedly

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Authority <u>NWD 765029</u>	Entry <u>Turkey Ankara</u>
By <u>BK/M</u> NARA Date <u>7/26</u>	File <u>851.516</u>
	Box <u>4</u>

-2- #103, October 15, 1945, 11 a.m. from LONDON

allege our request infringes their sovereignty thus further jeopardizing Safehaven approach. We pointed out Turks like other neutrals were being requested adhere publicly Bretton Woods Resolution VI gold declaration February 22, 1944 and United Nations declaration January 5, '43 and that such adherence would involve Turks giving us gold information requested to extent possible. MEWFO's attitude however apparently is these declarations are essentially warnings and do not necessarily involve obligations.

2. Embassy also discussed with MEWFO and McCombe Ankara's 1266, September 27 to Department (repeated 97 London). They felt Turkish reactions confirmed necessity immediate Safehaven approach. MEWFO had accordingly requested Ankara on October 2 to report by telegram whether both missions had agreed text revised Safehaven note. Ankara's reply still awaited.

Sent Department as 10747; repeated 103 Ankara.

GALLMAN

Decoded: PGW
Typed: HS

CC: Mr. Lawson

347891

DECLASSIFIED	RG <u>84</u>
Authority <u>NWD 765029</u>	Entry <u>Turkey Ankara</u>
<u>31 Oct 44</u> NARA Date <u>7/26</u>	File <u>851.516</u>
	Box <u>4</u>

TELEGRAM RECEIVED

From :

AMEMBASSY

Date :

No October 22, 1945

Code : LONDON

Received : 105

Restricted/M

October 23, 1945, 11 p. m.

Serviced - Oct. 26, 11 a. m.

Reserviced - Oct. 27

Service recd. Nov. 1, 8:15 a. m.

AMEMBASSY

ANKARA

105 - October 22, 1945, 12 noon.

Sent Department 11040, repeated 105 Ankara.

1. Ankara's ARFAR 114, October 11 to Foreign Office, repeated 106, Washington "entirely agrees" with Foreign Office ARFAR 139, October 3 (summarized in paragraph 1, Embassy's 10747, October 15 to Department, repeated 103 Ankara) and feels that if approach on gold question is made at all it should be done only after Turks have accepted our Safehaven demands (Ankara sees "little prospect" of Turks doing so). We gather MEWFO has instructed Washington Embassy to urge your concurrence.

2. Please see Ankara's ARFAK savingsrams six and seven October 4, to MEWFO (repeated Washington 24 and 26 respectively). ARFAR saving 7 gives text revised Currie MEWFO's agreed by Lawson (paragraph 5 Embassy's 9281, September 10 to Department, repeated Ankara 89). MEWFO states it agrees fully with Currie revision and yesterday telegraphed Embassy Washington to urge your agreement its early presentation to Turks.

3. Currie's revision embodies suggestions contained paragraph 2 and paragraph 3-B of Embassy's 9281. It omits however provision comparable with paragraph 8 Washington's revised draft regarding placement by Turkish Government of supervisory personnel satisfactory to US which Embassy and Lawson felt should be included. (Paragraph 3-A Embassy's 9281.) In addition, apart from wording of Currie revision (paragraph 2 requests Turks to "take over" Axis assets instead of "freeze") it omits all reference to restitution loot.

WINANT

Decoded: pgw
Typed: mp

Copy: Mr. Lawson

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Auticity NND 765029
By PMA NARA Date 7/26
RG 84
Entry Turkey Ankara
File 851.516
Box 4

COUNSELOR FOR ECONOMIC
AFFAIRS
NOV 1 1945
PARAPHRASE OF TELEGRAM RECEIVED FROM SECRETARY OF
American Embassy STATE, WASHINGTON, ON OCTOBER 22, 1945.
Ankara, Turkey

On September 10 a radio broadcast from Brazzaville reported that the seizure of merchandise which belonged to the Axis powers had been ordered by the Turkish Ministry of Commerce. (Sent to London repeated to Paris and Ankara)

If true, this report and the reservation of right to German property which the Turks made (see Ankara telegram of September 27) and the note received from the Turkish Government dated September 3, 1945 (transmitted to the Department with Ankara Despatch No. 236 of September 13, 1945) which stated that the Swiss Legation in Ankara had been allowed to hold certain Axis funds in order to pay for the liquidation of problems relating to the protection of German interests as well as the eventual claims of Third parties, all of which emphasized the greatest need for an early safehaven approach to the Turkish Government.

No opinion has been expressed by the British authorities with regard to whether it desired to give notification by the three governments to the Turkish authorities with regard to assuming control of assets formerly held by the Germans. Until the issuance of similar instructions by the British the Embassy at Ankara is to delay giving such notification.

It is requested that London discuss the foregoing with MEWFO at once. London should emphasize, as a means of preventing unilateral disposition of German properties, the desirability of immediate safehaven approach to the Turkish authorities.

Mme
It would be appreciated if the Embassy at Ankara would submit telegraphically a compromise redraft of the safehaven desiderata mentioned in your telegram of September 10 which was repeated to Ankara.

After the Turkish authorities have received the primary safehaven approach it is felt by the Department that the secondary safehaven approach which was included in the Department's circular airgram dated September 4 should be promptly made to the Turks. Comments on this point are requested from Ankara and London.

The substance of this cable should also be discussed with the French by the Embassy at Paris.

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Authority NWD 765029

By BM NARA Date 7/26

RG 84

Entry Turkey Ankara
Embassy

File 851.516

Box 4

PARAPHRASE

To: Secstate, Washington

Code: Secret

Secstate, Washington

Paraphrase #4

I feel that the following considerations to the proposal set forth in the Department's instruction numbered 735, July 12, London's telegrams to Department numbers 9281, September 10 and 10747, October 15th, and Departments telegram to London number 8461, repeated to Ankara as number 951 of September 25, should be given appropriate weight.

The basic question of appropriateness of the United States-United Kingdom demand for gold data solely on the grounds that we contemplate asking Turkey to adhere publically to the United Nations Declaration of January 3, 1945, Resolution VI of the Bretton Woods Monetary Agreement and the Gold Declaration of February 22, 1944, should be fully explored before any proposal is presented to Turkish Government. I feel that the Turks will regard our demand for such highly detailed information as a lack of trust of their intention to abide by what they have already accepted to undertake; it is also probably that this action will be considered the unjustifiable interference of foreign powers. A basis of trust and cooperation will be what the Turks will insist on working with us.

The highly detailed information described in the note could not be supplied by the Turkish Government, even if they did have the best of intentions. The expenditure of considerable effort would be necessary to evolve inventory methods to obtain the information regarding the bar gold held in the Turkish Central Bank and it is extremely doubtful that without even greater effort the information on the coins could be supplied. The Turks have accumulated much of the gold through normal purchases at such a time that they could not normally see why highly detailed records should be kept in connection with its acquisition or for questioning its original source. With regard to the transfer of gold to the Central Bank from Germany and Switzerland during the prescribed period the Turks might be able to supply the bookkeeping information desired but if they feel the demand for such information is based on lack of trust they may not be willing to undertake such an inventory.

Drafted 7/26/45

COUNSELOR FOR ECONOMIC

AFFAIRS

NOV 1 5 1945

American Embassy
Ankara, Turkey

No: Paraphrase #4

Charged to:

No. 1355145
dated 7/26/45
referred to 10/9
from

347894

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Authority NMD 765029

By BKH NARA Date 7/126

RG 84
 Entry Turkey Ankara
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 Box 4

-2-

The Safehaven interest, it appears, to trace the looted gold is predominant over the desire to obtain gold information from Turkey. We think that it is logical that the Safehaven approach should be completely separated from asking for information about the Turkish gold. The approach on the gold information should be made on a specific basis to remove resentment from the minds of the Turks and to obviate serious difficulty. Such specific information which could be asked would be on specific lots of coins and gold bars which it is known to have been looted from occupied countries; this is a logical part of our program for tracing, locating and repossessing looted gold and should be well acceptable to the Turks as it is a reasonable undertaking under the United Nations Declaration, and Resolution VI of the Bretton Woods Monetary Declaration. This may be regarded as an attainable objective though it would not afford the same assistance to us in the overall program of tracing looted gold throughout the world. To present such detailed demands would only risk causing serious resentment and little information of value would be obtained.

To suggest that the Turkish Central Bank holds looted gold which is subject to return to the occupied countries, would be most distasteful to the Turks and they would not wholeheartedly cooperate with such an undertaking. During the war years the purchase and sale of gold continued freely in Turkey, and it was presumed that the seller legally owned the gold which found its way into the Turkish Central Bank. The obligations incurred by signing the Bretton Woods Agreement, the United Nations Declaration and the Gold Declaration is greatly felt by the Turks and they are of the opinion that it should be recognized without officials of foreign countries minutely examining the official gold holdings of the country.

That the British and United States have not made identical demands on the other unoccupied United Nations or even neutrals would undoubtedly noticed by the Turks. They expect treatment identical to that which has been given to the other United Nations which have not been occupied by the enemy and they do not (repeat not) consider themselves in the same category as neutrals.

Provision has been made in the Safehaven note, as suggested by the American and British Embassies (Embassy's telegram 1305 of October 8th) that full information with regard to enemy assets

be obtained

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Authority NMD 765029
By BKA NARA Date 7/26RG 84
Entry Turkey Ankara
Embassy
File 851.516
Box 4

-3-

be obtained, and we assume that the Turkish authorities will report to us the remaining property of enemy aliens and any looted gold in Turkey known to them. On the other hand, the Turkish Government feels that gold in the possession of the Central Bank which was obtained through normal financial channels is legally held by the Government of Turkey and it is not subject to confiscation nor should it be returned to the occupied countries. A file legal point may be raised but, the Turks feel there is no moral ground for the return of the gold.

WILSON

paraphrased/abg

EBL

347896

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Authority NMD 765029
B, BM NARA Date 7/26RG 84
Entry Turkey Ankara Embassy
File 851.516
Box 4MEMORANDUM

To: The Ambassador

From: Edward B. Lawson, Counselor for Economic Affairs

Date: October 26, 1945.

Subject: Safehaven problems - Department's telegram No. 1026, October 26, 9 p.m.

I have examined the subject telegram and have reviewed the numerous reference telegrams and airgrams.

My initial reaction is as follows:

1. I know of no official Government seizure orders involving German merchandise in Turkey. However, in accordance with Turkish Government practice so far in connection with German assets, the control of the banks and insurance companies, such action, without specific official and published decree, would not appear unlikely. It is known that certain German railway equipment is in constant use by the Turkish Government and I have heard in trade circles that the perishable products owned by the Germans and held in stock in Istanbul, such as hides and skins, vegetable oilseeds, et cetera, were to be taken over by the Turkish Government and sold to prevent their disappearance. This, however, has not yet been confirmed*, but I am endeavoring to obtain late information on this point.

2. The subject telegram states that this Embassy "is requested to submit by cable compromise redraft of

Safehaven

*Barton has just received a report that the Turkish Ministry of Commerce is negotiating with the Turkish manager or interventor of the Deutsche Bank for the purchase of oilseeds and other products owned by that bank or its German clients. Therefore, the procedure is apparently not a seizure but a purchase, in principle, with a recording of the transaction.

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By EKJ NARA Date 7/26

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Entry Turkey Ankara

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Safehaven desiderata mentioned in paragraph 5 (London's 9281, September 10). It is not clear why this is expressed in the present tense inasmuch as under date of October 8 we cabled to the Department as No. 1305, and repeated to London as No. 102, the complete compromise redraft of the Safehaven program which Currie and I drew up. This would seem to satisfy the only request known to me regarding a redraft of that program.

3. The telegram suggests that, apparently after the accepted revised Safehaven program had been presented to the Turks, a secondary approach be made to them along the lines indicated in the Rubin memorandum (circular airgram dated September 4, 1945). Our comments are requested in this connection. In reviewing Rubin's memorandum and endeavoring to anticipate the reaction of the Turks to the various points raised, I have come to the following preliminary opinions:

Reference paragraph 1A, page 1:

Turkey, as we have always maintained, will resent being classed as a neutral country. She will insist, furthermore, on treatment equivalent to that accorded all other United Nations. ^{and} She will want evidence that she is not being singled out for special treatment.

Reference paragraph 1B₁, page 2:

Turkey will not agree to surrender any legitimate Turkish claims to German assets in Turkey for rehabilitation purposes. She will insist on making such contributions in that field

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B, BY NARA Date 7/26

RG 84
Entry Turkey Ankara
File 851.516
Box 4

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field as she desires to make without any relation to German-Turkish claims.

Reference Paragraph (C), page 2:

Any balance in favor of Germany, after negotiations have been completed, will be permitted to be liquidated under the direction of the legally recognized authority for Germany and the proceeds can be used at the discretion of such authority; provided, no large scale capital withdrawals are involved and no important sums of foreign exchange are to be taken INVOLVED from Turkey's accounts.

A program whereby local products might be used as the medium of transfer should be favored by the Turks, but the subject of basic prices to be used in converting values of products will be a difficult one. Turkey's prices are far above world prices.

"MEMORANDUM NOT TO BE INCLUDED IN NOTE"

A.

It is stated in the proposed memorandum that legal objections may be expected. The Turkish Government will be fully aware of the legal angles in this matter and it will want to be fully convinced that the three powers are legally acting as the Government of Germany. This should not be difficult. But the Turks will be quick to oppose any act that may have the appearance of surrendering any of their sovereign rights

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By BMH NARA Date 7/26

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Entry Turkey Ankara
Embassy

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rights to the Allied Control Commission. In that connection there is some doubt that the proposed ^{in the interest} public statement, that any particular decree issued by the Allied Control Commission is in accordance with local public policy, will be made by the Turks. On the whole, once the right of the three powers to act as the Government of Germany has been fully established, the acts of those powers in that capacity, so long as they conform to recognized international law, will not be opposed by the Turks. ^{in the interest} ~~This attitude~~ ^{and legal + sovereignty factors} This attitude should be fully considered when any proposal for vesting German assets or property in Turkey is considered and whether any vesting law drawn up by the Allied Control Commission will be recognized by the Turks.

It is not anticipated that the Turks will oppose ~~reject~~ ^{making} accounting to the legally recognized authority for Germany and properly balancing claims of Turkey against outstanding German claims.

B.

(3) With regard to Turkey's claims against Germany, especially in the matter of clearings, the Turks can be expected to reject the idea as propounded in this paragraph of the memorandum. They cannot be expected to agree to surrender any legitimate Turkish claims to German assets in Turkey. In fact, they are holding a substantial balance of approximately 16,000,000 T.L. in the Turkish Central Bank, in the German account, and expect to use that against Turkish clearing claims in Germany.

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Auth City NMD 765029
By BMN NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

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in Germany. Likewise, the Turks will probably insist on the right to the completion of all prewar debt obligations by the contracting parties, without interference by the Allied Control Commission, and will desire to see that the terms of all unmatured prewar debt contracts are complied with in accordance with the original terms. The Turks will probably agree to the theory that property held in Germany by Turkish nationals will be subject to the general program of removal and requisitioning but will expect parallel treatment with regard to property held in Turkey by German nationals.

E.B.Lawson/mhd

It is logical to presume that

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By BKA NARA Date 7/26

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Entry Turkey Ankara
File 851.516
Box 4

Drafted 7/26/45

file
PARAPHRASE

To: Secstate, Washington

Code: Secret

COUNSELOR FOR ECONOMIC
AFFAIRS
NOV 15 1945
American Embassy
Ankara, Turkey
Date:

Number: Paraphrase # 3

Charged to:

Secstate, Washington

Paraphrase # 3

The local magazine "Economy" on September 13, stated that Axis merchandise had been seized and now is in the custody of the Customs Department. It also stated that the Axis railway rolling stock will be taken over by the Government; and that the Turkish Government Commercial Office is preparing to sell all the other seized property. Although there has been no official decree authorizing the seizure of Axis merchandise by Turkish officials, the Turkish National Railways have been using certain Hungarian and German railway cars daily.

A report from Istanbul is that the Turkish Government has been negotiating with the Deutsche Bank to purchase oilseeds and other products which the German clients of the bank or the bank owns.

The Embassy's telegram to the Department, No. 1305 of October 8th (repeated to London) reported the compromise redraft of the Safehaven disiderata.

With reference to the Department's circular airgram of September 4th, which outlined the secondary approach of the Rubin memorandum, the following is an endeavor to estimate the probable reaction of the Turkish Government to several points raised.

A. No legitimate Turkish claims to German assets in Turkey will be surrendered by the Turkish Government for rehabilitation purposes. In that field, there will be no connection with the German-Turkish claims, as Turkey will insist on making such contributions as she desires.

B. It will be insisted by the Turkish Government that it be accorded treatment equivalent to that given all the other United Nations and that evidence be given that she is not being singled out for special treatment, as she will resent being classed as a neutral.

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Authority NMD 765029

By BFM NARA Date 7/26

RG 84

Entry Turkey Ankara
Embassy

File 851.516

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C. Provided no large scale capital withdrawals and no important sums of foreign exchange are involved, any balance in favor of Germany, after the negotiations are completed, will be liquidated under the direction of a legally recognized authority for Germany and, at the discretion of this authority, the Turkish Government will allow the proceeds to be used.

It is thought that the Turks will favor a program whereby the medium of transfer will be local products, but it will be a difficult decision to agree on basic prices to be used in converting values of the products, as world prices are so much lower than prices in Turkey.

Regarding the points in the memorandum referred to above which should not (repeat not) be included:

Paragraph A. The Turks can be expected to reject the idea set forth in this paragraph of the memorandum with regard to the claims Turkey has against Germany, and especially in the matter of clearings. It cannot be expected that the Turks will surrender any of their legitimate claims to German assets. A substantial balance of approximately 16,000,000 Turkish Lira is held in the German account in the Turkish Central Bank, and it is expected that in clearing the Turkish claims in Germany this balance will be used. It seems logical to presume that the theory of property held by Turkish nationals in Germany will be subject to the general program of requisitioning and removal will be accepted by the Turks; but likewise they will expect bilateral treatment with regard to property held by German nationals in Turkey. Furthermore, Turkey will more than likely insist on the right of complete all prewar debt obligations by the contracting parties, without the Allied Control Commission interfering and she will desire that all unmatured prewar debt contracts be yielded in accordance with the original terms.

Paragraph B. Here legal objections are predicted. The legal aspects of this matter have been fully studied by the Turkish Government and they will want to be fully convinced that the three powers are legally acting as the Government of Germany. To prove this should not be difficult. However, any act that might have the appearance of a surrender of any of the sovereign rights of Turkey to the Allied Control Commission will be strongly opposed by the Turkish Government. Regarding this, it is doubted that the Turks will make the proposed public statement to the effect that any particular decree issued by the Allied Control Commission is in accordance with local public policy. Once the right of the three powers to act as the Government of Germany has been fully established, the Turks will not oppose the acts of those powers in that capacity, so long as they conform to

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recognized international law. When any program for vesting German assets in Turkey is proposed or in anticipating Turkish reaction to any vesting law which the Allied Control Commission draws up the probable attitude of the Turks toward legal and sovereignty factors should be fully considered.

There seems to be no indication that the request for accounting to the legally recognized authority for Germany and properly balancing claims of Turkey against outstanding German claims will be opposed by the Turks.

WILSON

paraphrased/abg

347904

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Authority NMD 765029
By PMA NARA Date 7/26RG 84
Entry Turkey Ankara
File 851-SafeHaven
Box 1PARA PHRASE

To: Secstate, Washington

Date: 10/29/45
Number: Paraphrase #3

Code: Secret

Charged to:

Secstate, Washington

Paraphrase #3

The local magazine "Economy" on September 13, stated that Axis merchandise had been seized and now is in the custody of the Customs Department. It also stated that the Axis railway rolling stock will be taken over by the Government; and that the Turkish Government Commercial Office is preparing to sell all the other seized property. Although there has been no official decree authorizing the seizure of Axis merchandise by Turkish officials, the Turkish National Railways have been using certain Hungarian and German railway cars daily.

A report from Istanbul is that the Turkish Government has been negotiating with the Deutsche Bank to purchase oilseeds and other products which the German clients of the bank or the bank owns.

The Embassy's telegram to the Department, No. 1305 of October 8th (repeated to London) reported the compromise redraft of the Safehaven disiderata.

With reference to the Department's circular airgram of September 4th, which outlined the secondary approach of the Rubin memorandum, the following is an endeavor to estimate the probable reaction of the Turkish Government to several points raised.

A. No legitimate Turkish claims to German assets in Turkey will be surrendered by the Turkish Government for rehabilitation purposes. In that field, there will be no connection with the German-Turkish claims, as Turkey will insist on making such contributions as she desires.

B. It will be insisted by the Turkish Government that it be accorded treatment equivalent to that given all the other United Nations and that evidence be given that she is not being singled out for special treatment, as she will resent being classed as a neutral.

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By BKH NARA Date 7/26

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Entry Turkey Ankara

Embassy

File 851-SafeHaven

Box 1

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C. Provided no large scale capital withdrawals and no important sums of foreign exchange are involved, any balance in favor of Germany, after the negotiations are completed, will be liquidated under the direction of a legally recognized authority for Germany and, at the discretion of this authority, the Turkish Government will allow the proceeds to be used.

It is thought that the Turks will favor a program whereby the medium of transfer will be local products, but it will be a difficult decision to agree on basic prices to be used in converting values of the products, as world prices are so much lower than prices in Turkey.

Regarding the points in the memorandum referred to above which should not (repeat not) be included:

Paragraph A. The Turks can be expected to reject the idea set forth in this paragraph of the memorandum with regard to the claims Turkey has against Germany, and especially in the matter of clearings. It cannot be expected that the Turks will surrender any of their legitimate claims to German assets. A substantial balance of approximately 16,000,000 Turkish Lira is held in the German account in the Turkish Central Bank, and it is expected that in clearing the Turkish claims in Germany this balance will be used. It seems logical to presume that the theory of property held by Turkish nationals in Germany will be subject to the general program of requisitioning and removal will be accepted by the Turks; but likewise they will expect bilateral treatment with regard to property held by German nationals in Turkey. Furthermore, Turkey will more than likely insist on the right of complete all prewar debt obligations by the contracting parties, without the Allied Control Commission interfering and she will desire that all unmatured prewar debt contracts be yielded in accordance with the original terms.

Paragraph B. Here legal objections are predicted. The legal aspects of this matter have been fully studied by the Turkish Government and they will want to be fully convinced that the three powers are legally acting as the Government of Germany. To prove this should not be difficult. However, any act that might have the appearance of a surrender of any of the sovereign rights of Turkey to the Allied Control Commission will be strongly opposed by the Turkish Government. Regarding this, it is doubted that the Turks will make the proposed public statement to the effect that any particular decree issued by the Allied Control Commission is in accordance with local public policy. Once the right of the three powers to act as the Government of Germany has been fully established, the Turks will not oppose the acts of those powers in that capacity, so long as they conform to

347906

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recognized international law. When any program for vesting German assets in Turkey is proposed or in anticipating Turkish reaction to any vesting law which the Allied Control Commission draws up the probable attitude of the Turks toward legal and sovereignty factors should be fully considered.

There seems to be no indication that the request for accounting to the legally recognized authority for Germany and properly balancing claims of Turkey against outstanding German claims will be opposed by the Turks.

WILSON

paraphrased/abg

347907

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Authority NMD 765029

By BM NARA Date 7/26

RG 84

Entry Turkey Ankara

Embassy

File 851.51

Box 5

851.51
(a)(17)

Re: Bulet 1/6/61
German external assets. Allied control council on October 150, established a German external property commission on a four power basis and authorized it to assume "all rights, titles and interests in respect of property outside Germany which is owned or controlled by any person of German nationality" or by any branch of any German business or corporation. That the law, which specifically states the allies determination to "assume control of all german assets abroad with the intention thereby of promoting international peace and collective security by the elimination of German war potentials," was aimed primarily at neutrals in the war was indicated by the exemption of German assets subject to jurisdiction of the British Empire, Soviet Union, United States and France and "any other United Nations determined by the control council." German assets abroad are estimated as worth possibly one billion dollars.

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By PJK NARA Date 7/26

RG 84

Entry Turkey Ankara

EMBASSY

File 851-Safehaven

Box 1

AIRGRAM

SECRET

FROM

Ankara

Rec'd

Dated December 12, 1945 R

	ACTION	INFORM
AMB		✓
CSIR		✓
CA		
WP		NDP
HH		
JEH		✓
REG		
DEW		
PJK		✓
AC		
ANSWER		

Secretary of State.

Washington.

A-247, December 12, 1945.

Reference Department's circular airgram dated October 29, 1945. The following comments and suggestions are submitted in accordance with numbered paragraph (10):

The amount of looted or Axis-owned objects sent out of Axis or Axis-occupied territory to Turkey is believed to be small but there seems to be no reason why an invitation to Turkey to cooperate in the restitution of loot and the discovery of Safehaven funds, objects or personnel, should not be extended. However, in view of pending approaches to the Turkish Government for collaboration in the control and restitution of looted gold and the control of Axis assets in Turkey, the Department may desire to postpone the invitation under reference or to include it in one of the notes awaiting presentation. Although the Turkish Government has indicated its agreement with the principles expressed in the Bretton Woods Resolution VI and has referred to controls established in Turkey necessary to fulfill some of the aims of the United Nations as expressed in that Resolution, (reference Embassy's despatch No. 1000, January 12, 1945) it has made no public announcement of its adherence to the principles involved. A Safehaven note now under consideration for presentation to the Turkish Government by the United States, the United Kingdom, and France requests a public announcement of its intention to adhere to the terms and spirit of the Resolution, the Gold Declaration of February 22, 1944, and the principles enumerated in the United Nations Declaration of January 5, 1943, (reference this Embassy's No. 1305, dated October 3, 1945, repeated to London as No. 102, and Department's No. 1032, dated October 25, 1945, repeated to London as No. 9415). A request for looted gold data is also contemplated (reference Department's Instruction No. 735, dated July 12, 1945, and this Embassy's No. 1355, dated

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By BKA NARA Date 7/26

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Entry Turkey Ankara

Embassy

File 851-SafeHaven

Box 1

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dated October 22, 1945, repeated to London as No. 109. Much of the comment pertaining to the probable reaction of the Turkish Government to those proposals applies to the proposal under reference, should we insist that the operation of the Turkish control measures be closely dependent on the United States, United Kingdom and French missions in Ankara.

It is important that the newly proposed invitation be so drawn as not to imply Allied interference in Turkish controls or dictation as to their operation. It should be manifest that Turkey is being invited to take the requested action as one of the United Nations. It would be unfortunate if there should be any grounds for Turkey to assume that she is being treated as a neutral rather than as a member of the United Nations.

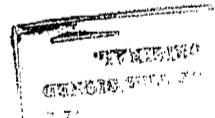
There exists an export license system in Turkey and the exportation of certain works of art, such as Turkish antiquities, "valuable writings and ethnographic articles possessing historic value," is forbidden. A permit must be obtained to export gold in any form, or foreign currency. Therefore, it would appear that existing customs laws may be easily amended to provide the controls suggested and permit the desired information to be transmitted to the United States, the United Kingdom and French missions without great inconvenience to the Turkish authorities.

WILSON

M
KELawson/nhd/jb

Copy to London

Copies to Code Room
File Room
Mr. Barton



347910

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Authority NWD 765029
By PBM NARA Date 7/26RG 84
Entry Turkey Ankara
EMBASSY
File 851.51
Box 5PARAPHRASE
TELEGRAM RECEIVED

851.51

(a) (b)

From :

Date :

Code : Department

Received :

Paraphrase #39

SECRET

COUNSELOR FOR ECONOMIC
AFFAIRS

December 31, 1945

JAN 4 - 1946

American Embassy
Ankara, TurkeyAmembassy, Ankara
Paraphrase #39

Following is an information telegram, Secret for the Chief of Mission.

If negotiations with neutrals on German external assets fail, we feel that the French and British should agree with us on the application of sanctions. We hope that these negotiations will not require any threat of such action. The following recommendations have been presented to the British and French.

(1) Sanctions are to be divided into two categories I. inducements which consist generally of the relaxation of certain wartime financial and trade controls and II. sanctions which could be imposed over and above the maintenance of the existing controls. In our opinion the following sanctions are available:

- (a) withholding from neutrals all surplus property abroad which they may be interested in.
- (b) withholding certain allocated products, such as coal, as well as a general embargo of trade with Germany.
- (c) modification of existing freezing controls.
- (d) exclusion of neutrals from the International Bank and Monetary Fund proposed at Bretton Woods.
- (e) refusal of admission to allied organizations such as ECO to neutrals.
- (f) the admission of neutrals to the United Nations Organization could be considered in relation to their willingness to comply with the above demands.

(2) Only if the neutrals fail to agree that the Allied Control Commission vesting decree applies to all German assets in neutral countries and that all German assets shall be made available to ACC for repatriation purposes should sanctions be brought to bear.

cc to Mr. Lawson

ACHESON ACTING

347911

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Authority NMD 765029
B/BLW NARA Date 7/26

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Entry Turkey Ankara
Embassy

File 851.51

Box 5

851.51
(a)(17)LAW ON VESTING AND MARSHALLING OF GERMAN EXTERNAL ASSETS

Whereas the Control Council is determined to assume control of all German assets abroad and to divest the said assets of their German ownership with the intention thereby of promoting international peace and collective security by the elimination of German war potentials.

Now, therefore, the Control Council, in accordance with the decisions of the Potsdam Conference and the political and economic principles by which it is necessary to be guided in dealing with this problem, enacts as follows:

Article One.

A German External Property Commission (hereinafter referred to as "the Commission") composed of representatives of the four occupying powers in Germany is hereby constituted.

For the purpose of carrying out the provisions of this law the Commission is constituted as an inter-governmental agency of the Control Council vested with all the necessary powers and authority.

Article Two.

All rights, titles and interests in respect of any property outside Germany which is owned or controlled by any person of German nationality inside Germany are hereby vested in the Commission.

Article Three.

All rights, titles and interests in respect of any property outside Germany which is owned or controlled by any person of German nationality outside of Germany or by any branch of any business or corporation or other legal entity organized under the laws of Germany or having its principal place of business in Germany are hereby vested in the Commission.

For the purpose of this article the term "any person of German nationality outside Germany" shall apply only to a person who has enjoyed full rights of German citizenship under Reich law at any time since 1 September 1939 and who has at any time since 1 September 1939 been within any territory then under the control of the Reich Government, but shall not apply to any citizen of any country annexed or claimed to have been annexed by Germany since 31 December 1937.

Article Four.

The Commission has power by unanimous agreement from time to time to add to the categories of persons to be affected by Articles Two and Three of this law unless such addition is vetoed by the Control Council within thirty days of agreement by the Commission.

*Annotated by
Circular
Aug 13, 1946,
attached*

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-2-

Article Five.

The question of whether or not any compensation shall be paid to any person whose right, title or interest in any property has been vested in accordance with this law will be decided at such time and in such manner as the Control Council may in the future determine.

Article Six.

The right, title and interest to all property, title to which has been vested in the Commission under this law, or the proceeds of such property, shall be held by the Commission and disposed of pursuant to such further directives as the Control Council may issue from time to time.

Article Seven.

In addition to the general powers contained in Article One of this law the Commission shall be vested with the following specific powers which it may exercise directly or through any agency which it deems appropriate:

(A) To do all acts which it deems necessary or appropriate to obtain possession or control over all property, the right, title or interest in which is vested in the Commission under this law;

(B) To operate, control and otherwise exercise complete dominion over all such property, including where this is essential to the preservation of the value represented by the property, the sale, liquidation or other disposal thereof subject to the provisions of Article Six;

(C) To require the keeping of full records, and to seize or require the production of any books of account, records, contracts, letters, papers relating to any property affected by this law and to compel the attendance of witnesses and to require the furnishing of full information regarding such property;

(D) To require information, evidence and records with regard to any property outside Germany, in whole or in part of all persons covered by Articles Two and Three thereof.

Article Eight.

The work within any zone of occupation of marshalling and recording the evidence with respect to Germany's external assets shall be the responsibility of the Commander-in-Chief for that zone.

The Commission may request zone commanders to conduct certain investigations either alone or in conjunction with

investigations

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investigations being conducted in other zones, and further, may itself conduct joint investigations in cases where the evidence is contained in more than one zone subject to the authority of the Commander-in-Chief in any zone in which such joint investigation is being conducted.

Article Nine.

Articles Two and Three of this law shall not apply to assets subject to the jurisdiction of the United Kingdom, British Dominions, India, colonies and possessions, the Union of Soviet Socialist Republics, the United States, France and any other United Nations determined by the Control Council.

Article Ten.

For the purpose of this law:

(A) The term "person" shall include any natural person or collective person or any juridical person or entity under public or private law having legal capacity to acquire, use, control or dispose of property or interests therein; and any government, including all political sub-divisions, public corporations, agencies and any instrumentalities thereof. Any juridical person or entity which is organized under the laws of, or has its principal place of business in Germany, shall be deemed to be a person of German nationality within the meaning of Article Two hereof.

(B) The term "property" shall include all movable and immovable property and all rights and interests in or claims to such property whether matured or not, including all property, rights, interest or claims transferred to or held by third parties as nominees or trustee and all property, rights, interests or claims transferred by way of gift or otherwise or for consideration, express or implied, but not including the rights or interests of third parties to a bona fide sale for full consideration, and shall include but shall not be limited to buildings and lands, goods, wares and merchandise, chattels, coin, bullion, currency, deposits, accounts or debts, shares, claims, bills of lading, warehouse receipts, all kinds of financial instruments whether expressed in reichmarks or in any foreign currency, evidences of indebtedness or ownership of property, contracts, judgments, rights in or with respect to patents, copyrights, trademarks, etc. and in general, property of any nature whatsoever.

Article Eleven.

It shall be an offense:

(A) For any person whose property is affected by this law to do or to attempt to do any act or make any omission in derogation of the title or interest of the Commission under Articles Two and Three, or

(B) To assist or conspire with any other person to do or to attempt to do any such act or make such omissions as are specified in this article.

Article Twelve

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Article Twelve.

Any person violating any provision of this law shall be liable to criminal prosecution.

Article Thirteen.

All provisions of laws or decrees or parts thereof which are contradictory to any one of the provisions of this law or of any law or decree issued under the provisions of this law are hereby declared null and void.

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By PMA NARA Date 7/26RG 84
Entry Turkey Ankara
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Box 4851.51(a)
EBL/mhdTo [unclear] enter
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to MDCONFIDENTIAL

Ankara, January 10, 1946.

Dear Jack:

1/ I am enclosing a copy of the Safehaven demands upon which we agreed in the meeting in my office January 9, 1946. I presume that when the demands are finally accepted by Washington, London and Paris each Government will include them in a note of its own construction to be presented to the Turkish Foreign Office. It has not been indicated to us that the wording of the preamble and ending of the note should be identical nor that we should consult each other on that point, but should we be so instructed I shall inform you.

I am sending a copy of the draft demands to Washington and I take it that you will take similar steps.

Yours sincerely,

Edward B. Lawson
Counselor of Embassy
for Economic Affairs

Enclosure:

1/ Copy of Safehaven demands.

J. Garnett Lomax, Esquire,
Commercial Counselor,
British Embassy,
Ankara.

CC to Embassy

347916

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Authority NWD 765029	Entry Turkey Ankara
By BFM NARA Date 7/26	Embassy
	File 851.516
	Box 4

January 9, 1946.

DRAFT OF SAARHAVEN DEMANDS TO BE PRESENTED TO TURKEY

(as agreed by American, British and French Embassies, Ankara)

1. That the Government of Turkey announce publicly its intention to adhere to the terms and spirit of Bretton Woods Resolution VI, the Gold Declaration of 22nd February 1944 and the principles enumerated in the United Nations Declaration of 5th January 1943.
2. That the Government of Turkey, concurrently with the announcement referred to in paragraph (1) above, take over all assets (as hereinafter defined) belonging to the Governments of Enemy countries (as hereinafter defined) or to persons and firms who are nationals or residents of or domiciled in Enemy countries, and arrange to block these assets effectively and hold them subject to terms of a census.
3. That the Government of Turkey take the necessary steps to ensure that all assets held by Turkish organizations, institutions or citizens on behalf of Governments of Enemy countries, or persons and firms who are nationals or residents of or domiciled in Enemy countries, be reported to it and that it will take the necessary steps to block such assets effectively; that the Government

of Turkey

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of Turkey take whatsoever steps are necessary in law, with penalties for non-compliance, to ensure that these measures are carried out, and within a reasonable time.

4. That the Government of Turkey institute satisfactory supervisory controls over and cause to be liquidated all existing Enemy commercial organizations, such as companies, agencies, et cetera, so that these organizations cease to operate in any form whatsoever; that proceeds of the liquidation be blocked effectively.

5. That, in order to permit transactions which may be necessary to effect the complete liquidation and final blocking of all assets, the Government of Turkey will consult the representatives of the United States, the United Kingdom and France before granting any facilities whereby transactions involving these assets may take place.

6. That the Government of Turkey provide information to the representatives of the United States, and the United Kingdom, and France about all persons now in Turkey who possess the nationality of Enemy countries, and about all such persons who have been in Turkey at any time since 1st January 1939, regardless of present nationality, including those who have since 1st January 1939, obtained Turkish or other non-enemy nationality or who have become stateless persons. Such information shall include all relevant details which may aid in ascertaining whether such persons are, or may have been, acting for or in the interest of Enemy nationals or Governments.

7. That the Government of Turkey establish a suitable procedure for carrying out the foregoing measures

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measures and appoint an official who will act in liaison with the representatives of the United States, the United Kingdom, and France, and who will be consulted at appropriate intervals by these representatives; that the Government of Turkey give to the representatives of the United States, the United Kingdom, and France full details of how the foregoing measures are being or have been implemented, and arrange to investigate at the instigation of the representatives of the United States and the United Kingdom and France any cases which the latter may bring to their attention and which may appear to be violations of the foregoing measures.

DEFINITIONS

1. Assets.

The term "assets" as used in this memorandum includes, but not by way of limitation, any real property or interest therein, enterprise (commercial, industrial, financial or cultural), security or interest therein, patents, trade-mark, corporate and contractual rights, including management, patent licenses and arrangements, insurance reserves and policies and reinsurance contracts, bank accounts and deposits, including trusteeship accounts, safe deposit boxes, vaults, cheques, drafts and credits, gold and other precious metals, options and any other type of arrangements or undertakings, written or unwritten.

2. Enemy Countries.

Enemy countries are defined as Germany and Japan.

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BY BY NARA Date 7/26RG 84
Entry Turkey Ankara
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Box 4

Feb 12 -

11.00 a.m.

bomber engaged

not attacked

Draft, with

Additional

information ~~to~~

to Turks that

further requests

will be made

with regard to

the investigation of

persons, be

included -

should proceed

to Turks

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Authority NMD 765029
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Entry Turkey Ankara

Embassy

File 851.516

Box 4

Office Copy

851.516 (a)

No. 525

Ankara, January 14, 1946.

~~SECRET - DEFERRED~~

Subject: Proposed Safeguard Demands to
be presented to Turkey.

The Honorable
The Secretary of State,
Washington.

Sir:

1/

I have the honor to refer to Embassy's telegram No. 48, dated January 10, 1946, and to enclose a copy of a draft of Safeguard demands to be presented to Turkey. The specific principles involved have been accepted by my British and French colleagues and myself and identical copies of the draft have been forwarded to London and Paris by the respective Embassies.

Agreement on these terms followed several discussions between officers of the three Embassies. It will be noted that objections were raised by the British to terms formerly accepted by them, on the grounds that they had not been carefully reviewed prior to their original acceptance. The most important change demanded by them was the elimination of nationals of occupied countries from the proposed investigation and controls proposed in paragraph 6 of the Safeguard demands as originally proposed (reference Embassy's telegram No. 1909, October 8, 1945) and accepted by the Department and by the British Foreign Office. My British colleague was insistent that he could not agree to the inclusion of nationals of allied countries, such as France, Norway, Belgium and the Netherlands, even though these countries were occupied by the enemy. He pointed out that by including such persons, the Turks would feel obligated to investigate the numerous French nationals in Turkey, as well as the relatively few nationals of the other countries. (It is to be noted, as well, that British nationals of the Channel Islands, Burma and Malaya would be subject to investigation, although there are few, if any, in Turkey.) This would open the way, in his opinion, for the Turks to bring unnecessary hardships on such nationals and would permit abuses and persecution of foreigners in Turkey under the aegis of a demand presented by the

American

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American, British and French Governments. Upon closer questioning, it was determined that he does not, nor does the French Ambassador, object to the inclusion among those to be investigated, of nationals of Nazi satellite countries. Therefore, the suggestion was made (reference Embassy's telegram No. 45, January 10, 1946) that if, for reasons unknown to the Embassies, the inclusion of nationals of those enemy occupied or enemy controlled countries was desired as a matter of policy they should be specifically referred to in the definition of enemy countries. The French here have not expressed any opposition to the investigation of French nationals by the Turkish authorities but have merely expressed Paris' objection to the submission of information obtained to the Americans and British. They have insisted that the information be given to the French only. However, on the insistence of the British here that all reference to nationals of occupied countries be deleted from the demands, they were quick to see that such action would eliminate the grounds for their objection to certain features of paragraph 6, as well as to the use of the term "Japanese Puppet State."

It is fully appreciated that the subject is one of fundamental principle and undoubtedly will be discussed by the Department and the British and French authorities in order to determine whether nationals of enemy occupied or controlled countries are to be subject to Turkish investigation, and that the respective missions in Ankara will be instructed accordingly.

The substitution of the term "enemy" for "Axis" at all points in the demands was recommended by the British, on the grounds that it is a more precise term. However, the term may not include all countries envisaged by the Department. Therefore, the definition of enemy countries must be specific and comprehensive in its reference. Although the British and French referred to the absence of any reference to Italy in the body of the demands or in the definition of enemy countries, they did not insist on including it, feeling that policy or legal considerations may have prompted its exclusion by Washington, London and Paris.

Bearing all discussions with the British and French, the proposed demands only were involved, i.e., the numbered paragraphs of the enclosure with the Department's instruction No. 735 of July 12, 1945. The form of the note, the preamble and conclusion, were not discussed, as it was believed that those parts of the note suggested by the Department were of particular interest to the United States. It will be appreciated if the Department will inform me whether it desires the preamble to the demands, in its existing form, to be

Included

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Entry Turkey Ankara
File 851.516
Box 4

-3-

included in the note presented to the Turkish Government or whether, in view of the long period of time which has elapsed since it was drawn up and the alterations made in the original demands as proposed, alterations are contemplated.

Respectfully yours,

Edwin C. Wilson

Enclosure:

- 1/ Draft of Safehaven Demands to be presented to Turkey.

File No. 851

EWWilson/mhd

Original and Hectograph to the Department.
 Copy to Division of Near Eastern Affairs.
 Copy to American Embassy, London.
 Copy to American Embassy, Paris.
 Two copies to American Embassy, Ankara.
 Copies to Lewis Jones and Donald Barton

347923

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Authority NMI 765029

By BFM NARA Date 7/26

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Entry Turkey Ankara
EMBASSY

File 851.516

Box 4

Enclosure 1/ to Despatch No. 525 from the American Embassy, Ankara, dated January 14, 1946, on the subject, "Proposed Safehaven Demands to be presented to Turkey."

DRAFT OF SAFEHAVEN DEMANDS TO BE PRESENTED TO TURKEY

(as agreed by American, British and French Embassies, Ankara)

1. That the Government of Turkey announce publicly its intention to adhere to the terms and spirit of Bretton Wood Resolution VI, the Gold Declaration of 22nd February 1944 and the principles enumerated in the United Nations Declaration of 5th January 1943.
2. That the Government of Turkey, concurrently with the announcement referred to in paragraph (1) above, take over all assets (as hereinafter defined) belonging to the Governments of Enemy Countries (as hereinafter defined) or to persons and firms who are nationals or residents of or domiciled in Enemy countries, and arrange to block these assets effectively, and hold them subject to terms of a census.
3. That the Government of Turkey take the necessary steps to ensure that all assets held by Turkish organizations, institutions or citizens on behalf of Governments of Enemy countries, or persons and firms who are nationals or residents of or domiciled in Enemy countries, be reported to it and that it will take the necessary steps to block such assets effectively; that the Government of Turkey take whatsoever steps are necessary in law, with penalties for non-compliance, to ensure that these measures are carried out, and within a reasonable time.
4. That the Government of Turkey institute satisfactory supervisory controls over and cause to be liquidated all existing Enemy commercial organizations, such as companies, agencies, et cetera, so that these organizations cease to operate in any form whatsoever; that proceeds of the liquidation be blocked effectively.
5. That, in order to permit transactions which may be necessary to effect the complete liquidation and final blocking of all assets, the Government of Turkey will consult the representatives of the United States, the United Kingdom and France before granting any facilities whereby transactions involving these assets may take place.
6. That the Government of Turkey provide information to the representatives of the United States, and the United Kingdom, and France about all persons now in Turkey who possess the nationality of Enemy countries,

and about

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Box 4

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and about all such persons who have been in Turkey at any time since 1st January 1939, regardless of present nationality, including those who have since 1st January 1939 obtained Turkish or other non-enemy nationality or who have become stateless persons. Such information shall include all relevant details which may aid in ascertaining whether such persons are, or may have been, acting for or in the interest of enemy nationals or Governments. ×

7. That the Government of Turkey establish a suitable procedure for carrying out the foregoing measures and appoint an official who will act in liaison with the representatives of the United States, the United Kingdom, and France, and who will be consulted at appropriate intervals by these representatives; that the Government of Turkey give to the representatives of the United States, the United Kingdom, and France full details of how the foregoing measures are being or have been implemented, and arrange to investigate at the instigation of the representatives of the United States and the United Kingdom and France any cases which the latter may bring to their attention and which may appear to be violations of the foregoing measures.

DEFINITIONS

1. Assets.

The term "assets" as used in this memorandum includes, but not by way of limitation, any real property, or interest therein, enterprise (commercial, industrial, financial or cultural), security or interest therein, patents, trademark, corporate and contractual rights, including management, patent licenses and arrangements, insurance reserves and policies and reinsurance contracts, bank accounts and deposits, including trusteeship accounts, safe deposit boxes, vaults, checks, drafts and credits, gold and other precious metals, options and any other type of arrangements or undertakings, written or unwritten.

2. Enemy Countries.

Enemy countries are defined as Germany and Japan.

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DECLASSIFIED	RG 84
Authority NND 765029	Entry Turkey Ankara
By BHM NARA Date 7/26	File 851.516
	Box 4

223/302

British Embassy,
Ankara.

16th January 1946

My dear Ed,

Thank you for your letter
of the 10th January 1946 enclosing the
revised Safehaven draft note. I
confirm that Sir Maurice is completely
in agreement and the note has been sent
to London for their approval with a
request that they will telegraph a
decision.

Yours sincerely,

J. B. Lawson

Edward B. Lawson Esq. JAN 17 1946

COUNSELOR FOR ECONOMIC AFFAIRS
American Embassy Ankara, Turkey

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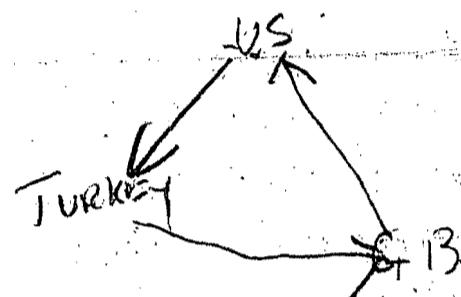
By ~~BKA~~ NARA Date 7/26

RG 84

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Embassy

File 851.516

Box 4



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Authority NMD 765029
By BM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

PARAPHRASE

TELEGRAM SENT

Department

Date: January 25, 1946

No.: Paraphrase #75

Coo~~Secret~~

Charged to:

Secstate, Washington
Paraphrase #75

Following sent to the Department and repeated to London and Paris for their information.

The contents of Department's telegrams Paraphrase 55 and 56 have been discussed with the British and French.

It has been agreed by the French

1. In Paragraph Six the phrase "of all countries formerly under enemy control" should be included. The assets of nationals of those areas are not subject to census and freeze. In accordance with the instructions received from Paris, they insist that information on French nationals be submitted to the French and in this connection a telegram from Paris dated January 22, was shown to me. This cable stated that in Spain their point of view that information be made available to the French only has been agreed to by the United States and United Kingdom. If this statement could be confirmed I would be appreciative of being advised of circumstances which would justify a divergence of policy regarding Turkey and Spain. Paris is being cabled by the French Embassy here to inform them of our views that all three powers should have information from investigations on all nationals of formerly occupied countries and such a statement be included in the Note. It is my opinion that before an agreement between the French and ourselves here is possible this latter point must be clarified between the Department, Paris and London.

2. It has been insisted by the British that if under the terms of Paragraph Six that nationals of formerly occupied countries are to be included, it should be stipulated in the Note that this investigation should be limited to persons designated by the Three Governments to the Turks. The British agree that the information should be made available to all three Powers if this limitation is effected. It is also agreed by the British that the note should include the reservation that when evidence indicates enemy interest there the Three Governments may request the Turkish Government to freeze ad hoc assets of nationals of previously occupied countries. In connection with

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ANTHONY JMD 765029
BY BLM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

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the British proposal that investigation be limited to designated persons as described above I would appreciate the Department's views.

WILSON

EBL/mhd
c/pgw
t&p/abg

cc to Mr. Lawson

347929

DECLASSIFIED

Authority NMD 765029
By BMN NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4Paraphrase of Telegram of January 26, 1946.

Concerning the Safehaven matter, the Economic Counselor of this Embassy has had conversations with representatives of the British and French Embassies and reports to me as follows:

It is the viewpoint of the British Embassy that our note should provide that investigation be made only of persons whose names are presented to the Turkish authorities by the three Governments, in the event that paragraph 6 is to include reference to nationals of countries formerly occupied; in this event the British Embassy appears willing to agree with our position that information obtained by the Turks should be communicated to all three Embassies.

The British are in agreement that the note should include provision whereby the three countries could ask that the Turkish Government freeze ad hoc the assets of nationals of countries previously occupied, in those cases where the evidence shows an enemy interest in those assets.

The expression "of all countries formerly under enemy control" is acceptable to the French Embassy which is of the belief that assets of the nationals of such areas are not required to be covered by census and freezing. The French adhere to their previous expressed point of view that they alone are entitled to receive information concerning nationals of France. In this relation it has been pointed out that Great Britain and our country have accepted the French position on this matter in connection with the problem in Spain.

The Embassy of France is communicating to its Government the views of this Embassy with respect to the investigation of all nationals of formerly occupied countries. It is also taking up the question of our belief that data in this category should also be available to the British and ourselves.

HSB/jf

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AUGUST 1976 NWD 765029	Entry Turkey Ankara
BY BM NARA Date 7/26	File 851.516
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PARAPHRASE

TELEGRAM RECEIVED

From:

Date:

Department

No.:

Code:

Received: Paraphrase #73

Confidential

February 6, 1946

Amembassy, Ankara
Paraphrase #73.

Following sent to Madrid, repeated to Ankara, London and Paris.

The position taken by the French, in recent discussions in Ankara by the British, French and Americans, over the basic Safehaven Note to be presented to the Turkish Government is that the Turks should make available only (repeat only) to the French Government information on French nationals. In your Note Number 207, of May 1, to the Spanish Foreign Office, Paragraph Five is substantially similar to the paragraph to be included in the Note to the Turkish Government. It has been stated by the French that this point of view was agreed to in Spain by the U.S. and U.K. The Department is unable to ascertain from the records whether the British or the Embassy ultimately agreed to the French position as Paragraph Two of London's 5070 of May 20 stated the initial French opposition to the information question. In Turkey the assets of formerly Axis dominated countries will not (repeat not) be frozen and the question which is involved there is only the availability to UK, US and French of information on persons entering Turkey since September 1, 1939, and persons possessing nationality of Axis countries.

In order to avoid any possible appearance of disunity it has already been pressed by the Department that an agreement be made to the effect that information on persons who may have acted in the interest of the Axis be made available to all (repeat all) three Allied Governments.

You are requested to urgently report if the French position stated above has been agreed to in Spain. Your reply should be repeated to Ankara, London and Paris.

BYRNES

d/dlc
t&p/abg
cc to Mr. Lawman

347931

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AUTOCOPY NWD 765029
By BM NAPA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

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2ND SEC	

PARAPHRASE

TELEGRAM RECEIVED

From:

Date:

Department

No.:

Code:

Recei~~Paraphrase~~ Paraphrase #74

Secret

February 10, 1946

Amembassy, Ankara
Paraphrase #74.

Reference Ankara's telegram Paraphrase #75.

Following sent to Ankara, repeated to London and Paris for discussion with the British and French.

Your difficulties in reconciling the views of the French and British on the presentation of the Safsheaven Note to the Turks is fully appreciated by the Department but we feel that the presentation of the Note cannot be delayed any further. You should attempt to have the British and French come to an agreement whereby the Note can be presented to the Turkish Government without Paragraph Six as there is not complete agreement on this point. We suggest that the Note be so phrased so there will be an indication to the Turks that, in connection with the investigation of persons, further requests will be made.

The statement made by the French (mentioned in Paragraph One of the telegram under reference) that the point on the availability of information on French nationals has been agreed to by the Americans and British, is being investigated by the Department.

We do not understand the British position noted in Paragraph Two of your reference telegram. As we feel certain that it is not the intention of the British to limit the right of the Turks to investigate suspicious persons' activities, and since the Department fails to see why the investigation of persons who may have acted in the interest of the Axis (which is the scope of Paragraph Six of the Note) be limited (repeat limited) solely to those persons designated to Turks jointly by the three Allied Government, the Embassy in London is requested to review the matter with MEWFO. Also the entire Turkish situation should be recanvassed by the Embassy, London, with MEWFO in the light of Department's telegram Paraphrase 56.

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AUTHORITY NMD 765029
31 BYRNE NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

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(which was repeated to Paris and London) and other related communications. The matter of having the French agree to requesting the Turkish Government that information resulting from investigations of persons who have acted in the interest of the Axis should be made available to all (repeat all, three Allied Governments should be taken up by the Embassy Paris with the French Foreign Office.

However, the Department reiterates, that the Embassy Ankara should seek an agreement with its colleagues that the Note be presented immediately to the Turkish Government with Paragraph Six left open until there have been further discussions and a reconciliation of views.

BYRNES

d/pgw
t&p/abg

cc to Mr. Lawson

347933

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Authority NND 765029
By BLM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4851.51(a)
EBL/mhdenter
return to M.D.CONFIDENTIAL

Ankara, Feb. 19, 1946.

J. Garnett Lomax, Esquire,
 Commercial Counselor,
 British Embassy,
 Istanbul.

Dear Jack:

We have received a telegram from Washington which gives us clearance on almost all of the points covered in our draft of Safehaven demands and I have drawn up a fresh draft, with which I am sure you will be in agreement. The only new point raised was connected with paragraph 2, which you will notice is exactly the same as it has always been with the exception that provision has been made for the information obtained under the terms of a census to be made available to the three powers.

I have also reverted to our originally agreed paragraph 6, without including the suggested statement that the Governments of the United States, the United Kingdom and France will submit in the future to the Government of Turkey further measures for the control of persons.

It is presumed that each Embassy will include the various paragraphs agreed upon in a note to the Turkish Government and that each Embassy will precede these draft demands with its own preamble. I know of no reason why there should be a uniform preamble and, in fact, the one suggested to us by Washington many months ago involves points which are of interest only to the United States in its relations with Turkey. It refers, among other things, to a previous exchange of views on Bretton Woods. I shall, of course, be pleased to make the proposed preamble to our note available to both you and the French, but in the meantime I wish you would look over the attached fresh draft of Safehaven demands and let me

1/

have

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Authority NWD 765029
By BLW NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

-2-

have your agreement as soon as possible. I expect to see Gueyraud this afternoon to obtain his approval and would like to inform Washington, in accordance with its most recent request, "that all differences have now been cleared up and that immediate presentation of the note can be made."

Sincerely,

Edward B. Lawson
Counselor of Embassy
for Economic Affairs

Enclosure:

- 1/ Draft of Safehaven demands dated
February 19, 1946.

CC to Embassy
Mr. Barton

347935

DECLASSIFIED

Authority NND 765029

By BMH NARA Date 7/26

RG 84

Entry Turkey Ankara

Embassy

File 851.516

Box 4

A-HR

Enclosure to Instruction.

As the Government of Turkey is aware, the United Nations for some time have been deeply concerned with the possibility that the illegal and reprehensible activities of looting and depredation, which have been carried out by the Axis occupying authorities in the territories of Europe, would lead to attempts to consummate such transactions in other countries. Moreover, the United Nations have perceived cause for anxiety in the possibility that Axis assets located abroad may be employed to the detriment of both the peace and security of the post-war world and the welfare of the country in which such assets are located.

The Government of the United States has indicated its strong interest in these matters by its subscription to the United Nations Declaration of January 5, 1943, to the Gold Declaration which was issued on February 22, 1944, and by its endorsement of Resolution VI adopted at the United Nations Financial and Monetary Conference, held at Bretton Woods, New Hampshire. The Inter-American Conference on Problems of War and Peace, recently held at Mexico City, endorsed all of these measures. The Governments of Switzerland, Sweden, Portugal and Spain have also undertaken certain measures to attain the objectives discussed in this note. In these steps, the United Nations have participated and cooperated.

It will be recalled that on February 26, 1944 the American Ambassador had the honor to present to the Minister of Foreign Affairs a note containing the text of the declaration made by the Governments of the United States, Great Britain and the Soviet Union, on February 22, 1944 concerning looted gold. On October 2, 1944 there was addressed to the Minister of Foreign Affairs a note which enclosed a copy of Resolution VI of the United Nations Financial and Monetary Conference.

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Authority NND 765029

By BM NARA Date 7/26

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Entry Turkey Ankara
Embassy

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Box 4

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and which expressed the hope that the Turkish Government would be willing to institute such measures as may be necessary to fulfill the aims of the United Nations as expressed in that Resolution. The latter note also called attention to the declaration of certain of the United Nations of January 5, 1943 with respect to looted property and forced transfers of property in enemy-controlled territory.

In its replies to these notes, the Government of Turkey pointed out that certain radical steps had been taken to suspend all commercial and financial activity previously engaged in by companies and individuals of German nationality and that all financial operations are strictly controlled by the State. The Government of Turkey, however, observed that Turkey was not invited to take part in either the Bretton Woods Conference or in the formulation of Bretton Woods Resolution VI. In the former connection, the Government of the United States was gratified to learn that the Turkish Government had instituted measures to suspend financial and commercial activity engaged in by enemy interests. In the latter, the Government of the United States is confident of the understanding of the Turkish Government that Turkey's position as a neutral state at that time was the sole reason for her not being invited to participate in the work of the Bretton Woods Conference. It was for this reason that the Government of the United States took steps to bring the text of Bretton Woods Resolution VI to the attention of the Turkish Government with an expression of hope that the Turkish Government would find it possible to subscribe to the principles of that Resolution in order to demonstrate its willingness to assist the United Nations in accomplishing the objectives sought by the Resolution. Now that Turkey has become a member of the family of United Nations it seems only fitting that it join in adherence to the vital principles set forth in Resolution VI and in the other pertinent policy declarations.

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/The

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Authority NWD 765029

By BMN NARA Date 7/26

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Entry Turkey Ankara

Embassy

File 851.516

Box 4

- 3 -

The Government of the United States confidently expects that the Government of Turkey will join the other United Nations as soon as possible in subscribing to the principles of and in the full and effective implementation of these declarations. In order to state specifically the present minimum implications of such implementation, however, the following list of recommendations is presented, with the request that the Government of Turkey accept and implement them as soon as possible.

1. That the Government of Turkey announce publicly its intention to adhere fully to the terms and spirit of Bretton Woods Resolution VI, the Gold Declaration of February 22, 1944, and the principles enumerated in the United Nations Declaration of January 5, 1943.

2. That the Government of Turkey freeze immediately and simultaneously with the public announcement referred to in Paragraph I, all assets referred to in Items 3 and 4 below, and other such assets as may be subsequently uncovered by the Government of Turkey or brought to its attention by the United States. That a procedure for the licensing of transactions involving the assignment, transfer, withdrawal, payment, hypothecation, or other disposition of such assets shall be established, and the principles governing such licensing shall be provided for by the Government of Turkey, in consultation with the United States. Any such arrangements shall provide for submission to the United States upon request of full information on any licenses so issued.

3. That in order to execute fully its controls, the Government of Turkey immobilize and facilitate the return of any looted assets, as described in Bretton Woods Resolution VI, regardless of present ownership of such assets.

4. That the Government of Turkey conduct a detailed census of all assets, regardless of form, located in Turkey or held abroad through persons or firms in Turkey which, or any

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Entry Turkey Ankara Embassy
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- 4 -

interest in which, direct or indirect, is owned or controlled or held by, in behalf of, or in the name of, persons and firms who are nationals or residents or domiciled in Axis countries. The term Axis, as used in this connection, includes Germany, and Japan. The term assets, as used in this connection, shall include, but not by way of limitation, any real property or interest therein, enterprise (commercial, industrial, financial or scientific), security, or interest therein, patents, trademarks, corporate and contractual rights, including management contracts, patent licenses and arrangements, insurance policies and reinsurance contracts, bank accounts and deposits, including trusteeship accounts, safe deposit boxes, vaults, checks, drafts, credits, gold and other precious metals, options and any other types of arrangements or undertakings, written or unwritten. Further in this connection, that the Government of Turkey provide that the penalty for failure to report fully or correctly will be sufficiently severe as to compel the submission of full and correct information even when large assets are involved, and that the Government of Turkey make available to the United States the information obtained from the census.

5. That, in connection with the Government of Turkey's adherence to the terms and spirit of the Gold Declaration of February 22, 1944, and in order to assist the United Nations governments occupying Germany in dealing with the problem of looted gold, the Government of Turkey provide the United States with the following information: (1) a description of the present gold holdings of Turkey or the Central Bank of Turkey, which description should include the mint marks, bar numbers and the weight of all bars of gold and the weight of each lot of gold coins, together with the country of issue of such coins and, wherever practicable, their year of issue and denomination; (2) complete information concerning all acquisitions by Turkey or the Central Bank of Turkey since January 1, 1939 of gold or interests in gold from Axis countries, from countries

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By BM NARA Date 7/126	File 851.516
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occupied by the Axis or from countries which on February 22, 1944 had not broken relations with the Axis.

6. That the Government of Turkey provide the United States with full information concerning all persons in Turkey who possess the nationality of Axis countries and all such persons who have entered into Turkey since January 1, 1939 and who are presently in Turkey, regardless of present nationality. Such information shall include details as to their residence, occupation, travels from Turkey since initial entry into Turkey, and such other information as will be relevant to ascertaining whether such persons are or may be acting for or in the interests of Axis countries or who, in the period following the occupation of such countries by the United Nations, may work against the interests of the occupying authorities. Also, that the Government of Turkey submit similar information on all persons who have come to Turkey since January 1, 1939 from countries which were previously satellites of the Axis countries or from countries previously controlled by the Axis countries where the evidence reveals that such persons are or may have been acting for or in the interest of the Axis countries. It is further recommended that the Government of Turkey submit similar information to the United States on such other persons as may be referred to the Government of Turkey by the United States.

8. That the Government of Turkey immediately place satisfactory supervisory personnel in all enemy-owned and controlled enterprises for the purpose of preventing dissipation of the assets of such enterprises. In this connection, the Government of the United States takes full cognizance of the previous measures instituted by the Turkish Government to suspend the operations of the German-owned insurance companies and banks.

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By BKM NARA Date 7/26

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Entry Turkey Ankara
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9. That the Government of Turkey, after the foregoing measures have been put into effect, investigate all suspicious cases, including, but not limited to, cases referred to it as being in such category by the United States and report the results of all such investigations to the United States.

10. That the Government of Turkey prosecute vigorously the execution of the measures referred to in this agreement and take such other steps as are necessary to obtain rigid enforcement of such measures.

11. That the Government of Turkey establish a suitable procedure by which its officials concerned with the execution and operation of the foregoing measures may be consulted with at appropriate intervals by representatives of the United States regarding the implementation of such measures.

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By B.M. NAPA Date 7/26

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Entry Turkey Ankara
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American Embassy
Ambassador

No. 25, 634

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APPENDIX 1 1948

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LONDON, ENGLAND.

WATSON 4-1940

Economic Warfare (Safeguard) Series No. 3

Subject: Restoration of Listed Art.

For Department and Efficiency

The Honorable,
The Secretary of State,
Washington, D.C.

132

I have the honor to refer to the Department's airgram No. 141 of January 18 (copied to Paris), which proposed that the governments of the liberated countries in Europe might be requested to furnish the governments of the neutrals, France, the United Kingdom and the United States with lists of objects missing after restitution had been accomplished from Germany and Austria, and that these lists might then be used as bases for approaches to the neutral governments to solicit their cooperation in the restoration of objects identified as lost.

As indicated in the Embassy's telegram No. 2591 of March 4 (repeated as No. 22 to Ankara, No. 159 to Paris, No. 78 to Rome, No. 75 to Bern, No. 52 to Stockholm), the Department's proposal was received with thorough satisfaction by the British authorities concerned, and the British Missions in Europe are being instructed accordingly. Pursuant, therefore, to the Department's telegrams No. 43 of January 9 to Stockholm (repeated as No. 268 to London and No. 135 to Paris) and No. 67 of January 22 to Ankara (repeated as No. 721 to London), which directed this Embassy to send instructions to the American Missions in the London Coordinating Area, copies of the present despatch are being sent to them (as indicated below) and will constitute their instructions (except in the cases of the Missions to the governments of the European neutrals, Turkey and Syria, for whom this despatch is for information only); It is believed that the following background information may prove helpful to the Missions in approaching the governments to which they are accredited.

According to a letter of instructions dated February 3, 1946, (the text of which was sent to the Department in the Embassy's airgram No.107 of February 2, 1946), the British Missions in Lisbon, Madrid and Stockholm were advised of the British government's desire to "tighten up" the control of the export of works of art from Europe to the Western Hemisphere. The British Missions in Lisbon, Madrid and Stockholm were therefore instructed to observe the following

Procedure

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By BM NARA Date 7/26

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Entry Turkey Ankara

Embassy

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Box 4

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procedure, which was described as having been in "operation" since October 1941:

"We suggest that three photographs of each picture should be made, one for us, one for your U.S. colleague so that they can forward it to Washington if and when they receive instructions, and one for you to retain for case of reference. You should make it clear that a statement should accompany each photograph containing the name of the artist, a full description or title of the painting with the date of its production, the name of the owner, the date of his acquisition and, if acquisition took place on or after 3rd September, 1939, the precise method of acquisition and the name and address of the previous owner. The Consular Officers should, as we have said, follow this procedure in all cases where they are not perfectly satisfied from personal knowledge that the paintings etc. can neither be looted nor enemy tainted, and no Certificate of Origin should be issued, unless they are so satisfied, without our specific approval."

In its telegram No.3722 of May 12 to London, the Department advised that reliance should be placed on the above-described British system of control pending decision on its proposal for a total prohibition of all imports and exports to, from and within the Continent, including Turkey.

[The Department's circular instruction of November 1, 1945, instructed American diplomatic and consular officers with regard to the desired method of reporting on looted art, and enclosed a report by the Foreign Economic Administration (FEA report ES-1 NWV.), on "Looted Art in Occupied Territories, Neutral Countries and Latin America."]

Partly in order to avoid the necessity for elaborate administrative machinery, the Department was inclined to favor total prohibition until such time as effective restitution measures could be established.

The proposals to control exports then became the subject of a draft agreement (Department's telegram No.4490 of June 5, 1945, on restitution to be submitted to the European Advisory Committee, but discussion of restitution in the European Advisory Committee was subsequently suspended (Embassy's telegram No.5470 of August 21, 1945). The Embassy resumed discussion of the problem with the Economic Warfare Department of the Foreign Office ("MEWO") and a plan was drawn up to invite the European neutrals and Turkey to establish controls over exports of works of art (Embassy's telegram No.6692 of September 19 to the Department, repeated as No.604 to Paris). The draft text of this plan may be read in the Department's circular airmail of October 29. Final British and French agreement to the Department's detailed suggestions (Department's telegram No.37005 of October 17 to London, repeated No.4639 to Paris) was reported in the Embassy's airmail No.1547 of December 18, which was copied to most of the Missions in the London Coordinating Area, and on December 15, the British Missions were instructed to approach the neutral governments in conjunction with their American and French colleagues.

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By BMH NARA Date 7/26

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The neutral governments were never approached, however, as the Department decided that it must withdraw from the plan in view of changing circumstances (Department's telegram No. 45 of January 9 to Stockholm, repeated as No. 868 to London and No. 155 to Paris; Department's telegram No. 67 of January 22 to Ankara, repeated as No. 721 to London; Department's telegram No. 412 of February 20 to Rome, repeated as No. 1681 to London; Department's telegram No. 259 of January 25 to Bern, repeated as No. 846 to London). As indicated in the Department's airgram No. 141 of January 18 (repeated to Paris), the Department was reluctantly forced to withdraw from the plan in view of the following factors:

"the termination of the Roberts Commission as of June 1, 1946; probability that the McMillan Committee will follow suit; the administrative magnitude of the program which the Department and the Missions in the neutral countries are not now in a position to carry; the likelihood that the projected licensing system would be required to operate beyond the life of the present UK-US blockade controls; and finally, the almost certain neutral disinclination to lend full co-operation."

The Department then offered the substitute proposal set forth in the first paragraph of this despatch.

It is accordingly suggested that the American Missions in Europe (excluding the Missions to the neutral governments, Turkey and EIRE), in conjunction with their British and French colleagues, invite the governments to which they are accredited to furnish the governments of the neutrals, France, the U.S. and the U.S. with lists of objects missing after the program of restitution from Germany and Austria has been accomplished. In this connection, attention is called to the Department's suggestion (Department's telegram No. 9808 of October 19 to London, repeated No. 4029 to Paris) that the invitation should be extended *inter alia* to the governments of the Union of Soviet Socialist Republics, Hungary, Rumania, Bulgaria, Austria and Italy.

Respectfully yours,
 For the Charge d'Affaires ad interim

Avery V. Peterson
 First Secretary of Embassy

(Original and photocopy to Department)

C.Griffiths/PD

Distribution by Embassy, London

1 copy to American Embassies at Ankara, Athens, Belgrade, Brussels, The Hague, Lisbon, Madrid, Moscow, Oslo, Paris, Prague, Rome, Warsaw.

1 copy to American Legations at Bern, Copenhagen, Dublin, Helsinki, Stockholm, Tangier.

1 copy to American Representatives at Budapest, Bucharest, Sofia, Tirana.

1 copy to USFOLAD, Vienna, and UNFOLAD, Berlin.

3 copies to Economic Warfare Department, Foreign Office, London.

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Authority NWD 765029	Entry Turkey Ankara
By BFM NARA Date 7/26	File 851.51
	Box 5

CIRCULAR AIRGRAM SENT

May 13, 1946

TO ALL AMERICAN DIPLOMATIC MISSIONS

SUBJECT: AMENDMENT TO LAW 5 OF ALLIED CONTROL COUNCIL

Law no. 5 of the Allied Control Council issued October 30, 1945 has been amended pursuant to the procedure provided by Article Four. The amendment adds to the categories of persons affected by Article Three and reads as follows:

"In accordance with Article Four of the Allied Control Council Law 5, there shall be added to the categories of persons covered by Article Three also those persons who were German citizens on or after 1 September 1939 and who at any time have lived abroad (continuously or intermittently) and who aided or attempted to aid Germany or her allies during the war or who assisted Germany or her allies in the preparation of war, but shall not apply to any citizen of any country annexed or claimed to have been annexed by Germany since 31 December 1937."

ACHESON ACTING

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Authority NND 765029	Entry TURKEY Ankara
B, BY NARA Date 7/26	EMBASSY
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(a) (17)

Mr. Rabeh.
Moore

June 29, 1946.

To the Ambassador:

Mr. Gueyraud, Counselor of the French Embassy, came in this morning with regard to the question of powers of attorney from the GEPC and the Deutsche Bank.

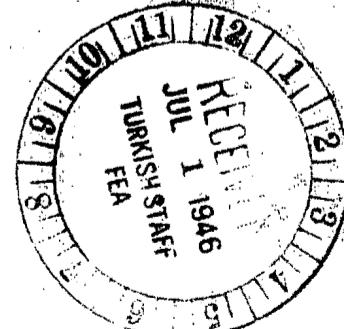
He said that it was his understanding that the Allied authorities in Germany were not disposed to have the Bank issue a direct power of attorney to Mr. Chapman, or any other private individual, but would expect the three Embassies to effect such substitution for Lawson, Bassaget and the unnamed British representative.

If the Turks would accept or agree to such substitution, it is perhaps not worth while arguing further with Berlin. Mr. Moore and I, however, are somewhat doubtful that the Turks would agree to this.

Mr. Gueyraud let me glance briefly at an instruction he has from Paris, which states that the question of our occupancy of the German diplomatic premises stirs up the thought that the time may be coming when Britain, France and the United States should establish in Turkey, a general trusteeship of German properties. Mr. Moore and I stated that we were not prepared to discuss this subject until we had brought it to your attention. Mr. Gueyraud, himself, however, brought out the question of whether the Turks would agree to any such arrangement. He said that he recalled that when the Swiss Minister turned over German gold (?) to the Turkish Government, the Turkish Government refused to accept it as representative of the three powers, but pointed out that it accepted custody as a sovereign state.

Mr. Gueyraud said that in some of his earlier instructions on the question of German assets in Turkey, there had been mention of Soviet Russia as a fourth power having an interest in German assets. He said that later instructions omitted any mention of Russia and that he assumed that under the Potsdam Agreement, Soviet Russia neither had nor would assert any claim to such assets except in connection with archives. I did not tell him of the objections the Russians were raising, but I did say that the Soviet Embassy here apparently had not received instructions to agree to our use of the former German Embassy.

Herbert S. Bursley



347946

DECLASSIFIED

Activity NMD 765029

By BLA NARA Date 7/26

RG 84

Entry Turkey Ankara
EMBASSY

File 851.51

Box 5

C O P Y

851.51
(a)(17)

AIRGRAM

CONFIDENTIAL
SAFEHAVEN

FROM

Ankara

Dated July 11, 1946.

Rec'd

Secretary of State,
Washington.

A-160, July 11, 1946.

The French Embassy, Ankara, has received information from Paris that tri-partite trusteeship of all German assets in Turkey is under consideration by GEPC and was instructed to consult British and United States Embassies with regard to attitude and feasibility of plan. French were informed that neither American nor British Embassies had received information or instructions on the subject and that, under the circumstances, no official opinion could be advanced. Nevertheless, the practical aspects of the proposal were discussed informally by the three Embassies. It was agreed that the proposed trusteeship would in some ways supplement the Safehaven notes presented by each Embassy to the Turkish Government (reference Embassy's despatch No. 698, March 29, 1946). However, the trusteeship proposed would not find favor with the Turks, who have shown no disposition to submit their equity in German assets to Allied determination or to abandon what they believe are their sovereign rights to the control of German assets in Turkey. Without agreement by the Turks, the trusteeship cannot be made effective. The matter has not been brought to issue and ACC Law No. 5 (Vesting Law), which seems to be the crux of the problem, has not been presented to the Turks for acceptance (reference Department's telegram No. 455, June 11).

Pending developments, it was regarded as advisable that the powers of attorney for the Deutsche Bank and Deutsche Orientbank be given by those banks to an individual (Chapman) and that the three Embassies should not be directly involved (reference Embassy's telegram No. 749, July 11, reprinted to London as No. 105 and to Berlin as No. 16).

The French

347947

DECLASSIFIED

Authority NMD 765029
By BHM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.51
Box 5

-2-

The French and British have reported these opinions to their respective governments and no action is contemplated until and unless specific instructions are received by the Missions in Ankara.

EBL/mhd

WILSON

Distribution:

Copy to American Embassy, London.
Copy to American Embassy, Berlin.
Copy to Istanbul.

347943

DECLASSIFIED

Authority NWD 765029

By Bursley NARA Date 7/26

RG 84
 Entry Turkey Ankara
 Embassy
 File 851.516
 Box 4



THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN EMBASSY

Ankara, Turkey
 July 30, 1946

Dear Mr. Ambassador:

I have now had time to study the Department's instruction regarding looted art, and to discuss the matter with Lawson.

It immediately jumped to the eyes of both of us that the position of the three Governments relates to a request on neutrals to take certain measures. As ~~is well known~~, the Turks were not neutrals and object to being classified as such.

It occurs to me that we could prepare a note giving the substance of the information and of the action desired, without reference to the matter of neutrals. However, we would be on much safer ground if we asked the Department whether the same action was being taken with respect to the other United Nations as well as with respect to the neutrals. (As ~~we so well know~~, If this action is taken generally, I do not see why we should not ask the Turks to do the same thing, but if we are not doing so, there would be considerable risk that the Turks would know that they were the only non-neutrals approached on the subject and would very likely be more than annoyed.

Sincerely yours,

Bursley

Herbert S. Bursley

The Honorable
 Edwin C. Wilson,
 American Ambassador to Turkey,
 Istanbul, Turkey.

347949

DECLASSIFIED

Authority NWD 765029

By BFM NARA Date 7/26

RG

84

Entry Turkey Ankara

Embassy

File 851.516

Box 4

851.516(a)

TELEGRAM SENT

*enter
return to MD Re Looted art*

To SECSTATE

Date : August 6, 1946, 3 p.m.

No : 883

Code: RESTRICTED

Charged to:

SECSTATE

WASHINGTON

883, August 6, 3 p.m.

Inasmuch as Turkey cannot be regarded as neutral (Paris Embstel 16, July 8, repeated Dept. as 3342) and it would be unfortunate if there should be any grounds for her to assume she is being treated as such rather than as member of United Nations (Embs. A-247, December 12, 1945), it is assumed tel is not repeat not an instruction to present note to Turks along exact lines of agreement in reference tel, which is obviously drawn up for presentation to neutral countries only.

We can of course draw up note to Fonoff asking Turkish government cooperation embodying features of agreement but omitting all reference to neutrals and making appropriate substitutions. Believe British and French Embassies here will go along with this. Please instruct.

Repeated to Paris as 84, London as 112.

WILSON

(HSB - EBL)

EBL/ECW/mbd/cc

CC: Mr. Lawson

*David Cawth
Helen Wilson*

347950

DECLASSIFIED
Authority NWD 765029
By PAM NARA Date 7/26

RG 84
Entry Turkey Ankara
File 851.516
Box 4



*British
Delegation
note*

BRITISH EMBASSY,

ANGORA.

29th March

1946

COUNSELOR FOR
AFFAIRS

MAR 30 1946

With the Compliments
American Embassy
Ankara, Turkey

& Baroness

Mr. E.R. Lingeman

Mr. Edward B. Lawson
Embassy of the United States
of America,
Ankara

3591/9a GHQP/12543

347951

DECLASSIFIED

Autocity NND 765029
BHM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4COPY.No. 100.BRITISH EMBASSY
IN TURKEY.

His Majesty's Embassy presents its compliments to the Ministry of Foreign Affairs of the Turkish Republic and, on instructions from His Majesty's Government in the United Kingdom, has the honour to suggest that the Turkish Government adopt appropriate measures for ascertaining information concerning enemy assets in Turkey and establishing control of such assets.

As the Turkish Government is aware, the United Nations for some time have been deeply concerned with the illegal and reprehensible activities of looting and depredation carried out by the occupying authorities in the territories of Europe, and have been anxious lest enemy assets located abroad may be employed to the detriment of both the peace and security of the post-war world and the welfare of the country in which such assets are located.

His Majesty's Government in the United Kingdom have indicated their strong interest in these matters by their subscription to the United Nations Declaration of January 5th, 1943, to the Gold Declaration which was issued on February 22nd, 1944, and by their endorsement of Resolution VI adopted at the United Nations Financial and Monetary Conference, held at Bretton Woods, New Hampshire.

His Majesty's Government confidently hopes that, as one of the United Nations, Turkey will join the other United Nations as soon as possible in subscribing to the principles of and in the full and effective implementation of the above Resolution and of the other relevant policy declarations. In order to state specifically the present minimum implications of such implementation, the following recommendations are presented in the hope that the Turkish Government will see its way to accept and implement them as soon as possible:

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Authority NWD 765029

By BMN NARA Date 7/26

RG 84

Entry Turkey Ankara
Embassy

File 851.516

Box 4

- 3 -

5. That, in order to permit transactions which may be necessary to effect the complete liquidation and final blocking of all assets, the Turkish Government will consult the representatives of the United States, the United Kingdom and France before granting any facilities whereby transactions involving these assets may take place.

6. That the Turkish Government provide information to the representatives of the United States, and the United Kingdom and France about all persons now in Turkey who possess the nationality of Enemy countries, and about all such persons who have been in Turkey at any time since 1st January 1939, regardless of present nationality, including those who have since 1st January 1939 obtained Turkish or other non-enemy nationality or who have become stateless persons. Such information shall include all relevant details which may aid in ascertaining whether such persons are, or may have been, acting for or in the interest of Enemy nationals or Governments.

7. That the Turkish Government establish a suitable procedure for carrying out the foregoing measures and appoint an official who will act in liaison with the representatives of the United States, the United Kingdom, and France, and who will be consulted at appropriate intervals by these representatives, that the Turkish Government give to the representatives of the United States, the United Kingdom and France full details of how the foregoing measures are being or have been implemented, and arrange to investigate at the instigation of the representatives of the United States and the United Kingdom and France any cases which the latter may bring to their attention and which may appear to be violations of the foregoing measures.

DEFINITIONS/

347959

DECLASSIFIED	RG <u>84</u>
AUGUST 1945 NWD 765029	Entry <u>Turkey Ankara</u>
B, BM NARA Date <u>7/26</u>	File <u>851.516</u>
	Box <u>4</u>

DRAFT OF PREAMBLE TO SAFEHAVEN DEMANDS

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Turkey and, on instructions from its Government, has the honor to suggest that the Government of Turkey adopt appropriate measures for ascertaining information concerning enemy assets in Turkey and establishing control of such assets.

As the Government of Turkey is aware, the United Nations for some time have been deeply concerned with [the possibility that] the illegal and reprehensible activities of looting and depredation, which have been carried out by the Axis occupying authorities in the territories of Europe, [would lead to attempts to con-] summate such transactions in other countries. Moreover, the United Nations [and] have perceived cause for anxiety in the possibility that Axis assets located abroad may be employed to the detriment of both the peace and security of the post-war world and the welfare of the country in which such assets are located.

The Government of the United States has indicated its strong interest in these matters by its subscription to the United Nations Declaration of January 5, 1943, to the Gold Declaration which was issued on February 22, 1944, and by its endorsement of Resolution VI adopted at the United Nations Financial and Monetary Conference, held at Bretton Woods, New Hampshire. The Inter-American Conference on Problems of War and Peace, held at Mexico

City

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City, endorsed all of these measures. The Governments of Switzerland, Sweden, Portugal and Spain have also undertaken certain measures to attain the objectives discussed in this note. In these steps, the United Nations have participated and cooperated.

It will be recalled that on February 26, 1944 the American Ambassador had the honor to present to the Minister of Foreign Affairs a note containing the text of the declaration made by the Governments of the United States, Great Britain and the Soviet Union, on February 22, 1944 concerning looted gold. On October 2, 1944 there was addressed to the Minister of Foreign Affairs a note which enclosed a copy of Resolution VI of the United Nations Financial and Monetary Conference and which expressed the hope that the Turkish Government would be willing to institute such measures as may be necessary to fulfill the aims of the United Nations as expressed in that Resolution. The latter note also called attention to the declaration of certain of the United Nations of January 5, 1943 with respect to looted property and forced transfers of property in enemy-controlled territory.

In its replies to these notes, the Government of Turkey pointed out that certain radical steps had been taken to suspend all commercial and financial activity previously engaged in by companies and individuals of German nationality and that all financial operations are strictly controlled by the State. The Government of Turkey, however, observed that Turkey was not invited to take part in either the Bretton Woods

Conference

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Entry Turkey Ankara
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Conference or in the formulation of Bretton Woods Resolution VI. In the former connection, the Government of the United States was gratified to learn that the Turkish Government had instituted measures to suspend financial and commercial activity engaged in by enemy interests. In the latter, the Government of the United States is confident of the understanding of the Turkish Government that Turkey's position as a neutral state at that time was the sole reason for her not being invited to participate in the work of the Bretton Woods Conference. It was for this reason that the Government of the United States took steps to bring the text of Bretton Woods Resolution VI to the attention of the Turkish Government with an expression of hope that the Turkish Government would find it possible to subscribe to the principles of that Resolution in order to demonstrate its willingness to assist the United Nations in accomplishing the objectives sought by the Resolution. Now that Turkey has become a member of the family of United Nations it seems only fitting that it join in adherence to the vital principles set forth in Resolution VI and in the other pertinent policy declarations.

The Government of the United States confidently (trusts expects) that the Government of Turkey will join the other United Nations as soon as possible in subscribing to the principles of and in the full and effective implementation of these declarations. In order to state specifically

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Authority NND 765029
By BMH NARA Date 7/26RG 84
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specifically the present minimum implications of such implementation, however, the following [list] of recommendations ^{are} presented ^{with the hope} ^(and the request) that the Government of Turkey ^{will do its best to} accept and implement them as soon as possible.

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Authority NWD 765029	Entry Turkey Ankara
By BMH NARA Date 7/26	File 851.516
	Box 4

AMBASSADE DE FRANCE
ANKARA

Aug. 9

Dear Mr. Lawson

May I draw your attention to these words
of your Note on looted art

"Cultural property is understood to
include books, manuscripts and documents
of an artistic, historical - - - character"

This would leave out pictures, sculptures--

The words in the French Note are:

"Il s'agit d'objets - y compris les livres,
manuscrits et documents - d'un caractère artistique
historique - - "

This is of course much more comprehensive.

I hope you will have no objection
to sending your translation on this rather
important point

With many thanks again for coming

Sincerely

Mr. A. P.

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Authority NND 765029
By BM NARA Date 7/26RG 84
Entry Turkey Ankara
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Box 4

DRAFT NOTE - LOOTED ART

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Turkey and has the honor to refer to an agreement concluded on July 8, 1946 among the governments of the United States, United Kingdom and France with respect to the control of works of art and cultural property looted by the enemy in countries formerly occupied by it. Cultural property concerned are works of art ^{the arts} is understood to include books, manuscripts and documents of an artistic, historical, archeological, scientific, pedagogic or religious character.

It was agreed that the governments of the United States, United Kingdom and France invite the governments of countries in Europe, to which looted works of art may have found their way, to seek out immediately looted articles in their territory and instruct the national customs authorities to prohibit the export of any article which may be presumed to have been looted.

The governments of the liberated countries will submit as soon as possible to the countries in which those articles may now repose lists of all objects looted within their territory for the purpose of assisting the investigations to be undertaken.

*W.M. 7/26
Y.M. 7/26
W.M. 7/26
W.M. 7/26*

The customs

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Authority NWD 765029
B, BM NARA Date 7/26RG 84
Entry Turkey Ankara
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Box 4

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The customs authorities of the collaborating countries should refer doubtful cases to their governments, which will make every effort to identify the articles and to verify the good faith of proposed transactions, making use of local art experts, police and information services, and, if any doubts still remain, the countries in which investigations are being carried out will submit such cases with details and photographs of the articles in question for the examination of the governments of the United States, United Kingdom and France. Furthermore, the lists should be circulated to art dealers, museum authorities and specialized people who will be under the same obligation of vigilance as the customs authorities and compelled to refer suspicious cases to the central administrations. The governments of the collaborating countries shall, furthermore, alert their public opinion with regard to their interest in looted articles by means of the press and all other kinds of publicity requesting that all suspicious cases be notified to the police and other governmental services.

The governments of the United States, United Kingdom and France underlined the usefulness which the application of the above indicated measures will have for the liberated countries and the collaborating nations and that

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Authority NMD 765029

B, BY NARA Date 7/26

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Entry Turkey Ankara
Embassy

File 851.516

Box 4

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and that they are desirous of having the Government of Turkey adopt them. Under the agreement each government undertakes to effect all appropriate measures and will request the governments of the liberated countries to do likewise.

The Embassy confidently hopes that the Government of Turkey will desire to associate itself with this program and will indicate its willingness to adopt the measures indicated.

E.B.L.

347961

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Autogly NND 765029
By BM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

fL

TELEGRAM RECEIVED

From SECSTATE

Date August 10, 1946 - 11 p.m.

WASHINGTON

No : 570

Code : Restricted

Received August 11 - 1:30 p.m.

AMEMBASSY

ANKARA

570 -- August 10 - 11 p.m.

Department considers manner in which Turks are approached re all forms of Safehaven cooperation (Ankara's 883, August 6 repeated Paris 34, London 112) is of utmost importance and re located articles feels that either Ankara's suggestion of omitting all reference to neutrals or London's suggestion ("London's 60 to Ankara and 591 to Paris August 8) should be adopted choice being left to Embassys in Ankara. While Turkey abandoned non-belligerency late in the war Turkey is technically not repeat not a neutral and it would be unfortunate in Department's view to ruffle Turkish feelings at this critical time particularly when voluntary Turkish cooperation as a UN is likely to yield far better results.

While Turkey naturally figures in a number of Safehave problems Department hopes that care will be taken not repeat not to give Turks impression they are regarded as neutrals.

Sent to Ankara as 570 repeated Paris 4015 London as 5963.

ACHESON ACTING

COUNSELOR FOR ECONOMIC
AFFAIRS

AUG 12 1946

American Embassy
Ankara, Turkey

Detected by: Helen Wink
Paul Wright

347962

DECLASSIFIED
Authority NWD 765029
By BKA NARA Date 7/26

RG 84
Entry Turkey Ankara
File 851.516
Box 4

851.51(a)
EBL/mhd

Ankara, August 15, 1946.

Dear Mr. Ambassador:

I am enclosing a new draft of our looted property note in which I have incorporated the suggestion with regard to the definition of cultural property. This is the only change made and I believe that the note will now meet your ideas and is similar to the one you contemplate sending to the Turks. I shall be pleased to receive a copy of your note when you have completed it.

Mr. Wilson is arriving this morning and after I see him I shall telephone you as to the day we propose sending the note to the Foreign Office.

I am most grateful to you for your kind suggestions and guidance.

Respectfully yours,

Edward B. Lawson
Counselor of Embassy for Economic Affairs

Enclosure:

1/ Looted property note.

The Honorable Gaston Mangras,
French Ambassador,
Ankara.

CC to Embassy

347963

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Authority NWD 765029
B1 BYA NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

Final Text.

No. 279.
199/7/46.

BRITISH EMBASSY IN TURKEY.

His Majesty's Embassy has the honour, on the instructions of His Majesty's Principal Secretary of State for Foreign Affairs, to invite the attention of the Turkish Government to the fact that the Governments of the United Kingdom, the United States and France have reached agreement on the measures which the three Governments feel should be taken in order to nullify the methods of looting and dispossession of cultural property practised by the common enemy and to prevent the disposal or looted property.

2. The Governments of the United Kingdom, the United States and France have agreed that it would be useful to approach the Governments of those countries in Europe into which looted cultural property might have found its way, with a view to recommending that those countries should take certain measures to discover cultural property situated in their territories which might have reached them as a result of looting committed by the enemy in the countries which he previously occupied, and to control and prohibit its export to foreign countries. The cultural property concerned consists of objects, including books, manuscripts and documents, of a historical, archaeological, scientific, educational or religious character. With this end in view, they have agreed to ask the Governments of liberated countries to furnish as soon as possible to the Governments of those countries in Europe into which looted cultural property may have found its way up to date lists of looted property which has not yet been restored to them as a result of the searches that are now in process in Germany and Austria. It should be understood that, if necessary, additions may be made to these lists and that, as and when the property is restored, notification should be given.

3.1

The Ministry of Foreign Affairs,
ANKARA.

347964

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Authority IND 765029
By BHM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

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3. The three Governments will recommend to the Governments of liberated countries that they should exchange their lists among themselves and communicate them to the Governments of the United Kingdom, the United States and to all other Governments who, in the opinion of the countries agreeing to this procedure, could usefully have these lists.
4. The three Governments will invite the Governments of those countries in Europe into which looted cultural property may have found its way to search immediately for looted property in their territory and to instruct their national customs authorities to prohibit the export of any article which might be presumed to have been looted. The Governments of the liberated countries will furnish as soon as possible to the countries concerned lists of objects looted from their territory, with a view to facilitating the searches undertaken by the Governments of the countries into which the objects may have found their way; the customs authorities of these latter countries will refer doubtful cases to their Governments who will take measures to identify the objects in question and to verify the genuineness of the proposed transactions; with this end in view, they will make use of the help of local art experts, of the police and of information services. If any doubt still exists, the Governments of the countries concerned will submit the cases with details and photographs of the objects concerned for the examination of the Governments of the United Kingdom, the United States and France. They will, moreover, circulate the lists among art dealers, museum officials and among specialists who will be under the same obligation of vigilance as the customs authorities and who will be required to bring suspicious cases to the notice of the central administration. Furthermore,

the/

347965

DECLASSIFIED	RG 84
Authority NMD 765029	Entry Turkey Ankara
By BM NARA Date 7/26	File 851.516
	Box 4

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the Governments of those countries in Europe into which looted cultural property may have found its way should warn their public opinion of their interest in looted cultural property through the press and every other means of publicity and they will ask the public to bring all suspicious cases promptly to the notice of the police or other Government services.

5. Finally, the Governments of the United Kingdom, the United States and France emphasize the advantage both for the liberated countries and for themselves of the application of the above-mentioned measures, which they are concerned to have adopted by the Government of the countries concerned including the Government of Turkey. Insofar as each one is concerned, they will take all appropriate measures and will intervene in the same sense with the Governments of liberated countries.

6. His Majesty's Embassy have the honour to express the hope that the Turkish Government will sympathise with the suggestions set out above, and will see fit to take the measures recommended with a view to locating looted property.

ANKARA, 21st August, 1946.

347966

DECLASSIFIED

Authenticity NMD 765029
By BM NARA Date 7/26

RG 84

Entry Turkey Ankara

File 851.516

Box 4

No. 911

	ACTION	INFO
CSLR		
CA		
WP		WD
HGM		
REG		
SWR		
DEW		
LSA		
RR		
A/C		
ANSWER		

Ankara, August 21, 1946

Telegram to TSPD
Aug 21
WPA

The Embassy of the United States of America presents

its compliments to the Ministry of Foreign Affairs of the Republic of Turkey and has the honor to refer to an agreement concluded on July 8, 1946 among the governments of the United States, United Kingdom and France with respect to the control of cultural property looted by the enemy in countries formerly occupied by it. The cultural property concerned comprises objects of artistic, historical, archeological, scientific, pedagogic or religious character, including books, manuscripts and documents.

It was agreed that the governments of the United States, United Kingdom and France invite the governments of countries in Europe, to which looted objects may have found their way, to seek out immediately looted articles in their territory

and instruct

The Ministry of Foreign Affairs,
Ankara.

347967

DECLASSIFIED

Authority NMD 765029

by BMN NARA Date 7/26

RG 84

Entry Turkey Ankara
Embassy

File 851.516

Box 4

- 2 -

and instruct the national customs authorities to prohibit the export of any article which may be presumed to have been looted.

The governments of the liberated countries will submit as soon as possible to the countries in which those articles may now repose lists of all objects looted within their territory for the purpose of assisting the investigations to be undertaken. The customs authorities of the collaborating countries should refer doubtful cases to their governments, which will make every effort to identify the articles and to verify the good faith of proposed transactions, making use of local art experts, police and information services, and, if any doubts still remain, the countries in which investigations are being carried out will submit such cases with details and photographs of the articles in question for the examination of the governments of the United States, United Kingdom and France. Furthermore, the lists should be circulated to art dealers, museum authorities and

specialized

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Authority NND 765029
By BM NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

- 3 -

specialized people who will be under the same obligation of vigilance as the customs authorities and compelled to refer suspicious cases to the central administrations. The governments of the collaborating countries shall, furthermore, alert their public opinion with regard to their interest in looted articles by means of the press and all other kinds of publicity, requesting that all suspicious cases be notified to the police and other governmental services.

The governments of the United States, United Kingdom and France underlined the usefulness which the application of the above indicated measures will have for the liberated countries and the collaborating nations, and they are hopeful that the Government of Turkey for its part will also wish to adopt these measures. Under the agreement each government undertakes to effect all appropriate measures and will request the governments of the liberated countries to do likewise.

The Embassy confidently hopes that the Government of Turkey will desire to associate itself with this program and will indicate its willingness to adopt the measures indicated.

WJ

- 3 -

EBLawson:SWRockwell:mab

347969

DECLASSIFIED

Autocat NND 765029
By BKA NARA Date 7/26RG 84
Entry Turkey Ankara
File 851.516
Box 4

Traduct

Ankara, le 21 août 1946

No. 911

L' Ambassade des Etats-Unis d' Amérique présente ses compliments au Ministère des Affaires Etrangères de la République de Turquie et a l'honneur de se référer à un accord conclu le 8 juillet 1946 entre les gouvernements des Etats-Unis, de Grande-Bretagne et de France, concernant le contrôle des biens culturels pillés par l'ennemi dans les pays précédemment occupés par lui. Les biens culturels en question comportent des objets d'ordre artistique, historique, archéologique, scientifique, pédagogique ou religieux, y compris des livres, manuscrits et documents.

Il avait été convenu que les gouvernements des Etats-Unis, de Grande-Bretagne et de France inviteraient les gouvernements de ceux des pays en Europe où des objets pillés se seraient faufileés, à rechercher immédiatement les objets pillés dans leur territoire

et ..

Le Ministère des Affaires Etrangères,
Ankara

347970

DECLASSIFIED

Authority NND 765029

By BFM NARA Date 7/26

RG 84

Entry Turkey Ankara

File 851.516

Box 4

et à donner les instructions aux autorités douanières nationales de prohiber l'exportation de tout article présumé avoir été pillé.

Les gouvernements des pays libérés soumettront aussitôt que possible aux pays dans lesquels ces articles pourront être maintenant déposés, les listes de tous les objets pillés dans leur territoire en vue d'aider aux investigations qui seront entreprises.

Les autorités douanières des pays participants défèreraient les cas douteux à leurs gouvernements, lesquels s'efforceront d'identifier les objets et de vérifier la bonne foi des transactions projetées, en utilisant à cette fin le concours d'experts d'art locaux, de la police et de services de renseignements et, au cas où quelque doute subsistait encore, les pays dans lesquels des investigations sont en cours soumettraient de tels cas, avec détails et photographies des objets en question, à l'examen des gouvernements des Etats-Unis, de Grande-Bretagne et de France.

D'autre part, les listes doivent être mises en circulation parmi les marchands d'objets d'art, les autorités régissant les musées, et les milieux spécialistes,

qui ..

347971

DECLASSIFIED

Authority NMD 765029

B1 BYA NARA Date 7/26

RG 84
Entry Turkey Ankara
File 861.516
Box 4

qui seront astreints à la même obligation de vigilance que les autorités douanières et tenus de signaler les cas suspects aux autorités civiles. Enfin, les gouvernements des pays participants attireront, par la voie de la presse ou tous autres moyens de publicité, l'attention de leur opinion publique sur leur intérêt pour les objets pillés, invitant le public à notifier tous ces suspects à la police et autres services gouvernementaux.

Les gouvernements des Etats-Unis, de Grande-Bretagne et de France soulignèrent l'utilité de l'application des mesures sus-indiquées pour les pays libérés et les nations participantes et ils espèrent que, de sa part, le Gouvernement de Turquie aussi voudra bien adopter ces mesures.

Aux termes de l'accord, chacun desdits gouvernements s'engage à prendre toutes mesures appropriées et prie les gouvernements des pays libérés d'agir de même.

L'Ambassade a bon espoir que le Gouvernement de Turquie voudra bien s'associer à ce programme et manifestera son consentement à adopter les mesures sus-indiquées.

SW/Rockwell/

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The Embassy of the United States of America
presents its compliments to the Ministry of Foreign
Affairs of the Republic of Turkey and has the honor
to refer to an agreement concluded on July 8, 1946
among the governments of the United States, United
Kingdom and France with respect to the control of
works of art and cultural property looted by the
enemy in countries formerly occupied by it. The
cultural assets concerned are works of art, includ-
ing books, manuscripts and documents of an artistic,
historical, archeological, scientific, pedagogic or
religious character.

It was agreed that the governments of the United
States, United Kingdom and France invite the govern-
ments of countries in Europe, to which looted works
of art

The Ministry of Foreign Affairs,
Ankara.

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or art may have found their way, to seek out immediately looted articles in their territory and instruct the national customs authorities to prohibit the export of any article which may be presumed to have been looted.

The governments of the liberated countries will submit as soon as possible to the countries in which those articles may now repose lists of all objects looted within their territory for the purpose of assisting the investigations to be undertaken.

The customs authorities of the collaborating countries should refer doubtful cases to their governments, which will make every effort to identify the articles and to verify the good faith of proposed transactions, making use of local art experts, police and information services, and, if any doubts still remain, the countries in which investigations are being carried out will submit such cases with details and photocopies of the articles in question for the consideration of the governments of the United States, United

Washington

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VERSION AND PRACTICE. Furthermore, the lists shall be circulated to anti-fascist, foreign authorities and specialized people who will be under the obligation of vigilance on the part of authorities and compelled to refer suspicious cases to the central administration. The governments of the collaborating countries shall, furthermore, alert their public opinion with regard to their interest in listed articles by means of the press and all other kinds of publicity, requesting that all suspicious cases be notified to the police and other governmental services.

The governments of the United States, United Kingdom and France underline the usefulness which the application of the above indicated measures will have for the liberated countries and the collaborating nations and that they are desirous of having the Government of Turkey adopt them. Under the agreement each government undertakes to effect all appropriate

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measures and will request the governments of the
liberated countries to do likewise.

The Embassy confidently hopes that the Government of Turkey will desire to associate itself with this program and will indicate its willingness to adopt the measures indicated.

EML/nhd

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DRAFT OF TELEGRAM

CONFIDENTIAL

SECSTATE

WASHINGTON

9ov., August 11, 1946, _____.

Note requesting Turks participation in looted art control (DEPTEL 570, Aug. 10) sent to Foreign Office today. It contains all basis information appearing in PARISTEL 16, July 8, but makes no repeat no reference to neutrals. British and French sending similar but not repeat not identical notes today or tomorrow.

Repeat to London and Paris.EBL/mhd
8/15/46

WILSON

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DECLASSIFIED

Authority MID 765029By BKM NARA Date 7/26

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84Entry Turkey AnkaraEmbassyFile 851.516Box 4*entry to DMO**Office copy**851.5
(a) (1)(o)*

No. 1069

ANKARA, August 22, 1946.

CONFIDENTIAL

Subject: Request for Turkish collaboration
in control of looted art

The Honorable
The Secretary of State,
Washington.

SIR:

I have the honor to refer to Paris telegram No. 16, dated July 8, 1946 (repeated to the Department as No. 3342), Department's telegram No. 570, dated August 10, 1946, and Embassy's telegram No. 902, dated August 21, 1946, all of which pertain to the proposed request to the Turkish Government that it collaborate in establishing and implementing a program for the control of looted art. A copy of note No. 911, dated August 21, 1946, as sent to the Turkish Foreign Office by this Embassy, is enclosed. The British and French Embassies sent similar but not identical notes.

1/

After frequent consultation with my British and French colleagues, it was mutually agreed that all references to neutrals should be omitted in any notes presented to the Turkish Foreign Office, for the reasons explained in Embassy's telegram No. 833, dated August 6, 1946. However, the notes as drafted contain all of the suggestions and important details as they appeared in Paris telegram No. 16. If the suggestions appearing in the notes as presented are accepted and implemented by the Turkish Government, the collaboration as contemplated in the Paris Agreement may be anticipated.

Respectfully yours,

For the Ambassador:

E. H. Lawton
Edward H. Lawton
Counselor of Embassy for Economic Affairs

Enclosure:

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By BM NARA Date 7/26RG 84
Entry Turkey Ankara
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Ankara, Turkey,
August 28, 1946.
Desp. No. 1069.

-2-

Enclosure:

- 1/ Copy of Note No. 911,
dated August 21, 1946.

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BISLAWSON/mha

Original and Photograph to the Department.
Copy to Division of Near Eastern Affairs.
a " American Embassy, London.
a " American Embassy, Paris.
a " American Consulate General, Istanbul.
Two copies to Embassy, Ankara.

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Enclosure 1/ to Despatch No. 1069, dated August 26, 1946, from the American Embassy, Ankara, on the subject, "Request for Turkish Collaboration in control of looted art."

No. 911

Ankara, August 21, 1946.

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Turkey and has the honor to refer to an agreement concluded on July 3, 1946 among the governments of the United States, United Kingdom and France with respect to the control of works of art and cultural property looted by the enemy in countries formerly occupied by it. The cultural assets concerned are works of art, including books, manuscripts and documents of an artistic, historic, archeological, scientific, pedagogic or religious character.

It was agreed that the governments of the United States, United Kingdom and France invite the governments of countries in Europe, to which looted works of art may have found their way, to seek out immediately looted articles in their territory and instruct the national customs authorities to prohibit the export of any article which may be presumed to have been looted.

The governments of the liberated countries will submit as soon as possible to the countries in which these articles may now repose lists of all objects looted within their territory for the purpose of assisting the investigations to be undertaken. The customs authorities of the collaborating countries should refer doubtful cases to their governments, which will make every effort to identify the articles and to verify the good faith of proposed transactions, making use of local art experts, police and information services, and, if any doubts still remain, the countries in which investigations are being carried out will submit such cases with details and photographs of the articles in question for the examination of the governments of the United States, United Kingdom and France. Furthermore, the lists should be circulated to art dealers, museum authorities and specialized people who will be under the same obligation of vigilance as the customs authorities and compelled to refer suspicious cases to the central administrations. The governments of the

collaborating

The Ministry of Foreign Affairs,
Ankara.

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By BKA NARA Date 7/26

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Enclosure 1/
Despatch No. 1069,
August 28, 1946,
Ankara, Turkey.

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collaborating countries shall, furthermore, alert their public opinion with regard to their interest in looted articles by means of the press and all other kinds of publicity, requesting that all suspicious cases be notified to the police and other governmental services.

The governments of the United States, United Kingdom and France underlined the usefulness which the application of the above indicated measures will have for the liberated countries and the collaborating nations and that they are desirous of having the Government of Turkey adopt them. Under the agreement each government undertakes to effect all appropriate measures and will request the governments of the liberated countries to do likewise.

The Embassy confidently hopes that the Government of Turkey will desire to associate itself with this program and will indicate its willingness to adopt the measures indicated.

ML/mha

347981

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AUGUST 1975 NPA 765029
By *BK* NPA Date 7/26

RG 84

Entry Turkey Ankara

File 851.51

Box 4

PARAPHRASE

TELEGRAM SENT

COUNSELOR FOR

To: SECSTATE

JUN 7 - 1947

Date: June 6, 1947, 3 p.m.

American E.

Code: Ank CONFIDENTIAL

No.: Paraphrase

Charged to:

a/c
German
Canada

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SECSTATE

WASHINGTON

COUNSELOR FOR

AT-AT-S

JUN 7 - 1947

Paraphrase, June 6.

American E.

A-11-1

Following from Baker for ES.

With reference to question of claims by Turkey, conversations are progressing and their chief concern respecting such claims is the position of other UN countries. Turkey has brought up the question of what we would consider reasonable regarding percentage compensation her claims. In order to reply to this inquiry, we urgently request the following information:

1. Since Annex B to questionnaire will most likely be included in approach to other countries listed in Depcirtel May 26, and as it was used in reaching percentage shares of Paris Reparation Agreement, we think it should be presented to Turkey as a belligerent. In the conference at Paris, were claims which originated before hostilities began included in any case, in section VI of Annex or was it limited to loss and damage during hostilities? In case of pre-hostility claims, were any binding measures used, for instance classification of cut-off dates or claims? We consider it necessary, however, that both governmental and private claims prior to beginning of hostilities should be included in our discussions here and other countries, after which we will use similar scaling down system in discussions as has already been used with neutral countries.

2. In order to give some indication to Turks of percentage compensation to IARA nations for costs and losses named in Annex B, we will need an approximate estimate of the dollar value on all reparation which may be distributed through IARA.

3. It will also be helpful to have a rough estimate of allowances on US private claims as well as data the Department may have on any other countries. It would also assist us considerably if they are given a breakdown by categories of claims and priority, in presenting estimated percentage compensation US or other nationals to Turks.

WILSON

Paraphrase by
R. Wilson

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By PAM NARA Date 7/26RG 84
Entry Turkey Ankara
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TELEGRAM SENT

To: SECSTATE

Date: June 18, 1947, 3 p.m.

No.: 465

Code: SECRET - VERBATIM

Charged to:

1-114

SECSTATE

WASHINGTON

465, June 18, 3 p.m.

For ES

Has honor refer to previous communications on subject of German assets in X.

August 1, 1945 heads of Governments of US, UK, and USSR signed protocol on German reparation, copy attached. It will be noted that Soviet Government renounced in para 8 all claim to German foreign assets except those specified in para 9.

Accordingly Governments of US, UK, and France, being three powers with zones of occupation in western Germany, invite X government to submit statement of all German assets in X including such assets which may have been utilized or disposed of since the existence of state of war between X and Germany. Statement should include assets of all descriptions owned by German persons, real or juridical, or by persons acting on their behalf, and all assets owned by former German State, including diplomatic and consular properties, both real and personal, or any institution or company owned or controlled by former German State.

Term "Assets" includes, but not by way of limitation, any real property or interest therein; enterprises (financial, commercial, industrial, or cultural); securities or interest therein; patents and trademarks and interests therein; corporate and contractual rights, including options; insurance policies and reserves; bank accounts and deposits; holdings in foreign currencies; safe deposit boxes and vaults; checks, drafts, and credits; jewels; gold and other precious metals.

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-2-, # 465 dated June 18, 1947, 3 p.m. to Secstate

Three Governments also invite X government to submit statement of its claims and of its nationals against former German State and German nationals. Claims should be stated in three categories: (1) loss of or damage to property directly attributable to the war; (2) commercial and financial claims arising out of or during the war; (3) commercial and financial claims of pre-hostilities origin.

Upon receipt of foregoing information the three Governments will be prepared to enter into discussions with Government of X for purpose of completing arrangements for total liquidation of German assets and for disposition of proceeds of liquidation with due regard for X claims and in harmony with arrangements concluded or presently under discussion with other sovereign nations. Meanwhile Governments of US, UK and France request that Government of X take no action which might prejudice such discussions.

Sent Department 465, repeated London 19, Paris 18.

WILSON

(HSB - GWB)

GWB:oc

Paraphrase to Mr. Baker
Mr. Lawson

Encoded by

Typed by

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Auth City MND 765029By BKA NARA Date 7/26

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DRAFT READING

TELEGRAM SENT

To: SECSTATE

Date: June 21, 1947, 3 p.m.

No.: 476

Code: CONFIDENTIAL

Charged to

SECSTATE

WASHINGTON

476, June 21, 3 p.m.

For Surrey from Baker.

As requested by Turks, conversations thus far have been limited to "exchange of information" with discussion of "principles" avoided. Discussions three declarations, Paris Agreement, and accords with neutrals completed. Begin study claims and assets next week. Hope soon thereafter submit draft accord.

Following may be helpful in considering London's 3352, June 18. In discussing Paris Agreement, Turks stated they were neither interested nor concerned any provision concerning assets in neutrals, including Art. 8. (This message sent Department 476, repeated London 21, Paris 20, Madrid 4, Bern 2). Although Turk position re some contribution to Allies not yet revealed, it is apparent they would insist any agreement scrupulously observe Turk status as UN co-belligerent and in no way infer relation any provision Paris Agreement concerning assets in neutrals. Thus, even if we should obtain contribution for refugees out of German assets, it might prove impossible treat such contribution as part of non-repatriable fund established by Art. 8. As to likelihood obtaining refugee allocation, Turks reminded us, when we drew their attention to Art. 8, of their decision not join IRO for financial reasons (Imbtels Department only 438 June 11 and 64 January 29) but added that Turkey would care for some refugees in Turkey. Turks might refuse any allocation to international refugee funds in order maintain consistent position re IRO.

WILSON

GWB:os

(HSB - EBL - GWB)

Paraphrase to Mr. Baker

Mr. Lawson

Decoded by:

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Mr. Haworth 851.51
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CONFIDENTIAL

MEMORANDUM FOR THE AMBASSADOR

June 24, 1947

Subject: Conversations on German Assets,
June 18, 19 and 20.

Last week we finished one phase of the discussions with Zorlu — namely, the agreements concluded or now under negotiation with other countries. From those discussions, I believe the following are the principal points of possible interest to you:

(1) In discussing the Paris Reparation Agreement, Zorlu disclaimed any interest or concern with the provisions specifically dealing with assets in neutral countries. As you know, the Department wishes, if possible, to secure some allocation from German assets in Turkey to the twenty-five million dollar fund for relief and rehabilitation of refugees, established under the Paris Agreement. In observance of our understanding that discussion of "principles" would be avoided at this stage, we did not raise this question with Zorlu. We did, however, have an opportunity to discuss the reasons for the provision after he had made a mention of it. Zorlu reminded us of Turkey's refusal to join the IRO but of her intention to care for refugees within her own country and possibly to accept some new refugees. We reported this to the Department in a telegram on June 21 as of possible support to the Department's opposition to the British demand that we decrease our "take" of Swiss francs for refugees and press the Turks for an allocation of from one to four million . . .

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four million dollars out of German assets.

(2) Zorlu argued that Turkish property destroyed during hostilities but located outside of Germany should be compensated out of German assets. I believe we were successful in convincing him that this would not be proper. The various European governments have generally agreed to the principle of equality of treatment of claims of foreign nationals for property destroyed during the war. Thus, for example, if Turkey should seek compensation out of German assets here, for property destroyed in England, she would necessarily be in the position of not accepting the "equality of treatment" principle agreed to by England and other nations, or she would receive dual compensation for her losses.

(3) In discussing the Accords signed with Sweden and Switzerland, Zorlu was principally concerned with the provisions therein for compensating the German owners in Reichsmarks for their properties liquidated under the Accords. We pointed out that the neutrals felt this necessary to give them complete protection against future German claims since they, as neutrals, do not have belligerency as a justification for confiscation of German property. However, Turkey was a belligerent and therefore need not concern herself with compensation; rather we assure her full protection in the treaty of peace with Germany.

Zorlu was also interested in the methods employed in arriving at the percentage out of German assets in Switzerland and Sweden allocated to the Allies (50% and 75% respectively). We were not in a position to disclose the actual figures on claims which those countries had submitted, since this is confidential information. We did, however, assure him that the

claims . . .

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claims in both instances had been astronomical, had been greatly scaled down, and that each country received only a small percentage of compensation. Zorlu remarked that any statement of claims submitted by Turkey would be a minimum figure, and added that in the past 25 years Turkey has never employed the tactic of demanding more than she actually could justify in order to place herself in a good bargaining position.

(4) Zorlu inquired as to the arrangements we have made with the Latin American countries, particularly Argentina. We informed him that discussions are now under way with those countries providing for a reasonable settlement of their fair claims out of German assets and the surrender of the surplus for relief and rehabilitation of countries, which during the war were devastated or depleted in resources.

(5) At the conclusion of the final meeting, I stated I assumed Zorlu now had a clear understanding of all of our arrangements with other countries. He confirmed this understanding. I then added that, for our part, there remained only one matter needing further clarification - namely, the adequacy of Turkish law to provide for restitution of looted property. Mr. Zorlu assured me that the Turkish government officially and publicly would adopt Bretton Woods Resolution VI, thereby providing for restitution of loot without reference to the good faith of the present holder. He said that in any conflict between a domestic law and an international agreement, the latter is supreme; thus, when the Assembly adopts the Resolution providing for restitution, it will supersede the domestic law on stolen property.

George W. Baker

cc: Mr. Bursley
Mr. Lawson

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By BMN NARA Date 7/26	Embassy
	File 851.51
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Mr. Lawson

*tel*CONFIDENTIALMEMORANDUM FOR THE AMBASSADOR

June 24, 1947

Subject: Conversations on German Assets,
June 23, 1947.

Zorlu gave us an estimate of Turkish claims in the first category, which I had previously suggested to him — i.e., loss of or damage to property directly attributable to hostilities. A copy of the statement is attached. In the discussion of the statement, we learned:

- (1) The statement includes 2200 claims, of which 2119 are private and 81 (items 2 and 3) are governmental;
- (2) it represents all claims in the first category so far received, irrespective of source or authenticity, and after they have been investigated and evaluated, the total amount may be smaller;
- (3) it does not include the clearing balance, which will be reported to us soon and probably will show eight million lira owing to Turkey;
- (4) the claims are estimated at the 1944 rate of exchange between the Reichsmark and the lira;
- (5) the statement will later be supplemented by an estimate of destruction of Turkish diplomatic property. In this connection, I again pointed out that only property destroyed in Germany should be included and that destroyed property located elsewhere, such as in Vienna, Warsaw, and the Dodecanese, is a matter for settlement between the Turkish government and the government of the situs of the property.

In response . . .

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In response to our inquiry as to when we could expect an estimate on German assets in Turkey, Zorlu replied that he had raised this question with the Minister of Finance, who had replied that he would have to collect the information from the local authorities in Ankara, Istanbul, Izmir, Trabzon, and Samsun; that it would be at least a month before the figures could be assembled; but that in about two weeks we can have the figures on blocked assets in the Central Bank. With regard to the latter, I have been told informally by an assistant to Sait Ergin that the blocked assets amount to only some 19 million lira, or about 20% of our estimate of German assets in Turkey.

I answered that in view of Zorlu's having advanced the date of his departure for Geneva to June 28, the obvious desirability of completing these discussions with him rather than a new man who does not have Zorlu's specialized knowledge on the subject, and the possibility that McCombe and myself may not be able to remain in Ankara much longer, it seemed urgent that we get on with our discussion of figures. I then said that we have compiled an estimate of German assets, but that we had felt it not proper to present it until the Turkish estimate had been prepared. Mr. Zorlu requested the statement, saying it would be helpful in our discussions. Accordingly, we gave him our estimate (copy attached), explaining that it is incomplete, that it must be understood that we submit it most informally, and that we wish it regarded as confidential. After reading the statement, Zorlu started asking for identification of numerous items and whether we could give him names and addresses of

all the

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all the holders of the assets listed in the statement. Mr. Lawson replied that it would not seem appropriate for us to give such information at this time, but that after Turkey has taken its census of German assets, we shall be glad to give them all details in our possession. I pointed out that this was consistent with our agreement to one of the earlier Turkish reservations to the effect that the census and identification of assets was the sovereign responsibility of the Turkish government. I added that we do not intend to ask the Turks for a description of every claim submitted by them down to the last kurus and that we hope they will take a similar attitude toward our estimate of assets in order that we may have a basis for continuing our discussions.

It was agreed that at the meeting tomorrow, there will be a further discussion of figures on claims and assets.

George W. Baker

cc: Mr. Bursley
Mr. Lawson

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Mr. Johnson

Jernigan Davis

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(a)(10)MEMORANDUM FOR THE AMBASSADOR

Subject: Conversations on German assets - June 26, 1947.

Zorlu handed us today a revised statement of Turkish claims (copy attached), amounting to more than 2,500,000,000 lira. The principal items are: (1) budgetary costs which Turkey apparently attributes to the war against Germany, computed on the increase in the budget for national defense during the period 1939 - 1945 inclusive, using 1939 as the base year (copy of this computation also attached); (2) armament loans to Turkey during that period.

We informed Zorlu that in dealing with all nations, we have limited budgetary claims to the actual period of hostilities -- i.e., from the formal declaration of war to the German surrender -- and that appropriations for defense during neutrality have been disallowed. Thus the United States included in her claims against Germany only war cost and war loss from December 7, 1941 to May 5, 1945. I observed that the situation of Turkey in regard to the war years is comparable to that of many other nations, including the United States. Zorlu replied that Turkey's case is distinguishable by her proximity to the German army during much of her period of neutrality. No definite position was taken on either side, it being agreed that this was another question of principle and hence to be decided in negotiations. However, I think it was clear to Zorlu that we could not possibly consider all of the budgetary claim.

We then discussed future plans. Zorlu agreed that it would be preferable to see the conversations through to their conclusion with him, rather than bring in a new man now. He stated he would be back in Ankara on July 21, unless delayed for reasons beyond his control.

I remarked ...

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I remarked that I hoped it would be possible, immediately upon his return, to receive the Turkish estimate of assets and that, after brief conversations, the exchange of information would be regarded as completed and the three governments could then make concrete proposals for a settlement. If the time could be used to advantage and we could be reasonably certain of his return within three weeks, it might be possible for me to remain in Ankara. However, unless we could reasonably anticipate the fulfillment of the foregoing schedule and the time between now and Zorlu's return could be utilized to some mutual advantage, it might be necessary for me to return to Washington. Zorlu asked whether, if this occurred, I could later return to Ankara, and I replied that I could give him no assurance. Zorlu stated that during his absence, his assistants will give us additional figures as they are compiled. He also agreed to arrange a meeting between us and a representative of the Central Bank to discuss the Turkish-German clearing account. McCombe then asked him also to arrange for us to meet with an officer of the Bank on the subject of gold, saying that the Bank might be able to help us in our efforts to trace looted gold. Zorlu agreed, but when McCombe added that we have certain figures we would like to discuss, Zorlu retreated from his positive position. He said he would speak to the appropriate officials with regard to holding such a meeting and would advise Mr. Lawson.

* * * * *

(Note: We shall try to work out a reasonable estimate of Turkey's expenditures allocable to the war for the actual period of hostilities -- February to May, 1945 -- on the same basis as employed in determining the budgetary expenditures of other co-belligerents. It should not be a large figure. We might then allow the claim, thereby taking full cognizance of her belligerency and treating her budgetary claims the same as those of other co-belligerents.)

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George W. Baker

/jm

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Mr. Hanson

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field (a)(10) cMEMORANDUM FOR THE FILES

Subject: Conversations on German Assets, June 26, 1947

Participants: Mr. Zorlu
 Mr. Anal
 M. Barelier
 Mr. Lawson
 Mr. McCombe
 Mr. Baker
 Mr. Donhauser
 Mr. Hayta

Mr. Zorlu opened the meeting at 11:00 a.m. by presenting the Allied representatives with a revised estimate of Turkish claims (copy attached) totaling 2,030,556,686 Turkish lira. Mr. Zorlu explained that this figure includes the budgetary expenses for Turkish defense for the years 1939 to 1945 inclusive; that the normal defense budget for each pre-war year amounted to 91,129,000, and that the total normal defense budget for the seven years (637,903,000 Turkish lira) had been subtracted from the total amount of Turkey's actual defense budget (2,663,459,686 Turkish lira) for those seven years. The resultant figure - 2,030,556,686 Turkish lira - was the amount expended by the Turkish Government for actual war expenses. At Mr. Baker's request, Mr. Zorlu gave the Allies a statement of budgetary expenditures for defense for the years 1939 - 1945 (copy attached).

Mr. Baker pointed out that the United States claimed only expenses incurred since its declaration of war in 1941, although prior to that time the United States had a large budget for national defense. He asserted that in dealing with other countries, consideration has been given only to those budgetary expenses incurred after the declaration of war. Mr. McCombe added that Great Britain enlarged its defense program to a great extent during 1937, 1938, and 1939, but no expenses during that period were recognized as claims at the Paris Reparation Conference.

Mr. Zorlu stated that Turkey was nearer to the war in the initial years than the United States. It was the first country to take a firm position against the Italians and Germans. Moreover, the figures which he has presented, contain only those of the national defense budgets; there are supplementary budgets of an even higher figure, such as that of the Ministry of Communications, which are not included; nor are there any figures included herein which relate to the "man-years" lost because of the war. He hoped that these figures clarify Turkey's situation in regard to the war as a whole, and would like to point out that Turkey's financial position because of hostilities is in a very bad state; the Turkish lira was devaluated 50 per cent as

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a direct result of the war.

Mr. McCombe stated that we appreciate receiving a full statement of figures, and although we are not discussing principles, he would like to explain that a common pattern has been followed in other Allied countries wherein only those expenditures directly attributable to the war have been considered. In discussions with the neutral countries no war budgets were considered, although those nations, too, greatly increased their expenditures.

Mr. Baker inquired whether the figures for 1945 are for the full year, even though the war ended in May. Mr. Zorlu replied in the affirmative, and stated that the money had been voted by the Assembly and therefore could not be recalled. Mr. Hayta mentioned that the Turkish budget is for the fiscal year July 1 to June 30; thus the 1945 budget became effective July 1, 1945. Mr. Baker observed that the 1945 budget thus covered a period after hostilities and was not a proper claim. Mr. Zorlu agreed to strike it.

Mr. Baker then stated that the United States submitted claims at the Paris Conference only from December 7, 1941 to May 5, 1945, and that to arrive at a comparison with other nations, a computation must be made for the three months of Turkey's actual belligerency. Mr. Zorlu replied that he cannot discuss principles; that he presents these figures as an aid to our understanding Turkey's claims. Mr. Baker stated that he does not wish to go into a discussion of principles prematurely, but that in all this sort of work it is necessary to consider war-time outlays and expenditures. Many countries were in the position of having heavy expenditures both for their technical neutrality and their participation in the war itself; but it is impossible to consider both. Thus, for example, in the neutral countries, all armament claims were disallowed. Since, however, Turkey was a co-belligerent, her claims should include those months during which she was in an actual state of hostilities. Mr. McCombe added that even though the Swiss were mobilized during the war for their own defense, claims for the mobilization were not considered in the final settlement which the Allied Governments concluded with the Swiss Government. Mr. Zorlu mentioned that the Swiss did not take any responsibility, and that in any case the Swiss and Turkish situations cannot be compared. Turkey placed herself in a dangerous position and assumed responsibility, whereas Switzerland never actively participated in the war.

Mr. Baker asked whether it would be possible to obtain a further breakdown in the figures while Mr. Zorlu is in Geneva. Mr. Zorlu replied affirmatively and stated that the discussions can continue, if so desired. In the meantime, he will request a further breakdown of the

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budgetary expenditures for the war.

Mr. McCombe then requested an explanation of the figures given for the sinking of the ships, to which Mr. Zorlu replied that the amounts represent their purchase price.

Mr. Hayta explained that the bridges included in Mr. Zorlu's statement are located near the junction of the Turkish, Bulgarian, and Greek borders. Mr. McCombe pointed out that unless there is actual proof of German bombing, this claim must be disallowed. Mr. Zorlu made no comment.

Mr. McCombe inquired whether there is any duplication in regard to the clearing claims -- i.e., whether the people who have made claims for goods not received are the same who are making claims in the clearing, since presumably there is a substantial figure in the clearing representing payments which have not been cleared. Mr. Zorlu said he thought such a situation impossible because of the Government's control of all commerce, but added that, as he had stated at the previous meeting, the claims figures have not yet been examined, and possibly there is some duplication.

Plans for future meetings were then discussed. Mr. Zorlu agreed that it would be preferable to see the conversations through to their conclusion with him, rather than bring in a new man now. He stated he would be back in Ankara on July 21, unless delayed for reasons beyond his control. Mr. Baker remarked that he hoped it would be possible, immediately upon his return, to receive the Turkish estimate of assets and that, after brief conversations, the exchange of information would be regarded as completed and the three governments could then make concrete proposals for a settlement. If the time could be used to advantage and we could be reasonably certain of his return within three weeks, it might be possible for Mr. Baker to remain in Ankara. However, unless we could reasonably anticipate the fulfillment of the foregoing schedule and the time between now and Mr. Zorlu's return could be utilized to some mutual advantage, it might be necessary for Mr. Baker to return to Washington. Mr. Zorlu asked whether, if this occurred, Mr. Baker could later return to Ankara, and he replied that he could give him no assurance. Mr. Zorlu stated that during his absence, his assistants will give us additional figures as they are compiled. To Mr. McCombe's inquiry whether it would be possible to discuss the clearing figures with an executive of the Central Bank, Mr. Zorlu stated that he will arrange a conference for the Allied representatives with a representative of the Central Bank to be held during the following week. Mr. McCombe mentioned that he is most interested to see the figures concerning the clearing, because our information shows that the Germans had the balance in their favor. Mr. Zorlu replied that he believed the information was not up-to-date,

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because Turkey had made certain payments in the clearing which made the credit in Turkey's favor.

Mr. McCombe stated that he has another matter in regard to checking of figures which he would like to discuss with a representative of the Central Bank. In an effort to search for looted gold throughout the world, the Allies have exchanged information with representatives of the various governmental banks. Mr. Zorlu replied that Turkey has purchased no gold from Germany; that in an exchange of notes between the United States and Turkey in February, 1944, the latter had taken measures necessary to insure that no looted gold was purchased from Germany, and that he considered the matter closed. Mr. McCombe stated that all he desired is an exchange of information. For example, the Allies might go to a certain museum and ask whether it has in its possession coins of antiquity of such and such a description; officials of the museum always are willing to give the information desired. Mr. Zorlu stated that in other countries private banks might make purchases of looted gold of which the government had no knowledge; in Turkey, however, this is impossible, since the banks are government-owned. Mr. McCombe answered that the Reichsbank always dealt with the governmental banks, so that the situation in Turkey is similar to other nations. Mr. Zorlu stated he would consult with the appropriate officials concerning the possibility of arranging a meeting on gold between the Allied representatives and the Central Bank, and that he would advise Mr. Lawson.

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Livres turques

Dépenses extraordinaires budgétaires de Défense nationale occasionnées par la guerre allemande	2.030.556.686
Emprunts étrangers d'armements	412.900.000
Prix des deux ponts sautés (Meriç et Arda-Thrace-)	1.029.631
Prix des deux navires coulés (S.S Refah et Krom)	1.064.568
Différentes réclamations	110.637.723
	<hr/>
	Ltq. 2.556.188.608

Les réclamations relatives aux pertes de journées de travail occasionnées par la mobilisation, aux autres pertes de la marine marchande, aux pertes des immeubles et du mobilier d'Etat à l'étranger seront communiquées ultérieurement.

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Année	1939	Ltqs.	166.717.174
"	1940	"	285.273.601
"	1941	"	324.849.756
"	1942	"	501.078.660
"	1943	"	540.141.622
"	1944	"	583.867.985
"	1945	"	<u>266.530.888</u>
Total			2.668.459.686

Budget normal de la Défense Nationale (1939) Ltqs 91.129.000

7 x 91.129.000 = 637.903.000

$$\begin{array}{r}
 2.668.459.686 \\
 - 637.903.000 \\
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Ltqs. 2.030.556.686

Dépenses budgétaires extraordinaires de
Défense Nationale occasionnées par la
guerre allemande.

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