

DECLASSIFIED

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

RG 84 1ARA File
TGC 1946-50 Sub. File
Entry 2113N Box 3

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

50, AVENUE DES ARTS
BRUXELLES
TELEPHONE : 12.35.29

INT- 2881
O/BE

8 June 1955

From : The Secretary General

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.

Copy to : Monsieur A. Zipey.

With reference to my INT-2876, dated 31 May 1955, paragraph 1, I have now heard from the Bank of England that the seven gold bars referred to, which were included in the Swedish gold delivery, and which I described to the Bank of England, on the basis of the description given by the Federal Reserve Bank of New York are not good delivery on the London market.

It would appear, from my file, however, that the Sveriges Riksbank considered them to be good delivery bars and that they may possibly be good delivery on some of the main European markets (other than the London market).

I have, accordingly, written to the Bank of France enquiring whether these bars (which bear the 1934 stamp of the Prussian Mint and the 1936 stamp of the Swedish Mint) are good delivery on the Paris market.

If they are not, it would seem that they will have to be melted down and converted into United States Assay Office bars, in which case there may be a loss in melting which may reduce the total weight of fine gold delivered by Sweden to a figure slightly below that stipulated in the Tripartite Agreement with that country.

I will report further in due course.

*Transmitted slip
dated 6/11/55
ca A/ah*

J.A. Watson

J.A. WATSON,
Secretary General.

JAW/as.

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Authority UND 168086
By TJ NARA Date 7/1/99RG 84 - IARA File
TGC 1946-50-5-9; File
Entry 2113N Box 3AMERICAN EMBASSY, Brussels
April 26, 1955

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

Dear Sir:

I am informed by my Government that the Swedish Parliament has approved an agreement relative to the transfer of a quantity of some 6,000 kilograms of gold to the Tripartite Commission for the Restitution of Monetary Gold. The Swedish Riksbank has inquired whether the gold may be delivered in New York through the Federal Reserve Bank of New York for the account of the Commission. It is my understanding that the Governments of the United Kingdom and France have agreed to delivery of the gold to the Commission's account in the Federal Reserve Bank of New York and that the Swedish Riksbank and the Federal Reserve Bank have been notified. I also understand that this transfer would not involve any expenditures for the Commission since only a book transfer is required.

In view of the foregoing, I should appreciate your sending by telegraph to the Federal Reserve Bank of New York and to the Swedish Riksbank at Stockholm, after clearance with the British and French Commissioners, the necessary confirmation for transfer of funds. Such telegraphic confirmation could then be followed by airmail letter containing the signatures of the respective Commissioners.

Very truly yours,

Charles W. Adair, Jr.
United States Commissioner
Tripartite Commission for the
Restitution of Monetary Gold

c.c. Department - Otto Fletcher

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

50, AVENUE DES ARTS
BRUXELLES
TELEPHONE : 12.35.29

INT- 2836
C/FRB-
G/

10 January 1955.

From : The Secretary General

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.

Copy to : M. A. Zipcy.

Further to my INT-2835, dated 18 January 1955, I enclose a copy of a telegram which has been addressed to the Commission by the Federal Reserve Bank of New York and of my reply thereto.

I am not taking any further action at the present time, since

1° I understand, from the last paragraph of the American Commissioner's letter of 17 January 1955, that it is only after the list, which he referred to, has been received that it will be desired that the Commission inform the Federal Reserve Bank of New York of its willingness to have the gold deposited at that Bank, and

2° I am not in possession of sufficient information, at the moment, in particular as to whether the gold is good delivery or not and as to what arrangements have been made regarding expenses, to be able to draft a suitable letter of instructions to the Bank.

I assume that the British and French Commissioners will have received appropriate instructions from their respective Governments by the time the list referred to by the American Commissioner reaches this office and, acting on this assumption, I shall, as soon as I receive the list, draft appropriate instructions to the Bank, which I shall submit to the three Commissioners for signature.

J.A. Watson
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J.A. WATSON,
Secretary General.

JAN/JD

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COPIES

Telegram received from Federal Reserve Bank of New York
on 20 January 1955

MLT - Tripartite Commission for the Restitution of Monetary
Brussels.

- NEW YORK 175-35-19-1810 VIA BELRADIO -

- One Have to-day received six cases said to contain gold coins
American Consulate Salzburg Austria - Please instruct regarding
disposition - Federal Reserve Bank of New York.-

Telegram from the Tripartite Commission for the Restitution
of Monetary Gold to the Federal Reserve Bank of New York
sent on 20th January 1955

- Have submitted your telegram of nineteenth and a letter from
American Commissioner same subject to the Commission - STOP
Will communicate further with you as soon as possible -
Secretary General - Tripartite Gold Commission - Brussels.

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By TJ NARA Date 7/1/99

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January 17, 1955

Dear Colonel Watson:

I have been informed that a fund of approximately 100 kilograms of gold coin, found near Hintersee, Austria, has been agreed by the British, French and American Governments to belong to the gold pool. I am further informed that this gold is presently en route to New York via KLM, airway bill number 17423-45. The shipment is addressed to the Federal Reserve Bank, New York, to be deposited with the account of the Tripartite Gold Commission. It is expected to arrive in New York on January 19, 1955.

I am informed further that an exact list of the gold coins contained in the shipment is being sent to me in Brussels. When this list arrives, I shall forward it to you promptly. I understand that upon your receipt of that list it will be desired that the Tripartite Gold Commission officially inform the Federal Reserve Bank of New York of the shipment of gold coins by sending a copy of the list, stating at the same time the willingness of the Gold Commission to have this gold added to its deposit.

Very truly yours,

Charles W. Adair, Jr.
United States Commissioner

Colonel J. A. Watson,
Secretary General,
Tripartite Commission
For The Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.

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

50, AVENUE DES ARTS
BRUXELLES
TELEPHONE : 12.35.29

INT-2834
C/MTC/135

10 January 1955

From : The Secretary General

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.

Shortly after circulating the Minutes of the 135th Meeting as final (my INT-2832, dated 17 December 1954.) I informed the American and French Commissioners, by telephone, that there had been a slight misunderstanding and that whereas I had understood that the Chairman was in agreement with my draft he, in fact, intended to request certain minor amendments insofar as his own statements were concerned.

I have now received these amendments. They all affect page 2 of the Minutes which were inadvertently sent out as final.

I have had page 2 re-typed, incorporating the amendments requested by the Chairman and I enclose photocopies herewith.

I should be obliged if the Commissioners' secretariats would kindly replace the old page 2 by this new page 2 in the Minutes which were sent out as final on 17 December 1954.

Any inconvenience caused is much regretted.

J.A. Watson

J.A. WATSON,
Secretary General.

*Reopened 652
11/2/55
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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 maintained his previous position that the question of how certain recoveries should be treated was within the powers of the Commission, and should be dealt with in each case separately having regard to the information in the hands of the Commission. In his view, there was no question of adopting a general principle based on a theoretical interpretation, as the circumstances of each case were quite different. It was the Commission's duty, in his view, to come to a decision in each case.

If however, in any particular case, the Commission should come to the unanimous conclusion that the question of how the Commission proposed to treat a recovery required an instruction by the three Governments, then a reference would have to be made.

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 stated that he had a long statement to make on the subject of gold recoveries. The Chairman stated that he understood that this was a long technical document which, in his view, it was quite inappropriate for the Commission to attempt to discuss without careful preliminary study by the Commissioners. He had no objection to the French Commissioner tabling the technical statement.

The French Commissioner then tabled a statement as follows :

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By TJ NARA Date 7/1/99

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TGC 144-50 Sub File
Entry 213N Box 4

COMMISSION TRIPARTITE
POUR LA RESTITUTION DE L'OR MONETAIRE

file

TRIPARTITE COMMISSION
FOR THE RESTITUTION OF MONETARY GOLD
350 AVENUE DES ARTS
BRUXELLES
TELEPHONE 223529

Paris, le 8 Novembre 1955

Mr. Charles W. ADAIR Jr.
Commissaire du Gouvernement des Etats-Unis
Commission tripartite pour la restitution
de l'or monétaire
Ambassade des Etats-Unis
Boulevard du Regent
BRUXELLES

10702

Mon cher Ami,

Je vous remercie de votre lettre du 31 Octobre relative
aux 50 pièces de 20 Francs que mon Gouvernement désirerait verser
à la masse.

Je crains de m'être mal exprimé dans ma lettre du
13 Septembre par laquelle je donnais des précisions à leur sujet.

En fait, ces pièces ont fait l'objet d'une spoliation en
France, mais c'est en Allemagne, à Petersberg-Fulda, où les avait
transportées l'auteur de la spoliation, qu'elles ont été trouvées.
Et c'est un ressortissant allemand, curé d'une localité allemande,
qui les a remises aux Autorités françaises d'occupation en Allemagne,
comme l'exigeait la loi n° 53 édictée en Allemagne par le Conseil
de Contrôle.

La décision prise à Bruxelles par nos trois Gouvernements
le 10 Janvier 1950 assimile l'or versé au titre de cette loi à de
l'or monétaire revenant à la masse et par ailleurs, l'or trouvé en
Allemagne n'est pas, même s'il est identifié, un bien susceptible
de restitution directe selon le régime général.

Je me permets de vous rappeler à ce sujet deux cas précis :
- il y a quelques années, une mission yougoslave avait
identifié parmi de l'or découvert en Allemagne certaines quantités
qui avaient fait l'objet de spoliation en Yougoslavie. Elle avait

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présenté aux Autorités britanniques une demande de restitution directe. Un fonctionnaire de la zone avait cru pouvoir leur donner satisfaction mais, dès qu'ils apprirent le fait, nos trois Gouvernements firent savoir au Gouvernement yougoslave qu'il s'agissait d'une erreur et que la quantité remise serait considérée comme une avance sur attribution au titre de sa demande devant la Commission, ce que le Gouvernement yougoslave admit sans aucune difficulté.

2° - La Société française Dollfus-Nieg avait ^{identifié} retrouvé en Allemagne des lingots lui appartenant que les Allemands avaient pris en France, en 1942, je crois, et transporté en Allemagne. Ces lingots, retrouvés par les Autorités d'occupation, avaient été versés à la masse et transportés à Londres.

La Société Dollfus-Nieg intenta alors devant les tribunaux britanniques un procès à nos trois Gouvernements, exigeant la restitution de cet or. Nos Gouvernements défendirent leur décision en rappelant que l'or avait été trouvé en Allemagne et qu'en vertu du paragraphe A de la Partie III de l'Accord de Paris, il devait être versé à la masse. Les tribunaux leur donnèrent raison.

Les 50 pièces sont exactement dans la même situation :

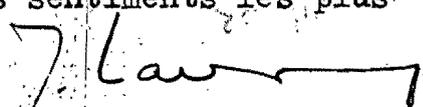
- a été pris en France par les Allemands,
- a été transporté en Allemagne,
- a été retrouvé par les Autorités d'occupation en Allemagne ou leur a été livré, ce qui revient au même,
- a été identifié comme ayant fait l'objet de spoliations en France.

Il semble donc qu'il ne soit pas possible d'adopter pour les 50 pièces une solution différente de celle qui a été défendue par nos trois Gouvernements dans un procès qui se termina en leur faveur devant la Chambre des Lords.

Je m'excuse de n'avoir pas insisté plus tôt sur cette analogie, mais je vous serais très reconnaissant de bien vouloir appeler sur elle l'attention de votre Gouvernement en lui faisant part de mes regrets de n'avoir pas non plus clairement précisé que Petersberg-Fulda, où les 50 pièces ont été trouvées, était une localité située dans l'ex-zone d'occupation française en Allemagne.

Je demeure naturellement à votre entière disposition pour vous fournir tout autre renseignement que vous pourriez désirer.

J'espère avoir le plaisir de vous revoir prochainement et je vous prie de croire, Mon cher Ami, à mes sentiments les plus sincèrement dévoués.


J. LANSON.

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 By TJ NARA Date 7/1/99

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 Entry 2113N. Box ~~4~~ 4

Embassy translation of letter of November 8, 1955 from Mr. Lanson

My dear Friend:

I thank you for your letter of October 31 relative to 50 coins of 20 francs that my Government desires to put in the gold pool.

I am afraid I did not express myself clearly in my letter of September 13 in which I gave some details on the subject.

In fact, these coins were the object of seizure in France, but it was to Germany, to Petersberg-Fulda, where they were transported by the perpetrators of the seizure and where they were found. It was a German subject, a parish priest of a German locality who, according to law No. 53, enacted in Germany by the Control Council, handed them over to the French occupation authorities.

The decision taken in Brussels by our three Governments on January 10, 1950 likens the gold paid in under this law to monetary gold reverting to the fund and, on the other hand, the gold found in Germany is not, even if identified, a property which can be restituted directly, according to the general system.

I remind you of two precise cases on the subject:

1) Some years ago a Yugoslav mission had identified, among gold found in Germany, certain quantities which had been the subject of seizure in Yugoslavia. Yugoslavia presented to the British authorities a direct restitution request. An official in the Zone thought he could grant their request but as soon as our three Governments heard about it they advised the Yugoslav Government that it was an error and that the quantity involved would be considered as an advance on its rightful claim requested before the Commission, which the Yugoslav Government accepted without difficulty.

2) The French company, Dollfus-Mieg, had identified, in Germany, gold bars belonging to them which the Germans had taken in France in 1942, I believe, and transported to Germany. These bars, found by the occupation authorities, had been put in the gold pool and transported to London.

The Dollfus-Mieg company brought an action against the three Governments requesting restitution of the gold. Our Governments defended their decision, recalling that the gold had been found in Germany and that by virtue of paragraph A of Part II of the Paris Agreement had to be put in the gold pool. The court upheld their decision.

The 50 coins are exactly the same situation. In both cases the gold

- was taken by the Germans in France,
- was transported to Germany,
- was found by the occupation forces in Germany or was delivered to them, which is the same,
- was identified as having been the object of seizure in France.

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It seems, therefore, that it is not possible to adopt for these 50 coins a different solution from that taken by our three Governments in a lawsuit which ended in their favor before the House of Lords.

I apologize for not having insisted sooner on this analogy, but I would be grateful if you would draw your Government's attention to it, informing them of my regret at not having pointed out that Petersberg-Fulda, where the 50 coins were found, is located in the ex-French zone in Germany.

I am, of course, at your disposal for any other information you may desire.

/s/

J. Lanson

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By TJ NARA Date 7/1/99

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Entry 2113N Box 4

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

50, AVENUE DES ARTS
BRUXELLES
TELEPHONE : 12.35.29

INT- 2944
CG/CZ

26 October 1955

From : The Secretary General

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

With reference to my statement after the decision on Item 2
at the 139th Meeting, I enclose an amended re-draft of the adjudication
on the Gisch recoveries, incorporating the French Commissioner's
suggestions.

J.A. Watson

J.A. WATSON,
Secretary General.

*Letter to
Mr. Fletcher
11/3/55
ava/ah*

enc.

JAW/as.

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By TJ NARA Date 7/1/99RG 84 IARA Files
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Entry 213N Box 4

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A stage has now been reached where the Commission has validated all the claims submitted by the Government of Czechoslovakia (with the exception of that in respect of 1,000,000 kg of fine gold which were "administered" by the Slovakos), but there remains one important point to be considered. The Government of Czechoslovakia's replies to the Commission's Questionnaire and the accompanying documentation have shown that, as a result of a number of operations effected during the period from the Munich Agreement to the liberation, 9,107,447 kilograms of fine gold were set aside at the Swiss National Bank for account of the National Bank of Slovakia, a Bank which was created at the instigation of the Germans, in circumstances which have been described earlier in this adjudication. A further amount of 200,5000 kilograms of fine gold was set aside, during this same period, for the account of the latter Bank, at the Bank for International Settlements in Switzerland. All this gold was recovered by the reconstituted National Bank of Czechoslovakia after the liberation. Mr. Hajek, the Representative of the Government of Czechoslovakia, stated, at a hearing before the Commission, on 21 November 1951, that "the reason why the Government of Switzerland agreed to this transfer is that the National Bank of Czechoslovakia when reconstituted, was considered the legal successor of the National Bank of Bohemia and Moravia and of the National Bank of Slovakia" and the Commission is satisfied, from the evidence furnished, that this was so.

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The Commission finds itself faced with the following situation:

The Government of Czechoslovakia has claimed that all the gold reserves of the Central Bank, constituting monetary gold belonging to Czechoslovakia within the meaning of Part III of the Agreement, were looted by, or wrongfully removed into Germany, with the exception of certain small amounts, which were held in Slovakia (gold valued at some 42,000 crowns) and abroad (including some 27 kilograms which appear to have been held in Switzerland). The Commission has ruled that the Government of Czechoslovakia's contention is correct, except insofar as the 1,000,000 kilograms of fine gold referred to in the preceding paragraph are concerned, and it has indicated all that Government's claim save one. Yet, the National Bank of Czechoslovakia, which had lost all its gold reserves as a result of German action, came into possession, after it had been reconstituted, of 7,107,447 kgs of fine gold which had accumulated at the Czech National Bank as a result of operations effected by the German controlled National Bank of Slovakia, and of 304,000 kgs of fine gold which had been credited to the latter bank's account at the Bank for International Settlements.

The Commission which indicated, in its letter of 13 March 1947 and in the questionnaire sent out with it, that it would take losses and gains into account, holds that it is competent to effect such adjustments in its allocations to the Government of Czechoslovakia as may appear, to it, to be appropriate in the light of the above-described situation. Before proceeding further, however, the Commission considers it necessary to set forth certain explanations regarding the gold credits in question and their origin.

The Government of Czechoslovakia has furnished a considerable amount of documentation and explanations on this subject but any attempt to describe the numerous operations involved or to quote figures in detail would only lengthen the addendum without adding to the facts.

It will be sufficient, for the purpose of this addendum, to divide the 7,107,447 kgs of gold recovered from the Czech National Bank into three categories: (1) gold purchased with funds of German origin (2) gold purchased with funds which were not of German origin and (3) gold which does not come under either of the above two headings, and to quote the final figures, in each category, making up the above-mentioned total of 7,107,447 kgs of fine gold. The 304,000 kgs of gold recovered from the Czech National Bank will be dealt with later.

Category 1: Gold purchased with funds of German origin.

In a letter, dated 18 February 1948, the delegate of Czechoslovakia stated that the National Bank of Slovakia purchased, in all, 5,388,557 kilograms of fine gold from the Reichsbank. The documentation furnished shows that these purchases were made against five Reichsbank drafts from the National Bank of Slovakia's "Reichsbank", which was that bank's account, at the Reichsbank, to which consideration in respect of goods delivered and services rendered by the so-called Slovak States was credited. The gold thus purchased was entered by the Reichsbank as a "credit draft" in an account in the name of the National Bank of Slovakia.

The documentation furnished also shows that, of this amount of 5,388,557 kgs of fine gold, 2,448,076 kgs of fine gold were sold back, by the National Bank of Slovakia, to the Reichsbank. The difference between these two amounts, namely 2,940,481 kgs of fine gold, was transferred (1) by the Reichsbank to the National Bank of Slovakia's account at the Swiss National Bank, which, after war, Slovakia entered it in the account for 2,940,481 kgs of fine gold.

(2) The books of the former National Bank of Slovakia show that this transfer was effected in two parts: 1,000,000 kgs of gold on 5 June 1941 and 1,940,481 kgs of fine gold on 8 July 1941.

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Statements made by the Delegate of Czechoslovakia also show that the National Bank of Slovakia used 1,500,000 Swiss francs received from the Reichsbank in exchange for five Reichsmarks from the National Bank of Slovakia's "Korunkonto", at the Reichsbank, for the purpose of purchasing gold through the Swiss National Bank, which gold was set aside by the latter Bank for the account of the National Bank of Slovakia. The amount of gold purchased with these 1,500,000 Swiss francs, at the rate quoted by the Reichsbank in 1941, must have been 312.2306 kgs of fine gold.

Thus, the exportation of goods to Germany by the so-called Slovak State enabled the German controlled National Bank of Slovakia to acquire, with funds of German origin, 3,710.6512 kgs of fine gold, constituting the first of the three categories of gold into which the Commission has divided, for the purposes of this adjudication, the recovery which was made from the Swiss National Bank by the reconstituted National Bank of Czechoslovakia after the liberation.

Category 2 : gold acquired with funds which were not of German origin.

The statements made and the explanations given, by the Delegate of Czechoslovakia, show that 3,310.6512 kgs of fine gold were purchased (1) by the Swiss National Bank for the account of the National Bank of Slovakia with Swiss francs from the latter's "Korunkonto".

The statements and explanations also show that these Swiss francs originated as follows:

- direct payments to the account in settlement of Slovak exports to Switzerland of "certain specialized goods". The Germans do not appear to have placed any restrictions on exports from Slovakia, which they had formed into a so-called "independent state", to neutral countries.
- a transfer, on 6 April 1941, of 3,001,766.65 Swiss francs from the National Bank of Slovakia's "verfugungskonto", which carried all credits in respect of Slovak exports of current goods to Switzerland.
- a transfer of 1,500,000 Swiss francs effected by the Reichsbank, on 4 September 1941, in exchange for five Reichsmarks taken from the National Bank of Slovakia's "Korunkonto" at the Reichsbank.

The 1,500,000 Swiss francs in question represented, in terms of gold, 312.2306 kgs of fine gold which have been included in category 1 under the heading "gold purchased with funds of German origin".

It is clear from what precedes that the remainder of the gold amounting to 1,998.4206 kgs of fine gold (3,310.6512 - 312.2306 kgs) was purchased by the Swiss National Bank for the account of the National Bank of Slovakia with Swiss francs received by the latter Bank in payment of Slovak exports to Switzerland.

The 1,998.4206 kgs of fine gold in question must, therefore, be placed in the second category under the heading : "gold purchased with funds which were not of German origin".

(1) 303.4506 kgs on 30 June 1941;
1,006.7771 kgs on 4 September 1941, and
1,000.6529 kgs on 17 June 1941.

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Category 3 : gold which does not come under either of the other two headings.

This is composed exclusively of 1,398.7758 kgs of fine gold placed at the disposal of the National Bank of Slovakia by the Reichsbank in exchange for gold of local extraction containing, according to a statement made by the Delegate of Czechoslovakia in his letter of 16 February 1948, 1,399.7859 kgs of fine gold (1).

It must be mentioned here that Article 8 of the "Regulations of the National Bank of Czechoslovakia, adjusting dealings in precious metals", issued pursuant to "Government Decree of 8th May 1936 (No. 122 in the Collection of Laws and Decrees) concerning dealings in precious metals", which have already been referred to in that part of this adjudication which deals with the gold of the Skoda works, reads as follows :

- (1) The ^{NATIONAL} Bank of Czechoslovakia reserves to itself the right to "purchase all gold mined and manufactured in the country."
- (2) The provisions of these regulations apply analogously to the manufacturers of gold ware and the owners of gold mines."

This leaves no doubt as to the status, in Czechoslovakia, of gold in this category at the time of the German invasion.

To sum up, the three categories of gold into which the Commission has divided the recovery from the Swiss National Bank, for the purposes of its adjudication, and the amounts included therein, are the following :

Category 1 : Gold purchased with funds of German origin	3,740.0148 kgs of fine gold
Category 2 : Gold purchased with funds which were not of German origin	1,998.6511 kgs of fine gold
Category 3 : Gold which does not come under either of the above two headings	1,398.7758 kgs of fine gold
Total	7,137.4417 kgs of fine gold

As will be seen below, the Commission decided that it would be useless to attempt to assess, in the light of the indications contained in its letter of 13 March 1947, a benefit or a loss to the Czech economy, in terms of trade or of industrial capital, during the period of German control, but it is clear, from all that precedes, that losses and gains of monetary gold have been precisely determined and the Commission must now consider to what extent the allocation it is about to make to the Government of Czechoslovakia is affected by the above mentioned recoveries.

With regard to the gold in Category 1, it must be recalled that the Commission, in its analysis, earlier in this adjudication, of the claim of the Government of Czechoslovakia in respect of 23,067.3040 kgs of fine gold, which it has decided were taken from the National Bank of Czechoslovakia in circumstances amounting to looting by Germany, has made the following statement in regard to 12,768.9601 kgs of fine gold, included in the above-mentioned amount, which were sold by the National Bank of Bohemia and Moravia (which was the name given by Germany to the National Bank of Czechoslovakia) to the Reichsbank, against free Reichsmarks :

- The Commission has examined with great care the question as to whether "by the sale of these 12,768.9601 kgs of fine gold by the National Bank of Bohemia and Moravia to the Reichsbank for free reichsmarks, Czechoslovakia "may not have obtained some real compensation which would justify the Commission

(1) 995.9053 kgs were delivered on 17 June 1944 and 402.8705 kgs were delivered on 17 August 1944; a small difference in weight of 1.0101 kg being settled in Swiss francs.

The making a distinction from the claim on this account. The Government of Czechoslovakia has stated, quite properly and frankly, in the opinion of the Commission, that it is possible that the economy of that portion of the country which was a Protectorate of Germany may have benefited and so possibly, Czechoslovakia, on the liberation, may have benefited to some degree, but the Government of Czechoslovakia has also pointed out, and the Commission agrees with it, that there is no method by which such compensation for benefits in Czechoslovakia itself could be assessed. Therefore, the Commission must hold that the feasible occupation of Bohemia and Moravia and the acquisition of a German Protectorate can only mean from the point of view of the Commission that all systems of the National Bank of Bohemia and Moravia were German actions dictated by Germany and for the benefit of Germany. In such circumstances there has not been any assessable benefit to the economy of Czechoslovakia of which the Commission could take account by such sale, by a German bank or rather a German controlled bank, of gold for free Netherlands, that gold having in the past been part of the monetary reserves of Czechoslovakia.

Thus, the Commission, in answer to the question as to whether the Czech economy benefited or did not benefit by the free Netherlands derived from the sale by the National Bank of Bohemia and Moravia of its gold to the Reichsbank has given Czechoslovakia the benefit of the doubt, namely on the grounds that the benefit to the Czech economy could not be ascertained. The process was reversed in the case of the National Bank of Slovakia, which purchased a definite amount of gold, viz. 3,770,000 kgs of fine gold, with free Netherlands (or Swiss francs received in exchange for free Netherlands) derived from the Reichsbank. In respect of exports from Slovakia to Germany. It is only fair, in these circumstances, that the Commission should take this gold into account.

If the Commission did not do so, the Government of Czechoslovakia would receive a share of the pool of monetary gold pro rata, to the totality (Namely 1,000,000 kgs of fine gold) of the loss which it claims it has suffered through German actions, whilst retaining 3,770,000 kgs of fine gold, which it has recovered and which came into being, broadly speaking, as a result of German actions. The National Bank of Slovakia was created at the invitation of Germany, and it was controlled by the Germans. Slovakia exported goods to Germany, undoubtedly in the interests of that country, and the goods were paid for in free Netherlands which were converted, by the Reichsbank, into gold which was sent to Switzerland for the account of the National Bank of Slovakia. One small parcel of gold was purchased with Swiss francs passed by the Reichsbank at the disposal of the National Bank of Slovakia in exchange for free Netherlands. The broad statement, made above, to the effect that all this gold came into being as a result of German actions, appears to be fully justified.

The Commission, having regard to the terms and principles governing its activities, to the recognized methods of interpretation of treaties, to the principles of law and equity in common use, and to the fact that failure by the Commission to take this recovery into account would lead to one state or country being afforded an important advantage to the detriment of all the other claimant countries, holds that the 1,770,000 kgs of fine gold in category 1 must be deducted from the share in the pool of monetary gold allocated to the Government of Czechoslovakia, in other words that it should be treated as a delivery on account of Czechoslovakia's share in the pool of monetary gold.

With regard to the gold in category 4, this was not purchased with funds of German origin. It came into being because the Germans allowed some measure of freedom to Slovakia in its trade with neutral countries. Germany derived no benefit from the exports in question and German actions was not unduly or directly disturbed or all embracing in this case so frankly the Commission in taking this gold into account the gold was more in the nature of a monetary reserve which accrued to the credit of Czechoslovakia at the behest of the National Bank after the invasion and which Czechoslovakia took over, after the liberation, much in the same way as other countries recovered, after their liberation, the gold reserves which they had sent abroad for safe custody under the threat of invasion. The Government of Czechoslovakia has, of course, lodged no claim in respect of this gold. In all the circumstances of this case, the Commission feels that the Government of Czechoslovakia must be given the benefit of this recovery.

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The gold in category 3 was gold which, under the laws in force at the time of the invasion, could have been given no other destination than the vaults of the Central Bank. It was in the form of ore at the time of the invasion, it is true, but the Czech Authorities were fortunate enough to be able to extract it and to set it aside, and the Commission feels that, in all the circumstances of the case, this gold can be treated in the same manner as the gold in category 2.

The only remaining question for examination is that which concerns the recovery by the National Bank of Czechoslovakia, after the liberation, of the 200.5682 kgs of fine gold which were held by the Bank for International Settlements, for the account of the National Bank of Slovakia.

This gold represented payment in respect of postal services rendered to various countries by the Slovak Ministry of Communications. The Commission understands that it was common practice for international postal traffic to be settled in terms of gold and this is confirmed by the fact that deliveries of gold by Hungary, Sweden and Denmark, in addition to Germany, entered into the composition of the above-mentioned amount, as follows :

Germany	185.76982 kgs of fine gold
Hungary	13.050028 " " " "
Sweden	1.72814 " " " "
Denmark	0.02021 " " " "
<hr/>	
Total	200.568198 kgs of fine gold.

The Commission is of the opinion that this is gold which would have accrued to Czechoslovakia whether it had been occupied by Germany or not, and that it must, consequently, be treated in the same manner as the gold in categories 2 and 3, that is to say that it should not be taken into account in the Commission's allocation to the Government of Czechoslovakia.

The Commission, therefore, pursuant to the mission entrusted to it and the powers conferred upon it by virtue of the Agreement and its Terms of Reference, finds as follows :

The Government of Czechoslovakia has established before the Commission, under Part III of the Agreement on Reparation from Germany, on the Reestablishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946, its claim in respect of 43,999,3638 (forty three thousand, nine hundred and ninety nine,3638) kilograms of fine gold. But the Commission also finds that Czechoslovakia has recovered monetary gold from the Swiss National Bank, 3,710,0148 (three thousand, seven hundred and ten,0148) fine kilograms of which must be set off against Czechoslovakia's share in the pool of monetary gold. A share of the pool of monetary gold established pursuant to the above-mentioned Agreement and administered by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and of France, is, therefore, allocated to the Government of Czechoslovakia, pro rata to the above-mentioned established loss of 43,999,3638 (forty-three thousand, nine hundred and ninety nine,3638) kilograms of fine gold, but there must be deducted from this share an amount of 3,710,0148 (three thousand, seven hundred and ten,0148) kilograms of fine gold which was received by Czechoslovakia in the circumstances which have been described above.

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The Government of Czechoslovakia has not established a Commission, under Part III of the above-mentioned Agreement amounting to 1,000,000 (one thousand and eight, 000, 000) kilogold, of its claim. No share in the pool of monetary gold be allocated to the Government of Czechoslovakia in respect balance.

Done, in duplicate, in Brussels, on

in the English and French languages, the two texts, one of which be deposited in the archives of the Government of the French Republic, equally authentic.

Commissioner of the
Government of the
United States of
America.

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

The Secret

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

INT- 2923
CC/CZ-

50, AVENUE DES ARTS
BRUXELLES
TELEPHONE : 12.35.29

20 September 1955.

SECRET

From : The Secretary General

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.

With reference to the decision taken under Item 2 at the 138th Meeting of the Commission, I enclose a re-draft, in English, of that part of the Commission's adjudication on the Czech claims which deals with the "Skoda works gold". This re-draft (on which the Commissioners will, no doubt, wish to comment, in due course) shows what the Commission's adjudication will "look like" if the French Commissioner's suggestions are adopted and the Commission's decision, as it now stands, is reversed.

It appears desirable that the translation into French should be made by the official translators of the Bank of France who, by arrangement with the Commission, translated the rest of the adjudication.

I, therefore, enclose an additional copy of the re-draft in the envelope addressed to the French Commissioner and I should be most grateful if the latter would be kind enough to arrange with Monsieur H. Lagarde, Head of the "Service des Etudes de la Banque de France", for a translation to be made, at the Commission's expense, as soon as convenient.

This re-draft gives rise to some comments which I venture to make in a secret note attached hereto.

*Enclosed with
letter to Fletcher
10/6/55*

J.A. Watson
J.A. WATSON,
Secretary General.

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JAW/JD

As against this, there is another explanation which is that, perhaps, Czechoslovakia did not consider it necessary to furnish this documentation because it did not constitute proof that the gold was carried on the books of the Bank, as required under the Commission's definition.

As against this, again, there is the fact that the Czech Delegate has made a formal statement to the effect that, under the permits, arbitrage was made from one currency into another currency and from currency into gold and that the Commission has been inclined to consider such statements, made by Governments, as acceptable evidence.

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SECRET

NOTE BY THE SECRETARY GENERAL

The Commission's view that, in certain circumstances, the characteristics of a parcel of gold may be such that it can be deemed to be monetary gold, even though it has not actually been entered in the books of a country's Central Bank, as laid down in the Commission's definition, is well known and need not be enlarged upon here.

The most typical case in this category is that which concerns the gold, extracted from the Bor blister copper taken away by the Germans, which, under the laws and contracts in force, could not be given any other destination than the Central Bank. It was deemed to have become monetary gold of Yugoslavia, directly it came into being, and the Germans, undoubtedly, looted it.

Gold extracted from the soil of Czechoslovakia and turned over to the Reichsbank which, in its turn, credited Czechoslovakia's account in Switzerland with an equivalent amount of gold, which was recovered by Czechoslovakia after the liberation, has been deemed to have been monetary gold of Czechoslovakia recovered, and, therefore, not to be taken into account in the Commission's adjudication.

Two small parcels of gold, in respect of which Greece claimed restitution, were also deemed to be monetary gold. One parcel was looted by the Germans from a para-statal institution which, under the laws in force, had no other choice but to surrender it to the Central Bank, but had not had time to do so. The second figured on the books of the ex-Central Bank of Greece which had been allowed, by the new Central Bank which took its place, to retain the gold for commercial purposes subject to a strict control by the Central Bank in whom the laws in force were considered to have vested the property of the gold. The gold was, in fact, in the hands of the Central Bank at the time it was looted. The situation, however, can only be fully appreciated by reading the adjudication in extenso.

Having regard to the above explanations, a decision on the lines of the enclosed re-draft would appear, at first sight, to be justified. There is a weakness, however, in the Czech case, as submitted. This is :

1° That gold is not mentioned in the letter of 31 August 1932, which the National Bank of Czechoslovakia sent to the Skodaworks and which contained a list of "correspondents" (in a great number of countries) of the foreign credits which the Skodaworks was authorised to maintain with them. Only currencies are mentioned.

2° It is difficult to understand why Czechoslovakia has not furnished a single statement or application by the Skodaworks, or copy of a permit, delivered by the Bank. The fact that documentation of this nature would have considerably reinforced its thesis cannot have escaped its notice. One would have thought that some trace of these documents must have remained at the Bank, especially as the documentation furnished on other points is comparatively abundant. Yet, it makes no references to this matter and gives no explanation.

The explanation that springs to the mind is that there must have been some reason for not furnishing these documents and that this reason was, perhaps, that the gold was not considered as a means of payment but as industrial gold used by the Skodaworks for alloys.

As against this, there is another explanation which is that, perhaps, Czechoslovakia did not consider it necessary to furnish this documentation because it did not constitute proof that the gold was carried on the books of the Bank, as required under the Commission's definition.

As against this, again, there is the fact that the Czech Delegate has made a formal statement to the effect that, under the permits, arbitrage was made from one currency into another currency and from currency into gold and that the Commission has been inclined to consider such statements, made by Governments, as acceptable evidence.

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But even if the gold was industrial gold, the following question arises : Under the laws in force, such holdings had to be declared to the Bank, on the 5th of each month, and the Bank was entitled to take them over. Would the Commission not be justified, even in this case, in holding that the legal status of this gold was such that it could be deemed to be monetary gold ? I have purposely refrained from developing argumentation on this subject in the re-draft. The Bank's control over the gold was, perhaps, not so absolute as its control over foreign means of payment but it was very strong, nevertheless.

3. Part III of the Paris Agreement stipulates 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". If the French Commissioner's suggestion is adopted, the Commission will admit that gold in the hands of the Skodaworks, on 15 March 1939, date of the invasion by Germany of Czechoslovakia, can be deemed to have been monetary gold within the meaning of the Paris Agreement. No evidence, however, has been furnished showing the definite amount of gold held by the Skodaworks at that date. The evidence only shows the definite amount of gold which was held by the Skodaworks and surrendered to the National Bank of Bohemia and Moravia in August 1940, nearly eighteen months later, and the Commission has refused to accept the thesis that the gold became monetary gold at that time as a result of its passage through the Bank of Bohemia and Moravia on its way to the Reichsbank. It is conceivable that there may have been no gold in the hands of the Skodaworks in March 1939 and that it accumulated during the period March 1939 to August 1940 at a time when the circumstances were such that the Commission has held that it could not be deemed to be monetary gold. Indeed, one is entitled to wonder whether this is not the reason why Czechoslovakia has not furnished any copies of statements, applications and permits. On the other hand, it seems hardly likely that the Skodaworks would have been allowed to acquire gold after the German invasion. The Commission may wish to consider whether the presumption that the definite amounts in March 1939 (which is the date that counts) and August 1940 were the same, is sufficiently strong to justify an award for this amount in favour of Czechoslovakia, the looting itself being considered as proved. This particular aspect of the case differs from that of the gold of the ex-Central Bank of Greece, inasmuch as the definite quantity of gold, in the latter case, was known before the invasion, since it was packed, owing to the threat of invasion, in boxes, contents of which were inventoried, and deposited for safe-keeping with the Central Bank. I have refrained from introducing argumentation on this point in the re-draft.

This completes my study of the re-draft in relation to other cases of a similar nature where the Commission has felt justified in adjudicating in favour of the claimant in certain "border line" cases, where it has considered that the balance of evidence was in favour of the claimant.

The Commission has, however, rejected certain claims in respect of considerable quantities of gold collected by Central Banks from private persons on the grounds, broadly speaking, that the collecting Bank was under German control, that the gold collected was in the hands of private persons who were not, under the laws in force at the time of the German invasion, under an obligation to declare or surrender the gold to the Central Bank which, therefore, had no lien upon it, of any description. In one case, which will be referred to later in this note, there were foreign exchange regulations in existence prior to the invasion but the gold offered by private persons had not been accepted and had been left, freely, in the hands of the holders. Furthermore, the claimant Government could produce no documentation in support of its claim. The Commission held that there had been, merely, German looting of privately owned gold through the intermediary of the German controlled Central Bank and that the fact that it passed through the Bank on its way to the Reichsbank did not have the effect of making it a part of the genuine gold reserves of the Bank, however cleverly the operation was camouflaged by the Germans.

It is necessary to examine whether the acceptance of the Czech claim in respect of the Skodaworks gold would "cut across" the argumentation used by the Commission in support of the rejections referred to above or furnish the unsuccessful claimants with grounds for querying the rejection.

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In the cases of Belgium and the Netherlands whose claims falling within the category which has been described, two paragraphs earlier, were rejected, no difficulty arises since there were no laws or regulations in existence prior to the German invasion imposing the declaration and surrender of gold to the Central Bank.

In the case of Poland a law to the above effect was promulgated a day after the German invasion and the regulations necessary to put it into execution were never issued. No danger arises here.

But in the case of Austria a somewhat delicate situation arises. There were foreign exchange regulations in force in that country at the time of the German invasion.

The Commission has rejected an Austrian claim in respect of nearly 13,000 kgs of gold on the same grounds, broadly speaking, as it rejects, in the enclosed re-draft, the second contention of the Czech Government to the effect that the Skodaworks gold became monetary gold when it passed through the National Bank of Bohemia and Moravia on its way to the Reichsbank. Its reasons for rejection are even stronger in the case of Austria than in the case of Czechoslovakia for, at the time the gold was collected by the National Bank of Austria, pursuant to a German (not an Austrian) decree, the Bank was actually in liquidation in favour of the Reichsbank.

Austria contended, however, that all this gold was a potential monetary reserve of Austria and it quotes in support of this contention the genuine pre-war Austrian foreign exchange regulations.

It is, therefore, necessary to examine the position as at 18 March 1938, date of the German invasion. What happened subsequently to 18 March 1938 was purely German and the Commission cannot take it into account. The Foreign Exchange Regulations provided for the declaration and offer to the National Bank of Austria of foreign means of payment, a term which must be held to include gold. It is clear that the National Bank did not necessarily take up the offer for the regulations say "where the National Bank of Austria releases the holding offered or where the notifier receives no advice from the Bank within the time limits specified, the holding notified will be freely at his disposal subject to foreign exchange regulations". Any gold actually surrendered under these regulations must, necessarily, have been included in the gold reserves of the Bank, in respect of which the Commission has adjudicated in favour of Austria.

The question which arises is are there any points in common between the Skodaworks gold and the foreign means of payment (in gold) which were offered to, but not taken over, by the National Bank of Austria? Austria has explained that the reason why it was not taken over was that "owing to the favourable development of the foreign exchange position in the last few years before 1938 the Bank had purposely refrained from a more vigorous collection of the gold and foreign exchange values of the country". For the purposes of this study it must be pointed out that there were two categories of gold holdings in Austria, those which were considered as a foreign means of payment, which were regulated, as explained above, and those which were not considered as foreign means of payment in respect of which Austria has given the following explanation:

" There was, however, no general obligation to declare
"officially gold holdings which were not foreign means of
"payment. On the other hand, as the representatives of the
"Austrian Federal Government explained before the Commission
"on September 24, 1951, in view of the close contact between
"the Austrian banks and the Austrian National Bank and through
"the reports the banks regularly sent to the Austrian National

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"Bank on their foreign exchange position, the extent of the
"gold ingots held at home and abroad by Austrians or Austrian
"firms were always well-known to the Management of the Austrian
"National Bank. The latter always considered these ingots as
"well as the gold coins held by the banks and individuals in
"Austria as a potential part of its gold reserve because by
"virtue of the then existing foreign exchange regulations
"nobody was allowed to use this gold for payments without
"special permission from the Austrian National Bank, so that
"it was practically blocked. For the Austrian Federal Govern-
"ment, upon request of the Austrian National Bank, would have
"issued the necessary administrative regulations any time
"ordaining the declaration and surrender of the thus blocked
"gold holdings to the Austrian National Bank. By virtue of
"the law of October 8, 1931, BGBl.Nr. 305/31, the Government
"was authorized to issue such regulations without enactment
"of a new law".

It is clear, therefore, that there were two categories of gold in Austria. The first consisted in gold considered as a foreign means of payment, which had to be declared and offered to the Central Bank, although the latter was not obliged to accept it and, indeed, left it, in many cases, in the hands of its holders. The Commission admits, in the enclosed re-draft, that some trace of the statements and applications made by the Skodaworks to the Czech Central Bank and of the permits granted by the latter must have remained in the files of the Bank. It must, therefore, admit that some trace of the declarations and offers made by Austrian Nationals and firms to the Austrian Central Bank must have remained at the Bank.

The second category of gold in Austria consisted in gold which was not a foreign means of payment and did not have to be declared and offered to the Central Bank, but Austria says that its whereabouts was known (which was probably the case, at least insofar as the more important firms were concerned), that the gold could not be used except with the permission of the Bank and that regulations could have been issued making it obligatory to surrender the gold. There is an obvious difference, in law, between the position of this gold and that of the Skodaworks gold but, from a factual point of view, the difference is not so great.

With regard to the first category of gold in Austria, namely the gold which was considered as a means of payment, there is also a difference, both in law and in fact since, in the case of the Skodaworks gold, the Czech Central Bank had absolute control over it and had only allowed the Skodaworks to retain it, as a matter of administrative convenience and subject to day today supervision of the Bank. In the case of the foreign means of payment in gold in Austria the Central Bank had not accepted the offer which was made to it and had left the gold in the hands of the holders, subject, however, to its being surrendered upon request. The holders, however, could not use it without permission of the Bank.

In the matter of documentation there is also a difference. The Czech Government has produced two letters, relevant texts of which are quoted in my re-draft. The Austrian Government, on the other hand, has stated "that nowhere in the books of the Bank are such holdings of gold recorded and that no documentation can be produced". But, as I have pointed out above, in this study, the Czech documentation is not all that it might be.

If the Austrian Government obtains, as it may well do, a copy of the Commission's adjudication on the Czech claims, as re-drafted, after it has been published, it may endeavour to find some of the main declarations and offers made and, in the event that definite figures should be mentioned, it would be an almost better position than the Czech Government since, as I have pointed out, the definite amount held by the Skodaworks, on the day of the invasion, has not,

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in fact, been proved. There is also the question of the gold which was not a foreign means of payment. It is probable, judging from the documentation I have seen, that the Austrian Government could quote at least the names of some holders and the amounts they held as at the date of the invasion. It is not out of the question that a perusal of the adjudication on the Czech claim (as redrafted) might lead the Austrian Government to make an extensive search for declarations and offers with a view to contending that the gold in the first category, at least, should have been dealt with in the same way as the Skodaworks gold in the enclosed re-draft.

The question which arises is, does the Commission consider that it can, without risk, admit the Czech claim in respect of the Skodaworks gold, whilst maintaining its rejection of the Austrian claim ?

It would seem that if the Commission considers, after a further examination, that its original decision to reject the Czech claim in respect of the Skodaworks gold must be maintained, the decision, should, in any event, be re-drafted so as to reinforce the argumentation for rejection.



J.A. WATSON,
Secretary General.

30 September 1955.

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

50, AVENUE DES ARTS
BRUXELLES
TELEPHONE : 12.35.29

INT- 2898
G/.

30 July 1955

From : The Secretary General

To : The Commissioner of the Government
of the United States of America ✓CONFIDENTIALThe Commissioner of the Government
of the United Kingdom of Great Britain
and Northern IrelandThe Commissioner of the Government
of the French Government,

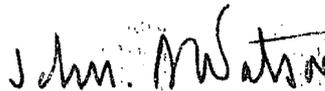
I enclose, for information, a simplified statement of the gold
accounts, as at 30 June 1955.

Almost every figure represents the net result of a number of
operations. Insofar as deliveries to the pool are concerned, for instance,
there have often been a number of deliveries from the same source, spread
over a number of years and many bars included in the deliveries, together
with unidentifiable, broken or defaced coins, have had to be melted
(involving a loss in melting) and converted into good delivery bars. Only
the net total accruing to the pool, from each source, has been indicated.

Insofar as deliveries on account to claimant countries are concerned,
many of these countries have each received several deliveries on account,
spread over a certain period of time. Some of the bars delivered have, by
agreement, been melted down by the Mints of the countries concerned and
converted into good delivery bars and the Commission has made additional
deliveries to cover the losses in melting and the expenses incurred. In
some cases counterfeit or false coins found in the deliveries have had to
be replaced by the Commission. In other cases the amounts delivered have,
for technical reasons, been slightly in excess of the amounts signed for
and the accounts have had to be adjusted.

Only the net totals of the deliveries on account to each claimant
country have been indicated.

It will be appreciated that it is not possible to give details,
with individual items and dates, in a statement of this nature, but I shall
be glad to furnish any information which the Commissioners may require.



J.A. WATSON,
Secretary General.

Transmitted
8/5/55
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SITUATION DU POOL D'OR MONETAIRE AU 30 JUIN 1955.

Origine de l'Or	Lieu du Dépôt								Total en onces	Total en kilogrammes
	Allemagne - Autriche		Federal Reserve Bank		Bank of England		Banque de France			
	Lingots	Monnaies	Lingots	Monnaies	Lingots	Monnaies	Lingots	Monnaies		
	onces	onces	onces	onces	onces	onces	onces	onces	onces	kgs.
<u>Allemagne-Zones:</u>										
(a) américaine	3.783.413,606	3.771.492,075							7.554.905,681	234.983,8670
(b) britannique	2.758,672	74.226,476							76.985,148	2.394,5061
(c) française	0,620	104,564							105,184	3,2716
<u>Autriche</u>	2.731,687	135.991,774		3.149,812	2.903,063	647,329			145.423,665	4.523,1822
<u>Espagne</u>			644,531	40,107	3.267,271				3.951,509	122,9181
<u>Japon</u>			4.815,541						4.815,541	149,7801
<u>Portugal</u>				1.174,864					1.174,864	36,5424
<u>Roumanie</u>					578.700,153				578.700,153	17.999,5893
<u>Suède</u>			422.953,549						422.953,549	13.155,3278
<u>Suisse</u> (B.R.I.)			1.659.121,321		120.243,777				1.659.121,321 120.243,777	51.604,4488 3.740,0001
<u>Transferts d'Allemagne</u>	3.788.904,585	3.981.814,885	2.087.534,942	4.364,783	705.114,264	647,329	-	-	10.568.380,7923	328.713,4335
<u>Refonte de monnaies en lingots</u>	2.025,673,083	2.222.639,216	18.514,852	2.282,457	2.005.894,380	2.146.022,912	1.263,851	74.333,847	-	-
					4.346,812	4.346,812			-	-
TOTAL GENERAL	1.763.231,502	1.759.175,673	2.106.049,794	6.647,240	2.715.355,456	2.142.323,429	1.263,851	74.333,847	10.568.380,7923	328.713,4335
MONTANT DES LIVRAISONS										
<u>Autriche</u>	2.731,687	135.991,774	396.851,415		358.434,098	521.646,869			1.415.655,843	44.031,8249
<u>Belgique (livré à la France)</u>	1.240.742,109	1.145.325,760	528.426,720		520.975,361	282.793,189			3.718.263,139	115.650,9277
<u>Italie - Livré à la France</u>					463.664,343				463.664,343	14.421,5752
- l'Italie					14.917,944	269.710,696			284.628,640	8.852,9416
- la Yougoslavie						269.841,059			269.841,059	8.392,9963
<u>Pays-Bas</u>	491.294,953	453.479,6473	434.256,757		450.110,403	310.136,679			2.139.278,4393	66.539,0068
<u>Luxembourg (livré à la France)</u>	26.409,444	24.378,492	11.246,918						62.034,854	1.929,4999
<u>Tchécoslovaquie</u>			195.283,854						195.283,854	6.074,0077
<u>Yougoslavie</u>	1.656,130				8.549,340				10.205,470	317,4256
<u>Divers</u>										
<u>Ventes d'or</u>	369,333		17.243,774		1.613,433				19.226,540	598,0123

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 BY: JI NARA Date: 11/19/99
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 By DJ NARA Date 7/19/99
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Roumanie					578.700,153				578.700,153	17.999,5893
Suède			422.953,549						422.953,549	13.155,3278
Suisse (B.R.I.)			1.659.121,321		120.243,777				1.659.121,321 120.243,777	51.604,4488 3.740,0001
Transferts d'Allemagne	3.788.904,585 2.025.673,083	3.981.814,889 2.222.639,216	2.087.534,942 18.514,852	4.364,783 2.282,457	705.114,264 2.005.894,380	647,329 2.146.022,912	- 1.263,851	- 74.333,847	10.568.380,7923	328.713,4335
Refonte de monnaies en lingots					4.346,812	- 4.346,812				
TOTAL GENERAL	1.763.231,502	1.759.175,673	2.106.049,794	6.647,240	2.715.355,456	2.142.323,429	1.263,851	74.333,847	10.568.380,7923	328.713,4335
MONTANT DES LIVRAISONS										
Autriche	2.731,687	135.991,774	396.851,415		358.434,098	521.646,869			1.415.655,843	44.031,8249
Belgique (livré à la France)	1.240.742,109	1.145.325,760	528.426,720		520.975,361	282.793,189			3.718.263,139	115.650,9277
Italie - livré à - la France					463.664,343				463.664,343	14.421,5752
- l'Italie					14.917,944	269.710,696			284.628,640	8.852,9416
- la Yougoslavie						269.841,059			269.841,059	8.392,9963
Pays-Bas	491.294,953	453.479,6473	434.256,757		450.110,403	310.136,679			2.139.278,4393	66.539,0068
Luxembourg (livré à la France)	26.409,444	24.378,492	11.246,918						62.034,854	1.929,4999
Tchécoslovaquie			195.283,854						195.283,854	6.074,0077
Yougoslavie	1.656,130					8.549,340			10.205,470	317,4256
Divers										
Ventes d'or	369,333		17.243,774		1.613,433				19.226,540	598,0123
Droits de garde & de manutention					1.493,342			104,508	1.597,850	49,6987
Fonte et essai			14,546		843,650			1,243	859,439	26,7316
Perte à la fusion	27,846				173,380				201,226	6,2588
Achat sacs et divers					54,258				54,258	1,6876
Pièces fausses						5,652		0,453	6,105	0,1899
Solde au 30 juin 1955	1.763.231,502	1.759.175,673	1.583.323,984	-	1.820.829,552	1.654.134,144	-	106,204	8.580.801,0593	266.892,7846
TOTAL GENERAL	1.763.231,502	1.759.175,673	2.106.049,794	6.647,240	2.715.355,456	2.142.323,429	1.263,851	74.333,847	10.568.380,7923	328.713,4335

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By *TJ* NARA Date *7/1/99*

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TGC 1946-50 Sub. File
Entry *2113N* Box *4*

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

50, AVENUE DES ARTS
B R U X E L L E S
TELEPHONE : 12.35.29

INT- *2896*
C/FRB

22 July 1955

From : The Secretary General

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

Copy to : Monsieur A. Zipey

I would refer to my INT-2881, dated 8 June 1955, regarding the seven gold bars which were included in the delivery by the Sveriges Riksbank to the Commission's account at the Federal Reserve Bank of New York. The Commissioners will recall that some doubt arose as to whether these bars were good delivery or not and that the Bank of England was consulted and said that they were not.

Since, however, the Sveriges Riksbank appears to have considered these good delivery and since practices in the various gold markets vary considerably, I took the additional precaution of consulting the Bank of France.

The latter Bank stated that the description of the bars was not sufficient to enable it to give a firm opinion and it quoted, in detail, for the information of the Commission, the conditions of acceptance of gold bars by the Bank of France.

I forwarded this information to the Federal Reserve Bank of New York and asked the Bank if one of its experts could kindly check whether the gold bars answer the requirements of the Bank of France.

I enclose the reply received from the Federal Reserve Bank of New York which, although dated 28 June 1955, only reached this Office to-day.

In view of the opinion expressed in paragraph 2 of the reply I propose to consider the seven bars as good delivery for the purposes of the Commission and to take no further action in the matter.

*Transmitted
slip 7/26/55
cu A/ah*

2/.....

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By TJ NARA Date 7/1/99

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TGC 1946-50 Sub. File
Entry 213N Box 4

C. T. R. O. M.

PAGE No 2.

If there is a query when the bars are eventually delivered, small differences can be made good from the emergency reserve.

Unless I hear to the contrary from the Commissioners, I shall consider that my proposal is approved.

Mr. Zipoy is requested to kindly pass the appropriate entries through the Commission's books and to prepare a general statement of the gold accounts to date.

J. A. Watson

J. A. WATSON,
Secretary General.

enc.

JAW/as.

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Authority WD 1680 B6
BY JD NARA Date 7/1/99

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IGC 1946-50 505 F1
ENTR 2113N Box 4

COPI

ATH MAIL

FEDERAL RESERVE BANK
OF NEW YORK

Special Agent of the United States

New York 40, N.Y.
June 28, 1935.

Director, Commission for the Restitution
of Monetary Gold,
No. 50, Avenue des Arts,
Brussels, Belgium

Gentlemen:

Reference is made to your letter of June 16, 1935,
C/MB 2738, requesting us to advise you whether the seven gold
bars mentioned in our letter of May 24 would meet the require-
ments for good delivery bars outlined by Banque de France in its
letter to you dated June 14, a photocopy of which was enclosed.

We believe that the subject bars meet all of the
requirements for good delivery as outlined by the Banque de
France in its letter to you with the exception that the refiner
of the bars, the Brunstan Mint, is not listed by the Banque as an
approved assayer or refiner. However, as we advised you previously,
the seven bars in question also bear the stamp and serial number of
the Brunstan Mint (Kongl Myntet) which is listed by the Banque de
France as an approved refiner and assayer.

If you decide that the aforementioned bars do not meet
the requirements for good delivery, we suggest that you request
Swedjes Bank to authorize us to exchange these bars for other
gold bars which we believe would be considered as good delivery in
the London and Paris gold markets. An alternative would be to have
the seven bars converted into United States Assay Office gold bars.
We wish to mention, however, that the Assay Office upon completing
the melting and assaying of your deposit, would return to us for
your account bars having a fineness of not less than 995 thousandths.
The bars received by us would contain as nearly as possible the fine
gold content of your deposit less the charges imposed by the Assay
Office. The small difference in value between the gold and its
settlement and the gold actually issued would be adjusted by means
of a cash payment which we would credit to your dollar account on our
books. We are enclosing a statement indicating the cost of convert-
ing the gold bars into United States Assay Office gold bars.

If we can be of any further assistance in this matter,
please do not hesitate to write to us.

Yours faithfully,

(sgd) Herman F. Davila,
Assistant Vice President.

Enclosure.

sh

206701

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Authority WWD 768086
By TJ NARA Date 7/1/99RG 84 NARA File
TGC 1946-50 Subj File
Entry 2113N Box 4COPY (as)

ESTIMATED EXPENSES THAT WOULD BE INCURRED IN CONNECTION WITH THE RELEASE FROM BARRACK AT THE FEDERAL RESERVE BANK OF NEW YORK OF SEVEN GOLD BARS OF VARIOUS REFINERS WEIGHING 2,811.13 GROSS TROY OUNCES SAID TO CONTAIN 2,810.567 TROY OUNCES OF FINE GOLD FOR DEPOSIT AT THE U.S. ASSAY OFFICE AT NEW YORK FOR CONVERSION INTO U.S. ASSAY OFFICE FINE GOLD BARS AND SUBSEQUENTLY RETURNED TO THE FEDERAL RESERVE BANK OF NEW YORK FOR BARRACK.

LABOR COSTS

<u>Release charge</u>		
7 bars @ 21.62¢ per bar		\$ 1.51
<u>Barrack charge</u>		
7 bars @ 33.57¢ per bar		2.35

TRUCKING

Bank to Assay Office (minimum charge)		18.98*
Assay Office to Bank " "		18.98*

INSURANCE

Bank to Assay Office		
1/2¢ per \$1,000 on \$99,000		.50
Assay Office to Bank		
1/2¢ per \$1,000 on \$99,000		.50

ASSAY OFFICE CHARGESMelting

2,811.13 gross troy ounces at 25¢ per 100 gross troy ounces or fraction thereof		7.25
---	--	------

BAR CHARGE

6¢ per \$100 on valuation of bars issued (approximately \$98,300)		58.98
		<u>\$109.05</u>

* In the event we are able to move this gold with other gold the trucking charge would be reduced accordingly.

FEDERAL RESERVE BANK OF NEW YORK
FOREIGN DEPARTMENT
FOREIGN OPERATIONS DIVISION

JUNE 28, 1955.

206702

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

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TGC 1946-50 Sub. File
Entry 2113N Box 4



DEPARTMENT OF STATE INSTRUCTION

LIMITED OFFICIAL USE

NO. CA-3995 December 17, 1954
SUBJECT: Gold Found in Hintersee, Austria

TO: VIENNA BRUSSELS FOR ADAIR

EMBASSY OF THE UNITED STATES
BRUSSELS
JUL 2 1954

To:	Act:	Inf:
Amb.		
Coun.		
E. Couns.		
EPD		
Econ.		
USIA		
MDAP		
MIAA		
FOA		
Treas.		
Cons.		
Adm.		
Acots.		
G. S.		
Act. Note		

Reference is made to Vienna's Despatches No. 1576, May 3, 1954, and No. 15, July 2, 1954; also the Department's Instruction No. 460 to Vienna of June 22, 1954.

The British and French have concurred that the approximately 100 kilograms of gold coins found near Hintersee, Austria, belong in the gold pool. The Embassy in Vienna is therefore requested to inform the Austrian National Bank accordingly and make the necessary arrangements for the transfer to the Tripartite Gold Commission of the gold in question. It is suggested that the gold be boxed and dispatched by air express "valuable cargo" (preferably through Pan American World Airways) to the Federal Reserve Bank, New York, to be deposited with the gold account of the Tripartite Gold Commission at that bank. (For your information only, the Department is interested at present to build up the Commission's account in New York.)

The Embassy in Vienna is also requested to obtain from the Austrian National Bank an exact list of the gold coins contained in each box in the shipment and possibly the weight of each box and to send copies of the list to Mr. Charles W. Adair, Counselor, American Embassy, Brussels, and United States Commissioner on the Tripartite Gold Commission and to the Federal Reserve Bank, New York.

The United States Commissioner at the Tripartite Gold Commission is requested to cause the Tripartite Gold Commission to notify the Federal Reserve Bank of New York of the impending arrival of the gold shipment by enclosing a copy of the list received from Vienna and of the willingness of the Tripartite Gold Commission to have this gold added to its deposit.

The Embassy in Vienna is also requested to inform by cable the Federal Reserve Bank, New York, (repeat to Brussels for Adair) of the airway bill number under which the shipment is made and the approximate time of arrival in New York.

HOOVER, ACTING

LIMITED OFFICIAL USE

C.R.M.G.

<u>Country</u>	<u>Date rough text of adjudication sent out and amendments</u> (Representing numbers & dates of Secretary General's covering letter)	<u>Date approval</u>	<u>Date final edition sent out</u> (Representing numbers & dates of Secretary General's covering letter)
ALBANIA	INT-2632 30 Sept. 1953 INT-2650 22 Oct. 1953	133rd Mtg. 7 July 1954	INT-2654 27 Oct. 1953 (Last page to be completed at the last moment)
AUSTRIA	INT-2158 28 Jan. 1952 INT-2544 25 Mar. 1953 (Sec. Gen. re-draft)	129th Mtg. 24 July 1953 N.B. INT-2775 14 July 1954 (Unimportant addition awaiting U.S. Comm. approval)	INT-2648 21 Oct. 1953
BELGIUM	INT-2292 18 Apr. 1952 INT-2737 6 Apr. 1954 (Amendment page 14)	123rd Mtg. 22 Apr. 1952 U.S. Comm. appr. by teleph. 7 Apr. 1954	INT-2648 21 Oct. 1953
CZECHOSLOVAKIA	INT-2151 23 Jan. 1952 INT-2323 21 May 1952 (Revised version prepared by Chairman)	124th Mtg. 23 May 1953	INT-2648 21 Oct. 1953
GREECE	INT-2292 18 Apr. 1952 INT-2357 27 June 1952 (Full text sent out) INT-2543 25 Mar. 1953 (New pages 15 and 20)	123rd Mtg. 22 Apr. 1952	INT-2648 21 Oct. 1953
ITALY	INT-2324 21 May 1952 INT-2633 1 Oct. 1953 (S.G. rev. edition incor. Istcambi & gold Bank Albania)	130th Mtg. 16 Oct. 1953 (With a reserve regarding Istcambi gold)	INT-2654 27 Oct. 1953
LUXEMBOURG	INT-2129 21 Dec. 1951	123rd Mtg. 22 Apr. 1952	INT-2569 7 May 1953

R.M.C. (Cont.)

-2-

19 August 1954

NETHERLANDS	INT-2142	14 Jan. 1952	122nd Mtg. 10 Apr. 1952	INT-2592	30 June 1953
POLAND	INT-2212	29 Feb. 1952	123rd Mtg. 22 Apr. 1952	INT-2648	21 Oct. 1953
	INT-2446	15 Oct. 1952 (Full text sent out)			
	INT-2496	6 Jan. 1953 (New pages 15 & 15)			
	INT-2538	17 Mar. 1953 (Protocol as annex)			
POLAND (Danzig)	INT-2139	8 Jan. 1952	123rd Mtg. 22 Apr. 1952	INT-2648	21 Oct. 1953
YUGOSLAVIA					
117.55263	PER/YUG-2270	28 Mar. 1952			
	INT-2480	10 Dec. 1952 (S.G.'s redraft)	129th Mtg. 24 July 1953	INT-2758	17 May 1954
2,681.38020	INT-2156	23 Jan. 1952	132nd Mtg. 3 May 1954	INT-2758	17 May 1954
137.36884	INT-2066	20 Nov. 1951	125th Mtg. 20 June 1952	INT-2758	17 May 1954
12,264.92418	PER/YUG-36	24 Oct. 1951	125th Mtg. 20 June 1952	INT-2758	17 May 1954

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Entry 213N Box 4

TELEGRAM

Foreign Service of the
United States of America

INCOMING

MR ADAIR

CONFIDENTIAL

Classification

Control:
Recd:

FROM: SECSTATE SENT OCTOBER 11, 2 PM, 1955

TO: SENT LONDON 1952 RPTD INFO PRAGUE 99 BRUSSELS 415

a.

Brussels for Adair.

Subject: Czech share tripartite gold pool.

Reference: (Memoranda conversation August 22 and September 30 pouched all addressees).

British Embassy has advised of receipt draft note to Czechs informing them that British favored immediate release an installment of gold to Czechs but due US opposition impossible carry this out. Department officer reiterated plea for maintenance common front but view unlikelihood change British position requested at least omission reference to US and substitute "lack of agreement in the Commission and unresolved legal questions". Embassy officer agreed transmit our views London.

Request Embassy London emphasize to Foreign Office that statement in draft note to effect British unable carry out release gold to Czechs because opposition US not only gratuitous but inaccurate. Complete review of all tentative decisions proposed on Tripartite Gold Commission, including Czech, has not been made by US Government. Further legal questions raised by French within past year re Czech decision have introduced additional complications. Until these technical legal issues resolved and complete review made Czech decision cannot be agreed upon. Expect therefore if British feel it necessary inform Czechs at this time they will refer only to lack agreement in Commission and unresolved legal questions.

MURPHY

gt/bb
Typed 10/12/10:15 AM
Recd 10/12/9 AM

ECONOMIC COUNSELOR.....
(MR. ADAIR)

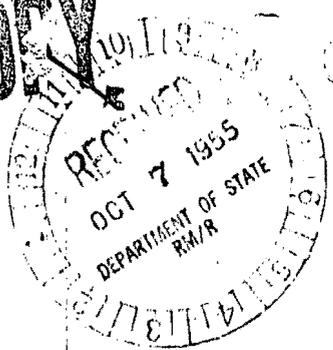
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MR ADAIR

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: September 30, 1955

SUBJECT: Response to UK Approach Concerning Czech Share of Gold Pool.

PARTICIPANTS: Mr. J.H.A. Watson, Counselor, British Embassy
EE - Mr. Jacob Beam
FN - Mr. Young
EE - Mr. Katz

Handwritten initials

COPIES TO: OFD - Mr. Corbett American Embassy London
FN - Mr. Young American Embassy Prague
L/E - Mr. Maurer American Embassy Brussels (for Adair)
EE - Mr. Trivers EE - Mr. Katz (2)
BNA - Mr. Taylor

13

1-1492

Mr. Watson called at our request to receive the Department's response to the British request that we agree to a prompt signing of the Czech award from the Gold Pool and agree to an early interim payment to Czechoslovakia of 10,000 Kgs. of gold. Mr. Watson was informed that the United States was unable to agree with the position of the UK for the following reasons:

Handwritten: xl 249/1141

1. As the UK was aware, we have found it politically impossible to agree to deliver gold to Czechoslovakia in view of its continued failure to settle claims against it by the United States and its nationals. We could not run the risk of turning the gold over to Czechoslovakia and then having Czechoslovakia refuse to settle our claims.

2. We hope in the near future to undertake negotiations with Czechoslovakia on outstanding economic issues between the two countries. The timing envisaged by the UK request would thus be unfortunate from the United States point of view.

3. We would, in any event, find it impossible at the present time to instruct our Commissioner to sign the Czech award without delay in view of certain technical legal complications in the Czech award which remain to be resolved. While these issues remain unresolved we could not agree to an interim payment to Czechoslovakia.

4. We hoped the UK could agree, for the present at least, to maintain a common tripartite front on this question vis-a-vis Czechoslovakia.

Mr. Watson

DWR
Ans 41
Rev

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- 2 -

Mr. Watson pointed out that the UK request was based on urgent domestic political considerations and said that the United States position would be received by HMG with great disappointment. He felt sure that his Government would now conclude that it must go its own way on this matter and inform the Czechs that the British Government is not standing in the way of a return of gold to Czechoslovakia.

We expressed regret that the British would find it necessary to take such action and reiterated our hope that they could maintain the common tripartite front on this matter for a while longer.

> B.

EUR:EE:JLKatz:dy
10/5/55

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By TJ NARA Date 7/1/99

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**OFFICIAL CORRESPONDENCE
RETURN TO FILE ROOM**

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*Mr. Adair
TGC
file*

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: August 22, 1955

SUBJECT: Czechoslovak Share of Gold Pool.

PARTICIPANTS: Mr. J. H. A. Watson, Counselor, British Embassy
Mr. D. F. Muirhead, First Secretary, British Embassy
Mr. P. H. R. Marshall, Second Secretary, British Embassy
Mr. Beam, EE
Mr. Katz, EE

COPIES TO: OFD - Mr. Corbett American Embassy London
MN - Mr. Rosenson American Embassy Prague
L/E - Mr. Maurer American Embassy Brussels (For Adair)
EE - Mr. Tivers (12) EE - Mr. Katz (2)

1-1493

Mr. Watson stated that he was calling upon instruction of the Foreign Office to advise the Department of a new situation that had arisen with respect to the Czech share of the gold pool. This situation has caused the Foreign Office to reexamine the previously agreed tripartite decision to delay completion of the Czechoslovak award. Because of several economic and political factors and in view of the international situation generally, HMG had concluded that it would be inadvisable to delay further issuance of the Czechoslovak award. Accordingly, HMG requested that the U. S. instruct its commissioner at Brussels to sign without further delay the Czechoslovak award, and pending issuance of the other awards and final distribution of the gold pool that the U. S. agree to make an early interim payment to Czechoslovakia in the amount of 10,000 Kg of gold. This would bring the interim distribution to Czechoslovakia up to 65% as compared with the 70% distribution received by all other claimant countries except Yugoslavia. The UK would also wish to bring the Yugoslavs up to a 65-70% distribution.

In explaining the economic and political factors which had led HMG to this conclusion, Mr. Watson pointed out that the UK was seeking a settlement of intergovernmental debts owed by Czechoslovakia in the amount of £ 20 million. The Czechs had informed the British that they could not take a positive attitude on these debts unless the British took a positive attitude on the distribution to Czechoslovakia of its share of the gold pool. The British believe that the Czechoslovaks cannot actually afford to pay

the

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Entry 2113N Box 4

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the debts unless they get the gold. They feel confident that Czechoslovakia would settle the debts if it received the gold.

Mr. Marshall pointed out that the gold problem was also affecting the trade and compensation agreement. Czechoslovakia had defaulted on its payments under the agreement and the British were cutting down on Czech export opportunities in the UK.

Mr. Watson said that the political factors were domestic ones which might set off a row in Parliament. The question of trade was one problem. British traders were becoming restive under the situation and might be expected to have the matter raised in Parliament. Another problem relates to the Czechoslovak view, shared by some people in the UK, that the British authorities failed to take appropriate action in 1939 to prevent Czechoslovak gold from falling into German hands. Thus, it is argued, if the gold had not been turned over to the Germans, Czechoslovakia would not have had to borrow during the war and the intergovernmental debts would not have been a problem now.

As a result of these factors and of the general international situation including the desire for expanded trade, HMG had concluded that Czechoslovakia should receive its share of the gold pool along with the other claimant countries.

Mr. Beam pointed out that we had our own series of claims against Czechoslovakia and that we hope to shortly get under way economic negotiations with the Czechs. He added that we were using the gold pool as justifiable leverage, and it would be difficult for us to now agree to a distribution of gold to the Czechs. He nevertheless promised that we would carefully consider the British proposal and would contact Mr. Watson when we were prepared to make a reply.

Mr. Katz, later in the day, telephoned Mr. Marshall to ascertain whether the British were planning to make a similar approach to the French. Mr. Marshall said that this was strictly bilateral at this point and there was no intention to talk to the French before a reply was received from the U. S. He added that he hoped we would keep the information given by Mr. Watson in the strictest confidence.

MUR:EE:JLKatz:dy
8/22/55

CONFIDENTIAL

RG 84 1ARA Fin
TGC 1446-50 Subj. Fin
Encl 213N Box 15

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Authority AND 168026
By I. NARA Date 7/1/92

SITUATION DU FOND D'OR MONETAIRE AU 30 JUIN 1955

Origine de l'Or	Allemagne		Federal Reserve Bank		Bank of England		Banque de France		Total en onces	Total en kilogrammes
	Lingots	Monnaies	Lingots	Monnaies	Lingots	Monnaies	Lingots	Monnaies		
Allemagne - Zones:										
(a) américaine	578,256,947	1,489,268							579,746,215	18,295,594
(b) britannique	74,226,476								74,226,476	2,317,358
(c) française		105,184							105,184	3,273
Autriche										
Espagne										
Japon										
Portugal										
Roumanie										
Suède										
Suisse (B.R.I.)										
Transferts:										
Allemagne	578,611,589	1,894,604,583							2,473,220,172	76,807,188
Refonte de monnaies en lingots	2,025,511,774	18,514,952							2,044,026,726	63,838,345
TOTAL GENERAL	1,760,499,815	1,623,187,899	1,513,145,310	1,174,864	2,715,255,456	2,142,323,429	74,331,660	10,276,439,539	318,295,594	
MONTANT DES LIVRAISONS:										
Luxembourg	26,409,444	24,778,132							51,187,576	1,572,919
Belgique										
Autriche										
TOTAL										



Allemagne	18,514,852	2,282,457	2,005,894,360	1,146,022,912	1,102,542	74,331,660	-	-
Refonte de monnaies en lingots	-	-	4,346,812	-	-	-	-	-
TOTAL GENERAL	1,760,499,815	1,623,185,899	1,913,145,310	1,424,323,429	1,102,542	74,331,660	10,334,397,593	318,295,594
MONTANT DES LIVRAISONS								
Luxembourg (diverses, France)	26,409,444	24,378,492	11,246,918	-	-	-	62,074,854	2,924,999
Autriche			152,650,007	330,862,153			1,276,972,382	39,717,042
			244,221,408	190,784,716				
Belgique (livre à la France)	1,240,742,109	1,115,225,760	528,426,720	282,797,189			3,718,263,139	115,650,927
Italie (livré à la France)			463,664,343				463,664,343	14,421,575
- l'Italie			14,917,944	269,710,696			284,628,640	8,852,941
- la Yougoslavie				269,841,059			269,841,059	8,392,953
Pays-Bas	491,206,970	453,497,948	209,201,609	310,132,656			2,139,278,459	66,539,006
	48,001	- 17,362	225,055,148	4,023				
	4,651	- 0,999						
	35,331							
Tchécoslovaquie			195,283,854				195,283,854	6,074,007
Yougoslavie	1,656,130						10,205,470	317,425
Divers	69,333						15,977,280	478,900
Ventes d'or						104,508		46,582
Droits de garde						1,150		26,720
de maintenance								6,258
Bonté et essai								1,687
Perte à la fusion	27,346					0,452		0,189
Achats et divers								
Pièces faussées				5,652				
Solde au 30 juin 1953	1,760,499,815	1,623,185,899	1,581,108,157	1,654,134,144	-	106,091	18,438,148,125	262,455,787
TOTAL GENERAL	1,760,499,815	1,623,185,899	1,913,145,310	1,424,323,429	1,102,542	74,331,660	10,334,397,593	318,295,594

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BY: **DI, NARA DRS** 1999

RG 84 1AAA F-2
100-50 Sub. F-1
Entry 2113N Box 15

206712

ANNEX B

STATUS OF CLAIMS AS AT 30th JUNE, 1948.

DECLASSIFIED
 Authority WD 7680/86
 By TJ NARA Date 7/1/99
 RG 84 IARA File
 TGC 1946-50 Sub. File
 Entry 213N Box 15

Country	Total Claim	Allocation made on claim for	Formally allowed for next distribution	Provisionally allowed	Possibly valid. No decision taken as yet	Provisionally disallowed	Classified as invalid	Observations.
ALBANIA	2,579.9023	2,338.7565 78.4865 37.6315					125.0278	Albanian established claim for gold removed from Edme. Claim withdrawn. (See 59th Meeting). Gold napoleons looted at Tirana. Complement of claim for gold napoleons looted at Tirana.
AUSTRIA	91,256.9156	57,324.3099 16,628.0554 12,989.7678			4,314.7825 →			Part of Austrian stock on 17th March, 1938. Complement of Austrian stock. Salzburg gold. Purchases from private persons by National Bank of Austria in liquidation.
BELGIUM	204,868.0736	198,433.8417					6,434.2319 ←	National Bank of Belgium. Purchases from private persons by Banque d'Emission. This gold did not become part of the monetary reserve of Belgium.
CZECHOSLOVAKIA	45,008.2784	6,375.8588 6,920.5597		12,768.9601 → 3,397.7842 →	14,536.2010 1,008.9146 →			Coins belonging to the National Bank. Part of gold held at the Bank of England. Gold sold to the Reichsbank. Final decision postponed for further study. Data requested 5th May, 1948. Acquisitions of German gold in Switzerland. Provisionally allowed subject to the concurrence of the French Adviser. Cover for Sudeten notes. Despatch of letter requesting supplementary data 13th May, 1948. Skodaworks gold.
GREECE	83.7345 12,634.9310	82.8147					0.9198 116.1290 7,358.0000 5,160.8020	Gold held by the Bank of Greece for the disposal of the Government. Gold held by the "Caisse des Depots" on deposit for account of private persons. Ownership by the Government not proved. Data requested. Originally stated to have been looted from the Bank of Greece. Claim withdrawn - gold not included in monetary reserve of the country. Gold registered in the name of the State. No proof that the gold stated to have been looted from private persons was actually the same as the gold registered. No proof that the gold "presumed" lost by Jews killed in concentration camps (8,500 kgs) was actually looted by or wrongfully removed to Germany. Data requested. Supplementary amount of gold originally stated to have been looted from private persons. The Greek Government has now reduced its original claim by this amount, which is not registered in the name of the State. No document proving looting by Germany.
ITALY	71,098.0092	8,329.8982 63.3300 60,927.4427			1,777.3383 →			Yugoslav gold removed to Germany from Italy. Supplementary amount of Yugoslav gold received by Italy and removed to Germany. Gold belonging to the Banca d'Italia. Acquisition by Istocambi from Germany.
LUXEMBURG	4,317.2028	4,223.7040					93.4988	Gold belonging to the Caisse d'Epargne and to the State of Luxembourg. Gold belonging to the Peapatore Foundation. Claim rejected because the gold was not part of the monetary reserve of Luxembourg.

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ITALY	71,098.0092	8,329.8982 63.3300 60,927.4427						registered in the name of the State. No document proving looting by Germany.
LUXEMBURG	4,317.2028	4,223.7040						Yugoslav gold removed to Germany from Italy. Supplementary amount of Yugoslav gold received by Italy and removed to Germany. Gold belonging to the Banca d'Italia. Acquisition by Liscambi from Germany.
NETHERLANDS	14,565.0000	9,571.0000 68,994.0000 971.0000 1,358.0000 35,919.0000 28,837.0000						Gold belonging to the Caisse d'Epargne and to the State of Luxembourg. Gold belonging to the Postoffice Foundation. Claim rejected because the gold was not part of the monetary reserve of Luxembourg.
POLAND	138,734.0000							War prize gold. War levy. Arnhem gold. Muppel gold. External Occupation Cost levy. Purchases from private persons by De Nederlandsche Bank.
DANZIG	4,726.0000							Compulsory purchases and seizures from private persons by the reichskreditkassen and the Emissionsbank; the Landesgenossenschaft Bromberg and the Deutsche Bank, Gdansk; the Reichsbank branches in incorporated territory (260 kg established figure for Poznan branch, 4,000 kg estimate of other branches). Seizure from safes in Banks. Concentration camps (estimate). Estimate of losses of gold sustained by private persons, figure obtained from the general registration of war loss declared by individuals.
YUGOSLAVIA	11,653.3888							Published reserve of the Bank of Bankig August 1939. Allowed but not allocated pending decision on recipient. Difference between published reserve and claim.
TOTALS	732,610.4362	520,404.4574	000,000.0000	20,459.1719	24,308.5680	12,064.4908	155,573.7481	Gold stated by Italy to have been received from Yugoslavia. Supplementary amount of gold stated by Yugoslavia to have been seized by the Italians. The same initially stated by the Yugoslavs to have been seized by the Ustachas and now said to have been looted and Italians. 40 cases seized by Germans at Ostrog. (Average weight of Yugoslav). Final decision postponed in the hope the more evidence as to exact weight may eventually be forthcoming. Also other claims of a similar nature may arise which the Commission may wish to consider simultaneously. Gold seized by Ustachas from Bank of Croatia. No proof of looting by or wrongful removal to Germany. Gold transferred from the Bor Mines to Germany. This should be rejected on the basis of a strict application of the present definition of monetary gold. Final decision postponed by general agreement of the Commissioners. Purchases from private persons by the Bank of Serbia. Gold content possibly extracted from copper transferred from the Bor Mines to Germany.

1,777.3383

93,4988

1,654.0000

4,260.0000

102.0000

338.0000
100.000.0000
32,380.0000

3,821.2851
904.7149

8,393.2282
417.4376

47.1042

471.1425

117.5526

445.5710

1,649.0260

112.6167

206716

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 Authority: **108086**
 Date: **10/99**
 BY: **TI**
 RG 84 148A F-4
 15C 1946-50 Subj. Fin.
 EX-117 2113N Box 15

STATUS OF CLAIMS AS AT 20th MAY, 1948.

DECLASSIFIED
 Authority WD 768086
 By TJ NARA Date 7/19
 RG 84
 TGC 1446-50
 Entry 213N
 Box 17

206717

Country	Total Claim	Allocations made on claim for	Formally allowed for next distribution.	Provisionally allowed	Possibly valid. No decision taken as yet	Provisionally disallowed	Classified as invalid	Observations
ALBANIA	2,579.9023	2,338.7565 78.4865			37.6315		125.0278	Albanian established claim for gold removed from Rome. Claim withdrawn. (See 59th Meeting). Gold napoleons looted at Tirana. Loans pursuant to ordinance of Albanian Government for needs of German Army.
AUSTRIA	91,256.9156	57,324.3099 16,628.0554	12,989.7678		4,314.7825			Part of Austrian stock on 17th March, 1938. Complement of Austrian stock. Salzburg gold. Purchases from private persons by National Bank of Austria in liquidation.
BELGIUM	204,868.0736	198,433.8417			6,434.2319			National Bank of Belgium. Purchases from private persons by Banque d'Emission.
CZECHOSLOVAKIA	45,008.2784	6,375.8588 6,920.5597		12,768.9601 3,397.7842	14,536.2010 1,008.9146			Coins belonging to National Bank. Part of gold held at Bank of England. Gold sold to the Reichsbank. Final decision postponed for further study. Data requested 5 May, 1948. Acquisitions of German gold in Switzerland. Provisionally allowed subject to the concurrence of the French Adviser. Cover for Sudeten notes. Despatch of letter requesting supplementary data 13th May, 1948. Skodaworks gold.
GREECE	83.7345 12,634.931				83.7345 116.1290 12,518.8020			Amount and ownership not proven. Looted from Bank of Greece. Documents not received. Looted from private persons. Documents not received.
ITALY	71,098.0092	8,329.8982	63.330 60,927.4427		1,777.3383			Yugoslav gold removed to Germany from Italy. Supplementary amount of Yugoslav gold received by Italy and removed to Germany. Gold belonging to the Banca d'Italia. Acquisition by Istituti from Germany.
LUXEMBOURG	4,317.2028	4,223.7040				93.4988		Gold belonging to the Caisse d'Epargne and to the State of Luxembourg. Gold belonging to the Pescatore Foundation. This claim should be rejected on the basis of a strict application of the present definition of monetary gold. Final decision postponed at the request of the U.S. Commissioner.
NETHERLANDS	145,650.0000	9,571.0000 68,994.0000	971.0000 1,358.0000 35,919.0000 28,837.0000					War prize gold. War levy. Arnhem gold. Meppel gold. External Occupation Cost Levy. Purchases from private persons by De Nederlandsche Bank.
ISLAND	138,734.0000				1,654.0000	4,260.0000	102.0000	Compulsory purchases and seizures from private persons by: the Reichskreditkassen and the Emissionsbank; the Landesgenossenschaft Bromberg and the Deutsche Bank, Cracow; the Reichsbank branches in incorporated territory

PRODUCED AT THE NATIONAL ARCHIVES

206718

			60,927.4427		1,777.3383			Gold belonging to the Banca d'Italia. Acquisition by Istcambi from Germany.
LUXEMBOURG	4,317.2028	4,223.7040					93,4988.	Gold belonging to the Caisse d'Epargne and to the State of Luxembourg. Gold belonging to the Pescatore Foundation. This claim should be rejected on the basis of a strict application of the present definition of monetary Final decision postponed at the request of the U. Commissioner.
		68,994.0000						War prize gold. War levy. Arnhem gold. Meppel gold. External Occupation Cost Levy. Purchases from private persons by De Nederlandsch Bank.
			971.0000 1,358.0000 35,919.0000 28,837.0000					
POLAND	138,734.0000				1,654.0000		4,260.0000	Compulsory purchases and seizures from private persons by: the Reichskreditkassen and the Emissionsbank; the Landesgenossenschaft Bromberg and the Deutscl Bank, Cracow; the Reichsbank branches in incorporated territory (260 kgs established figure for Poznan Branch, 4 kgs estimate for other branches) Seizure from safes in Banks. Concentration camps (estimate) Estimate of losses of gold sustained by private persons, figure obtained from the general regist of war losses declared by individuals.
							102.0000 338.0000 100,000.0000 32,380.0000	
DANZIG	4,726.0000			3,821.2851				Published reserve of Bank of Danzig August 1939. Allowed but not allocated pending decision on recipient. Difference between published reserve and claim.
					904.7149			
YUGOSLAVIA	11,653.3888			471.1425			8,393.2282 417.1576	Gold stated by Italy to have been received from Yugoslavia. Supplementary amount of gold stated by Yugoslavi have been seized by Italians. 10 cases seized by Germans at Ostrog. (Average a given by Yugoslavia). Final decision postponed i hope that more evidence as to exact weight may e tually be forthcoming. Also other claims of a sd nature may arise which the Commission may wish t consider simultaneously. One case initially stated by the Yugoslavs to h: been seized by the Ustachas and now said to hav: been looted by the Italians. Gold seized by Ustachas from Bank of Croatia. Purchases from private persons by Bank of Serbi: Gold transferred from the Bor Mines to Germany. claim should be rejected on the basis of a stri: application of the present definition of moneta: gold. Final decision postponed by general agree: of the Commissioners. Gold content possibly extracted from copper tra: ferred from the Bor Mines to Germany.
					112.6167		445.5710	
							117.5526	
							1,649.0260	
TOTALS	732,610.4362	379,218.4707	141,065.5405	20,459.1719	43,499.0969	4,799.0698	143,569.0864	

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 DATE: 10/19/99
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 Box 5

					1,008,9146	Skodaworks' gold.
GREECE	83,7345 12,634,931				83,7345 116,1290 12,518,8020	Amount and ownership not proven. Looted from Bank of Greece - Documents not received. Looted from private persons - Documents not received.
ITALY	71,098,0092	8,329,8982				Yugoslav gold removed to Germany from Italy. Supplementary amount of Yugoslav gold received by Italy - possibly removed to Germany and possibly included in total Italian claim. Data requested. Banca d'Italia. Part of claim for which no question of compensation involved. Part of claim covered by possible compensation in lires or gold credit provided for in Rahn-Mazzolini Agreement. Acquisition by Istcambi from Germany.
					← 63,330 ← * 23,211,9255 ← 37,715,5172 1,777,3383*	
LUXEMBOURG.	4,317,2028	4,223,7040				93,4988 Gold belonging to the Caisse d'Epargne and to the State of Luxembourg. Gold belonging to the Pescatore Foundation. This claim should be rejected on the basis of a strict application of the present definition of monetary gold. Final decision postponed at the request of the U.S. Commissioner.
NETHERLANDS	145,650,0000	9,571,0000 68,994,0000	971,0000 1,358,0000 35,919,0000		28,837,0000	War prize gold War levy Arnhem gold Meppel gold External Occupation Cost Levy Purchases from private persons by De Nederlandsche Bank.
POLAND	138,734,0000				1,654,0000 10,0000 92,0000 4,260,0000 338,0000	Compulsory purchases and seizures from private persons by : the Reichskreditkassen and the Emissionsbank; the Landesgenossenschaft Bromberg; the Deutsche Bank, Cracow; the Reichsbank branches in incorporated territory (260 kg established figure for Poznan Branch 4,000 kg estimate for other branches) Seizure from safes in Banks. Concentration camps (estimate) Estimate of losses of gold sustained by private persons, figure obtained from the general registration of war losses declared by individuals.
DANZIG	4,726,0000			3,821,2851		100,000,0000 32,380,0000 Published reserve of Bank of Danzig. August 1939 - Allowed but not allocated pending decision on recipient. Difference between published reserve and claim.
					904,7149*	
YUGOSLAVIA	11,653,3888					8,393,2282 Gold stated by Italy to have been received from Yugoslavia.

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 BY: J. NARA Date 1/1/92
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 Entry 2113N Box 5

206720

from the general registration of war losses declared by individuals.

DANZIG	4,726.0000		3,821.2851			904.7149*		Published reserve of Bank of Danzig August 1939 - Allowed but not allocated pending decision on recipient. Difference between published reserve and claim.
YUGOSLAVIA	11,653.3888			471.1425			8,393.2282 417.1376 47.1142 117.5526	Gold stated by Italy to have been received from Yugoslavia. Supplementary amount of gold stated by Yugoslavia to have been seized by Italians. 10 cases seized by Germans at Ostrog. (Average weight given by Yugoslavia). Final decision postponed in the hope that more evidence as to exact weight may eventually be forthcoming. Also other claims of a similar nature may arise which the Commission may wish to consider simultaneously. One case initially stated by the Yugoslavs to have been seized by the Ustachas and now said to have been looted by the Italians. Gold seized by Ustachas from Bank of Croatia.
						112.6167	445.5710	Purchases from private persons by Bank of Serbia Gold transferred from the Bor Mines to Germany. This claim should be rejected on the basis of a strict application of the present definition of monetary gold. Final decision postponed by general agreement of the Commissioners. 1,649.0260 Gold content possibly extracted from copper transferred from the Bor Mines to Germany.
	732,610.4362	379,218.4707	38,248.0000	33,448.9397	138,151.8974	539.0698	143,004.0586	

* This amount was shown in the previous schedule for 21,840.5682 kgs. The new figure includes 43,7908 kgs and 1,327.5665 kgs shown previously on separate lines, as acquisitions of gold from Germany and Hungary. The Commission decided at the 56th Meeting that these amounts should no longer be deducted from the Italian claim.

206721

RG 84 1ARA Fiv
TGC 1946-50 Sub Fiv
EXM 213N Box 45

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By IJ NARA DAB 1/19

STATUS OF CLAIMS as at 18th February 1948

Country	Total Claim	Allocations made on claim for	Formally allowed for next Distribution	Provisionally allowed	Possibly valid. No decision taken as yet	Classified as invalid	Observations
ALBANIA	2,579.9023	2,338.7565 78.4865			125,0278 37.6315		Albanian established claim for gold removed from Rome. Complement of claim for gold removed from Rome for which looting is not established. Gold napoleons looted at Tirana. Loans pursuant to ordinance of Albanian Government for needs of German Army.
AUSTRIA	91,256.9156	57,324.3099 16,628.0554		12,989.7678	4,314.7825		Part of Austrian stock on 17th March 1938. Complement of Austrian stock. Salzburg gold. Purchases from private persons by National Bank of Austria in liquidation - allowed subject to possible adverse comments by French Adviser.
BELGIUM	204,868.0736	198,433.8417			6,434.2319		National Bank of Belgium. Purchases from private persons by Banque d'Emission
CZECHOSLOVAKIA	45,008.2784	6,375.8588 6,920.5597			12,768.9601 3,397.7842 14,536.2010 1,008.9146		Coins belonging to National Bank. Part of gold held at Bank of England. Possible deductions for sales of gold to the Reichsbank; and, Acquisitions of German gold in Switzerland. Cover for Sudeten notes - Questions raised by French Commissioner. Skodaworks' gold.
GREECE	83.7345 12,634.931				83.7345 116.1290 12,518.8020		Amount and ownership not proven. Looted from Bank of Greece - Documents not received. Looted from private persons - Documents not received.
ITALY	71,098.0092	6,329.8982			63.330 21,840.5682 37,715.5172 59,566.0684 43.7908 1,327.5665 1,777.3383		Yugoslav gold removed to Germany from Italy. Supplementary amount of Yugoslav gold received by Italy - possibly removed to Germany and possibly included in total Italian claim. Data requested. Banca d'Italia. Part of claim for which no question of compensation involved. Part of claim covered by possible compensation in liras or gold credit provided for in Rahn-Mazzolini Agreement. Acquisitions by Banca d'Italia from Hungary. Acquisition by Banca d'Italia from Germany. Acquisition by Istoambi from Germany.
LUXEMBURG	4,317.2028	4,223.7040			93.4988		Gold belonging to the Caisse d'Epargne and to the State of Luxemburg. Gold belonging to the Pescatore Foundation.

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By: TJ NARA D16 1/19
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LUXEMBURG	4,317.2028	4,223.7040			93.4988		Gold belonging to the Caisse d'Epargne and to the State of Luxemburg. Gold belonging to the Pescatore Foundation.
NETHERLANDS	145,650.0000	9,571.0000 68,994.0000	971.0000 1,358.0000 35,919.0000			28,837.0000	War prize gold War levy Arnhem gold Meppel gold External Occupation Cost Levy Purchases from private persons by De Nedeflandsche Bank.
POLAND	138,734.0000				1,654.0000 10.0000 92.0000 4,260.0000 338.0000	100,000.0000 32,380.0000	Compulsory purchases and seizures from private persons by : the Reichskreditkassen and the Emissionsbank; the Landesgenossenschaft Bromberg; the Deutsche Bank, Cracow; the Reichsbank branches in incorporated territory (260 kg established figure for Poznan branch - 4,000 kg estimate for other branches) Seizures from safes in Banks. Concentration camps (estimate) Estimate of losses of gold sustained by private persons, figure obtained from the general registration of war losses declared by individuals.
DANZIG	4,726.0000			3,821.2851		904.7149	Published reserve of Bank of Danzig - August 1939 - Allowed but not allocated pending decision on recipient. Difference between published reserve and claim.
YUGOSLAVIA	11,653.3888			471.1425	417.1376	8,393.2282 47.1142 117.5526 112.6167 445.5710 1,649.0260	Gold stated by Italy to have been received from Yugoslavia. Supplementary amount of gold stated by Yugoslavia to have been seized by Italians. 10 cases seized by Germans at Ostrog. (Average weight given by Yugoslavia) 1 case seized by Ustachas. Gold seized by Ustachas from Bank of Croatia. Purchases from private persons by Bank of Serbia. Gold transferred from the Bor Mines to German. Gold content possibly extracted from copper transferred from the Bor Mines to Germany.
TOTAL	732,610.4362	379,218.4707	38,248.0000	17,282.1954	155,274.8491	142,586.9210	

206723

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Authority *WLD* *1088066*
By *DI* NARA Date *1/1/99*
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TGC 1946-50
Entry 2113N
Box 15

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

RG 84 TARA Files
TGC 1946-50 Subj. Files
Entry 213N Box 5

Country	Total Claim	Allocation made in First Distribution on Claim for:	FORMALLY Allowed for Next Distribution	SEVERELY Allowed subject to Submission of further Evidence	Valid: No Decision taken as yet.	as Invalid
Albania	2,579.9023	-	-	-	2,340,8200 122.9643 116.118	-
Austria	91,256.9156	57,324.3099	20,942.8379 16,628.0554	-	4,314.5126 12,989.7678	-
Belgium	204,868.0736	198,433.8417	-	-	6,434.2319	-
Czechoslovakia	45,008.2784	-	6,375.8588	14,536.2010 ← 6,920.5597	12,768.9601 3,397.7842 1,008.9146	-
Greece	83.7345	-	-	-	83.7345 116.129	-
Further claim	12,634.931	-	-	-	12,518.802	-
Italy	71,098.2028	8,329.8982	-	-	60,990.7726 1,777.3383	-
Luxemburg	4,317.0091	4,223.7040	-	-	93.4988	-
Netherlands	145,650	9,571 68,994	-	971 1,358	35,919 28,837	-
Poland	143,460	-	3,821.2851 xx	-	904.7149 6,354	100,000 32,380
Yugoslavia	11,653.3889	-	-	-	417 480.4677 471.1425 47.1142 117.5526 112.6167 2,094.5970	8,329.8982
Totals	732,610.4362	346,876.7538	31,139.9818	23,785.7607	190,098.0417	140,709.8982

xx This amount has been calculated from a rough figure in terms of dollars. Steps are taken to ascertain the accurate weight of the gold taken into account in the published reserve.

7th January, 1948.

M. HIRIGOYEN.

Czechoslovakia	45,008.2784	-	6,375.8588	14,536.2010	-	12,768.9601 3,397.7842	← 16,920.5597	1,008.9146	×	Coins belonging to National Bank. Cover for Sudeten notes (ownership and looting not proven). Gold held at Bank of England (looting not proven). Possible deductions for sales of gold to the Reichsbank and acquisitions of German gold in Switzerland. Skodaworks' gold.
Greece	83.7345	-	-	-	-	83.7345 116.129	-	-	-	Amount and ownership not proven. Looted from Bank of Greece. Documents not received.
Further claim	12,634.931	-	-	-	-	12,518.802	-	-	-	Looted from private persons. Documents not received.
Italy	71,098.2028	8,329.8982	-	-	-	60,990.7726	←	1,777.3383	-	Yugoslav gold. Banca d'Italia. (Questions of compensations in liras and acquisitions from Hungary). Istcambi acquisitions from Germany.
Luxemburg	4,317.0091	4,223.7040	-	-	-	93.4988	-	-	*	Caisse d'Epargne. J.P. Pescatore Foundation.
Netherlands	145,650	9,571 68,994	-	-	-	35,219 28,837	971 1,358	-	-	War prize gold. War levy. Arnhem and Meppel gold (monetary character of that gold held for industrial purposes) Occupation cost levy. Occupation purchases.
Poland	143,460	-	3,821.2891	xx	-	904.7149 6,354	-	100,000 32,380	-	Published reserve of Bank of Danzig. Difference between published reserve and Polish claim, for account of Bank of Danzig. Occupation purchases. Concentration camps. Seized from private persons.
Yugoslavia	11,653.3889	-	-	-	-	480.4677 471.1425 47.1142 117.5526 112.6167 2,024.5970	417	8,329.8982	-	To go to Italy. Difference between Italian and Yugoslav figures. 10 cases seized by Germany. 1 case seized by Ustachas. Gold seized by Ustachas. Occupation purchases, Serbia. Bor Mines.
Totals	732,610.4362	346,876.7538	31,139.9818	23,785.7607	190,098.0417	140,709.8982	-	-	-	-

xx This amount has been calculated from a rough figure in terms of dollars.
Steps are taken to ascertain the accurate weight of the gold taken into account in the published reserve.

7th January, 1948.

M. HIRIGOYEN.

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<u>Country</u>	<u>Total Claim</u>	<u>Allocation made in First Distribution on Claim for:</u>	<u>Formally Allowed for Next Distribution</u>	<u>Formally Allowed subject to Submission of further Evidence</u>	<u>Valid. No Decision taken as yet.</u>	<u>as Invalid</u>
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	57,324,3099	20,942,8379 16,628,0557	-	4,314,808 12,989,7678	Part of Austrian stock on 17 March, 1938. Complement of Austrian stock on 17 March 1938 (An amount of 4,314,7825 will be reserved from Austrian share in next distribution.) (Salzburg gold) Occupation purchases. WW
Belgium	204,868,0736	198,433,8417	-	-	6,434,2319	National Bank of Belgium. Occupation purchases, Banque d'Emission.
Czechoslovakia	45,008,2784	-	6,375,8588	14,536,2010 6,920,5597	12,768,9601 3,397,7842 1,008,9146	Coins belonging to National Bank. Cover for Sudeten notes (ownership and looting not proven) Gold held at Bank of England (looting not proven). Possible deductions for sales of gold to the Reichsbank and acquisitions of German gold in Switzerland. X Skodaworks' gold.
Greece	83,7345	-	-	-	83,7345 116,129	Amount and ownership not proven.
Further claim	12,634,931	-	-	-	12,518,802	Looted from Bank of Greece. Documents not received. Looted from private persons. Documents not received.
Italy	71,098,2028	8,329,8982	-	-	60,990,7726 1,777,3383	Yugoslav gold. Banca d'Italia. (Questions of compensations in liras and acquisitions from Hungary). Istcambi acquisitions from Germany.
Luxemburg	4,317,0091	4,223,7060	-	-	93,4988	Caisse d'Epargne. * J.P. Pescatore Foundation.
Netherlands	145,650	9,571 68,924	-	-	971 1,358 35,919 28,837	War prize gold. War levy. Arnhem and Meppel gold (monetary character of that gold held for industrial purposes) Occupation cost levy. Occupation purchases.
Poland	143,460	-	3,821,2851	-	904,7149	Published reserve of Bank of Danzig. Difference between published reserve and

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SHIPS
GOLD

CPR/COGD/PV 14

PARIS CONFERENCE ON REPARATION

Committee of the Heads of Delegations
Meeting on Friday afternoon -- 23rd November 1945

President : M. Jacques Rueff.

The meeting opened at 3.45 p.m.

The President read a letter in which Mr. D.B. Sole, Delegate for the Union of South Africa, made it known that his Government was ready to forego all claims to German installations industrial plants, though not to German external assets. (This document has been distributed as CPR/Doc.21).

Discussion of the Agenda continued.

SHIPS

Merchant Ships

Sir David WALBY, first Delegate of Great Britain proposed that claims for shipping losses should be included in the data under consideration, that the sharing of German merchant ships ought in principle to be proportional to losses of tonnage, and that a committee of experts should be set up to study the detailed aspects of the matter. He suggested that ships which were allocated ought to be debited against the reparation account of the receiving country.

Netherlands

Replying to a question by M. Boissevain, Delegate for the Netherlands, Sir David Waley indicated that in principle his proposals only related to merchant ships which alone were dealt with at Potsdam, but that there was no reason why inland water craft should not be dealt with on the same basis; this would be another question for the experts to discuss.

M. BOISSEVAIN, Delegate for the Netherlands, declared that in this event the Netherlands Delegation proposed the setting up of a pool for inland water vessels and the establishment of a special sub-committee to study the matter. He thought that this committee ought to be set up in the same manner as the expert committee for merchant ships; the Netherlands Delegation preferred to regard the problem of shipping as a whole, but since the Potsdam decisions

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5.

RESTITUTION OF LOOTED GOLD

GOLD

Mr. James W. ANGELL, first Delegate for the United States, submitted a simplified proposal to the Committee. (The text of this proposal is given as an Annex). The reasons for this proposal arose from the following points:

- (a) the quantity of gold recovered in Germany will be less than the claims for restitution put forward by the Allies;
- (b) the greater part of this gold will be very difficult to identify;
- (c) the fact that all the gold of one country rather than that of another has been utilised or melted down is a matter of chance. Thus it would be desirable to adopt the principle of repartition in proportion to loss suffered.
- (d) The proposed procedure takes the special nature of monetary gold into consideration.

Sir David WABLEY, first Delegate for the United Kingdom, agreed with the suggestion of Mr. James W. Angell.

The PRESIDENT, in the name of the French Delegation, agreed in principle while pointing out that the American Delegate's suggestion left questions of practical application undetermined.

Mr. Ales SEBLER, first Delegate for Yugoslavia, asked if the quantities of gold extracted from the mines by forced labour during the German occupation and paid in paper money printed by the Germans, could be considered as stolen gold.

Mr. James W. ANGELL, first Delegate for the United States, said that a large number of similar questions would certainly be raised, and that it would be preferable to formulate general principles only leaving the matter of its application till later.

The PRESIDENT said that the Committee was grateful to the U.S. Government for the high spirit of justice embodied in the formula which its representative had drawn up. He specified, however, that the problem of the gold raised an important question of procedure as to whether it should be discussed at a Committee of the Heads of the Delegations, or remitted for discussion either to a sub-committee, or to a Committee of the Inter-Allied Reparation Agency.

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Mr. James W. ANGELL, First Delegate for the United States pointed out that the question of the gold was rather in the realm of restitution than of reparation, and therefore fell to be discussed by the Allied Control Council. He said that the Governments concerned should provide all the details regarding their demands for restitution of gold with full supporting proof to the Allied Control Council. He also suggested that the text of his proposal should figure in the final act of the Conference.

M. BOISSEVAIN, First Delegate for the Netherlands, stated that he felt disposed to agree with the proposal put forward by Mr. James W. ANGELL, and to convey it to his Government. He pointed out, however, that in the view of the Dutch experts, the gold which had belonged to the Netherlands could be identified.

The PRESIDENT specified that monetary gold includes coins and metal bars, as opposed to gold used by dentists and jewellers.

The PRESIDENT said that this question must be dealt with speedily. However, he was not entirely in agreement with the United States Delegate, who thought it a matter for the Control Council, since at least one of the members of Council had renounced all claim on the recovered gold. He considered, rather, that the question should be dealt with by the Commanders in Chief of the Zones of Occupation, acting separately or in common. However, the occupying Powers were members of the present Committee which could at least make recommendations on certain questions, even if it could not decide them. He feared that the principle put forward by the Delegate for the United States, though apparently of an extreme simplicity, might, like all simple principles, meet great difficulties when put into execution. What gold should be shared? What treatment would be accorded to gold found in neutral countries where it had been transported by Germany in spite of the declarations of the United Nations? Which countries would have a share in the repartition? Three solutions seemed possible: the discussion could take place either in the present Committee, in one of its sub-committees, or in a different organisation. He thought that most of the Delegates could fairly quickly obtain the information necessary to put forward their claims, and it seemed to him that the speediest solution would be to form, within the present Committee, a sub-committee which could effectively discuss the question. This might enable them to make some recommendation, and it would remain to be seen if it should be incorporated in the final act or not. This recommendation could be made independently, if it were the result of the deliberations of the ad hoc committee summoned for reasons of convenience.

or an ad-hoc Committee.

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Mr. James W. ANGELO committed to the President's remarks with regard to the competence of the Finance Control Council and proposed that paragraphs 4 and 5 of this draft should be amended; the words "occupying powers" being replaced by "the Commanders of the respective zones." He thought, however, that the normal method for communicating with the Commanders of the Zones was by diplomatic channels, rather than through the present Conference.

The PRESIDENT proposed that for reasons of speed, and in order to profit by the favorable occasion presented by the meeting in Paris of representatives of all the Governments concerned, a committee should be formed outside the Conference for the purpose of working out recommendations which would be transmitted by the Governments. He therefore asked the Delegates to collect as speedily as possible the information necessary for studying the question. He specified that the Committee would have the task of deciding how to apply the principles formulated by Mr. James W. Angelo in order to reach agreement in principle on the amount of gold to be divided, and on who should share in it.

Sir David WALEY, first Delegate for Great Britain, pointed out that it was not within the scope of the Conference to draw up a list of countries entitled to receive the former gold, other than the members of the Conference. It would, however, be preferable simply to assemble all the data relating to the question, and ask the Inter-Allied Reparations Agency to deal with it as best they could and as rapidly as possible. He said the data should be handed in writing to a small committee of the Conference for examination, and that, in his opinion, it would be advisable to leave the Inter-Allied Reparations Agency to decide on the procedure which it would adopt.

The PRESIDENT pointed out that though the Committee might not have the power to decide, it certainly had power to recommend, and in consequence it would be advisable to make use of the occasion provided by the present Conference to try and work out some recommendations which would represent the opinion of the participating countries.

M. BOISSEVAIN, first Delegate for the Netherlands, suggested that the Delegates should transmit the proposal of the U.S.A. to their respective Governments who would convey it, through diplomatic channels, to the Commanders in Chief of the Zones of Occupation.

The PRESIDENT said this procedure might prove extremely slow.

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M. Selliersde MORAVILLE, Delegate for Belgium, said that the Belgian Delegation agreed with the French Delegation that it would be useful to profit by the present Conference to assemble a committee of experts on the gold question.

Mr. James W. ANGELL pointed out that if this Committee proved useful for accelerating the work of the Conference he would be in favour of this way of proceeding. Reverting to Sir David Waley's proposal, he emphasised the fact that the Inter-Allied Reparation Agency was not yet in existence and would not be for some time to come. He added that distribution of the gold would be a question for the Commanders of the Zones acting in concert or separately, not for the Conference nor for the Inter-Allied Reparation Agency. For these reasons he agreed with the suggestion of the Netherlands Delegate that contact should be made through diplomatic channels between the Governments concerned and the Commanders of the Zones.

Sir David WALEY agreed with this proposal.

In reply to a question by M. Vavro Hajdu, first Delegate for Czechoslovakia, the President said that the Commanders in Chief of each zone who were in possession of the gold would have the task of distributing it.

M. SEAROLTIS, first Delegate for Greece, said that when the Greek Government went into exile it took some gold with it, but the country had been looted to such an extent and the costs of enemy occupation had been so high, that one could estimate the losses at 3 to 7 times higher than those which had been suffered by other countries. Greek families had had to sell all their precious possessions, and even funds which had been sent from abroad - some from the British Government - to the Resistance Movement, had been taken by the Germans. A great proportion of this gold had been given by the Germans to their submarine crews who could thus buy supplies, etc. in other countries, and they also used it to bribe men into giving them their allegiance.

It was difficult in these circumstances to give precise proofs or figures. He would like the Conference to take this peculiar situation into account and suggest a way of arranging compensation for Greece for the gold resources which she had completely lost.

The PRESIDENT said that this problem should be taken into consideration by the competent organisation.

As no definite view was held by the Committee either in favour of M. Boissevain's proposal or in favour of the creation of an ad hoc committee outside the Conference, the President proposed that the rest of the discussion should be postponed till the following meeting.

Mr. James W. ANGELL asked if the general principle which he had put forward should be considered as adopted.

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The President stated that the principle set out by the Delegate of the U.S. was adopted.

The Secretary-General was instructed to distribute the written text of this proposal before the end of the week, to enable the Delegates to consult their Governments.

The meeting adjourned at 6.10 p.m.

12th September, 1947.

RECAPITULATIVE TABLE OF THE VARIOUS CLAIMS

Country	Total Claim	Valid	Possibly Valid	Invalid	Observations
ALBANIA	2,579.9023		2,579.9023		Claim not received.
AUSTRIA	91,256.9156	41,000	12,989.7678		Occupation purchases. Official gold reserve reported. Excess of claim over above reserve.
BELGIUM	204,868.0736	198,433.8417	57,267.1478		To be transferred later to Bk. of France. Occup. purchases by Bque d'Emission.
CZECHOSLOVAKIA	45,006.2764		14,536.2010		Cover for Sudeten notes. Skodaworks' gold. Transfer in vaults Bk of England Transfer of coin.
GREECE	83.7345	23,087.3040 6,375.8588	83.7345		Amount and ownership not proven.
ITALY	71,098.0091		60,990.7726 1,777.3383		Various questions involved. Istembli acquisition from Germany. Amount in question - Yugoslav.
LUXEMBURG	4,317.2028	8,329.8982 4,223.7040		93.4988	Caisse d'Epargne. J.P. Pescatore Foundation.
NETHERLANDS	145,650	9,571	28,837 55,919 168,994		Salvaged gold. Occupation purchases. Occupation levy. War cost levy. Arnhem gold. Meppel gold.
POLAND	143,400	1,358 4,726	6,294		Various claims. Danzig - Amount in question. Concentration camps.
YUGOSLAVIA	11,653.3889		471.1425 47.1142 117.5526 112.6167 2,094.5970 480.4677	132,380. 8,329.8982	To go to Italy for Yugoslavia A/c. 10 cases seized by Germans. 1 case seized by Custachis. Gold seized by Custachis. Occupation purchases - Serbia. BOR Mines. Difference in Italian & Yugoslav figures for Italian seizure.
		719,915.5052	298,076.6067	281,035.5015	140,803.3970

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September 19, 1947.

PRELIMINARY ANALYSIS OF ALBANIA'S
REPLY TO GOLD QUESTIONNAIRE

Albania asserts claim for losses of 2,579.9023 kg fine gold, of which the owner is said to be "the State Bank of Albania which, by the law No.38, of January 13, 1945, has replaced the National Bank of Albania".

The documents submitted in support of the claim are neither photostatic nor individually authenticated copies of the originals. Their authenticity is vouched for in a general covering letter from the Albanian Delegate, in the following terms:

" The questionnaire under reference supplied on behalf of the Ministry of Foreign Affairs of Albania, constitutes an authentic document."

The amount for which claim is asserted is made up of the following elements:

- A. Gold removed from Banca d'Italia, Rome ... 2,463.7843 kg
- B. Gold Napoleons removed from National Bank, Tirana 116.118 kg

I.- Forms I-A-1 and I-B-1

Summary and Criticism of Component Elements of Claim.

A.- 2,463.7843 kg fine gold removed from Banca d'Italia, Rome.

Summary: The greater part, 2,463.7843 kg, of the Albanian gold reserve was removed from the Banca d'Italia in Rome, "at the moment of Italy's capitulation and was deposited at the Reichsbank in Berlin where it was kept at the disposition of the German Foreign Affairs Ministry."

On April 6, 1944, the German Government attempted to give legal form to this act by signing a confidential protocol with the Quisling government of Albania. It is asserted that, according to this protocol, the German Government recognised the ownership of the Albanian Government over this gold reserve but it always remained at the disposal of the German Foreign Affairs Ministry, at the Reichsbank in Berlin.

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On the same day, a second protocol was signed between the Reichsbank and the National Bank of Albania, relative to the quantity of Albanian gold and the encasement and sealing of such gold.

Criticism:

- a) As proof of ownership of the gold in question, the Albanian Government refers to the two above-mentioned protocols. These documents, as previously indicated, are typewritten copies of translations which are certified to conform to the original. The first of these documents makes reference to "the gold delivered by the Administration Committee of the National Bank of Albania in Rome to the German authorities which, at present, is found deposited in the name of Foreign Affairs Ministry at the Reichsbank in Berlin".
- b) As evidence of wrongful removal of the gold in question, the Albanian reply refers to the above-mentioned protocols. While these documents purport to restore the right of disposing of this gold to the Central Direction of Tirana, subject to "written approval of the Albanian Government", it is assured that the Albanian Government "will be in accord with" the Foreign Affairs Ministry in Berlin, before giving any such approval. Such protocol further states, in part: "any restriction on the German part with regard to the right to dispose freely the gold, and, particularly, its exportation, will not be applied to this gold at present or in future".
- c) The Italian reply to the gold questionnaire states that the National Bank of Albania gold removed from Rome totalled 2,340.820 kg as against the Albanian figure of 2,463.7843 kg. The discrepancy of 122.9643 kg between the Italian and Albanian figures occurs in connection with the coins. In fact, it appears to simmer down to 21 bags of francs and 1 bag of crowns and rubles, the fine gold content of which is not stated in the German-Albanian lists.

However, considerable weight is attached to the OMCUS document of September 6, 1945, entitled "Report on Recovery of Reichsbank Precious Metals", which shows that the closing bar balances of the Reichsbank accounts at the time of removal of the gold to the Merkers mine included "Depot Zentral direktion der Albanischen National Bank" containing 2,214.2378 kg fine gold which tallies precisely with the figures submitted by Albania. However, it is to be noted that a footnote in such Report states: "Represents assumed fine content and fine weight. These bars were held in custody in sealed containers said to contain and were controlled on the books as a unit control figure (55 cases)".

Moreover, the subject Report shows that gold coins containing 124.5182 kg fine gold were held for account of Albanische National Bank. This figure corresponds precisely with that submitted by Albania.

/CONCLUSION.

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CONCLUSION.

It is recommended that this element of the Albanian claim not be allowed in the preliminary distribution and that:

- a) Albania be required to submit photocopies of the original documents;
- b) Banca d'Italia be requested to submit a detailed description of the Albanian gold, particularly coin, removed from Rome.

It may be added, however, that there is no question in the mind of the writer that this claim should ultimately be allowed - at least for the amount specified in the Italian reply.

B.- 116.110 kg in the form of Napoleons removed from the National Bank, Tirana.

Summary: The Albanian claim asserts that this gold was removed forcibly from the Headquarters of the National Bank of Albania at Tirana. 6,481 gold Napoleons were taken by "the German military forces during the last period of occupation at Tirana". The remaining 13,519 gold Napoleons was carried away on October 30, 1944, by the German Commander of the city of Tirana, Captain Lederer, under pretext of transferring it to the National Bank of Albania in Scutari.

Criticism: In support of the contention of both the ownership and wrongful removal of the subject gold, Albania has submitted typewritten copies of German receipts covering removal of 6,481 gold coins having an aggregate face value of 3,499,740 Albanian francs and 13,519 gold Napoleons.

It may be argued that, since no proof of wrongful removal to Germany has been presented, this claim is highly doubtful. It may be compared to certain portions of the Yugoslav claim in which evidence of wrongful removal to Germany has been regarded as essential.

On the other hand, the character of the evidence given in this case is believed to afford strong grounds for taking a different view of the legitimacy of the claim:

- a) The withdrawal of 6,481 gold Napoleons was effected by the German Commander of Tirana under authority of the Government of the Reich, as confirmed by a letter of authorization of the German Legation dated October 10, 1944, "on the basis of the Albanian Government's ordinance, as a loan for the needs of the Army's Forces". The letter of authorization stated that the Chief Inspector of the Reichsbank was authorized to receive the funds.

Ergo, this would appear to be an occupation or war cost levy of monetary gold from Albanian account to German official account. It is submitted that in such case it would not be likely that such gold has remained in the claimant country.

/b)

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- b) The 13,519 gold Napoleons were removed by the same German Commander "to be transported to the Branch of Scutari" according to the receipt. However, the funds never reached that bank and it is highly unlikely that they were abandoned in Albania. Since the German Legation there was informed of the existence of the gold depot in Tirana, it is believed improbable that the German Commander would have risked diverting them to his own personal cache.
- c) 20,000 gold Napoleons, each containing 6.4516 grammes gross, 900/1000 fine, would contain 116.128 kg, whereas the Albanian figure is 116.118 kg.
- d) The ONGUS reports which have been made available to the Commission throw no light upon this element.

CONCLUSION.

It is recommended that this element not be allowed in the preliminary distribution but that:

- a) ONGUS be requested to develop any pertinent information possible;
- b) Albania be required to submit photocopies of the documents offered in support of this claim.

EDWARD W. O'FLAHERTY.

/mba

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Preliminary Notes on Austrian Claim

A preliminary survey of the Austrian gold claim highlights the following:

1. Austria's total claim is for 91,256.9156 kg of fine gold. This amount would have a dollar value of \$102,689,207.

2. Austria's gold holdings as of March 17, 1938 are given as 78,267.1478 kg of fine gold. Calculated at the rate of \$35 per fine ounce, that amount would have a value of U.S. \$88 million. However, the current balance sheet of the Austrian National Bank as of March 7, 1938 gives the gold reserve of Austria as \$45.8 million*. This discrepancy of \$42.2 million gives rise to some important questions. Off hand, the following come to mind:

(a) Are hidden reserves intended to be covered by the definition adopted by the Tripartite Commission?

(b) Should the Commission require the submission of certified copies of claimant banks' balance sheets as of March 12, 1938 -- or in this case March 7 and 17, 1938 -- accompanied by a detailed breakdown of "other assets" entries together with documents supporting the latter?

(c) What credence is to be given to self-serving statements which purport to be made from the records of the bank? Should the Commission require photostatic copies of the relevant portions of the books? Alternatively, should consideration be given to an on the spot inspection of the books, etc., by the Experts to the Commission?

3. The Austrian Government claims that 12,989.7678 kg of gold purchased by the Austrian National Bank in liquidation between March 18 and April 25, 1938 constituted a "dormant reserve" of Austria and should be treated on a par with the holdings of the bank on March 17, 1938.** The Austrians appear to base this contention on the following premises:

(a) Although the decree of March 17, 1938 constituted the "legal" basis for the absorption of the bank by the Reichsbank, the latter did not actually undertake gold and foreign exchange transactions in Austria until "after April 25, 1938". As if in support of this assertion the claim contains a transcription of a decree dated April 23, 1938 regarding the execution of the edict concerning the introduction of reichsmark currency into Austria and the decree regarding the taking over of the Austrian National Bank by the Reichsbank. (The text of the statutes of the Austrian National Bank which this decree was intended to nullify is not given in full.)

(b) The ...

*Source: Federal Reserve Bulletin.

**By a German decree of March 17, 1938 the Reichsbank "absorbed" the Austrian National Bank.

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(b) The gold was purchased "from undoubtedly Austrian ownership" and is, therefore, to be regarded intrinsically as Austrian monetary gold.

4. Impinging upon 3 (b) above is the fact that a portion of the gold acquired between March 18 - April 25, 1938 was held outside of Austria (1,189.7630 kg at the Bank of England and 1,771.1143 kg at the BIS in Switzerland). It is not at all clear that these lots were purchased "from undoubtedly Austrian ownership".

5. After June 30, 1945, the American army delivered to Austria the so-called Salzburg gold valued at \$4,743,507 which "had remained in Austria and had come from the Austrian gold stock". However, this amount (which at \$35 a fine ounce would be approximately 4,215.4166 kg) has not been deducted from the claimed total amount of Austrian monetary gold as of April 25, 1938.

6. The Austrians apparently give the actual weight of the coins lost but do not make any allowance for remedy of fineness.

June 14, 1947.

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II.

BELGIUM

1. Institution involved: Bank of Issue at Brussels.
2. Amount of Claim: 6,434 kgf purchased from the Belgian public during the period 1940 - 1944.

A deposit of the Bank of Issue with the Netherlands Bank, having a fine gold content of 50.0835 kgf was transferred to the Reichsbank in 1943. It is clear that this gold was held in the name of the Bank of Issue and it was presumably acquired from a Belgian subject who had it on deposit in Holland.

I.

Was the Bank of Issue a monetary authority of Belgium?

A. It was a monetary authority, established pursuant to a German decree of 27 June, 1940, "in order to secure the maintenance of the monetary circulation, the payments, and the credit" at a time when the National Bank of Belgium had temporarily ceased to function in Belgium.

It was empowered to issue notes in terms of Belgian francs.

B. It is believed that the Bank of Issue was truly a monetary authority of Belgium.

- i. It was ^{incorporated under} ~~established pursuant to the laws of Belgium.~~
- ii. It was situated in Belgium.
- iii. The President of the National Bank of Belgium was President of the Bank of Issue; its capital was subscribed by Belgian banks.
- iv. Payment for the gold which it purchased from the public was made in notes of the National Bank which, to safeguard the unity of monetary circulation,

Include statement of functions

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placed notes at the disposal of the Bank of Issue as required. These notes were the same as those issued by the National Bank and their issuance caused a ^{expansion} suspension in its note circulation.

II

Was the gold purchased a part of the Bank of Issue's reserve?

Although this gold was offered by the public pursuant to a German decree dated August 2, 1940, it was entered on the books of the Bank of Issue and was transferred to the Reichsbank at intervals up to January 12, 1943.

One may take issue with the contention that this gold was the property of the Bank of Issue because as early as August 2, 1940, the Commissioner to the National Bank of Belgium ordered that the gold purchased by the bank be forwarded weekly to the Reichsbank. However, it seems clear that the gold became the property of the Bank of Issue and was afterwards transferred off the books of the Bank of Issue to the Reichsbank.

- A. The Bank of Issue gave compensation to the vendors in the form of Belgian National Bank notes.
- B. These notes were legal tender on a par with other notes of the same denomination issued by the National Bank. The price paid for the gold is not known, but it was presumably just.

III

Was the gold looted or wrongfully removed to Germany?

The answer is affirmative.

- A. In a letter from the German Commissioner to the National Bank dated August 2, 1940, the surrender of this gold to Germany was ordered. That it was injurious to Belgium's economy is attested by a letter from the President of the Bank of Issue to the German Commissioner, dated August 20, 1940. In it the President of the bank requested that the Bank of Issue be permitted to retain its gold and

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foreign exchange reserve since it is necessary "for Belgium to have big exchange reserves at its disposal". He also pointed out that the surrender of the gold was not necessary "in order to secure for Belgium the supplies required for the maintenance of its economic activity and the feeding of its population."

B. In return for the gold surrendered to Germany, the account of the Bank of Issue at the Deutsche Verrechnungskasse in Berlin was credited with the counter-value, but it is probable that this was in the form of blocked balances since the calling in of the gold was accompanied by a simultaneous requisitioning of foreign exchange holdings in Belgium. However, confirmation of the accuracy of this presumption could be obtained from the claimant country.

CONCLUSION.

It is believed that, subject to the following two reservations, this claim should be allowed:

- a) An explanation of the origin of the gold transferred from the Netherlands to Berlin for account of the Bank of Issue.
- b) Confirmation that counter-value was not given to the Bank of Issue, in

~~free Dutch marks.~~

(c) Is there any reason to believe that this was paid as an excise cost levy.

EDWARD W. O'FLAHERTY.

28th January, 1948.

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July 31, 1947

Preliminary Analysis of Belgian Reply to Gold Questionnaire.

The carefully completed and well documented reply of Belgium is treated herein according to the arrangement of the Questionnaire. A few prefatory comments are made:

- In addition to answering the questionnaire as regards Continental Belgium, the reply is completed in respect to the Belgian Congo and Mandated Territories of Ruanda-Urundi also.
- A preliminary review of this docket gives rise to only two questions: The amount of gold lost (Form I-A-1); and an acquisition of gold from Germany in 1940 (Form II-A-1).
- In making this preliminary analysis extensive use has been made of the excellent work of the Finance Division, OMCUS, as set forth in Colonel B. Bernstein's report to General Clay, dated 13 August 1945. All references to Reichsbank records have been drawn from this report.

I.- Forms I-A-1 and I-B-1

A. The Belgian Government claims a direct loss of 198,433.8417 Kg of fine gold, owned as follows:-

Banque Nationale de Belgique	183,170.0695 Kg
Belgian State	15,240.1569 Kg
Banque du Congo Belge	23.6153 Kg

It was held by the Banque de France for account of the National Bank.

B. The gold was delivered to the Bank of France in 4,854 sealed cases assertedly containing:

Coins	57,970.0999 Kg fine gold
Ingots	140,462.5835 Kg fine gold
Other Gold	1.1583 Kg fine gold

PROBLEM: There is a discrepancy of 19.4411 Kg between the amount claimed by the National Bank to have been contained in the cases and the amount recorded in the original inventory of the Reichsbank. A comparison of the figures follows:

	Bars		Coins		/Other Gold
	Gross wt.	Fine wt.	Gross wt.	Fine wt.	
National Bank	143,634.0633	140,462.5835	64,377.0645	57,970.0999	
Reichsbank	143,634.5765	140,456.1766	64,392.7098	57,958.2240	
	+ .5132	- 6.4069	+ 15.6453	- 11.8759	

Ø A subsequent claim received in the French text only, on July 10th 1947, concerning losses of the Banque d'Emission will be analysed later.

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	Other Gold	
	Gross wt.	Fine wt.
National Bank	1.2958	1.1583
Reichsbank	-	-
	- 1.2958	- 1.1583

It will be observed that the difference in the fine weight of the ingots is 11.8759 Kg, and of the coins 6.4069 Kg; total: 18.2828 Kg. This amount subtracted from the aggregate difference leaves 1.1583 Kg unaccounted for - the exact amount of the fine weight of "other gold" (miscellaneous coins and medals) claimed by the National Bank. It appears, therefore, that the "other gold" never reached the Reichsbank and is probably to be sought among the effects of the Reichsmarschall, "delegate for the Four Year Plan". In fact, it may be questioned as to whether medals (fine wt. 0.5034 Kg) are properly to be considered monetary gold.

It will also be observed that the Reichsbank records attribute a greater gross weight to both ingots and coins than did the National Bank, though the former's calculation of the fine weight was 19 Kg less than the latter's.

RECOMMENDATION: It is recommended that the Commission accept the figure of the National Bank as to the amount of fine gold lost. The following reasons seem sufficient.

a) The reliability of the National Bank of Belgium. The Bank of France, in compensating the National Bank, relied entirely upon the latter's calculations.

b) The fact that the Reichsbank apparently erred in calculating the gross weight of both bars and coins. As regards the bars, this may be explained in part by the fact that 1754 bars "were of uncertain fineness and were... resmelted before being weighed and entered on the books". There was some gain in the gross weight of these bars caused by the addition of metal salts used in the smelting process. However, the discrepancies are not entirely explained away by this reasoning and it remains to choose between the National Bank's accuracy and the Reichsbank's.

c) As to allowance for the "other forms of gold", particularly the medals, there exists no reason why medals of high gold content cannot be considered as a part of a monetary reserve - as they apparently were by the National Bank.

C. The circumstances of the loss are so well known as to require only a brief summation here.

In November 1939 and May 1940 the National Bank of Belgium deposited with the Bank of France 4,989 sealed cases containing gold taken from its stock. It sold the contents of 135 cases to the Bank of France, leaving a deposit of 4,854 cases, concerning which it was agreed that Bank of France should exercise the same care as with its own gold. Consequently, the Belgian gold was shipped to Dakar where it arrived on June 28, 1940.

On October 29, 1940, the German and French Armistice Delegations signed the Wiesbaden Agreement under which France was to return to the disposal of the National Bank of Belgium the gold in question. However, the latter refused to

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accept the gold under these circumstances.

By a Protocol of December 11, 1940 to the above Agreement, it was arranged that the Bank of France would hand over at Marseilles the Belgian gold to representatives of the Reichsbank, which would thereby become depository in place of the Bank of France.

The cases were returned from Dakar to Marseilles where representatives of the Reichsbank took them over, against receipt, on various dates between December 21, 1940 and May 26, 1942. The cases were then transferred to Berlin.

At no time did the National Bank acquiesce in these proceedings. Moreover the National Bank consistently refused the compensation (RM 2,784 per Kg) advanced by the Reich, which formally vested "ownership" of the gold, on September 19, 1942, in "the Reichmarshall, delegate for the Four Year Plan".

Due to persistent refusal of the National Bank to accept compensation it was informed that the funds would be deposited on behalf of the National Bank and the Reichsbank-directorium with the Administration Court in Berlin. On June 9, 1944, the Court accepted RM 549,521,572.15 - which the National Bank had refused.

D. Adequate evidence is presented to establish that the National Bank formally put the Reich on notice that the seizure of the gold was considered illegal.

E. No specific data are advanced.

F. The compensation offered by the Reich and described briefly in C. above was never accepted by the National Bank.

G. Evidence of ownership of the gold - subject to the minor reservation set out in respect to Form II-A-1, below, appears adequate. Evidence of looting is confirmed by the Bank of France and abundant evidence in the Belgian docket, as well as by the Reichsbank records.

H. No other information is available to Belgium concerning the loss and subsequent disposal of the gold.

II. - Forms I-A-2 and I-B-2.

This section sets forth information concerning 4,317.2028 Kg fine gold held by the National Bank with the Bank of France for account of the Caisse d'Epargne of Luxembourg.

See: "Preliminary Analysis of Luxembourg Claim."

III. - Form I-A-3.

Complete. No comment at present.

IV. - Forms II-A-1 and II-B-1.

Between March 4, 1940 and May 9, 1940, the Reichsbank, Berlin, sent a total of 8,058,3306 Kg of fine gold to the National Bank for earmarking. "Later on" - clearly prior to May 11, 1940, the date of Belgium's last gold shipment to Bordeaux in which the identical gold was contained - "the Reichsbank asked the

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Banque Nationale de Belgique to buy the ingots and to credit the counterpart to her account, with a view to current payments in Belgium". The National Bank bought the bars and, as indicated above, sent them in the gold shipment of May 11 to Bordeaux - as a comparison of the bar markings discloses.

PROBLEM: The bars acquired from the Reichsbank could have been looted from a previously invaded country, viz: Austria, Czechoslovakia, Poland, Norway, Denmark or the Netherlands. For patent reasons, the potential victims boil down to Austria and Czechoslovakia. Austria is excluded because a comparison has been made of the description of the subject bars, given in full by the National Bank, against the description of bars lost by Austria. There is no identity. It is a possibility, however, that Czechoslovakia's list when received may disclose that some of the bars acquired by Belgium from the Reichsbank had been "looted" from that country.

RECOMMENDATION: It is recommended that provisional reservation of 8,058.3306 Kg be made from Belgium's claim until it shall have been possible to check on this matter. If the Czechoslovak reply develops no adverse information there would appear to be no reason to further question this transaction, since it took place before the invasion of Belgium.

V.- Form II-A-2

Completed. No comment for the present.

VI.- Annex to Form II-A-2.

On December 22, 1944, the Bank of France compensated the National Bank in full for the gold under question, by transferring 198,433.8417 Kg of fine gold to the latter's account at the Federal Reserve Bank of New York.

As a result of the underlying agreement, the Bank of France appears to have, in effect, an assignment of the gold recovered as a result of this claim.

VII.- Form III.

Completed. No comment at present.

VIII.- CONCLUSION.

Subject to resolution of the points raised under numbers I and IV above, it is recommended that, for purposes of a preliminary distribution, full recognition be given to this claim of the Belgian Government.

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30th January, 1948.

III

CZECHOSLOVAKIA

1. Institution involved: National Bank of Czechoslovakia (National Bank of Bohemia and Moravia).
2. Amount involved: 1,008,9146 kgf. Gold purchased from the Skodworks and Zbrojovka, private firms in Czechoslovakia.

This gold was in the form of bars, 81 in all, which were purchased from the two Czech firms by the National Bank on August 20 and 24, 1940.

I

Was the institution involved a central bank or other monetary authority of Czechoslovakia ?

A. The National Bank of Czechoslovakia was reorganised by the German occupants and a central bank for the new State of Slovakia carved out of it; but the bulk of its assets remained with the Prague office which was redesignated the National Bank of Bohemia and Moravia. It is important to note that the Czechoslovak central bank was not liquidated, nor openly merged into the Reichsbank system, but it was simply divided in the manner described. (i) It appears, therefore, that the National Bank of Bohemia and Moravia was actually merely a branch of the National Bank of Czechoslovakia, the central bank of that country.

It seems clear that the National Bank of Czechoslovakia, which was clearly a central bank of the country, was the institution which received this gold and it is the present claimant for the gold.

- (i) This information is derived from a study made by OMCUS in November 1945. It does not appear in the files submitted by Czechoslovakia.

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B. It was a central bank of Czechoslovakia.

- i. The National Bank of Bohemia and Moravia issued currency in the form of krone which were legal tender in the country.
- ii. Since the liberation the National Bank of Czechoslovakia has resumed its unity, embracing those portions into which it was divided by the Germans.
- iii. The National Bank of Bohemia and Moravia, it would appear therefore, was a monetary authority of Czechoslovakia exercising currency and credit controls within that State.

II

Was the gold purchased a part of the National Bank's reserve ?

This gold was physically received in the National Bank and first entered in the "Sundry Deposits" book of the "Central Cash" On September 4, 1940, it was written off the account "Sundry Deposits" and handed over to the cashier in charge of Precious Metals and Foreign Currencies. On September 6 it was despatched to the Reichsbank.

Payment in the form of krone was made to the sellers on August 20 and 24 respectively. At that time, it would seem, the gold became the property of the National Bank.

III

Was the gold looted by or wrongfully removed to Germany ?

A. The gold was assertedly transferred under orders given verbally by representatives of the Reichsbank at the National Bank of Czechoslovakia under a general order issued by the Reichsbank Protektor on June 10, 1940 to the effect that the gold of the National Bank of Bohemia and Moravia must be transferred to the Reichsbank in Berlin. The National Bank of Czechoslovakia states that it is not possible to furnish memoranda or reports concerning the issuance of these verbal orders due to

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the fact that "in view of the tension which existed in Prague after the tragic death of M. Sadilák it became impossible to draw up memoranda or reports on occurrences of this sort."

B. In a letter dated 6 September, 1940, the Reichsbank acknowledged receipt of the 81 gold bars containing 1,008.9019 kgf. On the same date it advised the National Bank of Bohemia and Moravia as follows:-

"The countervalue of the gold calculated on the basis of RM 2.705 per fine kilo is

RM 2,729.079,64

Taking into account the amount placed at your disposal on the Reichsbankgirokonto on the 5/9/40

RM 1,500.000

we have today credited the balance of

RM 1,229.079,64

likewise to your Reichsbankgirokonto in free Reichsmark."

Conclusion.

It is recommended that this claim of Czechoslovakia be reserved for special study.

EDWARD W. O'FLAHERTY.

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File - Claims Memor
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ADDENDUM TO ANALYSIS OF CZECHOSLOVAKIA'S CLAIM. 17th January, 1948.

On January 15, 1948, the Tripartite Commission received, in response to its request, certain additional data regarding the following elements of the Czech claim:

- A. Gold held at the Bank of England through the Bank for International Settlements - 23,087 kgs.
- B. Gold "administered" by Skodaworks and Zbrojovka A. S. - 1,009 kgs.

A. GOLD HELD AT THE BANK OF ENGLAND.

1. Evidence of transfer to the Reichsbank.

As proof of the actual transfer of the 23,087 kgs held through the Bank for International Settlements at the Bank of England, the Czechoslovak National Bank has submitted photostats of the following documents:

- a) Order of 18 March, 1939, to the Bank for International Settlements to transfer 23,100 kgs, held at the Bank of England for account of the National Bank, to the Reichsbank.
- b) Advice of execution from the Bank for International Settlements to the National Bank, dated 24 March, 1939.
- c) Advice from the Reichsbank to the National Bank dated June 12, 1939, of receipt of 23,087 kgs gold for safe custody on behalf of the National Bank of Bohemia and Moravia.

2. Proof that such transfer was ordered under duress.

As proof that the above described transfer was ordered under duress, the National Bank has forwarded a copy (of their file copy) of a letter dated 13 October, 1939, from a former Director of the Bank, M. Josef Malik, then in Paris, to the President of the Bank for International Settlements in which he stated that the transfer order of March 18, 1939, had been signed under duress and demanded that the remaining Czech assets with the Bank for International Settlements be blocked.

It is submitted that the evidence of forced transfer, although consisting of only the one letter (1) is adequate, primarily because of

(1) Mr. J. Hollmann of the National Bank visited the office of the Commission on January 17 and in the course of our conversation informed me that the other Director who signed the transfer order, M. F. Peroutka, is in Czechoslovakia and could readily furnish an affidavit concerning the compulsory nature of his action. He stated that Peroutka had been required, after the liberation, to satisfy an investigating Committee in his country to that effect and had been found entirely innocent. He retained his post with the Bank until recently when he retired for reasons of age and ill health.

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the authorship and nature of the document.

Its author, M. Josef Malik, former Director of the Exchange Section of the National Bank was, himself, one of the two signers of the transfer order. He was the only high official of the Bank who was successful in escaping from occupied Czechoslovakia.

The letter itself is clear-cut affirmation that the transfer order was signed under compulsion. In calling for the blocking of Czech assets still held by the Bank for International Settlements, it is ample evidence that the diversion of Czech gold was and would be contrary to the interests of the country, and hence, completely wrongful.

3. Conclusion.

It is submitted that the additional evidence presented is conclusive and it is recommended that this element of the Czech claim be approved, subject to the reservation of 12,769 and 3,398 kgs already agreed upon. Of the 23,087 kgs therefore, allowance could now be made for payment on a share of 6,920.5597 kgs.

B. GOLD ADMINISTERED BY SKODAWORKS.

As this question is being treated fully in a comprehensive memorandum concerning gold acquired from private holders, it would be redundant to repeat the numerous details here.


 EDWARD W. O'FLAHERTY.

I am in accord.


 POL GARGAM

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3rd December, 1947

NOTE on the Czechoslovakian Claim for 23,087 kgs fine gold held with the Bank of England through the Bank for International Settlements and transferred to Reichsbank account in March, 1939.

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1. Evidence of Wrongful Removal.

The OMGUS Report of 1 November, 1945, cites Emil Puhl, former Reichsbank Vice President, as having testified that the transfer in question "was arranged by pressure on the new Government of the Protectorate", and that, if his memory is correct, "the German Government asked the Czechoslovak officials to address, or to make, the necessary arrangements". It should be observed that this transaction took place three days after the occupation of Prague, on March 15, 1939.

However, the Czechoslovakian reply to the gold questionnaire does not provide adequate evidence that this transfer was effected under duress. It merely states that the National Bank received, from the occupants, a verbal order to transfer this gold to account of the Reichsbank. It is, therefore, recommended that the Czechoslovak National Bank be requested to provide photocopies and translations of any internal memoranda, current sworn statements of the National Bank officials who received the verbal order, or other supporting evidence that the transfer was ordered by the Germans.

2. Counter Account opened by the Reichsbank.

On May 5, 1939, the Reichsbank established, in Berlin, a gold custody account, containing 23,087 kgs in the name of the National Bank of Bohemia and Moravia, the offset of the gold transferred in London.

This account was called the "Sonderlagerung", or Special Deposit. It is the only one of the three Czechoslovakian accounts held at the Reichsbank which showed any substantial activity.

The OMGUS Report states "Within the first year after the establishment of this deposit the Reichsbank had 'purchased' 1034 (12,768.9601 kgs) of the 1880 bars (23,087 kgs) originally placed therein. These deliveries, usually at weekly intervals, began on May 9, 1939, and continued through November of that year, and then one more delivery was made on April 17, 1940. The wording of the letters confirming these deliveries, suggests that this gold was taken in periodic payment for Reichsmark or foreign exchange already received by the National Bank of Bohemia and Moravia from the Reichsbank".

The OMGUS Report further shows from translations of letters of advice directed to the National Bank by the Reichsbank Directorium, that payment for the gold removed from this account was made in free Reichsmarks, or foreign exchange.

The Report also states that after completion of deliveries and evacuation to the Merker mine, the Special Deposit account contained 846 bars, having a fine gold content of 10,318.331 kgs.

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3. CONCLUSION:

The writer agrees with M. Gargam's view, as expressed in his memorandum of 24 November, 1947, that for the time being decision should be reserved with respect to 12,769 kgs of this element, it being of course understood that final decision on this amount would be based upon a broad policy determination as to whether the receipt by claimant countries of counter-value for gold delivered to Germany is or is not to dictate an adverse decision regarding certain of their claims.

As a minimum, the writer recommends, as he did in the 29th Meeting, that reservation should be made, pending further study, with regard to the 3,398 kgs transferred from German to Czech account in Switzerland during the war.

EDWARD W. O'FLAHERTY.

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7th November, 1947.

ADDENDUM No. 2 TO "PRELIMINARY ANALYSIS OF CZECHOSLOVAKIA'S
REPLY TO THE QUESTIONNAIRE", DATED 22nd AUGUST, 1947.

This refers to that element of the Czech claim consisting of 6,375.8588 kgs. fine gold in coin form transferred from Czechoslovakia to the Reichsbank in June, 1940. In response to the Commissions's request, Czechoslovakia has now submitted additional evidence concerning the ownership and illegal transfer of the gold.

A. Proof of Ownership.

Summary. Czechoslovakia has submitted photostatic copies and translations of the balance sheets and Gold Account Statement as of December 31, 1940. The former shows its gold holdings on that date as 51,863.4389 kgs. and the latter demonstrates that of this amount, 6,374.5208 kgs. were carried as on "Safe deposit in Berlin".

The Czech reply also explains the difference (1.338 kgs.) between the amount carried in its Gold Account (6,374.5208 kgs.) and the amount claimed (6,375.8588 kgs.). This is attributed to an accounting practise by which the National Bank carried 1⁰⁰/₁₀₀₀ of its gold holdings as a hidden reserve, "as a security for gold cover".

Criticism. The evidence of ownership of this gold is now considered adequate. The written explanation of the discrepancy of 1.338 kgs. is not entirely clear. However, Dr. Hollmann of the Czechoslovak National Bank gave a satisfactory verbal explanation which is, in essence, that the National Bank customarily carries coin on its books at a discount of 1 gram per 1000, thus allowing a remedy for variation in fineness or weight.

B. Proof of Wrongful Removal.

Summary. The essential document submitted in this connection is a letter dated June 10, 1940 from Neurath, the Reichsprotector, to the Czech Prime Minister, which states that due to certain serious events involving the arrest of some officials of the National Bank "it has become necessary to transfer the gold hitherto held by the National Bank, to the safekeeping of the Deutsche Reichsbank in Berlin". The letter concludes, "I have instructed the Deutsche Reichsbank to undertake the transportation and would request you to inform the National Bank accordingly".

Although no document conveyed these instructions to the National Bank, ample evidence is submitted to show that they were received and carried out. This consists of: a) Protocol of June 12, 1940, narrating the details of the taking over of the gold by Reichsbank representatives in Prague, b) a message of 14th June, 1940, notifying the National Bank of the arrival of the shipment; c) letter of August 5, 1940, to the National Bank from the Reichsbank advising of the results of the examination of such gold by the Reichsbank.

Conclusion. On the basis of the evidence now available to the Commission, the approval of this element of the Czech claim is recommended.

EDWARD W. O'FLAHERTY.

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ADDENDUM NO. 3 TO PRELIMINARY ANALYSIS OF
CZECHOSLOVAKIA'S REPLY TO GOLD QUESTIONNAIRE
DATED 22ND AUGUST, 1947.

This refers to the claim of Czechoslovakia for restitution of 14,556.2010 kg fine gold transferred to the Reichsbank as cover for withdrawn Czechoslovak currency notes circulating in the Sudetan area. In response to the Commission's request, Czechoslovakia has submitted additional evidence of the ownership and wrongful removal of the gold.

A. Proof of Ownership.

Summary: The evidence of ownership of the gold in question consists of photocopies of the books of the National Bank of Czechoslovakia containing details relating to gold held by it up to March 1939 with the Bank for International Settlements, Berns and through the Bank for International Settlements at the National Bank of Belgium, Brussels and with the Swiss National Bank.

The Minister of Finance executed a certification on January 21, 1948 that the above mentioned lists state in detail the particulars of the gold bars which were so held and transferred to the Reichsbank in partial cover of the withdrawn Czech notes. A photocopy of such certification has been submitted.

Criticism:

The Czech Bank's ownership of this gold is believed to be satisfactorily substantiated by the documentation submitted.

B. Proof of wrongful removal.

Summary: The actual transfer of the gold in question to account of the Reichsbank is established by

- a) certified copy of the confirmation of cable instructions dated 7th March, 1939 from the Czech National Bank to the Swiss National Bank to effect transfer of 12,488.01091 fine kg of gold to account of the Reichsbank.
- b) Photocopy of confirmation of instructions to the Bank for International Settlements, dated 7th March 1939, to transfer 47 bars held in the name of the B.I.S. with the National Bank of Belgium and 125 bars held in the name of the B.I.S. with the Swiss National Bank, Berns, the latter having a weight of 1468.3568 kg.
- c) Photocopy of letter from the Swiss National Bank to National Bank of Czechoslovakia dated 8 March, 1939 advising of the completion of the transfer mentioned under (a) to the Reichsbank account.
- d) Certified copy of a letter dated 10th March 1939 from the Bank for International Settlements to the National Bank of Czechoslovakia advising of the completion of the transfers, mentioned under (b), to account of the Reichsbank.

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Criticism:

The above mentioned documents bear out the fact of the transfer of 14,536.2010 kg fine gold from accounts of the National Bank of Czechoslovakia to account of the Reichsbank, Berlin. However, it is recognised that an answer must be given to the question:

Was this transfer a "wrongful removal" within the meaning of Part III of the Act of Paris?

The Government of Czechoslovakia contends that because this transfer was a direct result of the Munich Agreement in which Czechoslovakia did not participate, "the transfer in question took place under pressure, and states that it is unable to furnish more convincing evidence in this connection". It does again call attention to a letter addressed by Joseph Malik dated 13th October, 1939, after his escape to Paris, to the President of the Bank for International Settlements protesting that the transfers ordered by the National Bank of Czechoslovakia on March 18th 1939, were executed under force. However, this document is not to the point since it refers to the transfer of gold held by the National Bank through the Bank for International Settlements with the Bank of England. Consequently reference to it in connection with this transfer neither strengthens nor weakens the case.

M. Gargam has raised certain questions in connection with this claim on which the following observations of the American Adviser are submitted for the record.

- a) It does not appear to be important whether the surrender of the Czech gold in partial settlement for the withdrawn currency notes could be considered, from the theoretical and purely technical standpoint, as just in 1938. The fact of the matter is that Czechoslovakia did not voluntarily surrender this gold in exchange for its notes, any more than it voluntarily gave up its Sudeten area.
- b) Czechoslovakia was credited by the Reichsbank with 465,754,567.45 crown notes in exchange for the gold. These notes were shipped to the National Bank of Czechoslovakia in Prague which was compelled to credit them to a special account on its books in favour of the Reichsbank. This account was subsequently debited by the National Bank for the countervalue of the gold. In other words, the so-called "value" received by the National Bank of Czechoslovakia consisted of notes of its own issue. It is extremely difficult to accept the theory that, after the total occupation of Czechoslovakia, these notes could represent value received by the National Bank over which the Germans immediately exercised dominion. When the Germans carved up the National Bank into state banks, the issuance of crown notes was under their own control and, in returning the Sudeten notes to the National Bank of Czechoslovakia, they merely took the currency out of one pocket and put it into another.

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- c) As regards the financial arrangements made in Sudetenland after its recovery by Czechoslovakia, one paramount fact is basic, namely Czechoslovakia has reassumed responsibility for the monetary circulation in that area. Therefore, the gold which it was forced to give up as cover for the circulation in 1939 should be returned to it. To contend that Czechoslovakia may have recovered gold which was held by Germans who were removed from the Sudeten upon its return to Czechoslovakia is unrealistic. In the light of the pre-war and war-time foreign exchange controls exercised by the Nazis, one finds it extremely difficult to imagine that Germans in the Sudeten area were allowed to hoard gold, any more than ordinary Germans in other parts of the Reich. The very existence of the Tripartite Commission is adequate evidence of Germany's relentless search for gold to finance its war machine.

- d) The French Commissioner has suggested that special attention should be paid to Article II, D of Part I of the Act of Paris since there is a possibility that the Czechoslovak Government may have received credits to the Giro account with the Reichsbank in exchange for the gold and that they may have subsequently utilised such credits. On the basis of the facts presented by Czechoslovakia and outlined above there appears to be no foundation for suspecting that such arrangements entered into the Sudeten currency settlement. As the French Advisor pointed out in his note of 22nd September, 1947, the gold surrendered to Germany represented only a portion of the settlement which Czechoslovakia was compelled to effect with Germany and Czechoslovakia received in return only that proportion of notes for which this gold represented cover, namely - 37.25%. It is, therefore, difficult to understand the contention that Czechoslovakia might have received, in addition, any Reichsmarks credits to its Giro account with the Reichsbank.

In conclusion therefore, it is submitted that this element of the Czechoslovak claim should be considered valid. The present evidence of ownership and wrongful removal seems as compelling in this case as the Commission should reasonably require.

EOJ

March 2nd, 1948.

EDWARD W. O'FLAHERTY.

EWOP/ISL.

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January 30, 1948.

CLAIMS FOR THE RESTITUTION OF GOLD ACQUIRED BY MONETARY
AUTHORITIES FROM THE FOLLOWING

I. The purpose of this paper is to outline and explore some of the technical aspects of the claims for the restitution of gold acquired by Germany from private holders in the occupied countries through the Central Banks or substitute institutions.

The considerations advanced are predicated on the definition of monetary gold which has been adopted by the Commission.

The present paper is directed toward the resolution of the following claims:

COUNTRY	AMOUNT	BODIES BY WHICH THE GOLD WAS ACQUIRED OR REQUISITIONED
Austria	12,989 kgs	National Bank of Austria, in liquidation.
Belgium	6,034 kgs	Bank of Issue, Brussels.
Czechoslovakia	1,009 kgs	National Bank of Czechoslovakia.
Netherlands	28,837 kgs	Nederlandschebank.
Poland	1,654 kgs	Reichskreditkassan and Emissionsbank.
	4,260 kgs	Branches of the Reichsbank.
	102 kgs	Landesgenossenschaft Bromberg and Deutschbank.
	260 kgs	German services.
Yugoslavia	69 kgs	German services.
	113 kgs	Serbian National Bank.

The claim of Greece falls in this category but cannot be considered at present since no data have been submitted. Moreover, because of the special problems involved, the claims concerning the Bor Mines and Pescatore Foundation gold will be treated in separate papers.

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II. It is submitted that three principal criteria are applicable in the resolution of this group of claims :-

1. The gold was carried on the books of the claimant's National Bank or other monetary authority at the time of looting by or wrongful removal to Germany;
 - a) the holder was a "monetary authority",
 - b) it was the "claimant country's" monetary authority.
2. It was carried on the books of such institution as a part of its monetary reserve;
 - a) the gold was carried on the books of the institution.
 - b) that institution gave compensation to the vendor.
3. The gold was actually looted by or wrongfully removed to Germany.

III. There follows a brief elaboration and justification of each of the criteria suggested above.

1. The gold was carried on the books of the claimant's National Bank or other monetary authority at the time of looting by or wrongful removal to Germany.

This appears to be a simple test, readily demonstrable. It would seem that the claimant need merely submit photocopies of the books of the Government, its Central Bank or other monetary authority showing where, when and how such gold was carried therein. However, the meaning of the term "other monetary authority" is not so patent; nor is the term "the claimant country's" without ambiguity.

Two questions must be answered then :-

- a) what is meant by a "monetary authority",
 - b) what is meant by "claimant country's" monetary authority?
- a) As to the first, and without knowledge of any traditional definition, it would seem that a monetary authority might be described as an institution empowered to exercise some control over a country's national or regional currency and credit mechanism.
 - b) The second question, namely what is meant by "claimant country's" monetary authority is a particularly critical one.

Monsieur Gargan has suggested that the answer depends upon whether a person who has sold gold to the monetary authority regarded it as a legitimate one. However, this subjective test seems to be entirely too vague and too

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difficult to apply.

It can be argued that the term "claimant country's" may be interpreted in a geographical sense, as meaning any monetary authority operating within the boundaries of a claimant country. In other words, if gold was acquired by a de facto monetary authority set up by the occupant and functioning within the frontiers of the claimant country, it may be argued that, subject to other tests, such gold became part of the monetary reserve of the claimant country.

While it may be difficult to apply, it is submitted that the most reasonable and defensible test depends upon a number of considerations, such as whether the post war assets and liabilities of the monetary authority have been borne by the claimant, and whether the currency given by the monetary authority in exchange for the gold was legal tender within such country, and again, whether, after liberation, the claimant country repudiated the notes so issued.

For purposes of a preliminary review an application of the latter test will be made to the cases under consideration.

2. It was carried on the books of such institution as a part of its monetary reserve.

In the first place it is clear that the term "monetary reserve" was intended to embrace more than the gold held by a bank of issue as a part of the reserve against the bank-notes which it issued. It is believed, moreover, that such term should be interpreted broadly enough to include all gold held by a monetary authority as its own and not as gold owned by depositors.

- a) The entry of the gold on the books of the monetary authority in its own accounts, as distinguished from values held for a depositor, is prima facie, evidence of its inclusion in the reserve.
- b) If compensation was given by the monetary authority to the private person who surrendered the gold, then it seems clear that the gold became the property of that institution. If it gave in return for the gold legal tender in the form of cash or credits or foreign exchange there can be no contention that this acquisition was itself an act of looting. Such payment represented value which could be used for the purchase of other property, whether it be a house or food or clothing.

The argument has been advanced that the acquisition of gold by a monetary authority from the public, if done pursuant to a German decree was itself an act of looting, because the surrender was compulsory. It is submitted that this principle is untenable.

Charles Cheney Hyde in his treatise on "International Law Chiefly as Interpreted and Applied by the United States" says :

"Banking is today regarded as a public function, and is controlled as never before by the State within whose territory that function is sought to be exercised. The belligerent occupant is, accordingly, believed to be justified in regulating the enjoyment of it, and on

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such terms as it may impose. Such is the case regardless of the character of the organization, or of the ownership or control of the particular fiscal entity concerned, or of the assets which it holds.

"The right of the occupant to control the operations of a bank, and notably in a situation where it is a central or national bank, or if need be, to administer the same under its own auspices, would not, however, necessarily be decisive of its right to treat as public property all of the assets of the institution, embracing all deposits or securities held by it. Those shown to be held in trust for, or to belong to, private individuals, should be respected as private property, and their treatment governed by the Hague Regulations applicable to such property."

The right of a country to require its subjects to sell to its monetary authority gold and foreign exchange has never been in doubt, so long as the rights of private property are respected, that is, so long as just compensation is given. Moreover, gold, occupying the position it does, would be the proper subject of requisition from the populace of a country by the occupying belligerent authority, provided just compensation is paid. Therefore, its compulsory sale is not, per se, a looting - even if the obligation was imposed by the occupying Power.

3. The gold was looted by or wrongfully removed to Germany.

Insofar as this particular category of claims is concerned, this is the last criterion cited, since it would have been the last step in point of time. After the monetary authority purchased gold from the public and endowed it with monetary character by making it a part of its reserve, the gold was looted by or wrongfully removed to Germany.

If no compensation was given to the claimant by Germany, the gold was looted. Again, if only blocked Reichsmarks were credited to the claimant's account it seems clear that the economy of the claimant country must have suffered severe damage. Nor does it seem imperative to determine to what extent Reichsmark credits may have been used to acquire goods from Germany. It is too well known that Germany was starving, not feeding, draining, not supplying those countries which it had conquered. Let it be assumed that at the time of Germany's capitulation there remained on the books of the Reichsbank or other German monetary authority, Reichsmark balances in favour of the claimants. (This is most likely). It would be unreasonable to argue that such balances could be compared in any way to the gold which the claimant countries lost and which they could now, in all justice, require the public to surrender to be used in their rehabilitation.

Of course, the question may arise whether the removal of this gold by the Germans was "wrongful" if free Reichsmarks were given to the claimant in return. It is suggested that such a case may raise a special problem, requiring particular study.

For the present, it is submitted that if the following questions can be answered affirmatively in regard to any of these claims, such claims may be allowed:

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1. Was the institution on whose books the gold was carried
 - a) a monetary authority?
 - b) the claimant country's monetary authority?
2. Was it a part of such entity's reserve?
 - a) was compensation given to the private persons concerned?
 - b) was such compensation just?
3. Was that gold looted by or wrongfully removed to Germany?
 - a) was it removed to Germany?
 - b) was either no compensation or blocked Reichsmark credits given in return?

EDWARD W. O'FLAHERTY.

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September 6, 1947.

III.- Addendum to Preliminary Analysis of Czechoslovakia's Reply to the Gold Questionnaire.

This refers to part I-A of my memorandum of August 22, 1947.

The United States Commissioner recently enquired whether the transfer of 14,536 kg of fine gold by the National Bank of Czechoslovakia to the Reichsbank in cover of the withdrawn Czech notes in Sudetenland was effected before the occupation of Prague.

The answer is affirmative. The transfer was ordered by the National Bank, after "protracted negotiations with the Reichsbank", on March 7, 1939. The order was executed on the following day. However, Prague did not fall to the Germans until March 15, 1939.

The significance of this point is apparent. The cover for the withdrawn notes was transferred to the Reich as the result of "negotiations". The National Bank was not in control of the Germans when such transfer order was issued. Therefore, the transfer of this gold could hardly be considered as "looting". In what sense it may have constituted "wrongful removal" will require considerable clarification and justification.

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13 August, 1947

PRELIMINARY ANALYSIS OF SUBSIDIARY
BELGIAN CLAIM.

The Gold Commission recently received a subsidiary Belgian claim for 6,434.2319 Kg of fine gold, assertedly owned and held by the Bank of Issue in Brussels and wrongfully removed to Germany. This gold was in the form of coins totalling 5,438.9507 Kg; ingots said to contain 977.8427 Kg, and other gold to the amount of 17.4385 Kg.

I.- The following are the salient features of this claim:

A.- In 1940, the National Bank of Belgium temporarily ceased to function in Belgium. On 27 June, 1940, the Bank of Issue of Brussels was organised by a consortium of Belgian bankers and industrialists and constituted pursuant to a decree of the Germans.

The Germans had issued, on 17 June, 1940, regulations requiring a declaration of private holdings of gold and certain foreign currencies and, on 7 August, 1940, designated the Bank of Issue of Brussels as the institution to which such gold was to be offered. At approximately the same time, the Bank of Issue was ordered to transfer such gold to the Reichsbank. It then requested that it be allowed to retain the exchange so acquired but this request was refused by the German authorities. Consequently, during the period 1940 to 1944, such gold was transferred to the Reichsbank.

B.- The Bank of Issue was credited at the Deutsche Verrechnungskasse with the counter-value in Belgian francs at a rate established by the Germans.

II.- It is recommended that this claim be denied on the following grounds:

A.- It is clear that the gold in question was not, prior to its sale to the Bank of Issue, included in the reserve account of a Belgian monetary authority because the private holders of the gold in question were not required by Belgian pre-occupation exchange regulations to declare or offer such gold to the Belgian Government or other monetary authority. Therefore, such gold could not have been calculated in the reserve of gold held against the legal tender issue of the monetary authorities of that country before the occupation.

B.- The gold in question did not become a monetary reserve of Belgium after its acquisition by the Bank of Issue because, although the Bank of Issue was "entitled" under its constitution (embodied in the German decree of 27 June, 1940) "to issue notes in terms of Belgian francs", it was not permitted to hold gold as a reserve against such notes. Consequently, even if such gold had appeared for a short time as an asset of the Bank, it did not thereby become a monetary reserve.

C.- On the basis of the information presented in connection with this claim, it seems quite clear that this gold could not have been considered a real asset of the Bank of Issue, even for a short period. This conclusion is drawn from the letter addressed to the Bank of Issue on 2 August, 1940, by the German Commissioner to the National Bank of Belgium, which was interpreted

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by the Bank of Issue to require the transfer to the Reichsbank of the gold, as well as foreign bills which they received. Since this letter was sent to the Bank of Issue prior to the publication of the decree of 7 August, 1940 requiring the offering of such gold by private holders to the Bank of Issue, it was clear ab initio that such gold was being received by the Brussels Bank as agent for the Reichsbank.

This conclusion is reinforced by the fact that the Bank of Issue was organized, established and at all times controlled by the Germans.

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August 2, 1947

PRELIMINARY REVIEW OF FRANCE'S
REPLY TO GOLD QUESTIONNAIRE.

I.- Although the French Government have no claim to submit to the Gold Commission they have replied in full to the Questionnaire. Of particular importance are the answers given in Form I-A-2 concerning the Belgian and Luxemburg gold. These substantiate fully the replies of Belgium and Luxemburg to the Commission's Questionnaire, and it is considered that they need not be elaborated upon here.

II.- It is interesting to note that in Form II-A-1 concerning acquisitions of monetary gold from German or German Allied Control, the French Government disclose the acquisition of 1,239.6 Kg of fine gold from Bulgaria during the period 1942 to March 12, 1947. This gold was originally purchased from the Bank of France with the proceeds of tobacco sales from Bulgaria to France. It was earmarked in the vaults of the Bank of France and never left the hands of French authorities. In all, it appears from Form I-A-3, Bulgaria thus acquired 1,277.3 Kg of fine gold from the Bank of France, between 1941 and July 1945. Of this amount, Bulgaria resold 1239.6 Kg to the Bank of France - 1942 to 12 March 1947 - to acquire local currency for the servicing in France of Bulgarian obligations. In that manner the acquisition of satellite gold occurred.

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