REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL FINAL MINUTES

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD.

149th Meeting

11 July 1957 - 3 p.m.

Present :

H.E. Sir Ronald WINGATE - Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland, Chairman.

Richard B. FREUND - Commissioner of the Government of the United States of America.

Monsieur Jacques LANSON - Deputy Commissioner of the Government of the French Republic.

Secretariat

Colonel J.A. WATSON - Secretary General.

---

1. Further exchanges of views regarding the form in which the decisions of the Commission are to be communicated to claimant countries if the Commission's recommendations of 30 March 1957 to the three Governments are approved. Directions to the Secretary General regarding the documents to be prepared.

The Chairman recalled that, for reasons that his two colleagues knew about, the Commission had not been able to reach the stage where it would have been in a position to make its final announcement. It had decided, at its 147th Meeting, to address a formal communication to the three Governments constituting it, informing them of this fact and submitting certain proposals for a further interim distribution, which would be quasi final, accompanied by a suggested schedule of distribution and a suggested letter of allocation to claimant countries. Paragraph 1 of the suggested letter of allocation described, for want of a better term, the document which was to be sent out with it as the "text of the Commission's detailed decision". Fears had been expressed, at the 148th Meeting, that some claimant countries might claim, for their own purposes, that, in sending out the letter of allocation and the "detailed decision", the Commission was, in fact, carrying out the formality provided for in Paragraph 5 (c) and (d) of its Terms of Reference, thus opening the way for litigation, if litigation were possible. Now, this was not and could not be the final announcement provided for in the Commission's Terms of Reference and ways and means of making this clear had been studied, in the form of an exchange of views, under Item 1 at the 148th Meeting. The Chairman considered that the final wording of the letter was in the hands of the three Governments, that the Commission's thoughts were already before them in the form of the Minutes of the 148th Meeting and that, therefore, further Gold Commission's discussion of this matter was unnecessary.

The American and French Commissioners agreed.

2. Further exchanges of views and directions to the Secretary General regarding the principles to be applied when drawing up the delivery orders to be handed to claimant countries, if the Commission's above-mentioned recommendations are approved.

The Chairman asked if his two colleagues had any comments to make, particularly on the alternative apportionment (coins and bars) which had been suggested by the French Commissioner and which the Secretary General had circulated under cover of his INT-3150, dated 3 June 1957.

2/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The American Commissioner said that his Government was in favour of adopting the French Commissioner's ideas in this matter. It (the American Government) also suggested that, since the Bank of England levied safe custody charges and the Bank of France and the Federal Reserve Bank of New York did not, as much gold as possible should be taken from the Bank of England, in the next distribution, in order to reduce the charges at that Bank to the greatest possible extent. With this object in view, he (the American Commissioner) suggested that the gold bars which, in the schedule, as it then stood, were to be taken from the Bank of France, should be taken from the Bank of England instead (leaving both bars and coins at the former Bank untouched) and that the bars which were to be taken from the Federal Reserve Bank of New York might, perhaps, be replaced by coins from the Bank of England. With regard to these bars, which were to be taken from the Federal Reserve Bank of New York, the American Commissioner said that his Government left the choice of beneficiaries to the Commission to decide on the basis of quantities to be delivered and relative shipping costs. It had no preferences in this matter. The replacement of these bars by coins was suggested, of course, subject to a comparison of the cost of their transport to the estimated cost of keeping them at the Bank of England.

The Secretary General stated that he had shown France as beneficiary, via Belgium, of the gold coins at the Bank of France in the schedule, as it then stood, in order to save that Bank from having to pay the cost of a physical transfer which it would, probably, have to support if these coins were allocated to it from the stock at the Bank of England.

The French Commissioner said that he thought that the Bank of France would, probably, be anxious not to keep unproductive gold in its cellars any longer than was necessary.

The Secretary General explained that the safe custody charges at the Bank of England amounted to £1,000 per annum. Judging from past experience, it was not certain that the Bank would accept to reduce them in proportion to the withdrawals of gold. With regard to the cost of an eventual transport of coins from the Bank of England to replace bars distributed from the Federal Reserve Bank of New York, the cost would be considerable. If, however, the safe custody charges at the Bank of England, after the next distribution, remained at a comparatively high level and the gold seemed likely to be left in the custody of the three Governments for a lengthy period, it might be found advisable to effect the transport. Estimations would have to be made and the Secretary General suggested that this could best be done after the next distribution. For reasons which the French Commissioner had given, it might, also, be found advisable to have an inventory made, after the next distribution, of the coins remaining in the custody of the three Governments, in order to eliminate spurious and counterfeit coins and determine the exact fine gold content of the remainder.

A general exchange of views ensued. While there was informal agreement on the French Commissioner's suggestion that the security reserve contain only bars and on the American Commissioner's suggestion that no bars be drawn from the Bank of France and that as much as possible of the distribution be made from the Bank of England, no firm decisions were reached and the Secretary General said that he would bring this matter up on the Agenda of the next Meeting, after a further study had been made.

3. Further exchanges of views regarding the policy to be adopted in regard to the Italo-Dutch Conciliation Commission's request for information and in regard to the two claimant countries constituting that Commission.

The Chairman thought that, when the time came, it would probably be found sufficient to inform the Conciliation Commission, in appropriate terms, that the Italian and the Netherlands' Governments were then in position to furnish the information on their respective claims needed by the Conciliation Commission and that the Gold Commission assumed it would obtain such information from the Agents of those two Governments. If the Conciliation Commission wrote back and raised further questions, the matter could be studied further.

The American and French Commissioners said that they were in general agreement with the views the Chairman had expressed.

3/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

4. Exchanges of views regarding the policy to be adopted when answering enquiries from claimant countries.

There was an exchange of views and it was decided that, if the Secretary General should be approached, in the next few months, before it was possible to get the proposed distribution under way, he should merely reply either that he had nothing to add to what he had said before in the case of officials who had already approached him before on this matter and, in the case of any new approach by officials who had not approached him before, that he was sorry but that he had no information at the moment. The Commissioners, individually, would inform their respective Governments that the Secretary General, under their instructions, would be taking this line and that this was the answer which they, themselves, would give, if approached. They presumed that their respective Governments would adopt a similar attitude.

5. Statement by the Secretary General regarding the status of bars at the Federal Reserve Bank of New York.

The Secretary General said that it was his understanding that only United States Assay Office bars were negotiable in the United States. There were only 244 such bars, containing 3,054.5701 kgs of fine gold, at the Federal Reserve Bank of New York. The remaining 1,054 bars, at that Bank, said to contain 13,204.0223 kgs of fine gold, were of European origin and it had been ascertained that they were freely negotiable in the European markets. It was for this reason that they had been left in their present form. If, however, the countries to which they would be delivered found that, in order to dispose of them, they would either (a) have to have them transferred, physically, to Europe, which would cost, according to calculations made, roughly $100,000 for the 1,054 bars or (b) have them melted down, on the spot, and converted into United States Assay Office bars which, according to information given by the Federal Reserve Bank of New York, would cost, for the 1,054 bars, approximately $11,100, these countries would, presumably, claim reimbursement of their expenses from the pool, since they would be at a disadvantage compared with other countries receiving similar bars at, say, the Bank of England, where there would be no expenses. He (the Secretary General) had thought that, if the situation was as described above, the Commission might, perhaps, wish to have the 1,054 bars melted down and converted into United States Assay Office bars at the expense of the pool. He had broached the subject, in the first instance, with the French Commissioner who had kindly undertaken to have the position investigated by experts of the Bank of France. He (the Secretary General) had circulated the French Commissioner's report and conclusions which were that it appeared desirable to have the 1,054 bars converted into United States Assay Office bars.

There was a general exchange of views and several possibilities were explored. It was thought that conversion into United States Assay Office bars might, perhaps, be limited, for the time being, to such quantities as might be needed for the next interim distribution, or to an intermediary quantity of, say, 3,000 kgs. Another possibility was to deliver the bars in their present form and to await such claims to reimbursement as the countries might see fit to make. It was found, however, that this solution might complicate the Commission's accounting unduly and that there was a risk that the countries might choose the more expensive of the two alternatives mentioned above. Finally, some doubts arose as to whether it was quite certain that these 1,054 bars could not be negotiated or disposed of in some way in the United States, in their present form. The consensus of opinion was that the question should be investigated further.

The American Commissioner kindly undertook to take the matter up, from this angle, with the Federal Reserve Bank of New York, and to let the Secretary General have a report, in due course, for circulation to his two colleagues.

The Meeting adjourned at 5 p.m.

201445

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL FINAL MINUTES

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

148th Meeting

9 May 1957 - 3 p.m.

Present :

H.E. Sir Ronald WINGATE - Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland - Chairman.

Samuel E. PERKINS, Esquire - Deputy Commissioner of the Government of the United States of America.

Monsieur Jacques LANSON - Deputy Commissioner of the Government of the French Republic.

Secretariat

Colonel J. A. WATSON - Secretary General.

The Chairman asked his two colleagues if they had received any news regarding the recommendations which the Commission had addressed to the three Governments, pursuant to the decisions taken at the last Meeting.

The American Deputy Commissioner and the French Commissioner replied in the negative and the Chairman mentioned that he, for his part, had not received any news.

The Chairman then said that the Meeting had been called in order that views might be exchanged regarding three interesting points which had been raised in connection with the recommendations. These points did not affect, in any way, the principles outlined in the communication to the three Governments. Details of the procedure to be applied in order to put the recommendations into effect, alone, were involved, directly or indirectly. It was important that the Commission, in order that it should be in a position to act, at short notice, should give some thought to these matters, pending receipt of news from the three Governments. The Chairman wished to stress that his two colleagues were not being asked to arrive at decisions on the points in question, at this stage, and that he, himself, did not propose to give a firm opinion at this Meeting. It was merely suggested that the three Commissioners should think these matters over and give the Secretary General some guidance, which he had asked for, regarding the documents to be prepared and the calculations to be made.

1. Exchanges of views regarding the form in which the decisions of the Commission are to be communicated to claimant countries if the Commission's recommendations of 30 March 1957 to the three Governments are approved. Directions to the Secretary General regarding the documents to be prepared.

The Chairman pointed out that, although the proposed distribution and the accompanying procedure had been described as quasi final, it could not be considered as carrying out the provisions of Part III of the Paris Agreement and of Paragraph 5 (c) and (d) of the Commission's Terms of Reference. The final announcement of the amount of the gold pool and of the shares allocated in the said pool would be made later, pursuant to the above-mentioned provisions and in accordance with a procedure which had been laid down by the three Governments, in consultation with the Commission, at the Tripartite Governmental Conference of January 1950.

2/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

It was important, from a practical and legal point of view, that the claimant Governments who would be receiving the letter of allocation drafted at the last Meeting, together with what had been called, for want of a better term "the Commission's detailed decisions", should not be left under the impression that this was intended to be the formal notification of the Commission's final announcement under Paragraph 5 (c) and (d) of its Terms of Reference. The latter announcement could not yet be made for reasons which his two colleagues knew about. What was intended was that, since, if the Commission's recommendations were put into effect, the claimant Governments would be receiving practically the full amount of their entitlement in the gold pool, they should be informed, on this occasion, of the reasoning governing the allocation, but no more. Nothing should be done which would enable them, at this stage, to claim that this was the formal announcement under the Commission's Terms of Reference, leaving the way open for litigation, if litigation were possible, or for querying the validity of the Commission's procedure, on the grounds that the provisions of Part III of the Paris Agreement and of the Commission's Terms of Reference had not been properly carried out. A wording should be found which would limit the scope of the communication and keep the matter between the Commission, acting in equity, and the claimant Governments. The Chairman thought that this could be achieved by using the Commission's adjudications, as had originally been proposed, with a few words or lines left out. The word "adjudication" could be left out, for instance, on page 1, and replaced by the word "reasoning" or some similar term. The phrase "Done in duplicate, etc..." and the designation of the signatories below this phrase could, also, be left out, on the last page. He recalled that the letter of allocation, itself, would be signed and that this would be sufficient to make the communication official. One set, in the French and English languages, of the Commission's adjudications, proper, (with the exception of the adjudication on the Czech claims) would, of course, be signed prior to the despatch of the letter of allocation and its annex, and kept in the Commission's archives. These would be purely internal documents, for the time being, establishing that the three Commissioners had reached agreement, pursuant to the Paris Agreement and the requirements of the Commission's Terms of Reference, on all claims before it, with the exception of the claims of Czechoslovakia in respect of which the American Commissioner was not yet able to express a final opinion.

The French Commissioner said that he was in entire agreement with the Chairman's sentiments on this subject. He wondered, however, whether the omissions suggested by the Chairman would be sufficient to establish a difference, juridically speaking, between the paper to be sent out on this occasion and the Commission's adjudication, proper, which would be sent out later. He suggested that the Commission might go a step further and omit the first paragraph under the word "adjudication", on page 1, and also omit the actual finding on the last page. It was very important, in his opinion, to avoid giving claimant Governments an opening, at this stage, for attacking the Commission's decisions, in, say, some higher Court. He did not know, of course, whether, once the final announcement had been made, such an attack would be possible or not.

The Secretary General said, with regard to the suggested omission of the finding on the last page, that he would see whether the conclusions, in the rest of the texts, would be sufficient to enable the claimant countries to ascertain, without difficulty, how their claims had been dealt with.

The American Deputy Commissioner said that, at first sight, the suggestions which his two colleagues had made sounded reasonable. It had been understood that he would not be expected to say anything final, at this stage, but he would certainly think the matter over, as requested by the Chairman.

The Secretary General pointed out that whatever wording was used at the top of Page 1, in the place of "adjudication", would have to be used, also, in the first paragraph of the letter of allocation, where the paper was, at present, described as the "Commission's detailed reasoning".

3/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

A further exchange of views ensued and the consensus of opinion appeared to be that "reasoning" or "detailed reasoning" could, probably, be improved upon.

The French Commissioner suggested that the document might be described, merely, as an annex to the letter of allocation.

The Chairman and the American Deputy Commissioner agreed that this would probably be the simplest solution.

The Secretary General sought guidance on certain points. He had reduced his staff to a minimum and it seemed desirable that as much preparatory work as possible should be done immediately, in order that the Secretariat might be in a position to meet any eventuality at comparatively short notice. There were, in the Secretariat, two original sets, in the French and English languages, of the Commission's adjudications. The original intentions were that one set should be signed and remain in the Commission's archives and that the second set should be used in connection with the final announcement. It seemed likely that the procedure originally envisaged would remain unchanged. The Secretary General suggested that, in the circumstances, it would be a good thing to prepare, at once, a complete set of the Commission's adjudications, in the form of photocopies, with the first and last pages, provisionally amended, in the light of the views which had just been exchanged. One advantage would be that photocopies conveyed a notion of informality which would be in keeping with the ideas which had just been expressed. If, for some reason, these photocopies were not used, on the occasion of this distribution, they would be used in the preparation of the Commission's historical account.

This suggestion of the Secretary General was approved.

Note - Subsequently to the Meeting, the Chairman suggested that the document to be communicated should be headed "Annex" and that the first paragraph of the letter of allocation should be amended to read as follows :

"1. The Commission has the honour to request that you inform "your Government that the Commission has now completed its detailed "examination (vide Annex 1) of all the claims for restitution of "monetary gold made by your Government before it. "

Note - The Secretary General has prepared a provisional draft of the first and last pages of the document to be communicated, incorporating the suggestions made at the Meeting. This draft is attached to the present Minutes, in order that the Commissioners may see what it would look like. It will be observed that the finding, at the end, has been omitted in accordance with the French Commissioner's suggestion. The finding was, purposely, drafted, in executory form (dans la forme exécutoire) in the adjudications and, if it is omitted, this will deprive the document to be communicated of some of its legal value and reinforce the idea that it is communicated merely for information. If questioned regarding the status of the communication, the Secretary General could reply to this effect. The Secretary General has made sure that the conclusions in the rest of the texts (with the exception of those in respect of the Danzig gold and the Albanian claim) are amply sufficient to enable the claimant Governments to ascertain, without difficulty, how their claims have been dealt with. If it is decided that, on this occasion, Albania and Poland are to be advised of the Commission's decisions regarding the gold of the Bank of Albania and the Danzig gold, respectively, it will not be possible to omit the findings, since these are special cases and the conclusions reached would not be clear if the findings were omitted.

4/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

2. Exchanges of views and directions to the Secretary General regarding the principles to be applied when drawing up the delivery orders to be handed to claimant countries, if the Commission's above-mentioned recommendations are approved.

The Chairman called on the Secretary General to explain the position.

The Secretary General explained that there were both coins and bars in the gold pool. The degree of fineness of gold in both was, of course, very much the same but coins were of greater value to Central Banks than bars, since they were easy to handle and were used for exchange control purposes and on the free markets, etc... He (the Secretary General) believed that the differences in the market values of coins and bars were comparatively important. It had always been understood that the final distribution would be adjusted in such a way as to give each country a fair and equitable share of the coins and bars in the pool. It had not been found possible to apply this rule on the occasion of the preliminary distribution because the first few deliveries had been made direct from the Foreign Exchange Depository, at Frankfurt, where only a limited quantity of good delivery gold was available, and subsequent deliveries had been made from the Bank of England, where some portions of the Frankfurt gold, which had been transferred to that Bank, were in the process of being converted into good delivery gold, at the time. The position had been further complicated by the fact that some gold had been delivered direct to Austria and Yugoslavia by the Allied Forces and that a recovery by Czecho-Slovakia from Switzerland had, also, to be taken into account. As a result of all this, Italy and Austria had already received very slightly more than their entitlement in coins and would only receive bars in future. Apart from this slight discrepancy, there were enough coins remaining in the pool to enable the Commission to adjust the next distribution in such a way that all countries would, in fine, receive an equitable share of coins and bars. When making the calculations, the bars (for only bars were involved) received by some claimant countries direct from the Allied Forces and other sources (i.e. the Swiss National Bank) would have to be taken into account. In order to make up these equitable shares, it would be necessary to draw on all three of the accounts which the Commission operated, at the Bank of France, the Bank of England and the Federal Reserve Bank of New York. There seemed to be little doubt that, if the principles which had just been described were not applied, the Commission would lay itself open to criticism.

The Chairman said that the Commission was fortunate in having an expert in these matters present, in the person of the French Commissioner, and he asked his French colleague for his opinion.

The French Commissioner said that the Secretary General's understanding was correct. Coins fetched a higher price on the markets than bars. Central Banks preferred them because they were much easier to handle and verify than bars and, of course, because they were small units. He (the French Commissioner) made a rapid calculation which showed that there was a premium of roughly 20 % on coins on the free markets.

The American Deputy Commissioner asked if the Secretary General could state what holdings of coins and bars there were in the respective Banks.

The Secretary General distributed a paper containing this information and mentioned, in reply to a question from the Chairman, that the holding at the Bank of France was made up almost entirely of coins and that at the Federal Reserve Bank of New York almost entirely of bars.

The American Deputy Commissioner said that here, again, no firm decision could be taken, at that stage, but that he presumed that the Secretary General would prepare and circulate a schedule based on the principle which had just been discussed.

This was agreed.

201449

5/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

3. Further exchanges of views regarding the policy to be adopted in regard to the Italo-Dutch Conciliation Commission's request for information and in regard to the two claimant countries constituting that Commission.

The Chairman said that, if the Gold Commission's recommendations to the three Governments were approved and successful claimant countries, including Italy and the Netherlands, were informed of the reasoning governing the allocation made to them, the question would immediately arise as to what answer the Gold Commission should give to the Conciliation Commission's letter asking a certain number of questions. The Gold Commission had informed the Conciliation Commission that it would answer its letter as soon as it was able to do so. Five questions had been asked by the Conciliation Commission. The first three concerned the Gold Commission's decisions on some of the claims of the Netherlands. The last two concerned movements of gold bars which had come into the hands of Italy. 312 bars were involved and the attitude of the Netherlands was open to criticism since they had claimed these bars from the Conciliation Commission whilst they had a claim pending before the Gold Commission for these same bars and had not informed the latter Commission, officially, of this fact. It was difficult to understand what they had in mind. There were three points to be settled. The first, assuming, of course, that the procedure recommended to the three Governments had been carried out, was : how should the Gold Commission deal with the Conciliation Commission's first three questions, which concerned the Gold Commission's decisions ? The second was : how should the Gold Commission deal with the Conciliation Commission's last two questions which concerned movements of gold bars ? The third and last point was : what attitude should the Gold Commission adopt vis-à-vis the Netherlands, in connection with these matters ? With regard to the first point, the Chairman was of the opinion that the Conciliation Commission should be informed that the Gold Commission's reasoning had been communicated to the Netherlands and that it should be left to the Agent of the latter country to answer the questions, as he thought fit. Matters before the Gold Commission affecting the Netherlands were, of course, privileged and the authority of the Netherlands would, no doubt, have to be obtained before making the reply. With regard to the second point, movements of gold bars in and out of the pool were matters which were the exclusive concern of the three Governments, custodians of the gold pool. Officially, the Gold Commission was faced with an anonymous mass of gold and it was only responsible for determining the shares of each claimant country in this anonymous mass of gold. It happened to have, in its files, some of the answers to the questions asked but it could only impart this information if it were formally directed by the three Governments to do so. If it were so directed, it would, presumably, give the information to Italy and obtain that country's authority to refer the Conciliation Commission to Italy for the answers to the said Commission's last two questions. With regard to the third point, the Secretary General had stated that the 312 bars contained about 3,700 kgs of fine gold and that the amount to be allocated to the Netherlands in the next distribution was about 4,100 kgs. The Gold Commission could run no risks. If the Netherlands won their claim before the Conciliation Commission and received 3,700 kgs, this amount would have to be deducted from the share of the Netherlands. The Chairman was of the opinion that the letter allocating 4,100 kgs to the Netherlands should be sent but that it should contain a statement to the effect that this amount would be retained in the gold pool pending clarification of the position of the Netherlands before the Conciliation Commission.

The Secretary General said that he could, perhaps, hand the letter of allocation to the Representative of the Netherlands in Brussels, when the time came, and discuss the position with him, in conformity with the decision taken on this subject at the last Meeting.

The American Deputy Commissioner said that his view in this matter, with possibly some reservations, was that the Gold Commission could only communicate with Governments and that it could not address itself directly to the Conciliation Commission, which had received this case out of order, so far as the Gold Commission was concerned. The Conciliation Commission

6/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

should be notified, when the time came, that the Italian and the Netherlands Governments before it had been informed of the Gold Commission's conclusions concerning their claims and this notification should contain nothing beyond this statement.

The French Commissioner concurred. He said that the Gold Commission seemed to be unanimous in its opinion. The Conciliation Commission was not a supra-National body. It was constituted by two Governments who were, respectively, plaintiffs and defendants before it. The Italian and the Netherlands Governments should be given the information required and they would communicate such portions of it as they thought fit to the Conciliation Commission, that is to say, in effect, to one another.

The Secretary General suggested that nothing should be said in the Gold Commission's reply to the Conciliation Commission which might give the latter Commission an opening for asking for the full texts of the Gold Commission's decisions to be communicated to it. It appeared desirable that neither of the two Governments constituting the Conciliation Commission should have access to the full text of the Gold Commission's decisions on the other Governments' claims, since they might be tempted to seek therein arguments in support of any queries which they might wish to raise, later, in connection with the Gold Commission's decisions on their own claims.

Further exchanges of views took place and the consensus of opinion appeared to be :

(1) that the point made by the Secretary General would be taken into consideration when drafting the reply to the Conciliation Commission's first three questions;

(2) that the Conciliation Commission's last two questions would be dealt with separately (perhaps on the paper used for communicating with the Bank of France) if the Gold Commission were directed by the three Governments to answer them. Separate action was necessary in order to establish a clear distinction between the two functions of the Commission which were, first and foremost, to adjudicate upon claims and, subsidiarily and as an Agent only, to administer the gold pool on behalf of the three Governments.

The French Commissioner asked whether the Netherlands could not be given the difference between their entitlement of 4,100 kgs and the 3,700 kgs, which constituted the maximum that could be deducted from their share.

The Chairman said that, in view of the irregular behaviour of the Netherlands, he did not see why the Gold Commission should afford that country special treatment.

Further exchanges of views ensued and the consensus of opinion appeared to be that the Gold Commission, after obtaining the necessary permission from the Netherlands, should refer the Conciliation Commission to that country for the answers to its first three questions. With regard to the last two questions, the Gold Commission would have to consult the three Governments constituting it and, if so directed by the latter, it would impart such information as was in its possession, regarding the movements of gold bars which came into Italy's hands to Italy, informing the Conciliation Commission, at the same time and with Italy's permission, that it had done so. The action, if any, to be taken by the Gold Commission vis-à-vis the rest of the problems affecting Italy required further consideration.

7/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Chairman concluded by saying that, once the Gold Commission had heard from the three Governments concerning its recommendations and (assuming these recommendations were approved) once the Netherlands' reactions to the retention of the 4,100 kgs had been studied, the position would, no doubt, become clearer. He recalled that there had been no question of taking final decisions at this stage and that it had been agreed, merely, that his two colleagues and himself would think all these matters over pending receipt of news from the three Governments.

The French Commissioner asked if the Secretary General could not begin to prepare the drafts of the various letters of allocation to claimant Governments and of the letters to the Conciliation Commission and Italy and the Netherlands.

The Secretary General said that the position did not appear to be sufficiently clear, at this stage, to enable him to do any useful work in that direction. He did not think that it would take very long to draft these letters, once the position had been clarified and final decisions had been reached. In any event, it had been envisaged that the despatch of the letters of allocation would be spread over a certain period of time.

The Meeting adjourned at 5 p.m.

. - . - . - . - .

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

ANNEX A.

CONFIDENTIAL

The Tripartite Commission for the Restitution of Monetary Gold has the honour to address the three Governments which have established the Commission (vide the "London Gazette" and the "Journal Officiel de la République Française" of 27th September 1946, and the "Department of State Bulletin" of 29th September 1946) in connection with the final stages of its work.

The Commission has now, in respect of all claims submitted to it, fulfilled its functions under Section 5(a) and (b) and Section 6 of its Terms of Reference, except in the case of Czechoslovakia, where the American Commissioner did not agree with the adjudications previously prepared by the French and British Commissioners. In these circumstances, the Commission feels that it is unable to proceed, on its own initiative, with its functions given under Section 5(c) and (d) of its Terms of Reference.

Without prejudice to any action which the three Governments consider it appropriate to take in this respect, the Commission ventures to suggest that the three Governments may see fit to instruct the Commission to make a distribution of the maximum amount of gold possible in the circumstances of each individual case to all countries with regard to which the Commissioners' decisions have been unanimous. For this purpose, it would be necessary to make a calculation as to the maximum amount of gold which had been established as due to Czechoslovakia in accordance with the opinions of the French and British Commissioners, and to hold such an amount of gold in reserve pending a final unanimous decision as to Czechoslovakia's claims.

Annex A attached to this report shows the shares which would be due to each country on the above assumption, and upon the assumption that the gold to be distributed is only that held in the gold accounts of the pool to-day. It also shows the amounts that the Commission considers could be distributed in each case.

Further the Commission considers that the amount which a country would receive in this distribution of gold (which would, in fact, approximate to a final distribution) should be notified to each country separately in a letter which would have to be adapted by the Commission to any exceptional circumstances in each case (e.g. Dutch-Italian dispute before the Conciliation Commission in Rome). The text of the Commission's detailed decision on the country's claims would be enclosed with this letter, a suggested draft of which is given in Annex B.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Commission suggests that in view of the fact that countries have already signed a waiver in connection with the preliminary distribution, it will be only necessary that the receipts for it include reference to the previous waivers signed that will confirm their validity as regards this distribution. Should the three Governments consider that modifications to the previous form of waiver be required, the Commission understands that it will be advised of the amendments necessary.

If the three Governments should decide on the course suggested, the Commission is of the opinion that a short press communiqué might be issued by the three Governments stating that a further distribution of gold from the gold pool had been made to claimant Governments.

Finally, it would be necessary to decide upon the timing of the letters to be sent out to each of the individual Governments, and of the press communiqué.

The Commissioner of the Government of the United States of America.	The Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland.	The Commissioner of the Government of the French Republic.

The Secretary of State,
United States of America.

The Secretary of Her Majesty's Treasury,
London.

Son Excellence le Ministre des Affaires Etrangères,
Paris.

30 March 1957.

ANNEX
ANNEXE { 8

Country / Pays	(1) Validated claims / Demandes recevables	(2) Amounts due on the basis of 64.1316% / Montants dus sur la base de 64.1316%	(3) Amounts already delivered / Montants déjà livrés	(4) Balance due / Soldes dus	(5) Amount which the Commission recommends should be distributed / Montant de la distribution recommandée par la Commission
	Kgs	Kgs	Kgs	Kgs	Kgs
Albania/Albanie	2,454.8745	1,574.3503	-	1,574.3503	-
Austria/Autriche	78,267.1478	50,193.9742	44,031.8249	6,162.1493	6,150.-
Belgium/Belgique	198,433.8417	127,258.7976	115,650.9277	11,607.8699	11,600.-
Greece/Grèce	83.7330	53.6993	-	53.6993	50.-
Italy/Italie	69,320.6709	44,456.4554	31,667.5131	12,788.9423	12,750.-
Luxemburg/Luxembourg	4,223.7040	2,708.7289	1,929.4999	779.2290	750.-
Netherlands/Pays-Bas	110,174.6296	70,656.7528	66,539.0068	4,117.7460	4,100.-
Poland/Pologne	-	-	-	-	-
Danzig/Dantzig	3,858.8835	2,474.7637	-	2,474.7637	-
Czechoslovakia/Tchécoslovaquie	43,999.3638	28,217.4960	9,784.0225	18,433.4735	-
Yugoslavia/Yougoslavie	3,243.4422	2,080.0714	317.4256	1,762.6458	1,750.-
	514,060.2910	329,675.0896	269,920.2205	59,754.8691	37,150.-

Note:- English punctuation has been used when typing the figures
La ponctuation anglaise a été employée dans la présentation des chiffres.

Amount of the pool available for distribution taking into account the Czech recovery
Montant de la masse disponible pour distribution, compte tenu de la récupération tchécoslovaque { 331,665.4773 kgs

Amount of the pool available for distribution Montant de la masse disponible pour distribution	331,665.4773 Kgs	Balance of the pool as at 15.3.57 Solde de la masse au 15.3.57	61,745.2568 Kgs
Amount to be distributed as detailed in column 2 Montant à distribuer suivant détails à la colonne 2	- 329,675.0896 Kgs	Amount due as in column 4 Montant dû d'après colonne 4	- 59,754.8691 Kgs
Reserve	1,990.3877 Kgs		1,990.3877 Kgs

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority NND 998100
By SC NARA Date 8-9-99
RG 59
Entry 5382
Box 1
201455

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL

FINAL MINUTES

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD.

146th Meeting

25 March 1957 - 3 p.m.

Present :

H.E. Sir Ronald WINGATE	- Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland - Chairman.
Richard B. FREUND, Esquire	- Commissioner of the Government of the United States of America.
Samuel E. PERKINS, Esquire	- Deputy Commissioner of the Government of the United States of America.
Monsieur Jacques LANSON	- Deputy Commissioner of the Government of the French Republic.

Secretariat

Colonel J.A. WATSON	- Secretary General.

---

1. Consideration of the contents of a letter, dated 7 March 1957, from the American Commissioner.

The Chairman read out the text of the American Commissioner's letter of 7 March 1957, to the Secretary General, who had circulated it, under cover of his confidential INT-3128, dated 11 March 1957, as follows :

" Reference is made to recent communications and discussions "regarding the problems of the remaining, so-called tainted, gold. "While not persuaded with respect to these questions, the United "States has decided to defer to the United Kingdom and French views. "The United States is, therefore, now in a position to proceed with "the signature of all awards, except the Czech award which remains "unagreed.

" I would appreciate it if you would bring this letter to the "attention of the United Kingdom and French Commissioners. I suggest "that as soon as their governments have indicated their agreement, "in principle, to proceed as indicated above, a meeting of the "Commission be arranged in order to discuss timing and other details "which might be the basis of appropriate recommendations to the "three Governments. "

He (the Chairman) said that he was most grateful to his American colleague for his contribution towards the completion of the Commission's work. The signature of all the adjudications, with the

2/.....

201456

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

exception of that which dealt with the Czech claims, would, of course, constitute a big step forward. He, then, asked his American colleague what, in his opinion, the next step should be.

The American Commissioner said that, as stated in his letter, he was prepared to sign all the awards with the exception of that which concerned Czechoslovakia. The next step, in his opinion, should be a distribution of all the gold which was not immobilised by some unanimous decision (Albania, Danzig) or in respect of which unanimous agreement had not been reached within the Commission (Czechoslovakia). What he had in mind was something final. He suggested that there should be a departure from previous notions as to the form of the documents to be used (announcement, accompanying letter and waiver) and that the quickest way of effecting distribution should be sought. He was anxious to have the opinion of his two colleagues regarding this suggestion and, also, as to what communication should be addressed by the Commission to the three Governments constituting it.

The Chairman thanked his American colleague for having clarified the position. He (the Chairman) was of the opinion that this matter required very careful consideration. He did not know whether there had been any Tripartite conclusions at Washington. His Government had not received any information on this subject and it had not given him any instructions additional to the standing instructions which he had had for some time. He understood that what his American colleague had in mind was a distribution of all the gold, with the exception of the three items already mentioned and he (the American Commissioner) had characterized this distribution as final. The Chairman considered that no absolutely exact amount of gold could be distributed so long as the Czech adjudication had not been agreed, since the final figures could not be determined until the Commission had reached a final decision on the Czech claims.

3/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Secretary General gave some explanations, at this stage, regarding the position and pointed out that he could not credit the gold pool and debit Czechoslovakia, in the gold accounts, with some 3,700 kgs of gold recovered by that country from Switzerland until a final decision had been reached on the Czech claims. There had been two cases where action of this nature had been taken following upon decisions of the three Governments communicated to the Commission, but, in this case, no decision had, as yet, been taken. He (the Secretary General) had, however, taken these 3,700 kgs into account when drawing up the schedules of suggested distributions which had been communicated to the three Commissioners, and this would again be taken into account in any schedule sent to the three Governments pursuant to decisions taken at the present meeting.

The Chairman then contined his statement. He said that the Commission was governed by an instrument, its Terms of Reference, which were, in effect, an international instrument in implementation of the decisions taken at the Paris Conference on Reparation. The Terms of Reference had been issued by the three Governments constituting the Commission and they had been notified to all the signatories of the Paris Agreement on Reparation and to the general public. The three Governments were, of course, at liberty to amend or abolish these Terms of Reference but they had not done so and the Commission was, therefore, bound by the Terms as they then stood. Paragraph 5 (c) read as follows: "In due course to announce the total value of the pool of monetary gold which will become available for distribution by way of restitution", and Paragraph 5 (d) read as follows: "When all claims for restitution have been received and adjudicated upon, to announce the share in the pool of monetary gold available for restitution to each country entitled to participate in the pool." As had already been explained, the Commission was not yet in a position to announce the amount of the pool available for distribution and it had not been able to reach unanimous agreement on the Czech claims and could not announce the amount of that country's share. It was not, therefore, able, at that stage, to comply with the clear stipulations contained in Paragraph 5 (c) and (d). It was necessary, therefore, to see how, keeping within the Terms of Reference and particularly in the light of Paragraph

4/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

5 (e) which read : "In such other ways as shall be decided by the three Governments establishing the Commission, to assist in the distribution of the pool of monetary gold available for restitution.", the Commission could best put into practice the idea put forward by the American Commissioner. The Chairman then suggested that the most appropriate solution might, perhaps, be to address a formal communication, signed by all three members of the Commission, to the three Governments, explaining the position which had now been reached and making certain recommendations. He read out a draft (see Annex A to the present minutes) of the type of communication he had in mind.

The French Commissioner thanked his American colleague for his kind co-operation which had enabled the Commission to reach a further and important stage towards the completion of its work. The procedure suggested by his American colleague amounted to quasi liquidation. He, for his part, had heard about the conversations in Washington. The French Representative, at these conversations, had been directed to ask a number of questions regarding the various suggestions which had been put forward. His Government had reached the same conclusions as the Chairman. It was impossible, at that stage, to make an announcement in its final form as provided for in the Commission's Terms of Reference. It (his Government) was of the opinion that all that could be done, at the moment, was to proceed to a further interim distribution, on the lines of those which had already been made in 1947/48. The Department of State had asked certain questions regarding the quantities of gold which could, safely, be distributed and the French Government had replied that, in its view, the maximum amount compatible with the setting aside of the Czech share, on the basis of the adjudication which had met with British and French approval, and the immobilisation of the Albanian and Danzig shares, should be delivered. (see Annex B to the present minutes). Some 4,000 kgs of gold were due to be received from Portugal and this would constitute a sufficient reserve to meet emergencies. He (the French Commissioner) was of the opinion that the adjudications (with the exception of that on the Czech claims) should now be signed and that an interim distribution should be made, if the three Governments approved.

5/.....

201459

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The American Commissioner said that the general idea was to dispose of the maximum amount of gold possible. It was desirable, at this stage, to avoid tacking names on to the various acts of procedure. He felt confident that something satisfactory could be worked out. Looked at from the point of view of the recipients, the distribution was, in effect, a final distribution. The recipients might, perhaps, be taken into the Commission's or the three Governments' confidence and given a hint or information to the effect that this was the case. The distribution would be final in everything but name.

While the possible announcement envisaged in Paragraph 5(c) of the Commission's Terms of Reference could not, of course, be made, the Commissioners considered the possibility that a press release might be suggested to the three Governments in connection with the suggested distribution.

The Chairman said that he agreed that it seemed advisable to make it known, in some way, to the recipients that the gold delivered to them constituted all but a negligible portion of what they would get. He read out a suggested addition to the draft communication to the three Governments which he said his two colleagues would be able to examine at leisure when they received the draft minutes. He added that it was only necessary now to decide on the method, to be suggested to the three Governments, whereby the claimant countries could be advised of the allocation made to them and of the procedure to be followed by them in order to obtain delivery. He described the letter which had been used for this purpose on the occasion of the previous deliveries. It was only necessary to alter the wording slightly to meet the circumstances.

The Secretary General suggested that any terms which might enable dissatisfied claimants to contend that Paragraphs 5 (c) and (d) had been complied with from a juridical point of view should be avoided at this stage, since this might leave an opening for litigation, at an awkward moment, before the majority of the gold had been disposed of.

The Chairman then read out the draft of a suggested letter to claimant Governments (see Annex C to the draft communication attached to the present minutes.)

6/.....

201460

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Secretary General mentioned that a different text, on the lines of the one which had been adopted for the last distribution to France via Belgium would have to be adopted in the case of Belgium, Luxembourg, and France and that the letter would have to be amended in the case of Greece, which had already received a letter of allocation but had not taken delivery of the gold mentioned therein. The necessary texts could easily be arranged.

The question would also arise as to whether Belgium should be advised, verbally or otherwise, at this stage, that its claim in respect of the gold collected by the Banque d'Emission had been rejected. This seemed hardly avoidable, in view of the suggested wording of the letter of allocation. If the claim in respect of the Banque d'Emission gold had succeeded, the gold allocated in respect of this claim would have been retained by Belgium as its own property. All the rest of the gold allocated was to be transferred, by agreement, to France.

The American Commissioner then asked a number of questions, which were answered by the Chairman and the Secretary General. He, also, referred to the question of the waiver and a discussion ensued as to whether it should be recommended or not that a new form of waiver be used.

It was agreed that the latter question would be examined further at a meeting to be held at 3 p.m. on Friday 29 March 1957.

The Chairman drew attention to the fact that he had left a blank space in his suggested communication (annex A) to the three Governments, in which this question of the waiver would be raised if the Commission felt, on examination, that this matter should be taken up.

The American Commissioner asked the Secretary General how long he thought it would take him to prepare the letters of allocation to the claimant Governments.

The Secretary General replied that he was loath to give a definite date since unforeseen circumstances, upsetting the time tables, were apt to arise in complicated matters of this nature. For instance, the documentation

7/.....

201461

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

would have to be communicated to the British and French Commissioners by diplomatic bag, in this particular case, and if he (the Secretary General) missed a bag and the addressees missed the return bag, some three weeks might elapse before agreement could be reached. He would do his best and he hoped that a few weeks, at most, would suffice to complete the necessary arrangements. Once the letters had been despatched, some time might elapse before the necessary powers would be forthcoming and meetings could be arranged for purposes of delivery.

Decision :

The American and French Commissioners agreed, in principle, with the Chairman's suggestions but said that they would like to reserve their final approval until they had had an opportunity of examining, at leisure, the texts which the Chairman had prepared. These texts, in their suggested final form, would be annexed to the draft minutes.

2. Any other business.

(a) Settlement of a drafting problem.

At the request of the French Commissioner, a drafting problem, connected with the Belgian adjudication, was examined and appropriate instructions were given to the Secretary General.

The Meeting adjourned at 5.45 p.m.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL

FINAL MINUTES.

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD.

145th Meeting

11 February 1957 - 3 p.m.

Present :

H.E. Sir Ronald WINGATE	- Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland - Chairman.
Richard B. FREUND, Esquire	- Commissioner of the Government of the United States of America.
Samuel E. PERKINS, Esquire	- Deputy Commissioner of the Government of the United States of America.
Monsieur Jacques LANSON	- Deputy Commissioner of the Government of the French Republic.

Secretariat

Colonel J.A. WATSON	- Secretary General.

The Chairman welcomed his new American colleague, Mr. Richard B. Freund, and the latter's Deputy, Mr. Samuel E. Perkins, and traced a brief history of the friendly relations which had always existed between his French colleague and himself and the American Commissioners.

The French Commissioner said that he wished to be associated with the Chairman's remarks.

The American Commissioner and Deputy Commissioner thanked their two colleagues for what they had said.

1. Statement by the Chairman.

The Chairman said that, unless there were some positive move on the part of the Commission, such as the announcement of a further interim distribution of gold, he (the Chairman) and his French colleague would be placed in a most difficult position. For a number of years, they had been ready to proceed with the Commission's work, but the American Commissioner had not been able to take decisions. Some 60,000 kgs of monetary gold, of which claimant countries were in great need, were immobilized and, for reasons which the Chairman expounded at some length, it was essential that the major portion, at least, of this gold should be distributed without further delay, pursuant to the undertaking given, at the Paris Conference on Reparation, by the three Governments constituting the Commission. In saying this, the Chairman was speaking both on his own behalf, as a Commissioner, and on behalf of Her Majesty's Government, which he represented. It was understood, of course, that some shares might have to be reserved and the three Governments would, no doubt, when giving a formal authorisation to their respective Representatives on the Commission to proceed with a further distribution, issue, at the same time, appropriate directions on this subject. In conclusion, the Chairman pressed his American colleague to explain the position to his Government and to stress the necessity for a further distribution (even if restricted) of gold.

2/.....

201462A

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The French Commissioner spoke in the same sense, mentioning that he was doing so both on his own behalf, as a Commissioner, and on behalf of the Government of the French Republic, which he represented. He pointed out that, in order to save time and facilitate an early distribution, he had considerably reduced, with a view to avoiding further complications, the amendments he had suggested in September 1954. He was sorry to see that the results he had anticipated had not been achieved. He (the French Commissioner) suggested that the question of a further distribution might, perhaps, best be dealt with in the form of a letter which the Commission might address to the three Governments constituting it. Finally, the French Commissioner asked if the Secretary General could prepare and circulate a schedule showing the amounts of gold which could, without risk, be included, on the basis of the Commission's decisions as they then stood, in the suggested further distribution.

The Secretary General said that a few days would be necessary to prepare this paper.

The American Commissioner, who had listened, with great care, to his two colleagues' statements and had asked a number of questions which were answered by his two colleagues and the Secretary General, made certain comments regarding the position as viewed from his angle. He said that he would do his best to contribute to progress toward conclusion of the Commission's work and that he was prepared to convey the idea of a further interim distribution to his Government.

Decision :

1. It was decided that the Commissioners, individually, would discuss with their respective Governments the question of a further distribution of gold;

2. that the Secretary General would prepare and circulate a schedule on the lines suggested by the French Commissioner.

2. Decision regarding the action to be taken in the case of Mr. Herzog.

The Chairman referred to the various documents which had been circulated by the Secretary General. Mr. Herzog appeared to have collected a number of documents with a view to applying for a reward. It was essential, in the Chairman's view, that the Commission should avoid placing in his hands any document which he might attempt to take advantage of, at some later date. In any event, the question of a reward, if it were asked for, was no concern of the Commission. He (the Chairman) suggested that a reply on the following lines might be sufficient :

"Dear Sir,

" Your letter of 29th December 1956 has been received by me.

" I am replying to this letter personally, as I am afraid that you are "under a misapprehension. I am only able to communicate with the Governments "which have constituted the Commission or which are claimants before it.

" Yours faithfully,

" (s) J.A. WATSON,
" Secretary General. "

The French Commissioner concurred with the Chairman's views.

3/.....

201463

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The American Commissioner said that he had been ready to accept, with slight amendments, the suggested reply which the Secretary General had drafted and circulated as it conveyed the essential point that the Commission, including the Secretary General, could deal only with Governments. However, he had no objection to an answer being made on the lines suggested by the Chairman, since the letter from Mr. Herzog was addressed only to the Secretary General and the suggested reply from him avoided the implication that Mr. Herzog was invited to address himself to the three Governments.

Decision :

The Chairman's suggestion was adopted and the Secretary General was directed to take action accordingly.

3. Decision regarding the action to be taken following upon the receipt of a "Pro Memoria" from the Embassy of Yugoslavia.

The Chairman recalled that the Secretary General, when circulating the Pro Memoria referred to above, mentioned that he had been informed by the Yugoslav Representatives that their Government had delivered a similar note some weeks ago to the three Governments constituting the Commission. His (the Chairman's) Government had received this note and was making arrangements to reply. The other two Governments were, no doubt, taking similar action. The Secretary General had suggested that there was, perhaps, no necessity for the Commission to reply. The Chairman was inclined to agree.

The Secretary General said that he did not think that a reply was expected. The Pro Memoria had been left with him, for information, and he had stated that he would communicate its contents to the three Commissioners.

Decision :

It was agreed that there was no necessity for the Secretary General to send a reply to the Yugoslav Embassy.

4. Any other business.

The Chairman referred to an article, on looted monetary gold matters, which a distinguished journalist, Mr. Harry J. Greenwall, was writing for a well-known British magazine. He wished to assemble a number of good anecdotal stories on this subject and had applied to the Commission for information, primarily on gold discoveries, since this offered a better field for such stories, and, subsidiarily, on the principles which had governed the restitution of the gold recovered and the manner in which these principles had been applied. It had been explained to him that the Commission was not responsible for assembling the gold pool, but that it had arranged most of the transfers of this gold from the points of assembly to the Central Banks where the gold pool was deposited. He had been lent one or two press extracts, from the Commission's files, containing what appeared to be comparatively reliable accounts of some of the discoveries of looted gold, particularly of the gold which had been hidden in the Merkers' salt mine. With regard to the question of restitution, it had been explained to Mr. Greenwall that the Commission was responsible for determining the shares in the gold pool available for restitution to each country entitled to participate in the pool, but that, since the Commission's decisions had not yet been announced, no information could be given him on this subject or regarding the evidence before the Commission and that the amount of the gold pool was still secret. The basic documentation governing the Commission's work had, however, been published, together with the Commission's Terms of Reference, in the official gazettes of the three Governments and in the press, and copies of this documentation had been made available to Mr. Greenwall and he had also had access to a press communiqué issued by the Commission in 1948. It was obviously in the interest of the Commission to be on good terms with the press. Mr. Greenwall had agreed to submit his article, for observations, prior to its publication.

4/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The American Commissioner mentioned that the appropriate Services of the United States had been approached by Mr. Greenwall and he (the American Commissioner) questioned the Chairman on one or two points of detail and made certain suggestions.

The Meeting was adjourned at 5 p.m.

201465

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL

FINAL MINUTES

TRIPARTITE COMMISSION FOR THE
RESTITUTION OF MONETARY GOLD.

168th Meeting

Tuesday, March 10, 1964, at 3 p.m.

Present :

Monsieur Roger LABRY	- Commissioner of the Government of the French Republic, Chairman.
Don V. CATLETT, Esquire	- Commissioner of the Government of the United States of America.
John R. WRAIGHT, Esq.	- Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland.

Secretariat

Colonel J.A. WATSON	- Secretary General.

1. Further consideration of the question of the letter to be addressed to Mr. Rinnooy-Kan following upon the hearing by the Commission of the Government of the Netherlands' appeal against the rejection by the Commission of some of that Government's claims.

The Chairman recalled that it had been decided at the 166th Meeting that the three Commissioners would endeavour to trace, in their respective capitals, certain exchanges of letters and notes which, it was felt, must have preceded the drafting of the "definition of monetary gold" and the "Commission's Questionnaire". It was thought that, if these papers could be found, their contents might throw further light on the interpretation to be given to the definition of monetary gold. There was no basic documentation on this subject in the Secretariat. He (the Chairman) had discovered in certain archives in Paris a number of letters which had been exchanged, concerning the definition and questionnaire, between Sir Desmond Morton, the Hon. Russell Dorr and Monsieur Jacques Rueff on behalf of their respective Governments, at a time when they were the Delegates of these Governments to the Inter-Allied Reparation Agency. The Commission, on which they were to represent their three Governments, had not yet been established and, when it first met on December 8, 1946, it merely took note of the definition which had already been agreed by the three Governments. The Chairman thought that the relevant papers must still be in the archives, now in London, Washington and Paris, of the respective Delegations to I.A.R.A.

The Chairman commented upon the letters which he had brought from Paris and showed his colleagues certain reports of experts, minutes of meetings and other documents which he had selected from the Commission's own archives. He was of the opinion that the Commission had applied the definition of monetary gold correctly in accordance with the declarations published by the Allied Governments during the

2/.....

201466

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

war, the intentions of the signatories of the Paris Agreement, the Commission's own Terms of Reference and the principles governing international relations and Treaties. His observations applied, in particular, to the interpretation to be given to the word "looting" (in French "spoliation") in the definition. It was clear from the basic documentation, principles and relevant considerations that, in the sphere with which the Commission was concerned, it was intended that this word should be interpreted in a broad sense and that no other interpretation would satisfy the requirements which the Commission had to take into account. He (the Chairman) stressed, in the light of what he had just said, the various points which had led him to conclude that, in the case of the Netherlands, the looting began when the Secretaries General became de facto agents of the Germans, that is to say on May 29, 1940, and that, contrary to the contention of the Netherlands, the actions of the Secretaries General were vitiated from the outset.

The Secretary General suggested that the Chairman should incorporate his views in detail in a note which would be attached to the Minutes as Annex 1.

This was agreed.

It was also agreed that the Chairman would prepare with the Secretary General, on the lines which he had just developed, a suggested new paragraph 14 which would replace, if approved, the original paragraph which had been left in suspense in the British Commissioner's suggested re-draft of the letter to Mr. Rinnooy-Kan (vide the Secretariat's INT-3892 of February 18, 1964) as amended at the 167th Meeting. This suggested new paragraph would be attached to the Minutes as Annex 2 and would take into account the point made by the Secretary General in his INT-3900 of March 5, 1964.

In reply to a question from the Secretary General, the three Commissioners decided that the final version of the letter to Mr. Rinnooy-Kan would probably have to be addressed to him both in English and in French, since these were the two official languages of the Commission.

2. Review of possible developments in the Czech case.

The Chairman said that he would study the suggested documentation for dealing with the Czech case which had been circulated by the Secretary General, under cover of his INT-3899, dated March 5, 1964, pursuant to the decision which had been taken under Item 1, at the 166th Meeting of the Commission.

The Secretary General, invited by the Chairman to comment upon his suggestions, gave certain explanations and answered a number of questions.

The American Commissioner said that he was taking this matter up with his Government.

The British Commissioner stated that he had forwarded the suggested documentation, informally, to his Government but he reminded his colleagues that he was not yet able to say if or when he could agree to a procedure on the lines envisaged. It was clear, therefore, that the matter could not be taken up with the Czech authorities at this stage.

The Chairman expressed the opinion that it might perhaps be found necessary that the exchange of signatures, when the time came, should take place in Zürich.

The Meeting adjourned at 6.30 p.m.

201467

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SZ NARA Date 8-9-99

RG 59
Entry 5382
Box 1

ANNEXE 1

Note du Commissaire du Gouvernement français sur la réclamation néerlandaise relative au rejet par la Commission des demandes du Gouvernement des Pays-Bas concernant l'or repris des personnes privées.

Deux observations doivent être faites in limine à la lumière, d'une part des divers documents se rapportant à l'élaboration de la définition de l'or monétaire et du Questionnaire (échanges de correspondance entre les délégués des trois Gouvernements à l'I.A.R.A., Sir Desmond Morton, The Honourable Russell Dorr et Monsieur Jacques Rueff, antérieurs à la première réunion de la Commission Tripartite pour la Restitution de l'Or Monétaire) et d'autre part des procès-verbaux pertinents des séances de ladite Commission :

a) la suite à donner à la revendication néerlandaise relative à l'or repris des personnes privées n'a été évoquée pour la première fois que postérieurement à la définition de l'or monétaire, lorsque cette définition a été finalement adoptée dans sa forme actuelle, en décembre 1946, par les trois Gouvernements;

b) lorsqu'ils ont adopté cette définition, les trois Gouvernements ont incontestablement entendu exclure catégoriquement des restitutions au titre de la Partie III de l'Accord de Paris sur les Réparations toutes les spoliations d'or dont avaient été victimes des personnes privées.

D'autre part, il est de fait que la définition de l'or monétaire avait été communiquée à tous les gouvernements pouvant prétendre à la répartition de la masse et que cette définition, ainsi qu'il l'a été indiqué dans des documents officiels de source néerlandaise, n'a jamais été contestée par le Gouvernement des Pays-Bas.

Il y a lieu d'insister tout particulièrement sur le fait qu'il serait très dangereux, non seulement pour ce qui est de la réclamation néerlandaise, mais eu égard aux incidences qu'une telle position pourrait avoir sur toute la jurisprudence de la Commission, de soutenir en 1964 ou même de laisser simplement supposer que, dans des cas d'espèce, la Commission aurait pu ne pas appliquer la définition de l'or monétaire communiquée à tous les Gouvernements.

En conséquence, il est indispensable de faire ressortir que la Commission est toujours restée dans le cadre de cette définition lorsqu'elle a élaboré toutes ses décisions.

La réponse à Monsieur Rinnooy-Kan devrait tout spécialement souligner que le terme "spoliation" (dans le texte anglais "looting") a été interprété par la Commission dans le sens large où ce vocable a été utilisé dans divers documents internationaux (Déclaration interalliée relative aux actes de dépossession perpétrés dans les territoires occupés par l'ennemi ou sous son contrôle (accompagnée d'un mémorandum explicatif élaboré par les parties à ladite Déclaration) Londres, 5 janvier 1943 - Déclaration interalliée relative à l'or, en date du 22 février 1944 - Résolution n° VI annexée à l'Acte final de la Conférence monétaire et financière des Nations-Unies. Bretton Woods, New Hampshire, U.S.A., du 1er au 22 juillet 1944).

En d'autres termes, le mot spoliation ne doit pas être entendu et n'a pas été entendu par la Commission au sens restreint d'appréhension physique de l'or, mais doit être compris comme couvrant également toutes les manoeuvres, parfois fort habiles, qui ont permis à l'occupant de parvenir à ses fins.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

L'argumentation développée par les Néerlandais est basée principalement sur le fait que l'"Ordonnance du 24 juin 1940 sur les devises" (qui imposait notamment aux personnes privées l'obligation de déclarer et de céder à la Nederlandsche Bank l'or qu'elles pouvaient détenir) n'aurait nullement été promulguée sous la pression de l'occupant, contrairement d'ailleurs à ce qui avait été écrit et confirmé oralement par le représentant qualifié du Gouvernement néerlandais, ce qui avait conduit la Commission, qui n'avait évidemment aucune raison de mettre en doute les déclarations officielles des autorités néerlandaises, à invoquer cette contrainte de l'occupant pour justifier le rejet d'une partie des revendications néerlandaises.

Eu égard au fait que l'erreur, si erreur il y a, est entièrement imputable aux Néerlandais, cette argumentation néerlandaise ne place nullement la Commission dans une situation embarrassante.

La Commission devrait, dans sa réponse à Monsieur Rinnooy-Kan, exposer que la nouvelle thèse défendue par le Gouvernement de La Haye, selon laquelle les Secrétaires-généraux, au début de l'occupation, auraient eu une très large liberté d'action et que, s'agissant notamment de l'ordonnance sur les devises, ils auraient agi de leur propre initiative, ne saurait avoir pour conséquence de conduire la Commission à modifier sa décision de rejet.

En effet, il importe de ne pas perdre de vue qu'à compter du 29 mai 1940, date à laquelle l'ordonnance n° 3 du Reichskommissar pour les Pays-Bas, prise en application d'un décret d'Hitler du 18 mai 1940, avait, de l'aveu même des Néerlandais, investi ledit Commissaire de la totalité des pouvoirs qui jusque là étaient dévolus à la Reine et au Gouvernement, tous les fonctionnaires néerlandais -quel que soit leur rang dans la hiérarchie ou leurs fonctions- (y compris bien évidemment les Secrétaires-généraux) et, à fortiori, les dirigeants de la Nederlandsche Bank, qui était coiffée depuis le début de l'invasion par un Commissaire allemand, attaché à la fois au Ministère des finances et à ladite banque, étaient, nolens volens, des agents de fait du Reich.

De surcroit, il y aurait lieu d'observer que le pouvoir de légiférer, dans certains domaines et sous certaines conditions, n'a été octroyé aux Secrétaires-généraux néerlandais qu'en vertu d'une ordonnance du Commissaire du Reich en date du 21 juin 1940.

Il s'ensuit, comme d'ailleurs les trois Gouvernements l'ont toujours considéré, notamment en matière de spoliations, que les actes de ces agents de fait du Reich étaient viciés à la base et que la Commission ne pourrait revenir sur une position de principe qui a inspiré toutes ses décisions sans battre en brèche les principes d'équité qui, aux termes même du préambule de l'Accord de Paris sur les Réparations, doivent inspirer son action, sans aboutir à des discriminations injustifiables en équité au détriment de certains autres Gouvernements attributaires d'or monétaire et sans remettre en question la cohésion de toutes ses décisions.

Seule, une telle argumentation parait pouvoir permettre, aussi bien à la Commission qu'aux trois Gouvernements, de justifier et de renforcer la décision prise au sujet de certaines revendications néerlandaises, dans le cadre de la définition de l'or monétaire donnée par les trois Gouvernements, notifiée à tous les autres Gouvernements intéressés à la mise en oeuvre de la Partie III de l'Accord de Paris sur les Réparations et acceptée en fait par lesdits Gouvernements./.

201469

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

ANNEXE 2.

PROJET D'UN NOUVEAU PARAGRAPHE 14 POUR LA REPONSE A MONSIEUR RINNOOY-KAN, SUGGERE PAR LE COMMISSAIRE DU GOUVERNEMENT FRANCAIS

14. La Commission croit tout d'abord devoir faire observer qu'elle est toujours restée dans le cadre de la définition de l'or monétaire lorsqu'elle a élaboré toutes ses décisions.

Elle attire tout spécialement l'attention du Gouvernement néerlandais sur le fait que le terme "spoliation" (dans le texte anglais "looting") a été interprété par elle dans le sens large où ce vocable a été utilisé dans divers documents internationaux (Déclaration interalliée relative aux actes de dépossession perpétrés dans les territoires occupés par l'ennemi ou sous son contrôle (accompagnée d'un mémorandum explicatif élaboré par les parties à ladite Déclaration) Londres, 5 janvier 1943 - Déclaration interalliée relative à l'or, en date du 22 février 1944 - Résolution n° VI annexée à l'Acte final de la Conférence Monétaire et Financière des Nations-Unies, Bretton Woods, New Hampshire, U.S.A., du 1er au 22 juillet 1944).

En d'autres termes, le mot spoliation n'a pas été entendu par la Commission au sens restreint d'appréhension physique de l'or mais a été compris comme couvrant également toutes les actions qui, en dernière analyse, ont permis à l'occupant de parvenir à ses fins.

La nouvelle thèse soutenue par le Gouvernement néerlandais, selon laquelle les Secrétaires Généraux, au début de l'occupation, auraient eu une très large liberté d'action et, s'agissant notamment de l'ordonnance sur les devises, auraient agi de leur propre initiative, sans qu'une pression quelconque ait été exercée sur eux par les Allemands, ne modifie pas, aux yeux de la Commission, la situation de fait et de droit qui existait aux Pays-Bas à partir du 29 mai 1940.

En effet, il importe de ne pas perdre de vue qu'à compter de cette date, date à laquelle l'ordonnance n° 3 du Reichskommissar pour les Pays-Bas, prise en application d'un décret d'Hitler du 18 mai 1940, avait, ainsi que l'a reconnu lui-même votre Gouvernement dans son memorandum, investi ledit Commissaire de la totalité des pouvoirs qui jusque-là étaient dévolus à la Reine et au Gouvernement, tous les fonctionnaires néerlandais - quel que soit leur rang dans la hiérarchie ou leurs fonctions - (y compris bien évidemment les Secrétaires Généraux) et, a fortiori, les dirigeants de la Nederlandsche Bank qui était coiffée depuis le début de l'invasion par un Commissaire allemand attaché à la fois au Ministère des Finances et à ladite Banque, étaient, nolens volens, des agents de fait du Reich.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

Il s'ensuit, selon la Commission, que, comme d'ailleurs les trois Gouvernements l'ont toujours considéré en matière de spoliations, les actes de ces agents de fait du Reich étaient viciés à la base et que la Commission n'aurait pu prendre une décision de principe différente de celle qui a inspiré toutes ses décisions et ne pourrait revenir sur une telle position sans battre en brèche les principes d'équité qui, aux termes mêmes du préambule de l'Accord de Paris sur les Réparations, doivent inspirer son action, sans aboutir à des discriminations injustifiables en équité au détriment de certains autres Gouvernements attributaires d'or monétaire et sans remettre en question la cohésion de toutes ses décisions./.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

ANNEX 2

DRAFT OF A NEW PARAGRAPH 14 OF THE REPLY TO Mr.RIJNOOY-KAN, SUGGESTED BY THE COMMISSIONER OF THE FRENCH GOVERNMENT.

14. In the first place, the Commission feels that it must point out that, when drawing up all its adjudications, it has always remained within the scope of the definition of monetary gold.

The Commission would draw the attention of your Government, in particular, to the fact that it has interpreted the word "looting" (in the French text "spoliation") in the broad sense in which the term has been used in various international texts (Inter-Allied Declaration against Acts of Dispossession committed in Territories under Enemy Occupation or Control (with an explanatory memorandum issued by the Parties to the Declaration) London, January 5, 1943 - Inter-Allied Declaration on Gold, of February 22, 1944 - Resolution N° VI annexed to the Final Act of the United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, U.S.A., July 1 to July 22, 1944).

In other words, the term looting has not, in the Commission's understanding, been taken in its narrow sense as referring only to physical seizure of gold. It has been accepted as covering, also, all acts which, in the light of a complete analysis, have enabled the occupant to achieve his purpose.

The new thesis advanced by your Government, which contends that the Secretaries General, at the beginning of the occupation, were afforded a considerable amount of freedom and, with regard to the exchange control ordinance in particular, acted on their own initiative, without any pressure having been brought to bear on them by the Germans, does not modify, in the Commission's view, the situation which prevailed, in fact and in law, in the Netherlands, as from May 29, 1940.

In this connection, it is important not to lose sight of the fact that, from the above date, which was the date of ordinance N° 3 of the Reichskommissar for the Netherlands (issued pursuant to a decree of Hitler, dated May 18, 1940) by virtue of which the said Commissioner assumed, as was recognized by your Government itself in its memorandum, all the powers which had previously been vested in the Queen and Government, all the Netherlands officials -whatever their rank in the Services, or functions- (including, of course, the Secretaries General) and, a fortiori, the Directors of the Nederlandsche Bank who had, since the beginning of the invasion, been under the control of a German Commissioner, attached to both the Ministry of Finance and the said Bank, were, nolens volens, de facto agents of the Reich.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

It follows, in the Commission's opinion, that, as has always been considered by the three Governments to be the case in the matter of looting, the acts of these de facto agents of the Reich were vitiated from the outset and that the Commission could not take a decision, in principle, differing from those which have governed all its adjudications and could not go back on such a position without violating the principles of equity which, under the very terms of the Preamble of the Paris Agreement on Reparation, must dictate its line of action. Any such action would lead to discrimination unjustifiable in equity and prejudicial to the interests of certain other Governments entitled to participate in the gold pool and reopen the question of the consistency of all the Commission's adjudications.

201473

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL

FINAL MINUTES

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD.

155th Meeting

12 October 1959, at 3 p.m.

Present :

Monsieur Jacques LANSON	- Commissioner of the Government of the French Republic, Chairman.
Richard B. FREUND, Esquire	- Commissioner of the Government of the United States of America.
J.R. COTTON, Esq.	- Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland.
H.E. Sir Ronald WINGATE	- Late Chairman of the Commission, acting as Adviser to the British Commissioner; present only during the exchanges of views regarding the Commission's draft report.

Secretariat

Colonel J.A. WATSON	- Secretary General.

Opening the Meeting, the Chairman mentioned that he was in the chair for the first time and that he considered this as a great honour. He described, shortly, the invaluable services which his predecessor, Sir Ronald Wingate (who was present as Adviser to the British Commissioner), had rendered to the Commission and he said that he felt sure that his colleagues would wish to join him in expressing the Commission's warmest thanks to Sir Ronald for all that he had done. The British and American Commissioners said that they desired to be associated with the Chairman's remarks.

Sir Ronald thanked the Commission for this expression of appreciation.

The Chairman then said that he had been sorry to hear of the resignations, since the Commission's last Meeting, of Mr. C.C. Clemens, Deputy British Commissioner, and of Mr. Samuel E. Perkins, Deputy American Commissioner, and he asked the respective Commissioners to express the Commission's thanks to these two officials for all that they had done and to wish them good luck in their new functions. He had been pleased, and he felt sure his colleagues shared this sentiment, to hear of the appointment of a new British Deputy Commissioner, in the person of Mr. L.S. Ross.

1. Short explanation by the Secretary General regarding the position reached in the drafting of the Commission's report.

Having been invited by the Chairman to explain the position reached in the drafting of the Commission's report, the Secretary General reminded the Commission that he had been directed to make his initial draft as detailed as possible and to leave nothing out, since it had been felt that it would be easier to cut the draft down, if this was considered desirable, than to make additions to it. He had proceeded accordingly and he wished to draw attention to the fact that this work had been spread over a number of years and that, whereas he had started on the assumption that events would follow a normal course, pursuant to the Commission's Terms of Reference, circumstances, that the Commission knew about, had arisen which had necessitated a number of important alterations in the Commission's original plans. As a result of this, he (the Secretary General) expected that, at the very least, the draft would have to be rearranged in the light of altered circumstances. As he had previously reported, the draft was now complete, with the exception of the last Section which would deal with the gold and administrative accounts.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Secretary General then produced the report and annexes as drafted and drew the attention of the Commission to its dimensions and weight, which would render it somewhat difficult to handle if it were left in its present typewritten form. In order to show how other organizations presented their findings, he exhibited a judgment of the International Court of Justice and accompanying data, which were in the form of three printed volumes of convenient size. He also mentioned that the costs of photocopying a large number of documents would be considerable.

2. Exchanges of views between the Commissioners with the object of determining whether any amendments or rearrangements of the draft are required.

The Chairman described the Secretary General's draft as remarkable and said that he had a certain number of points to make. In the first place, he felt that the Secretary General had not said enough about the evolution which had taken place within the Commission before the latter arrived at definite conclusions regarding the criteria (arising out of Part III of the Paris Agreement and of the definition of monetary gold) on which its decisions would be based. The Commission had been inclined, in the early stages, to use a more liberal interpretation of the definition than that which it finally adopted after shaping its policies on definite lines. The Commission's initial hesitation was reflected in the preliminary distribution where some countries (the Netherlands, in particular) received more than they would have received on the basis of the final conclusions which the Commission arrived at later. The Chairman felt that this should be explained.

The Secretary General explained that he had purposely avoided stressing the Commission's initial difficulties and hesitation, since he had felt that what really counted were the definite conclusions arrived at by the Commission, regarding the procedure to be followed and the criteria on which its decisions would be based. He had given the reasons for these definite conclusions, in considerable detail, in his draft. He had thought that it would be taken for granted that such important decisions would not have been arrived at without a certain amount of trial and error. With regard to the figures of the preliminary distribution, he had given these figures, as well as details of the formalities carried out but, here again, he had not considered that any useful purpose would be served by stressing, in the report, that the amounts distributed were, in some cases, in excess of those which would have been delivered if the Commission's definite procedure had been in force from the very beginning. Care had been taken to leave a safe margin in each case. He (the Secretary General) had taken the view that the Commission could be considered to have distributed what it thought it could safely deliver, on instructions from the three Governments, at an early date, as a matter of urgency, to facilitate the economic recovery of Europe, and he had not elaborated further. A somewhat similar view had been taken up by the Commission when drafting, for the three Governments, a suggested reply to the Netherlands' Note of 24 June 1958.

The American Commissioner thought that it would be unwise and unnecessary to bring out, in the body of the report, the Commission's initial hesitations and that this might confuse the issue.

Sir Ronald Wingate, Adviser to the British Commissioner, was then invited to speak and he expressed somewhat similar views to those which had been expressed by the American Commissioner and the Secretary General. He felt that the point made by the Chairman and other similar points could best be brought out in a covering letter from the Commission, accompanying the report to the three Governments, than in the report itself.

The British Commissioner signified that this was also hiw view.

The American Commissioner suggested that the covering letter should :

(a) explain the principles which had governed the drafting of the Commission's report;

(b) bring out the Chairman's point regarding the Commission's initial hesitations, as reflected in the preliminary distribution;

(c) include any other points which might come to light and which the Commission might wish to refer to, without, however, incorporating them in its report; and

./3/.....

201475

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

(d) refer to any passages which the Commission might decide, at this or at subsequent Meetings, to cut down, in order to avoid lengthening the report unduly and explain that additional details could be found in the Commission's archives.

The Chairman and the British Commissioner concurred.

Decision :

The British view that certain points might best be dealt with in a covering letter was adopted and the American Commissioner's suggestion, as to what these points should be, was approved.

The Chairman next referred to the Commission's definition of monetary gold. This was, in his opinion, one of the most important basic documents and he felt that not enough had been said, in the draft report, about it and about the manner in which it had been formulated.

The Secretary General pointed out that the definition had been drawn up before he joined the Commission and that there was practically no documentation concerning it in the Secretariat's files. He had done his best to supplement this lack of information but could not elaborate further without receiving additional details which were, probably, in the files of the three Governments.

The Chairman, who was the Secretary of the Commission and of the French Delegation when agreement was reached on the text of the definition, gave certain explanations and Sir Ronald Wingate also spoke on this subject and suggested that something might, perhaps, be said about the definition in the covering letter.

The American Commissioner felt that the pages of the report dealing with the definition of monetary gold might be reviewed in the light of the answer which had been given to the Netherlands' Note of 24 June 1958 and of a further study of the relations to that definition of all the decisions embodied in the adjudications. The object was to achieve full consistency, an objective unlikely to be attained if the Commission began to analyse the preliminary distribution.

Decision :

Sir Ronald Wingate's suggestion was noted and it was decided that the Secretary General would review the pages in question in the light of what had just been said.

The Chairman's last point concerned the Commission's adjudications. These were lengthy and complicated documents and he (the Chairman) felt that an attempt should be made to sum up the essential points of the claims and the Commission's conclusions in the light of the basic texts. This would, in his opinion, facilitate perusal of the somewhat voluminous report and these brief résumés would be easier to refer to than the adjudications themselves, which might, perhaps, be annexed to the report instead of being incorporated in it.

The Secretary General expressed some doubts as to the possibility of drafting really satisfactory résumés. He reminded the Commission that it had been requested by the three Governments, in January 1950, to draft brief reasons for rejections, for communication to claimant countries, and that the Commission, after several attempts and giving the matter considerable thought, had arrived at the conclusion that this was impracticable and had advised the three Governments accordingly. The idea had been dropped. The Secretary General felt that it would be just as difficult to draft brief résumés of the contents of each adjudication and that an accurate idea of the main points and findings, in each case, could only be obtained by reading the full text of the adjudication. The conditions to be fulfilled in order to establish a claim were the same in each case, it was true, but no two cases were exactly alike and there were numerous considerations and additional arguments, for or against, which would have to be brought out in order to give a satisfactory picture, in each case, and this would, in his opinion, lengthen the résumé to such an extent that it would lose much of its usefulness. He (the Secretary General) had described, at some length, the basic principles applied by the Commission and how its jurisprudence had been elaborated and he had also grouped the main problems with which it had been faced under 14 headings and explained in detail how these problems had been dealt with. He had left it to the reader desiring further details to peruse the adjudication concerned. He felt that it would be difficult to go further and that an additional analysis of the contents of each adjudication might, possibly, confuse the issues.

201476

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SZ NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Chairman agreed that the drafting of brief reasons for rejection had turned out to be impracticable, but there was no question, at this stage, of preparing, for each Government concerned, a text summing up the reasons which had led the Commission to reject some of its claims. The object which the Chairman had in mind was more modest. He was anxious that the report should contain a chapter where the principal characteristics of each element of the claims submitted would be described in order that it should be possible to distinguish clearly by virtue of which disposition of the basic texts each decision had been made. The conditions imposed by these texts were, in fact, not very numerous, approximately 5 or 6, and the classification of the claims according to whether the conditions were or were not fulfilled should not present insurmountable difficulties. He, for his part, was prepared to establish a draft of this nature, where there would be no question of summing up the particular processes by which the Commission had arrived at each of its decisions, since these were set forth in detail in the complete texts of the adjudications.

Decision :

It was agreed that the Chairman would prepare a draft to show his colleagues what he had in mind and that the three Commissioners would then meet to decide what action should be taken on it.

Note : The Secretary General pointed out, subsequently to the Meeting, that the Chairman's draft would, probably, include a preamble which might duplicate, in part at least, his own explanations at pages 42 to 90 of the draft report and that he would, therefore, be unable to put in any work on this part of the report until some agreement had been reached on the Chairman's draft. The Chairman said that he hoped to be in a position to have his paper distributed to his colleagues by the end of the year.

The American Commissioner said that he had one or two points of his own, which he wished to make. First of all, he wished to express his appreciation of the work which had been done by the Secretary General, who had produced a clear and very detailed draft in accordance with the directions which he had been given. He (the American Commissioner) felt that it was not necessary, in a report such as this, to set forth details, which were not absolutely essential, as fully as the Secretary General had done. The report would gain in appearance and be more readable if the really important points were brought out and if non essential details were cut down and, where possible, given only in tabular form. He had in mind (a) the full texts of the appointments of the Commissioners (Annexes A to K) which could be left out altogether. The table in the body of the report would be sufficient. (b) the question of the opening of the Banks' accounts (pages 96 to 105) which could be cut down. (c) the question of the assembling of the gold pool and of the transportation of gold (pages 106 to 142) which could be shortened and (d) the question of the handing over of the delivery orders, of credentials and of the formalities accomplished (pages 149 to 165 and 173 to 183) which could be simplified.

The Secretary General said that this could be done, but that it would not be as easy as it appeared, at first sight, since there had been considerable and unavoidable differences in the manner in which the various cases had been dealt with. This work would take some time. He had gone into these matters in considerable detail and given dates, hours and names (a) because he had been instructed to do so and (b) because he had in mind the possibility that if, as seemed likely, the three Governments published a report, queries might be received which might be difficult to answer if reference had to be made to the Commission's archives, which would, by that time, be in the custody of the "Archives de France". He had felt that researches would be facilitated if very complete information were made available in the report. With regard to (b), it had just been pointed out, however, that the very complete draft, as prepared by himself, would remain available for purposes of reference, in the hands of the three Governments and of the Commissioners. There was no reason, therefore, why the final text should not be shortened, as proposed by the American Commissioner. The Secretary General suggested that, in view of what he had just been asked to do, of the Chairman's intention to draft brief résumés of claims and conclusions and of the fact that, in any event, a rearrangement of the draft report would, probably, be necessary, the best way to set about this work would, perhaps, be for him to review the draft in its entirety and circulate the suggested final text, section by section, as and when these were ready. He would, however, have to stop circulating if he reached the point where the Chairman's résumés should be inserted, before these were completed and approved, since he would be unable to number the pages and references would become impossible.

5/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

Decision :

The Secretary General's suggestion was adopted.

The American Commissioner asked that the procedure which had been in force up to then, whereby texts were circulated in the English language in the first instance and only translated into French after approval, should be continued.

Decision :

The Chairman said that this would be done insofar as was possible.

The American Commissioner then said that he was of the opinion that, once the revision referred to above had been completed, the Secretary General should prepare the last Section of all, dealing with the accounts, which had not yet been drafted.

The Secretary General said that, when the time came, he would have to ask the Commission to indicate a date on which the accounts would be closed for the purposes of the report, since it would not be practicable to amend the figures, in the light of current business, once they had been prepared for insertion in the report. He also asked the Commission whether it was considered desirable that a reputable Firm, such as Messrs. Price Waterhouse & C°, who audited the Commission's administrative expenditure, should be called in to assist in the preparation of this last Section.

Decision :

The Commission decided that, after the revision referred to above had been completed, the Secretary General would prepare the last Section dealing with the accounts and that it would not be necessary to request the assistance of a private Firm.

The American Commissioner's last suggestion was to the effect that an index should be prepared, in due course, to complete the report and that, when the various amendments were in the hands of the Commissioners, the latter should agree a time-limit for exchanges of comments and suggestions and, later, a date for a Meeting with a view to reaching agreement on a final text.

Decision :

The American Commissioner's suggestion was adopted.

3. Agreement on a procedure to be followed in order to achieve this purpose (the purpose described in item 2).

The Chairman said that the procedure to be followed had, in fact, been agreed under Item 2. The Secretary General would review the report in the light of the decisions which had just been taken and he (the Chairman) would, for his part, prepare the résumés of claims and conclusions for submission to his colleagues, as agreed.

4. Any other business.

(a) The excess of gold coins received by Austria.

The Chairman referred to the Secretary General's last note (INT-3528, of 23 September 1959) on this subject and asked his colleagues if they had any observations to make.

The American Commissioner said that he had consulted the Federal Reserve Bank of New York and he gave details of that Bank's reply, which showed : (a) that it was impossible to make an estimation of the degree of importance which might be attached by beneficiary Central Banks to the receipt of coins rather than bars and (b) that the cost of transporting 1,707.4018 kgs of gold would nullify any advantage which might be derived from the receipt of gold coins, to this amount, in the pool. His Government recognized no premiums on coins in international transactions. It seemed to him, nevertheless, that the Governments might still see a possible risk for themselves and/or the Commission of being criticized or receiving claims based on the imbalance in distribution of coins. He further said that he would be prepared to have the Commission sound out the Austrians informally but recognized the risk involved if it did so and failed.

6/.....

201478

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The British Commissioner said that his Government had examined the matter and arrived at the conclusion that the three Governments' only obligation was to restitute gold and that they were not bound to establish distinctions between coins and bars when making restitution.

The Chairman noted, with interest, the advice received by the American Commissioner from the Federal Reserve Bank of New York and the observations of the British Commissioner. As he (the Chairman) had already pointed out, each Central Bank was only interested in certain very special categories of coins. Taking into account the difficulties and costs which would be involved if an attempt were made to re-establish a balance in the distribution and the fact that it would, probably, be impossible to deliver to successful claimants the coins which they might wish to have, he (the Chairman) was of the opinion that things might be left as they were.

Decision :

It was decided that it should be recommended to the three Governments that the matter should be shelved.

(b) Consideration of the action, if any, to be taken by the Secretary General following upon the receipt, from his colleague of the Inter-Allied Reparation Agency, of a copy of the final report of the Negotiating Powers on German enemy assets in the neutral countries and other territories.

The Chairman referred to the Secretary General's note (INT-3522, of 7 September 1959) on this subject. The Secretary General had asked whether the Commission was of the opinion that extracts from the above-mentioned report and copies of annexes 7 and 8 to the report of the Assembly of the Agency, which was published in June 1951, should be included, for information, in the Commission's report, as an annex. His (the Chairman's) view was that the report of the Negotiating Powers only intended to deal with matters of reparation. He thought that the three Governments would probably find it necessary to draft a separate report on the subject of the assembling of gold in their respective zones of occupation in Germany and on their negotiations, which were not always tripartite, which led to the delivery of gold by neutral countries and, at least, one institution, to the pool. He suggested that, if such a report were drafted, the Commission might perhaps ask the three Governments for a copy to complete its report.

The Secretary General recalled that he had raised a somewhat similar question in his INT-3410, of 17 October 1958.

In answer to a question by his American colleague, the Chairman mentioned that, in some cases, the Negotiating Powers had negotiated in respect of both gold and reparations and that, in other cases, their activities had been limited to reparations or gold, alone. In the latter category, there figured negotiations with the Bank for International Settlements and with Rumania and there had also been separate negotiations with Sweden. None of these was, of course, covered in the report to the Agency.

Decision :

It was agreed that the Commissioners, individually, would take this matter up with their respective Governments.

Note : The Secretary General pointed out, subsequently to the Meeting, that the revision of pages 106 to 142 of the draft report describing the part played by the Commission in arranging transfers of gold to the pool, as an Agent of the three Governments, would probably have to be postponed until it were known whether the three Governments propose to draft a report on the assembling of gold in their respective zones of occupation and on their negotiations with neutral countries. If such is their intention, the relevant part of the Commission's report would have to be amended in such a way as to form a sequence to the three Governments' report and the length of this sequence would be dependent upon what the three Governments would say.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

(c) Consideration of a suggestion by the British Commissioner that an agreed statement should be approved of the breakdown of the holdings in the Bank of England and the Federal Reserve Bank of New York, showing weights in kilograms of bar gold and gold coins, into the specific reserves for the Netherlands, Czechoslovakia, Danzig, Albania and the general reserves.

The Chairman referred to the Secretary General's INT-3531, of 6 October 1959, circulating a suggested breakdown, as requested. He asked his colleagues if they had any comments to make. An exchange of views showed that the three Commissioners had not had sufficient time to examine this question.

Decision :

It was decided that this question would be brought up on the Agenda of the Commission's next Meeting.

(d) Consideration of a question raised by the Secretary General regarding the Commission's channels of communication.

The Chairman said that the Secretary General had drawn attention to the fact that it seemed probable that the next Assembly of the Inter-Allied Reparation Agency would dissolve the Agency. This would, presumably, automatically put an end to the functions of the various Delegates to the Agency. Paragraph 3 of the Commission's Terms of Reference read as follows : "The Tripartite Commission for "the Restitution of Monetary Gold shall normally sit in Brussels but shall be "independent of the Inter-Allied Reparation Agency already located there. The "Commission is nevertheless empowered to communicate, on behalf of the three "Governments concerned, with the Allied Governments, Members of the Inter-Allied "Reparation Agency, through the Delegates accredited to the Agency by those "Governments, with the Secretariat of the Agency and, when necessary, with other "Governments, on questions arising out of Part III of the Paris Agreement on "Reparation". The Secretary General had suggested that the Commission might, perhaps, wish to enter some formal resolution in the Minutes of one of its next Meetings, noting the dissolution of the Agency and the termination of the functions of the Delegates to the Agency and deciding that, in future, the Commission would communicate with former Delegates in their capacities as Ambassadors or Ministers, unless one or more of the three Governments had some objection.

Decision :

It was decided that this matter should be brought up on the Agenda of the next Meeting of the Commission following the dissolution of the Agency.

The Meeting adjourned at 5.30 p.m.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

FINAL MINUTES OF 211TH MEETING OF GOLD COMMISSION HELD AT THE FRENCH EMBASSY AT 9.40 AM ON WEDNESDAY, 16 JUNE 1982

Present:

Mr Jacques Dalberto	Chairman, French Commissioner
Miss Mary McDonnell	United States Commissioner
Mr Richard Lavers	United Kingdom Alternate Commissioner
	Mr C G Harris, Secretary-General

1. The Chairman remarked that there had been no complaints or communications from the Czechoslovak Government since the handover of 18.4 tons of gold in Zurich on February 20 1982 and the Commission noted this fact with satisfaction.

2. The meeting closed at 9.41 am.

C G Harris

C G Harris
Secretary-General

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL

FINAL MINUTES

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

192nd Meeting held on 28 June 1976

PRESENT:	I S Winchester Esq	Alternate Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland, Chairman
	W N Wenban-Smith Esq	Alternate Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland
	Monsieur Serge de Tschaikowsky	Commissioner of the Government of the French Republic
	Monsieur Jean Lemperière	Alternate Commissioner of the Government of the French Republic
	Mrs Ruth H Phillips	Commissioner of the Government of the United States of America
	Mark Lore Esq	Alternate Commissioner of the Government of the United States of America

SECRETARIAT:

Colonel J A Watson OBE

1. Review of the Commission's adjudication of 9 June 1958 regarding the Polish claim in respect of the gold of the Bank of Danzig.

The Chairman asked his colleagues if the above mentioned adjudication could be reviewed in the light of the information and requests contained in the American Government's note of 26 May 1976, the British Government's note of 26 May 1976 and the French Government's note of 12 May 1976 (forwarded under cover of a letter of 4 June 1976 from H.E. the French Ambassador) all addressed to the Commission.

The adjudication was reviewed accordingly and the Commission unanimously decided that the Polish claim was valid.

Exchanges of views followed regarding the drafts, which the Chairman had undertaken to prepare, of an adjudication supplemental to the Commission's original adjudication on the Polish claim in respect of the Danzig gold and of a letter under cover of which the supplemental adjudication would be sent to the Polish Ambassador, with a specimen of a waiver and receipt such as had always been signed by beneficiary countries in such cases.

/The

CONFIDENTIAL

201482

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Alternate British Commissioner took note of various suggestions among others that the additional adjudication should be dated 28 June 1976 and it was provisionally agreed that the Commission would meet again at 3h30pm on Friday 2 July 1976.

2. Any other business

The Secretary General answered a number of questions from the French Commissioner, in particular about the manner in which the shares of the successful claimant countries in the gold pool had been calculate

The Secretary General also placed on record, at the French Commissioner's request, the fact that the delivery to the Polish Government would not affect the rights of any other successful claimant countries.

The Secretary General pointed out that the Commission's programme had been established long ago and incorporated in its very detailed interim report of 3 March 1971 to the three Governments. The various figures given had not changed since then.

The meeting adjourned at 5h30pm.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL

FINAL MINUTES

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

190th Meeting held on 17th September 1974

PRESENT: Monsieur Roger Labry - Commissioner of the Government of the French Republic, Chairman

I S Winchester Esq - Alternate Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland

John P Heimann Esq - Deputy Commissioner of the Government of the United States of America

SECRETARIAT

Colonel J A Watson

1. Examination of the Situation Reached in the Case of Czechoslovakia:

The Chairman referred to a letter, dated 24 July, 1974, which had been addressed to the Commission by the Ambassador of Czechoslovakia, in Brussels, to a letter which he (the Chairman) had received from his American colleague, on the above subject and to a letter, dated 4 September 1974, which the Secretary General had addressed to the American Commissioner, in reply to an inquiry from the latter. It appeared that, subject to certain conditions, which did not concern the Commission, the American Commissioner was prepared to sign the Commission's adjudication on the claims of Czechoslovakia and that the government of that country desired to receive its share at the Swiss Bank Corporation at Zurich, and would cover all costs whatsoever arising in the United Kingdom, America and Switzerland, in connection with this operation.

The Chairman said that he understood that there might be a delay and the American Commissioner replied that this was so and that he had been asked to apologise. He was anxious, however, that the meeting should continue.

/The Chairman

CONFIDENTIAL

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

The Chairman declared that, in principle, he was prepared to sign the adjudication, but that he was not in agreement with some items of the procedure envisaged by the United States, which he referred to.

The British Commissioner reserved his position.

A conversation followed, in the course of which the American Commissioner put forward alternative suggestions with a view to meeting the Commission's normal requirements.

The Secretary General asked that the fact that his entire staff had been suppressed some years earlier, as a measure of economy, should be taken into account.

The American Commissioner said that he would arrange for all secretarial work required by the Secretary General in connection with this matter to be done at the American Embassy.

The Commission took note of the following suggestions:

(i) The American Commissioner asked that the three Embassies in Bern be eventually requested to open an account at the Swiss Bank Corporation, at Zurich, in the name of the three governments constituting the Commission, to be operated exclusively and jointly by the three Commissioners: also that the Swiss Bank Corporation should arrange with the Czechoslovak Government for the payment in advance of all costs whatsoever required by itself, the Bank of England, and the Federal Reserve Bank of New York and possibly the Commission (such as travelling expenses and accommodation) in connection with this matter.

(ii) The British and American Commissioners would arrange for the Bank of England and the Federal Reserve Bank of New York respectively to be informed of the operation envisaged.

(iii) Once the three Commissioners were in a position to sign the adjudication, they would do so and the Secretary General would then, in accordance with previous practice, send the original adjudication to the American Embassy for the last pages, bearing the signatures, to be reproduced by the Embassy's printing department, 140 times in French

/and

201485

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 1

and 165 time in English, to complete the copies, at present in the Secretariat, of the adjudications to be annexed to the three governments' report to the signatories of the Paris Agreement on Reparation. American staff would help to staple these. The original adjudications (two in English and two in French - one of each for the claimant and for the Secretariat) would be stapled and bound at the American Embassy and returned to the Secretaria in due course.

(iv) The Commission would give instructions for transfers totalling 18,400 Kgs of fine gold from the Bank of England and the Federal Reserve Bank of New York to the Swiss Bank Corporation.

(v) The American Commissioner would arrange for a Czechoslovak Representative, duly empowered, to take over the Commission's usual announcement, accompanied by its adjudication, as well as its delivery order on the Swiss Bank Corporation, against signature of the Commission's usual form of receipt at one sitting, possibly conducted by the Secretary General. The Czech representative would be asked, in advance by the American Commissioner, to agree orally at the sitting to waive his need for a delay between his receipt of the announcement/adjudication and his presentation of his letter of reply.

The Secretary General gave details of the quantities of gold concerned, as follows:

	COINS		BARS	
	Kgs	Ounces	Kgs	Ounces
Federal Reserve Bank	206.7523	6,647.240	8,002.6836	257,292.251
Bank of England	10,190.5641	327,634.243		
	10,397.3164	334,281.483	8,002.6836	257,292.251
Total Kgs	18,400.0000			
Total Ounces	591,573,734			

2. Any Other Business

a. Payment for the Room Occupied by the Secretariat at the British Embassy and Services

The Secretary General recalled that it had been agreed, at the 189th meeting that payment would be made for the above. He thought

/that

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SZ NARA Date 8-9-99

RG 59
Entry 5382
Box 1

CONFIDENTIAL

that, since the minutes of the meeting had now become final, the British Commissioner might, perhaps, care to take this matter up.

This was agreed.

The Secretary General mentioned that he had paid 2,950 francs to the Embassy for an internal removal.

b. Authority for Entries in the Accounts

The Secretary General recalled that the three governments had decided that a recovery by Czechoslovakia, after the war, of 3.710 kgs of fine gold from the Swiss National Bank should be considered as having been received by Czechoslovakia on account of its share in the gold pool. This decision had been incorporated in the Commission's adjudication and taken into account in all the calculations made to date, but no entries had been made, so far, in the Commission's books, since the adjudication had not yet been signed.

It was decided that the above amount should be credited to the gold pool and debited to Czechoslovakia in the Commission's books.

c. The Secretary General recalled that he had been authorised to have recourse, when necessary, to the services of Monsieur P. Jacqmot, who had been his assistant for over twenty years and was very familiar with the Commission's business, accounts and archives. Having regard to the continued increase in the cost of living and to the value of Monsieur Jacqmot's knowledge and his helpfulness, he (the Secretary General) had increased Monsieur Jacqmot's remuneration to 1,500 francs per visit, as from 16 September, 1974. There had been two such visits since the beginning of the year.

The meeting adjourned at 1730.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 2

FINAL VERSION

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

Agreed minutes of Meeting No 239 of the Tripartite Commission for the Restitution of Monetary Gold held at the British Embassy on Wednesday 19 November 1997.

Those present:

Mr Mervyn Jones	British Commissioner	Chairman
M. Philippe Malo	French Commissioner	
Ms Anne E. Derse	US Commissioner	
Mr Emrys Davies	Secretary General	

Minutes of the previous meeting

1. The minutes of Meeting No 238 held on 26 August 1997 were approved.

Meeting in London of Task Force on Compensation Fund

2. There was discussion of the issues raised by the US Commissioner concerning the mechanics of the final distribution. The US shared the Secretary General's concern about the possibility of short-cuts being made in the established procedures, particularly in relation to the receipt. In the US view it was also important to demonstrate a clear change of title from the TGC to the claimant country before the donation to the Fund takes place. The US also shared the previously expressed UK view that it would be prudent to seek fresh waivers from each recipient country. In the light of comments by the British and French Commissioners and the Secretary General, the US Commissioner agreed to seek further advice from Washington.

3. The Secretary General reminded Commissioners of the possibility that speedy action might be required of the Commission if the Compensation Fund were set up and a claimant country wished to contribute its share to it before the London Conference. The signatures of Commissioners or their Deputies might be needed at very short notice.

The Czech and Slovak Republics

4. It was agreed that, in order to prevent any future misunderstanding, the draft Notes to the Czech and Slovak Embassies in Brussels should both make reference to the Notes received by the Tripartite Commission from both Embassies. The

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 2

French Commissioner undertook to provide French versions of both Notes. The Secretary General would then ensure that the English version was consistent with the French version, and issue the Notes to the Czech and Slovak Embassies.

The successor states of the Former Republic of Yugoslavia

5. There was discussion of the way forward in dealing with the successor states of the former Yugoslavia in the light of the decision by the Republic of Croatia, announced in the letter of 3 November to the TGC from the Croatian Foreign Minister, to renounce its share of the final distribution in favour of the Jewish victims of Nazi persecution. There appeared to be three options:

(a) The issuing of five identical Notes to the five successor states on the lines of the draft enclosed with the Secretary General's letter of 15 October 1997 (see Annex A): that to the Croatian representative would be accompanied by a separate Note responding specifically to the Croatian decision.

(b) The issuing of a comprehensive Note to the Croatian representative on the lines of the draft in Annex B and four identical notes to the other four successor states on the lines of the draft in Annex A.

(c) The issuing of a comprehensive note to the Croatian representative on the lines of the draft in Annex B and four identical notes to the other four successor states on the lines of the draft in Annex A but amended by the addition of a paragraph which would adapt the texts of paragraphs 3 and 4 of the comprehensive draft to the Croatian representative and draw the attention of the recipients to the possibility of contributing their final share of the gold pool to compensating the victims of Nazi persecution. See Annex C.

Gold on Deposit with the Bank of England

6. The British Commissioner informed his colleagues that, up to the middle of November, the gold on deposit had earned the TGC a total of £227,724.58. Commissioners agreed that it might well be possible to roll-over the deposit for a further month after the present period due to end on 15 December. The Secretary General was asked to consult Commissioners on or about 7 December.

7. The Secretary General was also asked to discover whether it might be possible to put the gold on deposit for less than one month. (Following discussion with the Bank of England the Secretary General confirmed that this was not practicable.)

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 2

Secretary General - Insurance Cover

8. It was agreed that a decision would be made by the end of January 1998 concerning the funding of insurance cover for the Secretary General for a second eighteen-month period after the current period (end July 1997 to end November 1998).

TGC Office Rental

9. It was agreed that the Secretary General should pay the rent for the TGC's office in the British Embassy up to the end of February 1998 and that he should take an early opportunity to raise with the British Joint Management Office the possibility of staying on in the current office rent-free after the end of February for the duration of the TGC's existence - which was likely to be only a short period. In the light of the response, it might be for consideration to take up the suggestion made by the French Commissioner that the TGC move to rent-free accommodation in the French Embassy. Given that the TGC's archives would eventually be moved to Paris, there might be practical advantages in such a move.

The TGC's Archives

10. The French Commissioner proposed to initiate discussions with the appropriate officials in Paris: no doubt a visit to Brussels would be useful as might a visit by the Secretary General to Paris.

The London Conference - the Secretary General's Paper

11. The US Commissioner raised a number of points about the draft of the Secretary General's paper, suggesting inter alia that it be expanded by the inclusion of more detailed factual information and cover in greater detail the origins of the gold in the gold pool. The British Commissioner expressed concern that the Secretary General's paper should not stray into strictly non-TGC territory, especially into areas on which the TGC itself had little information. The US Commissioner agreed to seek early clarification from Washington, particularly regarding the suggestion that the paper should deal with TGC's role in the recovery of the gold.

The TGC's Final Report

12. The need to finalise the draft of the TGC's final report to the three Governments was noted as was the need for a decision on the nature of the report by the three Governments to the Signatories of the Paris Agreement. The work of producing French versions of these reports ought to be undertaken soon.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 2

Danzig

13. The British Commissioner reported that the Commission had received a communication from what purported to be the "Government-in-Exile of the Free City of Danzig". The three Governments would need to decide whether a response would be appropriate and, if so, what form that response should be take.

Chairmanship

14. There was discussion of the Chairmanship of the Commission from 1 January 1998. It was agreed that following further reflection, a decision should be made after the London Conference, although the matter had already been decided in principle at the TGC meeting of 22 May 1997. The British Commissioner said that, if for operational reasons it would be more convenient, he would be content to retain the Chair.

The next meeting

15. It was provisionally agreed that, depending on the outcome of the London Conference, the next meeting would be held on 17 December 1997.

****

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

CONFIDENTIAL

TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

REPORT TO THE GOVERNMENTS OF THE UNITED STATES OF AMERICA, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND FRANCE.

VOLUME III

201492

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

CHAPTER I

THE GOLD (AND DOLLAR AND POUND) ACCOUNTS

1. The accounts at the Federal Reserve Bank of New York.

(a) How these were opened and operated.

The first of the accounts was opened, without prior intervention of the Commission, at the Federal Reserve Bank of New York on June 6, 1947. The bank wrote to the Commission, on June 26, 1947, stating that it had been requested by the Banque Nationale Suisse, at Berne, to release not less than 1,659,119.140 fine ounces of gold from its account with them and to hold such amount at the disposal of the Commission. The bank added that it had been informed that this transfer represented a payment agreed between the Allied Governments concerned and Switzerland under the Washington Agreement of 1946 and that, pursuant to an authorization and instructions of the United States Treasury Department, acting as fiscal agent of the United States, it had opened a gold account on its books, on June 6, 1947, in the name of the Commission and had earmarked in its vaults for this account 4,031 United States Assay Office gold bars containing 1,659,121.321 Troy ounces of fine gold. A copy of the Bank's letter of June 26, 1947, is attached hereto as Annex 12.

The Federal Reserve Bank of New York's letter crossed, in the post, a letter dated June 24, 1947, from the Commission, which had been prepared by the Commissioner of the United States, addressed to the Secretary of State of the United States requesting that the Federal Reserve Bank of New York should be authorized and instructed, through the Secretary of the Treasury of the United States, to open a dollar account and a gold custody account in the name of the Commission on its books. This same letter contained a list of the duly authenticated signatures of the Commissioners and Deputy Commissioners authorized to operate the two accounts and the Commission's acceptance of the general conditions of the bank governing the operation of accounts of this nature. Later, on November 19, 1947, the Bank wrote to the Commission, giving details of the special and permanent authorizations, governing the operation of the two accounts, which it had received from the Secretary of the Treasury of the United States and information regarding the bank's charges. Put very briefly, the bank made no charge for holding gold for the Commission under earmark and made its usual charge for the actual labour costs of receiving, checking, weighing, delivering and handling gold for the account.

As and when changes took place in the composition of the Commission, these changes were notified to the bank and certified copies or originals of the authorities for such changes and authenticated specimens of the signatures of the new Commissioners and Deputy Commissioners were furnished. Copies of such notifications were sent, through the Commissioner of the United States, to the Secretary of State of the United States, for the information of the Treasury.

(b) The Commission's status under United States law.

With regard to the Commission's status, in law, as an account holder and to the question of immunity from attachment, the action which was taken shows that the Commission was held to be a juridical person and that it was considered that gold deposited in its name would be immune, by virtue of the Commission's establishment by the three Governments and its composition, from attachment in the United States.

2/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

The gold account at the Federal Reserve Bank of New York was the only gold account to be opened in the Commission's own name. It was opened in this manner by decision of the three Governments and, as a result of their action, the Commission became their agent, pursuant to Paragraph 5(e) of its Terms of Reference, for the operation of the account. The three Commissioners (and their Deputies) were automatically empowered to sign, jointly, all instructions to the bank since they constituted the Commission. As will be seen later, a different procedure was adopted in regard to the gold accounts at the Bank of England and at the Bank of France.

Each central bank has its own rules and practice governing the holding of gold and the opening of gold accounts and the status, in law, of account holders and the laws and precedent governing attachment vary depending on the country in which the accounts are kept.

(c) The rules governing the holding of gold bars and coins in the United States and the problems which arose.

In the case of the Federal Reserve Bank of New York, it would appear, from the correspondence exchanged with that bank, that the latter, normally, holds only United States Assay Office gold bars, which are the only bars which are good delivery on the American market. The bars are set aside in the bank's vaults under earmark for the account holders' account and the latter receive from the bank a list of the bars held and a firm credit in respect of these bars in Troy ounces of fine gold.

The bank was inclined, upon receiving foreign bars and coins, to have these melted down and converted into United States Assay Office bars. This operation entails certain costs and a loss in melting.

There are about 26 different types of gold bars which are good delivery on most of the European markets and most gold coins have a recognized value and are preferred by many countries to bars. Since the countries with which the Commission was concerned were all European and, therefore, accustomed to receiving bars recognized as good delivery bars on the main European markets as well as foreign gold coins having a recognized value, the Commission enquired whether there would be any objection to the setting aside by the Federal Reserve Bank of New York of bars and coins answering the above description, intact, for its account, as well as all United States coins (which are only redeemable at their face value in the United States). This procedure was agreed but the bank only gave a "said to contain" credit for such bars and coins. Miscellaneous gold bars which were not good delivery on the European markets and mutilated and unidentifiable coins were converted into United States Assay Office bars.

2. The accounts at the Bank of England.

(a) The question which arose regarding the security from attachment of any gold belonging to the pool which might be transferred to the Bank of England.

This question was first raised within the Commission at a Meeting in September 1947. On February 7, 1948, the United Kingdom Commissioner wrote to his French colleague, in reply to a question which the latter had raised at a Meeting on the previous day, informing him that he had taken this question up with his Government and that the position was as follows :

3/.....

201494

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

It was extremely difficult to reply precisely to this query since no precedent existed and, therefore, there was no Court ruling to which reference could be made.

The Bank of England was of the opinion that a minimum risk would arise, insofar as concerned gold deposited in the United Kingdom, if the gold were held on Treasury account for the Commission.

Gold held in this way would be at least as safe from attachment as gold held for the Commission in the Federal Reserve Bank of New York.

Her Majesty's Treasury had stated that gold on deposit in the Bank of England in the name of the Commission would enjoy a status similar to that of gold deposited by the central bank and monetary authority of a sovereign State.

The Treasury would secure the bank against all risks and liabilities arising out of the account as was customary with Treasury accounts.

It is clear from what precedes that it was originally intended that the account at the Bank of England should be opened in the name of the Commission, as had been done in respect of the account at the Federal Reserve Bank of New York. As a result of further consultations between the three Governments, it was, however, finally decided to open the account in the name of "His Majesty's Treasury on account of "the Governments of the United States, the United Kingdom and France"", as will be seen from the letter, dated March 9, 1948, from the Treasury of the United Kingdom to the Governor and Deputy Governor of the Bank of England, a copy of which is attached hereto as Annex 13.

(b) <u>The decision to transfer the "Frankfurt gold" to the Bank of England</u>.

As will be seen later, the main portion of the gold pool was found by the United States Forces in a salt mine at Merkers, in Thuringia, and transferred to the United States Foreign Exchange Depository at Frankfurt. Some of this gold was delivered direct from Frankfurt in the preliminary distribution, referred to briefly in Volume I, Chapter III, Section 10, and which will be described in detail in Chapter III hereafter, but after this had been done, there still remained some 4,000,000 fine ounces of gold in the Depository.

Early in 1948, the Commissioners received letters from their respective Governments informing them that the three Governments had decided that the gold held by their respective Representatives in Germany should be removed to the Bank of England and to the Federal Reserve Bank of New York and authorizing the Commissioners (or their Deputies) to act jointly as Representatives of their respective Governments for the purpose of issuing such requests and making such arrangements as might be necessary to this effect. These letters further authorized the Commissioners (or their Deputies) to act, jointly, as Representatives of their respective Governments for the purpose of operating the gold account opened at the Bank of England.

Copies of the letters dated February 25 and March 12, 1948, which were received by the Commissioner of the United States of America from his Government, are attached hereto as Annexes 14 and 15. Copies of the letters, both dated March 1, 1948, which were received by the Commissioner of the United Kingdom of Great Britain and Northern Ireland from his Government, are attached hereto as Annexes 16 and 17, and a copy of the letter, dated March 2, 1948, which was received by the Commissioner of the French Republic from his Government, is attached hereto as Annex 18.

4/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

It will be observed that it was left to the Representatives of the three Governments on the Commission to decide how the pool should be divided between the Bank of England and the Federal Reserve Bank of New York. The Secretariat of the Commission furnished a comprehensive report on the possibilities in regard to despatch from Germany, in regard to transport and in regard to reception in the respective central banks and gave details as to costs of transport, risks and insurance. The claimant countries were, also, asked whether they would prefer to receive gold allocated to them at the Bank of England or at the Federal Reserve Bank of New York. The three Representatives examined the position from all angles in the course of a number of Meetings and arrived, unanimously, at the conclusion that the interests of the pool would best be served by delivering the whole of the Frankfurt gold to the Bank of England. One of the reasons for this decision was that the total cost of transport, insurance and of the necessary arrangements for delivery to London amounted to only one third, approximately, of what it would have cost to send the gold to New York. The three Representatives advised accordingly and all the Frankfurt gold was, finally, sent to the Bank of England.

(c) The opening of the account.

The three Representatives wrote, on March 18, 1948, to the Governor of the Bank of England, referring to the letter which the Treasury of the United Kingdom had addressed to the bank on March 9, 1948, requesting that a gold account be opened, on the bank's usual terms, and giving the signatures of the Representatives and their Deputies authorized to operate the account. Although it was not the Commission but the Representatives who were acting as agents on this occasion, it was found convenient to use the Commission's usual letter-heads when writing to the bank and no objection was raised.

As and when changes took place in the body of Representatives, these changes were notified to the bank, supported by certified copies or originals of the authorities for such changes and a copy of the notification was forwarded by the Representative of the United Kingdom to the Treasury of the United Kingdom. It is, perhaps, not unnecessary to mention here that the three Governments invariably designated their respective Commissioners for the Restitution of Monetary Gold to act as their Representatives for the purpose of operating the gold accounts.

The account at the Bank of England was opened on May 20, 1948, when a quantity of gold handed over to the three Governments by the Government of Rumania was delivered to the bank and the first consignment of gold from Frankfurt was entered in the books of the bank on July 12, 1948.

(d) The rules governing the holding of gold bars and coins at the Bank of England.

The practice of the Bank of England with regard to the receipt of gold differed, up to December 1, 1955, from that of the Federal Reserve Bank of New York. Gold bars which fell within one of the 26 categories, or so, which were considered good delivery on the London market, were freely accepted and the bank gave a firm credit in Troy ounces in respect of such bars. Bars which were not good delivery on the London market were melted down and converted into good delivery bars. Good delivery bars were not held separate for each customer, as is the case at the Federal Reserve Bank of New York. They were still kept separate from the bank's own gold but the bank, when it executed an order given by a customer, merely debited the latter's gold bar account with the exact amount of the order in fine Troy ounces of gold. If the transaction involved delivery of gold outside the Bank, the individual bars delivered were not necessarily selected from the identical bars received from the customer.

5/.....

201496

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

As from December 1, 1955, however, the bank reverted to a previous practice which consisted in the setting aside of specific bars for the bar gold holdings of their customers and they proposed that this system should be applied, as from December 1, 1955, to the gold held for the account operated by the Commission. The latter accepted. This meant that, as from the above-mentioned date, transactions in bar gold had to be made for the account in complete bars.

With regard to coin, it was agreed between the bank and the three Representatives that the bank would set aside the gold coins received for the account of the three Governments after weighing against the weight indicated on the bag labels. The bank was unable, owing to the nature and volume of the consignment, to examine individual coins and was relieved of responsibility or liability in respect of any counterfeit or false coins which might be found among the coins in question. Such counterfeit or false coins were, in fact, found when deliveries were made and small differences were made good by means of additional deliveries. The fine ounce credit which was given by the bank in respect of all the coins it received was described by the bank as "the calculated content of sundry gold coin set aside for the account".

The bank's practice, up to December 1, 1955, simplified the Commission's book-keeping and the drawing up of delivery orders since it was always possible to deliver the exact amount in fine ounces which it was desired to hand over, whereas the Federal Reserve Bank of New York's possibilities in this respect were limited by what could be made up from the bars actually set aside for the Commission's account.

With regard to charges, the bank originally levied a safe-custody charge of ¼ ‰ on receipt of the gold which was delivered to it for the account of the three Governments, based on the number of fine ounces received and ¼ ‰ for each three months or part thereof during the period the gold was set aside. These charges, however, were based on the assumption that the gold deposited would be held for a very short period and, following upon a démarche made by the Secretary General of the Commission, in consultation with the Chairman, the Bank agreed, on March 18, 1949, to refund to the account of the three Governments a portion amounting to £27,760.12.3 of the total safe-custody charges amounting to £34,510.12.3 which it had levied up to that date and to reduce its charges thereafter to £500 per three months or part thereof. Later, on May 21, 1952, when further deliveries had been made from the account, the charge was reduced to £250 per three months or part thereof, and later still, on September 1, 1958, when the major portion of the quasi final distribution had been effected, the charge was reduced to £125 per three months or part thereof. This amount was further reduced to £87.10.0 per three months or part thereof as from June 1, 1967, as a result of a démarche made by Her Majesty's Government following upon a unanimous resolution of the Commission which had considerably reduced its expenditure and had suggested that, since the Federal Reserve Bank of New York did not levy safe-custody charges, the Bank of England might, perhaps, be persuaded to waive future charges in this respect. Handling, assay, melting, refining and other exceptional charges were, of course, claimed separately by the bank in accordance with its usual practice.

6/.....

201497

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

- o -

3. The problems which arose in connection with "said to contain" and other similar forms of credit and how the Commission dealt with them.

It was on the occasion of a delivery of gold by the Government of Sweden to the gold pool that the Commission considered the policy it would adopt in regard to bars and coins which were described as "said to contain" a certain number of Troy ounces of fine gold. One of its functions under its Terms of Reference was "to announce the total value of the pool of monetary gold". The Commission, therefore, had to decide whether the acceptance of credits on a "said to contain" basis was compatible with its obligations under its Terms of Reference. As will have been seen, the problem arose in connection with gold bars (other than United States Assay Office bars) at the Federal Reserve Bank of New York and with gold coins both at the latter bank and at the Bank of England.

The only way in which a firm credit could have been obtained would have been to have had all the bars at the Federal Reserve Bank of New York which were not United States Assay Office bars and, also, all the coins, melted down and converted into United States Assay Office bars and to have had the coins at the Bank of England sent to a refinery for conversion into bars of good delivery on the London market. These operations would have entailed a loss in melting and comparatively high costs for handling, transport, melting, assaying, etc ... This was clearly unnecessary and undesirable.

The Commission decided that it would be good policy and in the interest of all concerned that the above-mentioned bars and coins should be set aside intact, without conversion, for eventual delivery to the claimant countries and it authorized the Secretary General to consider the "said to contain" and other similar credits as firm credits for the purposes of the Commission's book-keeping. The Commission decided that the replacement of an odd counterfeit or false coin from the pool would cost considerably less and present less disadvantages than the conversion of these coins into bars. It did, however, decide that it would reproduce the "said to contain" formula in the announcement which, at the time of writing this report, has not yet been made, of the total value of the pool available for distribution as follows : " ..... Troy ounces (or ..... kilograms) of fine gold contained or said to be contained in gold bars and bags of gold coins".

4. The account at the Bank of France.

On June 14, 1951, the Financial Adviser, Control Commission for Germany, British Element, wrote to the Secretary General of the Commission, informing him that, in accordance with instructions received from His Majesty's Government in the United Kingdom, the British Element of the Allied High Commission for Germany was holding at the disposal of the Commission some 2,350 kilograms of gold, originating from deposits made in the British Zone of Germany in accordance with the provisions of Military Government Law 53.

The Commission originally thought of depositing this gold at the Bank of England, where a gold account was already open, and the Secretary General began to make arrangements accordingly.

The French Commissioner suggested, however, at a Meeting on June 27, 1951, that the gold should be sent to the Bank of France where it would be conveniently situated for delivery to France, via Belgium, in some future distribution. It was agreed that the French Commissioner would take this matter up with his Government.

7/.....

201498

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

On August 21, 1951, the French Ministry of Finance addressed a letter, a copy of which is attached hereto as Annex 19, to the Governor of the Bank of France, requesting him to open an account in the name of the three Governments, giving the names of the Representatives of the three Governments authorized to operate the account and asking the Governor to communicate with the Secretary General of the Commission who would make the necessary arrangements for the delivery of the gold.

Monsieur Pol Gargam, the Secretary General of the Bank of France, who was also the Commission's principal permanent non-resident expert, thereupon asked the Secretary General of the Commission to come to Paris for the purpose of examining with the bank the formalities to be accomplished with a view to opening the gold account.

The meeting took place on August 24, 1951. It was attended by high officials of the bank, including the Secretary General of the bank, the Chief Cashier and the Head of the Legal Department, who pointed out that the letter addressed to the bank by the French Ministry of Finance was based only upon a verbal agreement of the three Governments. They said that, in the event that an attempt should be made to attach the gold which was to be deposited at the bank, it would be necessary for the bank to produce a request in writing from each of the three Governments that an account should be open in their names. A formal communication to this effect from both the Government of the United States and the Government of the United Kingdom was, in the view of the bank, essential.

The account would be opened under the following heading :

"Gouvernement des Etats-Unis d'Amérique, Gouvernement du
"Royaume-Uni de Grande-Bretagne et d'Irlande du Nord,
"Gouvernement de la République Française, conjointement et
"indivisément (accord du 14 janvier 1946, décret du
"5 mars 1946 et arrêté ministériel du 27 septembre 1946)".

The bank also requested that, since the Commissioners would be acting as Representatives of their respective Governments for the purpose of operating the account, their instructions to the bank should be headed "The Representatives of the Governments of the United States, the United Kingdom and France".

The Secretary General of the Commission, referring to the question of the special letters which were required from the Governments of the United States and of the United Kingdom, pointed out that, although he could not prejudge any decisions which the three Representatives might take, he thought that, since the procedure which had been adopted, prior to the meeting, was the same as had been used when the account at the Bank of England had been opened, the Representatives of the United States and of the United Kingdom might, perhaps, be reluctant, at that stage, to ask their respective Governments to accomplish additional formalities.

This turned out to be, in fact, the case and it was the French Government which, finally, made an approach to the Governments of the United Kingdom and of the United States. The latter furnished, in due course, letters, dated respectively September 28 and October 11, 1951, copies of which are attached hereto as Annexes 20 and 21, for the use of the bank.

8/.....

201499

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

The three Representatives thereupon addressed formal communications, dated October 12 and 13, 1951, to the bank, giving specimens of their signatures and requesting that some 2,300 kilograms, which were to be sent from the British Zone of Occupation in Germany to the bank, should be accepted, for the account which, by that time, had been opened.

The gold was subsequently flown, without charge, to the bank by aircraft of the Royal Air Force and the first entry in the account was dated October 17, 1951.

The Bank of France did not levy safe-custody charges but made its usual charges in respect of handling, assaying and refining.

After converting such gold as was not good delivery into good delivery bars, the bank set aside the individual bars so converted and the good delivery bars and coins received for the account, furnished an inventory thereof and gave a firm credit in kilograms in respect of their content.

Changes in the composition of the body of the Representatives were notified to the bank in accordance with the procedure which has already been described in the cases of the two other banks and a copy of the notification was sent by the French Representative to the French Ministry of Finance.

5. How requests for purposes of audit were dealt with.

Requests for information or confirmations received, comparatively frequently, from the various auditors of the banks were dealt with by the Secretary General under a special authority notified to the banks by the Commissioners whose signatures were not always available, jointly, at short notice.

9/.....

201500

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

CHAPTER II

THE POOL OF MONETARY GOLD

1. The two items of information required for the purpose of determining the shares in the gold pool available for restitution to each successful claimant country.

These were, on the one hand, the amounts of the claims of each country found established by the Commission and, on the other, the total value of the pool of monetary gold available for distribution to these countries.

A recapitulatory schedule of the claims found established has been given in the last Chapter of Volume I. The relevant adjudications have been quoted in full in Volume II.

The next item of information required for the purposes of the calculation was the total value of the pool of monetary gold. The latter, therefore, forms the subject of the present chapter.

2. The respective roles of the three Governments and of the Commission in the assembling of the gold pool.

As will have been seen in Chapter II of Volume I, where the Commission's functions are described in detail, the negotiations with neutral countries for the surrender of gold to the pool of monetary gold were conducted by the three Governments and all decisions regarding what should or should not be put into the pool rested exclusively with them. Once they had decided, however, that a certain quantity of gold should be added to the pool, they nearly always entrusted the Commission with the sometimes complicated task of arranging for the physical delivery of the gold to one of the three banks in which the pool was assembled.

Although the Commission was not responsible for deciding what gold should be put into the pool, it was a part of its functions, under Paragraph 5 (c), to announce, in due course, the total value of the pool available for restitution to each country entitled to participate in it. It, therefore, took cognizance of all deliveries made to the gold pool as a result of negotiations by, or instructions from, the three Governments.

3. The composition of the gold pool.

The gold making up the pool can, conveniently, be classified under twenty-three headings, a list of which is given below, in the order in which the gold was entered in the books of the banks in which it was deposited or, in those cases where the gold was delivered directly to a claimant country without passing through a bank, in the order in which it was entered in the gold accounts kept by the Commission on behalf of the three Governments.

10/.....

201501

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

(i) Gold received from the Government of Switzerland.

(ii) Gold delivered by the Commander-in-Chief of the United States Forces in Germany directly to the Governments of France (on account of the Governments of Belgium and Luxemburg) and of the Netherlands.

(iii) Gold delivered to the pool by the Government of Rumania.

(iv) The "Frankfurt gold".

(v) Gold received from the Bank for International Settlements for delivery to the pool.

(vi) Gold delivered to the pool by the Government of Spain.

(vii) Gold delivered to the pool by the Government of Sweden.

(viii) Gold delivered to the pool by the Commanding General, United States Forces in Austria.

(ix) Gold delivered to the pool by the Powers administering the disposal of German assets in Japan.

(x) Gold delivered direct to the Government of Yugoslavia.

(xi) "Law 53 gold" delivered to the pool by the British Element of the Allied High Commission for Germany.

(xii) Gold, held to be German Reich property, seized on the person of a German agent in the British Zone, Austria, and delivered to the pool.

(xiii) "Law 53 gold" collected in the American Zone, Germany, delivered to the pool.

(xiv) "Law 53 gold" collected in the French Zone, Germany, and delivered to the pool.

(xv) Gold seized from the former German Legation in Lisbon and from the former German Embassy in Madrid and two gold coins collected in the American Zone, Germany, delivered to the pool.

(xvi) Gold (commonly described as "the Salzburg gold") delivered direct to the Government of Austria.

(xvii) Gold handed over to the French authorities by the American authorities in Germany, delivered to the pool by the French Government.

(xviii) Gold found near Hintersee, Austria, delivered to the pool by the American authorities in Austria.

(xix) Second delivery by the Government of Sweden of gold to the pool.

(xx) Gold surrendered to the French authorities by M.l'Abbé Weygand, parish priest of Petersberg/Fulda, and delivered to the pool by the French Government.

(xxi) Gold found in Germany by French officers when prisoners of war in that country, handed to the competent French authorities upon their return to France and delivered to the pool by the French Government.

(xxii) Gold recovered by Czechoslovakia debited to that country's account and credited to the pool.

(xxiii) Gold delivered by the Government of Portugal.

A detailed account of each of the twenty-three operations will be found at Annex 22.

11/.....

201502

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

4. A recapitulatory schedule.

The actual amounts entered under each of these twenty-three headings are given below in the form of a recapitulatory schedule :

Delivery described at	Amount (in Troy ounces) in bars (1)	in coins	Total amount (in Troy ounces)
(i)	1,659,121.321	-	1,659,121.321
(ii)	1,758,474.352	1,623,183.8993	3,381,658.2513
(iii)	578,700.153	-	578,700.153
(iv)	2,010,610.525	2,141,676.100	4,152,286.625
(v)	120,243.777	-	120,243.777
(vi)	3,267.271	-	3,267.271
(vii)	230,049.065	-	230,049.065
(viii)	2,903.063	61.842	2,964.905
(ix)	4,815.541	-	4,815.541
(x)	1,656.130	-	1,656.130
(xi)	1,086.512	74,226.111	75,312.623
(xii)	-	585.487	585.487
(xiii)	18,514.852	2,280.993	20,795.845
(xiv)	0.620	104.564	105.184
(xv)	644.531	1,216.435	1,860.966
(xvi)	2,731.687	135,991.774	138,723.461
(xvii)	160.689	2.807	163.496
(xviii)	-	3,149.812	3,149.812
(xix)	192,904.484	-	192,904.484
(xx)	-	9.385	9.385
(xxi)	-	7.845	7.845
(xxii)	119,279.728	-	119,279.728
(xxiii)	128,562.491	-	128,562.491
	6,833,726.792	3,982,497.0543	10,816,223.8463

(1) The countervalue in gold of various small balances forming part of the pool but credited, for technical reasons, to the pound or dollar accounts is included under this heading.

The total value of the pool of monetary gold, before deductions of authorized charges against the pool, was, therefore, 10,816,223.8463 Troy ounces of fine gold, of which 6,833,726.792 were in the form of bars and 3,982,497.0543 were in the form of coins.

12/.....

201503

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

The figures given in the above recapitulatory statement are as accurate as it is possible to make them at the present time but it is not improbable that, when the gold accounts are finally closed, after this report has been submitted, small discrepancies will have come to light. The main reason for this is that the coins deposited in the banks were, as has already been explained, for the most part in bags which were merely weighed against the weight indicated on the bag labels. An examination of individual coins would have presented too many difficulties from a technical point of view and would have involved unnecessary expenses. Odd counterfeit or false coins have already been found in very small quantities in deliveries which have been made and it is not unlikely that more will be found by the central banks of successful claimant countries if and when further deliveries are effected. Such discrepancies as may be found in this connection and, perhaps, on other accounts, are, however, likely to be negligible in relation to the huge quantity of gold distributed.

5. Enquiries made with a view to obtaining some return for the gold held in the pool, pending distribution.

The Commission made extensive enquiries with a view to obtaining some return, in favour of the participants, for the gold held in the pool, pending distribution. These enquiries showed, however, that there was no practical method whereby such a return could have been obtained and the idea had to be abandoned.

13/.....

201504

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

CHAPTER III

THE PRELIMINARY DISTRIBUTION

1. Initial statement.

By the middle of 1947, it had become obvious that the necessity for contributing towards European economic recovery rendered it imperative that as much gold as could reasonably be returned to circulation should be restituted with the least possible delay to countries whose reserves had been looted by the Germans.

It was clear, however, that the Commission would not be in a position, for some time, to make a full and final announcement of the total value of the gold pool available for distribution by way of restitution and of the amounts of the shares available for restitution to each country entitled to participate in the pool, in the manner prescribed in the Commission's Terms of Reference.

The complexity of some of the claims before the Commission rendered a lengthy examination indispensable. Many of the claims were incomplete. Adequate data were lacking in many cases and would not be forthcoming for some time. It was not known what the pool would amount to. Accruals were expected but it was impossible to tell when they would be delivered or how important they would be. The way had been left open for certain countries which had not participated in the Paris Conference on Reparation to adhere, at a later date, to the arrangements for the restitution of monetary gold agreed upon at that Conference and it was not known whether they would or would not do so. A full and final announcement was out of the question. The difficulties which lay in the way of such an announcement were insuperable at that time.

The Commission knew, however, within reasonable limits, what gold was available for immediate distribution and it was satisfied that a certain number of the claims before it, among them some of the most important, were unquestionably valid. These two elements were sufficient to form a basis for a preliminary distribution but it was clear that equality of treatment could not be achieved in such a distribution and that some countries would receive more or less, in relation to their total claims, than others, depending on whether their claims figured among those which the Commission was satisfied were unquestionably valid or whether they fell into the category of claims which were as yet incomplete or required further consideration.

The Commission reported to the three Governments accordingly. Its Terms of Reference did not provide for deliveries on account but the three Governments, custodians of the pool, were in a position to take a decision in this respect. They decided that the necessity for contributing towards European economic recovery should prevail over all other considerations and the Commission organized a preliminary distribution, which has already been referred to briefly at the end of Chapter III, Volume I, in connection with the difficulties encountered by the Commission when adjudicating.

14/.....

201505

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

2. The Commission's letter of October 16, 1947.

The Commission, in a circular letter addressed to all claimant countries on October 16, 1947 (Annex 24) informing them of the position reached in the Commission's work and of the decision which had been taken to effect a preliminary distribution, drew their attention to the fact that, in calculating the amounts to be allocated, it had maintained a sufficient reserve to satisfy claims which were, at that time, held over for further consideration and which might later be found valid. All countries were, therefore, made aware of the fact that rights to restitution which might be recognized in respect of such claims were safeguarded.

3. The standard forms adopted for the preliminary distribution.

A form of combined waiver and receipt and a form of receipt to be used once a waiver had been signed, as well as other forms of lesser importance, were agreed upon between the three Governments in consultation with the Commission.

A specimen of the standard form of combined waiver and receipt used will be found at Annex 25. This form was intended to cover the obligations imposed upon all participants in the pool under Paragraph B of Part III of the Paris Agreement on Reparation and to safeguard the three Governments, their Representatives on the Commission and the Commission itself against all eventualities.

A specimen of the standard form of receipt used will be found at Annex 26.

The above documents were adapted to meet special situations or requirements as circumstances demanded.

The Commission decided that all claimant countries entitled to participate in the pool would be advised by means of a circular letter of any allocation made, to one or more of their number, in the preliminary distribution.

4. A summary account of the preliminary distribution.

It can be taken that, in each of the cases referred to, appropriate instructions had been received from the three Governments and that the recipients had furnished all necessary requests, approvals and suitable powers. In order not to lengthen this account unduly, the Commission will not give the names of the Representatives (mainly Ambassadors or Ministers) with whom it communicated or who appeared before it. Recipients will be designated by the names of the countries alone and the words "Government of", which would normally precede them, will be omitted. A fully detailed account of the proceedings is to be found in the Commission's archives.

15/.....

201506

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

(i) The delivery to Austria.

Austria was not a signatory of the Paris Agreement but adhered to the arrangements for the restitution of monetary gold by a Protocol (Annex 4) dated November 4, 1947.

Paragraph D of Part III of the Paris Agreement stipulated that the total share which Austria would receive if it were eventually admitted to participate should be set aside and the Commission arranged a set aside accordingly.

Austria received four deliveries on account, two upon the Federal Reserve Bank of New York and two upon the Bank of England, between January and September 1948.

The standard form of combined waiver (which covered all further deliveries) and receipt (Annex 25) was used for the first delivery and a receipt, only, (Annex 26) for the others.

On August 4, 1953, the Commission debited the Austrian Government with the amount of the so-called "Salzburg gold". This gold had been handed to Austria by the American authorities in February 1947 but was subsequently found to be gold which should have been put into the gold pool. It was considered as having been received on account of its share by Austria. (See pages 26 and 27 of the adjudication on the Austrian claims and Annex 22 (xvi) of Chapter II of the present volume).

As a result of all these operations, Austria received 1,415,655.843 Troy ounces of gold in the preliminary distribution.

(ii) The deliveries to France on behalf of Belgium and Luxemburg.

Put very briefly and in general terms, the National Bank of Belgium transferred its gold reserves, and those of the Savings Bank of Luxemburg which it was holding, to the Bank of France, for safe keeping, shortly before the German invasion. The French authorities, in their turn, transferred both these quantities of gold, with gold of their own, to Kayes, in Senegal, where they considered the gold would be safe. But the Vichy Government, under pressure from the Germans, caused this gold to be brought back to France where it was seized, under various pretexts, by the Reichsbank. After the war, the National Bank of Belgium brought pressure to bear on the Bank of France to restitute in its entirety the two quantities of gold with which it had been entrusted and the Bank of France did so on the understanding that Belgium and Luxemburg would lodge claims to this gold before the Commission and, under arrangements concluded between the three above-mentioned banks, return to France such gold as would be allocated to the two countries. (See page 20 of the adjudication on the Belgian claims and 9 and 10 of the adjudication on the claims of Luxemburg).

The delivery documentation had to be adapted in such a way that the Commission should receive from Belgium and Luxemburg the standard form of combined waiver and receipt (Annex 25), duly signed, less the last clause of the waiver providing for the return of gold to the pool if the latter were overdrawn as a result of litigation (See last clause of Annex 25). The latter undertaking had to be given by France, the actual recipient of the gold, and France also had to give suitable discharges both to Belgium and Luxemburg.

16/.....

201507

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

The delivery orders in favour of the Bank of France were issued in October 1947 upon the Federal Reserve Bank of New York and the Military Governor, United States zone of occupation, Germany (the "Frankfurt gold" had not yet been transferred to the Bank of England). Special receipting arrangements had to be made at Frankfurt.

Other documents were used as well. The Bank of France, for instance, was authorized to melt down Prussian Mint bars included in the delivery, subject to subsequent adjustments in the accounts.

As a result of all these operations, France received, taking into account the deliveries from Belgium and Luxemburg together, 2,976,529.443 Troy ounces of fine gold.

(iii) The second delivery to France, via Belgium alone.

Early in March 1952, the three Governments decided that a delivery of 25,000 kilograms of fine gold should be made, as a matter of urgency, to France via Belgium. A procedure on similar lines to the one adopted above, save that Belgium only had to sign a receipt and no waiver, was followed. France received, in this part of the preliminary distribution, 803,768.550 Troy ounces of fine gold, making up with the amounts previously received, 3,718,263.139 Troy ounces of fine gold in the preliminary distribution.

In these cases and the ones that follow, originals or copies of the documents concerned, the most important of which have been, or will be, mentioned, were witnessed by the three Commissioners and handed to the parties entitled to receive them.

(iv) The delivery on account to Czechoslovakia.

The case of Czechoslovakia was a straightforward one. The order was upon the Federal Reserve Bank of New York. Czechoslovakia signed the standard form of combined waiver (valid for all subsequent deliveries) and receipt.

The amount delivered to it in the preliminary distribution was 195,283.854 Troy ounces of fine gold.

(v) Allocation to Greece.

An amount of 1,216.324 Troy ounces of fine gold was allocated to Greece but Greece did not press for the delivery of this amount, which was a small one, and the matter remained in suspense.

(vi) The deliveries on account made to Italy and the deliveries effected on behalf of Italy.

The Italian case was a complicated one and can best be described by taking the events in chronological order.

17/.....

201508

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

(a) October 1947 : the Commission set aside gold for Italy pursuant to Paragraph D of Part III of the Paris Agreement, as it had done in the case of Austria. All claimant countries were advised of this in the Commission's circular letter of October 16, 1947 but no allocation was made since Italy was not yet entitled to participate in the pool.

(b) December 16, 1947 : Italy was admitted to participate in the arrangements for the restitution of monetary gold by a Protocol (Annex 5) which stipulated that 14,422 kilograms of fine gold were to be set aside in favour of France and 8,857 kilograms of fine gold in favour of Yugoslavia out of any allocation made to Italy before any distribution was made to Italy.

(c) April 12, 1948 : the Commission advised the Italian Ambassador that Italy's entitlement, including the set aside, in the preliminary distribution, was 1,018,134.248 Troy ounces of fine gold.

(d) May 13, 1948 : France signified that it was prepared to receive 14,421.575 kilograms of fine gold in settlement of Italy's obligations.

(e) June 25, 1948 : An order upon the Bank of England for the above amount was issued by the Commission, at the request of Italy, to France against signature of a joint receipt and acknowledgment of the full and final discharge by Italy of its obligations towards France under the Peace Treaty and Protocol. France also signed an acknowledgment of the full and final discharge by the three Governments and the Commission of any and all obligations arising out of the said Treaty and Protocol.

(f) July 23, 1948 : Italy received from the Commission :

(1) the receipt signed by France as described at (e) above;

(2) an order upon the Bank of England for 269,710.784 Troy ounces of fine gold and

(3) a statement to the effect that the Commission had set aside 8,857 kilograms of fine gold on behalf of Italy for Yugoslavia.

The total involved in these three transactions was 1,018,134.248 Troy ounces of fine gold and Italy signed the standard form of combined waiver and receipt for this amount.

(g) September 2, 1948 : Exchanges of correspondence had taken place between all concerned and Yugoslavia had reduced its claim under the Peace Treaty and Protocol to 8,393 kilograms of fine gold (464 less than had been stipulated in the Protocol). Italy asked that this amount should be delivered to Yugoslavia and 464 kilograms to Italy. Yugoslavia received an order upon the Bank of England for the amount in question and the procedure followed and receipt and discharges given were on exactly similar lines to those described in the case of the delivery to France at (e) above.

(h) September 2, 1948 : On the same day, Italy received :

(1) the documents which Yugoslavia had just signed and

(2) an order upon the Bank of England for 14,917.944 Troy ounces (or 464 kilograms) of fine gold, against receipt of a combined receipt and discharge.

In all, there were delivered to Italy or on behalf of Italy : 1,018,134.042 Troy ounces of fine gold.

18/.....

201509

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

(vii) The first delivery to the Netherlands.

The Netherlands received, on November 12, 1947, against signature of the standard form of combined waiver and receipt, two delivery orders, one upon the Bank of England and one upon the Military Governor, United States zone of occupation, Germany.

Letters concerning the melting of Prussian Mint bars were exchanged on the lines described in the case of the Bank of France at (ii) above.

The Commission also delivered to the Netherlands, at their request, an interpretative statement (Annex 27), the last paragraph of which reads as follows: "It is the intention of the Tripartite "Commission for the Restitution of Monetary Gold, at the appropriate "time, to publish as fully as may be possible an account of its actions".

After certain exchanges of letters, it was agreed that the Netherlands would be shown on the Commission's books as having received 69.682 Troy ounces over and above the amount mentioned on the receipt signed at Frankfurt.

The net result of all these operations was that the Netherlands received, in this part of the preliminary distribution, 1,153,976.2093 Troy ounces of fine gold.

(viii) The second delivery to the Netherlands.

The delivery of a further amount which the Commission had decided could be delivered to the Netherlands on account was suspended at the request of the United States until the end of 1949.

On December 30, 1949, two orders dated December 30, 1949, one upon the Bank of England and the other upon the Federal Reserve Bank of New York, were delivered to the Netherlands which, at the request of the United States, were required to sign a second standard form of combined waiver and receipt.

Ten counterfeit coins were found in the delivery from the Bank of England and certain adjustments were made, as a result of which the Netherlands were finally found to have received 4.023 Troy ounces of fine gold over and above the amount stipulated in the order upon the Bank of England.

The total amount received by the Netherlands in the first and second deliveries was 2,139,278.4393 Troy ounces of fine gold.

(ix) The first delivery to Yugoslavia.

On September 2, 1948, which was the day Yugoslavia received 8,393 kilograms of fine gold on behalf of Italy, pursuant to the Peace Treaty and Protocol, it received, from the Commission, a delivery on account in respect of its own claims.

The order upon the Bank of England which it received, against signature of the standard form of combined waiver and receipt, was for 6,919.692 Troy ounces of fine gold.

19/.....

201510

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SZ NARA Date 8-9-99

RG 59
Entry 5382
Box 3

(x) The second delivery to Yugoslavia.

Yugoslavia received, on November 17, 1950, against signature of the standard form of receipt, alone, an order upon the Bank of England which was executed for an amount of 1,629.648 Troy ounces of fine gold.

Yugoslavia was also considered to have received the fine gold content of 16 bars which were delivered direct to Yugoslavia by the British authorities in Germany, owing to a misunderstanding (see pages 66, 67 and 68 of the Commission's adjudication and 3 (x) of Chapter II, Volume III dealing with the assembling of the pool. The 16 bars contained 1,656.130 Troy ounces of fine gold.

The total amount delivered to Yugoslavia in the preliminary distribution, taking into account the three items mentioned above, was 10,205.470 Troy ounces.

5. Recapitulatory table.

The countries which participated in the preliminary distribution and the amounts they received are listed below :

COUNTRY	AMOUNT (Troy ounces of fine gold) in bars	AMOUNT (Troy ounces of fine gold) in coins	TOTAL AMOUNT RECEIVED (Troy ounces of fine gold)
AUSTRIA	758,017.200	657,638.643	1,415,655.843
BELGIUM	2,290,143.907	1,428,119.232	3,718,263.139
CZECHOSLOVAKIA	195,283.854	-	195,283.854
ITALY	14,917.944	269,710.696	
on behalf of Italy to FRANCE	463,664.343	-	1,018,134.042
on behalf of Italy to YUGOSLAVIA	-	269,841.059	
LUXEMBURG	37,656.645	24,378.209	62,034.854
NETHERLANDS	1,375,662.113	763,616.3263	2,139,278.4393
YUGOSLAVIA	10,205.470	-	10,205.470
	5,145,551.476	3,413,304.1653	8,558,855.6413

Note. 36,055.503 Troy ounces of fine gold were allocated to Albania but the allocations were subsequently cancelled in circumstances which have been described in the analysis of problem 7 in Chapter IV, Volume I.

20/.....

201511

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

CHAPTER IV

THE SECOND AND QUASI FINAL DISTRIBUTION

1. Preliminary statement.

According to the original plans made by the Secretariat, a chapter would have been devoted, at this stage, to the two announcements required of the Commission under paragraph 5 (c) and (d) of its Terms of Reference. It had been assumed that these announcements would have been made prior to the completion of the Report and they would, logically, have figured in such a report shortly after the adjudications and the account of the assembling of the pool of monetary gold, that is to say after the information necessary for the calculation of the share in the pool of each successful claimant country. The preliminary distribution described in the immediately preceding chapter would not have affected the two announcements which would, merely, have taken it into account.

The main reasons why it was found necessary to effect the above-mentioned preliminary distribution have already been described but others arose or were arising (in connection with Bor Mine gold, the Dollfus-Mieg case (Annex 22 A), the gold of the Bank of Albania, the Danzig gold, the Istcambi case and other questions).

A Tripartite Governmental Conference was held in Brussels from January 5/10, 1950 (Annex 23) for the purpose of examining these problems and others connected with the completion of the Commission's work and the documentation to be used in a final distribution.

A number of decisions were taken at this Conference but persistent and not unreasonable demands from claimant countries for a further distribution of gold reached the three Governments and the Commission at a time when some of the above-mentioned problems were still unresolved and when, as has already been seen, the American Commissioner had not been authorized by his Government to sign the adjudication which had been prepared on the Czech claims. At the same time, a delivery of gold, the amount of which was not known, from Portugal to the gold pool was expected (definite information on the latter subject was only received in December 1958). Furthermore, proceedings which might have affected the composition of the gold pool were taking place before an Italo-Dutch Conciliation Commission sitting in Rome (Annex 28). It was evident that the Commission could make neither of the two announcements required under its Terms of Reference. In view of this situation, it was finally decided that all the adjudications (with the exception of the one on the Czech claims) should be signed and despatched with an announcement of a second and quasi final distribution.

The events which led up to the second and quasi final distribution can best be described by quoting the most important of the official communications exchanged between the three Commissioners, individually or collectively, and the three Governments and between the former and the Secretary General. These will form the subject of the immediately following sections.

21/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

2. The Commission's formal communication of May 24, 1951 to the three Governments.

The Commission which, in May 1951, had no reason to believe that the announcements pursuant to its Terms of Reference would, for reasons which have been explained, be postponed, addressed, on May 24, 1951, a formal communication (Annex 29) to the three Governments constituting it, with a view to clarifying certain matters which had arisen in what it considered to be the final stages of its work. No formal written reply was received from the three Governments but the Commission understands that, in a general way, the views it expressed met with the approval of the three Governments.

3. The Commission's Resolution of October 19, 1953.

At the Commission's 130th Meeting, on October 19, 1953, the Chairman recalled that, during the earlier part of this meeting, on October 16, 1953, it had been agreed that he (the Chairman) would draft a suggested minute which would be communicated to the three Governments constituting the Commission, informing them of the position of the Commission with regard to its adjudications and of the ability of the Commissioners to sign the agreed adjudications on any date decided by the three Governments when two points arising in the Yugoslav and Italian adjudications had been cleared. He then proceeded to read the following text which he had prepared :

" The Commission desired to record that it had now come to a "unanimous decision on all the cases on which it had been called upon to "adjudicate and that the texts of these adjudications had been agreed in "English though the French texts were not, in a few cases, completed. "It was expected that these latter texts would be ready by the end of the "year.

" There were, however, two cases where further information was "awaited before the Commissioners felt that they could sign the present "agreed texts. The first concerned a small portion of the Bor Mine claim "with regard to which the French Commissioner had informed his colleagues "that he awaited certain information from his Government which might, or "might not, affect the Commission's present decision or the text thereof. "The second concerned the Istcambi portion of the Italian claim where the "American Commissioner stated that he might receive certain information "from his Government which might, or might not, affect the Commission's "present decision or the text thereof.

" Subject to the above two points being cleared and to the French "texts being completed, the Commission wished to record that it would be "prepared to sign the adjudications at such time as the three Governments "constituting the Commission deemed appropriate".

This text was unanimously agreed and it was decided that it would be incorporated in the minutes of the meeting and that the Commissioners, individually, would communicate this minute to their respective Governments.

22/.....

201513

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

4. The British Commissioner's letter of April 27, 1954 to the Secretary General.

On April 27, 1954, the British Commissioner, Chairman of the Commission, Sir Ronald Wingate, wrote to the Secretary General, enclosing for circulation a copy of a letter, dated April 9, 1954, from his Government, authorizing him to sign the adjudications and to issue, jointly with the United States and French Commissioners, any public announcement which should be made in connection with the adjudications.

The Commission, however, was unable, for a number of reasons, to make a further move towards distribution until early in 1957.

Among these reasons were the facts that the Bor Mine and Istcambi cases took longer to settle than had been expected; that amendments to some of the adjudications, requested by the French and American Commissioners, were discussed over a considerable period in the course of which there was a change in the American representation. Furthermore, the completion of the French texts was held up for some time.

5. The American Commissioner's letter of March 7, 1957 to the Secretary General.

A copy of this letter, which the Secretary General circulated to the British and French Commissioners, is attached hereto as Annex 30 in view of the important fact that this was the first formal notification that the American Commissioner, whilst willing to sign all the other adjudications, was not authorized to sign the adjudication on the Czech claims which had been prepared. The problem referred to in line 2, paragraph 1, of the letter arose in connection with gold deliveries and was settled within the Commission.

6. The Commission's communication of March 30, 1957 addressed to the three Governments.

A copy of this important communication recommending a distribution of as much gold as possible will be found at Annex 31.

Annex A to the above-mentioned communication showed the amounts which the Commission considered could be distributed in each case.

Once the principle of this distribution had been agreed by the three Governments, two further schedules had to be prepared, the first showing how coins and bars could be apportioned on an equitable basis and the second showing on which banks the delivery orders could be drawn.

The two schedules which were finally agreed upon by the Commission, after careful consideration and exchanges of views, will be found at Annexes 32 and 33. It was on the basis of these two schedules, which were dated June 3, 1957, that the second and quasi final distribution was effected.

The apportionment of coins and bars on an equitable basis was rendered necessary by the fact that there was a premium of roughly 20 % on coins in the free markets.

23/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

7. The instructions to proceed to a second and quasi final distribution given by the three Governments to the Commission.

These instructions were sent to the Commissioners, individually, by their respective Governments and they were circulated by the Secretary General on March 24, 25 and 31, 1958. There are certain differences in the three texts and, in view of their importance, the Commission deems it necessary to quote all three of these texts, both in the English and in the French versions of the report. The text of the British, French and American instructions will, therefore, be found respectively at Annexes 34, 35 and 36.

Six enclosures were sent with the instructions, namely :

(a) a draft covering letter announcing a further distribution;
(b) a draft receipt;
(c) a draft covering letter to Greece announcing distribution;
(d) a draft covering letter to Poland announcing distribution;
(e) a draft covering letter to Albania announcing distribution;
(f) a draft covering letter to the Netherlands Government announcing further distribution (to which was attached a special draft receipt). Both the letter and the receipt provided for the return to the gold pool by the Netherlands of any gold which might be allocated to them by the Italo-Dutch Conciliation Commission sitting in Rome (Annex 28).

The British and American texts of these enclosures were identical and the French texts were exact translations of the others. The Commission has selected the British texts for enclosure with this report. They will be found at Annex 37.

An examination of the six enclosures showed that they were derived from the documentation used for the preliminary distribution and the documentation which the Tripartite Conference of January 5 to 10, 1950 had recommended to the three Governments for use in making the announcements provided for at paragraph 5 (c) and (d) of the Commission's Terms of Reference, at a time when it was thought that such announcements could be made (Annex 23 and appendices). This procedure having been temporarily abandoned, the three Governments had amended the various texts in the light of the new requirements and of information furnished and recommendations made by the Commission.

As will be seen at Annex 23, the Tripartite Conference of January 5/10, 1950 made a number of other recommendations to the three Governments and those which concerned the Commission and which were adopted by the three Governments were eventually put into effect through the intermediary of the three Commissioners. Details are incorporated in the appropriate chapters and sections of the present report.

Paragraph 14 of the main instructions issued by the three Governments in reply to the Commission's communication of March 30, 1957 (Annexes 34, 35 and 36) announced that a final decision on certain questions, described in the paragraph, on which agreement had not yet been reached, would be sent to the respective Commissioners later. The French Commissioner forwarded the French version of this complementary instruction on May 6, 1958 to the Secretary General, for circulation, and the American Commissioner took similar action on May 21, 1958. No communication was received in the Secretariat, on this subject, from the British Commissioner but the American Commissioner's letter, a copy of which will be found at Annex 38, together with a copy of the complementary instruction forwarded, shows that the latter was tripartitely agreed.

24/.....

201515

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

8. Amendments to three of the enclosures (a, c and f, Annex 37) sent out with the instructions of the three Governments.

With regard to enclosure (a) (the draft covering letter announcing a further distribution), it was noticed that the following paragraph had been omitted : "The Commission would be obliged if you would "indicate, at the same time, the exact designation of the institution or "other body in whose name the delivery order should be drawn up" and it was decided that it should be added as paragraph 8.

With regard to enclosure (c), it was observed that the draft letter to Greece did not take into account the fact that Greece had already been sent a letter of allocation in the preliminary distribution, in which, however, it did not participate owing to the smallness of its share, and a waiver. It was also observed that, if the somewhat unusual powers which Greece had recently communicated were considered valid, paragraph 6 of the letter to Greece, requesting powers, would have to be amended. A re-draft by the Secretary General, to meet these difficulties, was adopted.

With regard to enclosure (f), it was observed that, at paragraph 6 of the draft of the Commission's letter to the Netherlands, as sent out with the instructions of the three Governments, the Commission was made to state, categorically, that gold of the Netherlands was looted from the Bank of Italy by the Germans. It appeared, at first sight, that the Commission was not competent to make this statement, which might have been considered as prejudging matters on which the Conciliation Commission in Rome was called upon to adjudicate. The Commission studied this question at its 151st Meeting and the Commissioners, individually, submitted a suggested re-draft, which was agreed at the meeting, to their respective Governments who approved it.

The letter, as amended, was, in fact, despatched to the Netherlands with the special form of receipt which the Netherlands were required to sign but, as will have been seen in the analysis of problem 1 in Chapter IV, Volume I, the Netherlands, having queried the Commission's decision, did not take possession of the share allocated to them. Meanwhile, on August 17, 1963, the Italo-Dutch Conciliation Commission rejected the Netherlands' claim to restitution of gold from Italy (Annex 28). Those parts of the letter and receipt (both still in possession of the Netherlands), which refer to a return to the pool of any gold received by the Netherlands from Italy, no longer apply.

9. Adaptation of the delivery documentation, referred to in section above, to meet certain requirements in the cases of Belgium and Luxemburg.

This documentation was drawn up on lines similar to those which had been adopted in March 1952 for the second delivery to France on behalf of Belgium in the preliminary distribution (See Chapter III (iii) of the present Volume).

25/.....

201510

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

10. The procedure used and the formalities carried out in connection with the second and quasi final distribution.

A number of questions were raised by the Secretary General regarding the procedure to be applied and the formalities to be carried out in connection with the second and quasi final distribution. These were examined by the Commission, which ruled as follows on the main points raised :

(i) The adjudications to be sent out with the letters announcing a further distribution were one of the two original sets of adjudications (in the English and French languages) which had been prepared by the Secretariat for use in connection with the announcement provided for at paragraph 5 (c) and (d) of the Commission's Terms of Reference which, for reasons which have already been explained, could not be made at this stage;

(ii) All these adjudications (with the exception of the adjudication on the Czech claims) would be signed by the three Commissioners. The pages would not be initialled nor would the Commission's embossed stamp be applied;

(iii) The Secretary General's signature would figure on the adjudications, below those of the three Commissioners;

(iv) For practical reasons, the Secretary General, alone, would receive the Representatives of beneficiary countries and he, alone, would be responsible for witnessing the latters' signatures.

11. The Resolution adopted by the Commission at its 152nd Meeting, for submission by each Commissioner to his Government.

At its 152nd Meeting, on May 7, 1958, the Commission adopted the following Resolution :

" The Commission, having regard to the fact that all unsettled "questions have been disposed of, are confident that the documentation, "i.e. letters of allocation, receipts and decisions, which are already largely "completed, will be ready on May 23, 1958 for despatch, when signed, to the "duly authorized Representatives of the claimant countries concerned. The "Commission agreed that each Commissioner would so report to his Government, "in accordance with paragraph 15 of the instructions each has received, with "the request for the authorization to sign referred to in that paragraph".

12. The authorizations of the three Governments.

The French, American and British Commissioners, by letters dated respectively May 9, May 27 and June 9, 1958, informed the Secretary General that they were authorized to sign all documents and to proceed with the distribution.

26/.....

201517

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

13. Technical arrangements.

The way had to be prepared, from a technical point of view, for a distribution to be effected on the basis of the two schedules referred to at 6 above and attached to the present report as Annexes 32 and 33. The texts of delivery orders had to be agreed with the Bank of England and, since the latter, insofar as bars were concerned, had to set aside complete bars to meet, as near as was possible, the orders which were about to be issued and of which the Secretary General had given details, a re-arrangement had to be made in the bar gold holdings at the bank, which exchanged 107 of its own bars for 106 of the bars in the gold pool and credited the Commission's sterling account with the difference in pounds sterling. Coins presented no problems, except for the fact that the Commission had promised to have certain Czech ducats set aside for the Czech delivery. This was arranged. Letters were exchanged between the Secretary General and the Bank of England on these subjects on April 30, May 15 and June 12, 1958 and between the Commission and the bank on June 3 and 6, 1958.

14. The signature of the Commission's adjudications.

At a Meeting of the Commission held on June 9, 1958, all the French and English texts of the Commission's adjudications were signed by the three Commissioners, with the exception of that on the claims of Czechoslovakia which was signed only by the British and French Commissioners. The American Commissioner did not sign (1). All the adjudications (save that on the Czech claims) bore the date of the Meeting. At the same time, the three Commissioners signed the letters addressed to the duly accredited Representatives of all the claimant countries, except Czechoslovakia, enclosing one signed original text, in the English and French languages, of the Commission's adjudications on the claims of their respective Governments and, in the case of those entitled to participate in the second and quasi final distribution, announcing the amount allocated to the Government concerned in that distribution. These letters were dated June 11, 1958 and they, together with the adjudications referred to therein, were delivered by hand, against receipt, to the respective addressees on June 12, 1958.

Details of the actual distribution are to be found in the Commission's archives.

27/.....

---

(1) A further examination of the adjudication showed that it would have been preferable to attribute responsibility for one of the decisions taken therein to the three Governments rather than to the Commission (see the analysis of problem 14, Chapter IV, Volume I of the report). The adjudication was in suspense and its text was modified with the consent of the three Governments. At the time of writing this report, the decision is still unsigned.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

15. Recapitulatory schedules.

(i) The countries which participated in the second and quasi final distribution are listed below :

COUNTRY	AMOUNT (Troy ounces of fine gold) IN BARS	IN COINS	TOTAL AMOUNT RECEIVED (Troy ounces of fine gold)
AUSTRIA	197,725.755	-	197,725.755
BELGIUM ≠	292,967.583	79,980.686	372,948.269
GREECE	815.508	792.022	1,607.530
ITALY	409,920.847	-	409,920.847
LUXEMBURG ≠	16,391.292	7,721.753	24,113.045
YUGOSLAVIA	31,613.597	24,650.190	56,263.787
	949,434.582	113,144.651	1,062,579.233

≠ As has already been explained, Belgium and Luxemburg assigned their shares to France under special agreements entered into between the National Bank of Belgium, the Savings Bank of Luxemburg and the Bank of France.

(ii) The following amount was allocated to the Netherlands, which have not yet taken delivery of it :

COUNTRY	AMOUNT (Troy ounces of fine gold) IN BARS	IN COINS	TOTAL AMOUNT ALLOCATED (Troy ounces of fine gold)
THE NETHERLANDS	58,106.255	73,711.787	131,818.042

28/.....

201519

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

(iii) The following amounts were (as announced to Albania and Poland) placed in the custody of the three Governments pending decisions regarding their delivery :

COUNTRY	AMOUNT (Troy ounces of fine gold) IN BARS	IN COINS	TOTAL AMOUNT ALLOCATED (Troy ounces of fine gold)
ALBANIA	31,959.464	18,657.066	50,616.530
POLAND in respect of "the Danzig gold"	50,237.942	29,327.547	79,565.489 kg 2474,7633
	82,197.406	47,984.613	130,182.019

(iv) The following amount was reserved in respect of the Czech award which remains unsigned :

COUNTRY	AMOUNT (Troy ounces of fine gold) IN BARS	IN COINS	TOTAL AMOUNT RESERVED (Troy ounces of fine gold)
CZECHOSLOVAKIA	258,254.314	334,395.537	592,649.851

(v) To complete this account, it must be mentioned here that the Polish claims, amounting to 138,718.5309 kilograms, were rejected in their entirety, for reasons given in the Commission's adjudication, which was notified to Poland in accordance with the procedure described at Section 14 above.

29/.....

201520

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-99

RG 59
Entry 5382
Box 3

CHAPTER V

PROTESTS AND QUERIES

1. Preamble.

The fate of three shares created as a result of adjudications of the Commission and set aside in the gold pool remains undecided. The first is in respect of gold of the ex-Free City of Danzig, claimed by Poland but immobilized pending determination of Poland's Western frontier in the peace settlement. The second was declared attributable to Albania on account of its claim to the gold of the Bank of Albania but set aside pending the settlement of third party claims. The third share was allocated in the second and quasi final distribution to the Netherlands which did not collect it and queried the Commission's adjudication. A fourth share was earmarked as a provisional measure in favour of Czechoslovakia in the second and quasi final distribution which could not, otherwise, have been calculated. The share, however, has not actually been created since the American Commissioner has not been authorized by his Government to sign the adjudication which has been prepared. It is not known, at present, whether the adjudication and the corresponding share will prove acceptable or not to Czechoslovakia, which has received no announcement.

Protests and queries were received from all four countries in the order in which the latter are mentioned above and the Commission proposes to deal with them in this, the last chapter of its report.

2. The position reached in regard to Poland.

The Polish claims were divided into two parts : one concerning purely Polish demands and one in respect of Poland's claim to the gold of the ex-Free City of Danzig. The complete histories of these two claims figure in two separate adjudications of the Commission in Volume II of the present report. These histories were summarized in the analyses of Problems 2 and 9 respectively, in Chapter IV of Volume I.

The Polish protests and queries covered three different periods beginning respectively on March 13, 1947, on July 6, 1949 and on June 11, 1958.

March 13, 1947 was the date of the Commission's letter announcing its creation and enumerating the various basic texts and principles which were to govern its work. A copy of this letter was, with certain reservations, sent to Poland which had not yet been admitted by Protocol to participate in the pool.

Poland, which had recovered its pre-war monetary reserves in their entirety, was not long in noticing that the Commission's definition of monetary gold nullified its chances of obtaining restitution in respect of gold looted from private persons and it addressed to the Commission a considerable number of protests and queries, some of which also concerned the Danzig gold. A typical example will be found at Annex 39.

30/.....

201521

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

Mr. Edward Bartol, the Polish Chargé d'Affaires, was heard by the Commission, at his request, on October 6, 1947, but it was not until January 16, 1948 that the Commission decided that it could despatch a cautious letter to Mr. Bartol, clarifying the position and explaining that, in the absence of a Protocol admitting Poland to participate in the pool, the Commission did not consider that it was able to reply, at that stage, to the various points put forward by Poland.

July 6, 1949 was the date of the signature in London of the Protocol (Annex 6). The Commission wrote, on July 20, 1949, to the Polish Minister, requesting additional information and explanations regarding the Polish claims. The Minister replied on November 3, 1949 and this exchange of letters was followed by considerable further correspondence. There was an unpleasant interview on March 18, 1950, at the seat of the Commission, between the Secretary General and a Polish expert, Mr. Czernichowski, accompanied by Mr. Jurkiewicz, Financial Counsellor, who endeavoured, unsuccessfully, to establish contradictions between what was said at this meeting and on previous occasions. The Secretary General, finally, put an end to the conversation.

On April 15, 1950, the Polish Chargé d'Affaires addressed a lengthy communication to the Commissioners, alleging discrimination and asking that a Polish Representative should be heard by the Commission, which sent a firm reply, signed by the Secretary General, refuting the Polish arguments. A copy of this letter, dated May 30, 1950, which gives an accurate impression of the situation which had arisen by that time, will be found at Annex 40.

On July 27, 1950, the Commission wrote to the Polish Minister, in accordance with its usual practice in such cases, stating that it had been unable to find the Polish claims valid and offering Poland a hearing before the Commission.

H.E. Mr. Aleksander Krajewski, Polish Minister in Brussels, Professor Dr. Manfred Lachs, Director for Foreign Affairs, Warsaw, and Dr. Pawel Zielinski, Counsellor at the Ministry of Finance, Warsaw, appeared before the Commission on September 5, 1950 and the hearing was continued on February 12, 1951. Professor Lachs developed his Government's arguments skilfully and referred to a number of documents, agreements, declarations, etc ... some of which were not in the Commission's possession. Researches by the Secretary General enabled the Commission to take cognizance of most of these documents before the continuation of the hearing.

When the hearing was resumed, Professor Lachs endeavoured to draw arguments in favour of Poland from the minutes of conversations which had taken place in London, prior to the signature of the Protocol. The Commission had no knowledge of these minutes and adequate information was obtained from the three Governments, subsequently to the hearing, by their respective Commissioners who, with full knowledge of all the facts of this complicated case, then proceeded to their findings.

June 11, 1958 was the date of the Commission's letter (Annex 37, enclosure 4) enclosing the Commission's formal adjudication on the Polish Government's claims and, as a matter of information for that Government, the Commission's adjudication with respect to the gold of the Bank of Danzig.

31/.....

201522

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

On July 23, 1958, Mr. Aleksander Wolski, the Polish Ambassador, having asked for an appointment, called at the Secretariat and, on instructions from his Government, read out a letter of protest, dated July 16, 1958, to the Secretary General and left it with him (Annex 41). He led the Secretary General to understand that Notes, on similar lines, had been delivered by the Polish Ambassadors in Washington, London and Paris, to the three Governments constituting the Commission.

The Ambassador's letter stated, among other things, that his Government considered that the Commission's decisions were without foundation, in law and in fact, and expressed reservations with respect to these decisions and with respect to the delivery to other countries of gold which the Polish Government considered it was entitled to.

After the Ambassador's visit, the Secretary General had reported that he was under the impression that Poland contemplated further action and suggested that it might be advisable, in these conditions, to reject Poland's allegations at a comparatively early date, since too long a silence might possibly be exploited by Poland to her own ends. A number of drafts of suggested replies were examined by the three Commissioners, in consultation with their respective Governments, and a final text was agreed (Annex 42), which was despatched by the Secretary General, on September 29, 1958, to the Polish Ambassador, rejecting his Government's allegations and reservations.

There were, of course, other exchanges of lesser importance during the above period.

Nothing further was heard, after that, from Poland until 1969, when an Aide-Mémoire (Annex 43) on the Danzig gold was delivered by the Polish Ambassadors to the three Governments, on April 21 in Paris, on April 24 in Washington, on May 13 in London, reiterating Poland's earlier demands that the share in the gold pool set aside, by decision of the Commission, in favour of an eventual successor to the Free City of Danzig, should be delivered to Poland.

The three Governments referred the Aide-Mémoire to the Commission for its views on certain points arising out of this case and the Commission examined the situation, insofar as it was concerned, at its 179th and 180th Meetings. In view of their importance, relevant extracts from the minutes of these two meetings are quoted hereunder in full :

Extract from the minutes of the 179th Meeting

"II. Examination of an aide-mémoire from the Government of Poland regarding
" the "Danzig gold". Agreement on views to be expressed to the three
" Governments regarding the contents of this aide-mémoire.

" The Chairman then turned to the question of the Polish aide-mémoire "on the Danzig gold. A preliminary exchange of information showed that the "Polish aide-mémoire had been delivered to all three Governments : on April 21 "in Paris, on April 24 in Washington and on May 13 in London.

" The Chairman said that, although his Government had not yet "reached any fundamental conclusions regarding the new Polish request, it "considered that it could not merely stand by an eleven year old decision and "set aside the new request. It was of the opinion that a further and thorough "examination should be made, having regard, in particular, to the juridical "implications which might arise out of a reversal of the decision taken in "1958. The French Ministry for Foreign Affairs had merely informed the official "from the Polish Embassy who had delivered the aide-mémoire that this document "would be carefully examined.

32/.....

201523

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

" The British Commissioner said that his Government, on the one "hand, had merely stated that the aide-mémoire would be studied and that, "on the other, it would welcome the views of the Commission before "reaching conclusions on the request received from the Polish Government.

" The American Commissioner said that his Government had also "told the Poles that it would review the matter and let them have its "reaction but that it had not yet reached a position and would welcome the "views of the other two Governments.

" With reference to the interest of the British Government in "having the views of the Commission, the American Commissioner suggested "that it could be said that the initial reaction of all three Commissioners "was that, whilst the Commission would not be competent to comment on the "political or juridical aspects of the Danzig case, it could comment "legitimately on the technical aspect, that is to say that it could give "the three Governments its view as to whether or not a reversal of the "Commission's decision on the Danzig case would raise any problem of a "technical order.

" The Commission decided to examine this question again at its "next Meeting".

Extract from the minutes of the 180th Meeting.

"2. Further examination of the Polish aide-mémoire delivered in Paris on
" April 21, 1969, in Washington on April 24, 1969 and in London on
" May 13, 1969.

" The Chairman then initiated a further discussion of the question "of the Polish aide-mémoire on the Danzig gold, taking as his starting point "the initial reaction of the Commission at the 179th Meeting that, while the "Commission would not be competent to comment on the political or juridical "aspects of the Danzig case, it could comment legitimately on the technical "aspect, that is to say that it could give the three Governments its view as "to whether or not a reversal of the Commission's decision on the Danzig case "would raise any problem of a technical order. The Commission's discussion "of this question focused on three aspects which were suggested by the "American Commissioner : (1) whether the power exists to alter the Commission's "earlier decision on the Danzig gold; (2) whether action to alter the earlier "decision might serve as an undesirable precedent for other cases; (3) whether, "if it was decided that it was either impossible or undesirable to alter the "original decision, it might nonetheless be possible, while leaving the "decision unaltered, for the three Governments, acting as holders of the gold, "to make some accommodation to the Poles.

" In the ensuing discussion, it emerged that the three Commissioners "were in general agreement on the following points : (1) It would be possible "for the Commission to alter its original decision; (2) However, there was a "risk that this would create an undesirable precedent for other cases. "Consequently, there would have to be strong arguments in favour of altering "the decision; (3) It would be extremely undesirable for the three Governments, "while leaving the Commission's decision unaltered, to accommodate Poland in "their capacity as holders of the gold. This would undoubtedly have the effect "of undermining the authority and the prestige of the Commission and would "cast doubt on the validity of all its other decisions.

33/.....

201524

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

" There was also discussion of how the Commission could explain "why it decided to alter its original decision. The Chairman said that a "possible explanation might be that it was not really appropriate for the "Commission to hold in its original decision that the gold should not be "delivered to Poland until after the final peace treaty with Germany. "The Chairman believed that this was a decision which ought to have been "taken by the three Governments rather than the Commission. He believed "that the Commission should merely have established the validity of the "claim and left it to the three Governments to decide when and in what "circumstances the award would be made. The American Commissioner "associated himself with the Chairman's view, while at the same time "pointing out the danger that such reasoning might conceivably be "applicable to other decisions as well and lead to their being challenged. "The Secretary General observed that this was indeed possible but that "it was by no means easy to cite any particular case. The British "Commissioner reserved his position on this expression of views by the "Chairman and the American Commissioner".

3. The position reached in regard to Albania.

The complete history of the Albanian claim is to be found in the Commission's adjudication in Volume II of the present report. This history was summarized in the analysis of Problem 7, Chapter IV of Volume I. It can be divided into a number of phases, most of which did not concern the Commission but are mentioned below for easy reference.

Albania, in its reply to the questionnaire which, as was discovered later, did not disclose all the facts of the case, claimed that the gold of the Bank of Albania, established in Rome, was monetary gold belonging to Albania within the meaning of Part III of the Paris Agreement.

The Commission, on the basis of the Albanian reply, found that the gold was the cover for the note issue which was the recognized legal tender in Albania and that a normal relation existed between this gold, at the time it was looted, and Albania's monetary system. It consequently considered the claim valid.

As a result of this decision, two allocations of gold, one for 1,104.2606 kilograms and another for 17.1911 kilograms (i.e. a total of 1,121.4517 kilograms) were notified, on February 16, 1948 and on June 30, 1948 respectively, to Albania which, however, did not seek delivery immediately.

This was the end of the first phase.

On March 18, 1949, Italy submitted a memorandum claiming that the gold should be returned to the Bank of Albania in Rome. This was contrary to the Commission's rules of procedure and was refused.

On June 22, Italy entered a formal opposition to the delivery of the gold to Albania and contended that the gold was monetary gold of Italy.

Further information regarding these two Italian démarches is to be found in the analysis of Problem 7, Chapter IV, Volume I, where, however, in order not to lengthen the text unduly, practically no dates are given.

The above facts constituted the second phase.

34/.....

201525

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

A considerable exchange of correspondence between the Delegate of Albania and the Secretary General followed, the former requesting delivery and the latter gaining time pending decisions of the Commission regarding the new situation which had arisen.

The Delegate's first request for details regarding the formalities to be carried out, in order to obtain delivery of the gold which had been allocated to Albania, was dated May 19, 1949. This was followed by eight other letters, two of which were so offensive that one was returned to the Delegate by the Secretary General, on his own initiative, and the other on instructions from the Commission. Nearly all these letters gave rise to exchanges of Notes, and opinions and drafts and redrafts, between the Secretary General and the three Commissioners, in consultation, when necessary, with their respective Governments. The Secretary General took action as soon as unanimity had been reached as a result of these exchanges or pursuant to decisions taken at formal meetings of the Commission. Nearly as much time was devoted, during this period, to an examination of, and exchanges of views on, letters which were passing between the Commission and the Italian Ambassador and Notes which were being received from the latter and from a special Representative, appointed by the Italian Government, all of which affected the Commission's attitude vis-à-vis Albania. The Secretary General despatched seven replies in all. One of them, dated July 11, 1949, stated specifically that he had received instructions to the effect that delivery was suspended pending examination of the Italian opposition.

On December 5, 1950, the three Commissioners signed a letter addressed to the Albanian Delegate, enclosing a copy of the Italian opposition to the delivery, informing him that the Commission had decided to cancel its allocations to Albania and that the problems raised being outside its competence, it had decided to refer them to the three Governments.

This was the end of the third phase.

During the period from February 26, 1951 to September 30, 1952, the Delegate addressed five further letters of protest, one of which was returned by the Secretary General as unacceptable to the Commission which, answering, on June 27, 1951, one of the Delegate's letters dated May 3, 1951, referred him to the events which had led to the signature, on April 25, 1951, in Washington, of an agreement between the three Governments which had been notified to Albania and stated that the Delegate's letter had been transmitted to the three Governments.

The Commission, answering, on November 6, 1952, another protest from the Delegate, referred him to its letter of June 27, 1951, recalled that Professor Sauser-Hall had been appointed arbitrator pursuant to the Washington Agreement and stated that copies of the Delegate's letter and of the Commission's reply had been sent to the Professor, for information.

The Commission feels that, for the sake of clarity and although it was not concerned in the Washington Agreement or the arbitration that followed, except insofar as it lent its Secretary General to act as Secretary General at the seat of the arbitration, the statement which accompanied the Washington Agreement should figure, exceptionally, in the body of this report, for easy reference, rather than as an annex. The statement is, accordingly, quoted in full below.

35/.....

201526

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

" STATEMENT TO ACCOMPANY PUBLICATION OF THE AGREEMENT
" BETWEEN THE GOVERNMENTS OF THE FRENCH REPUBLIC,
" THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
" AND THE UNITED STATES OF AMERICA FOR THE SUBMISSION
" TO AN ARBITRATOR OF CERTAIN CLAIMS WITH RESPECT TO
" GOLD LOOTED BY THE GERMANS FROM ROME IN 1943.

" The Governments of the French Republic, the United Kingdom and "the United States, who have, under Part III of the Final Act of the Paris "Conference on Reparation, the duty of distributing monetary gold from the "pool formed by the gold found in Germany by the Allied forces and recovered "from third countries, have found themselves unable at the present time to "reach a conclusion with regard to a certain quantity of gold to which claims "have been made, both by Albania and by Italy, under paragraph C of Part III "of the Paris Act. The three Governments have therefore decided to submit this "question to an arbitrator to be selected by the President of the International "Court of Justice and to obtain from the arbitrator an opinion whether Albania "or Italy, or neither of them, has established a claim to this amount of gold "under Part III of this Act. The three Governments have signed an agreement "providing for this reference to an arbitrator, the agreement providing that "the arbitrator, before he considers his opinion, shall afford a full "opportunity to Albania, to Italy, and to each of the three Governments to "submit to him such evidence and legal arguments as they may desire to do. "The three Governments will accept the opinion of the arbitrator as decisive "on the question of the claims made under Part III of the Paris Act.

" If the opinion of the arbitrator should state that Albania has "established a claim under Part III of the Act, the three Powers are confronted "by another question because both the United Kingdom on the one hand and Italy "on the other hand maintain for different reasons that the gold which on this "hypothesis falls to Albania under Part III of the Paris Act should be "delivered to them.

" The United Kingdom maintains that the gold should be delivered to it "because it has obtained in the International Court of Justice a judgment "against Albania for £843,947 in respect of the deaths of and injuries to "members of the British Navy and the loss of and damage to British warships in "the Corfu Channel, as a result of an undisclosed mine-field, for which the "Court held that Albania had a responsibility. This judgment has remained "completely unsatisfied and, although discussions have taken place between "the British and Albanian agents in the case, Albania has not offered anything "more than a token sum in satisfaction of this judgment, and accordingly the "discussions between the two agents have been broken off. The United Kingdom "contends that in the circumstances, if Albania establishes a claim to the "gold under Part III of the Paris Act, it should be delivered to the United "Kingdom in partial satisfaction of the judgment of the International Court "of Justice against Albania.

" Italy also has asserted a claim to the gold involved here, which "arises from a matter not covered by Part III, namely the Albanian Law of "13th January, 1945, whereby Albania confiscated without any compensation the "assets of the National Bank of Albania, the shares in which were for the "most part held by the Italian Government. The gold in question constituted "an important asset of the said Bank outside of Albania, and Italy contends "that under international law no extra-territorial effect should be given "the Albanian Government's confiscation and the gold should be delivered to "Italy. In addition Italy asserts a claim to this specific gold based on the "provisions of the Italian Peace Treaty. Finally, the effect of the Italian "Peace Treaty as regards the respective rights of the interested parties "would have to be considered.

36/.....

201527

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

" The three Governments have agreed that, if the opinion of the "arbitrator is that Albania has established a claim under Part III of the "Paris Act to 2,338.7565 kilograms of monetary gold looted by Germany, "they will deliver the gold to the United Kingdom in partial satisfaction "of the judgment in the Corfu Channel case unless within 90 days from the "date of the communication of the arbitrator's opinion to Italy and Albania "either (a) Albania makes an application to the International Court of "Justice for the determination of the question whether it is proper that "the gold, to which Albania has established a claim under Part III, should "be delivered to the United Kingdom in partial satisfaction of the Corfu "Channel judgment; or (b) Italy makes an application to the International "Court of Justice for the determination of the question, whether by reason "of any right which she claims to possess as a result of the Albanian Law "of 13th January, 1945, or under the provisions of the Italian Peace Treaty, "the gold should be delivered to Italy rather than to Albania and agrees to "accept the jurisdiction of the Court to determine the question whether the "claim of the United Kingdom or of Italy to receive the gold should have "priority, if this issue should arise.

" The Governments of the French Republic, the United Kingdom and "the United States declare that they will accept as defendants the jurisdiction "of the Court for the purpose of the determination of such applications by "Italy or by Albania or by both.

" The three Governments agree to conform in the matter of the delivery "of gold with any decisions of the International Court of Justice given as the "result of such applications by Italy or by Albania".

This was the end of the fourth phase.

On February 20, 1953, the Secretary General, acting as Secretary General at the seat of the arbitration by Professor Sauser-Hall, despatched a copy of the Professor's arbitral advice to the Delegate, (see Problem 7).

It must be recalled here that the Commission incorporated the arbitral advice later in its adjudications on the Albanian and Italian claims.

Upon receipt of the Secretary General's communication of February 20, 1953, the Delegate wrote, on July 3, 1954, refusing to recognize the intervention of the three Governments and requesting delivery to the State of Albania, and the Commission answered, on July 27, 1954, recalling that the allocation to Albania has been cancelled, that the Commission has not yet made known its decisions and stating that it was, therefore, premature to speak of the execution of the Commission's definite decision.

This was the end of the fifth phase.

Upon receipt of the Commission's letter of June 11, 1958 and the formal adjudication which accompanied it, the Delegate of Albania, residing in Paris, addressed a letter of protest dated August 30, 1958 (Annex 44) to the Commission. Briefly speaking, the Delegate contested the Commission's right to direct that Albania's share should, in view of third party claims, remain in the custody of the three Governments pending a decision as to its disposal and he claimed that the Paris Agreement placed the Commission under an obligation to deliver to Albania its pro rata share in the gold pool. The Secretary General acknowledged receipt of this letter.

On December 17, 1958, the Delegate wrote, asking what measures had been taken to comply with his request that Albania's share should be delivered to the State Bank of Albania.

37/....

201528

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

After exchanges of views between themselves and with their respective Governments, the three Commissioners authorized the Secretary General to despatch a reply, on April 23, 1959 (Annex 45), refuting the Delegate's arguments, referring him to the statement which accompanied the Washington Agreement of April 25, 1951 between the three Governments and informing him that no decision had, as yet, been notified to the Commission regarding the disposal of Albania's share in the gold pool.

Albania did not make an application to the International Court of Justice as provided for in paragraph (a) of the Washington statement but Italy did and, as can be seen from the judgment of June 15, 1954 of the International Court of Justice in the "case of the monetary gold removed from Rome in 1943 (preliminary question)" (I.C.J. reports 1954, p. 19, Sales number 119), the Court, unanimously, found that the jurisdiction conferred upon it by the common agreement of the three Governments and Italy did not, in the absence of the consent of Albania, authorize it to adjudicate upon the first submission in the application of the Italian Government and, by thirteen votes to one, found that it could not adjudicate upon the second submission in the application of the Italian Government.

The Commission understands, at the time of writing this report, that there has been no change in the situation since then.

The share attributable to Albania is known and any further share in a final distribution can easily be calculated.

The only problem with which the Commission may be faced will concern the provision to be made in an eventual liquidation of the Commission for the continuation of the payment of safe custody charges to the Bank of England for the gold set aside on account of the Albanian case.

4. The position reached in regard to the Netherlands.

Upon receipt of the Commission's letter of June 11, 1958, adjudication and enclosures, Dr. A. Rinnooy-Kan, Director of the Netherlands Ministry of Finance, Delegate of the Netherlands to the Inter-Allied Reparation Agency, phoned the Secretary General on June 16, 1958, stating "that he had had a shock" on reading the Commission's adjudication in which a comparatively important portion of the Netherlands' claims was rejected, asking a number of questions and requesting a meeting with the Commission. The Secretary General reported this conversation to the three Commissioners.

In his letter of June 16, 1958, confirming this conversation, Dr. Rinnooy-Kan misquoted what the Secretary General had said and the latter, on his own initiative, corrected the Delegate by letter dated June 20, 1958.

The three Commissioners exchanged views, in consultation with their respective Governments, regarding the advisibility of receiving Dr. Rinnooy-Kan. His request for a meeting with the Commission was the first and only request of this nature addressed to the Commission subsequently to the despatch of the Commission's letter of June 11, 1958 and enclosures.

Whilst these exchanges of views were taking place, Dr. Rinnooy-Kan addressed a further letter, dated June 24, 1958, and a memorandum of the same date (Annex 46) to the Secretary General who circulated these documents to the three Commissioners, asking them, at the same time, in view of the contents of Dr. Rinnooy-Kan's letter, whether he was to proceed with the second and quasi final distribution or suspend it, pending further advice. The Commissioners directed the Secretary General to proceed with the distribution, as previously agreed. Dr. Rinnooy-Kan's memorandum raised a number of points and requested replies to seven questions.

38/.....

201529

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

The Secretary General, having been authorized by the three Commissioners to acknowledge receipt of Dr. Rinnooy-Kan's letter of June 24, 1958, despatched an acknowledgment on July 10, 1958.

On July 23, 1958, Mr. J.M. Devers, Commercial Counsellor at the Embassy of the Netherlands in Brussels, passed a message from Dr. Rinnooy-Kan, by telephone, to the Secretary General, to the effect that, if the Commission could not agree to a formal hearing, he (Dr. Rinnooy-Kan) would like to have an informal conversation with its members. The Secretary General reported this conversation to the three Commissioners.

Meanwhile, the three Commissioners, in consultation with their respective Governments, were pursuing their exchanges of views with regard to the action to be taken by the Commission. At a Meeting of the latter on October 13, 1958, it transpired that the Netherlands had referred the contents of Dr. Rinnooy-Kan's memorandum of June 24, 1958, officially, to the three Governments. Having regard to this information, the Commission decided that, subject to the three Governments' approval, it would perhaps be more appropriate for the latter to answer the memorandum of June 24, 1958 and for the Commission to answer Dr. Rinnooy-Kan's letter of the same date, by saying that it had been on the point of acceding to the latter's request for an informal conversation but that, since his Government had now referred the matter, officially, to the three Governments, the Commission could no longer enter into conversation with him. A suggested draft of this letter was prepared, together with a suggested list of answers (in French and in English), for the use of the three Governments, to the questions raised in the memorandum and the two documents (Annexes 47 and 47 A) were submitted by the three Commissioners, individually, to their respective Governments.

On February 13, 1959, the Secretary General, on instructions from the Commission, despatched the latter's answer (Annex 47) to Dr. Rinnooy-Kan's letters of June 16 and 24, 1958.

Dr. Rinnooy-Kan acknowledged receipt by letter dated March 4, 1959.

The three Governments took action on the lines suggested by the Commission and the enclosures to the Notes, addressed on June 29, 1959 by the Secretary of State of the United States to the Chargé d'Affaires of the Netherlands in Washington, by the French Ministry for Foreign Affairs to the Embassy of the Netherlands in Paris and by Her Majesty's Principal Secretary of State for Foreign Affairs to the Netherlands Ambassador in London, contained replies, based on the Commission's recommendations, to Dr. Rinnooy-Kan's questions.

Early in November 1959, the American Commissioner communicated to the Secretary General, informally and confidentially, for the latter's comments, a copy of a Note which the Netherlands Ambassador in Washington had delivered, on October 12, 1959, to the State Department on behalf of his Government which, referring to the Commission's adjudication, complained that "the Commission was under a fundamental misapprehension about some of the material factors and circumstances ..." and requested a "rehearing of the matter by a competent tribunal". The Secretary General commented upon this Note in an informal and confidential letter which he addressed to the American Commissioner on November 16, 1959, with copies to the latter's two colleagues.

39/.....

201530

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

The Commission's files contain a copy of this same Note, which was delivered in French by the Netherlands Ambassador in Paris to the French Ministry for Foreign Affairs on October 23, 1959.

Although the Note was not communicated officially to the Commission, the latter feels that it must be reproduced in the present report, since It was the starting point of proceedings which led to a hearing of the Netherlands before the Commission, which rejected the Dutch contention and maintained its adjudication in its entirety. A copy of this Note, as received by the United States, will be found at Annex 48.

The Commission's files contain more than 200 pages of documents concerning this case, ranging from letters, copies of which were circulated by the Secretary General, from the three Commissioners expressing their views and those of their Governments and enclosing copies of Notes passing between the latter and the Netherlands Ambassadors in the three capitals, minutes of the Commission's Meetings, drafts, redrafts and final texts of communications to the Netherlands' Representatives, Notes on the case by the Secretary General and regarding procedure, result of searches by the latter in national libraries outside the Netherlands for copies of official documentation of that country required in connection with the case and even information from the Historical Section of the British Admiralty regarding the dates which also had a bearing on the case of the transport to England of the Queen and members of the Government of the Netherlands after the invasion of that country by Germany. The Commission has found it difficult to decide which documents should be enclosed with the present report and some of these, which appear essential, are unfortunately somewhat bulky.

A stage was reached where the three Governments, after close consultation, decided to request the Government of the Netherlands to "present a clarification of its views noted above in a hearing before the Tripartite Commission". The Commission understands that the three Governments' request was delivered to the Netherlands Embassy in Paris and addressed to the Netherlands Ambassadors in Washington and London, respectively, on November 10, 1960 and that the documents attached hereto as Annexes 49 & 50 are exact reproductions of the Note in the French and the English languages.

The Netherlands queried the three Governments' decision and alleged that there were a number of reasons, mainly juridical "for allowing the clarification of the Netherlands' view to be presented directly to a tribunal which has not previously given a decision on the part of the Netherlands' claim now in question". There is only one copy of the Netherlands' Note on this subject in the Commission's archives. It is addressed to Her Majesty's Principal Secretary of State for Foreign Affairs and dated June 15, 1961 (Annex 51).

In reply to this Note, the three Governments renewed their request that the Netherlands Government should "approach the Secretary General ..... in order to arrange with him a meeting with the Netherlands' Representatives at the seat of the Commission in Brussels". They considered that the Commission "is the authority competent to hear and examine the arguments of the Netherlands Government in the present case". It seemed to them "that such a procedure ..... will allow the Netherlands' Representatives to explain the statement of the Netherlands Government that the Commission "was under a fundamental misapprehension about some of the material factors and circumstances of the matter" and, on those grounds, to furnish the Commission with the documents which the Netherlands Government had not previously judged it necessary to produce in support of their contention".

40/.....

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

There is only one copy of this Note in the Commission's archives. It is addressed by Her Majesty's Principal Secretary of State for Foreign Affairs to the Netherlands Ambassador in London and dated February 27, 1962 (Annex 52).

The Netherlands Government, answering this Note, said that "in view of the renewed request ....." it was "preparing the necessary communication to the Commission .....". It added : "It remains the view of the Netherlands Government, however, that the appropriate method of bringing the matter to a conclusion will be through consideration by an independent tribunal which has not previously been concerned with the Netherlands' claim ".

The Commission's archives contain two copies, in the English language, of the Netherlands' Note, one addressed to Her Majesty's Principal Secretary of State for Foreign Affairs, the other to the Honourable the Secretary of State in Washington, both dated November 28, 1962. One of these copies is attached hereto as Annex 53.

On December 19, 1962, Dr. A. Rinnooy-Kan, Deputy Treasurer of the Netherlands, wrote (Annex 54) to the Secretary General, enclosing a memorandum (Annex 55) dated November 15, 1962 and supporting documentation (too bulky to be attached to this report), requesting an early hearing before the Commission.

The hearing of the Netherlands took place on May 6, 1963.

The Commission, in close consultation with the three Governments constituting it, decided to maintain in its entirety its rejection of the Netherlands claim in respect of 35,475.8682 kilograms of fine gold. It informed Dr. Rinnooy-Kan accordingly by letter (in the English and French languages) dated July 12, 1965 (Annex 56) delivered through the Netherlands Embassy in Brussels.

A verbatim account of the hearing had been agreed between the Secretary General and Dr. Rinnooy-Kan but, in view of its length and of the fact that the Commission's letter of July 12, 1965 gives a fair idea of its contents, the account is not attached to the present report.

Such is the history of this case, to date.

With regard to the past, there are only two points which the Commission considers should be mentioned, as a matter of interest. The first is that this is not the first time that the Netherlands have queried the Commission's procedure. They were, for instance, the only country to insist upon receiving an explanatory statement (Annex 27 D) prior to the signature, by their Representative, of the waiver. The second point worth mentioning is that, although they failed to establish that the 35,475.8682 kilograms of gold, subject of their claim which was rejected by the Commission, was monetary gold belonging to them, the Netherlands did produce detailed and verifiable data, proving that this gold was, in fact, looted by, or wrongfully removed to, Germany. Their case differed, in this respect, from similar cases submitted by Poland and Greece where, broadly speaking, detailed and verifiable data were almost entirely lacking and no proof was forthcoming that any of the gold claimed was monetary gold belonging to the two countries or that this particular gold was looted by, or wrongfully removed to, Germany. On the other hand, Austria presented a claim of a somewhat similar nature to that of the Netherlands, where looting or wrongful removal was proved, but which was rejected by the Commission on the ground that Austria had failed to establish that the gold in question was monetary gold belonging to it. As will be seen, the grounds for rejection, which the Commission holds were, in any event, indisputable, were stronger in some cases than in others.

41/.....

201532

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

5. The position reached in regard to Czechoslovakia.

Czechoslovakia, it will be recalled, was omitted from the list of claimant countries to whom the Commission's letters of June 11, 1958 and accompanying adjudications were sent. The adjudication on the Czech claims, prepared within the Secretariat, remained in suspense, as has already been explained in Section 1, Chapter V, Volume I. The contents of the adjudication, however, were taken into account for the purpose of the calculations governing the second and quasi final distribution.

On August 15, 1958, the Czech Minister in Brussels addressed a letter to the Chairman of the Commission, enclosing a memorandum (Annex 57) in which the Czech Government protested, alleged that it was being discriminated against and requested immediate delivery of Czechoslovakia's share in the pool (1). It also expressed astonishment at the fact (of which it had become aware through the British and French Governments) that the Czech claims had not been validated in their entirety and asked for information in this respect. Lastly, it expressed the opinion that the Commission's procedure should no longer be considered as secret and that the latter should publish an account of its activities, as soon as possible.

At the request of the Chairman, the Secretary General circulated the letter and the memorandum on August 18, 1958, together with the draft of a suggested acknowledgment of receipt.

The Commission understands that a joint Franco-British draft of a suggested reply to the Czech memorandum was prepared by the French and British Governments but that the project was abandoned at the request of the American Government.

The Secretary General was, however, authorized to send an acknowledgment of receipt and he did so on October 14, 1958.

Prior to these events, the Czech Government had protested, through its Representative in Brussels, on several occasions, against the delays in the delivery of the rest of Czechoslovakia's share in the pool and asked that further deliveries of gold be made to it, on account. It had also asked for certain explanations concerning the position reached in the Commission's work. The relevant letters are dated September 9 and 25 and December 9, 1952, October 15, 1954 and June 23, 1955. These letters were answered by the Commission but there would appear to be no necessity, at this stage, for reproducing this somewhat voluminous correspondence in the form of annexes to the present report.

42/.....

(1) It must be noted that Czechoslovakia had, in fact, received 195,283.854 Troy ounces of fine gold in the preliminary distribution on May 3, 1948. This was the "allocation provisoire" referred to in page 1 of the memorandum.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

DONE in Brussels, at the seat of the Tripartite Commission for the Restitution of Monetary Gold, 9 Rue de la Science, on this third day of March nineteen hundred and seventy-one.

Commissioner
of the Government
of the United States of America.

G.F. Hiller
Commissioner
of the Government
of the United Kingdom of Great Britain and Northern Ireland.

Commissioner
of the Government
of the French Republic.

John A. Watson
Secretary General.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SZ NARA Date 8-9-99

RG 59
Entry 5382
Box 3

CONTENTS OF

VOLUME III

CHAPTER I

THE GOLD (AND DOLLAR AND POUND) ACCOUNTS

Page

1. The accounts at the Federal Reserve Bank of New York 1
   - (a) How these were opened 1
   - (b) The Commission's status under United States law 1
   - (c) The rules governing the holding of gold bars and coins in the United States and the problems which arose 2
2. The accounts at the Bank of England 2
   - (a) The question which arose regarding the security from attachment of any gold belonging to the pool which might be transferred to the Bank of England 2
   - (b) The decision to transfer the "Frankfurt gold" to the Bank of England 3
   - (c) The opening of the account 4
   - (d) The rules governing the holding of gold bars and coins at the Bank of England 4
3. The problem which arose in connection with "said to contain" and other similar forms of credit and how the Commission dealt with them 6
4. The account at the Bank of France 6
5. How requests for purposes of audit were dealt with 8

CHAPTER II

THE POOL OF MONETARY GOLD

1. The two items of information required for the purpose of determining the shares in the gold pool available for restitution to each successful claimant country 9
2. The respective roles of the three Governments and of the Commission in the assembling of the gold pool 9
3. The composition of the gold pool 9
4. A recapitulatory schedule 11
5. Enquiries made with a view to obtaining some return for the gold held in the pool, pending distribution 12

201535

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

CHAPTER III

THE PRELIMINARY DISTRIBUTION

Page

1. Initial statement 13
2. The Commission's letter of October 16, 1947 14
3. The standard forms adopted for the preliminary distribution 14
4. A summary account of the preliminary distribution 14
   - (i) The delivery to Austria 15
   - (ii) The deliveries to France on behalf of Belgium and Luxemburg 15
   - (iii) The second delivery to France, via Belgium alone 16
   - (iv) The delivery on account to Czechoslovakia 16
   - (v) Allocation to Greece 16
   - (vi) The deliveries on account made to Italy and the deliveries effected on behalf of Italy 16
   - (vii) The first delivery to the Netherlands 18
   - (viii) The second delivery to the Netherlands 18
   - (ix) The first delivery to Yugoslavia 18
   - (x) The second delivery to Yugoslavia 19
5. Recapitulatory table 19

CHAPTER IV

THE SECOND AND QUASI FINAL DISTRIBUTION

1. Preliminary statement 20
2. The Commission's formal communication of May 24, 1951 to the three Governments 21
3. The Commission's Resolution of October 19, 1953 21
4. The British Commissioner's letter of April 27, 1954 to the Secretary General 22
5. The American Commissioner's letter of March 7, 1957 to the Secretary General 22
6. The Commission's communication of March 30, 1957 addressed to the three Governments 22
7. The instructions to proceed to a second and quasi final distribution given by the three Governments to the Commission ... 23
8. Amendments to three of the enclosures (a, c & f, Annex 37) sent out with the instructions of the three Governments 24
9. Adaptation of the delivery documentation, referred to in section above, to meet certain requirements in the cases of Belgium and Luxemburg 24

201536

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 3

Page

10. The procedure used and the formalities carried out in connection with the second and quasi final distribution 25

11. The Resolution adopted by the Commission at its 152nd Meeting, for submission by each Commissioner to his Government 25

12. The authorizations of the three Governments 25

13. Technical arrangements 26

14. The signature of the Commission's adjudications 26

15. Recapitulatory schedules 27

CHAPTER V

PROTESTS AND QUERIES

1. Preamble 29

2. The position reached in regard to Poland 29

3. The position reached in regard to Albania 33

4. The position reached in regard to the Netherlands 37

5. The position reached in regard to Czechoslovakia 41

201537

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 4

COMMISSION TRIPARTITE
POUR LA RESTITUTION DE L'OR MONETAIRE

TRIPARTITE COMMISSION
FOR THE RESTITUTION OF MONETARY GOLD

Rue d'Arlon 85
1040 Bruxelles
Tel (02) 287.62.11

THE FINAL REPORT

1. The Tripartite Commission for the Restitution of Monetary Gold has the honour to submit its final Report to the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and France.

2. In view of the length of time since the establishment of the Tripartite Commission and the submission of its first confidential Report to the three Governments in 1971, it may be useful to provide a very brief summary of the first twenty-five years which were covered comprehensively in the 1971 Report and to report on the Tripartite Commission's activities from 1971 to 1998.

The Genesis of the Tripartite Commission

3. The Tripartite Commission had its origins in the Paris Conference on Reparation of 1945 attended by the Representatives of the Governments of Albania, the United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia. The Agreement on Reparation was signed on 14 January 1946. Austria (4 November 1947), Italy (16 December 1947) and Poland (6 July 1949) subsequently adhered to the arrangement for the restitution of monetary gold set out in Part III of the Agreement. This Part of the Agreement, entitled "Restitution of Monetary Gold" (see Annex A) provided that all the monetary gold found in Germany by the Allied Forces, and any monetary gold recovered from third countries to which it was transferred from Germany should be pooled for distribution as restitution to claimant countries in proportion to their respective losses of gold through looting or wrongful removal to Germany. The Governments of the United States of America, France and the

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 4

United Kingdom were to receive claims and distribute the gold. In order to implement Part III of the Agreement, the three Governments established, on 27 September 1946, the Tripartite Commission for the Restitution of Monetary Gold. Its establishment was announced in the Department of State Bulletin, Le Journal de la République Française and the London Gazette (Annex B).

4. For the sake of convenience, the Tripartite Commission was established in Brussels in co-location with the Inter-Allied Reparation Agency (IARA). The first Commissioners were concurrently also the three Governments' representatives on the IARA. However, the Tripartite Commission was constitutionally separate from and independent of the Agency. The status of the Tripartite Commission as an international organisation attracting privileges and immunities in respect of its official functions was recognised in Belgian law on 1 August 1952; this law being retroactive to 27 September 1946. (See Annex C) The Commissioners and the Secretary General of the Tripartite Commission were also specifically accorded the appropriate privileges and immunities. Lists of the Commissioners, their Deputies and Alternates and of Secretaries General from 1971 to 1998 are attached. (Annex D)

5. The former Soviet Union played no part in the Paris Conference or in the subsequent activities of the Tripartite Commission, having at the Potsdam Conference in July 1945 renounced all claims to gold recovered by the Allied forces in the Western zones of Germany. For their part, the Western Allies did not apparently seek to discover whether any monetary gold was recovered by the Soviet Union in its Zone of occupation in Germany or elsewhere.

The Gold Pool

6. In a remarkably short period of time, a considerable quantity of looted gold was taken into custody by the Allied authorities or identified as having been deposited in third countries. By July 1948, a total of 9,849,169 ounces of gold in bars, coins or pieces had been deposited with the Federal Reserve Bank of New York or the Bank of England or was still held at the Foreign Exchange Depository in Frankfurt by the U.S. military authorities. The grand total in the gold pool rose further, to 10,816,223.863 ounces by December 1974, and in 1996 another two bars of gold, weighing net 797.539 ounces of fine gold were added (see paragraphs 20 and 21 below), making the total for the gold pool of 10,817,021.402 ounces. However, the share of gold coins received by Albania on 29 October 1996 proved to contain a minute quantity of counterfeit, albeit gold, coins. The final total for the gold pool had therefore to be adjusted to 10,817,021.139 ounces, equivalent to 336,446.9667 kilograms (32.1507465 ounces = 1 kilogram). The gold pool was declared closed by the three Governments on 13 July 1998.

Claims

7. On 13 March 1947, the Tripartite Commission issued a questionnaire to potential claimant countries seeking information which would allow it to make awards from the gold pool on a proportional basis. Claims were submitted in due course by Albania, Austria, Belgium, Czechoslovakia, Greece, Italy, Luxembourg, the Netherlands, Poland and

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 4

Yugoslavia. They amounted to 23,648,411.502 ounces. However, the total of claims eventually validated after detailed examination by the Tripartite Commission amounted to 16,527,422.101 ounces, which was still considerably more than the total amount of gold recovered by the Western Allies for the gold pool.

The Preliminary Distribution of Gold

8. It became clear by the middle of 1947 that there was an urgent need to distribute some of the gold to meet the requirements of the claimant Governments and it was decided by the three Governments that a preliminary distribution of gold should be made even before the totality of claims could be fully considered and adjudicated upon. Accordingly, rough calculations were made by the Tripartite Commission of the amounts of gold likely to be attributed in due course to each claimant Government and between October 1947 and November 1950 a total of 8,558,855.6413 ounces of gold was distributed to Austria, Belgium, Czechoslovakia, Italy, Luxembourg, the Netherlands and Yugoslavia. The actual distribution of the share attributed to Albania was delayed because of a counter-claim by Italy to most of the gold in question. That to Greece was delayed for purely practical reasons, because the amount concerned was very small. Poland did not participate in the preliminary distribution because its claim was not properly formulated until 1950. The details appear in the 1971 Report.

9. By November 1950, therefore, over 80% of the eventual total gold pool had been distributed to the claimant Governments.

The Tripartite Commission's Adjudication of Claims

10. The Tripartite Commission's consideration of the claims submitted to it was completed and the adjudications all signed on 9 June 1958, except that for Czechoslovakia which was not signed until 20 February 1982. As stated in paragraph 7 above, the total amount of the claims validated by the Tripartite Commission was 16,527,422.101 ounces (514,060.2909kgs). While much less than the total of original claims, this was nevertheless considerably more than the final total of 10,817,021.139 ounces (336,446.9667 kilograms) of gold recovered by the three Governments and placed in the gold pool.

The Second, "Quasi-final" Distribution of Gold

11. Following the finalisation of the Tripartite Commission's adjudications, a second, "quasi-final" distribution of gold was undertaken. A total of 1,062,579.233 ounces was distributed to Austria, Belgium, Greece, Italy, Luxembourg and Yugoslavia between June 1958 and June 1959. The details of this distribution appear in the 1971 Report. The Netherlands, Poland, Czechoslovakia and Albania presented problems, all different, which led to their distributions being delayed.

12. The Netherlands, as will be clear from the 1971 Report (pages 37 to 40 of Volume III), contested the Tripartite Commission's rejection of a significant part of its claim.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 4

Following lengthy discussions, it accorded the Netherlands a special hearing of its case in May 1963. After due consideration, the Tripartite Commission maintained its rejection of the relevant part of the Netherlands' claim and so informed the Netherlands in July 1965. The Netherlands Government did not respond for some time and the Commissioners decided to leave the initiative with that Government. In July 1972, the Minister of Finance of the Netherlands enquired about the delivery of the Netherlands' allocation. Information was immediately provided by the Secretary General. Eventually, in May and August 1973, the Bank of England and the Federal Reserve Bank of New York delivered to the Netherlands 78,102.499 ounces and 53,460.758 ounces of fine gold respectively, a total of 131,563.257 ounces as the Netherlands' second distribution.

13. Poland's claim, as will be seen from the 1971 Report (pages 29 to 33 of Volume III), was dealt with in two parts by the Tripartite Commission. The first Polish claim was rejected in toto. The second, in respect of gold originating in the former Free City of Danzig, was validated by the Tripartite Commission, but it decided in its adjudication of June 1958 that neither the Government of Poland nor any other Government had proved that it was entitled to claim in respect of the Danzig gold and that an appropriate share of the gold pool should be set aside in the custody of the three Governments pending resolution of the issue. The Polish Government protested at this decision. Eventually, in June 1976, the Tripartite Commission decided that as no other claimant had come forward and as the Polish People's Republic had exercised authority in Danzig for over thirty years, the gold should be delivered to the Government of Poland. A supplement to the original adjudication was signed by the three Commissioners. In August 1976, Poland received 50,237.827 ounces from the Federal Reserve Bank of New York and 29,327.197 ounces from the Bank of England (a total of 79,565.024 ounces) in respect of the combined preliminary and quasi-final shares relating to Danzig.

14. In February 1982, Czechoslovakia received 263,939.461 ounces of gold from the Federal Reserve Bank of New York and 327,633.729 ounces from the Bank of England, making a total of 591,573.190 ounces in respect of its quasi-final share. Finally, on 29 October 1996, Albania received 49,804.149 ounces of gold from the Bank of England in respect of its combined preliminary and quasi-final shares.

The Gold and Currency Accounts

(i) The Gold Accounts

15. In 1971, the Tripartite Commission held gold in two accounts. At the Federal Reserve Bank of New York it had a total of 432,921.144 ounces: 426,273.904 ounces in bars and 6,647.240 ounces in coins. At the Bank of England, the Commission held a total of 602,741.520 ounces: 153,452.377 ounces in bars and 449,289.520 ounces in coins. Following distributions to the Netherlands, Poland and Czechoslovakia, the sale of bars to finance the running costs of the Tripartite Commission and the acquisition of two gold bars from Germany, the state of the holdings before the distribution to Albania was:

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SZ NARA Date 8-9-99

RG 59
Entry 5382
Box 4

FRBNY	65,283.098 ounces in bars
B of E	145,805.721 ounces in bars
	18,635.641 ounces in coins.

16. In 1956, the Tripartite Commission had examined the possibility of placing the gold remaining in the pool in an interest-bearing account, but subsequently learned that it was not feasible (see page 12 of Volume III of the 1971 Report). In 1995, however, the Secretary General learned from the Bank of England that a small rate of interest could be obtained on gold deposited even on short term. After full consideration of the implications, and accepting that the gold which would in due course be returned to the Tripartite Commission would not be the gold which it had deposited, the Commissioners reached agreement on 30 January 1997 to place all the gold which it held in the Bank of England on interest-bearing deposit with the exception of the two Prussian State Mint bars (see paragraphs 20 and 21 below). From February 1997 to June 1998 the interest earned on this account amounted to £364,915.09. This was placed in the Tripartite Commission's sterling account at the Bank of England.

(ii) The Currency Accounts

17. At the time of the 1971 Report, the Tripartite Commission held four currency accounts. At the Federal Reserve Bank of New York, a small U.S. dollar account had been maintained for practical purposes. It remained untouched for many years until the winding-up of the Tripartite Commission when theU.S.$ 1,248.57 remaining were transferred to the Bank of England and used to augment the final shares to the claimant Governments.

18. At the Bank of England, there were two sterling accounts which were used as the main operating accounts: one was an interest-bearing deposit account into which were placed the proceeds of the sales of gold bars over the years. This account was used to feed the current account which funded expenditures in sterling such as gold storage charges at the Bank of England and also funded the current account held at the Morgan Guaranty Trust Company in Brussels which was used to meet the administrative expenses of the Tripartite Commission. When the Morgan Guaranty Trust ceased its "High Street" banking operations in Brussels in 1995, the Tripartite Commission avoided the expense of opening a new account in Brussels by thereafter using the Bank of England current account for all current expenditures. After all the gold had been distributed, with the exception of the final share of the successor states to the former Yugoslavia, when the Commission was wound up, there remained £78.09 in the deposit account and £350,044.46 in the current account. The total of £350,122.55 was then distributed pro rata to the claimant countries by cheque.

The Tripartite Commission's Addresses

19. At the time of the 1971 Report, the Tripartite Commission was housed at 9, rue de la Science. In 1972, it moved to an office in the British Embassy building at 28, Rue Joseph II. When the Embassy itself moved to a new building at 85, Rue d'Arlon in 1992, the Tripartite Commission moved with it, leasing an office formally from the Embassy.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 4

The Recovery of Two Missing Gold Bars

20. In the early 1980s, two independent researchers([1]) established that two gold bars which had formed part of a shipment from the Reichsbank in Berlin to a "safe area" in the south of Germany in the last weeks of the war had apparently not been included in the gold of this shipment which had in due course ended up in the Bank of England via the Foreign Exchange Depository in Frankfurt. It was eventually discovered that the bars were in the possession of the German financial authorities. Following protracted negotiations with the German Government which was concerned not to find itself subject to claims for these bars from third parties, the bars were handed over to the U.S. Embassy in Bonn on 27 September 1996, (the 50th anniversary of the establishment of the Tripartite Commission). They were then shipped to the Bank of England for incorporation into the gold pool.

21. The bars improperly bore the Prussian State Mint insignia and the date-stamp 1938. Such bars had not been acceptable in the past as good delivery bars on the London market. However, as they also bore the assay mark of the German specialist assayers, Degussa, for the year 1956, they were deemed acceptable. They weighed net 797.539 ounces of fine gold. The Reichsbank records show that these bars were originally Belgian Central Bank gold bars which had been looted by the Nazi regime, re-smelted by the Reichsbank and given false identification markings.

Claims on the Residual Gold Pool

22. In the summer of 1996, as an end to the Tripartite Commission's work was in sight, an upsurge in public interest in the question of looted gold and other assets belonging to victims of the Nazi regime focussed attention on the fact that there would remain in the gold pool about five and a half tons of gold after Albania had received its preliminary and quasi-final distribution. Some Jewish organisations sought to have this residual gold pool donated in large part to these organisations to help finance activities for the benefit of victims of the Nazi regime or their descendants. They argued that some of the gold was not monetary but had been looted from individuals.

23. The British and U.S. Governments undertook research into their official archives, many of which had been available to the public for some years. While this research was carried out, the final distribution of the gold pool was delayed. The results of the Governments' researches revealed that an unquantifiable but small amount of non-monetary gold might inadvertently have been placed in the gold pool. The Nazis often resmelted gold to conceal its origin.

24. At an enlarged meeting of the Tripartite Commission on 27 June 1997, in which representatives from capitals took part, it was agreed that the Tripartite Commission should launch the final distribution by informing the claimant Governments by diplomatic Note of the amount of gold due to them in the final distribution and that the Tripartite Commission

---

[1] Mr Ian Sayer and Mr Douglas Botting, authors of the book "Nazi Gold".

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 4

was ready to proceed. Simultaneously, the three Governments would inform the claimant Governments by diplomatic Note of the findings of the British and U.S. researches and suggest that they might wish to consider placing all or some of their final share in a fund being established to aid needy victims of Nazi persecutions. This exercise took place in early August when the Chairman and Secretary General of the Tripartite Commission called together on the diplomatic representatives in Brussels of the claimant countries (with the exception of those of the successor states to the former Yugoslavia) and handed over copies of the diplomatic Notes referred to above.

The Activities of the Tripartite Commission 1971-1998

25. For much of the period post-1971 the Tripartite Commission was unable to undertake the distribution of gold while the resolution of problems outside its control was undertaken by the three Governments. The major pieces of business transacted by the Tripartite Commission were the distribution of gold to the Netherlands (1973), Poland (1976), Czechoslovakia (1982) and Albania (1996) and the final distribution and the winding up of the Tripartite Commission in 1998.

26. The Tripartite Commission met in formal session when business required, rather than regularly. It was not required to do so between May 1988 and June 1995, but Commissioners maintained contact. With the way open for the distribution to Albania of its preliminary and quasi-final shares and thereafter for the distribution of the final shares, the Tripartite Commission met with increasing frequency. Thus, the Tripartite Commission held 38 meetings from 1971 to 1988 (meetings No 183 of 3 March 1971 to No 220 of 25 May 1988) and 31 meetings from 1995 to its winding up in 1998 (meetings No 221 of 23 June 1995 to No 251 of 28 August 1998). The minutes of all the meetings of the Tripartite Commission, from meeting No 1 on 8 December 1946, appear in the archives of the Tripartite Commission.

The Final Distribution of Gold

27. Once Albania had received its preliminary and "quasi-final" shares and the decisions with respect to the claims to the remaining gold had been taken (see paragraphs 22 to 24 above), the Tripartite Commission was able to initiate the final distribution of the remaining 179,920.311 ounces of gold. Given the impossibility of dividing the gold bars exactly in accordance with the shares allotted, the final amounts comprised a mix of gold bullion and currency (pounds sterling). The final distributions took place from 22 April 1998 to 13 July 1998, as and when requested by the claimant countries: the Netherlands (22 April 1998); Belgium (30 April 1998); Austria (24 June 1998); Poland, the Czech Republic and Italy (25 June 1998); Greece, the Slovak Republic and Luxembourg (26 June 1998) and Albania (13 July 1998). The remaining share originally destined for the former Yugoslavia, amounting to 1,209.781 ounces of fine gold and pounds sterling 33,612.04, was retained in associated gold and sterling non interest-bearing accounts held by the three Governments at the Bank of England to await an arrangement between the successor states. As the closure of the Tripartite Commission approached, it advised the successor states by diplomatic Note of the situation and of the procedure to be followed in order to receive the remaining quantity of the

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SZ NARA Date 8-9-99

RG 59
Entry 5382
Box 4

monetary gold of the former Yugoslavia.

The Archives of the Tripartite Commission

28. The three Governments had agreed that the archives of the Tripartite Commission should be transferred immediately upon its closure to the Archives Nationales Françaises and be available immediately to the public. The archives include all the documents relating to each claimant country's claim, the Tripartite Commission's adjudication thereon and the distributions of gold made to each country; the minutes of all the meetings of the Tripartite Commission from 1946 to 1998; the 1971 Report to the three Governments, which includes all the adjudications and the history of the Tripartite Commission's proceedings up to 1971; the Final Report to the three Governments of 1998; files relating to the Commission's dealings with the Federal Reserve Bank of New York, the Bank of England and the Banque de France; and "The Gold Book" - the ledger in which are recorded all the movements of gold into and out of the Tripartite Commission's accounts. (See Annex E.) Copies of all significant documents will be made available at the Public Records Office in London and the U.S. National Archives as soon as possible after the closure of the Tripartite Commission.

Tripartite Commission Staff

29. At the time of the 1971 Report to the three Governments, the Tripartite Commission's staff had been reduced considerably and consisted of no more than a Secretary General, his personal assistant and a staff member responsible for the archives and accounts. By the end of 1971, the personal assistant had retired, without replacement, and the staff member was retained on a "short part-time basis". By 1974, the staff member was employed on the basis of ad hoc consultation, leaving the Secretary General, Colonel John Watson, as the sole remaining official of the Tripartite Commission. When Colonel Watson fell ill in 1976, a successor was found in Mr. Colin Harris, who took office with effect from January 1977. Mr. Harris unfortunately died in office in the spring of 1992. The three Commissioners decided to leave the position vacant until there seemed to be a likelihood of action being needed by the Tripartite Commission in relation to the Albanian claim and the winding-up of the Tripartite Commission. This situation arose in 1995, and a new Secretary General, Mr. Emrys Davies, was appointed in June 1995.

Cost of the Tripartite Commission

30. The three Governments, and the three Commissioners, showed throughout the life of the Commission a keen awareness of the need to minimise the cost of the operation of the Commission, which, in accordance with its terms of reference, was being met from the gold pool. During the 52 years of the Tripartite Commission's existence, 43,880.424 ounces of fine gold, ie some 0.406% of the total gold pool, were sold to finance the Tripartite Commission's activities. From 1997, some of the interest earned from the deposit of gold with the Bank of England (see paragraph 16) were similarly used for this purpose. It should also be borne in mind that all but 2,823.097 ounces of the 43,880.424 ounces were sold at a time when the price of gold was maintained by international agreement at U.S.$35 or

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 999100
By SR NARA Date 8-9-99

RG 59
Entry 5382
Box 4

thereabouts, compared with about U.S.$380 in 1996.

31. It would be right also to record that the three Governments made major, but unquantified and indeed unquantifiable, contributions to the work of the Tripartite Commission in assembling the gold pool and providing free of charge the services of Commissioners, gold experts and Government service officers in Brussels and in their capitals over the years.

The Winding-up of the Tripartite Commission

32. The closure of the Tripartite Commission was set for 9 September 1998. Following the final distributions (with the exception of that to the successor states of the former Yugoslavia - see paragraph 27 above), a series of administrative measures was undertaken, such as the closure of the accounts of the Tripartite Commission at the Federal Reserve Bank of New York and the Bank of England and transfer of the archives to the depository (the Archives Nationales Françaises). It was expected that the closure of the Tripartite Commission would be the subject of a declaration by the three Governments and announced in the three official gazettes.

Acknowledgment

33. The Tripartite Commission would like to take this opportunity of recording its gratitude to the Government of the Kingdom of Belgium for its hospitality over the years. It also wishes to record its gratitude to the staff of the Federal Reserve Bank of New York, the Bank of England and the Banque de France for their cooperation and efficiency in carrying out the numerous tasks requested of them.

Brussels

3 September 1998

Mr. Mervyn Jones Commissioner of the United Kingdom	M. Philippe Malo Commissioner of the Republic of France	Ms. Anne E. Derse Commissioner of the United States