

DECLASSIFIED

Authority NN 979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
I.A.R.A. (I.G.C.)
Box 15

-2-

this line of reasoning and at the Chairman's suggestion we thought we would like to do something about it on a personal basis. We didn't altogether succeed but one possible solution which may result is that the Yugoslav Government would withdraw its claim to the 23 bars in question. This, to me, would not be a very good solution but it may be that it would represent as good a compromise as could be reached.

3. As a result of some additional information and more particularly as a result of reconsideration in the light of other decisions of the Commission, the Commission has tentatively reversed itself in the case of two small Yugoslav claims, namely (a) the 112 odd Kgs. belonging to the "Nationale Bank of Serbia", and (b) the 117 odd Kgs. generally referred to as the Ustachi (items Nos. 2 and 4 respectively, under Yugoslavia in the interim summary). The summary of the considerations leading up to this double reversal will go forward in the Minutes which will reach you shortly.

Yours sincerely,

Homer S. Fox
United States Commissioner
Tripartite Commission for the
Restitution of Monetary Gold.

HSFox:Scf

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Authority NN979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
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File
24 July, 1951
X-G-A
1951
TC

UNOFFICIAL

Confidential
Working Paper - PER/YUG-23 ✓

*agreed to reject
this claim. Meeting
July 31 - '51*

From : The Secretary General, T.C.F.T.R.O.M.G.

To : 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.

Further to my PER/YUG-19, dated 7th July, 1951, there are set forth hereunder certain points for consideration, regarding the second of the two small Yugoslav claims which the Commission may, perhaps, wish to review.

This claim is the claim for 112.61669 kgs. which were taken from the National Bank of Serbia.

Subsequently to the occupation of Yugoslavia, early in 1941, the National Bank of Yugoslavia, which was the pre-war Central Bank of Yugoslavia, was "liquidated" by order of the German Military Commandant in Serbia. A German Commissary was appointed to the Bank in liquidation. Those portions of Yugoslavia which were considered as definitely annexed to the territories of the Axis Powers were incorporated in the monetary systems of the respective Axis Powers but, in the territory of Croatia, there was set up an "Independent State" in which was created a Central Bank designated "The Croatian State Bank" and, in the area administered by the German Military Commandant in Serbia, there was set up a separate Central Bank designated "The Serbian National Bank".

It seems clear, from the documentation furnished by Yugoslavia, that the latter Bank was set up, by the Germans, and controlled by them and that it was, to all intents and purposes, a German Bank.

One of the first steps the Germans took was to issue orders rendering the surrender of gold by private persons to the National Bank of Serbia compulsory.

Prior to the war, private persons and firms in Yugoslavia (except domestic mines producing gold, in respect of which special legislation was in existence) were allowed to hold gold and they were under no obligation to declare it or to surrender it to the National Bank of Yugoslavia. But if they wished to sell it, they could dispose of it only in two ways : either

- (a) to the National Bank of Yugoslavia, or
- (b) to other private persons or firms for certain specific purposes, under a special permit from the National Bank of Yugoslavia.

2/.....

- 2 -

Pursuant to the German orders referred to above, 220,58683 kgs. of gold were surrendered by private persons to the National Bank of Serbia or purchased by the National Bank from German Services which had seized it from private persons.

Of this amount, the organisation of "Drasa Mahajlovic" looted 107.70829 kgs. and, after the liberation, only 0.26185 kgs. remained in the vaults of the Bank. Yugoslavia contended that the difference, namely 112.61669 kgs. was looted by Germany.

Further information was requested and Yugoslavia furnished proof :

- i. that all the above-mentioned gold was entered in the books of the National Bank of Serbia;
- ii. that 112.61669 kgs. were "sold" to various German Services by the National Bank of Serbia;
- iii. that, although consideration was given by these German Services, it could not be considered as genuine consideration.

The Commission, at its 76th Meeting, decided :

"that the gold was carried, at the time of the looting, in the accounts of a monetary authority as part of Yugoslavia's monetary reserve".

"that the sale of this gold to the Germans had been effected under duress".

"that no real compensation had been given for the said gold".

"that this claim would be allowed".

It is a point for consideration whether, in view of recent developments, particularly in regard to claims of the Netherlands and Austria, the above claim of Yugoslavia should not be revised ?

J.A. Watson

J.A. WATSON,
Secretary General.

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By TS NARA Date 6/23/89

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IARA (TGC)
Box 15

Sub
X G-L

July 13, 1951.

~~SECRET~~
~~OFFICIAL - INFORMAL~~

Otto F. Fletcher, Esquire,
Special Assistant,
Monetary Affairs Staff,
Department of State,
Brussels, Belgium.

Dear Otto:

Here is the Bar Mines gold again. Ronald Wingate came to see me today having received the same impression as I did from the French Commissioner's letter or statement on the Bar Mines Gold. What we decided to do after some discussion, was to get Henry one side privately and try to persuade him to take some action such as withdrawing his paper which would permit us to agree in the original decision to allow these Bar Mines gold claims. I will, therefore, not, for the moment, proceed with my intention as expressed in my letter to you of July 12. I will let you know how the conversation with Henry comes out.

Best regards,

Sincerely yours,

Homer S. Fox
United States Commissioner
Tripartite Commission for the
Restitution of Monetary Gold.

HSFox:Set

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By TS NARA Date 6/23/89

RG 84 entry 2113M
IARA (TGC)
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File
5/11
13th July, 1951
X-O-L
10 JUL 1951
TC

P-R-TUG 21 ✓

Unofficial

Working Paper.

From : The Secretary General, P.C.R.M.C.

To : 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.

Further to my Unofficial Working Paper, Ref. P-R-TUG-20,
dated, 9th July, 1951, circulating copy of the French Com-
missioner's letter No. 9622 of 5th July, 1951, together with
a copy of his note on the Bor Mines, I am enclosing herewith
English translation of this note.

J.A. Watson

J.A. WATSON,
Secretary General.

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disposed of products which contain precious metals - regardless of the
origin of these metals were obtained in, or outside, the country -
must offer their production to the National Bank for purchase.

Article 5.4 that the National Bank may purchase the products offered
under the provisions of the previous Article, at world market
prices. The payment of these goods will be made in dinars.

Exceptionally, the Minister of Finance may also authorise the purchase
of the products offered, in foreign currency.

The provisions of this Decree were made applicable to the French
Company of the Bor Mines by a decision taken on the 6th July, 1951.

b) In addition to its obligation to deliver the copper, against free currency,
the French Company of the Bor Mines is bound to hand over to the National Bank

TRANSLATION

GENERAL CONSIDERATIONS

I. HISTORY OF THE COMPANY.

In 1903, the Government of the Kingdom of Yugoslavia granted the "Société Française des Mines de Bor", the seat of which is in Paris, the right to work an auriferous copper mine situated on Yugoslav territory.

After the occupation of France, the Germans obliged the French shareholders to surrender their shares and so gained control of the Company which took the name of "Bor Kupferbergwerke und Hutten A.G." and when, on the 6th April, 1941, they invaded Yugoslavia, they took over the installations themselves.

When Germany was defeated, the French Courts, by a judgement made on the 28th July, 1945, declared null and void the forced sale to which the French shareholders had been subjected, and gave them the option to claim their rights, subject to reimbursement of the consideration which they had received. Further, the declaration of the United Nations, signed in London on 5th January, 1945, would have sufficed to render this transaction null and void even if it had not constituted an act of camouflaged spoliation.

The Bor Mine Company, therefore, remained without possible doubt a French Company.

At the same time, the Government of the Federal Republic of Yugoslavia unilaterally revoked the Agreement with the Company, by nationalizing those parts of its property which were under the Government's jurisdiction. The negotiations, which were opened later between the Governments of Yugoslavia and France, ended, in 1951 only, in an Agreement, whereby compensation was considered to have been received by the French Company in respect of the prejudice which it had suffered and the ownership of the assets of the Company, situated on Yugoslav territory, was legally transferred to the Yugoslav Government.

II. YUGOSLAV LEGISLATION ON NATIVE GOLD :

The Yugoslav Decree of the 4th August, 1934, expressly provides :

Article 3.- that the National Bank of the Kingdom of Yugoslavia acting in the name of the State has the right to purchase the total production of precious metals of the country.

Article 4.- that the mining and other enterprises of the country producing precious metals as a main product or accessory thereto, or products which contain precious metals - regardless as to whether these metals were obtained in, or outside, the country - must offer their production to the National Bank for purchase.

Article 5.- that the National Bank may purchase the products offered, under the provisions of the previous Article, at world market prices. The payment of these goods will be made in dinars.

Exceptionally, the Minister of Finance may also authorize the purchase of the products offered, in foreign currency.

The provisions of this Decree were made applicable to the French Company of the Bor Mines by a decision taken on the 6th July, 1937.

4) In addition to its obligation to deliver the copper, against free currency, the French Company of the Bor Mines is bound to hand over to the National Bank all its production of gold, in conformity with the Decree of the 4th August 1937

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III. THE TRANSFER TO THE YUGOSLAV STATE OF THE RIGHT OF OWNERSHIP TO THE GOLD EXTRACTED FROM THE BOR MINES.

No disposition of Yugoslav public law gives the State special rights over the property of its Nationals, at least before 1945. The Government of Belgrade cannot invoke a right to property, or claim title unless the property in question has been acquired legally by payment or gratuitously, by exchange, gift or legacy, by application of the laws on property in encheat or without owner or, also, if it has been the subject of a legal decision of attachment, of confiscation or requisition, taken by the Government within the limits of its powers.

The problem is of paramount importance. For, paragraph C, of Part III of the Paris Agreement provides that :

"a proportional share of the gold shall be allocated to each country concerned, which can establish that a definite amount of "monetary gold belonging to it was looted by Germany"

The Commission having decided that by "country" is understood "State" or "State Organisation" to the exclusion of all private persons, moral or physical, it is essential, in the case in point, to determine whether the Yugoslav Government can legally claim the ownership of the gold in question and which are these rights.

The only texts the Government quotes are those mentioned above in Paragraph II; but none imposes the unconditional legal transfer to the State of the property of the Bor Mine Company. All they grant, and this is the important point, is a right of preemption, and this is limited to an obligation for the Company to offer to the National Bank of Yugoslavia for purchase of all the gold the Company produces. If the Bank actually decided to buy all, or part of, the gold thus offered - and in the absence of a legal text establishing the State's right to the property, no more and even without counterpart - the act of purchase was non-existent unless the Bank gave the Company the price corresponding to the quantity acquired. So long as the strictly necessary counterpart had not been paid, the French Company, considered as a moral private person, remained the sole legal owner of the gold.

The condition set by the words "belonging to it" of paragraph C of Part III of the Paris Agreement, therefore implies, that to be valid, a claim for restitution by the Government of Yugoslavia to the gold of the Bor Mines, can only be the gold for which that Government has paid the counterpart mentioned above.

IV. REGULARISING THE TRANSFER OF PROPERTY.

The appropriation by Germany of the "Société de Bor" being illegal, the deeds done and operations concluded by the pseudo German Directors of Bor A.G. are also illegal, and the taking over by them of gold from the Bor Mines constitutes, as from that time, an act of looting.

It is, therefore, the status of the gold at the time that the Germans disposed of it, which should be taken into account when judging the validity of the claim of the Government of Belgrade.

However, through Germany's intervention, this Government was frustrated of its rights of preemption, due to it by law and of which there appears to be no doubt it would have taken advantage if the opportunity had been given to it. It would, therefore, seem fair to recognise as far as possible the moral right of the Belgrade Government to regularise retrospectively the operations of purchase which the National Bank of Yugoslavia would certainly not have failed to effect if the gold had been offered to her.

V. VALIDITY OF THE YUGOSLAV CLAIM.

The total weight of 2,681.3455 Kgs. of gold, of which Yugoslavia claims restitution under the heading of Bor Mine gold, is divided into three categories, each with very different characteristics, representing respectively 445.5710 Kgs., 282.9443 Kgs. and 1,952.8302 Kgs. :

(1) Gold in Bars seized from the mine itself : 445.5710 Kgs.

Though the documents in the possession of the Commission do not appear to establish this with certainty, this quantity of gold, obtained by refining on the spot mineral extracted from the mine, appears to have been transferred, with a view to safeguarding it, to Germany, where part of it was found as follows :

- 85 bars weighing 305.4514 kgs. were discovered at Merkers and subsequently incorporated in the gold pool in London.
- 16 bars representing 51.5114 kgs. were found in the British Zone and restituted direct to the Yugoslav Government. The Yugoslav Government later acknowledged that this gold should have been returned to the gold pool and that, consequently, the handing over of these bars to them should be considered as an advance on the allocation to be made to them.
- 20 kgs. appeared to have been handed as a gift to Goering by the Directors of Bor A.G.
- The destination of the remainder could not be determined.

This gold, at the time of its transfer to Germany, still belonged to the Societe des Mines de Bor, but the Yugoslav Government purchased it retrospectively in accordance with the Franco-Yugoslav Agreement of 14th April, 1951, Article 2 of which stipulates in particular :

"are considered as settled, in accordance with the terms of the present Agreement, all the claims resulting from Yugoslav measures of nationalisation, expropriation and other restrictive measures of a similar nature, having affected the property, rights and interests in Yugoslavia of French persons physical or moral having this status at the date when these measures were taken and at the date of the signature of the present Agreement, including all French participations in undertakings in Yugoslavia".

The Belgrade Government is, therefore, fully entitled to claim restitution to itself of the 445 kgs. of gold in question.

(2) Gold in bars seized in Paris - 282.9443 kgs.

As the Company did not have at Bor the necessary installation to enable it to purify all the gold it produced, more than two-thirds were sent to Paris for purification. The bars were then returned to Yugoslavia and offered to the Bank in accordance with the stipulations of the Law of 1934.

In this way roughly 283 kgs. of gold were in Paris prior to 6th April, 1951, the date on which Yugoslavia was invaded by the Germans.

The German Directors of Bor A.G. insisted, at that time, that the 23 bars should be returned by the Comptoir Lyon Allemand, which had been responsible for the refining, whereas the bars should have remained in a depository in Paris until the political situation became normal again, when they would have been returned to their rightful owner - the French Company.

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1A RA (TG C).
Box 15

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When the situation became normal, after the liberation of France and Yugoslavia, the Yugoslav Government unilaterally decided to nationalize the Bar mines and, by this action, they broke the contract which bound them to the French Company and the latter thus found themselves free of any obligation towards the Yugoslav Government and, in particular, as regards the obligation to offer gold to the National Bank.

The nationalization of property of a foreign company can, at most, only affect the assets of the company situated on the territory of the Government taking this step. All the other assets obviously remain the exclusive property of the company, a fact which all Governments who have been the victims - or whose nationals had been the victims - of nationalization abroad, have not failed to point out.

The French Bar Company not having been able, for reasons of "force majeure" to offer for sale the 25 bars to the Banque Nationale before the Yugoslav Decree of Nationalization had been passed, has full right to ownership, as was expressly declared at the time of the negotiations, which ended in the Franco-Yugoslav Agreement of 14th April, 1951. As a result of these negotiations, the two Governments recognized the special situation in regard to these 282 kgs. which were expressly excluded from the compensation given by the Belgrade Government, as the latter was not in a position to claim ownership.

The 282 kgs. of gold seized in Paris by the Germans, therefore, constitute primarily owned gold and, consequently, could not give right to restitution accordingly to Part III of the Paris Agreement. Moreover, they concern French and not Yugoslav interests.

In these conditions, the corresponding claim by the Government of Yugoslavia must be rejected.

(3) Gold extracted in Germany from the minerals bought by that country from Bar A.G. (1,952,8192 kgs).

From information received by the Commission from the Allied Services in Germany, the mineral from which had been extracted 1,952 kgs. was paid for by Germany to Bar A.G. who had never had gold refined in France. The French Company, therefore, has no longer any right to claim this gold.

Pursuant to the Declaration of the United Nations of the 5th January, 1945, this transaction must be considered as null and void; but, following upon the Franco-Yugoslav Agreement of the 14th April, 1951, which transferred to the Government of Belgrade the ownership of the gold of the company, which has been indirectly compensated as explained above, the Government of Yugoslavia has, in fact, received the counterpart of the gold paid by the Germans and, consequently, has become retrospectively the owner of the gold in question and is thus entitled to claim its restitution.

The question might arise, however, as to whether the nationalization, a posteriori, of the operation has not given to this counterpart the character of a German asset on the territory of a Government which is a member of the Inter-Allied Reparation Agency.

It is not within the competence of the Commission to answer this question, but it would appear to be its duty to pose this question to the three Governments which constituted it, or to the Government of Yugoslavia, with a view to a possible regularization of the latter's position on paper, by the entry of the corresponding debit in Category A.

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By TS NARA Date 6/23/89

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IARA (TGC)
Box 15

X-9-L

July 12, 1951.

SECRET
INTERNAL - OFFICIAL

Otto F. Fletcher, Esquire,
Special Assistant,
Monetary Affairs Staff,
Department of State,
Washington 25, D. C.

Dear Otto:

I am indeed indebted to you for your letter of June 28. It helps to give me a lot of orientation which I badly needed. I am also grateful for the factual information contained in your letter.

I might say in passing that I am afraid I was ^{put off} a little bit ~~off~~ at the beginning of my service with the Commission by the rather high and mighty attitude taken, particularly by Messrs. Wingate and Daspit. As you know, I never did agree with their concept of the Commission's status. However, I had got the idea that I was being privileged to participate in very high legal company. I have been a bit disillusioned from time to time and particularly as a sort of final course of sprouts the basis of which is a letter from the French Commission on the Bor Mines gold. I think I wrote you in an earlier letter that I was disposed to support the somewhat liberal decision already reached by the Commission, in part at least, that the Bor Mines gold was constructively at the time of looting owned by the Yugoslav Government and that the ~~claim~~ should be allowed. The French Commissioner has taken the view that the two claims should be allowed but not the 23 bars of gold looted at Paris on the ground that the others had been paid for and this had not. It appears that the "payment" took the form of provisions in a Yugoslav - French treaty of some kind signed in April, 1951, apparently arising out of some action of the Yugoslav Government in nationalizing its mines. The line of reasoning set up by Henry seems to me to be sheer balderdash - special pleading of the most blatant kind (I will send you a copy of it later). The important point about it seems to me that if his facts are correct (as distinct from his interpretation of them) the Yugoslav Government would appear to have effectively estopped itself from any further claim before the Commission in respect of any of the Bor Mines gold since it has acknowledged publicly and formally that this gold, at the time of looting and in fact up to April, 1951, was private gold. In the light of this, I do not see how the Commission

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By TS NARA Date 6/23/89

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revised

can take any action whatever but to reject the claims. It may be that this is exactly what Henry wants. If even indirectly the Commission can be taken as authority for the claim of the Bor Mines Company to this gold, another Dollfus-Mieg case might develop. My present intention, therefore, is that at the next meeting of the Commission on July 25, to raise the question of whether an effective estoppel has not been introduced and that the Commission must, therefore, reject the claims.

Yours sincerely,

Homer S. Fox
United States Commissioner
Tripartite Commission for the
Restitution of Monetary Gold.

HSFox: Set

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Authority NND 979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
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OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.

DEPARTMENT OF STATE
WASHINGTON



AIR MAIL

In reply refer to
MN

May 20, 1953

File X-9-M
5/26/53
Letter to Fletcher 5-24-53
Heath: sed

CONFIDENTIAL

Dear Homer:

Walter informed by phone 5/26/53

First of all I should like to refer to your telegram No. 1139, April 29 re Deutch Case. The information you gave us in this telegram was very helpful in rounding out the very elaborate search we have made in order to check whether or not the gold claimed by Deutch could be identified as being in the pool. The Department after examination of all the information gathered during our own search and the one submitted by Mr. Deutch's representatives and after consideration of the legal principles involved has concluded that the claim should be rejected. The principle and sufficient basis for this position is that the United States, the United Kingdom, and France are not aware of holding at any time, through the Tripartite Gold Commission, any gold identified as having belonged to Mr. Deutch. I am going to inform in the next days my British and French counterparts of the above Department position. Consequently, there is no need for a further search in Brussels by an expert.

Today the conversations reopen in Lisbon aimed at a revision of the External Assets Accord and a settlement of the looted gold question. If successful, this should result in delivery of 3,998 kilograms of gold to TGC, 100 million escudos for the IRO, and possibly 43 million escudos for IARA. The negotiations will take place first between the three Embassies and the Portuguese, later representatives of Western Germany will participate in some form. Ely Maurer of the Department and Munroe of HICOG are in Lisbon to help the Embassy as legal advisers.

As

Homer S. Fox, Esquire,
United States Commissioner,
Tripartite Commission for the
Restitution of Monetary Gold,
American Embassy,
Brussels.

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By TS NARA Date 6/23/89

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CONFIDENTIAL

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As you might already know Italy has appealed the Arbitral Advice on Albanian gold and has filed, I believe on the very last day of the deadline, an application with the International Court of Justice, in conformity with the Washington Agreement of April 25, 1951, requesting that the gold be delivered to Italy.

Those are the main developments that you will be interested in.

What are your summer plans? I intend to take a real long vacation this summer (July-August), my first in eleven years, since I am very tired and want to use up some of my accumulated leave.

With my best regards,

Sincerely yours,

Otto F. Fletcher

Otto F. Fletcher
Special Assistant
Monetary Affairs Staff

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Authority NND 979014
By TS NARA Date 6/23/89

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TARA (TGC)
Box 15

X-9-m

COMMISSION TRIPARTITE
POUR LA RESTITUTION DE L'OR MONETAIRE
TRIPARTITE COMMISSION
FOR THE RESTITUTION OF MONETARY GOLD

155, RUE DE LA LOI
BRUXELLES
TELEPHONE : 34.98.00

F
4/29/53

INT-2561 ✓
CC/IR.

27 April 1953.

(Dentseh care)

Mr. Homer S. Fox,
The Commissioner of the Government of
the United States of America for the
Restitution of Monetary Gold,
27, Bd. du Regent,
BRUXELLES.

Dear Mr. Fox,

Thank you for your letter of 21 April 1953.

I shall be pleased to send you at such time as may be
convenient to you the papers you wish to consult.

You will appreciate that insofar as Frankfurt gold bars and
coins are concerned the Commission has no records of its own upon which a
certification, by the Commission, could be based but only copies of American
Military Government records known to be incomplete and possibly inaccurate which
were compiled in very difficult and cramped conditions at the time the pool was
assembled. In other words the Commission, which is responsible for keeping
the gold accounts, knows exactly how many troy ounces of fine gold originating
from the Frankfurt depository were put into the gold pool but it has got no
records of its own from which it could tell with absolute certainty the make,
numbers, markings and fine weight of each individual bar which went into the
pool to make up this figure. Some of the bars and coins which were at the
Frankfurt depository were delivered on the spot to France and to the Netherlands
when the preliminary distribution on account of shares in the gold pool was
effected. The rest of the gold bars and gold coins were flown to the Bank of
England where they were dealt with in the following manner.

1. With regard to the gold bars, no inventory was given to the Commission by
the Bank. In order to explain why no inventory was given I cannot do better
than to quote the Bank's own description of the procedure which it adopts in
regard to bars. This description is quoted from an affidavit produced by the
Bank in the course of the Dollfus Mieg proceedings. It runs as follows:-

"2. For many years prior to the year 1940 it was the practice of the
"Bank of England to refer to gold held on behalf of customers as gold
"set-aside". This expression was commonly used in correspondence with
"customers.

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PAGE No 2.

" Prior to the year 1940 it was the practice of the Bank to
"keep separate the gold of each customer by reference (where this
"could be done) to the numbers and marks on the individual gold
"bars deposited and to enter the gold content in ounces in a
"gold "set-aside" account in the name of the customer concerned.

"3 In the year 1940 the Bank notified customers for whom they held
"gold that in future individual bars of gold would not be held
"separate for each customer. Whilst still being kept separate from
"the Bank's own gold, all bars then held for customers and all bars
"subsequently deposited were held thereafter in such a manner that
"if instructions were received from a customer for the disposal of
"a stated quantity of gold the total of gold set-aside for that
"customer would be reduced by the fine ounce content of the gold
"disposed of. If such a transaction involved delivery of gold
"outside the Bank it would not be necessary for the individual
"bars of gold delivered to be selected from the identical bars de-
"posited by the customer in question.

" In order to make the system effective all bars held for
"customers' accounts are examined to ascertain that they conform
"to the London Bullion Market's requirements as to what constitute
"good delivery gold. If any gold bar on examination proves to be
"deficient for the purpose of passing this test, the cost of making
"the gold good delivery is charged to the customer.

"4

" Pending the ascertainment of the gold content of a consignment
"of gold the consignment is kept separate on behalf of the customer
"concerned and it is only after the gold content has been ascertained
"and recorded in the customer's account that the bars cease to be
"held separately for that particular customer."

2. With regard to the coins, the bags containing these were and still are
(such as have not been delivered on account) set aside to the Commission's
account and the credit given by the Bank is based upon the amount of fine troy
ounces the bags are (on the tags attached to them) said to contain. As you
know some of the bags contained a small number of counterfeit coins and the
Commission has from time to time had to complete some of the deliveries on
account by making good the value of counterfeit coins delivered.

The Commission has been entrusted with the task of keeping the gold
accounts and I am in a position, of course, to indicate and certify the exact
number of fine troy ounces of gold which were credited to the three Governments'
account in the Bank of England and also the exact number of fine troy ounces of
gold which were delivered direct from the Frankfurt depository to France and
to the Netherlands.

Yours sincerely,

John A. Watson

J.A. WATSON
Secretary General.

JAW/lhd.

INT- 2561
CG/IR.

27 April 1953.

Mr. Homer S. Fox,
The Commissioner of the Government of
the United States of America for the
Restitution of Monetary Gold,
27, Bd. du Regent,
BRUXELLES.

Dear Mr. Fox,

Thank you for your letter of 21 April 1953.

I shall be pleased to send you at such time as may be convenient to you the papers you wish to consult.

You will appreciate that insofar as Frankfurt gold bars and coins are concerned the Commission has no records of its own upon which a certification, by the Commission, could be based but only copies of American Military Government records known to be incomplete and possibly inaccurate which were compiled in very difficult and cramped conditions at the time the pool was assembled. In other words the Commission, which is responsible for keeping the gold accounts, knows exactly how many troy ounces of fine gold originating from the Frankfurt depository were put into the gold pool but it has got no records of its own from which it could tell with absolute certainty the make, numbers, markings and fine weight of each individual bar which went into the pool to make up this figure. Some of the bars and coins which were at the Frankfurt depository were delivered on the spot to France and to the Netherlands when the preliminary distribution on account of shares in the gold pool was effected. The rest of the gold bars and gold coins were flown to the Bank of England where they were dealt with in the following manner.

1. With regard to the gold bars, no inventory was given to the Commission by the Bank. In order to explain why no inventory was given I cannot do better than to quote the Bank's own description of the procedure which it adopts in regard to bars. This description is quoted from an affidavit produced by the Bank in the course of the Hollfus Mieg proceedings. It runs as follows:-

"2. For many years prior to the year 1940 it was the practice of the Bank of England to refer to gold held on behalf of customers as gold "set-aside". This expression was commonly used in correspondence with customers.

2/.....

RG 84 entry 2113M
IARA (TGC)
Box 15

Authority NY 979014
By TS NARA Date 6/23/89

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2.
* Prior to the year 1940 it was the practice of the Bank to keep separate the gold of each customer by reference (where this could be done) to the numbers and marks on the individual gold bars deposited and to enter the gold content in ounces in a gold "set-aside" account in the name of the customer concerned.

* In the year 1940 the Bank notified customers for whom they held gold that in future individual bars of gold would not be held separate for each customer. Whilst still being kept separate from the Bank's own gold, all bars then held for customers and all bars subsequently deposited were held thereafter in such a manner that if instructions were received from a customer for the disposal of a stated quantity of gold the total of gold set-aside for that customer would be reduced by the fine ounce content of the gold disposed of. If such a transaction involved delivery of gold outside the Bank it would not be necessary for the individual bars of gold delivered to be selected from the identical bars deposited by the customer in question.

* In order to make the system effective all bars held for customers' accounts are examined to ascertain that they conform to the London Bullion Market's requirements as to what constitute good delivery gold. If any gold bar on examination proves to be deficient for the purpose of passing this test, the cost of making the gold good delivery is charged to the customer.

*

* Pending the ascertainment of the gold content of a consignment of gold the consignment is kept separate on behalf of the customer concerned and it is only after the gold content has been ascertained and recorded in the customer's account that the bars cease to be held separately for that particular customer.

2. With regard to the coins, the bags containing these were and still are (such as have not been delivered on account) set aside to the Commission's account and the credit given by the Bank is based upon the amount of fine troy ounces the bags are (on the tags attached to them) said to contain. As you know some of the bags contained a small number of counterfeit coins and the Commission has from time to time had to complete some of the deliveries on account by making good the value of counterfeit coins delivered.

The Commission has been entrusted with the task of keeping the gold accounts and I am in a position, of course, to indicate and certify the exact number of fine troy ounces of gold which were credited to the three Governments' account in the Bank of England and also the exact number of fine troy ounces of gold which were delivered direct from the Frankfurt depository to France and to the Netherlands.

Yours sincerely,

(signed) J. A. WATSON.

J. A. WATSON
Secretary General.

JAW/lm.

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Authority

NN 979014

By

TS NARA Date 6/23/89

RG 84

entry 213M

I A R A

(TGC)

Box

15

X-9-M

CONFIDENTIAL

From Department

April 14, 7:00 p.m.

1354

Confidential

April 15, 7:07 a.m.
(9:03 a.m.)

For Fox.

View Congressional interest desire you have Secretariat check urgently bars following description Deutsch case against TGC records. These some of bars listed Department telegram 832. Additional numbers, gross and fine weights supplied from Reichsbank records.

1. Marking SC 621 or 37016; KG gross 13.982 (or 13.9815), fine 12.814.
2. Marking SP 967 or 37017; KG gross 13.962, fine 12.7962.
3. Marking F 6405 or 37018; KG gross 12.500 (or 12.499), fine 12.4965.
4. Marking RV 38 or 37019; KG gross 1 (or .9999), fine .9951.
5. Marking RV 39 or 37020; KG gross 1, fine .9954.
6. Marking RV 40 or 37021; KG gross 1, fine .9954.
7. Marking 599 or 37022; KG gross 1 (or 1.0005), fine .9978.
8. Marking 1927 or 37023; KG gross 1 (or 1.0010), fine .998.

Smith

fm/new
(9:19 a.m.)

Mr. Fox

CONFIDENTIAL

206537

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Authority NY 979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
IARA (IGC)
Box 15

CLASSIFIED TELEGRAM

Card Index

MAR 23 10 10 AM '53

FEDERAL BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

Handwritten notes and signatures

[Faded typed text, mostly illegible]

[Faded typed text, mostly illegible]

AMB	AGRA
COIN	MAF/A
REC'D COIN	TREAS/A
IND. PS/A	CONS
W/L/A	VISA CONT
PODIA	ADMIN
MSA	MSA-CHIEF
MSA-DEPT	MSA-DEPT

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By TS NARA Date 6/23/89

RG 84 entry 2113M

1 ARA (TGC)

Box 15

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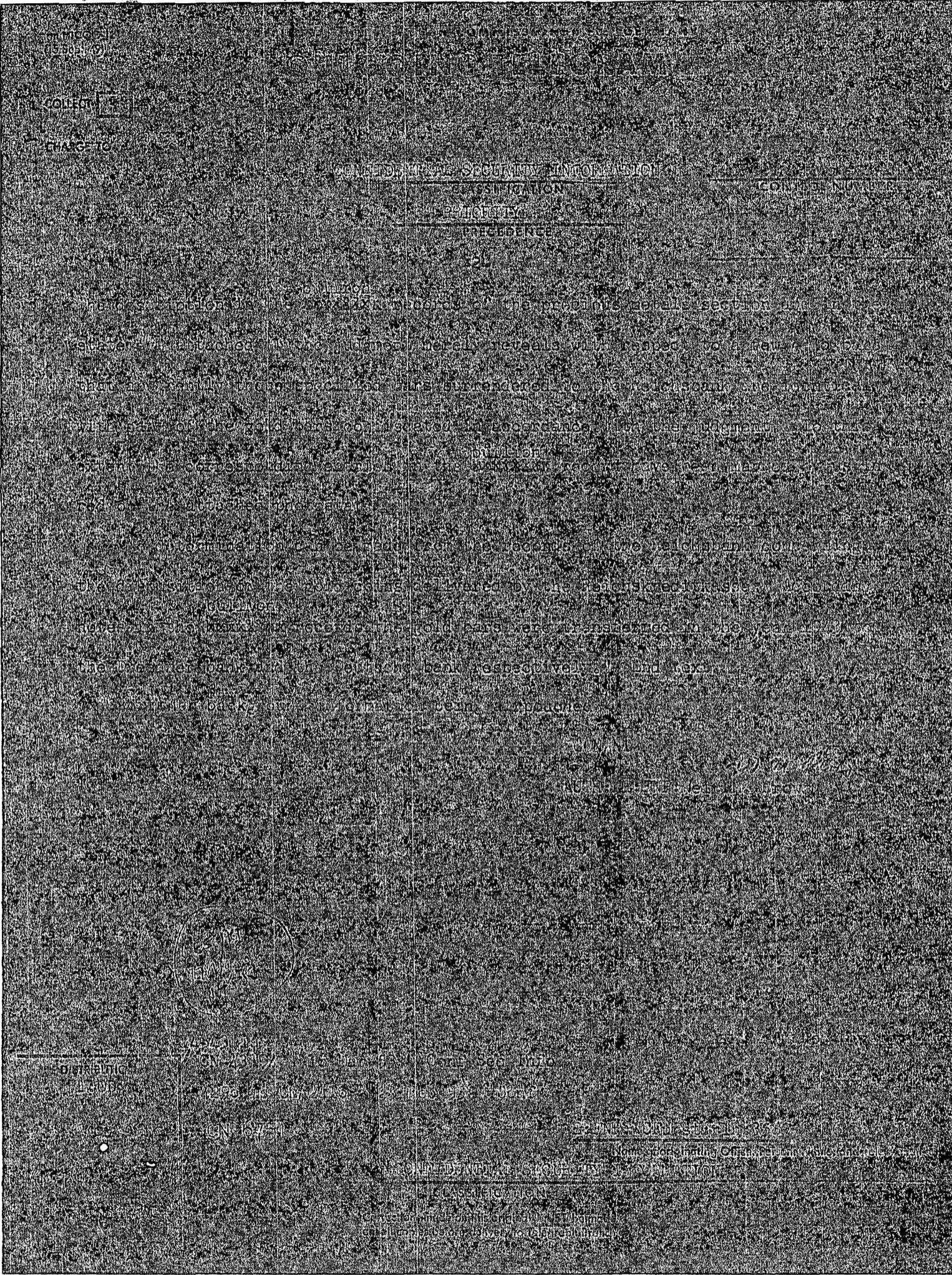
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RG 84 entry 2113M

Authority NN9979014
By TS NARA Date 6/23/89

IARA (IGC)
Box 15

X-9-M

Letter to
the letter
1/12/53
Tupper

COMMISSION TRIPARTITE
POUR LA RESTITUTION DE L'OR MONETAIRE
TRIPARTITE COMMISSION
FOR THE RESTITUTION OF MONETARY GOLD

155, RUE DE LA LOI
BRUXELLES
TELEPHONE : 34.98.00

RESTRICTED - INFORMAL

6 January 1953.

Mr. Homer S. Fox,
Commissioner for the Government of the United
States of America for the Restitution of Monetary Gold,
27, Bd. de Regent,
BRUXELLES.

Dear Mr Fox,

I have had the list which was enclosed with your letter of 29 December 1952 checked against the Commission's records.

In this connection, it is important to note:

- 1) that your list does not contain sufficient information to enable the Secretariat to check with complete accuracy since the names of the Refiners have not been mentioned, only six of the numbers are preceded by a letter and it is not stated whether the weights given are gross weights or fine weights, and,
- 2) that the Commission's own lists of bars held for the account of the three Governments are incomplete in many respects.

We have only found one number (preceded by a letter), No. R.14426, which figures both on your list and on the Commission's lists but the weight on your list is 12.6520 kgs (whether this is a gross weight or a fine weight is not known) and the weight on the Commission's list is 12.9676 fine kilograms, which would tend to indicate that two different bars are concerned.

To sum up, and subject to what is stated above, it would seem that all that can be said is that it has not been possible to trace any of the bars mentioned on your list in any of the lists, held by the Commission, of bars known to have gone into the gold pool.

Since your letter is marked "restricted - informal" I have not circulated this correspondence but in view of what is said in your last paragraph, I have mentioned, verbally and informally, to both the Chairman and the French Commissioner's Assistant that you have made this inquiry and informed them of the results of the verification.

Yours sincerely,

J.A. WATSON
Secretary General.

JAW/lhd.

206540

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Authority NN9979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
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Box 15

S.T. File

Action for: X-9-M

OFFICIAL CORRESPONDENCE
RETURN TO FILE ROOM

NOV 3 9 57 AM '52

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- AMB _____
- AGRI _____
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- MARIT/A _____
- EGON COIN _____
- TREAS/A _____
- MDAP S/A _____
- CONS _____
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- ATR/A _____
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- POL _____
- ADMIN _____
- MAAG _____
- MSA _____
- EGON _____
- MSA-CHIEF _____
- LAB/A _____
- MSA-DEP. CHIEF _____

3060

WICOG

BONN

57th October 30, 1952

Card Index

RECEIVED: DE ROYSELETER

RE: EUSSEIS for FOR (without enclosure)

Reference is made to the Department's telegram No. 1011 of September 2, 1952 and your reply telegram No. 115 of September 13, 1952 on the subject of the Frederic Deutsch gold cluda.

After consultation with the Government of the United Kingdom and the Government of France, it has been decided that we should try to obtain certainty whether or not part or all of the gold which was seized from Deutsch by the German military authorities in France in 1942 can be traced into the gold pool, that is to say, was part of the gold which after seizure by the U.S. forces in Germany was transferred to the Tripartite Gold Commission. Consequently, you are requested to secure the assistance of Herr Thoms of EOL for such an investigation. Thoms investigation might bring out that Deutsch's gold was included in that portion of looted gold which Germany transferred to third countries during the war or his search might result in a statement that this gold cannot be identified as having been part of the German Reichsbank gold stocks at any time.

There is attached for your information a photostat copy of the note verbale which the Principality of Liechtenstein through the Swiss Legation in Washington has presented on the subject. There are also attached two enclosures to the said note, namely recapitulation of the gold transferred by Deutsch to France in July 1940 and the French and German text of the "Feldurteil" against Mr. Fringhan (Deutsch's custodian). Copies of the latter two documents, namely the list and the "Feldurteil" can be made available to Thoms and should serve as the basis of his investigation. He should also be informed that according to Deutsch's claim as submitted in the aforementioned note, the difference between the amounts of various gold items mentioned in the attached list and amounts listed in the German military court sentence is due to the fact that the fine to which Mr. Fringhan was sentenced was directly levied by the German authorities from the gold that

3919 No. 10 Commission

CONFIDENTIAL SECURITY INFORMATION

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Authority 100 979014

By TS NARA Date 6/23/89

RG 84 entry 2113M

1 A R A (R G C)

Box 15

CONFIDENTIAL SECURITY INFORMATION

- 2 -

that Deutsch had entered from Switzerland to France. You are also authorized to reveal any additional necessary data from the Liechtenstein note to Thoms. It would be, however, preferable not to show the text of the note itself to Thoms. It is entirely left to your decision in which way you intend to employ Thoms and whether and what fee to pay him, also whether or not to inform EDL of Thoms' assignment. Expenditures in connection with the investigation, including Thoms' fee, will be refunded by the Tripartite Gold Commission in accordance with the Tripartite understanding.

Your early report on the outcome of the investigation will be appreciated, since the matter had been made subject of a congressional inquiry.

HOUSE
ACTING

Enclosure: Photostat copy of Note Verbale from the Principality of Liechtenstein presented through the Legation of Switzerland in Washington dated December 6, 1951 and its enclosures. November 28,

206542

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Authority NN9979014
By TS NARA Date 6/23/89

RG 24 entry 213M
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PRIORITY
CONFIDENTIAL
SECURITY INFORMATION
(Security Classification)
DO NOT TYPE IN THIS SPACE
X-O-M

FOREIGN SERVICE DESPATCH

FROM: **US COMMISSIONER, ICG**
EMBASSY, BRUSSELS
TO: **THE DEPARTMENT OF STATE, WASHINGTON - TS**
DATE: **AUGUST 11, 1952**
REF: **Department's A-46, August 4, 1952**

For Dept Use Only	ACTION	DEPT
	REC'D	OTHER

SUBJECT: **Tripartite Gold Commission - (Deutch Case)**

In order to clarify the situation regarding possible identification in the Gold Pool of certain gold bars and gold coins claimed to be the property of a private individual named Deutch and the subject of a recent Liechtenstein note transmitted through the Swiss Government to the three Eastern Governments, it may be helpful to transmit a copy of the first page of the original Note Verbale submitted to the Commission by the Russian Ambassador at Paris, January 16, 1950. It will be observed that this Note contains what has apparently been referred to in various quarters as a "list" of the coins and bars claimed in this case. However, as will be readily observed, this is not a list in the sense of detail which enables any identification to be made. This is the only list which is in the possession of the United States Commissioner other than ever seen by him. Furthermore, inquiry of the Secretary General brings the reply that this is the only list of any kind in the possession of the Commission or ever received by it.

As indicated in my telegram No. 1754, May 26, 1952, a check will be made against the Commission record of gold included in the Pool if bar markings can be obtained or any other identification either of the bars or the coins claimed by Deutch. It is, of course, impossible to make any such check unless identification marks are available.

In view of the above, there would seem to be no point in attempting to obtain any more precise statements previously attributed to the Chairman or the Secretariat as to the identification of the gold claimed by Deutch as being in possession of the Commission. Presumably any such statements which have been made would have referred to the fact that without some identification marks or other data it would, of course, be impossible to attempt to make any identification checks.

Enclosure:
 Honor 1, for
 United States Commissioner
 Tripartite Commission for
 Institution of Monetary Gold.

1st page Note Verbale submitted by Russian

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SECURITY INFORMATION

206543

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Authority: NN9 979014
By: TS NARA Date: 6/23/89

RG 84 entry 2113M
IARA (TGC)
Box 15

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SECURITY INFORMATION
(Classification)

Page 1 of 1
Encl. No. 1
Disp. No. 373
From: Brussels

IMPERIAL EMBASSY
OF IRAN

Paris, 16th January, 1950.

No. 3966.

To the Members of the
TRIPARTITE COMMISSION FOR THE RESTITUTION OF GOLD,
INTER ALLIED REPARATION AGENCY.

BRUSSELS (Belgium)

Gentlemen,

I am instructed by my Government to inform you
that the Imperial Government of Iran has charged me with
the task of submitting to the Tripartite Commission a claim
for the restitution of the following stock of gold :

English gold pounds	139,850
Swiss gold francs	759,000
French gold francs	1,042,590
Gold dollars	8,250
Dutch gold florins	9,290
Italian gold lire	60
Belgian gold francs	60
Gold bars with markings and numbers	115 kg 577
Gold scrap	42 kg 178

looted from Mr. Hourhan **FRENCHIAN**, a national of Iran.

This act of looting, which included the seizure of a
certain amount of currency in bank-notes, was carried out
by the Occupation Authorities in Paris, on 1st December, 1952,
in the form of a confiscation ordered by the German Military
Tribunal in Paris.

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Authority NN9 979014

By TJ NARA Date 6/23/89

RG 84 entry 2113M

I.A.R.A. (I.G.C.)

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AIRGRAM
DEPARTMENT OF STATE

X-9-M

MEMORANDUM FOR THE ASSISTANT
SECRETARY

CONFIDENTIAL SECURITY INFORMATION

317

AMEMBASSY

317

BRUSSELS
FOR FBI

A-45 August 4, 1952

Regarding the Deutsch case, it would be appreciated if you could report when, at what occasion and in what terms Wingate stated he was satisfied "that none of Deutsch's gold could be identified as being in the possession of the TCB," and on how thorough a search Wingate based his statement.

The Department proposed to the British and French to reject Deutsch's claim advanced in a Lichtenstein note, transmitted through the Swiss Government to all three governments. The reply note would simply say that "TCB has stated that the Commission is not aware of holding any gold identified as property of Mr. Deutsch." The French and British concur in the rejection of the claim on that ground. However, the British agree with the Department that "before sending the proposed replies to the Swiss the three governments should satisfy themselves that Mr. Deutsch's gold is not, in fact, in the Pool."

The Department tried hard through Treasury and former Caguis officials to trace old Caguis records which would enable the Department to see whether or not Deutsch's gold can be traced into the Pool. However, the Department's endeavor so far has been unsuccessful; it also must be borne in mind that only a small fraction of Deutsch's gold consists of bars which can be identified relatively easily and the bulk of this gold consists of coins which as you will readily agree cannot be identified as such but could possibly be identified indirectly if transferred in the original bags.

Consequently the Department wants to gauge the risk of rejecting Deutsch's claim on the basis of Wingate's statement by checking on what basis his statement was made.

BRUCH, (ACTING)

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Corrections made on original MUST be made on this and other
flimsy copies before delivery to Airgram Section, Telegraph Branch.

U.S. GOVERNMENT PRINTING OFFICE: 1951 O 550663

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By TS NARA Date 6/23/89

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IARA (TGC).
Box 15

X-9-M
Jensen

In reply refer to
MN

May 14, 1952

CONFIDENTIAL

Dear Homer:

With regard to your inquiry as to how we feel about the issuance of any brief summaries of the adjudications, we wholeheartedly agree with you, namely not to issue any summary at all of the contents of the adjudications. It is not quite clear, however, what you mean by "the announcement" (second paragraph of your letter of May 6). If the announcement means a statement of the fact that the Commission has completed its work and made its adjudications, such statement followed by simple listing of just the weight of gold adjudicated to the various claimants, we fully agree that such announcement could properly be made by the Commission at the time the adjudications are ready to be forwarded to the claimants, and could be sent to the various claimants.

As to the changes in the text of the Luxembourg adjudication, I shall write you in a few days whether we have any final suggestions to make.

There is, however, one more rather urgent and bothersome issue. I am referring to the claim advanced by one Frederic Deutsch. You wrote about this case a few weeks ago (I don't have the letter before me because I sent it to Ely Maurer who is still sitting on it.)

You

Mr. Homer S. Fox,
United States Commissioner,
Tripartite Commission for the
Restitution of Monetary Gold,
American Embassy,
Brussels.

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206546

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Authority NNS 979014
By TS NARA Date 6/23/89

RG 84 entry 213M
IARA (PGC)
Box 15

CONFIDENTIAL

- 2 -

You wrote in your letter that the Iranian Minister at Brussels made a presentation to the Gold Commission and that Wingate has looked into the matter and found that he was unable to find in the pool any of the gold which Deutsch claims. The Swiss Government, upon request of the Liechtenstein Government in behalf of this same Frederic Deutsch, has presented notes with the same request in London, Paris and Washington. I had a number of conferences on this topic with my British and French colleagues here and it has been basically agreed that we will send similar notes of reply to the Swiss Government repudiating the claim. However, before doing so we would feel better if, aside from legal arguments, we could say with certainty that the gold listed by Deutsch - and I think Wingate got such a list from the Iranian Minister - could not be identified in the pool or traced into the pool. Ely and I are not too sure whether Wingate has made a thorough check in that respect and we would very much appreciate it if you could cause a thorough investigation in this respect to be made. I am aware that most of the gold claimed by Deutsch consists of gold coins which are almost impossible to identify. However, since the bags in which those coins were delivered to the German Reichsbank were numbered and described in the above list, it might be possible to trace those bags. I will initiate a similar search in Washington by interrogating the Treasury people who had worked on the analysis of the German Reichsbank records. There are also a relatively small amount of bars included which should be directly identifiable if they were in the pool. We are most anxious to get the result of your inquiry in this respect.

With many regards.

Sincerely yours,

Otto F. Fletcher,
Special Assistant,
Monetary Affairs Staff.

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206547

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Authority NND 979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
IARA (TGC)
Box 15

X-S-M

John Galt

CONFIDENTIAL

January 19, 1950

Colonel R.S.L. Wingate,
Chairman, Tripartite Commission for
the Restitution of Monetary Gold,
Brussels, Belgium.

Dear Colonel Wingate:

I refer to the Secretary General's INT. 1452 (CG/IR) January 17,
1950 transmitting a claim of the Government of Iran delivered to him on
January 16, 1950.

In view of our forthcoming informal meeting to consider this matter
I venture to submit the following personal views which I must emphasize are
only a matter of first impression:

1. The first question to be determined by the Commission is whether it
should direct the Secretary General to file the claim. To my mind this turns
on the meaning of paragraph 5(a) of the Commission's Terms of Reference which
provides that one of the Commission's functions shall be "to receive from
Governments claiming the right to participate in the division of monetary
gold found in Germany ~~some~~ claims for restitution of gold looted by or
wrongfully removed to Germany". Based on this and the precedent in the
Polish case, I believe that the claim has been properly lodged with the
Secretary General and the Commission should order him to file it subject to
the jurisdiction of the Commission being established.

2. If the claim is entitled to be filed then I think the Commission
is obliged to "scrutinize it" under paragraph 5(b) of its Terms of Reference
to determine whether it has jurisdiction to entertain it on its merits.
Whether the Commission has jurisdiction depends on the nature of the claim
submitted, which, as I understand it, does not seek a share of the pool of
monetary gold under the Paris Agreement, but instead the removal of gold from
the pool for direct restitution under international law without regard to the
Paris Agreement. This being true I think the Commission has no jurisdiction
because under paragraph 5(d) of the Terms of Reference the Commission is
obliged "to determine the share of each claimant Government in the pool of
monetary gold to be distributed by way of restitution in accordance with
Part III of the Paris Agreement on Reparation and any other pertinent
agreements". Thus the only authority of the Commission is to adjudicate
upon claims filed pursuant to Part III of the Paris Agreement or any other
"pertinent agreements" and on its face the Iranian claim is not of this

character ...

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Authority AMG 97901/4

By TS NARA Date 6/23/09

RG 84 entry 213M

1A RA (TGC)

Box 15

character. There is no contention by Iran that it is a party to any "agreement" which entitles it to the gold claims.

3. If the Commission is of the opinion that it has no jurisdiction then it will have to order the claim dismissed and in my opinion should indicate in the minutes the reasons for so doing. I think this is particularly true because of the recent decision to provide a "Reasoned opinion" where claims are denied.

4. If the Commission decides to dismiss the petition for want of jurisdiction, then I think we are faced with the question of whether a hearing should be afforded. The Iranian Ambassador. To me a fair adjudication comes the right to be heard. It is my understanding that in the past the Commission, where it has decided to deny a claim has done so provisionally, and has indicated to the claimant Government the reasons why it does not think the claim should be allowed and then afforded a hearing.

5. In connection with a hearing the question arises as to (a) whether it should be before the Commission has finally dismissed the claim (present practice) or (b) whether the Commission should only consider the question of a hearing if the Iranian Government asks for one once the Commission has decided to dismiss the claim. To me alternative (a) seems sounder, both on the basis of past practice and international jurisprudence.

6. Whether or not a hearing is given the Commission must decide once it has finally decided to dismiss the claim for want of jurisdiction (assuming it desires to do so) whether to give the Iranian Government a reasoned opinion giving the reasons for its action. I believe this should be done.

May I reiterate that the foregoing are only my tentative conclusions and are entirely personal.

Very truly yours,

MBIC

Mat B. King

Deputy United States Commissioner
Tribunals Commission for the
Restoration of Honorary Gold.

Copies to: Mr. Spindler, Deputy Commissioner for France.

Mr. Alex B. Dwyer

✓ Colonel J. A. Watson

MBK/ear

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Authority NN9979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
IARA (TGC)
Box 15

*English list
sent with
despatch
373
8-11-52
H.F. S.H.*

IMPERIAL EMBASSY OF IRAN.

VERBAL NOTE

Paris, 16th January, 1950.

In communicating, under the instructions of my Government, the attached memorandum to the **TRIPARTITE COMMISSION FOR THE RESTITUTION OF GOLD, INTER ALLIED REPARATION AGENCY, Brussels**, I think it useful to draw the attention of the Commission to the fact that, in addition to the examination of this case by the competent services of my Government and the Embassy, this file has been submitted to **M. Gilbert GIBEL**, Professor of the Faculty of Law in Paris, President of the Curatorium of the Academy of International Law at the Hague, Member of the Institute of International Law, to **M. Paul GUGGENHEIM**, Professor of the "Institut Universitaire de Hautes Etudes Internationales", Geneva, Associate Member of the Institute of International Law, and to **M. le President Paul BORGOUR**, Barrister at the Paris Court of Justice.

Annex :

Memorandum addressed to the Tripartite Commission for the Restitution of Gold, Inter Allied Reparation Agency, Brussels.

/fac.

206550

Authority NN9 979014
By TS NARA Date 6/23/89

RG 84 entry 2113M
IARA (11G C)
Box 15

IMPERIAL EMBASSY

OF IRAN

Paris, 16th January, 1950.

No. 3964.

To the Members of the
TRIPARTITE COMMISSION FOR THE RESTITUTION OF GOLD,
INTER ALLIED REPARATION AGENCY.

BRUXELLES (Belgique)

Gentlemen,

I am instructed by my Government to inform you
that the Imperial Government of Iran has charged me with
the task of submitting to the Tripartite Commission a claim
for the restitution of the following stock of gold :

English gold pounds	159,630
Swiss gold francs	789,000
French gold francs	1,042,580
Gold dollars	8,350
Dutch gold florins	9,290
Italian gold lire	60
Belgian gold francs	60
Gold bars with markings and numbers	115 Kg 577
Gold scrap	42 Kg 178

looted from Mr. Nourhan FRINGHIAN, a national of Iran.

This act of looting, which included the seizure
of a certain amount of currency in bank-notes, was carried out
by the Occupation Authorities in Paris, on 1st December, 1942,
in the form of a confiscation ordered by the German Military
Tribunal in Paris.

206551

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Authority NN9 979014
 By TS NARA Date 6/23/89

RG 84 entry 2113M
 1ARA (TGC).
 Box 15

- 2 -

M. N. FRINGLIAN, who lives in France, was a depositary for the greater part and co-owner of the rest of this large quantity of gold, which belonged to Mr. Fritz DEUTSCH, a national of Liechtenstein.

This confiscation constitutes an obvious violation of International law. It falls under that portion both of Articles 43 and 46 of the Rules annexed to Convention IV of THE HAGUE of 18th October 1907, prohibiting confiscation of private property on occupied territory and putting the obligation on the occupying Authority to respect the laws of the country, unless absolutely compelled to do otherwise.

The imperial Government of Iran submits the present claim to the Tripartite Gold Commission by virtue of Articles 3 and 5 of the Constitution of the Commission (French "Official Journal" of 27th September, 1946 - P. 8238 and 39).

Article 3 lays down that :

".....
 " The Commission is empowered to communicate,
 " on behalf of the three Governments concerned..... and,
 " when necessary, with other Governments, on questions arising
 " out of Part III of the Paris Agreement on Reparations."

and Article 5 lays down that :

" The functions of the Tripartite Commission for the
 " Restitution of Monetary Gold shall be :

" a) To request the submission of and to receive from Govern-
 " ments claiming the right to participate in the division of
 " monetary gold found in Germany claims for restitu-
 " tion of gold looted by or wrongfully removed to Germany....."

The Imperial Government of Iran notes the fact that the Tripartite Commission of Brussels is holder of the gold found in Germany and belonging to the REICHSBANK,

206552

gold which had been looted in the countries occupied by the German army, both from individuals or companies in such countries and from the Governments with which Germany was at war and to which the gold actually belonged.

The Government of Iran also read with great interest Part III of the Paris Agreement of 14th January, 1946, concluded between the various Governments of the United Nations.

It noted with satisfaction that the single article of Part III regarding the restitution of gold includes under the letter D the following paragraph :

" The question of the eventual participation of countries not represented at the Conference (other than Germany but including Austria and Italy) in the above mentioned distribution shall be reserved, and the equivalent of the total shares which these countries would receive, if they were eventually admitted to participate, shall be set aside to be disposed of at a later date in such manner as may be decided by the Allied Government concerned."

The Imperial Government of Iran firmly hopes that the gold reserve set up for countries not represented in the Paris Agreement will enable the Tripartite Commission to return the monetary gold wrongfully taken from Mr. N. FRINGLIAN by Germany, which has been included in the total pool of gold looted by the German authorities, deposited with the REICHSBANK and later recovered by the United States' Army.

The Imperial Government is of course aware that the definition of monetary gold adopted at the Paris Conference is not identical with the traditional, international definition of monetary gold in use in financial circles which moreover, is employed in the internal legislation of the nations members of the Tripartite Commission.

It is also aware that Article 8 of the Paris Agreement makes over the gold denominated "non-monetary" to the non-

repatriable victims of German action without, however, stating exactly what the Signatories mean by "non-monetary gold".

The Imperial Government has also been informed of the still more restrictive definition of monetary gold, adopted in February, 1947, by the Tripartite Commission, which resulted in reserving to Governments or their Banks of Issue only the possibility of claiming the gold which they had been looted.

The results of the above texts would appear to be that private individuals, the victims of looting on the part of Germany, and nationals of countries signatories to the Paris Agreement, cannot approach the Tripartite Commission directly nor obtain from it the restitution of that part of the gold of which they were robbed, even if such gold has been discovered and identified in the pool of monetary gold held by the Tripartite Commission.

But the Imperial Government of Iran is convinced that, under the terms of International Law, the various provisions of the Paris Agreement and those of the Tripartite Commission which derive from it ARE ONLY VALID FOR THE ALLIED NATIONS, PARTIES TO THE PARIS AGREEMENT, WHICH THEY HAVE FREELY ACCEPTED.

The Paris Agreement so far as the Government of Iran is concerned is a "res inter alios acta" and therefore cannot prejudice States who have not signed the Agreement.

However, since the States signatories to the Paris Agreement entrusted the Tripartite Gold Commission with the task of taking over the gold held by the Reichsbank and derived

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from looting carried out by Germany in the countries which it occupied, not only from Governments and nationals of countries signatories to the Agreement in question, but also from OTHER STATES OR THEIR NATIONALS, the Paris Conference, anxious to conform to International Law, reserved a pool of gold for restitution of gold looted from STATES NOT SIGNATORIES OF THE AGREEMENT and their nationals. (See Part III D).

This legal position is all the clearer since the Government of the United States of America, through Mr. R. LOVETT in a press conference at the White House on 25th September, 1947, stated in the name of his Government :

"The Tripartite Commission will endeavour to respect the time limit of 15th October, 1947, for redistributing the gold; but only HALF the 550 million dollars of gold can be made available at once, SINCE A SUBSTANTIAL RESERVE WILL HAVE TO BE MAINTAINED TO MEET ANY SUBSEQUENT CLAIM WHICH CAN BE JUSTIFIED". (Le Monde of 26.9.47, p. 5 col. 2).

It is clear from this statement that the nations signatories to the Paris Agreement had a time limit up to 15th October, 1947, within which to submit their claims for restitution, and HALF the gold seized and placed in reserve was intended to meet claims which could be justified when put forward by States NOT SIGNATORIES of the Paris Agreement.

It is for this reason that the Imperial Government of Iran is fully convinced that the Brussels Tripartite Commission will take into consideration the legitimate claims for restitution of the sums of gold looted from its national, M. FRINGHIAN and, as soon as the present note is received, will set aside a special reserve of gold equal to the sum which is the subject of the present claim.

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The Imperial Government of Iran, on the basis of the facts and considerations outlined above, formally supports the claim of its national, M. FRINGHIAN, to whom it gives its full diplomatic protection, and requests the Tripartite Gold Commission to satisfy this claim.

I have the honour to be,
Gentlemen,
Your obedient Servant,

(Sgd) A. SOHEILI,
Ambassador of Iran at Paris.

206556

SECRET20th January, 1950.

NOTE ON THE IRANIAN CLAIM TO GOLD ALLEGED TO HAVE
BEEN LOOTED FROM AN IRANIAN NATIONAL ON DECEMBER
1st, 1942.

Observations on the memorandum, dated 16th January, 1950, handed by the Iranian Ambassador to the Secretary General and circulated by the latter under cover of the Secretariat's INT 1452, dated 17th January, 1950, and suggestions as to the points to be retained for consideration.

Page 1.

Questions by the Chairman at the informal Meeting on 16th January, 1950, brought forth the following information:

- A. The Iranian Government alleges that it can produce proof that the gold listed on this page was held by M. FRINGHIAN and that it was removed by the German Occupation Authorities in Paris on December 1st, 1942. (Sent to R Bault)
- B. The Iranian Government can furnish no proof that the actual gold in question was ever identified anywhere at any time subsequently to December 1st, 1942.

Page 2.

Paragraph 1 states clearly that M. Fringhian (Iranian national), resident in France, was the custodian of the major portion of the gold listed and co-owner of the surplus of this "important quantity of gold belonging to M. DEUTSCH (national of Liechtenstein)".

No details are given as to the percentage of the total quantity of gold listed which was the joint property of the two persons named.

A detailed analysis of the legal position in regard to the above holding would lengthen the note unduly and, as will be seen later, such an analysis would probably be superfluous.

It is perhaps relevant to recall that all approaches made so far to the Commission on behalf of private persons have been made by the legal advisers of the owners of the looted gold, or by the owners themselves, never by the custodians of the said gold, which were usually banks.

This case differs from the Dollfus Meig case inasmuch as no Government has intervened on behalf of Dollfus Meig, no approach has been made to the Commission or the three Governments on its behalf, its case has not been based on extracts from the Act of Paris and the Commission's terms of reference, the original ownership of the gold is not in doubt and the gold has been identified as having been in the pool.

The statement that the "confiscation" constituted a violation of international law is, no doubt, correct and calls for no comments insofar as the Commission is concerned. The question of the legality of this gold holding, from the point of view of the local Government, is one which does not concern the Commission.

The Iranian Government contends that it is entitled to lodge this claim under paragraph 3 and paragraph 5(e) of the Commission's terms of reference.

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Paragraph 3 states that "the Commission is empowered to communicate on behalf of the three Governments when necessary with other Governments".

It is a point for consideration, although perhaps somewhat academic, whether the reverse is the case, i.e. whether this particular paragraph can be construed as giving a Government, which was not a party to the Final Act of the Paris Conference and which has not been admitted by the three Governments to participate in the pool, the right to communicate with the Commission.

Paragraph 5(a), taken out of its context, would appear, at first sight, to grant an unrestricted right to any third country Government to lodge a claim for the restitution of gold and to place the Commission under an obligation to receive the papers constituting such a claim although the Commission is precluded, under paragraph D, Part III of the Final Act of the Conference of Paris, from considering the claim until the decision of the three Governments (paragraph D says "of the "Allied Governments" concerned") regarding the admission of the third country to participation in the pool has been made known.

In considering a case of this nature, however, it would seem that one must establish a distinction between the common meaning of the word "receive" and the meaning of the same term from a legal or judicial point of view. In the first case it describes, speaking in general terms, the action of say one person taking over from another person an envelope containing papers, without incurring any special responsibility. In the second case, and again speaking in general terms, the "receiving" by a judicial body of the papers would imply that that body considers itself competent to adjudicate upon the contents of the papers and will do so. It will be recalled that the Iranian Ambassador's Counsel was anxious to obtain from the two members of the Commission present at the informal Meeting an admission that they considered the Commission as "saisie", i.e. as having "received" the Ambassador's memorandum in the sense described above. It was made quite clear to him that the Commission did not consider itself as "saisie".

It is a point for consideration whether, placing paragraph 5(a) back in its context and considering the terms of reference as a whole, read in conjunction with Part III of the Act of Paris, the Commission is under any obligation to "receive" a claim when a cursory inspection shows that it is one for direct restitution which does not fall within the framework of the basic texts governing the Commission's activities.

Although not strictly relevant, the following observations on paragraph 5(a) may be of interest.

The French text, which is the one which the Iranian Government quotes, says "de provoquer et recevoir du Gouvernement pretendant au droit de participer des demandes de restitution pour l'or dont il a auraient été spoliee par l'Allemagne ou qui aurait été indument transfere en Allemagne".

The passage underlined above reads as follows in the English text: "claims for restitution of gold looted by or wrongfully removed to Germany".

In the French text there is the condition that the gold must have been looted from the claimant Government, whereas there is no such condition in the English text.

The Final Act of the Conference of Paris stipulates that both the English and French texts are equally authentic. There is no such stipulation in the Commission's terms of reference, which merely state that the official languages shall be English and French.

right

not received

good point

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It is a point for consideration, taking this paragraph out of its context as the Iranian Government has done, whether, if the French text prevails, a prior condition to the acceptance by the Commission, under this paragraph, of papers constituting a claim, would not be the furnishing by the third party Government of proof, or a beginning of proof, that gold belonging to it has in fact been looted.

As will be seen later, the value of this analysis, paragraph by paragraph, of the Iranian Ambassador's memorandum, although the analysis is probably useful for purposes of clarification, is perhaps more academic than real.

Page 3.

The first paragraph says that "the Iranian Government notes that the Tripartite Commission for the Restitution of Monetary Gold is the custodian of the stock of gold found in Germany and belonging to the Reichsbank which was made up from the gold looted from private persons and from the Governments with whom Germany was at war".

The Commissioners are aware of the position in this respect and it is neither desirable nor necessary to comment in this note upon this aspect of the question.

The Iranian Government next quotes paragraph D, Part III, of the Final Act of the Conference of Paris and expresses the hope "that the gold reserve created in favour of countries which were not parties to the Act of Paris will enable the Commission to restitute to it (the Iranian Government) the monetary gold which was looted from M. Fringhian and the proceeds of which have been incorporated in the mass of gold looted by the Germans, deposited at the Reichsbank and later found by the United States Forces".

The Iranian Government here claims for itself the gold which was looted from M. Fringhian.

Page 4.

The Iranian Government next refers to the "definition" of monetary gold adopted at the Conference of Paris, to the dispositions of the Act of Paris governing the disposal of non-monetary gold, and to the "still more restricted definition" adopted by the Commission.

The conclusion it draws from the above is that nationals of countries signatories to the Act of Paris are precluded from applying directly to the Commission and from obtaining restitution of the gold of which they have been deprived, even if this gold has been found and identified in the mass of gold "held by the Commission".

Page 5.

It also arrives at the conclusion that the stipulations of the Act of Paris and of the Commission's terms of reference "only apply to signatory countries who have freely accepted them", and that they do not apply to third party countries.

It will be noted that it does not say that they do not apply to private persons nationals of these third party countries.

It goes on to state that the signatory countries "having entrusted the Commission with the custodianship of the gold received by the Reichsbank and which was derived from looting effected by Germany in the countries which it occupied, not only from Governments and nationals of signatory countries, but also from other States and their nationals, the Conference of Paris,

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anxious to conform with international law, has reserved a mass of gold for the restitution of gold looted from non-signatory States".

There appears to be little doubt that, apart from the statement regarding the Commission's custodianship, this is substantially correct. Paragraph D, however, cannot be isolated from its context and must be read and interpreted in conjunction with the rest of Part III, particularly paragraph G thereof, which says: "to each country concerned which adheres to this arrangement". Paragraph D itself says: "the equivalent of the total shares which these countries (i.e. countries not represented) would receive if they were eventually admitted".

No reference is made in the Iranian Ambassador's memorandum to the words "in proportion to their respective losses" and "a proportional share shall be allocated" which figure in paragraphs A and G of Part III of the Act of Paris. Although this is only implied in the memorandum, it is clear, (and was confirmed verbally by the Iranian Delegation) that the claim is one for direct restitution. This is confirmed by the fact that the Iranian Delegation stated verbally that Iran has no intention of "adhering to the arrangements etc .. etc .., i.e. to seek admittance to participation in the pool.

The statement at the foot of this page attributed to Mr. R. Lovett hardly seems worth commenting upon.

Page 6.

In the second paragraph, the Iranian Government requests the Commission "to take into consideration the legitimate claim for restitution of the quantity of gold looted from its national" and to set aside a reserve of equivalent amount.

In the next and last paragraph, the Iranian Government "intervenes on behalf of and supports its national and affords him full diplomatic protection", requesting, at the same time, the Commission to give the latter satisfaction.

The comments regarding page 3 show that the Iranian Government at that stage in its memorandum claimed the gold for itself.

On page 6 it no longer appears to do so but merely supports its national's claim.

GENERAL CONCLUSIONS.

The general conclusions that can be drawn from all that precedes are :

- A. that the Iranian Government recognises that claims from private persons, whether of signatory or non signatory countries, have little or no chance of succeeding, having regard to the facts governing these questions
- B. that it is fully aware that, speaking very generally, only Governments can intervene in these matters and claim restitution of gold;
- C. that, in consequence and so far as can be gathered from an examination of the memorandum which is very imprecise and contradictory in parts, the Iranian Government, assuming that the Commission is the custodian of the gold pool, is endeavouring to prove, with the help of extracts from Part III of the Act of Paris and the Commission's terms of reference, taken out of their context,

- i. that the reserve set aside under paragraph D of Part III was destined to satisfy claims for direct restitution from non signatory countries,
- ii. that the gold looted from its national (although he was only the

yes
yes
yes

possibly

not so

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custodian of the major portion and co-owner of the lesser portion with a national of Lichtenstein, (to whom the gold is stated to have belonged) should be considered as its own (the Iranian Government's);

- iii. that, consequently, the Commission should set aside an equivalent amount from the gold pool and satisfy the claim.

Suggested points for consideration by the Commission.

- A. Having regard to the facts and to the texts governing the Commission's activities, as well as to precedents (set forth below), are there any grounds for holding that the Commission is in any way competent (a) to receive and/or (b) to scrutinize this claim.
- B. If the answer to (a) is in the negative:
- i. should the papers be merely returned to the Iranian Ambassador with a statement to the effect that this claim does not fall within the framework of Part III and its terms of reference and that the Commission is, therefore, not competent to receive this claim, or
 - ii. should the Ambassador of Iran be advised as above but invited, before a decision is taken as to the return of the papers, to appear before the Commission to present any observations which he may wish to put forward?
- C. If the answer to (a) is in the affirmative and a cursory examination of the position arising out of (b) shows that the claim is bound to fail, what action should the Commission take having regard to the fact that it is precluded by the basic texts governing its activities from adjudicating upon a claim from a country which has not been admitted to participate in the pool?
- D. If the answer to (a) is in the affirmative and the examination of the position arising out of (b) shows that this claim must be retained for closer perusal, on what grounds could such perusal eventually be proceeded with and what prior condition would have to be fulfilled before the Commission could proceed to its findings?

NOTE.

It must be borne in mind that any hearing of the Ambassador may place the Commission in the position of having to impart information as to the designation of its accounts.

Precedent.

Yugoslavia.

Yugoslavia (which is a signatory country) lodged certain claims for direct restitution, on its own behalf, for, inter alia, certain identified gold bars with the United States Military Authorities in Germany.

The latter transferred these claims to the Commission.

The Commission was of the opinion that these claims did not fall within the jurisdiction of the Commission and that they should be returned to the United States Military Authorities.

The Commission wrote to the United States Military Authorities as follows:

"The Commission observes, however, that the four claims in question, No. 1701, 1702, 1703 and 1704 are applications for direct restitution submitted by the Yugoslav Military Mission in Berlin to the Military

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Government for Germany (U.S) presumably under the Statutes and Regulations in force in the Zone and in the form prescribed therein.

Such applications, of course, do not fall within the jurisdiction of the Commission and I have, therefore, been directed to return the original documents, as listed in your above mentioned letters, to you.

These are enclosed herewith and it is presumed that you will inform the Yugoslav Military Mission, which must have been advised, pursuant to Minute 1 of your routing slip dated 10th June, 1949, that its applications had been passed to the Commission, that the papers have now been returned to you.

Italy.

Italy (admitted to participate in the pool) submitted a claim on behalf of the Bank of Albania in Rome to a share in the pool in respect of the gold of the Bank of Albania.

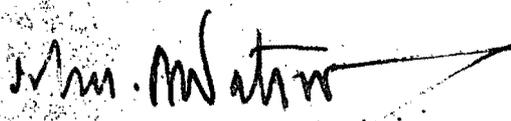
The Commission decided to despatch a letter to the Italian Ambassador informing him that the Commission had been unable to reach agreement that the arguments set forth in the Ambassador's letter and memorandum would justify a revision, in favour of the Italian Government, of the Commission's previous decision on the claim.

Action was taken accordingly, mainly on the grounds that:

1. The Commission could not recognise claims put forward by one Government on behalf of another Government or on behalf of the central bank or other monetary authority of another country. This was clearly stated in the questionnaire.
2. The gold in question could only be considered as monetary gold if it were held to be Albania's.
3. The gold could not be held to be Italy's within the meaning of the Paris Agreement.

Italy has now lodged a claim to this gold on her own behalf.

This claim is now before the Commission.


J. A. WATSON,
Secretary General
Tripartite Commission for the
Restitution of Monetary Gold.

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NND 979014

By

75 NARA Date 6/23/89

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I.A.R.A.

(TG C)

Box 15

MEMORANDUM OF CONVERSATION

August 16, 1951.

PARTICIPANTS: Mr. Enoch Lachinian
Mr. Homer S. Fox

SUBJECT : Claim for Privately-owned Gold.

Mr. Enoch Lachinian, who gave his address as 19 rue, Courmartin, Paris 9, (Telephone Opera 5448, called to see me today, in my capacity as United States Gold Commissioner, with a letter of introduction from Senator Thomas R. Underwood of Kentucky, copy of which is attached to this memorandum. Mr. Lachinian explained that a quantity of "about 1 1/2 or 2 tons" of gold owned by a person named Deutch, a national of Liechtenstein, had been given to a person named Frengin, a Persian national, and had been looted by Germany from the latter in France at some time during the war. He alleged that a claim for this gold had been submitted to the Tripartite Gold Commission and that in January, 1950 (he thought either the 23rd or 28th of January), a letter had been addressed to the claimant Government, Switzerland, which had submitted the claim on behalf of Liechtenstein, to the effect that since this was privately-owned gold, it was outside the competence of the Commission. He inquired what steps ought properly now to be taken. He said that the owner proposed either to re-submit the claim to the Commission or to submit it to the three Governments directly through diplomatic channels and that if neither course proved successful, it was proposed to take the case to the International Court at the Hague. He inquired what I would recommend.

I told him, in substance, that as a Member of the Commission I would not recommend anything — that obviously I could not act as adviser to a claimant so long as I was acting in the capacity as a Member of the Commission. He readily agreed, but continued to press for some suggestions. Some discussion ensued in the course of which I told him that so far as I could see, on the basis of what he told me, the Commission's position would probably be the same today as it was alleged to have been in January, 1950, namely that if the gold were shown definitely to be privately-owned gold, it would be without competence and the jurisdiction of the Commission. I told him further that I could not say what would happen if he were to submit a claim to the three Governments directly through diplomatic channels or otherwise, but certainly I saw no objection to his so doing, either directly or through the Liechtenstein-Swiss Government if he or his associates wished to do so. He was somewhat insistent, but I continued to maintain the position described above.

While he was here, a search was made of my Delegation files without tracing anything at all relating to such a claim as that described by him. It is possible that my files may be defective in this respect. In any case, the above is recorded as a matter of information in the event that the matter should, in any way, come to the attention of the Commission.

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HSFox:Scf

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 BY: BMM/MLM
 DATE: 1/27/98

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ADDRESS OFFICIAL COMMUNICATIONS TO
 THE SECRETARY OF STATE
 WASHINGTON 25, D. C.

DEPARTMENT OF STATE
 WASHINGTON

X-R

see Int. 1942
 Filed X-F-6



In reply refer to
 MN

August 2, 1951

Personal - SECRET

Dear Homer:

I should like to refer once more to your despatch No. 271, July 5, by which you transmitted three tables relating to provisional decisions of the Tripartite Gold Commission and the text of the resolution extracted from the draft minutes of the 109th Meeting of the Commission regarding an interim distribution to Yugoslavia, Czechoslovakia and France (in the name of Belgium); I am referring also to the first paragraph of your letter of July 6 on the same topic.

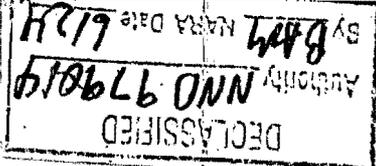
I think it is necessary to give you, for your personal information and preparation of an appropriate attitude in the Commission, some advance notification of the Department's present thinking and an outline of official instructions which you will probably get in accordance with the Department's position as it is shaping up with respect to the Czechoslovakian share in the gold pool. The summary of the Department's present thinking is:

(1) There should be no more interim distribution before the final distribution. As you are aware, we have always felt that an interim distribution so shortly before making the final decisions and final distribution would only delay the latter one and impose unnecessary risks on the United States Government which prefers to have distribution only after review and approval of the

Commission's

Mr. Homer S. Fox, Esquire,
 United States Commissioner,
 Tripartite Commission for the
 Restitution of Monetary Gold,
 American Embassy,
 Brussels,

SECRET



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 Box 16

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Commission's final decisions. These will be the official reasons which the Department will advise you to give in the TGC Meetings when requesting you to object to interim distribution at this late moment. It is true, in conversations with Wingate and representatives of the British and French Embassies at the occasion of the conference on the Albanian case, I promised that the Department would reconsider its position regarding another interim distribution. I did not, however, assume that the proposed interim distribution would include a delivery of a relatively large amount of gold to Czechoslovakia, nor could anyone see at that time the rapid deterioration of our relations with Czechoslovakia. These latter reasons, namely the Czechoslovakian implications of the proposed interim distribution are the ones which, in conjunction with the former, are compelling the Department to return to the original position - namely, to be opposed to the interim distribution as suggested in the above cited resolution of the Commission. The Czechoslovakian implications are, of course, not to be made part of the record of the Commission or even mentioned to the British or French Commissioners. The Department regrets of course that Yugoslavia and France will have to wait several more months to get their share, particularly in the case of Yugoslavia it would be in line with the general Department's policy to let the Yugoslavians have their gold as soon as possible. However, weighing the advantages of an early partial delivery to France and Yugoslavia against the disadvantage of any delivery to Czechoslovakia or even of having our hand forced prematurely by formal objection to delivery to Czechoslovakia, it was felt that the disadvantages are by far outweighing the advantages. It might be of interest to you in your other capacities that the French are explaining their request for interim delivery by stressing the deterioration of their gold and foreign exchange position in connection with NATO expenditures and disappointing United States assistance in this respect. The Yugoslavia Ambassador and two Counselors of the French Embassy have put in appearances here in the Department and we have explained to them that for technical reasons the Department is not favorable to an interim distribution at this stage and that they must be patient to await the final distribution. As consolation I pointed to the unexpected increase in their final share they can look forward to.

(2) With

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(2) With respect to the final decision on the Czechoslovakian share, the Department does not want to influence the decision of the Commission as to the amount. However, opinion is well shaping up in the Department that there should be no delivery to Czechoslovakia resulting from the final decision on their claim and that the Department will have to give you official instructions to oppose any such delivery. By that time, the Department will also have mapped plans of what to do with Czechoslovakia's share and how to go about it after discussions with and possibly concurrence of the British and French Governments. I am working on a position paper in this respect which is of course to be cleared in several divisions of the Department.

In preparation of such steps it would be advisable if you could discreetly arrange at the appropriate moment that the Czechoslovakian share be composed to the possible limit of gold deposited with the Federal Reserve of New York and also that from now on deliveries to the pool should be deposited at the Federal Reserve of New York as far as technically feasible so as to build up the Commission's deposit in the United States to about the amount of what will be due to the Czechoslovaks after the final decision. All this, of course, is for your personal and confidential information.

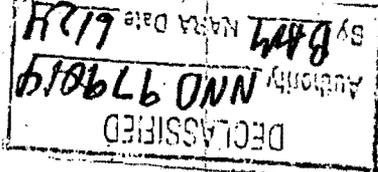
Many personal regards.

Sincerely yours,

Otto F. Fletcher

Otto F. Fletcher,
Special Assistant,
Monetary Affairs Staff.

SECRET



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 1ARA (TGC)
 Box 16

In reply refer to

August 2, 1951

Personal - SECRET

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Commission's

Mr. Homer S. Fox, Esquire,
 United States Commissioner,
 Tripartite Commission for the
 Restitution of Monetary Gold,
 American Embassy,
 Brussels,

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Commission's final decisions. These will be the official reasons which the Department will advise you to give in the TGC Meetings when requesting you to object to interim distribution at this late moment. It is true, in conversations with Wingate and representatives of the British and French Embassies at the occasion of the conference on the Albanian case, I promised that the Department would reconsider its position regarding another interim distribution. I did not, however, assume that the proposed interim distribution would include a delivery of a relatively large amount of gold to Czechoslovakia, nor could anyone see at that time the rapid deterioration of our relations with Czechoslovakia. These latter reasons, namely the Czechoslovakian implications of the proposed interim distribution are the ones which, in conjunction with the former, are compelling the Department to return to the original position - namely, to be opposed to the interim distribution as suggested in the above cited resolution of the Commission. The Czechoslovakian implications are, of course, not to be made part of the record of the Commission or even mentioned to the British or French Commissioners. The Department regrets of course that Yugoslavia and France will have to wait several more months to get their share, particularly in the case of Yugoslavia it would be in line with the general Department's policy to let the Yugoslavians have their gold as soon as possible. However, weighing the advantages of an early partial delivery to France and Yugoslavia against the disadvantage of any delivery to Czechoslovakia or even of having our hand forced prematurely by formal objection to delivery to Czechoslovakia, it was felt that the disadvantages are by far outweighing the advantages. It might be of interest to you in your other capacities that the French are explaining their request for interim delivery by stressing the deterioration of their gold and foreign exchange position in connection with NATO expenditures and disappointing United States assistance in this respect. The Yugoslavia Ambassador and two Counselors of the French Embassy have put in appearances here in the Department and we have explained to them that for technical reasons the Department is not favorable to an interim distribution at this stage and that they must be patient to await the final distribution. As consolation I pointed to the unexpected increase in their final share they can look forward to.

(2) With

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- 3 -

(2) With respect to the final decision on the Czechoslovakian share, the Department does not want to influence the decision of the Commission as to the amount. However, opinion is well shaping up in the Department that there should be no delivery to Czechoslovakia resulting from the final decision on their claim and that the Department will have to give you official instructions to oppose any such delivery. By that time, the Department will also have mapped plans of what to do with Czechoslovakia's share and how to go about it after discussions with and possibly concurrence of the British and French Governments. I am working on a position paper in this respect which is of course to be cleared in several divisions of the Department.

In preparation of such steps it would be advisable if you could discreetly arrange at the appropriate moment that the Czechoslovakian share be composed to the possible limit of gold deposited with the Federal Reserve of New York and also that from now on deliveries to the pool should be deposited at the Federal Reserve of New York as far as technically feasible as to build up the Commission's deposit in the United States to about the amount of what will be due to the Czechoslovaks after the final decision. All this, of course, is for your personal and confidential information.

Very personal regards.

Sincerely yours,

Otto F. Fletcher,
 Special Assistant,
 Monetary Affairs Staff.

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206569

ALLOCATIONS AND DELIVERIES DURING THE PERIOD FROM 1st JANUARY to 31st DECEMBER, 1948
in TROY OUNCES

<u>Austria</u>	<u>France</u>	<u>Greece</u>	<u>Italy</u>	<u>Holland</u>	<u>Czechoslovakia</u>	<u>Yugoslavia</u>
<u>A L L O C A T I O N S</u>						
152,643,714 244,221,418 689,296,251 190,784,757	463,664,343	1,216,324	122,343,804 895,790,459 - 463,664,343 - 269,841,177	985,298,253 17,361	195,288,635	6,919,813 269,841,177
<u>1,276,946,140</u>	<u>463,664,343</u>	<u>1,216,324</u>	<u>284,628,744</u>	<u>985,315,614</u>	<u>195,288,635</u>	<u>276,760,990</u>

D E L I V E R I E S

152,630.007 16th Jan. 244,221.408 19th March	463,664,343 25th June				195,283.854 3rd May	
330,862.153) 358,434.098) 23rd July			269,710.696 23 July			
190,784.716 15 Sept.			14,917.944 2 Sept.			276,760.751 2 Sept.
<u>> 1,276,932.382</u>	<u>463,664.343</u>		<u>284,628.640</u>		<u>195,283.854</u>	<u>276,760.751</u>

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 Authority: **6106LL6 QUN**
 By: **WJG**
 Date: **1/17/99**
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 (TGC)
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DATE 12/19/98 BY SP4 BTG/AS

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Box 16

NOTE

PROPORTION OF GOLD BARS AND COINS IN THE VARIOUS SHARES TO BE
DELIVERED TO RECIPIENT COUNTRIES

The Commission has considered the possibility of including in the shares of all recipient countries gold bars and coin in the same proportion, based on the percentage of these two types of gold in the total Pool to be distributed.

The quantities of gold which have, up to the present time, been made available for the Pool, consist of the following :

<u>Gold coin</u>	Kgf	<u>Gold Bars</u>	Kgf
Already delivered or set aside at Frankfurt	62,607	Already delivered or set aside at Frankfurt	67,816
Being transferred from Frankfurt to London (approximately)	54,000	Balance not yet allocated and to be transferred from Frankfurt to London (approx)	49,254
		Already delivered in New York	41,710
		Available in New York	9,601
		Already delivered in London (Rumanian gold)	14,422
		Available in London (Rumanian gold)	3,562
		Being delivered in London (B.I.S. Gold)	3,740
	<hr/>		<hr/>
	116,607		190,105

Total : 306,712 Kgf
including 38 % in coins
and 62 % in bars.

In order to make the total quantity of coin and bars delivered to each of the recipient countries correspond to this proportion, the next delivery orders of the Commission should be issued for the following amounts :

ALBANIA - As no allocation has yet been made to this country, it should receive, at the next delivery, 38 % of its share in coin :

e.g. Total : 1,121.4517 - Coin : 426.1516 - Bars : 695.3001

AUSTRIA - The total allocations made to Austria amount to 39,717.4703 Kgf. After the next delivery, its total share should be made up as follows : 38 % in coin, e.g. : 15,092.6387 and 62 % in bars, e.g. : 24,624.8316. Austria having already received, in New York, bars 12,343.8872 and being entitled, in its share set aside in Frankfurt, to coins to the amount of 10,290.9662, and bars to the amount of 11,148.5468, the next delivery order issued by the Commission should provide for the delivery of the following quantities :

Total: 5,934.0701 - Coins 4,801.6725 - Bars : 1,132.3976.

...../.....

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FRANCE - France has already received :

- on account of allocations to Belgium and Luxemburg :
92,580.4273 Kgf, of which 36,381.8742 were in coin & 56,198,5531 in bars,
- on account of the allocation to Italy :
14,421.5752 Kgf, of which nil in coin & 14,421.5752 in bars.
107,002.0025 Kgf 36,381.8742 = 34 % 70,620,1285 = 66 %.

The next deliveries to be made to France by way of additional allocations to Belgium and Luxemburg, will have to consist of a substantial proportion of coin, in order to raise to 38 % the percentage of coin within the total amount to be allocated to France. The exact apportionment could only be made when the amount of the next delivery is known.

GREECE - As no allocation has yet been made to this country, 38 % of its share in the next allocation should consist of coin, e.g. :

Total : 37,8319 - Coin : 14,3761 - Bars : 23,4558.

ITALY - As this country has not yet received any allocation for its own use, 38 % of its share in the next allocation will have to consist of coin, e.g. :

Total : 8,388.9443 - Coin : 3,187.7986 - Bars : 5,201.1455.

NETHERLANDS - The total allocation made to the Netherlands amounts to 66,536.7797.

After the next delivery, its total share should be composed as follows :
38 % in coin, e.g. : 25,283.9763 and 62 % in bars, e.g. : 41,252.8034.

The Netherlands have already received in all coin to the amount of 14,104.1342 and bars to the amount of 21,786.4398.

The next order of delivery of the Commission should therefore provide for the allocation of the following quantities :

Total : 30,646.2057 - Coin : 11,179.8421 - Bars : 19,466.3636.

CZECHOSLOVAKIA - This country has, as yet, received only bars in New York :
6,074.1564 Kgf.

Further allocations which may be made to this country will have to contain a high proportion of coin. Thus would it be possible, without making an exception in its favour, to satisfy its request to receive coin identified in Frankfurt as having belonged to the National Bank of Czechoslovakia.

YUGOSLAVIA - As this country has not yet received any allocation, future deliveries

- on account of its own claims, and
 - from the gold set aside in its favour out of the allocations made to Italy,
- should consist of 38 % in coin and 62 % in bars.

POLAND - Any allocation which may be made to Poland should consist of 38 % of coin and 62 % of bars.

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POSSIBILITY, FROM A PRACTICAL POINT OF VIEW, OF MAKING

FURTHER DELIVERIES ACCORDING TO THE

PROPORTION LAID DOWN

(Assuming that deliveries are to be carried out by the Bank of England)

ITALY - Total : 8,388.9442 - Coin : 3,187.7988 - Bars : 5,201.1455

This order, which is the first one the Commission will have to issue, could be based on these amounts only if the Bank of England is able to deliver immediately in bars part of the gold received from the Bank for International Settlements (at least 1,638 Kg).

Otherwise, the Bank of England will only be able to deliver 3,562 Kg in bars (the balance of the Rumanian gold) and the delivery order will have to fix at 4,826 Kg the total to be received by Italy in coin.

In this latter eventuality, it will become necessary to deliver a high proportion of bars in later allocations to this country, in order to reestablish at 38 % the proportion of coin within its total share.

<u>ALBANIA</u> - Total : 1,121.4517	- Coin : 426.1516	- Bars : 695.3001
<u>AUSTRIA</u> - Total : 5,934.0701	- Coin : 4,801.6725	- Bars : 1,132.3976
<u>GREECE</u> - Total : 37.8319	- Coin : 14,3761	- Bars : 23.4558
	<hr/>	<hr/>
	7.093.3537	5,242.2002
		1,851.1535

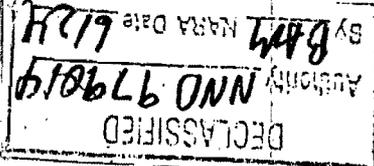
It will be possible to make these allocations as indicated above, only if the Bank of England is prepared to deliver in bars :

- either the remainder of the gold received from the B.I.S., supposing 1.638 Kg have already been delivered to Italy, or
- part only of the gold received from the B.I.S. (at least 1,851 Kg) if Italy has only received, in bars, the balance of the Rumanian gold.

NETHERLANDS - Total 30,646.2057 - Coin : 11,179.8421 - Bars : 19,466.3636

The Commission will be able to issue a delivery order to the Bank of England for 19 tons of gold bars only after the transfer and re-melting of the bad-delivery bars remaining in Frankfurt.

If, in order to avoid too long a delay, the Commission decided only to deliver coin to the Government of the Netherlands, the proportion of coin received by this country would, as a result of this delivery, amount to over 67 %. Since the Netherlands are not to receive any further allocations, apart from any allocations which might result from an increase in the Pool, it would seem impossible to reduce this proportion to 38 %. Furthermore, the Commission would not have enough coin at its disposal to fulfill the shares in coin of the other claimant countries.



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- 4 -

APPORTIONMENT OF THE VARIOUS TYPES OF COINS WITHIN THE GOLD COIN SHARES

The Commission will not be able to decide upon the exact proportion in which the final shares will contain coins of each different type until the complete inventory of the coins sent to London has been drawn up. It seems however that, in order to facilitate later adjustments, the Commission should request the Bank of England to carry out the next deliveries in coin according to the measures already adopted by the Frankfurt Authorities last November.

At that time, the quantities of gold coin delivered to France and the Netherlands and set aside for Italy and Austria had, in all, been made up in the following manner, the proportions being practically the same for each recipient country :

<u>Austrian crowns</u>	<u>£</u>	<u>Latin Union</u>	<u>RM</u>	<u>Dutch Florins</u>	<u>\$</u>	<u>Total</u>
5,372 Kgf	6,933	14,648	8,725	9,812	17,116	62,606
Approx : 9 %	12 %	23 %	14 %	15 %	27 %	100 %

If the quantities already delivered at Frankfurt are deducted from those indicated for each type of coin in the Howard Report, the conclusion would be that the remaining coin transferred to London consist of the following :

<u>Austrian Crowns</u>	<u>£</u>	<u>Latin Union</u>	<u>RM</u>	<u>Dutch Florins</u>	<u>Other types of coins</u>	<u>Total</u>
Approx : 2,200	3,100	6,400	4,700	3,700	8,900	35,000
						54,000

The next delivery orders to be issued by the Commission in favour of Albania, Austria, Greece, Italy and the Netherlands will have to provide for the delivery of 19,610 Kg of coin, if they are to be established on the basis of the proposals made in the first part of this note.

The Commission could therefore ask the Bank of England in meeting these orders, not to deliver any coins other than those belonging to the 6 types already used at Frankfurt and to allocate these coins, within each delivery, according to the proportions already adopted : 9 % in Austrian Crowns, 12 % in Pounds, 23 % in Latin Union coins, 14 % in Reichmarks, 15 % in Dutch Florins and 27 % in dollars. It would thus deliver in all :

<u>Austrian Crowns</u>	<u>£</u>	<u>Latin Union</u>	<u>RM</u>	<u>Dutch Florins</u>	<u>\$</u>	<u>Total</u>
1,765	2,353	4,510	2,745	2,942	5,295	19,610

These quantities do not exceed, for any type of coin, the quantities which should be available in London.

The instructions to be given to the Bank of England on this subject should however be sufficiently elastic not to hamper the Bank of England, should the inventory operations not be sufficiently advanced to enable it to follow them.

Moreover, these instructions will have to be completed by a note from the Commission asking the Bank of England not to deliver coin contained in bags belonging to the National Bank of Bohemia and Moravia. These coins are to be set aside with a view to making a special delivery to the Czech Government whenever such an allocation is decided upon.

28th June, 1948.

M. HIRIGOYEN,
 Deputy Adviser

206574

14th February, 1948

D I S T R I B U T I O N

Second Series of Allocations.

206575

<u>COUNTRY</u>	<u>VALID CLAIM</u>	Share = 48.087% of <u>VALID CLAIM</u>	Net share after deduction of contingency reserve 5%	<u>To be delivered in NEW YORK</u>	
	<u>Kgf</u>	<u>Kgf</u>	<u>Kgf</u>	<u>Kgf</u>	<u>Fine troy ounces</u>
ALBANIA	2,417.2430	1,162.3796	1,104.2606	1,104.2606	35,502.797
AUSTRIA	16,628.0554	7,995.9330	7,596.1363	7,596.1363	244,221.418
CZECHOSLOVAKIA	13,296.4185	6,393.8488	6,074.1564	6,074.1564	195,288.635
	<u>32,341.7169</u>	<u>15,552.1614</u>	<u>14,774.5533</u>	<u>14,774.5533</u>	<u>475,012.850</u>

M. HIRIGOYEN
Secretary of the Commission.

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BY: BHM NARA Date: 6/27/97

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15th October 1947

**Decisions taken by the Tripartite Commission
 for the Restitution of Monetary Gold for the
 Preliminary Distribution**

	Total Claim	Valid	Possibly Valid	Invalid	Observations
ALBANIA	2,579.9023		2,340.8200 122.9643 116.118		Italian figure Discrepancy between Italian and Albanian figures Gold napoleons removed - Tirana
AUSTRIA	91,256.9156	57,324.5099	4,314.7825 16,628.0554 12,989.7678		Salzburg gold Gold held in London Balance of Austria gold reserve Occupation purchases
BELGIUM	204,868.0736	198,455.8417	6,434.2319		National Bank of Belgium Occup. purchases - Banque d'Emis.
CZECHOSLOVAKIA	45,008.2784		14,536.2010 1,008.9146 23,087.3040 6,375.8588		Cover for Sudeten notes Skoda works' gold Gold held at Bank of England Coins belonging to National Bk.
CZECH REPUBLIC	83.7345		83.7345		Amount & ownership not proven
FRANCE	12,634.931		12,634.931		Documents not yet received.
ITALY	71,098.0091	8,389.8982	60,990.7726 1,777.3383		Various questions involved Istanbul acquisitions from Germany Yugoslav gold
LUXEMBURG	4,317.42028	4,223.7040	93.4988		Caisse d'Epargne E.P. Pescatore Foundation
NETHERLANDS	145,650	9,571 68,994	971 1,358 28,837 35,919		War prize gold War levy Arnhem gold Meppel gold Occupation purchases Occupation cost levy
POLAND	115,400		4,726 6,294	132,500	Danzig gold Occupation purchases Concentration camps
YUGOSLAVIA	11,653.3889		480.4677 471.425 47.1142 117.5526 2,094.5970 112.6167	8,389.8982	Gold recognized by Italy as taken from Yugoslavia Difference between Italian and Yugo. figs. for Italian seizure 10 cases seized by the Germans 1 case seized by the Ustachas Gold seized by the Ustachas Bor Mines Occupation purchases - Serbia
	732,550.4362	346,876.7558	244,963.7842	140,709.8982	

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 BY: 8444 NARA Date: 6/22/19

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FRANCO-BELGIAN DISTRIBUTION
 OF GOLD

IN THE YEAR 1947

	NO. IN BELGIUM IN DELIVERED IN NEW YORK		NO. IN BELGIUM IN DELIVERED IN FRANCE		FRANCING		FRANCO-BELGIAN DISTRIBUTION	
	10.132	81.071	10.132	81.071	101 COINS	527 THOUS.	10.132	67.027
BELGIUM	2,914,459.535	528,391.513	2,386,068.022	1,445,512.650	1,240,755.572	399,275.078	841,480.294	
LUXEMBURG	62,031.653	11,246.919	50,784.734	24,570.210	25,109.725	0,490.550	17,914.075	
NETHERLANDS	1,153,908.585	209,203.627	944,704.957	453,458.380	491,246.578	458,033.447	333,163.431	
	4,130,402.973	748,842.059	3,381,560.914	1,623,149.240	1,758,111.675	549,656.875	1,192,558.800	
AUSTRIA	641,939,966	152,643,714	669,296,851	539,662,199	558,431,052	358,431,052	-	
			100%				100%	
TOTAL	122,343,804	-	122,343,804	58,725,026	63,640,778	-	63,640,778	
	5,094,666,742	904,485,772	4,193,200,970	2,012,756,465	2,160,464,503	924,230,927	1,256,173,578	

1948 October, 1947

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 BY: BMM/KARA Date: 6/21/11

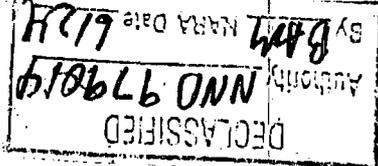
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 IARA (IGC)
 Box 16

MEMORANDUM FOR THE DIRECTOR OF GOLD

TO THE MANAGERS

	NO BR		NO BR		P R A N K P O R S		GOOD DELIVER		MEMORANDUM	
	DELIVERED TO NEW YORK	48.15%	DELIVERED TO FRANCE	81.97%	NO COIN	PER MONTH	NO COIN	PER MONTH	NO COIN	PER MONTH
NETSILVER	35,690,5740	6,506,9611	29,383,6129	4,106,1912	15,279,1787	4,916,9362	10,362,5425			
NETGOLD	90,649,6374	16,434,8155	74,215,0219	35,623,2105	38,591,8114	42,418,8449	26,172,9669			
NETSILVER	1,929,4999	349,8103	1,579,6816	758,2172	821,4314	26,1576	557,0960			
NETGOLD	128,169,9113	23,291,5949	105,178,3164	90,155,5919	51,692,7245	17,600,1187	37,092,6058			
NETSILVER	26,187,2639	4,747,7509	21,439,5130	10,290,9662	11,148,9468	11,148,9468	-			
NETGOLD	3,805,3182	-	3,805,3182	1,026,5827	1,978,7655	-	1,978,7655			
TOTAL	198,162,1934	28,099,9458	130,123,4476	62,603,1108	67,820,0568	28,748,6655	39,071,3713			

2013 October, 1947



RG 84

entry 2113M

IARA (TGC)

Box 16

X-R

INT. 123

October 28th, 1947.

MEMORANDUM FOR THE FILES

(cc Mr. Alex B. Daspit, Sir Desmond Morton, Monsieur J. Rueff)

Mr. Schieroke telephoned from Frankfurt this afternoon to convey the following information :

- A. The Foreign Exchange Depository, on the basis of the Howard worksheets, has selected the following numbers of bars to make up the lots allocated in the preliminary distribution :

<u>Belgium</u>		
	Good delivery bars	1024
	Prussian Mint bars	2416

	Total	3440
<u>Luxemburg</u>		
	Good delivery bars	21
	Prussian mint bars	45

	Total	66
<u>Netherlands</u>		
	Good delivery bars	419
	Prussian Mint bars	836

	Total	1255
<u>Austria</u>		
	All good delivery bars	953
<u>Italy</u>		
	Prussian Mint bars	164

	Grand Total	5878

Note : This leaves only about 24 or 25 good delivery bars at Frankfurt.

206579

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 BY: 6447
 DATE: 1/27/99

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B. With respect to these bars which have been selected for the preliminary allocations, the Foreign Exchange Depository has come within the following amounts, shown under the heading "Shortage", of the quantity specified in the Commission's orders.

		<u>Shortage</u>
<u>Belgium</u>		
	Good delivery bars	5.5463 fine oz.
	Prussian Mint bars	5.5794 " "
<u>Luxemburg</u>		
	Good delivery bars	.3739 " "
	Prussian Mint bars	6.6584 " "
<u>Netherlands</u>		
	Good delivery bars	6.1972 " "
	Prussian Mint bars	31.4104 " "
<u>Austria</u>		
	All good delivery bars	64.6138 " "
<u>Italy</u>		
	All Prussian Mint bars	11.3150 " "

Note : It is understood to be the intent of the Commission's Orders on Frankfurt that these deficits should be made up in coin form, and the Foreign Exchange Depository is being so advised.

EDWARD W. O'FLAHERTY

DECLASSIFIED
 AUTHORITY: ONN
 DATE: 11/19/86
 BY: 449

RG 24 Entry 2113M
 IARA (TGC)

4th October, 1947

Summary of Decisions taken by
 the Tripartite Commission for
 the Restitution of Monetary Gold

COUNTRY	TOTAL	VALID	POSSIBLY VALID	INVALID	OBSERVATIONS
Albania	2,579.9023		2,340.8200 122.9613 116.118		Italian figure Discrepancy between Italian and Albanian figures Gold napoleons removed - Tirana
AUSTRIA	91,256.9156	73,952.3653	4,314.7825 12,989.7678		Salzburg gold Austrian gold reserve } balance Occupation purchases
BELGIUM	204,868.0736	198,433.8417	6,434.2319		Transfer to Bank of France Occup. purchases - Bque d'Emission
CZECHOSLOVAKIA	43,008.2784		14,536.2010 1,008.9146 23,087.3040 6,375.8588		Cover for Sudeten Notes Skodaworks' gold Gold held at Bank of England Coins belonging to National Bank
GREECE	83.7345		83.7345		Amount and ownership not proved
Further claim	12,634.931		12,634.931		Documents not received.
ITALY	71,098.0091	8,329.8982	60,990.7726 1,777.3383		Various questions involved. Interchange acquisitions from Germany. Transfer to Yugoslavia
LUXEMBOURG	4,317.2028	4,223.7040	93.4988		Caisse d'Epargne J.P. Pescatore Foundation
NETHERLANDS	145,650	9,571 68,994	971 1,358 28,837 35,919		War prize gold War levy Arnhem gold Meppel gold Occupation purchases Occupation cost levy.
POLAND	143,400		4,726 6,294 132,380		Danzig gold Occupation purchases Concentration camps
YUGOSLAVIA VIA	11,653.3889		471.1425 47.1142 480.4677 117.5526 112.6167 2,094.5970	8,329.8982	To Italy for Yugoslav Account 10 cases seized by the Germans 1 case seized by the Ustachas Difference between Italian and Yugoslav figs. for Int. seizure Gold seized by the Ustachas Occupation purchases - Serbia Bor Mines
	732,550.4362	363,504.8092	360,715.7288	8,329.8982	

6th October, 1947

DETERMINATION OF SHARES TO BE DISTRIBUTED TO EACH COUNTRY

GOLD AVAILABLE Frankfurt ... 233,000 = 81.87%
 New York Federal Reserve Bank ... 51,600 = 18.13%
 284,600

TOTAL CLAIMS Valid and Possibly Valid = 591,840.5380

PERCENTAGE - 48.087%

Country	Valid Claim	Share = 48.087% of Valid Claim	Net share after deduc- tion of Contingency Reserve of 5%	To be delivered in New York - 18.13%	To be delivered in Frankfurt - 81.87%
AUSTRIA	73,952.3653	35,561.4739	33,783.4002	6,124.9305	27,658.4697
BELGIUM	198,433.8417	95,420.8815	90,649.8374	16,434.8155	74,215.0219
ITALY	8,329.8982	4,005.5981	3,805.3182	689.9042	3,115.4140
LUXEMBURG	4,223.7040	2,031.0525	1,929.4999	349.8183	1,579.6816
NETHERLANDS	78,565.0000	37,779.5516	35,890.5740	6,506.9611	29,383.6129
		<u>174,798.5576</u>	<u>166,058.6297</u>	<u>30,106.4296</u>	<u>135,952.2001</u>

The amount of gold distributed represents: $\frac{166,058.6297}{284,600} = 58.348\%$ of total available

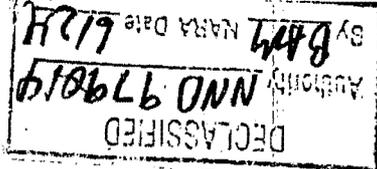
The amount of gold distributed represents: $\frac{166,058.6297}{591,840.5380} = 22.92\%$ of total claims Valid and Possibly Valid

206582

RG 84
entry 2113M
1 ARA (TGC)
16
Box

DECLASSIFIED
Authority: NND 979819
BY: BAH NARA Date: 6/2/04

REPRODUCED AT THE NATIONAL ARCHIVES



RG 24 Entry 2113M
 IARA (TGC)
 Box 16

IRA

MEMORANDUM

TO : Mr. Alex B. Daspit
 FROM : Edward W. O'Flaherty
 SUBJECT: "Enumeration and Inscription of Coins" in Receipt to be Given to the Commission.

October 22, 1947.

This refers to the suggestion in paragraph 2 of Cable No. 1435 of October 8 from the Department that the receipt should contain an "enumeration and inscription" of the coins delivered.

It is recognized that such procedure is the ideal way to operate under propitious circumstances. However, on the expert advise of Messrs Gargam and Porte of the Bank of France and Mr. Schiercke of the U.S. Treasury it is emphasized that it would be utterly impracticable to attempt to comply with this suggestion in the preliminary distribution. The following reasons were confirmed by Mr. Schiercke to me this morning:

1. The Howard Group did not undertake to count the coins at Frankfurt in 1945.
2. The Reichsbank tags had been lost from 80% of the coin bags so that even if some of them had described the number of coins in the relevant bag they are not now available.
3. Frankfurt has neither the space, personnel or security safeguards to undertake such an operation.
4. As to the "inscription", Schiercke informs that some of the bags contain mixed coins but the majority are sorted according to type. For example, a bag containing U.S. dollar gold pieces is simply marked "U.S. Dollars" but these need not be all of the same denomination. He is satisfied that there is a sufficient quantity of coins separated by general types, v.g., Dollars, Sovereigns, Francs, etc., to meet the requirements of the first distribution at least.
5. In general, Schiercke stated that if the suggestion of the Department were to be followed the coins would have to be moved to a reliable central bank for sorting and counting. He said that it would be impossible to do the job at Frankfurt — unless the distribution were to be delayed a year or two.

GF

EWO'Flaherty:Sct

206583

DECLASSIFIED
AUTHORITY NND 979010
BY SP8 JAF/AS
DATE 11/17/01

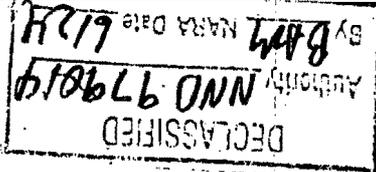
RG 84 entry 2113M
IARA (TGC)
Box 16

- 2 -

6. Frankfurt has about forty-five hundred small (capacity approximately 1,000 pieces) coin bags in addition to those presently containing the coin. However, the small bags must be placed in either boxes or large bargs. Frankfurt has no large bags but the Bank of France, for example, would most likely be glad to send an adequate supply along for its own consignment with its representative to Frankfurt. I believe that a similar arrangement could easily be worked out informally with the Netherlands Bank and the Austrian National Bank.

EWG:Flaherty:Scf

206585



RG 24 entry 2113M
 1ARA (TGC)
 Box 16

X-T

Int. 505

C/FRB 396.

3rd May, 1948.

Mr Allan Sproul,
 President,
 Federal Reserve Bank,
 NEW YORK (N.Y.)

Dear Mr Sproul,

The Tripartite Commission for the Restitution of Monetary Gold wishes to thank the Federal Reserve Bank for having made available to it the services of Edward W. O'Flaherty who acted as the Commission's Special Adviser during the period May 1947 - February 1948. The Commission is particularly grateful for the kindness of the Federal Reserve Bank in twice agreeing to its request for an extension of the loan of Mr O'Flaherty's services beyond the six-month period originally contemplated.

Mr O'Flaherty made a substantial contribution to the Commission's work. As the Commission's only special adviser in residence in Brussels, he had to assume a large part of the burden of preliminary analysis of claims, and to accept responsibility for advising the Commission on a great number of technical questions. These tasks he performed with ability, sound judgement, and industry, and to the entire satisfaction of the Commission.

The Commission considers that it was very fortunate to have had the services of Mr O'Flaherty during the most exacting period of its work, and wishes to express again its appreciation to the Federal Reserve Bank for having made these services available to it.

We have the honour to be,
 Sir,

Russell Dorr
 Deputy Commissioner of
 the Government of the
 United States of America

Desmond Morton
 Commissioner of the Government
 of the United Kingdom of Great
 Britain and Northern Ireland

H. Spitzmuller
 Deputy Commissioner of
 the Government of the
 French Republic

206586

DECLASSIFIED
AUTHORITY: 61086 L6 ONN
BY: SP4 MJA/MS
DATE: 11/19/01

RG 84 entry 2113M
IARA (TGC)
Box 16

X-V

CONFIDENTIAL

June 2, 1950.

Mr. Orville J. McDiarmid, Chief,
Monetary Affairs Staff,
Department of State,
Washington 25, D. C.

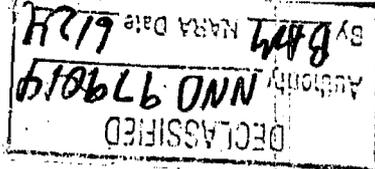
Dear Mac:

Homer Fox returned from Paris yesterday, and I got immediately in touch with him. In three hours conference we covered the whole field (at least in an overall way). The main topic was, of course, the delicate question of how to go about the claims of Soviet-blocked countries. During the conversation I took the opportunity to describe the Department's procedure in handling the Gold Commission matters and to indicate the Department's assumption that the Commissioner is receiving instructions.* Fox was aware of this and also of the fact that Daspit felt a bit differently about this. He, Fox, was willing to accept this procedure in principle. At the end of the conversation, Fox stated and I quote, "I guess we see eye to eye in the whole matter".

He wants, however, to be educated a little more about the past history of the Commission's activities and about underlying principles and in particular about the outstanding claims and other pending issues before going into official meetings with the other Commissioners which is a quite understandable attitude. It might, however, slightly delay the timetable. He also wants in slight deviation from what the Ambassador told me the first day, to study and to sign the correspondence and current matters connected with the Commission's work, which is also understandable. Consequently, you will receive from now on reports in the usual official form of despatches and telegrams addressed to the Department. I have a feeling and I am hopeful we will easily be able to work together and to agree on everything. What we need now most is the Department's position regarding the Soviet-blocked countries claims. I think the right solution which would compromise the various views and political realism with justice and decency would be to consider these particular claims on their merits as all the others in the past but withholding actual transfer until such time as the particular claimant nation has regained its political and economic independence and consequently its resemblance to what it was before it lost the gold. Probably this procedure could include the Albanian case; in the latter case, however, in view of the particular intricacies involved, as an alternative, the Commission might be able to come out with a statement that the claim was to be admitted but that the Commission was unable to solve the question to whom the adjudication

*from the Department as to decisions and is bound by such instructions.

206587



RG 84 entry 2113M
 IARA (TGC)
 Box 16

-2-

should go.

Concerning what I called in my last letter "a new complication", the Department will receive a despatch as soon as I have an opportunity to discuss this matter with Fox, and a copy made of the memo submitted by the French. What it amounts to is this: The Belgians had submitted a claim for 6,434 kilograms of gold taken from their "Banque d'Emission de Belgique" by the Germans. This claim is the Belgians own claim beyond what they got refunded from the French. This claim was originally denied by the Commission — in my opinion correctly — as not fitting the questionnaire definition of monetary gold. Last summer, when Daspit discussed with Eli and me a number of then pending issues, he persuaded us that inter alia this claim should be admitted by "an extensive interpretation" of the definition. Upon his urgent plea, I reluctantly agreed. Now, this matter has backfired and the French are requesting a revision of the case saying that the Belgian Government had a bit distorted the facts when pleading their case. This incident shows that the only salvation in handling the Commission's matters is consistency and sticking to the terms of the definition.

I should love to hear from you some time about what's going on in the Department if you can spare a few minutes to write me.

Yours sincerely,

Otto F. Fletcher

OFFletcher:Scot

206588

Authority UND 768086
 By TJ NARA Date 7/1/99

KG 84 10044 113
 TGC 1946-50 Susj. Fin
 Entry 2113N Box 1

American Embassy,
 Brussels, Belgium,
 December 29, 1952.

RESTRICTED - INFORMAL

Colonel J. A. Watson,
 Secretary General,
 Tripartite Commission for the
 Restitution of Monetary Gold,
 Brussels, Belgium.

Dear Colonel Watson:

Confirming our telephone conversation of today, I am enclosing a partial list of gold bars alleged to have been taken from Fringhian (so-called Deutsch gold claim), as written out by a Mr. Sherer, German officer of Devisen Schutz Kommando. This list includes only those bars which have some identification characteristics other than weight.

You may wish to check this list against TGC records, it being fully understood, of course, that any findings or results which you might obtain would be without prejudice to the final Tripartite position.

Yours sincerely,

Homer S. Fox
 United States Commissioner
 Tripartite Commission for the
 Restitution of Monetary Gold.

Enclosure:

List as described above.

RESTRICTED

Authority UND 768086 KG 87
 By TJ NARA Date 7/1/99 TGC 1946-50 Subj. File
 Entry 2113N Box 1

SO-CALLED DEUTSCH GOLD CASE

List of Gold Bars to Accompany Informal Letter
 From American Commissioner to Secretary General, TCG

December 29, 1952

1. 22 carat, marking SH 425-9166, kg 6.75.
2. 14 carat, kg .680.
3. 18 carat, kg .3661.
4. 18 carat, kg .2677.
5. 16/17 carat, kg .078.
6. Marking RV 40, kg 1.
7. Marking RV 39, kg 12.
8. Marking RV 38, kg 1.
9. 22 carat, marking 55868, kg 7.149.
10. Marking 147, kg 5.
11. Marking 1188, kg 1.
12. Marking 1189, kg 1.
13. Marking 2261, kg 1.
14. Marking 20342, kg 1.
15. Marking 10253, kg 1.
16. Marking 5013, kg 1.
17. Marking 424, kg 1.
18. Marking 11812, kg 1.
19. Marking 599, kg 1.
20. Marking 16502, kg 1.
21. Marking 1927, kg 1.
22. Marking 624, kg 1.
23. Marking 42190, kg .0962.
24. Marking R 14426, kg 12.652.
25. Marking R 47518, kg 13.982.
26. Marking 9424, kg 13.962.
27. Marking 3812, kg 12.500.
28. Marking 146, kg 5.
29. Marking 150, kg 5.
30. Marking 117, kg .849.
31. Marking 36526, kg .997.
32. Marking 3933, kg 1.
33. Marking 507, kg 1.002.
34. Marking 177, kg .810.
35. Marking 923, kg 1.005.
36. Marking 11, kg .599.
37. Marking 81, kg 1.005.

Authority UND 768086 KG 84 10044 F13
 By TJ NARA Date 7/1/99 TGC 1946-50 Subj. File
 Entry 2113N Box 1

Cham

American Embassy,
 Brussels, April 3, 1952.

~~CONFIDENTIAL~~ Mr. Fletcher, Esquire,
 Special Assistant,
 Monetary Affairs Staff,
 Department of State,
 Washington 25, D. C.

Dear Otto:

I am glad to learn from your telegram (1487 of April 1) that you are sending some additional material to support the position on the Salzburg Gold. It is evident I am going to be under pretty heavy pressure on this and quite possibly you may be as well through diplomatic channels, although I have heard no suggestion of this yet. Do you have in your files minutes of the Paris Conference? The French Commissioner has turned up some extracts therefrom which tend to support, in his view at least, the contention that the gold should be added to the pool. The extracts are from the meeting Monday afternoon, December 3, 1945 of the Committee of the Heads of Delegation, a recommended proposal (which apparently was the base for Part III of the Paris Agreement) submitted by the United States Delegation regarding monetary gold found in Germany and a record of some minor modifications to Document 34. The first extract contains a reference to, inter-alia, a statement by Dr. Angell suggesting that there might be three solutions to the problem of gold found in Germany. The first would consider this gold as war booty; the second would divide this gold into two categories namely, a) gold looted in the territory of the countries represented at the Conference and, b) gold looted in Austria, Italy and Hungary; the third would put into a single pool all gold found in Germany and in Austria as well as that looted by Germany and that which was removed into Germany (including the territory of Austria) and which came from Italy and Hungary. Dr. Angell, according to the extract, thought that the third solution was the most equitable. I assume they can turn out a lot more quotations to help support their case. I do not myself attach too much importance to this particular one but am trying to keep you informed.

Yours sincerely,

Homer S. Fox
 United States Commissioner
 Tripartite Commission for the
 Restitution of Monetary Gold.

HSFox:Set

206591

Authority UND 768D86 KG 87
By TJ NARA Date 7/1/99 TGC 1946-50 Susj. Fin
Entry 2113N Box 1

MEMORANDUM

October 29, 1951.

CONFIDENTIAL

TO : Colonel Watson

FROM : Fox

SUBJECT: Possible Additional Gold from American Zone.

As a matter of record, I confirm telephone conversation with you on October 19 regarding a telephone inquiry from Mr. Keyserling, Financial Officer in the Office of the American High Commissioner, Frankfurt. Mr. Keyserling had telephoned on that date to say that he had received a report from a normally reliable source to the effect that the existence of a certain quantity of gold was alleged to be known, which was of the status of monetary gold which should be delivered to the Commission. He raised certain questions as to the safeguarding of the person making the report if the gold were to be delivered and the question of a possible award to the source was also raised. Mr. Keyserling inquired whether the Commission could give him any advice, particularly on the latter point. After informal consultation with the Chairman, I informed Mr. Keyserling by telephone on Monday, October 22, that the composition of the gold pool was a matter for the three Governments and that the Commission had no jurisdiction in the matter until the gold was actually delivered to it by the Commission (HICOM) in Frankfurt. Mr. Keyserling agreed with this position and told me he would proceed accordingly.

HSFox: Set

206592

Authority UND 768086
 By TJ NARA Date 7/1/99

KG 84 1004 F13
 TGC 1946-50 Subj. File
 Entry 2113N Box 1

SECRET
INFORMAL - OFFICIAL

July 6, 1951.

Otto F. Fletcher, Esquire,
 Special Assistant,
 Monetary Affairs Staff,
 Department of State,
 Washington 25, D. C.

Dear Otto:

I am sending off today a despatch transmitting a summary tabulation of the Commission's provisional decisions to date or what might better be described perhaps as a working paper showing the present status of the various claims before the Commission. This was drawn up by the Chairman in accordance with the agreement reached when he was in Washington last Spring. As noted in the covering despatch, there are some inaccuracies in it and it should, therefore, be treated as a working paper although it probably will be sufficient to enable you to come to some conclusion with regard to a further interim distribution. As you probably know by now, Jacques Rueff did not make the grade in the French elections and I assume hasn't much, if any, further interest in a further distribution in France. Nevertheless, the French request remains and the Chairman seems to have some interest himself, for what reason I do not know, in pushing this further distribution.

I thought perhaps it might be of interest to you to have my present views on some of the cases under consideration and it certainly would be of interest to me to have the comments or observations which you might care to make about them.

Austria - Salzburg Gold: I should think that this 4300 kgs. would fall within the same category as the Algerian gold, i.e., gold found within the territory of a participating country and consequently is a nonest as far as the Commission is concerned. It is true, a memorandum accompanying the Austrian Protocol of November 4, 1947 suggested that the Commission may wish to take into account (the wording of the working paper is inaccurate on this point) that this quantity of gold had already been delivered direct to Austria. However, I understand that the policy in regard to gold found elsewhere than in Germany or in third countries developed subsequent to the writing of this memorandum.

206593

Authority WLD 7689086
By I. J. NARA Date 7/1/99

KG 87
1GC 1946-50
Entry 2113N
Box 1

Belgium: The 1,300 kgs. of Czech gold and 5,400 kgs. of Austrian gold purchased by Belgium from Germany should, according to the Chairman, be deducted from the amount allowed for Belgium. The French Commissioner has also expressed the same view, but no so firmly. Apparently both have their opinion on the ground that restitution cannot be made twice of the same gold. I have not, up to this point, been able to accept this point of view. If we were restituting specific gold that would be a different thing but we are not. We are operating on a pool basis. The Chairman's thinking seems to be that we must get this gold back from Belgium in order to pay it over to Czechoslovakia and Austria, but it is simply not what we would do. The fact that the gold appears to have been looted twice seems to me to be completely irrelevant. The identification of the gold for the purposes of the Commission's operations merely serves as evidence to support a claim to loss of gold. It is not an identification for the restoration of any particular gold to any particular country. I can see no reason, therefore, for doing anything at all about this particular quantity of gold which has already been allowed provisionally to Belgium. (The working paper is inaccurate in this respect. While both of the other Commissioners have expressed views to this effect, the Commission has not altered the original provisional allowance to Belgium.) Even if this line of reasoning is un sound, the gold would still belong to Belgium for the reason which you have already suggested, namely, gold found or recovered in a participating country.

Czechoslovakia: We have probably spent more time on this Czech claim for 23,000 odd kgs. than on any other claim before the Commission. Because of complete inability to agree on any acceptable means of measuring the amount of compensation received by Czechoslovakia which might be offset against the claim, we have finally provisionally agreed to accept the claim but to deduct therefrom the quantity of 7,100 kgs. recovered after the war from Switzerland where it had accumulated in the name of the Bank of Slovakia. While we have not yet taken formal action, the decision will probably be that this amount should be deducted from the claim. There is a question in my own mind whether the proper way of handling this would not be to add the amount to the gold pool and then deduct it from the share in the pool which may finally be allocated to Czechoslovakia. This would seem to me to be consistent with the handling of other amounts recovered by or restituted direct to claimant countries. Of course the Commission does not have anything to do with the composition of the pool as this must be done by the Governments. I should be particularly grateful for your views on this point.

Italy: This is one case on which I have not made up my own mind. The Chairman seems to consider this comparable to the Belgian case, but to me it is quite different since it involves a double looting in the sense of a second looting from the country which did the first looting. In the Belgian case there was a double looting but it was looted twice by Germany from different countries which is altogether a different thing. I refer, of course, to the 8,200 kgs. looted by Italy from Yugoslavia and 6,600 kgs. looted by Italy from France.

Incidentally, is there any news yet on the ISTANBUL gold?

Authority UND 168086
 By TJ NARA Date 7/1/99

KG 87 10004
 TGC 1946-50 Subj. File
 Entry 2113N Box 1

Yugoslavia - Bor Mines Gold: Of the three lots of Bor Mines gold, the Commission has provisionally agreed to allow two lots. The French Commissioner, however, has raised a question about the 23 bars refined in France and subsequently taken to Germany. He apparently is under pressure from the Bor Mines Company to try and get some compensation for them. At any rate, he is claiming that since the Company did not receive any compensation for this looting, it must be considered as private gold. My own view is that it was never private gold, that the Bor Mines Company was obligated legislatively and by contract to return the gold to Yugoslavia and that any other distribution of it was unauthorized and illegal. I can see no difference between the three lots as regards ownership. I consider that all three lots may properly be classed as monetary gold and that the Yugoslav claim should, therefore, be allowed in respect to the whole lot. There does remain, of course, the question of compensation and it is quite possible that the Bor Mines Company may have some kind of a lien against these 23 bars and it is possible that the three Governments might want to consider whether some compensation might be required from Yugoslavia against the delivery of the gold in the event that the decision of the Commission should finally be to allow the claim.

Best regards.

Yours sincerely,

Homer S. Fox
 United States Commissioner
 Tripartite Commission for the
 Restitution of Monetary Gold.

HSFox:Scf

Authority UND 968DEG
By TJ NARA Date 7/1/99

KG 87 inked ring
TGC 1946-50 Subj. File
Entry 2113N Box 1

-2-

I was submitting their request to the Commission and would communicate further with the Bank in due course (see my INT-2656, dated 3 November 1953).

On 22 February 1954, the French Commissioner addressed a letter to the American Commissioner (sending, at the same time, a copy to the Chairman and to myself) drawing attention to the fact that his Government had not yet been seized of the question by your Government and expressing some doubts, for reasons which he gave, as to the advisability of putting these two small bars, which are of Polish origin, into the pool.

At the 132nd Meeting of the Commission, held on 3 May 1954, you were good enough to state that further consideration was being given in Washington to this matter, in consultation with the British and French Representatives and that there appeared to be a possibility that the two small bars might be sent back to the United States Military Authorities in Germany for disposal on another basis than that which had previously been envisaged.

Meanwhile, the Federal Reserve Bank of New York have, naturally enough, been wondering why they have not been sent any instructions.

I venture to suggest that the best course would, perhaps, be for the State Department to inform the Federal Reserve Bank of New York (and, if possible, myself, as well, through you) of the present position.

If you agree with my suggestion, I should be much obliged if you would kindly keep me informed of developments.

Yours sincerely,

J. A. Watson
Secretary General

enc.

JAW/as

206597

Authority UND 768086
By TJ NARA Date 7/1/99

KG 87 1004 F13
TGC 1946-50 Subj. Fin
Entry 213N Box 1

C O P Y

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

Air Mail

New York 45, N.Y.
July 19, 1954

Mr. J. A. Watson, Secretary General
Tripartite Commission for the
Restitution of Monetary Gold
50 Avenue des Arts
Brussels, Belgium

Dear Mr. Watson:

For many months now, we have been endeavouring to receive instructions from the Tripartite Commission to accept for its account two gold bars said to weigh five ounces which bars were received by us on October 9, 1953 by registered airmail from the 17th Finance Disbursing Section, APO 46, United States Army. We have written the Commission several letters in this matter and have been told in response to each that the matter will be taken up with the Commission at its next meeting.

Since it is much against our accounting procedures to hold gold for any great length of time in a suspense account, may we ask you just what is holding up the instructions from the Commission as to the disposition of the two small bars in question?

Very truly yours,

(sgd.) per pro : B. H. WEBBER

B. H. Webber
Foreign Department

Enclosure

100 letter 107-2131, July 22, 1954

Saul A. Seale, Esq.,
Monetary Affairs Staff,
Foreign Department of State,
Washington 25, D. C.

Authority UND 768086
By TJ NARA Date 7/1/99

KG 84 1004 FIS
TGC 1946-50 Sub. Fis
Entry 2113N Box 1

OFFICIAL - INFORMAL

April 8, 1954.

Dear Mr. Wright:

I refer to your letter of February 25, 1954 concerning the two gold ingots taken from a stateless person in Germany. The background on this case is contained in a letter from the 17th Finance Disbursing Section, United States Army, Germany to the Federal Reserve Bank dated October 1, 1953 which you will find attached to the Embassy Brussels despatch to the Department, No. 421 dated October 9, 1953.

I am trying to obtain additional information from the Department of the Army, Washington, regarding the circumstances under which the gold was taken from the individual. I shall be glad to transmit to you any additional information thus obtained. However I am also going to take up this matter with the French and British Embassies in Washington, since decisions on what gold goes into the pool are made by the three Governments, according to the Paris Accord and the Terms of Reference. Depending on the outcome of the analysis of the complete background of this case, we might deem it preferable to have the two small bars returned to the Army and hence to the stateless person by according him the status of a "neutral" (who can keep his "clean" gold, located in Germany).

I wish to use this opportunity to enclose another copy of the memorandum on "Salzburg Gold" for your own files.

Sincerely yours,

Enclosure.

Otto F. Fletcher
Special Assistant
Monetary Affairs Staff

Mr. Thomas K. Wright,
First Secretary,
American Embassy,
Brussels, Belgium.

UNCLASSIFIED

Authority WWD 768086
By TJ NARA Date 7/1/99

KG 87
TGC 1946-50 Subj. File
Entry 2113N Box 1

TRIPARTITE COMMISSION
FOR THE RESTITUTION OF MONETARY GOLD

SECRET - SECURITY INFORMATION

OFFICIAL - INFORMAL

American Embassy,
Brussels, Belgium,
October 8, 1953.

Otto F. Fletcher, Esq.,
Special Assistant,
Monetary Affairs Staff,
Department of State,
Washington 25, D. C.

Dear Otto:

Reverting again to the problem of distribution of any gold which may be awarded by the Commission to the Government of Czechoslovakia, I have to report that it is becoming increasingly difficult to delay announcement of the Commission's adjudications without the United States becoming generally charged with being responsible for the delay. This does not mean to say that the reason for the delay would become generally known but that the responsibility for the delay would be placed on the United States as distinct from on the other governments represented on the Commission.

You may have seen some reports of the last assembly meeting of IARA. There had been considerable pressure from some delegates for expediting the acquisition and distribution of remaining external assets and particularly with reference to the distribution of external assets accruing in Switzerland. Actually, the meeting turned into something of a field day for criticism of the three occupying powers and particularly of the United States for the delays both in accounting to the Assembly and in actual consummation of negotiations and distribution of these assets. There was even some reason to believe that the representatives of at least one of the other occupying powers may have taken some steps to direct this criticism towards the United States.

There is now some evidence, which I cannot document, that somewhat similar developments may be taking place in regard to the delays in the report of the Commission and the distribution of the remaining gold.

SECRET - SECURITY INFORMATION

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Authority UND 968086
By TJ NARA Date 7/1/99KG 87
TGC 1946-50 Subj. Fin
Entry 213N Box 1

-2-

SECRET - SECURITY INFORMATION

I would suggest that this situation might usefully be brought to the attention of the responsible political officers in the Department for their consideration in connection with whatever further delays they may contemplate. I can, of course, continue to take various steps to delay the final proceedings but it is increasingly difficult to do this without having the delays laid at the door of the United States.

Yours sincerely,

Homer S. Fox
United States Commissioner
Tripartite Commission for the
Restitution of Monetary Gold

SECRET - SECURITY INFORMATION

HSFox/rw

206601

Authority UND 968086
 By TJ NARA Date 7/1/99

117
 TGC 1946-50 Sub. Fin
 Entry 213N Box 1

AIR FORCE

UNCLASSIFIED
 (Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

FROM **AMEMBASSY, BRUSSELS** **1311**

DESP. NO.

TO **THE DEPARTMENT OF STATE, WASHINGTON**

June 17, 1954
 DATE

REF

For Dept. Use Only	ACTION	DEPT.
	REC'D	IN E O OTHER

SUBJECT **UNITED STATES REPRESENTATION OF THE BRITISH COMMISSION FOR THE RESOLUTION OF NON-FERROUS GOLD AND PALM OIL-RELATED REPRESENTATIVE ASSET (LARA)**

The official list of United States representatives on the Gold Commission shows Mr. Oscar Fox, former economic counselor of this Embassy, still listed as the United States Delegate, with Mr. Fox also an United States Deputy. In the case of LARA, Mr. Fox is listed as the United States Delegate, with the alternate delegate's position vacant. At the time of Mr. Fox's retirement from the Foreign Service in December of last year, it was decided by the Department that Mr. Thomas S. Wright, should act as unofficial observer to both organizations, pending the arrival of Mr. Edward P. Jones, who had been designated as Mr. Fox's replacement.

On several occasions during the last six months, Colonel J. A. Watson, Secretary General of the Gold Commission, has expressed the hope that the United States Government would soon officially designate a replacement for Mr. Fox in order to eliminate the delay in securing signatures on routine documents required in the day-to-day operation of the Commission.

In view of the fact that Mr. Jones' assignment to Brussels has now been cancelled, plus the fact that Mr. Wright is being transferred to Washington in order to attend the National War College, it becomes imperative that someone be named as the official U. S. representative on both the Gold Commission and LARA.

If it is the Department's intention to designate Mr. Charles Adair, who is expected to be appointed as economic counselor to replace Mr. Fox, as the official representative on both these bodies, it is recommended that the necessary notification be forwarded to the Embassy as soon as possible for transmittal to the Gold Commission and LARA. The urgency of the matter is indicated by the enclosed communication from the Secretary General of the Gold Commission requesting the signature of the United States Commissioner on a document authorizing the sale of two gold bars

TKWright/rv
 REPORTER

UNCLASSIFIED

Authority UND 108086
By TJ NARA Date 7/1/99

RG 87
TGC 1946-50 Subj. File
Entry 2113N Box 1

UNCLASSIFIED
(Classification)

Page _____ of _____
Encl. No. _____
Disp. No. _____
From _____

now being held for the Commission's account by the Federal Reserve Bank of New York and the transfer of the dollars resulting from the sale to the Commission's account with the Guaranty Trust Company of New York in Brussels.

It would appear that the most expeditious way to deal with this matter would be for the Department to have Mr. Adair, who is now in the Department, sign as the United States Commissioner and return the documents together with the Department's designation of him as the U. S. official representative. The Embassy can then forward both his appointment and the letter of authorization for the sale of the gold bars to the Commission.

Although there has been no indication that a meeting of IATA is in the offing, it might be desirable to designate Mr. Adair as the official U. S. representative to that body at the same time he is made U. S. Commissioner on the Tripartite Gold Commission.

With regard to the positions of U. S. Deputy Commissioner on the Gold Commission and Alternate U. S. Delegate to the Inter-Allied Reparation Agency, it is recommended that no one be appointed to fill these vacancies but that the Ambassador be authorized to do so as required. This will avoid in the future the situation which exists today wherein neither the principal nor alternate U. S. representatives to these international bodies have been at the post for many months, making necessary the transmission of official documents to Washington for proper authentication.

Philip D. Sprague
Chargé d'affaires, a. i.

Enclosures:

1. TGC Letter (INT-2763) of June 16, 1951
2. TGC Letter (INT-2764) of June 16, 1951, with two letters to Federal Reserve Bank of N. Y. attached for signature of U. S. Commissioner

UNCLASSIFIED

Authority UND 968086
 By TJ NARA Date 7/1/99

KG 87
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**CONFIDENTIAL
 SECURITY INFORMATION**

1
 421
 Brussels

17th FINANCE DISBURSING SECTION
 APO 46
 US ARMY

1 October 1953

Federal Reserve Bank
 New York, New York

Gentlemen:

Transmitted herewith two (2) bars, 12½ cm x 2 cm x ½ cm and 9 cm x 2 cm x ½ cm. Total weight five (5) ounces, for deposit to the account of the Tripartite Commission for Restitution of Looted Monetary Gold.

These two gold bars were confiscated by the 13th Military Police CID in connection with CID Case 13-3161 on 5 June 1951. They were taken from a stateless person who possessed it illegally. This person alleged that the gold was brought to Germany from Poland in 1945.

This action is taken upon advice received from Department of the Army, Office of the Chief of Finance, Washington D.C.

Yours truly,

E. S. TATE
 Major PC

cc: Commander in Chief
 US Army, Europe
 APO 403, US Army
 ATTN: Chief of Finance

cc: Tripartite Commission for Restitution of Looted Monetary Gold
 Rue de la Loi
 Brussels, Belgium

**CONFIDENTIAL
 SECURITY INFORMATION**

206604

Authority UND 768DE6
 By TJ NARA Date 7/1/99

KG 87
 TGC 1946-50 Subj. File
 Entry 2113N Box 2

File copy

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March 26, 1948.

Mr. Jack Bennett,
 Finance Advisor to the
 Military Governor,
 Office for Military Government
 Germany (United States),
 AFU 742,
 Berlin, Germany.

Dear Jack:

1. I am sorry that I was away in Paris on a rolling stock problem when Mr. Frenson was here last week, as I intended he was prepared to discuss further questions of the form of documents to be exchanged between the Commission and OMBG incidental to the transfer of monetary gold from the custody of the United States Military Governor to that of the Tripartite Commission for the Restitution of Monetary Gold. Alex Dupuit tells me that Mr. Frenson suggested that it might be useful if the Commission submitted for your consideration any further ideas which it has in this matter.

2. On the basis of this information I have undertaken to make a new proposal in regard to the transfer of the gold coins. This has not been discussed with the other Commissioners but I feel I could probably secure its acceptance if you felt that it offered a way out of our difficulties.

3. This proposal is embodied in documents which are annexed to this letter which are as follows:

a) An order by the Commission authorizing and requesting the packing for shipment of monetary gold coins held at the Foreign Exchange Depository (FED) and not already set aside for distribution to an individual country;

b) A proposed letter to be addressed by the United States Military Governor of Germany to the Commission notifying it that the bags of coin have been packed in sealed boxes as shown by Annex A and asking for delivery directions against a form of receipt attached.

206605

Authority **UND 768D86**
 By **TJ** NARA Date **7/1/99**

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 TGC 1946-50 Subj. File
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c) An order by the Commission authorizing and requesting delivery of the sealed boxes listed in Annex A to its agent in return for signature of the requested receipt to the United States Military Governor;

d) General receipt form (to be attached to your letter as Annex B).

I am also enclosing copy of the authorization to the Commission by H. J. Gallum, Charge d'Affaires of the American Embassy, London, England, acting on behalf of the United States Government, and a form of receipt for individual shipments to be signed by Mr. Charles de Louca, Pan American Airways, Inc. Frankfurt representative. Authorizations in identical terms with that signed by Mr. Gallum will be furnished by the United Kingdom and France.

4. In regard to these documents I would ask you to note especially the following points:

a) The Commission's packing authorization and request applies not only to the bags listed in the Board Report, but to all necessary gold coins not already set aside in connection with a specific allocation to a country. This was inserted because I note that the packing schedule, Annex A, includes one full bag not listed in the Board Report and a small bag of so-called "Recovered" coins which in one way or another became separated from the bags in which they were originally packed during the course of the assembling of the shares at Frankfurt last November.

b) The number of bags referred to in the order is calculated upon the assumption that the last two items on page 71 of Annex A refer to the total of 59 bags. This is not entirely clear from the schedule, and probably should be confirmed. If it turns out that the numbers "1-29" and "30-61" refer to only two bags instead of 59, the total figure would have to be scaled down accordingly.

c) It is specifically recognized both in the Commission's packing request and in the notification by the Military Governor that the latter does not guarantee the accuracy of the Board Report or of the weights given for the balance of the bags listed in Annex A. While I believe that the Commission might argue that since the Foreign Exchange Depository has itself ascertained the weights of the bags listed in the "weights" schedule at the end of Annex A the Military Governor could perfectly well warrant their contents, I believe the Commission might be disposed to waive this point in the interest of an early settlement of our problem.

d) The paragraph in the proposed letter of the United States Military Governor to the Commission referring to cooperation in any possible insurance investigation is a matter which I am not certain has been discussed with you before. You will readily understand, I think, that the granting of such cooperation would

be a condition precedent to the Commission's being able to collect insurance for any loss that might be incurred in transit. I am sure that it would be granted as a matter of course but it might help with my colleagues if this were stated.

e) I believe the documents are so drawn that a minimum of embarrassment will be caused by the unaccounted for Howard Report bag. However, if for any reason you would prefer that this bag not be mentioned at all, I believe that a new page could be substituted in Annex A.

5. I am also enclosing a set of documents along such the same lines in regard to the gold already set aside by the Foreign Exchange Depository for delivery to Austria. It should be noted that although Pan American Airways, Inc. has been referred to in these documents also it is merely for illustrative purposes. The Commission has not yet accepted any bid for the transport of the Austrian gold.

In view of the fact that the assembling of a specific amount of gold was accomplished by the Foreign Exchange Depository, I should suppose that there would be no particular difficulty about making a statement that this amount of gold had been packed in specified boxes. In such case the Commission would receipt for the exact amount of gold stated to be delivered to it and could insist on a similar receipt from the Government of Austria. In that way all parties would be protected. On the other hand, if no statement is made by your office as to the amount of gold packed, the Commission will not be in a position to insist on a similar receipt from the Austrian Government and the whole question of the amount will remain open. This would be particularly awkward in this case since Austria intends to ship the bars but not the coin to the United States.

6. It seems to me that the above proposals offer fair protection both to the Military Governor and to the Commission, and I hope very much that you will find them acceptable. As you know time is very much of the essence in this matter, as our Government is anxious to get this gold back into circulation as soon as possible as an aid to European recovery.

With best personal regards.

Faithfully yours,

Russell H. Darr
United States Minister and Delegate
Inter-Allied Reparation Agency
Chairman, Tripartite Commission
for the Restitution of Monetary Gold

RHDarr:Scf

Authority UND 968086
 By TJ NARA Date 7/1/99

KG 87 10004 113
 TGC 1946-50 Subj. File
 Entry 2113N Box 2

March 26, 1946 ~~11~~

PACKING ORDER

Monetary Gold Coins

The Tripartite Commission for the Restitution of Monetary Gold, established on September 27th, 1946, by the Governments of the United States, the United Kingdom and France, under terms of reference published in the Department of State Bulletin, the London Gazette, and the Journal Officiel de la Republique Francaise, inter alia, to assist in the distribution of the pool of monetary gold established by Part III of the Paris Agreement on Reparation of January 14th, 1946.

Having received authority by letters, of which copies are attached, from the above Governments to act as the agent of those Governments to arrange for the transport of gold from Germany to the Bank of England, London, England;

Having determined that for purposes of facilitating the distribution of the pool of monetary gold, the monetary gold coins, forming part of the said pool of monetary gold, now held by the United States Military Governor for Germany at the Foreign Exchange Depository at Frankfurt-am-Main, Germany and not already set aside pursuant to the Commission's allocation, should be removed to the Bank of England, London, England;

Hereby authorizes and requests the United States Military Governor of Germany to cause to be packed in sealed boxes suitable for overseas air shipment, 1758 bags of gold coin listed in the memorandum to Lt. Colonel H. D. Cragon, Office of the Military Government (US) dated 15 August 1945 by representatives of the Bank of England, United States Treasury Department (commonly known as the Howard Report), together with any other monetary gold coin held in the same deposit not already set aside pursuant to an allocation by the Commission to a particular Government.

206608

Authority UND 768086
By TJ NARA Date 7/1/99TGC 1946-50 Subj. File
Entry 2113N Box 2

- 2 -

The Commission is informed that the seals on 1723 of the bags referred to in the Howard Report are in the same condition as when affixed at the time of that report. As to the balance, the Commission is further informed that gold has since been removed from 22 bags for distribution in execution of the first allocations from the gold pool by the Commission, that in the case of 10 bags the Foreign Exchange Depository has, after weighing, tentatively determined that clerical errors have occurred in the Howard Report, and that in the case of 5 bags the Foreign Exchange Depository has, pursuant to Part IIIA of the Paris Reparations Agreement, removed coins of numismatic value.

The Commission in making this request realizes that in packing this coin the United States Military Governor of Germany does not undertake to guarantee the accuracy of the Howard Report or the exact weights of the bags as to which adjustments are shown.

The Commission further requests that the United States Military Governor of Germany cause it to be advised when the packing of the bags has been completed and to furnish it with a schedule indicating in which box each of the said bags has been placed, and at the same time to confirm its understanding in regard to the opened and unopened bags and of the adjustments which he is advised are appropriate in regard to the bags which have been opened since the making of the Howard Report.

206609

Authority UND 768086
By TJ NARA Date 7/1/99KG 87
TGC 1946-50 Subj. File
Entry 2113N Box 2

March 26, 1948

Draft letter to be sent by Finance Adviser, OMOUS,
to the Tripartite Commission for the Restitution of Monetary Gold
in response to its Packing Order re Monetary Gold Coins.

The United States Military Governor for Germany has been duly authorized and directed by the United States Department of the Army to deliver to the Tripartite Commission for the Restitution of Monetary Gold, acting on behalf of the Governments of the United States, the United Kingdom and France, monetary gold now held at the Foreign Exchange Depository, Frankfurt-am-Main, Germany. The United States Military Governor has also received from the Commission an Order dated April 1948, authorizing and requesting him to pack in sealed boxes suitable for overseas air shipment certain bags of monetary gold coin. Pursuant to this request bags of coin listed in the Howard Report, together with one additional bag and a small quantity of recovered coins, have been packed in sealed boxes by the Foreign Exchange Depository. Annex A attached hereto shows the numbers which have been affixed to the sealed boxes by the Foreign Exchange Depository and the numbers of the bags contained in each box. It also provides a complete and accurate list of the sealed boxes containing the bags of monetary gold coin in question. These boxes are now ready for delivery to the Commission or its duly authorized Agent upon execution of a receipt in the form attached as Annex B.

206610

- 2 -

As noted by the Commission, the United States Military Governor does not guarantee the accuracy of either the type, gross weight or fineness of the gold coins shown in the said Annex A. Except where otherwise noted, the data are those shown in the Howard Report. In the case of items qualified by the entry "Delivery Number 1", the weights shown are those reported at the conclusion of the distribution of gold to Belgium, Luxembourg and the Netherlands pursuant to the Commission's allocations in November 1947 to the Foreign Exchange Depository by the weighers of the Bank of France who assisted in such distribution. In the 5 cases bearing the notation "Automatic Coin" and in the 10 cases bearing the notation "Clerical Error", the weights were tentatively ascertained by the Foreign Exchange Depository. Except as noted in Annex A the seals on the bags listed have remained unbroken since being affixed by representatives of the Bank of England and the United States Treasury.

It is understood that the Commission plans to transfer these bags of coins from the vaults of the Foreign Exchange Depository, Frankfurt, to the vaults of the Bank of England, and that such transfer will be covered by all risk insurance. If occasion should arise for the Commission to enter claim for loss against the underwriters, the Military Governor will, of course, be glad to facilitate such investigation as the underwriters feel called upon to make in order to satisfy themselves that the shipment left the vaults of the Foreign Exchange Depository in good order.

The United States Military Governor of Germany requests that the Commission supply him with instructions for the delivery of these sealed boxes of gold coin at its earliest convenience.

206611

Authority UND 768086
 By TJ NARA Date 7/1/99

KG 87
 TGC 1946-50 Subj. File
 Entry 213N Box 2

DELIVERY ORDER

March 26, 1948

Monetary Gold Coins

The Tripartite Commission for the Restitution of Monetary Gold, established on September 27th, 1946, by the Governments of the United States, the United Kingdom and France, under terms of reference published in the Department of State Bulletin, the London Gazette, and the Journal Officiel de la Republique Francaise, inter alia, to assist in the distribution of the pool of monetary gold established by Part III of the Paris Agreement on Reparation of January 11th, 1946,

Having received authority by letters, of which copies are attached, from the above Governments to act as the agent of those Governments to arrange for the transport of gold from Germany to the Bank of England, London, England;

Having determined that for purposes of facilitating the distribution of the pool of monetary gold, the monetary gold coins, forming part of the said pool of monetary gold, now held by the United States Military Governor for Germany at the Foreign Exchange Depository at Frankfurt-am-Main, Germany, should be removed to the Bank of England, London, England, and

Having by Order dated April, 1948 authorized and requested the United States Military Governor of Germany to pack in sealed boxes suitable for overseas air shipment monetary gold coins held at the Foreign Exchange Depository, Frankfurt-am-Main, and

Having been notified by United States Military Governor by letter of April, 1948 that pursuant to such authorization and request such bags have been packed in the sealed boxes listed in Annex A to said notification and that such boxes are now ready at the Foreign Exchange

206612

Authority WWD 768086
By TJ NARA Date 7/1/99

KG 87
TGC 1946-50 Subj. File
Entry 2113N Box 2

Depository at Frankfurt for delivery to the Commission or its duly authorized Agent against the Commission's receipt in the form shown in Annex B attached thereto.

Having entered into a contract with the Pan American Airways, Inc., for the transport of the gold coin from the Foreign Exchange Depository to the Bank of England, and

Having received from the Vice President in charge of the European Division of Pan American Airways, Inc., a statement certifying the full authority of Charles de Locca, who is at present Manager of the Office of Pan American Airways, Inc., at Frankfurt-am-Main, Germany, to represent Pan American Airways, Inc., in accepting delivery of the said monetary gold coins on behalf of the Commission under the terms of the said contract,

Hereby authorizes and requests the United States Military Governor for Germany to deliver to said Charles de Locca as the special Representative of Pan American Airways, Inc., sealed boxes containing the monetary gold coins referred to in said Annex A, in exchange for the surrender of this Order, and for the receipt signed by the Commission, (Annex B). Deliveries may be made in installments against separate receipts signed and delivered on behalf of Pan American Airways, Inc., by the said Charles de Locca covering each installment.

DONE at Brussels, Belgium

1948, and

signed by

U.S.

U.S.

France

Authority UND 768086
 By TJ NARA Date 7/1/99

KG 87 17114 F13
 TGC 1946-50 Subj. File
 Entry 2113N Box 2

April 1948

March 26, 1948

GENERAL
 RECEIPT

FOR THE DELIVERY OF MONETARY GOLD COINS

This document, when accompanied by separate receipts for individual deliveries, duly executed by Charles De Loon, the Special Representative of Pan American Airways, Inc., and Manager of its Frankfurt office, (which receipts together will cover the bags of gold coins listed in Annex A of the notification to the Commission by the United States Military Governor, dated April 1948,) will constitute a receipt by the Tripartite Commission for the Restitution of Monetary Gold for the said bags of gold coin specified in Annex A of the said notice and an acknowledgment by the Tripartite Commission for the Restitution of Monetary Gold of the full and final discharge by the United States Military Governor for Germany of the terms of its Delivery Order of April 1948. This document shall likewise constitute a partial receipt and acknowledgment of partial discharge of the terms of the Order, to the extent that items are listed in executed receipts for individual deliveries.

DONE at Brussels, Belgium

April 1948, and

Signed by

United States Commissioner

United Kingdom Commissioner Commissioner of France

206614

Authority UND 968086
By TJ NARA Date 7/1/99

KG 87 1000 117
TGC 1946-50 Subj. Fin
Entry 2113N Box 2

March 26, 1948

RECEIPT FOR INDIVIDUAL DELIVERIES

Monetary Gold Coin

Charles De Locca, in his capacity of special representative of Pan American Airways, Inc., which company acting herein as agent of the Tripartite Commission for the Restitution of Monetary Gold, under a contract dated in Brussels, April, 1948 between Pan American and the Commission

HEREBY acknowledges on behalf of the Pan American Airways, Inc., receipt, pursuant to the Commission's Delivery Order of April 1948 upon the United States Military Governor for Germany, of the sealed boxes of gold coin listed below which are included among those listed in Annex A of the notification of the United States Military Governor of Germany to the Commission dated April 1948.

DONE at Frankfurt-am-Main, Germany, the day of 1948, and signed by Charles De Locca for Pan American Airways, Inc., agent for the Tripartite Commission for the Restitution of Monetary Gold under the contract dated in Brussels, April 1948 between the Pan American Airways, Inc. and the Tripartite Commission for the Restitution of Monetary Gold.

206615

Authority UND 768086
By TJ NARA Date 7/1/99

KG 87
TGC 1946-50 Subj. Fin
Entry 213N

March 26, 1948

Letter to be sent by the Tripartite Commission for the Restitution of Monetary Gold to the Finance Adviser, OMBUS, regarding gold set aside for Austria.

It will be recalled that in November 1947 the Foreign Exchange Depository in Frankfurt, pursuant to an allocation by the Tripartite Commission for the Restitution of Monetary Gold, assembled and set aside 214,995,923.1 fine kgs of gold allocated to the Government of Austria by the Commission. The Commission is informed that the gold set aside consisted of 111,465,536.5 fine kgs as gold bars in good delivery form, and 10,292,965.81 fine kgs in the form of gold coins.

The Governments of the United States, the United Kingdom and France have determined that this gold should not be delivered to Austria at the Foreign Exchange Depository at Frankfurt, but should be delivered to the Commission for delivery to Austria at another point. The Commission has determined that this gold should be moved to the Bank of England where it will be deposited for the account of the Government of Austria.

The Tripartite Commission for the Restitution of Monetary Gold accordingly authorizes and requests the United States Military Governor of Germany to cause to be packed in sealed boxes suitable for overseas air shipment, the gold bars and coins making up the fine weights listed above which have been set aside by the Foreign Exchange Depository on account of the Commission's allocation to the Government of Austria. The Commission further requests that the Military Governor of Germany cause it to be advised when the packing of such gold has been completed and to furnish it with a schedule indicating the contents of each box in which such gold has been packed. On receipt of such advice, the Commission will

(A) (1) (2) (3) (4) (5)

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Authority UND 768086
By TJ NARA Date 7/1/99

KG 87
TGC 1946-50 Subj. File
Entry 2113N Box 2

- 2 -

deliver to the United States Military Governor an order for delivery of such boxes to its agent for transportation to the Bank of England, and will authorize such agent to receipt to the United States Military Governor for such gold upon delivery.

(S) (C) (U) (A) (E) (S)

Authority WWD 768086
 By TJ NARA Date 7/1/93

KG 87 10000 117
 TGC 1946-50 Subj. Fin
 Entry 2113N Box 2

March 25, 1948

Draft Letter to be sent by Finance Adviser, OMBUS
 to the Tripartite Commission for the Restitution of Monetary Gold
 in response to its letter requesting packing of monetary gold
 set aside for Austria. ~~178~~

The United States Military Governor for Germany has been duly
 authorized and directed by the United States Department of the Army
 to deliver to the Tripartite Commission for the Restitution of Monetary
 Gold, acting on behalf of the Governments of the United States, the
 United Kingdom and France, monetary gold now held at the Foreign Ex-
 change Depository, Frankfurt-am-Main, Germany. The United States
 Military Governor has also received from the Commission an Order dated
 April 1948, authorizing and requesting him to pack in sealed boxes
 suitable for overseas air shipment of 21,139.50231 kilograms of gold
 allocated to the Government of Austria by the Commission. Such alloca-
 tion of monetary gold, assembled at the Foreign Exchange Depository,
 Frankfurt-am-Main, Germany, and consisting of 11,116.5165 fine kilograms
 as gold bars in good delivery form and 10,292.96581 fine kilograms in
 the form of gold coins has, pursuant to the Commission's authorization
 and request, now been packed in sealed boxes by the Foreign Exchange
 Depository. Annex A attached hereto shows the numbers of the bars and/or
 bags contained in each box, and contains a complete and accurate list of
 the sealed boxes. These boxes are now ready for delivery to the Commission
 or to its duly authorized agent upon execution of receipt in the form
 attached as Annex B. 200-2

It is understood that the Commission plans to transfer this monetary
 gold from the vaults of the Foreign Exchange Depository, Frankfurt-am-Main,

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Authority UND 768086
By TJ NARA Date 7/1/99KG 87 17154 717
TGC 1946-50 Subj. File
Entry 2113N Box 2

to the vaults of the Bank of England, and that such transfer will be covered by all risk insurance. If occasion should arise for the Commission to enter claim for loss against the underwriters, the Military Governor, will, of course, be glad to facilitate such investigation as the underwriters feel called upon to make in order to satisfy themselves that the shipment left the vaults of the Foreign Exchange Depository in good order.

The United States Military Governor of Germany requests that the Commission supply him with instructions for the delivery of these sealed boxes of monetary gold at its earliest convenience.)

206619

March 26, 1948.

DELIVERY ORDER

Monetary Gold Not Aside for Austria

The Tripartite Commission for the Restitution of Monetary Gold, established on September 27th, 1946, by the Governments of the United States, the United Kingdom and France, under terms of reference published in the Department of State Bulletin, the London Gazette, and the Journal Officiel de la Republique Francaise, inter alia, to assist in the distribution of the pool of monetary gold established by Part III of the Paris Agreement on Reparation of January 14th, 1946.

Having received authority by letters, of which copies are attached, from the above Governments to act as the agent of those Governments to arrange for the transport of gold from Germany to the Bank of England, London, England;

Having by Order dated April, 1948 authorized and requested the United States Military Governor of Germany to pack in sealed boxes suitable for overseas air shipment 21,499,502.31 fine kilograms of monetary gold not aside at the Foreign Exchange Depository on account of the allocation by the Commission of such gold for the Government of Austria, and

Having been notified by United States Military Governor by letter of April 1948 that pursuant to such authorization and request such gold has been packed in sealed boxes listed in Annex A to such letter, and that such boxes are now ready at the Foreign Exchange Depository at Frankfurt for delivery to the Commission or its duly authorized agent against the Commission's receipt shown in the form Annex B attached to such letter.

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Authority UND 768086
By TJ NARA Date 7/1/99

KG 87 10000 F15
TGC 1946-50 Subj. File
Entry 2113N Box 2

Having entered into a contract with the Pan American Airways, Inc., for the transport of such monetary gold from the Foreign Exchange Repository to the Bank of England, and,

Having received from the Vice President in charge of the European Division of Pan American Airways, Inc., a statement certifying the full authority of Charles de Locca, who is at present Manager of the Office of Pan American Airways, Inc., at Frankfurt-am-Main, Germany, to represent Pan American Airways, Inc., in accepting delivery of the said monetary gold on behalf of the Commission under the terms of the said contract,

Hereby authorizes and requests the United States Military Governor for Germany to deliver to said Charles de Locca as the special Representative of Pan American Airways, Inc., sealed boxes containing the monetary gold referred to in the said Annex A, in exchange for the surrender of this Order, and for the receipt signed by the Commission, (Annex B). Deliveries may be made in installments against separate receipts signed and delivered on behalf of Pan American Airways, Inc., by the said Charles de Locca covering each installment.

(Handwritten initials/signature)

DONE at Brussels, Belgium
Signed by

1948, and

United States Commissioner United Kingdom Commissioner Commissioner of France

Authority UND 168086
 By TJ NARA Date 7/1/99

KG 84 11114 113
 TGC 1946-50 Sub. Fin
 Entry 2113N Box 2

April 1948

RECEIPT

**FOR THE DELIVERY OF MONETARY GOLD SET ASIDE
 FOR AUSTRIA**

This document, when accompanied by separate receipts for individual deliveries, duly executed by Charles De Locca, the Special Representative of Pan American Airways, Inc., and Manager of its Frankfurt Office, (which receipts together will cover the gold bars and bags of gold coin listed in Annex A of the notification to the Commission by the United States Military Governor, dated April 1948,) will constitute a receipt by the Tripartite Commission for the Restitution of Monetary Gold for 21,439.50231 fine kilograms of monetary gold in the form of the good delivery gold bars and bags of gold coin specified in Annex A of the said notice and an acknowledgment by the Tripartite Commission for the Restitution of Monetary Gold of the full and final discharge by the United States Military Governor for Germany of the terms of its Delivery Order of April 1948. This document shall likewise constitute a partial receipt and acknowledgment of partial discharge of the terms of the Order, to the extent that items are listed in executed receipts for individual deliveries.

DONE at Brussels, Belgium

April 1948, and

Signed by

United States Commissioner United Kingdom Commissioner Commissioner of France

Authority UND 768086
By TJ NARA Date 7/1/99

KG 87 17114 117
TGC 1946-50 Subj. File
Entry 213N Box 2

Ad. Paper

March 26, 1948

RECEIPT FOR INDIVIDUAL DELIVERIES

Monetary Gold Set Aside For Austria

Charles De Locca, in his capacity of special representative of Pan American Airways, Inc., which company acting herein as agent of the Tripartite Commission for the Restitution of Monetary Gold, under a contract dated in Brussels, April 1948 between Pan American and the Commission

HEREBY acknowledges on behalf of the Pan American Airways, Inc., receipt, pursuant to the Commission's Delivery Order of April 1948 upon the United States Military Governor for Germany, of the sealed boxes of gold bars and gold coin listed below which are included among those listed in Annex A of the notification of the United States Military Governor of Germany to the Commission dated April 1948.

Handwritten signature/initials

DONE at Frankfurt-on-Main, Germany, the _____ day of 1948, and signed by Charles De Locca for Pan American Airways, Inc., agent for the Tripartite Commission for the Restitution of Monetary Gold under the contract dated in Brussels, April 1948, between the Pan American Airways, Inc. and the Tripartite Commission for the Restitution of Monetary Gold.

Authority WWD 1680 BC
 By J. NARA Date 11/19/99

RG 87 1004 117
 TGC 1946-50 505. F15
 Entry 2113N Box 2

21st October

163

The Military Governor,
 The United States Zone of Occupation,
 Berlin, Germany.

Attention of: Mr. Theodore Ball

Sir:

Referring to the letter No. 131 dated 18th October, 1947, the Tripartite Commission for the Restitution of Monetary Gold has the honor to advise you of the arrangements made for the actual delivery of the gold to the accredited Representatives of the recipient countries.

1. The accredited Representatives of the governments concerned, having presented themselves to the Commission in Brussels for identification, verification of their credentials and signature of a form of ratification, will receive an order from the Commission upon the Military Governor, United States Zone of Occupation, Germany. This order, the text of which is attached as Annex A, will be signed by the three Commissioners and will authorize the Foreign Exchange Depository to deliver the gold to the bearer.

2. In the letter of the 17th October, 1947, the Commission indicated that it had received unofficial information to the effect that the Governments of Belgium and of Luxembourg would request the shares allocated to them in the preliminary distribution to be delivered direct to the Government of France. The Commission has now received a formal notice to this effect from both Governments and is arranging to comply with their request. Accordingly, you will be called upon to make delivery of gold to the Representatives of the Governments of France and of the Netherlands. The Representatives of the Government of France has been notified to report to the Commanding Officer of the Government Exchange Depository, Frankfurt, on October 30th. The date upon which the Representative of the Netherlands will be notified to appear will be set by the Commission after consultation with the Commanding Officer of the Foreign Exchange Depository and subsequently confirmed to you.

3. Representatives of the recipient countries have been authorized to be present at the actual assembling and packing of the amount of gold to be handed over to their respective Governments.

They will have the right to refuse any part of the amount allocated to their respective Governments which they consider does not correspond, as regards weight and fineness, to the particulars given by the Authorities handing over the gold. In the event of such rejection, the amount delivered to their Governments would be reduced accordingly and the matter of adjustments

/s/ould

Authority UND 168D86 KG 87
 By TJ NARA Date 7/1/99 TGC 1946-50 Subj. File
 Entry 2113N Box 2

- 2 -

would be considered by the Commission.

4. When the amount allocated to each recipient Government has been assembled and delivered, the respective Representatives should be required to sign a receipt, the text of which is attached as Annex B.

5. The Governments concerned have been informed by the Commission that the responsibility of the Military Governor of the United States Zone of Occupation will cease immediately upon delivery of and receipt for the allocation to the respective Representatives. However, on the basis of advice received from the Government of the United States, the Commission has notified the recipient Governments that all costs, including transport, which may be settled in Reichsmarks will be charged to the German economy and that a military guard will be supplied by the Military Governor of the United States Zone of Occupation up to the German frontier.

We have the honor to remain,

Yours very truly,

Deputy Commissioner
 for the Government of
 the United States of America.

Deputy Commissioner for the Government of
 the United Kingdom of Great Britain and
 Northern Ireland

Commissioner for
 the Government of
 the French Republic

206625

Authority WWD 968086
By TJ NARA Date 7/1/99

RG 84 10004 115
TGC 1946-50 Subj. File
Entry 2113N Box 2

WEX A

AN ORDER FOR DELIVERY OF MONETARY GOLD.

The Tripartite Commission for the Restitution of Monetary Gold, established on September 27, 1946, by the Governments of the United States, the United Kingdom and France, under terms of reference published in the Department of State Bulletin, the London Gazette, and the Journal Officiel de la Republique Francaise, inter alia, to determine the share of each claimant Government in the pool of Monetary Gold to be distributed by way of restitution in accordance with Part III of the Paris Agreement on Reparation of January 14, 1946,

Having determined that of the monetary gold now held at Frankfurt by the Military Governor of the U.S. Zone of Occupation, Germany, the Government of Belgium is entitled to 2,386,068.022 fine Troy ounces, or 74,215.0219 fine kilograms, and the Government of Luxembourg is entitled to 50,787.936 fine Troy ounces, or 1,579.6816 fine kilograms as part of their respective preliminary shares in the distribution of the said pool of monetary gold, and,

Having received from the Governments of Belgium and Luxembourg authorizations and requests for the delivery to the Government of France of the respective amounts of monetary gold described above,

HEREBY authorizes and requests the Military Governor of the United States Zone of Occupation, Germany, to deliver to the duly accredited representative of the Government of France, in exchange for a receipt and the surrender of this Order, a quantity of gold equal to the said allocations made to the Governments of Belgium and Luxembourg. The amount of the combined allocations is 2,436,855.958 fine Troy ounces or 75,794.7035 fine kilograms of monetary gold, composed as nearly as may be possible as follows: 48% coin and 52% ingots; of the ingots, 32% good delivery bars as defined by the Commission, 68% bars bearing the assay mark of the Prussian Mint.

DONE at Brussels the

day of October 1947 and signed by

Deputy Commissioner for
the Government of the
United States of America.

Commissioner for the Government
of the United Kingdom of Great
Britain and Northern Ireland.

Commissioner for the
Government of the
French Republic.

Authority UND 768086
By TJ NARA Date 7/1/99

KG 87 11114 117
TGC 1946-50 Subj. Fin
Entry 2113N Box 2

ANNEX B

RECEIPT FOR DELIVERY OF MONETARY GOLD.

His Excellency

the duly accredited Representative of the Government of FRANCE having full and sufficient powers for the purpose,

HEREBY acknowledges the receipt by him on behalf of the Government of FRANCE, of the monetary gold described below, from the Military Governor of the United States Zone of Occupation, Germany, pursuant to the Order issued by the Tripartite Commission for the Restitution of Monetary Gold, on October , 1947.

This receipt shall serve as an acknowledgment on behalf of the Government of FRANCE, of the full and final discharge by the Military Governor of the United States Zone of Occupation, Germany, of said Order issued by the Tripartite Commission for the Restitution of Monetary Gold, on October , 1947.

1. bars containing a total of fine Troy ounces,
or fine kilogrammes of gold.
2. bars said to contain a total of fine Troy ounces,
or fine kilogrammes of gold.
3. gross kilogrammes of assorted coins containing, on the basis of the statutory fineness prescribed by their respective Governments of issue, a total of fine Troy ounces, or fine kilogrammes of gold.

This quantity of gold represents the combined allocations made to the Governments of BELGIUM and LUXEMBURG in the preliminary partial distribution of the monetary gold held at Frankfurt by the Military Government of the United States Zone of Occupation, Germany, consisting of:

fine Troy ounces, or fine kilogrammes of monetary gold allocated to Belgium, and

fine Troy ounces, or fine kilogrammes of monetary gold allocated to Luxemburg,

and ...

Authority WD 968086
By TJ NARA Date 7/1/99

KG 87
TGC 1946-50 Subj. File
Entry 2113N Box 2

and assigned to the Government of FRANCE by the Governments of Belgium and Luxembourg.

The attached Annex to this receipt shall be deemed to be a part of this receipt and the report of gold bars and gold coins described therein is warranted to be a full and accurate account of the gold bars and gold coins received on behalf of the Government of FRANCE.

DONE at Frankfurt this day of 1947.

Representative of the Government of FRANCE

IN WITNESS WHEREOF:

Have hereunder affixed their respective signatures:

1947

1947

1947

Authority UND 768086
 By TJ NARA Date 7/1/99

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 TGC 1946-50 Subj. File
 Entry 2113N Box 3

DEAFMINUTES OF THE 13th MEETINGheld on 11 October 1954, at 3.30 p.m.(2nd Part)

The French Commissioner thanked his colleague of the United Kingdom for the very thorough examination which he had made of his (the French Commissioner's) suggestions and the Secretary General for his comments which placed his (the French Commissioner's) main request for revision in its proper surroundings.

The Commissioner of the United Kingdom had raised certain points which the French Commissioner wished to examine.

1. The Assembling of the pool.

If one wished to adhere to the procedure which had hitherto been applied, the action to be taken would consist in informing the three Governments of the recoveries made by Czechoslovakia and Yugoslavia, which the Commission, alone, could be aware of through its study of the data in its possession. The three Governments would then decide how these recoveries should be dealt with and inform the Commission accordingly. It was in this way that the question of the Salzburg gold had been settled.

The French Commissioner had already raised this matter with his Government which was quite willing to approach those of his two colleagues on this subject. He (the French Commissioner) willingly agreed, however, that this procedure was not intangible.

The incorporation in the pool of the Salzburg gold followed upon a previous decision of one of the three Governments. This was not the case in the matter under consideration and it seemed that Paragraph C of Part III of the Paris Agreement would, in a general way, allow the Commission to take decisions on the lines of the United Kingdom Commissioner's suggestions. The French Commissioner was, therefore, quite willing to adopt his colleague's point of view, but he wondered if this would not have the result of placing heavy responsibilities on the Commission's shoulders.

206629

2/10000

Authority UND 168086
 By TJ NARA Date 7/1/99

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 TGC 1946-50 Subj. File
 Entry 2113N Box 3

- 2 -

2. Agreements with Switzerland.

The French ^{Commissioner} ~~Government~~ was of the opinion that none of the agreements concluded with Switzerland contained any dispositions which would prevent the Commission or the three Governments from taking decisions in the matter under discussion. The Agreement of 1946, entered into subsequently to the recoveries, only concerned gold acquired by Switzerland from Germany. The gold subject of the recoveries under examination was only "deposited" in Switzerland by institutions which should be considered as having acted as agents of Germany.

Furthermore, it appeared that assets susceptible of being restituted were, unless the approval of the three Governments were obtained, excluded from the agreements of 1952 between Switzerland and Germany and Switzerland and the allies.

The French Commissioner was of the opinion that neither the three Governments nor the Commission were bound by the decisions of the Swiss Government. The latter may have recognized the National Banks of Czechoslovakia and of Yugoslavia as the legal successors of the Banks of Slovenia and Croatia but the fact remained that the Czech and Yugoslav Governments were, insofar, as recoveries of gold were concerned, bound by the terms of the Paris Agreement.

3. Nature of the recoveries.

These recoveries did not take place as a result of normal banking transactions, as suggested by the United Kingdom Commissioner. They were effected as a result of agreements between the Governments concerned. The Czech Government had given precise information to the Commission regarding this question in its letter No. 13/52, of 23 January 1952 (INF-2167 of 31 January 1952). No information on this subject had been requested from the Government of Yugoslavia but there was a presumption that the Swiss National Bank would not, alone, have taken the responsibility for such action and that it would not, on its own initiative, have sent, as early as 13 July 1945 (document No. 30

206630

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Authority WD 748D B6
 By J. NARA Date 7/1/99

RG 84 1A RA File
 IGC 1946-50 Subj. File
 Entry 2113N Box 3

IMF-1117 of 21 October 1947) a statement of account in the name of the National Bank of Yugoslavia in respect of the 980 kgs.

The French Commissioner did not feel that he could agree that the status of the 980 kgs had not changed, nor did he think that the fact that they had passed into Switzerland through the intermediary of Germany or of an agent of Germany could be ignored or regarded as of no consequence. The Delegates of Yugoslavia had declared, formally, at the 78th Meeting of the Commission (IMF-1102 of 15 March 1949) that

in 1941, the gold had been removed from the vaults of the National Bank of Yugoslavia and handed over to the Fascist and Quisling Government of the so-called Independent State of Croatia; that in to say, to the Subsecretary Ministry of Finance, the act of looting consisted in this fact.

The Yugoslav Delegate was, at the time, defending his thesis regarding the 109 kgs, but the 980 kgs suffered exactly the same fate in 1941. The fact that the Yugoslav Government had not claimed them was not a determining factor. This was the only to the fact that it had recovered, wrongfully, this amount before having to reply to the Commission's Questionnaire.

b. Competence of the Commission.

It was for the latter to re-establish, with or without the intervention of the three Governments, a normal situation. This also applied to the 358 kgs and to the whole of the Czech recoveries. It could be held without difficulty, a posteriori, that all these recoveries had been made by the Governments of Czechoslovakia and of Yugoslavia, pursuant to Paragraph 6 of Part III, which contained no stipulation whatsoever as to who could or should make the recoveries but ruled, on the other hand, that they should be put into the pool of monetary gold.

Furthermore, the Commission alone was competent to adjudicate on claims. It had decided that some claims could not be considered.

It was quite free to decide that certain Governments had not claimed all that they were entitled to claim for, having regard to the rules of procedure which it (the Commission) had adopted, and which, up to then, the Commission, alone, was aware of.

5. Consistency of the decisions.

The validity of the Commission's rules of procedure would certainly be contested. The only arguments one could use in defending these rules were that they were in conformity with the texts to which the Commission could refer and that the said rules had been strictly adhered to. It was therefore essential, above all, to ensure that there was absolute consistency throughout the Commission's decisions.

As had been pointed out by the Secretary General, the decision of the three Governments to put the Salzburg gold into the pool threw a different light on the question of recoveries in general. It was appropriate that such revision as was necessary should be effected.

The French Commissioner, for his part, did not think that one could establish any distinction between the recoveries under examination other than that which would consist in enlarging, in respect of some of them, the claims which were already before the Commission.

The French Commissioner suggested that, in order that the Commission might make its decisions with a complete picture of the situation before it, the Secretary General should be directed to furnish a report on the whole question showing how the distinction made by the United Kingdom Commissioner between the various recoveries effected could best be founded, in law.

Decision

The Secretary General was directed accordingly.

- 5 -

6. Other Points.

The French Commissioner thanked his colleague of the United Kingdom for his conciliatory attitude in regard to the other points which he (the French Commissioner) had raised, but he stressed the fact that the decision on the 109 kgs, as it then stood, could only be revised if the 980 kgs were considered as a recovery, subject to deduction from Yugoslavia's share.

Insofar as the question raised regarding Italy was concerned, he (the French Commissioner) proposed to raise this personally with the Italians so as not to place the Commission in a somewhat delicate situation.

Such were the views expressed by the French Commissioner.

Both the Chairman and the American Commissioner thanked their French colleague for his summing up of the situation as he saw it and said that they would examine the various questions raised.

There was no further business before the Commission and the meeting adjourned at 18.00 hours.

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206633

Authority UND 768086
By TJ NARA Date 7/1/93

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

FEDERAL RESERVE BANK
OF NEW YORK

FISCAL AGENT OF THE UNITED STATES



NEW YORK 45, N. Y.
July 19, 1954.

AIR MAIL

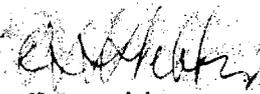
Mr. J. A. Watson,
Secretary General,
Tripartite Commission for the
Restitution of Monetary Gold,
No. 50, Avenue des Arts,
Brussels, Belgium.

Dear Mr. Watson:

For many months now, we have been endeavoring to receive instructions from the Tripartite Commission to accept for its account two gold bars said to weigh five ounces which bars were received by us on October 9, 1953 by registered airmail from the 17th Finance Disbursing Section, APO 46, United States Army. We have written the Commission several letters in this matter and have been told in response to each that the matter will be taken up with the Commission at its next meeting.

Since it is much against our accounting procedures to hold gold for any great length of time in a suspense account, may we ask you just what is holding up the instructions from the Commission as to the disposition of the two small bars in question?

Very truly yours,

per pro 

B. H. Webber,
Foreign Department.

206634

TRIPARTITE COMMISSION FOR THE
RESTITUTION OF MONETARY GOLD.135th Meeting.

held on 6 December 1954, at 3.30 p.m.

Present :

H.E. Sir Ronald WINGATE

- Commissioner of the Government of the
United Kingdom of Great Britain and
Northern Ireland - Chairman.

Mr. Charles W. ADAIR, Jr.

- 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 consideration of the questions raised in the French
Commissioner's note of 30 September 1954.

The Chairman referred to the statements which he had made at the 134th Meeting of the Commission and recalled that further progress in this matter was dependent on certain exchanges of views which were to take place between his two colleagues. He asked whether the latter had reached any conclusions since the Commission's last Meeting.

The American Commissioner stated that he had not been in touch with his French colleague since he (the American Commissioner) was still awaiting certain advice which he had asked for and which he had not yet received.

The Chairman recalled that, apart from one or two questions of minor importance (the Skodavka case in particular), upon which he had no doubt, agreement would be reached within the Commission once his American colleague was in a position to take decisions on these questions, all the points raised by his French colleague concerned matters of accounting.

206635

- 2 -

By this, he meant the question as to how recoveries of gold by claimant countries from neutral countries could or should be dealt with. He considered that, insofar as claims, proper, were concerned, the Commission, apart from the one or two minor questions referred to above, which the French Commissioner had now raised, had carried out that part of its mission which was to consist in adjudicating upon claims pursuant to Paragraph 5 (d) of its Terms of Reference. He was not sure that it would not be found necessary, having regard to the nature of the French Commissioner's suggestions, to refer the matter of the recoveries to the three Governments, although it was obviously desirable, if possible, to avoid taking such action.

The French Commissioner stated that he would be prepared, if this became necessary, to recommend to his Government that it should take up this matter with the other two Governments. He had refrained from doing so until then since he wished to consult the Commission before taking any action on these lines.

An exchange of views ensued and the consensus of opinion was that, if a reference became necessary, it would be preferable that it should be made by the Commission.

The Secretary General pointed out that there were two types of accruals to the gold pool. The first concerned gold which was physically transferred to the gold pool pursuant to decisions taken by the three Governments in the zones of occupation in Germany or pursuant to negotiations of the three Governments with neutral countries. Such matters were, for obvious reasons, the exclusive concern of the three Governments responsible for assembling the pool of monetary gold. The three Governments had also decided, on two occasions, that gold which had been handed over, by their authorities in the zones of occupation, direct to claimant countries, should be considered as gold which should have formed part of the gold pool and they had directed the Commission, responsible for keeping and operating the gold accounts, to pass appropriate entries through its books. It was conceivable that there could be another type of accrual if the Commission found, from the replies to its Questionnaire and its examination of data supplied, that a claimant country had, itself, recovered certain categories of gold from a neutral country. The Commission might, in certain circumstances, consider itself justified in debiting the claimant country concerned and crediting the gold pool, in its books, with an amount of gold equivalent to that which the claimant country had recovered. Such justification might be found in the Commission's basic texts and, in particular, in Paragraph 5 (c) and (d) of the Commission's Terms of Reference, which placed the Commission under an obligation to announce the value of the pool of monetary gold and the share available for restitution to each country entitled to participate in the pool. Much would depend on the exchanges of views which were to take place between the French and American Commissioners. These exchanges of views might well enable the Commission to reach unanimous decisions on the matters raised by the French Commissioner, without reference to the three Governments.

It was decided that no further action could be taken in these matters until the American Commissioner was in a position to discuss them with his French colleague.

The French Commissioner then made a statement :

3/.....

206636

DECLASSIFIED

Authority UND 108086
By TJ NARA Date 7/1/99

RG 84 NARA Files
TGC 1946-50 Subj. Files
Entry 243N Box 3

Form FS-419
(Feb. 1949)

CONFIDENTIAL
SECURITY INFORMATION
TELEGRAM RECEIVED

ST-File

From: **Bonn**

October 28, 1952, 7 p.m. 16-87113-4 GPO
Date:

Code: **Confidential
Security
Information**

No.: 25
October 29, 1952, 7:02 a.m.
Received:
(9:32 am)

Card Index

Action for: _____

Sent Department 1932 Repeated Information
Brussels 25

Brussels for Fox.

Department A-187 October 17, 1952.

Subject: Monetary Gold.

- AMB _____
- COUN _____
- ECON COUN ✓
- INDAP S/A _____
- MIL/A _____
- AIR/A _____
- POL _____
- MAAG _____
- ECON _____
- LAB/A _____
- AGR/A _____
- ARIT/A _____
- TREAS/A _____
- CONS _____
- VISA CONTR _____
- USIS _____
- ADMIN _____
- MSA _____
- MSA-CHIEF _____
- MSA-DEP CHIEF _____

Your assumption correct that releases of monetary gold to non-German nationals and persecutees involved exclusively items deposited under MG Law 53 and not originating from former Reichsbank.

Donnelly

pb/ao
(9:36 a.m.)

ECON COUN

CONFIDENTIAL
SECURITY INFORMATION

3219

206637

DECLASSIFIED

Authority AND 168DE6
By TJ NARA Date 7/1/99

RG 84 LARA File
TGC 1946-50 Sub File
Entry 213N Box 3

CONFIDENTIAL Card Index
TELEGRAM RECEIVED

Form FS-412

OFFICIAL CORRESPONDENCE
RETURN TO FILE ROOM

From: Department

Classification:
Confidential

October 9, 1952,
Date:

No.: 473
October 10, 711am
Received:
(8h3am)

Action for: File
16-87112-5 GPO

AMB	AGR/A
COLN	MARIT/A
ECON COUN	TREAS/A
NDAPS/A	CONS
MIL/A	VISA CONTR
AIR/A	USIS
POI	ADMIN
R	MSA
	MSA-CHIEF
	MSA-DEP CHIEF

Sent Brussels 473 rptd Info Frankfurt 675.

Brussels for Fox.

(Frankfort) regarding Frankfurt's Despatch 280 September 20.

Reurtel 356 October 3.

No objection to return to British High Commissioner:

(A) Gold bar and gold coins if positively identified as owned by nationals of non-lara countries other than ex-enemies (trust TGC aware of relevance Deutsch case),

(B) Gold coins to German owners if positively of numismatic character or needed to complete coin collection.

ACHESON

pb/jb
(8h3am)

ECON COUN

CONFIDENTIAL

206638

321.9 Germany / British High Commissioner

DECLASSIFIED

Authority WWD 108086
By TJ NARA Date 7/1/99

RG 84 IARA Files
TGC 1946-50 Subj. Files
Entry 213N Box 3



RESTRICTED
OUTGOING TELEGRAM
OFFICE OF THE U. S. HIGH COMMISSIONER FOR GERMANY

OUTGOING MESSAGE

Action for:

Amb.	CONTROL NUMBER	Cons.
Couns.		G. Sv.
E. Cns.		Cons.
Pol.	12/25	USIE
Visa Control		(MSA) 2
Es. n.		MAAG
Labor.	DISTRIBUTION	MDAP
Appo.		(reas.)
Man. n.		Air Att.
Adm. n.	CONTROL NUMBER	Intat.

Approved for Filing: _____

Action taken:
25 FEB 7 PM
DATE

OFFICIAL CORRESPONDENCE
RETURN TO FILE ROOM

RESTRICTED
CLASSIFICATION
• NO LINE
PRECEDENCE

SENT CLOSURE 1700 RPTD AMERICAN EXPRESS UNN

REF DEPTUL 1601, February 16

100 gold was shipped to Federal Reserve New York February 21
as per our 1567 February 14, 1952.

HAYC

1601 February 16, 1952 CN 43322

AUTH: E/TN Air L. Brown

*321.9 Gold Commission
X-390/Matz/Jee gold shipment*

*BEZ de
Feb 25/1950*

Telegraph Branch/Amn Feb 23, 1952

Name of originating Office, Postal Name, and Telephone No.

OUTGOING RESTRICTED MESSAGE

Corrections made on this original MUST be made
on all copies before delivery to Telegraph Branch

(1-1-50-130 M)

206639

Authority *WWD 108086*
By *TJ* NARA Date *7/1/99*

RG 84 IARA Files
TGC 1946-50 Sub. Files
Entry 2113N Box 3

OFFICIAL CORRESPONDENCE
RETURN TO FILE ROOM
(Feb. 1946)

CONFIDENTIAL
SECURITY INFORMATION

TELEGRAM RECEIVED

- Action for:
- Amb. _____
 - Couns. _____
 - E. Cns. _____
 - Pol. _____
 - Visa *copy* _____
 - Labo. *37118-4* _____
 - Acric. _____
 - Maritime _____
 - Adm. n. _____
 - Approved for Filing _____
 - Accts. _____
 - G. Sv. _____
 - Cons. _____
 - USIE _____
 - MSA _____
 - MAAG _____
 - MDAP _____
 - Treas. _____
 - Air Att. _____
 - Milat. _____

From: *Secstate*

From: *Secstate*

Code: *Confidential*
Security Information

Card Index February 20, 1952 6pm
No. *1249*

Received: February 21, 1952 8:11 am
Processed 9:50am

Action taken: *To Mr. J. H. ...*
(2/21/52) to keep for ...
ms for ...
of

Prity sent London 3996 rptd info Bonn 1668 Brussels 1249;

Re your telegram 3619, February 20 and your Despatch 3524, February 8.

Documentation referred Embassy Despatch 3524 not available Dept except for copies of few instructions sent OMGUS June 1948 re shipment gold from Frankfurt to London. All OMGUS records obviously including instructions referred to above believe transmitted by OMGUS to TGC Brussels. If so best bet for solicitor would be visit TGC Brussels after having made sure records there. If not, his visiting HICOG Frankfurt appears more fruitful than contemplated trip Washington.

Suggest Embassy immediately transmit copy UK Treasury solicitor's memo re factual background gold relevant Dollfus-Mieg to TGC Brussels and HICOG for their comments.

WEBB

mewidob
9:55am

Mr. Fitzgerald

3219 Wood Commission

CONFIDENTIAL
SECURITY INFORMATION

Authority WD 768086
By TJ NARA Date 7/1/99

RG 84 PARA Fin
TGC 1946-50 Subj. Fin
Entry 2113N Box 3

Form FS-419
(Feb. 1949)

CONFIDENTIAL

TELEGRAM RECEIVED

For Action:	
For Information:	
Amb.	Per.
Com.	Files
Exec.	Mail
Pol.	Cons.
Econ.	USIS
Labor	
Arms	
Tr. Cr.	ECA
16-5711-3	WAAG
	MDAP
	Treas.
	Misc.
Action Taken:	Noted

From: Department

Nov. 13, 1951 6 p.m.
Date:

Code: CONFIDENTIAL

Card Index

No.: 681

Received:
Nov. 14, 1951 9:03 a.m.
Processed 10:45 a.m.

File
W
21
9

SENT FRANKFURT 2958 BRUSSELS 681.

Your telegram 9824 June 5, DEPTEL 8477
June 13, 176 to Brussels, repeated Frankfurt
932, August 6.

Desire about \$1.5 million monetary gold
collected American Zone be made ready for early
shipment Federal Reserve N.Y. account TGC.

Federal Reserve N.Y. prepared accept gold
deposit after receipt from TGC instructions to
accept shipment with full description of gold,
namely number of bags, number of bars and/or
coins contained in each bag, amount of fine
ounce total, means of transportation to be used,
date of arrival and statement as to payment of
freight and coverage of insurance (whether from
door to door), and whether gold is to be earmarked
as is or melted into standard bars; finally,
authorization from TGC to debit their account
for necessary expenditures.

You are requested furnish TGC above data
soonest so as to enable them send necessary
instructions Federal Reserve N.Y.

Brussels for Fox.

WEBB

CONFIDENTIAL MF. Fox

hc/fm
10:50 a.m.

DECLASSIFIED

Authority UND 168086
By TJ NARA Date 7/1/99

RG 84 - IARA Fw
TGC 1946-50 Sub. Fw
Entry 243N Box 3

SECRET

TELEGRAM RECEIVED

16-57118-1

FROM: Secstate

Date: July 26, 1950, 6 p. m.

No. 127

Code: Secret

**Received: July 29, 9:33 a. m.
Processed 3:10 p. m.**

SENT FRANKFORT 739; REPEATED INFORMATION BRUSSELS 127.

Guiding principles recommended for delivery gold to TGC outlined paragraph one your telegram 5528 June 27 approved. British being invited to proceed under same principles. You may proceed delivery gold destined TGC including ten Czech bars. Consideration has been given effect possible Czech reaction if and when they learn that this gold classified as monetary. However, possible Czech reaction believed minimized because you were unaware ultimate classification principles as agreed Brussels conference when previously informing Czechs such bars would go IBC. You may consider tripartitely with other HICOGs principles and procedure outlined paragraph one (C) REFTEL.

Brussels for Fox and Fletcher.

ACHESON

hc:hc
grs 162

Reparations
cc: Mr. Fox

SECRET

DECLASSIFIED

Authority UND 168086
By TJ NARA Date 7/1/99RG 84 IARA File
TGC 1946-50 Sub. File
Entry 243N Box 3**SECRET***Gold*

From:

Vienna

28 November 1949 5pm

Paraphrase this message
before communicating

Urn

Secret

29 November 9am

Sent Brussels Urn Rptd Dept 1623 London 252 Paris 91.

FOR KING Tripartite Gold Commission, Brussels.

Reference your No. 9 of November 7, 1949, 2pm.

1. USFA states it can make delivery of gold from NAT bank vaults in Salzburg to Bank of England under appropriate security safeguards. Special mission aircraft would be used and no expense charged to Commission.
2. If this course approved by Commission USFA suggests Legation here arrange with Embassy London (which will coordinate with Bank of England) for appropriate British customs clearances, security arrangements and receipt in London.
3. Should Commission object suggested action paragraph 1 believed next best alternative regular State Department courier take gold Salzburg to London, or to Munich or Frankfurt where could be transferred commercial aircraft flying London. This course (Paris for Despit OAR) presumably must be cleared Embassy Paris as questions responsibility, adequate bonding courier, insurance, etc., involved.
4. Final receipt for gold and official communications from Commission should be addressed: Geoffrey Keyes, Lt. General, U.S. Army, Commanding General, United States Forces in Austria.

rwb/jd

SECRET

ENCLAVE

Reparations

206643

DECLASSIFIED

Authority UND 168086
By TJ NARA Date 7/1/99RG 84 IARA F14
TGC 1946-50 Sub. F15
Entry 213N Box 3**CONFIDENTIAL***Gold**UNK
10-8-49*

FROM:

Secstate

November 7, 1949 6 PM

1307

Confidential

November 8, 1949 11 AM

SENT LONDON 4031 RPYD PARIS 4277 BRUSSELS 1307.

PARIS FOR DASPIT, BRUSSELS FOR KING.

After series of conferences with British Embassy in which Department officers discussed question of interpretation monetary gold definition (UNTEL 4219 October 20, repeated Paris 801 Brussels 179) connection remaining issues before Commission, Department felt path cleared. Re Dollfus-Mieg case Department opinion (DEPTZL to London 3699 October 22) seemingly borne out by second sentence of UNTEL 4135 October 4, indicating case being abandoned by company. *do not believe*

Difficult understand how another government level conference with British and French could contribute clarification gold definition as used in Paris Reparation Act and TGC questionnaire. Meaning and difference language both definitions repeatedly explained and discussed by Fletcher with representatives British French Embassy Washington Department also deems it inadvisable make belated basic modifications of definition arrived at in conformity accepted economic concepts.

Principles as well as current matters regarding recovery re-distribution looted gold in past discussed at regular intervals in Washington between Department experts and officers of British French Embassy familiar with issues. Such conferences are currently taking place more frequently with British representative since French Representative often without instruction from his government. Department reluctant change methods used so far and suggests French Foreign Office instruct more fully its Washington Embassy.

If, however, French British continue pressing for meeting in Europe, Department will explore feasibility of sending representatives Brussels which in that case considered preferable site since other important pending questions, e.g., procedures gold recovery from Portugal, review US prepared report to gold pool participants and IARA about unsuccessful efforts this matter, and release of 30 tons to Dutch connection text waiver receipt and procedure final distribution should be included discussion.

ACHESON

CONFIDENTIAL

mb

IARA

206644

DECLASSIFIED

Authority UND 108086
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-55 Sub File
Entry 2113N Box 3

*Gold
the receipt not
sent 10/31.
Tele I 9.5*

FROM:

Secstate

November 1, 1949 6 PM

1278

Austrian

Secret

November 2, 1949 9 AM

SENT BRUSSELS 1278 RPTD VIENNA 1354.

FOR KING.

1. Upon Department's request War has instructed USFA Vienna by cable War 95939 October 27, '49: "to transfer to tripartite gold commission, Brussels under Paris Reparation Act part III gold bullion worth \$98,287 brought to Austria by German forces in bags marked 'German Legation Berne' and presently held by USFA".

2. You are requested inform TGC and contact USFA Vienna via Amlegation, Vienna where to deposit subject gold also arrange for suitable means of transfer.

ACHESON

rwk/mb

IARA

206645

DECLASSIFIED

Authority AND 108086
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 213N Box 3

PHJ

GOLD

Praha, Amembassy

8 July, 1948, 8 p.m.

8

Secret

10 July, 9 a.m.

FOR DORR.

Reference your telegram 8, July 6. In my opinion as long as Czeche authorities do not obtain physical possession of any further part of Czech share of gold pool, irrespective of the reason, the non-delivery will operate as powerful lever in claims negotiations in Praha without necessity of linking Commission's decisions or action with current negotiations.

STEINHARDT

mc/mc

Reparations

DECLASSIFIED

Authority UND 768086
By TJ NARA Date 7/1/99RG 84 - TARA File
TGC 1946-50 Subj. File
Entry 2113N. Box 3

Secstate

1 July, 1948, 4 p.m.

1016 US URGENT

Secret

2 June, 11:30 a.m.

Sent Brussels for Dorr, 1016; repeated Prague for Ambassador Steinhardt 930.

Department considers that it is necessary to utilize all available bargaining weapons in effort to obtain agreement with Czeche on compensation in light of Steinhardt's recommendations (Prague's 903, June 8). Gold (607 car* kgs) deposited by Commission with Czech account Fed Res NY is not sufficient to provide effective bargaining weapon in current negotiations. No decision will be made at this time on blocking this sum or any further allocations after possible transfer to Czech account until such time total amount and progress of negotiations warrants consideration of this action. Commission's account in NY should be increased by diverting to it forthcoming accruals from Swedish, Portuguese, and other possible sources as well as by reshipment of portion of Frankfurt balance after completion of counting and reassaying. You may wish to point out to your colleagues favorable aspects of NY FED RES earmark procedure as compared with Bank of England to obtain acceptance of transfer to NY. Ultimate objectives should not be revealed explicitly to British or French at this time.

In meantime, effective bargaining weapon in connection Czech gold claim would be delay in approval of further allotments and use by Steinhardt in his discretion of this delay in negotiations. Delay in decision on allotments should be facilitated by Commission's lack of satisfaction with evidence and since British and French basically contest allotments with respect to one-half of outstanding balance. Use of delay, however, will require great care in timing with Prague negotiations and to avoid compromising Commission by linking its decisions to settlement of US-Czech difficulties. Amembassy Prague is requested to give you full details of timing and course of negotiations on compensation agreement. Please keep Prague fully informed of developments in Commission.

*as rec'd....four?

MARSHALL

tak/mc

Reparations

DECLASSIFIED

Authority UND 768086
By TJ NARA Date 7/1/99RG 84 IARA File
TGC 1946-50 Sub. File
Entry 213N Box 3

Amembassy Prague

June 8, 1948 7 pm

6

Secret

June 9, 1948 11 am

I agree with Dorr that US position as Trustee and under treaty obligations might be subject to criticism where Czech share of gold pool to be alienated before Commission has made allocation. REDEPTKL 697, May 21, EMBTEL 834 May 28, Brussels 1137 June 3 from Dorr to Department repeated to Praha as 5. On other hand it might be equally questionable for Commission after allocation to place Communist dominated Czech Government in possession of Czech share of gold pool in complete disregard of American claims. In my opinion Commission is trustee and bound by treaty obligations only up to time of allocation thereafter becomes stake-holder as between conflicting claimants, particularly if formal notice of claim has been given by attorneys for American claimants. For commission after allocation to deliver gold to Czech government in face of formal notice of claim by American claimants would be tantamount to making a decision on merits as between conflicting claimants. While deposit by Commission in US of share allocated to Czecho might be regarded as favoring American claimants, surrender or delivery to Czecho government could be severely criticized by American claimants as putting gold out of their reach inasmuch as they would be unable to attach the gold or bring action against a sovereign state. Under these circumstances I urgently recommend that if the Czecho share of gold pool cannot be deposited within jurisdiction of US without occasioning serious difficulties, delivery to the Czech government be temporarily withheld or the gold be deposited in a Western country pending outcome of negotiations with Czech government on behalf of American claimants. Alternative would be the deposit of the Czech share of gold pool with International court of justice pending a settlement of American claims against Czecho, a procedure which could hardly be criticized by anyone. I am firmly convinced that any measure which deprives the Czech government temporarily of physical possession of its share of gold pool will bring about a reasonably prompt settlement of our claims. Delivery of the gold to Czech government following on heels during the past two or three years of over 220 million dollars of gifts from US to Czecho without settlement of American claims for nationalized and otherwise expropriated properties will be interpreted by Czech government as indifference on part of US government to the receipt by US citizens of compensation for their properties.

In view of amount and issues involved I suggest this message be brought to personal attention of Under Secretary Lovett.

STEINHARDT

td/tak

IARA - Mr. Dorr

206648

Authority WD 768086
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-50 Sub File
Enter 2112N

Teold

Prague

May 28 eleven am 1948

5

Secret

May 29 eleven a.m.

Sent Department 834 repeated Brussels 5 for DORR.

My experience in dealing with Czech government particularly since the Communist coup has made it all too clear that no consideration other than its own gain will impel the government to settle our claims for nationalized properties and that all negotiations by the Czech government on this subject have as their objective an agreement under which the benefits to the Czechs will outweigh the cost. This attitude applies as well to all countries other than the Soviet Union and the satellites states. The Department should therefore proceed on assumption that our claims will not be paid unless and until we bring such pressure to bear on the Czech government that it is to its advantage to settle. In view of fact that Czechs have no substantial balances in the US that we could freeze and that they buy more from us than they sell to us, nothing can be done along the lines of threatening to apply non-existent balances or surplus of exports to the US to the liquidation of our claims. It is probable that several of the other western countries particularly Switzerland and Belgium will be able to force settlements out of existing deposits or trade balances. Others may be able to force settlements by freezing or threatening to freeze Czech property or other assets of one kind or another. As none of these bargaining counters are or will be available to US in the foreseeable future we must find other means and as Department apparently is loathe to employ economic sanctions to current trade, the Czech share of the gold pool appears to be our one and only bargaining counter. I do not believe that the use of this weapon would arouse any greater antagonism to the US from a wholly Communist-dominated government than already exists. Thus in my opinion we have everything to gain and little if anything to lose by withholding delivery of Czecho's share of the gold pool as a means of forcing settlement.

DECLASSIFIED

Authority UND 768086
By TJ NARA Date 7/1/99RG 84 IARA File
TGC 1946-50 Sub File
Entry 213N Box 3

As Department is aware, I have for many years entertained the view that it is futile to deal with a Communist government or with Communist officials on assumption that they will conduct themselves or respond to generous treatment in accordance with the recognized ethical standards of the western world. Failure to employ an available bargaining counter against the Communists is regarded by them as a sign of appeasement, incompetence or weakness and not as evidence of a high ethical standard, generosity or strength.

Reference Department's telegram 697 May 21. In view of foregoing I urge Department to brush aside juridical arguments as to why delivery of Czecho's share of the gold pool should not be withheld pending a satisfactory settlement our claims and to find reasons why physical delivery of the gold can not be made at this time. A government bureaucracy which frequently requires months if not years in which to accomplish that which it desires should be able to find means of delaying delivery of this gold without laying itself open to the charge of studied illegality. Furthermore the mere threat to withhold delivery of the gold if followed by indefinite delay in delivery would serve same purpose as a refusal to make delivery without raising an issue. Thus there would be no necessity for policy decision not to make delivery if in lieu thereof delivery is indefinitely delayed pending a settlement of our claims.

As Czecho's share of gold pool probably represents last bargaining counter available to us I am constrained to point out that the delivery of the gold in whole or in part before a settlement of our claims has been agreed upon makes it highly improbable that any settlement of our claims other than in Czech crowns can be achieved for a long time to come.

I should appreciate the Department's instructions as to whether I may intimate to the Czech authorities that no further gold deliveries will be made for the time being, in order to induce the resumption of serious negotiations for a settlement of our claims. Also please advise approximate value in dollars of undelivered gold.

Steinhardt

td

Reparations Delegation

206650

GOLD

Berlin

April 29 eight pm 1948

34

SECRET

April 30 three p.m.

For Dorr.

Following cable sent by OMGUS to Army Department yesterday: "Delivery of monetary gold coin to Tripartite Commission is subject.

1. We have persistently followed the policy of demanding specific detailed receipt for the precise items involved at the time of delivery of valuables from the foreign exchange depository and we are not convinced that a departure in the case of the delivery of monetary gold coin to the Tripartite Gold Commission is necessary or justified. As a gratuitous custodian of valuables captured by the US army, the Military Governor is entitled to full receipt and acquittance at the time of surrender of these valuables.

Were we to follow the procedure suggested to us by the US delegate to IARA and by your cable WX-99351 we should be required in effect to certify that we were delivering a specified value of gold coins, especially in the case of the Howard Commission bags that have been opened for the purpose of including a portion of the contents in other gold shipments under appropriate directives. The suggested procedure would require a continuing responsibility on this command until such time as the gold shipment had been completely verified after it had passed beyond our custody. We do not believe that we can be asked to assume such continuing responsibility but that we are entitled to receipts at the time of delivery for precisely those items which we deliver.

2. We are prepared to make delivery of the gold to the Commission at the depository in Frankfurt against appropriate detailed receipt, but we are informed that the Tripartite Gold Commission is neither prepared to receipt for specific quantity of gold on the basis of our records nor to send its team to Frankfurt for the purpose of their own verification.

206651

Authority UND 768DEC6
By TJ NARA Date 7/1/99RG 84 IARA Files
TGC 1946-50 Subj. Files
Entry 2113N Box 3

3. In order to extend the maximum degree of cooperation the Tripartite Gold Commission consistent with our own protection, we are prepared to join in an arrangement for the delivery of the gold at the cost and risk of the Commission to the Bank of England or to an acceptable assay office in London and to accept against the final count of the gold a receipt based upon count of the Bank of England or other accepted agency competent in this field. In transferring the gold we are prepared to accept the air transport arrangements effected by the Commission and to provide an insurance company with adequate data for insuring against loss in transport. The insurance policy would be at the cost of the Commission and it would be specifically provided that the delivery of the gold at Frankfurt to the jointly approved transportation agent and the assignment to the Commission of all insurance claims which may accrue would completely absolve the US Military Governor of all responsibility during the transfer of the gold from the depository at Frankfurt to the Commission or its designee in London.

4. We are sending a copy of this cable through State Department channels to US delegate to IARA and are forwarding him by mail copy of our tentative draft of agreement between the Commission and the Military Governor to accomplish the foregoing objective."

Chase

mc/td

Reparations Delegation

206652

Authority UND 768086
 By TJ NARA Date 7/1/99

RG 84 IARA File
 TGC: 1946-50 Subj. File
 Entry 2113N Box 3

FOLD

Berne, Amlegation

14 April, 1948, 6 p.m.

11 US URGENT

Confidential

April 15, 9 a.m.

Sent Department 477; repeated Brussels for Dorr, 11.

1. Commencing Monday, April 19, SNB will send gold by air on 5 successive days, 2 planes daily each carrying approximately 2 tons arriving London same day. (Brussels' telegram 743, April 12 to Department, repeated 8 Berne).

2. Full all risks insurance will be carried vault to vault guards, etc., at estimated cost 250,000 Swiss francs (not 225,000 Swiss Francs quoted Legation's telegram 9, April 9, to Brussels repeated 448 Department which did not include war and strike).

3. SNB legally unable advance costs, therefore Commission instructing New York Federal credit immediately account SNB Zurich in favor Bern office advance equivalent 200,000 Swiss francs. Balance payment to be made upon submission final bill.

4. After clearance with Dorr Legation has given SNB authorization (Department's telegram 382, March 23 to Berne repeated 428 Brussels) proceed under above arrangements.

VINCENT

td/mc

Reparations

206653

Authority UND 968086
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

Repaal
Ford

Seestate Washington

February 6, 1948 4 pm

Confidential 184

Confidential

February 7, 1948 9 am

FOR DOER.

OMGUS suggested to army that all German records in for exchange depository on monetary gold be delivered to Gold Commission against receipt providing for return to OMGUS upon demand. Department no objections but intends insert "or its successor or make available to other US interested agencies" after "return to OMGUS". In text receipt (since Department and Treasury used these records for preparation recovery negotiations and might wish to do so in future). your early comments particularly whether you are in position provide storage etc. will be appreciated.

MARSHALL

dec/mc typed/tak

IARA - Mr. Dorr

Authority UND 768086
 By TJ NARA Date 7/1/99

RG 84 IARA Files
 TGC 1946-50 Subj. Files
 Entry 2113N Box 3

Revised

FOLD

Secstate Washington

January 29, 1948 6 pm

141

Confidential

Jan. 30 12:15 NOON

FOR DORR.

1. Upon Dept's request, army probably would transport Frankfurt gold (URTEL 70 Jan 13) at cost. Nine or ten vessels would have to be used because of insurance limitation dollars 16 million per vessel requiring three to four months. Army reluctant undertake project view recent public charges competition commercial carriers. Since army would disclaim any responsibility for loss, applicable insurance rates on vessels with approved strong room currently quoted 29½ cents per dollars one hundred value and without approved strong room - 34½ cents per dollars one hundred value. Accomodations on number of available vessels probably would not satisfy strong room requirements. On basis new regulations cost shipment by army must be computed by new formula more nearly approaching actual cost and army unable give immediate estimate cost shipment. Army's cost estimate might take time.

2. Federal reports following freight and insurance rates by commercial carriers: Lowest rate quoted by American Overseas Airline 44 cents per dollars one hundred value including cost insurance. Seaboard and Western Airline (2 non-scheduled flights also to Frankfurt and return weekly) 46 cents, PanAmerican 53 cents. Steamship rates higher, for example, US lines new reduced rate approximately 54½ cents per dollars one hundred including insurance.

3. Comparison minimum insurance rate on shipment by army vessel with lowest quoted airline rate reveals little leeway for payment costs of army transportation and suggests possibility there may be no advantage in shipment by army vessels. In view of foregoing commission may wish consider desirability arranging commercial transportation without awaiting army reply.

/4. Once

206655

Authority UND 168086
By TJ NARA Date 7/1/99

RG 84 IARA Files
TGC 1946-50 Subj. Files
Entry 2113N Box 3

- 2 -

4. Once commission reaches decision on shipment, Federal indicates possibility obtaining slightly better rates than those quoted para one.

5. Army here would have to know cubic footage and weight each package if transport to be made by army vessels. Accurate information obtainable only from Frankfurt custodians and presumably commission could assist in obtaining. Treasury estimates 1900 cubic feet total.

Sent Brussels as 141 rpt USPOLAD as 161.

MARSHALL

dsc/typed:tak

IARA - Mr. Dorr

Authority UND 768086
 By TJ NARA Date 7/1/79

RG 84 IARA Files
 TGC 1946-50 Subj. Files
 Entry 213N Box 3

Applied
RWD
FOLD

Secstate

December 31 six pm 1947

1861

Secret

January 1, six p.m.

For Derr.

1. Understand that included in gold remaining at Frankfurt (paragraph 4, your telegram #1812, November 18) are irregular and alloy bars, scrap gold, sweepings, etc., much of which may not be classifiable as monetary gold. As you know under Article 8 official Act of Paris Conference and five-power agreement of June 19, 1946, all non-monetary gold found by Allied armed forces in Germany is to be made available for rehabilitation and resettlement of displaced persons and accordingly, Commission may wish to determine before shipping Frankfurt gold that portion which cannot be classified as monetary gold. Department understands that scrap, etc., referred to above not included in Commission's computation of reserves against possibly valid claims. Confirm.

2. In connection with shipment of Frankfurt gold New York, gold not identifiable as monetary gold should be segregated from all identifiable monetary gold. Moreover, to extent possible other than monetary gold should be kept separately packed in present lots and labeled in accordance with British, French and US inventory report.

3. Re gold of Polish origin which not monetary. US has defined as "non-monetary gold" under Paris Agreement any property, including gold, not subject to restitution and presumed looted from victims Nazi persecution. Quadripartite institution procedures Germany refer to identifiable property and US has ruled that gold taken to Germany from Nazi concentration camps outside 1939 German boundaries not identifiable and therefore subject transfer to IRO rather than restitution. However, identifiable gold in Germany, other than monetary, regarded as subject to restitution if non-German origin established. Any Polish claims should be treated in light of foregoing.

4. Foregoing first reaction of Department and Treasury. Discussions continuing. You will be advised of outcome.

206657

Authority UND 768086
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

Sent to Brussels as #1861 repeated Berlin as Department's #2537.

Lovett

dec/tak
typed: td

Reparations Delegation

Authority UND 168086
By TJ NARA Date 7/2/99RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

Secstate

6 November, 1947

1593 US URGENT

Clear

7 November, 9 a.m.

FROM DIRECTOR OF MINT.

Please advise Theodore Schiercke Tripartite Gold Commission that he will make eighty Army survey with Howard starting January 1948. He can remain on present assignment longer if needed and should be certain that questions settled so that return trip will not interfere with other assignment. Possible Schiercke may be leaving for states November 6.

MARSHALL

typed/mc

Reparations

206659

Authority UND 768086
 By TJ NARA Date 7/1/99

RG 84 IARA File
 TGC 1946-50 Subj. File
 Entry 2113N Box 3

SECRET

FOLD

Secstate

15 October, 1947, 8 p.m.

1485 NLAOT

Secret

16 October, 11 a.m.

Sent Brussels 1485, repeated London 4456, Paris 3947, Rome 2077, and Vienna 851.

FOR DAHPIT.

1. Yugoslavia not to share preliminary distribution (see Department's telegram 1472, October 13).
2. Italy, Austria shares to extent of claims allowed by Commission to be set aside by Commission under authority Paris Agreement Part III D, pending protocol signature. (See Department's telegram to London 4455, repeated Brussels 1484, Paris 3946, Rome 2076, Vienna 850). (Your telegram 1595, October 14).
3. Re paragraph 1, your telegram 1593, October 13, Department prefers prompt issuance press release instead of letters of assurance to individual countries. Press release and letters to claimant countries should include substance of following: "The Paris Reparation Agreement provides that shares of the gold to be distributed shall be set aside for Italy and Austria pending decision as to the participation of these countries in the gold pool. The Commission has determined that a portion of the claims submitted by Italy and Austria under the authority of this provision are clearly valid, and has ordered that the sums of blank kg and blank kg, respectively, be set aside for them. Negotiations for the inclusion of Italy and Austria in the gold pool are in progress and may be completed in time for them to share in this preliminary distribution". Please seek Commission concurrence and cable or telephone urgently complete text of proposed release. Considered imperative here that release be made as of midnight Brussels time, October 17, in view French elections, October 19.
4. Changes last paragraph waiver as reported paragraph 3, your referenced telegram approved.

LOVETT

decoded/typed

SECRET

Reparations

206660

Authority UND 768086
 By TJ NARA Date 7/1/79

RG 84 IARA File
 TGC 1946-50 Subj. File
 Entry 2113N Box 3

bbt

NON-MONETARY

GOLD

secstate

June 12, 1947, 6 pm

827 US URGENT

Confidential

June 13, noon

Please communicate substance following to Foreign Office (Reurtel 3081 June 5, repeated to Paris 309, Brussels 52, Berlin 298, Vienna 83). Govt has noted Foreign Office suggestion that non-monetary gold and other valuables found in Austria, as distinguished from Germany, be made available unconditionally to IRO. While entirely sympathetic to making the largest possible amounts available IRO, this Govt considers that proposal not acceptable. The consideration which inspired Five Power Agreement June 15, 1946, are believed fully applicable Austria as well as Germany. Designation Jewish Organizations to receive 90% proceeds was based on conclusion that great majority eligible persons under Article eight were Jewish and also fact that most of property in question, that is, valuables looted from Nazi victims not restitutable, formerly belonged to Jews. This true not only of concentration camp caches in Germany, but is particularly true with respect property found by US forces in Austria. Disposition this property first brought to the attention US Govt by Jewish organizations and in view known Jewish origin, this Govt could not without bad faith dispose of other than substantially to them. Available information indicates same origin for property held by French forces Austria. Origin property seized by British is unknown.

Assumed from tel of Foreign Office letter May 31 that it is not proposed make distinction between gold and other valuables. In view similarity origin and considerations administrative convenience, this Govt would consider such distinction most unfortunate.

In view foregoing considerations this Govt earnestly hopes that Foreign Office will see it concur view this Govt that policies and procedures determined for disposition non-monetary gold found in Germany should apply as well as to non-monetary gold and other valuables found in Germany and Austria.

*Non-Monetary
Gold*

206661

Authority **WWD 768086**
By **TJ** NARA Date **7/1/79**RG 84 IARA Files
TGC 1946-50 Subj. Files
Entry 2113N Box 3

- 2 -

Failure British and French agree will mean different policies in as much as US is already committed and deliveries already being made IGOR representatives for non-repatriable fund.

Dept again requests advice re concrete steps being taken by British and French Govts to implement agreement reached at Moscow sent London as 2538 repeated to Paris as 2144, Brussels as 827, Berlin as 1247, Vienna as 418.

Marshall

Decoded: hf
Typed: hf
quad

Mr. Godley

206662

Authority UND 768086
By TJ NARA Date 7/1/79

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

NET

PHD

GOLD
NON-MONETARY

Secstate

May 8, 1947, 7 P.M.

Re 648 - US URGENT

confidential

May 9, noon

For DASPEY.

Sent to London as 2023, Paris as 1695 for action. Repeated to WSPOLAD Berlin as 1012, Ambagation Vienna as 304, Brussels as 648 for information.

Disposition of non-monetary gold and other assets in Germany and Austria is subject.

Reference is No. 1547 from Moscow to Secstate, repeated London as 188, Berlin as 133, repeated from Department to Paris as 177, Vienna as 58.

During discussions Moscow agreement reached between UK, French and US Representatives that, in addition non-monetary gold covered by Article 8, Paris Act, all valuable personal property, representing loot seized or obtained under duress from political, racial, or religious victims Nazi Government or satellite governments or nationals thereof which was or may be found, seized, or confiscated by military commanders Germany or by local authorities acting under their direction, will be made available to ICEG or its successor (IRC) by zone commanders; provided, however, that external or internal restitution such property impossible because determination national origin not practical or because owner has died without heirs or ownership cannot be determined, respectively.

It was understood this agreement not predicated upon interpretation Article 8, Paris Act.

Although point re discussed Moscow, assumption this Government that ICEG will use in same manner as non-monetary gold delivered pursuant Article 8.

Agreement also reached Moscow that assets in hands of occupation authorities in Austria of type outlined above (valuables and non-monetary gold) to be treated in same way as assets described above will be treated in Germany, except that disposition may be made under Article 14 (2) draft treaty Austria for such assets as are of purely Austrian origin or where understanding existed over such assets with Austrian Government.

Recessed you

Non monetary Gold

Authority WWD 768D86
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

- 2 -

Request you seek confirmation these arrangements from British, French Governments, such confirmation to be regarded as adequate reply to notes delivered by you this subject November 20, 1946. You should also request status from British and French Governments statement re implementation agreements. Understood Moscow that British and French Governments would simple send relevant instructions their commanders Germany, Austria such implementation and deliver any assets within agreement which have been removed.

Forgoing arrangements considered under unnecessary further negotiations as proposed French Foreign Office note repeated Paris Embassy's telegram 1647, repeated London as 129.

Request Embassy Paris ask French Government final decision, re section Hungarian gold train French Zone Austria.

MARSHALL

decided in/be
typed be
quint.

Reparations

Repd el

bbs

non-monetary gold

Moscow, Embassy

April 19, 1947, 12 midnite

20

Confidential

April 20, 2:30 pm

Relay from Moscow "April 19, 10 pm Delese 1448.

Meeting non-monetary gold with British and French Delegations requested Secdel 1363 of March 21, sent Moscow as 616 repeated Brussels for Dorr as 381 Paris as 1055, London as 1274 finally held after delay due British nonreceipt instructions. British sympathetic extending treatment similar to that of non-monetary gold under Article eight Paris Act to other valuables, but preferred separate understanding. British presently preparing inventories for transfer to IGCR on narrow basis of gold, possibly limited to gold found in SS camps upon entry British and US troops. Will extend on our representation to non-monetary gold SS looted wherever and whenever found, but reluctant to extend to other valuables looted by SS under present agreements. Worried in part over two year period for filing claims under quadripartite restitution procedure.

US representative pointed out June 4, 1946 Five-Power Agreement includes non-monetary gold in quotation marks, suggesting phrase is word of Article with other than literal meaning. Also noted phrase from British instructions saying non-monetary gold taken to refer to "valuables" although context provided contradictory passages. Departmental clarification of meaning of phrase in Paris Conference and Five-Power Agreement requested. US representative also noted that definition in warr 98112 is limited to valuables whose restitution is adjusted impractical which would be matter for Zone commander determination.

British preference for limitation present agreement to non-monetary gold and transferring to IGCR other non-identifiable valuables looted from victims of Nazi persecution on basis of new understanding believed partly

- 2 -

related to possible need for authorization signatories Paris Act, or signatories Five-Power Agreement. Joint recommendation by British, French and US in Berlin recommending procedure for turning over other values to ICCR acceptable to US, British and French govts would be sufficient in British view for new understandings.

French first noted they had included in non-monetary gold all gold other than monetary. Agreed by British and US and accepted by French that industrial gold should not be turned over to ICCR. Baker and Compton claim for 35 percent share of here US gold and plan taken to Paris by French from their Zone mentioned US representative this connection gh French share uneasiness about action without signatories Paris Act but repudiate action their representative IARA who suggested reopening discussions non-monetary gold. proposal unauthorized by Paris and now withdrawn.

It was agreed that non-monetary gold already in France from Austria could be treated along with non-monetary gold found in Germany. Non-monetary gold under Austrian control, however, regulated by Article 44, Para 2 of draft Austrian Treaty, on which Soviet proposal differs from agreed US-UK-French draft. No decision reached on non-monetary gold in Austria under MG control, though consensus this might be treated like non-monetary gold found in Germany in event treaty not completed present conference. French prepared to turn contents Hungarian gold train cars found in French Zone Austria to ICCR provided Hungarian govt has no objection. Understood US delegate that Hungarian govt made no objection to action.

Sent Dept 1479, Dept repeat to Brussels for DoMoscows 20, Paris 60, London 173, Berlin 306, Vienna signed Smith".

Acheson

Decoded:hf
Typed:hf
quin

Reparations Delegation

Authority UND 768086
 By TJ NARA Date 7/1/99

RG 84 IARA File
 TGC 1946-50 Subj. File
 Entry 2113N Box 3

dbt

Repdel
std *RHP*

NON-MONETARY

Secstate

March 21, 1947, 7 p.m.

381 US URGENT

confidential

March 22, 1947, 9 a.m.

Secdel 1363.

For Reinstein and Kindleberger.

Reference is SECDEL 1363 Jan. 28, repta to Paris as 362.

Request you discuss with British and French whole question disposition non-monetary gold. As you know Dept. has communicated to both Govts decisions it has made re implementation by US Occupation Authorities Article 8 Paris Act. We have repeatedly both here and in London and Paris attempted learn what British and French are doing to fulfill their obligations under this Article. Neither Govt. has supplied information; you will recall that in absence definition non-monetary gold in Paris Act US in directive to Occupation Commanders has taken position that it includes all valuable personal property victims Nazi action which can not be returned owners or heirs because impossible determine nationality (for restitution purposes) or no surviving claimants. US has also decided apply non-monetary gold directive to American zone Austria, although language Paris Act apparently provides no legal basis therefor. US has taken position however that although Article 8 refers non-monetary gold "in Germany", parties knew at time this would include concentration camp loot which had already been transferred from Austria to Germany proper. US feels not unreasonable extend Article 8 to cover non-monetary gold which happened not to have been already removed from Austria at time of Paris Agreement.

British have failed so far indicate their reaction US decision. French have specifically refused accept principles followed by US under Article 8 and now suggest that definition non-monetary gold and applicability Article 8 Austria should be decided by IARA. Some time ago French Delegate IARA circulated memo there proposing reopening discussion non-monetary gold with view to allocating certain amounts to citizens

of

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Authority **UND 768086**
 By **TJ** NARA Date **7/1/99**

RG 84 IARA File
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 Entry 2113N Box 3

-2-

of countries other than those specified at ~~the~~ Five-Power Conference Paris last June. US firmly opposes IARA discussion Article 8 because circumstances indicate this would only lead to ~~efficiency~~ US interpretation Article 8 and provide basis protracted delay delivery assets IGCR-IRO.

Re so-called Hungarian gold train Austria. As you know US has made portion of train in its zone available IGCR and has requested French take similar action re portion train their zone. While US cannot insist such action or even legally press French for information re their plans this loot, US does feel that France should not retain loot for itself. If France unwilling surrender loot IGCR believe it should be returned Hungary. Expression this latter view which will be pressed in Paris next week by Hungarian Finance Minister Nyaradi, may help persuade French deliver to IGCR.

US feels its own prompt and extensive action under Paris Act entitles it inquire what other Govts. are doing, at least in Germany, and suggest expeditious action. As you may be aware, British at least have uncovered substantial hoards non-monetary gold (under US definition) their zone Germany. Request therefore you press British and French for information these matters and attempt once more obtain their cooperation in effective expeditious program. Text of US Directive being forwarded air pouch.

Sent Moscow as 616 repeated to Brussels for Dorr as 381 to Paris as 1058 to London as 1274.

ACHESON Acting

Decoded: ej
 Typed: ej

qufn.

REP. DEL.

206668

Authority UND 768026
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

*Reparations
PPT
Gold*

TRUE READING

Secstate, Washington

OFFICE OF THE UNITED STATES
OF AMERICA
APR 4 - 1946
BRUSSELS

April 3, 1946

317

April 3, 6:20 p.m.

clear

For Dorr.

1. For your information US views on 25 millions and on non-monetary gold in Article 8, Paris Agreement.
2. The 25 millions constitutes first charge on any assets Allies received from neutrals.
3. "Non-monetary gold" alluded to refers to entire contents boxes of valuables taken from concentration camp and political and racial victims excluding Ecclesiastical articles identified as belonging to particular faith and returned to such faith and identifiable articles which it is practical to return to former owners. Term thus includes jewelry, stones, currency, securities, etc.

*Paris
Agreement*

Repeated to Berlin as Departments 804.

ACHESON, acting

Authority UND 768086
By TJ NARA Date 7/1/99

RG 84 IARA File
TGC 1946-50 Subj. File
Entry 2113N Box 3

J. H. [unclear]

PARAPHRASE

From: Secstate

Date: March 21, 1946, 7 pm

No.: 253

Code: Secret

Received: March 22, 2:15 pm

FOR ANGELL, Number 183, and DORR

Sent to Brussels as Department's no. 253, repeated to United States Political Adviser, Berlin, as number 721.

The United States Representative to the Inter-Allied Reparations Agency is authorized, as per request contained in Brussels Embassy's telegram No. 281, of March 13 (no. 253 from Angell) to proceed with his British and French colleagues, when they are authorized as operating body, to implement paragraphs B, F, part three, Paris Reparations Agreement.

The Department is reluctant to accept Angell's suggestion for proof of gold loss in terms simple comparison of pre-occupation and post-occupation monetary gold stocks. Attested item-by-item demonstration of loss to Germany with dates of transactions believed necessary to distinguish losses to Germany from losses to ~~Italy~~ Italy in Yugoslavia, Albania, Greece, and such demonstration believed readily available in other countries.

Copies of such information should be sent to the United States Political Adviser, Berlin, as well as to the Department of State. Upon the receipt of the information from you, the United States Political Adviser will communicate it to OMCUS, who has already received instructions to undertake distribution when he receives necessary data on losses.

BYRNES

Decoded by J
Typed by J
Paraphrased by J