

DECLASSIFIED

Authority NND 978025  
By SR NAPA Date 1-7-00

RG 56

Entry GAY 707

File Germany - REPARATIONS  
Vol. 2

Box 84

Treasury Department  
Division of Monetary Research

Date 1/2/46 1945

To:

Mr. Coe wants this filed.

As of today the memo has  
not been sent to the President.  
Mr. JFriedman has the original.

Germ: Statement on Reparations  
(Statement 12 (2/11/45 - State))

Statement on Reparation Settlement  
Germany which was released to the  
by the State Department. This  
is to me, and I am afraid that  
one can make political capital  
or which I would ordinarily take  
questions raised are of such  
concerning the matter to you prior

which I am particularly con-  
cerned with compositions which clearly appear in

MR. COE  
Room 3430 - Branch 305 and 306

(1) Germany is to be permitted to retain enough  
industrial plant and equipment to give the Germans approxi-  
mately the standard of living which they enjoyed during the  
early 1930's and to produce exports in sufficient quantities  
to pay for necessary imports.

(2) Until German industry is able by its own efforts  
to achieve this standard of living and level of exports, the  
United States Government is committed to pay for all imports  
needed by Germany which she cannot herself finance.

As I read the document, a commitment has been made to  
finance an indefinite amount (probably large) of imports into  
Germany for an indefinite period of time in order to guarantee  
a certain standard of living in that country. Upon the basis  
of a very justifiable desire to prevent such disease and unrest  
in Germany as would endanger the occupying forces, we appear-  
ently are committing ourselves financially to ensure that  
Germany will have a standard of living within the next few  
years higher than that which will be achieved by our Allies  
whose countries were devastated by Germany. Moreover, by

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Germ. Statement on Reparations  
Statement etc (12/11/45 - State)

By SR NARA Date 1-7-00

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Box 84MEMORANDUM FOR THE PRESIDENT

I have examined the Statement on Reparation Settlement and Peacetime Economy of Germany which was released to the press on December 11, 1945, by the State Department. This Statement is very disturbing to me, and I am afraid that opponents of the Administration can make political capital of it. While this is a matter which I would ordinarily take up with Jimmie Byrnes, the questions raised are of such urgent concern that I am mentioning the matter to you prior to his return from Moscow.

The financial matter with which I am particularly concerned is raised by two prepositions which clearly appear in the document as I read it:

(1) Germany is to be permitted to retain enough industrial plant and equipment to give the Germans approximately the standard of living which they enjoyed during the early 1930's and to produce exports in sufficient quantities to pay for necessary imports.

(2) Until German industry is able by its own efforts to achieve this standard of living and level of exports, the United States Government is committed to pay for all imports needed by Germany which she cannot herself finance.

As I read the document, a commitment has been made to finance an indefinite amount (probably large) of imports into Germany for an indefinite period of time in order to guarantee a certain standard of living in that country. Upon the basis of a very justifiable desire to prevent such disease and unrest in Germany as would endanger the occupying forces, we apparently are committing ourselves financially to assure that Germany will have a standard of living within the next few years higher than that which will be achieved by our Allies whose countries were devastated by Germany. Moreover, by

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giving this kind of guarantee we will undoubtedly encourage the Germans to sit back and make no real effort to provide for themselves. Jimmie Byrnes has stated that we have already spent more than \$100,000,000 for this purpose in the brief period during which we have occupied Germany. The additional amounts that will be necessary to keep this up for several years may be tremendous.

So far as I have been able to ascertain, Congress has not been consulted with respect to the financial commitment contained in the December 11 Statement. Nor am I aware of the source of the funds which it is proposed to use for this purpose. Accordingly, I think it is very dangerous to proceed further with the program without having a clear understanding of where we are going.

Apart from the question of unfavorable Congressional reaction, I think it is quite possible that the statement may produce other unfortunate political repercussions. In effect, the German people are being told that they will be assured of a minimum standard of living regardless of how little effort they exert on their own behalf. Our Allies whose territories were overrun and laid waste by the Germans can justifiably ask us why we do not give them a similar guarantee. Moreover, certain groups of our own citizens will find it difficult to understand why they too do not share the favored position of the Germans especially in view of the fact that the Administration's earnest efforts to assure a minimum standard of living for them have up to now been frustrated.

In view of the foregoing, I think that you should seek prompt reconsideration of the policy Statement issued by the State Department.

JBF:RDS:WLU:fis  
12/18/45

*R.J.B.  
G.W.  
J.P.*

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(5). For the purpose of meeting this reduction requirement, German industrial capacity after reparation demands should be physically capable of producing a standard of living equivalent to the European average in 1948. (Although it is stated that the purpose is to interpret the Berlin Declaration, where it was said, Department of State reversed the policy, ~~that a standard~~ <sup>where it was said</sup> saying that ~~annual~~ <sup>should be</sup> ~~should be~~ <sup>was</sup> permitted that a standard was higher than the European average was to be permitted as a guide to reparation policy, now it is said that the standard ~~should be~~ <sup>as high</sup> ).

(6) It may be argued that the European standard of living in 1948 would approximate the average standard of living over the period 1930-38. (If this were true, Europe has a very small portion of reconstruction.)

The next sentence indicates that a year is to be chosen wherein the German standard, as measured by national income, was equal to the European average. It is understood from other State documents that 1932 is thought to be such a year. This must be incorrect, since in the 1930's the German standard was certainly far higher than the European average.

The standard of that year is to be adjusted (upward) for population changes, reconstruction needs and export needs.

7 "The measure which devolves upon the United States and the occupying powers to finance imports, Germany and possibly to pay for such imports in the next few years does not arise in the first instance from the setting of reparations demands agreed upon at Potsdam. (Stalins name is a necessity)

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(10) During the next two years the United States and other occupying powers must finance minimum essential imports into Germany to the extent that exports from America and current production do not suffice to cover the cost of such imports.

"Under the conditions set forth in paragraph (19), it will prove desirable to extend the type and volume of ~~German~~ imports into Germany, not only because of our interest in avoiding demand costs endangering our occupying forces but also because of our intent in reactivating selected German export industries which would yield a volume of foreign exchange and/or war potential to repay the part outlays of the occupying powers as imports."

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*Germany Statement on Reparations Settlement, Et.*

(12/11/45 - State)

REF ID: A6444

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December 14, 1945

Mr. Goo.

Mr. Ullman

Subject Current Developments on Germany

## 1. Voting.

Procedure.

The British say that they agree with the State Department's proposed note to the Swiss with the exception that they feel strongly in favor of omitting the phrase "acting on behalf of the Control Council." They stated to Winant that they want this phrase omitted in order to forestall any possibility of Russian participation. They are willing to have the meeting in Washington and urge that the governments send the notice to the Swiss in the immediate future, with the omission noted above.

State Department here, however, says that it has some new news from General Clay, who has informed State that he wants the Russians "to participate in the negotiations 100 percent." Surrey of State has said that Clay's opinion has "thrown the Department into a dither." He adds that the Russians must have reversed themselves. At any rate State at this juncture does not know just what they should do about the new bombshell from Clay. Locker has informed them that this is now a problem between State and the Control Council.

Surrey says that he is trying to get hold of a TWA conversation in which the Treasury informed Nixon to explain to General Clay the possibility of breaking harmony in the Control Council if the Russians are left out. Locker has informed Surrey that the Treasury is in no position to issue instructions to Nixon. (Actually, Colonel Bernstein, as General Clay's Chief of BIGMA, did instruct Nixon along the above lines.)

Sanctions.

Surrey has informed Locker that the political boys at State do not agree with the proposed cable on sanctions which Rubin agreed to send and which Byrne has written up in the process of being prepared in complete harmony with the Treasury. Surrey states that he has written a memorandum to the political boys stating that a cable was agreed on with the Treasury, and failure to send it may necessitate throwing negotiations into the Control Council because of the urgency to get negotiations under way.

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## 2. I.G. Chemie.

The lawyers have prepared a request of the State Department to send a cable to the legation in Bonn to protest to the Swiss government for their not allowing I.G. Chemie to open its files to American investigators. The request should reach you in a day or two.

## 3. American Businessmen Going to Germany.

There have been a number of cables and meetings on the subject of American businessmen going to Germany. The Treasury is taking the position that the question of broad policy on this subject is one for the Control Council to decide, since so many internal problems are involved. As an interim policy the Treasury will agree to licensing businessmen to enter Germany under military necessity. (The Army has informed us that there are fifty or more businessmen now in Germany with the Army—none of them with Treasury licenses.)

4. I feel that you are aware of Byrnes' recent statements about German policy of State Department's new study on the German standard of living and of the question of personnel in Germany.

W. L. WILLIAMS

WLU:bpg 12-14-45

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PRIORITY

From: CMGUS Berlin Germany sgd Clay

To: War Department for JCS

Nr: CC-7904

3 February 1947

Reurads WX-85682, WX-88566, WX-85965, W-90078, and curads CC-7486,  
CC-7239, CC-7792.

1. The only financial assets released to date in bulk from custody of Foreign Exchange depository or other United States custodial agencies in Germany acting under specific authorizations have been 813 bags rubles to US\$1,33 tons monetary gold to Hungary, 40 tons silver as loan to German economy. There are still held big quantities of currencies as defined WX-85965 and W-90078, securities as defined WX-88566, monetary gold as defined final act Paris Conference on reparations, non-monetary gold as defined WX-85682, silver and other precious metals and other foreign exchange assets. Marshalling and inventory of such assets will eventually reach stage of completion where action can be taken in compliance with disposal directives. Turnover of non-monetary gold to Inter-Governmental Committee on refugees is imminent as the next bulk release of assets from custody. Since action to be taken under WX-85682 will be the first under existing or future disposal directives, important to have clear understanding WX-85682 so that non-monetary gold fund will be properly constituted and conflicts this and other directives during or after consummation of turnover will be avoided.

2. Therefore request clarification WX-85682 in particular, especially respecting its relation to other urad references, on the following:

A. What disposition is to be made of monetary gold falling under WX-85682?

B. Whether the term "currencies" in W-90078 includes, in addition to paper money, coins of silver, gold or other metals.

C. Whether W-90078 directs that currencies of United Nations never under German occupation will not be restituted to another United Nation formerly under German occupation even if a claim by the latter United Nation is established. Application of WX-85965 and W-90078 appears subject 2 interpretations.

2/14/47

cc: Glasser, Ullmann, Masterson (3), Richards (3), Willis, Curtis, Dickens, Bittermann.

ea.

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(1) Restitution of any identified owned currencies looted from occupied united nations under WX-85965 prior to delivery of residue currencies to issuing countries under W-90078, or

(2) Delivery of currencies to issuing countries under W-90078 without receipt of claims from occupied united nations, which claims would be matter for later settlement between governments.

(D) Determination of the order of precedence of WX-85682 compared with any other disposal directive, especially as to whether WX-85682 is to be treated as a standing exception to all present and future restitution or disposal directives, as is indicated in W-90078 and WX-88566.

E. Whether United States unilateral action is to be taken under existing disposal directives, such as WX-85682, W-90078, and WX-88566, prior to agreement or despite absence of GM In 437 agreement this specific subject within control council, as pointed out ourads CC-7239 and CC-7792, and despite fact that definition of restitution (CONI/P/(46) three revise in general terms controls disposition of all property according to removal from occupied united nations.

F. Whether securities falling within WX-85682 may be exempted or suspended from delivery to inter-governmental committee on refugees due to:

1. Their insignificant value compared to bulk of loot.

2. The obstacles which would be encountered in their liquidation, and

3. The United States position taken in control council which has been contrary to the disposal principle now embodied in WX-85682.

3. It is pointed out that no directive or proposals have been received on disposition of (A) monetary gold, and (B) other precious metals including silver, platinum and gold which is neither monetary nor non-monetary under WX-85682 such as gold nuggets and large quantity gold deposited under law 53 without suggestion or presumption of loot. Also to be considered is uncertainty arising from disposition of property as defined WX-85682, since such property includes all categories subject to disposition under other existing or future directives concerning which full clarity and agreement has not yet been attained.

4. The urgency of the turnover to Inter-Governmental Committee on Refugees is understood and initial deliveries can be made upon return of Inter-Governmental Committee on refugees representatives in March 1947, of all assets falling under WX-85682 about which there are no unsettled questions. Such items consist undifferentiable jewelry and precious stones, dental gold, scrap metal, all obviously looted from concentration camp inmates. There exists considerable quantity and value of such property. However, complete non-monetary gold fund cannot be determined until some time hence.

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5. Bennett, Director Finance Division, expects to be in Washington early part Feb. and would be available to discuss these questions.

CM IN 437

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Entry 16A4707

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Reparations &amp; Restitution

DRAFT

October 17, 1946

**Subject:** Release of Silver from Frankfurt Depository for  
German Silverware Industry.

### 1. Problem

Presented in this memorandum are:

- a. The facts arising from request of ONGUS for approval to release silver on loan from the Frankfurt depository to the German silverware industry, and
- b. References to a previous loan of silver to that industry. The purpose of these loans is to provide material for German silversmiths to make into products for export.

Although the question of these releases is one which should come within the purview of the Treasury, because of technical competence and specific interest, ONGUS request referred to in (a) has been approved without consultation with the Treasury, and with respect to the release mentioned in (b), Treasury learned of the action only after it had been taken.

Description of these cases and the reasons why Treasury concurring over the manner in which they were handled, are set forth below.

### 2. The ONGUS Request

In a cable (CC 3100) dated September 5, 1946, ONGUS requested approval to borrow 15-5 metric tons of silver from the foreign exchange depository at Frankfurt which would be lent to the German silverware industry. The project contemplated the manufacture of silver for export, with the proceeds being made available to replenish the silver borrowed should the necessity arise. ONGUS pointed out in that message that the Inter-Allied Reparations Agency

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Reparations &amp; Restitution

Date \_\_\_\_\_

Place \_\_\_\_\_

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Agreement does not define the silver stocks at the Frankfurt depository as Nazi property or as non-monetary gold. In a cable dated September 16th (2113), the United States Political Advisor directed attention of State Department to the CMGUS request, and stated it was his understanding that the silver in question is German industrial silver for which no restitution claim is expected.

### 3. Action Taken

a. On September 12 (WARK 80194) War Department informed CMGUS that the request was approved subject to proviso that the silver be replenished when and if necessary, pointing out that silver is in short supply, large procurement would require considerable time, and minimum amount that can be shipped is 100,000 ounces.

b. According to an CMGUS cabled report of September 18th, 21.5 metric tons of silver bullion already had been turned over to the German silverware industry from the Frankfurt depository under the terms of MG Law No. 55 (foreign exchange control) and that the 15.5 tons, bringing the total loan to 40 tons, would be an additional amount to be made available to German industry.

c. The Treasury was not consulted in either of these cases.

4. Reasons why Treasury Expresses Concern over Releases of the Silver  
 Treasury is of the opinion that silver should not be released from the stocks in the Frankfurt depository until complete inventory of the stocks has been made by bullion experts, claims on the silver by all interested countries have been investigated, and that no release of stocks should occur without supervision of bullion experts who would determine exactly the quantity and fineness of stocks delivered to German industry.

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- a. Before making any disposition of silver stocks from the depository a conclusive inventory should have been made of the stocks in the same way that the "gold pot" was inventoried, with bullion experts of the French and British working in cooperation with an American expert to determine exact weight, fineness, and mint marks. As a result of preliminary inventory, it was found that much of the silver is in poor shape and, in a great many instances, its value was estimated.
- b. It has not been determined to the satisfaction of the Treasury that the stocks of silver in question are not restitutable as loots. It is known that a large part of the silver held in the Frankfurt depository belongs to Hungary, although the Hungarian claim to the silver was not mentioned at the time that the Hungarian gold was restituted. It may be that the conditions under which the Hungarian silver was taken over by the United States forces were somewhat different from those obtaining with the gold, but the Treasury does not know. All countries having claims to the silver stocks in the depository should be permitted to inspect the silver on the same basis as the inspection of gold by representatives of interested countries was permitted.
- c. The landing of the silver stocks to German industry should be supervised by a bullion expert, or else the exact value of the metal so landed will not be determined.

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- d. Only after these steps had been taken would the United States government be in a position to decide whether it properly could take unilateral action on removal of any silver from the depository for German industrial purposes and what specific lots of silver might be so utilized.

James E. Wood

JEM/amt 10/17/46

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Treasury Department  
Division of Monetary ResearchRept &  
Recd

Date 10/10/48

1948

Mrs Mayer

To:

From:

Subject: Silver Stock for German Silverware Industry

In addition to the release of stocks of silver to the German silverware industry, the following items contained in the GATT called report for September 6, 1948,

**Actions of Military Government** The German House was instructed to release 1000 tons delivered to International Bankers in compliance with Military Government Law No. 49 (Factional Silver Control). 100 tons of silver bullion to be used in reestablishment of German silverware industry (supra report No. 44). 1000 tons of silver from stocks of German Governmental silver articles will be held in reserve until requested by German Government. Action of Military Government is governed by Law Department. The use of silver now to be made available for the purpose from Foreign Commodity Control as soon possible.

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Reps & Reps

GENERAL

## **PARAPHRASE OF A TEAM DEPARTMENT THERAPIST**

No. CC 2100 September 5, 1946 CH IN 628  
From: CCSUS, Berlin, Germany To: War Department

The borrowing of about 16.5 metric tons of silver is proposed so that the German silverware industry for export might be revived. The silver would be borrowed from stocks held in Foreign Exchange Depository at Frankfurt, and the Inter-Allied Reparations Agency agreement does not define them as Nazi property nor as non-monetary gold. It is planned that the silver originally taken from the Foreign Exchange Depository could be replenished should the necessity arise by using proceeds from the export of finished silver goods to purchase silver in the world market. Your concurrence in this project is requested.

McNamee, Major -  
as

cc: 7/11/46 Glasser, Taylor, Miss Masterson (3), Schmidt (3), Ullmann, Willis, E. Hubbard, Eddy, - Mint.

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## DRAFT COPY

DIST: DOD, DIA, CIA  
DRAFT: DIA/CIA

1. Delivery silver now Frankfurt depository on loan or otherwise to German Industry — as mentioned your cable 62100 of 9 Sept 46 and Murphy's cable 2113 of 16 Sept 46 — should not repeat not be made until complete and detailed inventory for determination exact value as well as every means of identification all such silver has been made available here. Treasury Dept is prepared send silver expert to Germany immediately to cooperate with all Govt personnel in preparation such inventory.
2. Further necessary all relevant records be thoroughly examined to determine ownership all such silver when captured or otherwise taken into US custody, and whether such ownership legitimate or result of looting. This collection claims all countries for any silver located by Germans must be secured and examined, and exports countries having such claim be permitted inspect all silver Frankfurt depository same basis inspection of gold by representatives interested countries has established. Detailed results your study and full claim and data other countries should likewise be forwarded here.
3. Determination whether this Govt can take unilateral action dispossess any such silver for industrial purposes and what specific portions this silver can be delivered German industry will be made here after receipt your inventory and ownership study, and claims and data of other countries.
4. Finally, necessary that qualified bullion expert should supervise AIGCIS removal any silver from depository in accordance my authority which may be granted

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WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER  
OUTGOING CLASSIFIED MESSAGE

RESTRICTED  
PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE  
PER PARAS 511 and 60a, AR 380-5.

Civil Affairs Division  
311.23 CAD Maj German 3127

21 August 1946

OMGUS Berlin Germany

CG USFA Vienna Austria

INFORMATION:

CG USFET Frankfurt Germany

Number: WARK 98112

From WDSCA ES. Recurred Nov WARK 85965 Mar WARK 99226

This cable is in 2 parts:

Part One. There folo State Dept draft proposed JCS directive to OMGUS and USFA in implementation of that part of Article 8 of final act of Paris Conference on reparation signed by 18 nations on Jan 14, 1946 which provided:

"In recognition of fact that large numbers of persons have suffered heavily at hands of Nazis and now stand in dire need aid of promote their rehabilitation but will be unable to claim assistance of any Govt receiving reparation from Germany, the Govts of US of America, France, UK, Czechoslovakia and Yugoslavia, in consultation with Inter-Governmental Committee on refugees, shall as soon as possible work out in common agreement plan on fol general lines:

A. Share or reparation consisting of all non monetary gold found by Allied Armed Forces in Germany shall be allocated for rehabilitation and resettlement of non repatriable victims of German action"

and that part of Five-Power Agreement of June 14 pursuant to Article 8 which provided:

"The Inter Govtal Committee on refugees or its successor orgn is hereby auth to take title from appropriate auth to all 'Non monetary Gold' found by Allies in Germany and to take such steps as may be needed to liquidate these assets as promptly as possible, due consideration being given to secure highest possible realizable value".

/1. You will

cc: 8/28/46 Williams-Brand-Jones, Alk, Mayer, Masterson (3), de Zevallos, Ullman-Wood, Hebbard and RShwartz (2).

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1. You will make available on demand to duly accredited representative of IGCR all valuable personal property which represents loot seized or obtained under duress from political, racial or religious victims of Nazi Govt or its Satellite Govts or nationals thereof which was or may hereafter be found, seized or confiscated by USFET or by local authorities acting under direction or control of US Forces, sub to fol conditions:

A. That property cannot be restituted to Govt pursuant to WARY 85965 November 1945 and WARY 99226 March 1946, as amended and modified by Control Council action, because determination of national origin is impractical

B. That property cannot be restituted to lawful owners under laws in force in place where presently found either because lawful owner has died or ceased to exist without legal successor or because determination of individual ownership is impractical

C. That ownership interests in real property located in Germany and German currency or instruments of exchange payable in German currency will be excepted

D. That Jewish books, manuscripts and literature of cultural or religious importance will be excepted and disposed of pursuant to separate directive.

E. That detailed inventory and tentative agreed valuation will be made of property subj to transfer to IGCR hereunder, and transfer will be made upon signing of joint inventory which shall be made part of receipt.

2. You will permit property transferred hereunder to be removed from Germany and Austria or to be sold therein if payment can be made outside Germany or Austria in acceptable foreign currency, notwithstanding any laws for control of foreign exchange, to end that maximum value be obtained therefrom by IGCR.

3. You will seek to obtain Control Council Agreement to disposition pursuant to terms of this directive of any property disposition of which is reserved to Control Council. Even prior to such agreement you will nevertheless execute directive and you may advise other representatives of Control auth that you are doing so pursuant to obligation assumed by your Govt in subscribing to Paris Agreement on reparations.

4. Expression "Valuable personal property" as used in par 1 of this directive shall be interpreted to exclude ordinary items of furniture, clothing and other personal property of small intrinsic value and to include any such items of uncommon value. In determination of impracticality of identification pursuant to par 1 subpar A and B of this directive regard shall be had to extent of commingling with other property and difficulty and expense of determination of ownership in comparison with value of ~~your~~ property. All property, as defined herein, will be considered as falling within this directive and will be made available to IGCR unless available evidence clearly is to

Property of  
Nazi orgs.  
and individuals?

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to contrary. You will establish such adm machinery as may be necessary to execute this directive promptly and effectively"

Part Two.

Your comments desired soonest. Considered opinion of State that US policy should favor broadest possible interpretation obligation under Article VIII and that in definition of "Non monetary gold" and application to specific cases, most liberal interpretation should govern. Entirely outside obligation under Paris Reparation Agreement, this program directly related to general responsibilities this Govt connection financing resettlement German and Austrian non repatriables. To extent "Non monetary gold" made available from US Zones Germany and Austria and success in persuading UK and France to pursue similar policies their zones, general financing burden of US will be decreased. Therefore, position taken in proposed directive not viewed as strict construction Article VIII, but as being in line with more fundamental US interests.

As is well known non repatriable financial position critical and desirable that non monetary gold formula be established and applied without delay. Implementation thereafter should be given very high priority and preliminary steps taken now. IIGR representatives will be made available to advise and assist you as required. In order facilitate issuance of directive and implementation in field desired that your comments be submitted in form of any specific proposals for amendment which you may consider advisable. Repeat replies all addressees.

End

ORIGINATOR: CAD  
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*Mayer*  
*P. J. Cleary*  
*D. P.*

\*\*\*\*\*  
DIVISION OF ECONOMIC SECURITY CONTROLS

August 12, 1946

To: Mr. John Richards  
Mr. I. G. Alk  
Treasury Department

From: James Simsarian - State

Subject: Questionnaire to Assist in Search for German  
Enemy External Assets

Attached is a copy of the questionnaire suggested by Henry Hilken when in Brussels and which I submitted to the Committee of Experts of the Inter-Allied Reparation Agency early in July. The Committee decided not to include this questionnaire with the questionnaire previously approved, since it went beyond the terms of reference of the Committee of Experts.

Later in July Russell Dorr, United States Delegate to the Inter-Allied Reparation Agency, submitted the same questionnaire to the Committee on German External Property. This Committee felt that the questions set forth should be made more precise and be limited to clear cases of enemies. Douglas Carter, the British expert on custodial matters, expressed his interest in joining the United States in pressing for such a questionnaire but suggested that it be made clear in the questionnaire that information on clear cases of enemy interests is being sought.

The Committee on German External Property in its report to the Assembly which was approved, recommended as follows:

"The Committee recognized the desirability of securing an inter-change of information between various I.A.R.A. countries as to the identity of business enterprises in which there has been discovered to be a German enemy interest, and also as to persons believed to have acted as nominees or cloaks for German enemy property interest. It decided to defer for the time being the dissemination of any questionnaire on this point but to request the Committee of Experts to consider at its earliest convenience an appropriate form for such questionnaire."

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I suggest that the Inter-Agency Committee consider this questionnaire at one of its meetings and recommend a rephrasing of it, if warranted, which could be submitted to the Committee of Experts at its next meeting in Brussels on October 8.

Note added by Bennett Boskey:

I hope careful thought will be given to whether the questionnaire, and the information elicited by it, would serve a really useful purpose, and whether it would be of any real value to the U.S. in particular.

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Information obtainable from each IARA country which might be useful to other IARA countries in their search for enemy external assets:

1) Sequestered business enterprises

- a) Please give the name and address of each business entity in which the IARA country custodial has sequestered or vested an enemy interest of 25% or more.
- b) Please give, whenever known, the name and address of the enemy(ies) who was (were) the real and beneficial owner(s) of these sequestered or vested interests.
- c) Please give, to the extent known, the names and addresses of the registered owners, nominees, or cloaks; if any, of the above-mentioned enemy interests. Give registered owners only if different from real and beneficial owners.

2) Other types of sequestered property

- a) Please give the names and addresses (regardless of country) of any persons or firms who are believed to have acted as nominees or cloaks for enemies with respect to property in the IARA country.

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G - Regs + Recd.

# Office Memorandum • UNITED STATES GOVERNMENT

TO : Miss Mayer  
FROM : Elting Arnold  
SUBJECT:

DATE: July 26, 1946

As I indicated by telephone, I have discussed the attached memorandum concerning property of heirless refugees with Mr. Dickens in Monetary Research. We concluded without hesitation that:

- (1) Attempting to prepare the information requested would be a laborious and lengthy job.
- (2) The results would not be at all accurate because Form TFR-300 does not require any statement as to the race or religion of property owners, and a person's status in those respects would have to be determined by inference from other data, principally citizenship and address.
- (3) In any event, the work could be undertaken only if the Department of State was willing to reimburse this Department in full. As I said, the results will be so dubious that I am inclined to doubt that we should do the job even if State is agreeable to giving reimbursement.

cc: Messrs. Banning and Evans

E.Q.

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## TREASURY DEPARTMENT

## INTER OFFICE COMMUNICATION

DATE

July 15, 1946

TO Mr. Arnold  
 FROM Miss Mayer

Re: Itemization of heirless property owned by refugees  
 and located in this country.

You will recall that the final act of the Paris Conference on reparation made available a fund of \$25,000,000 out of German assets in neutral countries, out of all the non-monetary gold found by the Allies in Germany, and out of all the heirless property in neutral countries belonging to Jewish refugees, for the rehabilitation and resettlement of non-repatriable victims of German persecution. Pursuant to this provision of the Paris Act the U.S., France, U.K., Czechoslovakia, Yugoslavia, arrived at an agreement of implementation on June 19 which is attached hereto. The agreement provides that the French Government on behalf of the other governments will ask the neutrals to turn over to a representative Jewish agency all assets of victims of Nazi action who died without heirs. This Government is to assist the French Government in making these representations. Dr. Eli Ginzberg, the United States representative who executed the agreement for this Government, has indicated that it would be extremely helpful to him to have some estimate of the heirless Jewish property in this country. Dr. Ginzberg also discussed orally with the other representatives the feasibility of turning over to a representative Jewish organization the heirless property located in the jurisdictions of the signatory governments. An estimate of the heirless property in the United States would also be very helpful in the formulation of the U.S. policy in this latter regard.

It would be appreciated if some survey could be made of the TFR 300 Reports with a view to determining roughly, if possible, what property was owned by Jewish refugees. After we have prepared such a list, the State Department will assume the responsibility for determining whether the reported owners are still alive; and, in the event of their death, whether there are heirs.

Bm

Attachment

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## DEPARTMENT OF STATE

FOR THE PRESS

JUNE 19, 1946

No. 436

Agreement has been reached by the Governments of the United States, the United Kingdom, France, Czechoslovakia and Yugoslavia in conference at Paris concerning matters pertaining to making available certain reparation funds for the rehabilitation and resettlement of non-repatriable victims of German action.

The agreement was worked out in accordance with the provisions of Article VIII of the final Act of the Paris Conference on Reparation, signed by eighteen nations on January 14, 1946, which made available a fund of \$25,000,000 out of German assets in neutral countries, out of all the non-monetary gold found by the Allies in Germany, and out of all the assets in neutral countries of victims of Nazi action who died without heirs. The conferring powers are of the opinion that the non-monetary gold and the "heirless funds" will amount to a few million dollars.

Since the overwhelming group of eligible victims were Jewish, the conference allocated \$22,500,000 out of German assets in neutral countries, 90 percent of the non-monetary gold and 95 percent of the "heirless funds" for the rehabilitation and resettlement of Jews. The remaining part of the fund was made available for those German and Austrian non-Jewish victims who were persecuted by the Nazis for religious, political, or racial reasons and who are in need of resettlement. The agreement gave general administrative responsibility to the Director of the Inter-governmental Committee on Refugees who will make funds available to authorized field organizations.

It is expected that the authorized Jewish field organizations will use a large part of these funds for the rehabilitation of refugees and for the resettlement in Palestine.

The United States representative was Dr. Eli Ginsberg of Columbia University. He was assisted by Mr. Irwin Mason and Mr. Jacob Kaplan of the Department of State.

The text of the agreement follows:

"In accordance with the provisions of Article VIII of the final Act of the Paris Conference on Reparation, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-governmental Committee on Refugees, have worked out, in common agreement, the following plan to aid in the rehabilitation and resettlement of non-repatriable victims of German action. In working out this plan the signatory powers have been guided by the intent of Article VIII and the procedures outlined below are based on its terms:

"In recognition of special and urgent circumstances, the sum of \$25,000,000 having been made available by Allied Governments as a priority on the proceeds of the liquidation of German assets in neutral countries, is hereby placed at the disposal of the Inter-governmental Committee on Refugees or its successor organization for distribution to appropriate public and private field organizations as soon as they have submitted practicable programs in accordance with this agreement.

"(A) It is

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"(A) It is the unanimous and considered opinion of the Five Powers that in light of paragraph H of Article VIII of the Paris Agreement on Reparation, the assets becoming available should be used not for the compensation of individual victims but for the rehabilitation and resettlement of persons in eligible classes, and that expenditures on rehabilitation shall be considered as essential preparatory outlays to resettlement. Since all available statistics indicate beyond any reasonable doubt that the overwhelming majority of eligible persons under the provisions of Article VIII are Jewish, all assets except as specified in paragraph B below are allocated for the rehabilitation and resettlement of eligible Jewish victims of Nazi action, among whom children should receive preferential assistance. Eligible Jewish victims of Nazi action are either refugees from Germany or Austria who do not desire to return to these countries, or German and Austrian Jews now resident in Germany or Austria who desire to emigrate, or Jews who were nationals or former nationals of previously occupied countries and who were victims of Nazi concentration camps or concentration camps established by regimes under Nazi influence.

"(B) The sum of \$2,500,000, amounting to 10 percent, arising out of the \$25,000,000 priority on the proceeds of German assets in neutral countries, 10 percent of the proceeds of the 'non-monetary gold', and 5 percent of the 'heirless funds' shall be administered by the Inter-governmental Committee on Refugees or its successor organization through appropriate public and private organizations for the rehabilitation and resettlement of the relatively small numbers of non-Jewish victims of Nazi action who are in need of resettlement. Eligible non-Jewish victims of Nazi action are refugees from Germany and Austria who can demonstrate that they were persecuted by the Nazis for religious, political, or racial reasons and who do not desire to return, or German and Austrian nationals, similarly persecuted, who desire to emigrate.

"(C) The Director of the Inter-governmental Committee on Refugees or the Director General of the successor organization shall under the mandate of the agreement make funds available for programs submitted by the appropriate field organizations referred to in paragraphs A and B above as soon as he has satisfied himself that the programs are consistent with the foregoing. Only in exceptional circumstances may the cost of resettlement programs exceed a maximum of \$1,000 per adult and \$2,500 per child under 12 years of age. The action of the Inter-governmental Committee on Refugees or its successor organization shall be guided by the intent of Article VIII and by this agreement which is to place into operation as quickly as possible practicable programs of rehabilitation and resettlement submitted by the appropriate field organizations.

"(D) In addition to the \$25,000,000 the Inter-governmental Committee on Refugees or its successor organization is hereby authorized to take title from the appropriate authorities to all 'non-monetary gold' found by the Allies in Germany and to take such steps as may be needed to liquidate these assets as promptly as possible, due consideration being given to secure the highest possible realizable value. As these assets are liquidated, the funds shall be distributed in accordance with paragraphs A and B above.

"(E) Furthermore, pursuant to paragraphs C and E of Article VIII, in the interest of justice, the French Government on behalf of the five governments concluding this agreement, are making representations to the neutral powers to make available all assets of victims of Nazi action who died without

heirs.

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heirs. The governments of the United States of America, the United Kingdom, Czechoslovakia, and Yugoslavia are associating themselves with the French Government in making such representations to the neutral powers. The conclusion that 90-5 percent of the 'heirless funds' thus made available should be allocated for the rehabilitation and resettlement of Jewish victims takes cognizance of the fact that these funds are overwhelmingly Jewish in origin, and the 5 percent made available for non-Jewish victims is based upon a liberal presumption of 'heirless funds' non-Jewish in origin. The 'heirless funds' to be used for the rehabilitation and resettlement of Jewish victims of Nazi action should be made available to appropriate field organizations. The 'heirless funds' to be used for the rehabilitation and resettlement of non-Jewish victims of Nazi action should be made available to the Inter-governmental Committee on Refugees or its successor organization for distribution to appropriate public and private field organizations. In making these joint representations, the signatories are requesting the neutral countries to take all necessary action to facilitate the identification, collection, and distribution of these assets which have arisen out of a unique condition in international law and morality. If further representations are indicated the governments of the United States of America, France and the United Kingdom will pursue the matter on behalf of the signatory powers.

"(F) To insure that all funds made available shall insure to the greatest possible benefit of the victims whom it is desired to assist, all funds shall be retained in the currency from which they arise and shall be transferred therefrom only upon the instructions of the organization to which the Inter-governmental Committee on Refugees or its successor organization has allocated the funds for expenditure.

"(G) The Director of the Inter-governmental Committee on Refugees shall carry out his responsibilities to the five governments in respect of this agreement in accordance with the terms of the letter of instruction which is being transmitted to him by the French Government on behalf of the governments concluding this agreement.

"In witness whereof the undersigned have signed the present agreement.

"Done in Paris, on the fourteenth day of June, 1946, in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the archives of the Government of the French Republic, certified copies being furnished by that government to the signatories of this present agreement. Signed Eli Ginzburg, delegate of the United States of America, Joseph Vladimir Kivana, delegate of Czechoslovakia, Philippe Perier, delegate of France, Douglas MacKillop, delegate of the United Kingdom of Great Britain and Northern Ireland, Mato Jaksic, delegate of Yugoslavia.

**"ANNEX TO THE AGREEMENT ON A PLAN FOR ALLOCATION OF A  
"REPARATION SHARE TO NON-REPATRIABLE VICTIMS OF  
"GERMAN ACTION:**

"In accepting the phrasing of paragraph E of the agreement, the Czechoslovak and Yugoslav delegates have declared that the Republic of Czechoslovakia and the Republic of Yugoslavia have not by so accepting given up their claim to the forthcoming inheritance mentioned therein which, according to the provisions of international law, belong to their respective states. Signed Paris, 14th June, 1946, The Czechoslovak delegate: (signed) Joseph Vladimir Kivana, The Yugoslav delegate: (signed) Mato Jaksic."

\* \* \*

heirs.

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O  
XAMERICAN JEWISH CONFERENCE  
521 Fifth Avenue  
New York 17, N. Y.

We would be available for discussions with the Government of the proposed Jewish agency or any other prepared for dealing with such masterless property.

May 2, 1946

The Honorable James F. Byrnes  
Secretary of State  
U. S. Department of State  
Washington, D. C.

My dear Mr. Byrnes:

Very respectfully yours,

Henry Morgenthau, Chairman  
American Committee

The American Jewish Conference has discussed with officers of the State and War Departments certain aspects of the problem arising under Article 8C of the Paris Agreement on Reparations. Article 8C provides that neutral countries shall be requested to make available assets that belong to the victims of Nazi actions who have since died and left no heirs.

We feel that all such assets belonging to Jews who have been annihilated by Nazis and Fascists and have left no heirs, should be turned over to an agency consisting of representatives of Jewish organizations with adequate authority to deal with all the problems which may arise. Such a representative Jewish agency would use these funds for the rehabilitation and resettlement of surviving European Jews.

If, as a result of the negotiations currently pending between the Swiss on the one hand and the United States, Great Britain and France on the other, arrangements are made for some kind of an Allied-Swiss Commission to be set up in Switzerland for the purpose of locating and acquiring German external assets, it would be natural to coordinate the work of this representative Jewish agency with the work of such an Allied-Swiss Commission.

If the proposal herein made is felt to be acceptable, the representative Jewish agency could function in a similar manner in Sweden and other neutral countries that might have masterless property belonging to victims of Nazi persecution.

We feel that in the interest of justice and because of the need of the Jewish people for funds for the purpose of affecting the rehabilitation and resettlement of European Jews, proper measures ought to be taken promptly by Allied and neutral countries to make the masterless property described in the Paris Agreement available for that purpose.

This letter is written after consultation with and concurrence of the World Jewish Congress.

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## AMERICAN JEWISH CONFERENCE

521 PARK AVENUE

New York 17, N. Y.

We would be available for discussions with the Government of the proposal herein made or any other proposal for dealing with such Jewish-owned masterless assets.

May 2, 1946

Respectfully yours,

The Honorable James F. Byrnes  
Secretary of State  
U. S. Department of State  
Washington, D. C.

James F. Byrnes:

HM:ta

The American Jewish Conference has discussed with us the proposal of the United States and War Refugee Board in the aspects of the proposal calling upon Article 8G of the Potsdam Agreement on Reparations. According to our knowledge, no neutral countries shall be required to make available assets which belong to the victims of Nazi régime who have been forced out of their homes.

We feel that all such assets belonging to Jews who were taken over by Nazis and Germans and were left in helas, except those given to an already existing or representatives of Jewish organizations which continue authority to do so with all the problems which may arise. That a representative Jewish agency would use these funds for the reconstruction and rehabilitation of persecuted European Jews.

As a result of the negotiations currently pending between the U. S. and the Soviet and the British, French, Greek, Italian and French in one other, arrangements are made for some kind of an International Commission to be set up at Switzerland for the purpose of the reconstruction of German external assets, it will be natural to speak with the U. S. and a representative Jewish agency with the work of this organization developed.

If the language herein made is felt to be acceptable, the representatives Jewish agency could function in a similar manner in certain and other neutral countries that might have masterless assets which are victims of Nazi persecution.

The final point is the increase of Jewish and refugee to the U. S. and other people for funds for the purpose of alleviating the suffering and rehabilitation of European Jews, which amount ought to be arranged by allied and neutral countries to make their contributions mentioned in the Potsdam Agreement available for this purpose.

This letter is written after my talk with Mr. Neidorff and Mr. David Sarnoff.

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## DEPARTMENT OF STATE

Washington

April 2, 1946

In reply refer to my letter dated March 28, 1946, File No. GA 740,00119, EW/2-746, and will advise you of our position.

My dear Mr. Lipsky:

Your letter of February 7th, 1946, submitting the views of the American Jewish Conference on the Agreement reached at the Paris Conference on Reparation has been referred to the Office of Economic Security Policy for reply.

I understand that an informal series of replies to the questions posed in your letter has been given representatives of your organization by Mr. Kindleberger of the Division of German and Austrian Economic Affairs, and Mr. Surrey of the Division of Economic Security Controls at a meeting held in Mr. Kindleberger's office on March 13, 1946. May I summarize and refine the answers to your questions there given, dealing with them in terms of the alphabetical listing given in your letter:

a. The United States Government considers that the \$25,000,000 allocated by the Agreement for the rehabilitation and resettlement of non-repatriable victims of German action constitutes a first and prior charge on the proceeds of German external assets, and will support this position in international negotiation both with the neutrals and in the Inter-Allied Reparation Agency. The Department of State, moreover, has reason to believe that this position is also taken by France and the United Kingdom. An early test is expected to determine whether \$25,000,000 in liquid form available for transfer to the Intergovernmental Committee on Refugees can be collected in the near future. Pending the outcome of this test, the Department of State is not inclined to give serious consideration to your recommendation that the United States, Britain and France advance the \$25,000,000 against the security of the \$25,000,000 allocated by the Agreement.

b. The agreement provides that non-monetary gold found by the

Mr. Louis Lipsky  
American Jewish Conference  
521 Fifth Avenue  
New York, New York

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will consult with appropriate and representative Jewish organizations is broadly but not strictly correct. It is presently contemplated that the Intergovernmental Committee on Refugees will distribute the funds made available to it from the various sources discussed in the foregoing paragraphs to existing organizations engaged in the work of rehabilitation and resettlement of victims of German persecution. It is believed that the majority of these organizations are such as to qualify under your expression "appropriate and representative Jewish organizations". To the extent that this is the case the Intergovernmental Committee on Refugees will not only consult with but also operate through such Jewish organizations.

e. Your assumption that German external assets or any other assets otherwise available for reparation which can be identified as having been acquired or taken from Jews subsequent to January 1943 will not form part of the general reparation pool is correct to the extent that these assets do not take the form of industrial capital equipment in Germany of a type which is forbidden to remain in Germany under the terms of the Potsdam Agreement. Your further assumption that such assets will be restored to the original owners or their heirs if they can be located, or will be made available for purposes of Jewish rehabilitation and resettlement is true of German external assets in neutral countries. The disposition of such assets in United Nations awaits agreement of the character suggested in my response in paragraph c. above to the oral suggestion made by Mr. Bernstein. The disposition of this property within Germany is a subject of much larger scope on which the Office of Military Government and the War and State Departments are currently actively engaged.

I trust that the foregoing will serve to supplement and give precision to the informal responses to the questions put in your letter made to your representatives. The Department of State is grateful for your interest in the large and difficult problems posed by the necessity to aid the victims of German persecution and the disposition of their property, and would welcome any further communication on the subject you may care to make.

Sincerely yours,

/s/ J. K. Galbraith  
 J. Kenneth Galbraith  
 Director  
 Office of Economic Security Policy

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Civil Affairs Division  
Operations Division WDGS  
OPD 311.23 CAD (2 Mar 46)  
Lt Col Frank 5013

2 March 1946

OMUS Berlin Germany

Number: WAR 99164

Signed WARCAD

Subject is Paris conference on reparations and agreement on reparation from Germany on the establishment of an inter-allied reparations agency and on the restitution of monetary gold.

1. Following State Dept views informally transmitted for your info and comment prior to issuance as instructions. This radio in IV parts.

"Part I-General.

2. Assume you have available copy of final act and annex of Paris conference on reparations which was signed by United States Govt on 14 Jan current at which time a sufficient number of other nations signed to bring agreement into effect. Assume James Angell, United States member IARA and United States representative at Paris conference, has undoubtedly personally reported to you on conference. Felt that a complex and difficult problem has been satisfactorily handled. Particularly gratified that major portion of agreement rests upon proposals originating with this govt. Following represent instructions contemplated for your action and with respect to items which require no action, views of this govt. Provision should be made for appropriate COG and liaison between IARA and ACC in order to effect coordination and implementation on reparation programs and operations. In the joint operations which must be undertaken in connection with tile transfers, publication of plant lists, physical inspection and removal etc suggest that appointment of liaison officers would be useful.

CM-CIT-99164

(Mar 46)

RESTRICTED

*Moyer*  
*Brennan*  
cc: 4/4/46 Robinson, Richards, Mrs. R. Schwartz, Alk, Hebbard,  
Miss Masterson (3), Waybur-Ullman.

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## Part II-German reparation (Part I of agreement).

3. References refer to final act and annex. Article 2, Para D. Suggest you ascertain from Angell reasons for adoption this provision and types of transactions to which it will give rise. In event you approve provision, you should attempt to secure AGC approval of actions proposed thereunder. In event you disapprove, request your comments.

## 4. Article 3. 2 actions appear necessary.

(A) Suggest that AGC enact legislation to clear title to reparation assets.

(B) Appropriate forms providing for title transfer to reparation recipients should be devised by AGC.

5. Article 6. Views your govt in this respect already known to you and will undoubtedly be amplified in further CGMS.

6. Article 8 Para F. Anticipated 1 and perhaps 2 responsibilities devolve upon you.

(A) That known monetary gold stocks be valued.

(B) In event inter-governmental committee requests proceeds of gold rather than gold proper you would be charged with sale of gold. Suggest evaluation of gold stock be undertaken as soon as possible.

## Part III-Restitution of monetary gold (Part III of agreement).

7. In accordance with Para 7 thereof your govt will communicate to you detailed and verifiable data re gold losses in order that you may implement distribution of the gold stock.

CH-CUT-99164

(Mar 46)

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Number: WAR 99164 Page 3 2 March 1946

In event monetary gold is held or subsequently uncovered in British or French occupation zones, you should make arrangements with your British and French colleagues to implement distribution in accordance with provision of Part III, Paris Agreement.

Part IV-Annex to agreement.

8. Annex to final act includes 8 resolutions submitted by govts indicated for attention of United States, UK and French govts. This govt has considered the resolutions and conveys to you following instructions in event resolutions are presented by one of other occupation powers for consideration.

9. Resolution I should be supported only to extent that it is identical with your restitution directive and procedures you have formulated thereunder.

10. Resolution II should be opposed because it is implicitly contrary to 'First-charge' principle. If adopted in context of a Germany economy short of all excess capacity, this resolution would in effect involve United States and UK in subsidizing reparation through unpaid imports.

11. Resolution III. Matter currently under consideration and you will be informed of United States view subsequently.

12. Resolution IV should be opposed. In event matter arises for discussion in AGC you should request instructions.

13. Resolution V should be supported unless interim developments present reasons to contrary.

14. Resolution VI. You are authorized to support. It appears identical with present policy of AGC.

15. Resolution VII should be opposed in view of present plans to use such property for other purposes."

End

CN-CUT-99164

(Mar 46)

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Mr Peterson

Urgent 022300Z 1e

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COPY

February 5, 1946

The Hon. James F. Byrnes  
Secretary of State  
Department of State  
Washington, D. C.

Dear Sir:

On behalf of the American Jewish Conference we respectfully submit to you a statement of our views concerning the problem of reparations, as embodied in the final act of the Paris Conference on Reparation, and as it affects the Jewish people. The American Jewish Conference speaks for the overwhelming majority of American Jews. It is composed of delegates representing sixty national membership organizations and the elected representatives of every major Jewish community.

The State Department on January 14, 1946, released to the press the complete text of the Agreement reached at the Paris Conference on Reparation, which Agreement deals primarily with the share of each signatory government in total reparations from Germany. Article 8 of Part I of the Agreement deals with the allocation of a reparation share to non-repatriable victims of German action. This Article is the one intended to make some provision for the enormous losses suffered by the Jewish people as the result of the Nazi aggression.

Germany and her associates murdered some six million Jews, destroyed all Jewish communal institutions wherever their authority extended, stole all the treasures of Jewish art and learning and seized all Jewish property, public and private, on which they could lay their hands. It has been estimated that the monetary value of the material losses thus inflicted upon the Jewish people may amount to over \$8,000,000,000. The mass murders, the human suffering, the annihilations of spiritual, intellectual and creative forces are probably without parallel in the history of mankind.

We feel sure of your recognition that, in view of this enormous loss to the Jewish people and the need for resettling and rehabilitating the Jews who survived Nazi persecution, the amount of reparations provided by the Paris Agreement is pitifully small. We profoundly regret that additional amounts were not made available at the Paris Conference for reparation to the Jewish people.

We urge certain points respecting some of the provisions of the Paris Agreement on Reparations:

- a. There must be no doubt that the \$25,000,000 allocated by the Agreement for the rehabilitation and resettlement of non-repatriable victims of German action constitutes a first and prior charge on the proceeds of Germany's external assets. Nevertheless, in view of the immediate need for funds to resettle and rehabilitate Jews, we urge the United States, Britain and France to consider the immediate advance of 25 million dollars, secured by the 25 million dollars allocated under the Agreement, in order that the work of Jewish rehabilitation and resettlement may be carried forward promptly.

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- b. The Agreement refers to the non-monetary gold found by the Allied armed forces in Germany. In view of the fact that practically all of this loot has come from Jewish victims of German action, the American Jewish Conference regrets the decision to turn this loot over to any other body than directly to the appropriate representatives of the Jewish people. As far as the origin of parts of this loot can be established, it should be directly restored to the original living owners or their heirs. To effect this, Jewish representatives of competent Jewish organizations should immediately be attached to the officials of the occupation authorities dealing with the execution of this part of the Paris Agreement.
- c. Article 8C of the Agreement provides that neutral countries shall be requested to make available assets that belong to the victims of Nazi action who have since died and left no heirs. Since these assets originated entirely from Jewish sources, the American Jewish Conference feels it necessary to reserve the right to submit in due course proposals for their use in the light of the provisions embodied in the second sentence of Article 8E of said Agreement.
- d. In view of the fact that the preponderant group of persons eligible for aid under the provisions of Article 8D are Jews, it is assumed that by far most of the funds thus made available for reparations will be used for the resettlement and rehabilitation of the Jewish people. It is assumed that the Intergovernmental Committee on Refugees, designated to act under the Agreement, will consult with appropriate and representative Jewish organizations in the execution of this program.
- e. It is also assumed that any German external assets or any other assets which may otherwise be available for reparations but which can be identified as having been acquired or taken from Jews subsequent to January 1933, will be restored to the original Jewish owner or their heirs if they can be located, or will be made available for purposes of Jewish rehabilitation and resettlement, and that such assets will not form a part of the general pool for reparations.

We desire to add that the views expressed in this letter have been discussed with representatives of the World Jewish Congress, and received their concurrence.

The United States Government is urged to indicate its approval of the foregoing views and to secure the adoption by all the nations involved.

Respectfully yours,

Louis Lipsky, Chairman  
 Executive Committee

LL:TP

207610



AGREEMENT ON REPARATION FROM GERMANY, ON THE  
ESTABLISHMENT OF AN INTER-ALLIED REPARATION  
AGENCY AND ON THE RESTITUTION OF MONETARY GOLD

Paris, 14th January, 1946

THE Governments of Albania, the United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, in order to obtain an equitable distribution among themselves of the total assets which, in accordance with the provisions of this Agreement and the provisions agreed upon at Potsdam on 1st August, 1945, between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics,<sup>(1)</sup> are or may be declared to be available as reparation from Germany (hereinafter referred to as "German reparation"), in order to establish an Inter-Allied Reparation Agency, and to settle an equitable procedure for the restitution of monetary gold,

Have agreed as follows:

**Part I.—German reparation**

**ARTICLE 1**

*Shares in Reparation*

A. German reparation (exclusive of the funds to be allocated under Article 8 of Part I of this Agreement) shall be divided into the following categories:

*Category A*, which shall include all forms of German reparation except those included in *Category B*;

*Category B*, which shall include industrial and other capital equipment removed from Germany, and merchant ships and inland water transport.

B. Each Signatory Government shall be entitled to the percentage share of the total value of *Category A* and the percentage share of the total value of *Category B* set out for that Government in the Table of Shares set forth below:

*Table of Shares*

Country	Category A	Category B
Albania	0.05	0.35
United States of America	28.00	11.80
Australia	0.70	0.95
Belgium	2.70	4.50
Canada	3.50	1.50
Denmark	0.25	0.35
Egypt	0.05	0.20
France	16.00	22.80
United Kingdom	28.00	27.80
Greece	2.70	4.35
India	2.00	2.90
Luxembourg	0.15	0.40
Norway	1.30	1.90
New Zealand	0.40	0.60
Netherlands	3.90	5.60
Carried forward	89.70	86.00

(1) "Miscellaneous No. 6 (1947)" Cmd. 7087.

ACCORD CONCERNANT LES REPARATIONS A RECEVOIR DE  
L'ALLEMAGNE, L'INSTITUTION D'UNE AGENCE INTER-  
ALLIÉE DES REPARATIONS ET LA RESTITUTION DE L'OR  
MONÉTAIRE

Paris, le 14 janvier 1946

Les Gouvernements de l'Albanie, des États-Unis d'Amérique, de l'Australie, de la Belgique, du Canada, du Danemark, de l'Egypte, de la France, du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, de la Grèce, de l'Inde, du Luxembourg, de la Norvège, de la Nouvelle-Zélande, des Pays-Bas, de la Tchécoslovaquie, de l'Union de l'Afrique du Sud et de la Yougoslavie, en vue de répartir équitablement entre eux le total des biens qui, conformément aux dispositions du présent Accord et aux dispositions convenues à Potsdam, le 1<sup>er</sup> août 1945, entre les Gouvernements des États-Unis d'Amérique, du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, et de l'Union des Républiques Socialistes Soviétiques, sont ou seront déclarés disponibles au titre des réparations à recevoir de l'Allemagne (ci-après dénommées "réparations allemandes"), en vue de créer une Agence Interalliée des Réparations et en vue d'établir une procédure équitable pour la restitution de l'or monétaire,

Sont convenus de ce qui suit:

**Partie I.—Réparations allemandes**

**ARTICLE 1<sup>e</sup>**

*Quotes-parts de réparations*

A. Les réparations allemandes (à l'exception des fonds qui doivent être alloués aux termes de l'article 8 de la Partie I du présent Accord) sont divisées en catégories de la façon suivante:

*Catégorie A*, comprenant toutes les formes de réparations allemandes à l'exception de celles comprises dans la *Catégorie B*;

*Catégorie B*, comprenant tout l'outillage industriel et autres biens d'équipement en capital enlevés d'Allemagne, ainsi que les navires marchands et les bateaux de navigation intérieure.

B. Chaque Gouvernement signataire a droit, sur la valeur totale des biens de la *Catégorie A*, ainsi que sur la valeur totale des biens de la *Catégorie B*, aux pourcentages indiqués pour chacune de ces catégories dans les colonnes correspondantes du tableau ci-après:

*Tableau des Parts*

Pays	Catégorie A	Catégorie B
Albanie	0.05	0.35
Etats-Unis d'Amérique	28.00	11.80
Australie	0.70	0.95
Belgique	2.70	4.50
Canada	3.50	1.50
Danemark	0.25	0.35
Egypte	0.05	0.20
France	16.00	22.80
Royaume-Uni	28.00	27.80
Grèce	2.70	4.35
Inde	2.00	2.90
Luxembourg	0.15	0.40
Norvège	1.30	1.90
Nouvelle-Zélande	0.40	0.60
Pays-Bas	3.90	5.60
A reporter	89.70	86.00

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T6 NARA Date 10/10/2025

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Entry 64725  
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Entry 649707  
File Germany - Reparations  
Box 84

Country	Category A	Category B
Brought forward	89.70	86.00
Czechoslovakia	3.00	4.30
Union of South Africa(1)	0.70	0.10
Yugoslavia	6.60	9.60
Total	100.00	100.00

(1) The Government of the Union of South Africa has undertaken to waive its claims to the extent necessary to reduce its percentage share of Category B to the figure of 0.1 per cent., but is entitled, in disposing of German enemy assets within its jurisdiction, to charge the net value of such assets against its percentage share of Category A and a percentage share under Category B of 1.0 per cent.

C. Subject to the provisions of paragraph D below, each Signatory Government shall be entitled to receive its share of merchant ships determined in accordance with Article 5 of Part I of this Agreement, provided that its receipts of merchant ships do not exceed in value its share in Category B as a whole.

Subject to the provisions of paragraph D below, each Signatory Government shall also be entitled to its Category A percentage share in German assets in countries which remained neutral in the war against Germany.

The distribution among the Signatory Governments of forms of German reparation other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany shall be guided by the principles set forth in Article 4 of Part I of this Agreement.

D. If a Signatory Government receives more than its percentage share of certain types of assets in either Category A or Category B, its receipts of other types of assets in that Category shall be reduced so as to ensure that it shall not receive more than its share in that Category as a whole.

E. No Signatory Government shall receive more than its percentage share of either Category A or Category B as a whole by surrendering any part of its percentage share of the other Category, except that with respect to German enemy assets within its own jurisdiction, any Signatory Government shall be permitted to charge any excess of such assets over its Category A percentage share of total German enemy assets within the jurisdiction of the Signatory Governments either to its receipts in Category A or to its receipts in Category B or in part to each Category.

F. The Inter-Allied Reparation Agency, to be established in accordance with Part II of this Agreement, shall charge the reparation account of each Signatory Government for the German assets within that Government's jurisdiction over a period of five years. The charges at the date of the entry into force of this Agreement shall be not less than 20 per cent. of the net value of such assets (as defined in Article 6 of Part I of this Agreement) as then estimated, at the beginning of the second year thereafter not less than 25 per cent. of the balance as then estimated, at the beginning of the third year not less than 33½ per cent. of the balance as then estimated, at the

Pays	Catégorie A	Catégorie B
Report	89.70	86.00
Tchécoslovaquie	3.00	4.30
Union de l'Afrique du Sud(1)	0.70	0.10
Yougoslavie	6.60	9.60
Total	100.00	100.00

(1) Le Gouvernement de l'Afrique du Sud s'est engagé à renoncer à ses droits dans la mesure qui sera nécessaire pour ramener sa quote-part dans la catégorie B à 0.1 p. 100, mais ce Gouvernement aura le droit, lorsqu'il disposera des avoirs allemands de caractère ennemi se trouvant dans les territoires soumis à sa juridiction, d'imputer le montant de la valeur nette de ces avoirs sur sa quote-part dans la catégorie A et sur une quote-part de 1 p. 100 dans la catégorie B.

C. Sous réserve des dispositions du paragraphe D ci-dessous, chaque Gouvernement signataire a le droit de recevoir, sur l'ensemble des navires marchands, une part déterminée conformément aux dispositions de l'article 5 de la Partie I du présent Accord, à condition que la valeur des navires marchands qui lui sont attribués n'excède pas la valeur de la quote-part à laquelle il a droit dans l'ensemble des biens de la catégorie B.

Sous réserve des dispositions du paragraphe D ci-dessous, chaque Gouvernement signataire a également le droit de recevoir une part, correspondant à ses droits dans l'ensemble des biens de la catégorie A, des avoirs allemands situés dans les pays qui sont demeurés neutres dans la guerre contre l'Allemagne.

La répartition entre les Gouvernements signataires des biens disponibles au titre des réparations allemandes, autres que les navires marchands, les bateaux de navigation intérieure et les avoirs allemands situés dans les pays qui sont demeurés neutres dans la guerre contre l'Allemagne, sera conforme aux principes énoncés à l'Article 4 de la Partie I du présent Accord.

D. Si un Gouvernement signataire reçoit une part supérieure à son pourcentage de certains types de biens ressortissant soit à la catégorie A, soit à la catégorie B, ses droits sur d'autres types de biens de la même catégorie seront réduits de telle sorte que ce Gouvernement ne reçoive pas au total une part supérieure à ses droits dans l'ensemble des biens de cette catégorie.

E. Aucun Gouvernement signataire ne peut recevoir une part supérieure à ses droits, soit dans l'ensemble des biens de la catégorie A, soit dans l'ensemble des biens de la catégorie B, en renonçant à une fraction quelconque de sa quote-part dans l'ensemble des biens de l'autre catégorie; toutefois, en ce qui concerne les avoirs allemands de caractère ennemi soumis à la juridiction d'un Gouvernement signataire, ce Gouvernement a le droit d'imputer, soit sur les biens à recevoir de la catégorie B, soit pour partie sur les biens de l'une et l'autre catégories, l'excès de tels avoirs sur sa quote-part de l'ensemble des avoirs allemands de caractère ennemi soumis à la juridiction des Gouvernements signataires, telle qu'elle est fixée pour l'ensemble des biens de la catégorie A.

F. L'Agence Interalliée des Réparations, qui doit être instituée conformément à la Partie II du présent Accord, débitera le compte réparations de chacun des Gouvernements signataires des avoirs allemands soumis à sa juridiction, en répartissant les débits sur une période de cinq ans. Les débits portés en compte à la date de l'entrée en vigueur du présent Accord ne doivent pas être inférieurs à 20 pour cent de la valeur nette de ces avoirs (définie à l'article 6 de la Partie I du présent Accord), selon l'estimation qui en sera faite à cette date; au début de la deuxième année, ils ne devront pas être inférieurs à 33½ pour cent du solde, selon l'estimation qui en sera

beginning of the fourth year not less than 50 per cent. of the balance as then estimated, at the beginning of the fifth year not less than 90 per cent. of the balance as then estimated, and at the end of the fifth year the entire remainder of the total amount actually realised.

G. The following exceptions to paragraphs D and E above shall apply in the case of a Signatory Government whose share in Category B is less than its share in Category A:—

- (i) Receipts of merchant ships by any such Government shall not reduce its percentage share in other types of assets in Category B, except to the extent that such receipts exceed the value obtained when that Government's Category A percentage is applied to the total value of merchant ships.
- (ii) Any excess of German assets within the jurisdiction of such Government over its Category A percentage share of the total of German assets within the jurisdiction of Signatory Governments as a whole shall be charged first to the additional share in Category B to which that Government would be entitled if its share in Category B were determined by applying its Category A percentage to the forms of German reparation in Category B.

H. If any Signatory Government renounces its shares or part of its shares in German reparation as set out in the above Table of Shares, or if it withdraws from the Inter-Allied Reparation Agency at a time when all or part of its shares in German reparation remain unsatisfied, the shares or part thereof thus renounced or remaining shall be distributed rateably among the other Signatory Governments.

#### ARTICLE 2

##### *Settlement of Claims against Germany*

A. The Signatory Governments agree among themselves that their respective shares of reparation, as determined by the present Agreement, shall be regarded by each of them as covering all its claims and those of its nationals against the former German Government and its Agencies, of a governmental or private nature, arising out of the war (which are not otherwise provided for), including costs of German occupation, credits acquired during occupation on clearing accounts and claims against the Reichskreditkassen.

B. The provisions of paragraph A above are without prejudice to—  
 (i) the determination at the proper time of the forms, duration or total amount of reparation to be made by Germany;  
 (ii) the right which each Signatory Government may have with respect to the final settlement of German reparation; and  
 (iii) any political, territorial or other demands which any Signatory Government may put forward with respect to the peace settlement with Germany.

faite à cette date; au début de la quatrième année, ils ne devront pas être inférieurs à 50 pour cent du solde, selon l'estimation qui en sera faite à cette date; au début de la cinquième année, ils ne devront pas être inférieurs à 90 pour cent du solde, selon l'estimation qui en sera faite à cette date et, à la fin de la cinquième année, ils seront égaux au solde du montant total effectivement réalisé.

G. Les dérogations suivantes aux dispositions des paragraphes D et E ci-dessus sont applicables au cas d'un Gouvernement signataire, dont les droits dans l'ensemble des biens de la catégorie B sont inférieurs aux droits dans l'ensemble des biens de la catégorie A:

- (i) L'attribution de navires marchands à un Gouvernement se trouvant dans cette situation ne doit pas réduire ses droits sur d'autres types de biens de la catégorie B, sauf dans la mesure où de telles attributions dépassent en valeur le chiffre obtenu en appliquant à la valeur totale des navires marchands le pourcentage auquel a droit ce Gouvernement dans l'ensemble des biens de la catégorie A.
- (ii) Si la valeur des avoirs allemands soumis à la juridiction d'un Gouvernement se trouvant dans la même situation excède sa quote-part dans l'ensemble des avoirs allemands soumis à la juridiction des Gouvernements signataires, telle qu'elle résulte du pourcentage qui lui est attribué dans l'ensemble des biens de la catégorie A, la différence sera imputée en premier lieu sur la fraction additionnelle du pourcentage auquel ce Gouvernement aurait droit dans l'ensemble des biens de la catégorie B, si l'on appliquait le pourcentage auquel il a droit dans l'ensemble des biens de la catégorie A aux formes de réparations prévues dans la catégorie B.

H. Si un Gouvernement signataire renonce à la totalité ou à une fraction de ses droits dans l'ensemble des réparations allemandes, tels qu'ils sont indiqués au Tableau des parts ci-dessus, ou si ledit Gouvernement se retire de l'Agence Interalliée des Réparations à une époque où tout ou partie de ses droits dans les réparations allemandes n'ont pas été couverts, la part ou fraction de part à laquelle il renonce, ou qui lui reste due au moment de son retrait, sera répartie entre les autres Gouvernements signataires au prorata de leurs propres pourcentages.

#### ARTICLE 2

##### *Règlement des Créances sur l'Allemagne*

A. Les Gouvernements signataires conviennent entre eux que leurs quotes-parts respectives de réparations, telles qu'elles sont fixées par le présent Accord, doivent être considérées par chacun d'eux comme couvrant toutes ses créances et celles de ses ressortissants sur l'ancien Gouvernement allemand et les Agences gouvernementales allemandes, créances qui ne font pas expressément l'objet d'autres dispositions, créances de caractère public ou privé, issues de la guerre, y compris le coût de l'occupation allemande, les avoirs en compte de clearing acquis pendant l'occupation et les créances sur les Reichskreditkassen.

B. Les dispositions du paragraphe A ci-dessus ne préjugent pas:  
 (i) la détermination, en temps utile, des formes, de la durée ou du montant total des réparations à effectuer par l'Allemagne;  
 (ii) le droit que chacun des Gouvernements signataires peut avoir en ce qui concerne le règlement définitif des réparations allemandes;  
 (iii) Toutes revendications d'ordre politique, territorial ou autre, qu'un Gouvernement signataire pourra présenter à propos du règlement de la Paix avec l'Allemagne.

C. Notwithstanding anything in the provisions of paragraph A above, the present Agreement shall not be considered as affecting—

- (i) the obligation of the appropriate authorities in Germany to secure at a future date the discharge of claims against Germany and German nationals arising out of contracts and other obligations entered into, and rights acquired, before the existence of a state of war between Germany and the Signatory Government concerned or before the occupation of its territory by Germany, which ever was earlier;
- (ii) the claims of Social Insurance Agencies of the Signatory Governments or the claims of their nationals against the Social Insurance Agencies of the former German Government; and
- (iii) banknotes of the Reichsbank and the Rentenbank, it being understood that their realisation shall not have the result of reducing improperly the amount of reparation and shall not be effected without the approval of the Control Council for Germany.

D. Notwithstanding the provisions of paragraph A of this Article, the Signatory Governments agree that, so far as they are concerned, the Czechoslovak Government will be entitled to draw upon the Giro account of the National Bank of Czechoslovakia at the Reichsbank, should such action be decided upon by the Czechoslovak Government and approved by the Control Council for Germany, in connexion with the movement from Czechoslovakia to Germany of former Czechoslovak nationals.

#### ARTICLE 3

##### *Waiver of Claims regarding Property Allocated as Reparation*

Each of the Signatory Governments agrees that it will not assert, initiate actions in international tribunals in respect of, or give diplomatic support to claims on behalf of itself or those persons entitled to its protection against any other Signatory Government or its nationals in respect of property received by that Government as reparation with the approval of the Control Council for Germany.

#### ARTICLE 4

##### *General Principles for the Allocation of Industrial and other Capital Equipment*

A. No Signatory Government shall request the allocation to it as reparation of any industrial or other capital equipment removed from Germany except for use in its own territory or for use by its own nationals outside its own territory.

B. In submitting requests to the Inter-Allied Reparation Agency, the Signatory Governments should endeavour to submit comprehensive programmes of requests for related groups of items, rather than requests for isolated items or small groups of items. It is recognised that the work of the Secretariat of the Agency will be more effective, the more comprehensive the programmes which Signatory Governments submit to it.

C. In the allocation by the Inter-Allied Reparation Agency of items declared available for reparation (other than merchant ships, inland water

C. Nonobstant les dispositions du paragraphe A ci-dessus, le présent Accord doit être considéré comme n'affectant pas :

- (i) l'obligation qui incombe aux Autorités allemandes compétentes d'assurer ultérieurement le paiement des dettes de l'Allemagne et de ses ressortissants, résultant de contrats et autres obligations qui étaient en vigueur, ainsi que de droits qui étaient acquis, avant que l'état de guerre existât entre l'Allemagne et le Gouvernement signataire intéressé ou avant l'occupation par l'Allemagne du pays intéressé, selon que l'un ou l'autre événement est survenu le plus tôt;
- (ii) les créances d'institutions d'Assurances sociales des Gouvernements signataires ou de leurs ressortissants sur les institutions d'assurances sociales de l'ancien Gouvernement allemand;
- (iii) les billets de banque de la Reichsbank et de la Rentenbank, étant entendu que leur réalisation ne peut avoir pour conséquence de diminuer indûment la masse des réparations et ne pourra s'effectuer qu'avec l'accord du Conseil de Contrôle en Allemagne.

D. Nonobstant les dispositions du paragraphe A du présent article, les Gouvernements signataires conviennent, pour autant que la question les concerne, que le Gouvernement tchécoslovaque sera habilité à tirer sur le compte Giro de la Banque nationale de Tchécoslovaquie à la Reichsbank, dans le cas où telle mesure serait décidée par le Gouvernement tchécoslovaque et approuvée par le Conseil de Contrôle en Allemagne, en rapport avec le mouvement de Tchécoslovaquie vers l'Allemagne d'anciens ressortissants tchécoslovaques.

#### ARTICLE 3

##### *Renonciation aux Créances sur les Biens attribués au titre des Réparations*

Chacun des Gouvernements signataires s'engage à ne pas faire valoir, ni porter devant des tribunaux internationaux, ni soutenir par une action diplomatique des réclamations présentées en son nom ou au nom de personnes ayant droit à sa protection, contre tout autre Gouvernement signataire ou ses ressortissants, relatives à des biens reçus par ce Gouvernement au titre des réparations avec l'approbation du Conseil de Contrôle en Allemagne.

#### ARTICLE 4

##### *Principes généraux pour la Répartition de l'Outillage industriel ou d'autres Biens d'Équipement en Capital*

A. Aucun Gouvernement signataire ne devra demander l'attribution, dans sa part de réparations, d'outillage industriel ou d'autres biens d'équipement en capital enlevés d'Allemagne si ce n'est aux fins d'utilisation sur son propre territoire, ou, en dehors de son territoire, par ses propres nationaux.

B. En soumettant leurs demandes à l'Agence Interalliée des Réparations, les Gouvernements signataires s'efforceront de présenter des programmes d'ensemble comprenant des groupes de biens connexes plutôt que des demandes visant des biens isolés ou de petits groupes de biens. Il est reconnu que l'activité du Secrétariat de l'Agence sera d'autant plus efficace que les programmes que lui présenteront les Gouvernements signataires auront davantage le caractère de programmes d'ensemble.

C. Pour l'attribution des biens déclarés disponibles pour les réparations, autres que les navires marchands, les bateaux de navigation intérieure et les

transport and German assets in countries which remained neutral in the war against Germany), the following general principles shall serve as guides:

- (i) Any item or related group of items in which a claimant country has a substantial pre-war financial interest shall be allocated to that country if it so desires. Where two or more claimants have such substantial interests in a particular item or group of items, the criteria stated below shall guide the allocation:
- (ii) If the allocation between competing claimants is not determined by paragraph (i), attention shall be given, among other relevant factors, to the following considerations:
  - (a) the urgency of each claimant country's needs for the item or items to rehabilitate, reconstruct or restore to full activity the claimant country's economy;
  - (b) the extent to which the item or items would replace property which was destroyed, damaged or looted in the war, or requires replacement because of excessive wear in war production, and which is important to the claimant country's economy;
  - (c) the relation of the item or items to the general pattern of the claimant country's pre-war economic life and to programmes for its post-war economic adjustment or development;
  - (d) the requirements of countries whose reparation shares are small but which are in need of certain specific items or categories of items.
- (iii) In making allocations, a reasonable balance shall be maintained among the rates at which the reparation shares of the several claimant Governments are satisfied, subject to such temporary exceptions as are justified by the considerations under paragraph (ii) (a) above.

#### ARTICLE 5

##### *General Principles for the Allocation of Merchant Ships and Inland Water Transport*

A.—(i) German merchant ships available for distribution as reparation among the Signatory Governments shall be distributed among them in proportion to the respective over-all losses of merchant shipping, on a gross tonnage basis, of the Signatory Governments and their nationals through acts of war. It is recognised that transfers of merchant ships by the United Kingdom and United States Governments to other Governments are subject to such final approvals by the legislatures of the United Kingdom and United States of America as may be required.

(ii) A special committee, composed of representatives of the Signatory Governments, shall be appointed by the assembly of the Inter-Allied Reparation Agency to make recommendations concerning the determination of such losses and the allocation of German merchant ships available for distribution.

(iii) The value of German merchant ships for reparation accounting purposes shall be the value determined by the Tripartite Merchant Marine

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avois allemands dans les pays qui sont demeurés neutres au cours de la guerre contre l'Allemagne, l'Agence Interalliée des Réparations s'inspirera des principes généraux suivants:

- (i) Tout bien ou groupe de biens connexes, dans lesquels un pays demandeur possède des intérêts financiers substantiels antérieurs à la guerre, doit être attribué à ce pays, s'il le désire. Dans le cas où deux ou plusieurs pays possèdent des intérêts substantiels de cette nature, dans un bien ou un groupe de biens définis, l'attribution doit se faire en tenant compte des critères énoncés ci-après:
- (ii) Dans le cas de demandes concurrentes, si l'attribution n'est pas déterminée par les dispositions du paragraphe (i), il sera fait état, entre autres facteurs pertinents, des considérations suivantes:
  - (a) le degré d'urgence du besoin qu'a chaque pays demandeur de disposer du bien ou des biens disponibles pour remettre en état, reconstruire ou d'une manière générale restaurer son économie nationale dans sa pleine activité;
  - (b) la mesure dans laquelle le bien, ou les biens remplaceraient des biens détruits, endommagés ou ayant fait l'objet de spoliations pendant la guerre, ou des biens qui doivent être remplacés à la suite d'usure anormale due à la production du temps de guerre, et qui sont susceptibles de jouer un rôle important dans l'économie du pays demandeur;
  - (c) le rôle du bien ou des biens dont il s'agit dans le cadre général de l'économie d'avant-guerre du pays demandeur et dans les programmes établis en vue de l'ajustement et du développement de son économie d'après-guerre;
  - (d) les demandes des pays dont les quotes-parts de réparations sont faibles, mais qui ont besoin de certains biens ou catégories de biens nettement déterminés.
- (iii) Les programmes d'attribution devront conserver un équilibre raisonnable entre les différents ayants droit en ce qui concerne la fraction déjà satisfaites de leurs quotes-parts respectives, sous réserve des exceptions temporaires qui peuvent se justifier par les considérations du paragraphe (ii) (a) ci-dessus.

#### ARTICLE 5

##### *Principes généraux pour la Répartition des Navires Marchands et des Bateaux de Navigation Intérieure*

A.—(i) Les navires de commerce allemands disponibles pour répartition au titre des réparations entre les Gouvernements signataires seront répartis entre ceux-ci au prorata des pertes globales respectives de navires marchands, calculées en prenant comme base le tonnage brut, que les Gouvernements signataires et leurs ressortissants ont subies par suite de faits de guerre. Il est reconnu que la cession de navires de commerce par les Gouvernements des Etats-Unis d'Amérique et du Royaume-Uni à d'autres Gouvernements est effective sous réserve de telle approbation définitive par les organes législatifs de ces deux pays qui pourrait être nécessaire.

(ii) Un Comité spécial, composé de représentants des Gouvernements signataires, sera constitué par l'Assemblée de l'Agence Interalliée des Réparations pour présenter des recommandations au sujet de la détermination de ces pertes et de l'attribution des navires de commerce allemands disponibles pour répartition.

(iii) La valeur des navires de commerce allemands portée dans les comptes de réparations sera la valeur fixée par la Commission tripartite de la Marine

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Commission in terms of 1938 prices in Germany plus 15 per cent., with an allowance for depreciation.

B. Recognising that some countries have special need for inland water transport, the distribution of inland water transport shall be dealt with by a special committee appointed by the Assembly of the Inter-Allied Reparation Agency in the event that inland water transport becomes available at a future time as reparation for the Signatory Governments.

The valuation of inland water transport will be made on the basis adopted for the valuation of merchant ships or on an equitable basis in relation to that adopted for merchant ships.

#### ARTICLE 6

##### *German External Assets*

A. Each Signatory Government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control and shall charge against its reparation share such assets (net of accrued taxes, liens, expenses of administration, other *in rem* charges against specific items and legitimate contract claims against the German former owners of such assets).

B. The Signatory Governments shall give to the Inter-Allied Reparation Agency all information for which it asks as to the value of such assets and the amounts realised from time to time by their liquidation.

C. German assets in those countries which remained neutral in the war against Germany shall be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America, pursuant to arrangements to be negotiated with the neutrals by these countries. The net proceeds of liquidation or disposition shall be made available to the Inter-Allied Reparation Agency for distribution on reparation account.

D. In applying the provisions of paragraph A above, assets which were the property of a country which is a member of the United Nations or its nationals who were not nationals of Germany at the time of the occupation or annexation of this country by Germany, or of its entry into war, shall not be charged to its reparation account. It is understood that this provision in no way prejudices any questions which may arise as regards assets which were not the property of a national of the country concerned at the time of the latter's occupation or annexation by Germany or of its entry into war.

E. The German enemy assets to be charged against reparation shares shall include assets which are in reality German enemy assets, despite the fact that the nominal owner of such assets is not a German enemy.

Each Signatory Government shall enact legislation or take other appropriate steps, if it has not already done so, to render null and void all transfers made, after the occupation of its territory or its entry into war, for the fraudulent purpose of cloaking German enemy interests, and thus saving them harmless from the effect of control measures regarding German enemy interests.

marchande sur la base des prix de 1938 en Allemagne, majorée de 15 pour cent et avec application d'un coefficient de dépréciation.

B. En raison du fait reconnu que certains pays ont particulièrement besoin de bateaux de navigation intérieure, la répartition de ces bateaux sera confiée à un Comité spécial constitué par l'Assemblée de l'Agence Inter-alliée des Réparations dans les cas où des bateaux de navigation intérieure deviendraient disponibles ultérieurement au titre des réparations pour les Gouvernements signataires. L'évaluation des bateaux de navigation intérieure sera faite sur la base adoptée pour la marine marchande ou sur une base équitable en rapport avec elle.

#### ARTICLE 6

##### *Avoirs allemands à l'Etranger*

A. Chacun des Gouvernements signataires, par les méthodes de son choix, retiendra les avoirs allemands ennemis se trouvant dans les territoires soumis à sa juridiction, ou en disposera, de telle manière qu'ils ne puissent redevenir propriété allemande ou retomber sous contrôle allemand, et imputera sur sa quote-part de réparations les avoirs dont il s'agit (nets d'impôts arriérés, priviléges et frais de gestion, et libres de toutes autres charges *in rem* grevant des éléments déterminés de ces avoirs ainsi que de tous droits contractuels légitimes à l'égard des anciens propriétaires allemands de ces avoirs).

B. Les Gouvernements signataires communiqueront à l'Agence Inter-alliée des Réparations toutes les informations que celle-ci demandera sur le montant de ces avoirs et sur les produits périodiquement réalisés par la liquidation desdits avoirs.

C. La propriété ou le contrôle des avoirs allemands se trouvant dans les pays restés neutres pendant la guerre contre l'Allemagne sera retiré à l'Allemagne. Ces avoirs seront liquidés ou il en sera disposé conformément aux décisions que peuvent prendre les Etats-Unis d'Amérique, la France et le Royaume-Uni, en exécution d'accords que ces Puissances négocieront avec les pays neutres; le produit net de la liquidation ou des actes de disposition de ces avoirs sera mis à la disposition de l'Agence Interalliée des Réparations pour être réparti au titre des réparations.

D. Dans l'application des dispositions du paragraphe A ci-dessus, les avoirs qui étaient la propriété d'un pays membre des Nations Unies ou d'une personne ressortissant de ce pays et non de l'Allemagne au moment de l'annexion ou de l'occupation de ce pays par l'Allemagne ou de son entrée en guerre, ne seront pas imputés à son compte de réparations, étant entendu que la disposition qui précède ne préjuge aucune des questions qui pourraient se poser au sujet d'avoirs qui n'étaient pas la propriété d'un ressortissant du pays en question au moment de l'annexion ou de l'occupation de ce pays par l'Allemagne ou de son entrée en guerre.

E. Les avoirs allemands de caractère ennemi à imputer sur les quotes-parts de réparations devront inclure les avoirs qui sont en réalité des avoirs allemands de caractère ennemi, même si le propriétaire apparent de tels avoirs n'est pas un Allemand de caractère ennemi.

Chaque Gouvernement signataire, si ce n'est déjà fait, devra promulguer des textes législatifs et prendre toutes autres mesures appropriées pour annuler tous les transferts effectués après l'occupation de son territoire ou son entrée en guerre, dans l'intention frauduleuse de dissimuler des intérêts allemands de caractère ennemi et de les soustraire aux effets des mesures de contrôle sur les intérêts allemands de caractère ennemi.

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F. The Assembly of the Inter-Allied Reparation Agency shall set up a Committee of Experts in matters of enemy property custodianship in order to overcome practical difficulties of law and interpretation which may arise. The Committee should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

#### ARTICLE 7

##### *Captured Supplies*

The value of supplies and other materials susceptible of civilian use captured from the German Armed Forces in areas outside Germany and delivered to Signatory Governments shall be charged against their reparation shares in so far as such supplies and materials have not been or are not, in the future either paid for or delivered under arrangements precluding any charge.

It is recognised that transfers of such supplies and materials by the United Kingdom and United States Governments to other Governments are agreed to be subject to such final approval by the legislature of the United Kingdom or the United States of America as may be required.

#### ARTICLE 8

##### *Allocation of a Reparation Share to Non-Repatriable Victims of German Action*

In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any Government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:—

A. A share of reparation consisting of all the non-monetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German action.

B. The sum of 25 million dollars shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of 25 million dollars) assets in such countries of victims of Nazi action who have since died and left no heirs.

D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependants, in the following classes:—

- (i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;
- (ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of

F. L'Assemblée de l'Agence Internationale des Réparations constituera un Comité d'Experts en matière de séquestration de biens ennemis en vue de résoudre les difficultés pratiques de droit et d'interprétation qui pourraient surger. Le Comité devra veiller notamment à éviter tout ce qui pourrait avoir pour résultat le maintien de transactions fictives ou autres, destinées soit à favoriser des intérêts ennemis, soit à diminuer indûment la masse des biens susceptibles d'être affectée aux réparations.

#### ARTICLE 7

##### *Approvisionnements capturés*

La valeur des approvisionnements et autres matériels susceptibles de servir à des usages civils, pris aux forces armées allemandes hors d'Allemagne et remis à des Gouvernements signataires, sera imputée sur leurs parts de réparations pour autant que ces approvisionnements et ces matériels n'aient pas été payés, ou bien remis en vertu d'autres arrangements ne prévoyant pas de contre-partie.

Il est reconnu que les transferts de tels matériels et approvisionnements par les Gouvernements des Etats-Unis d'Amérique et du Royaume-Uni à d'autres Gouvernements sont soumis à telle approbation définitive par les organes législatifs de ces deux pays qui pourrait être nécessaire.

#### ARTICLE 8

##### *Attribution d'une Part des Réparations aux Victimes non repatriables de l'Action allemande*

Etant donné qu'un grand nombre de personnes ont souffert cruellement du fait des nazis et ont actuellement un besoin impérieux d'être aidées pour leur "réhabilitation," mais ne peuvent demander l'assistance d'aucun Gouvernement recevant des réparations de l'Allemagne, les Gouvernements des Etats-Unis d'Amérique, de la France, du Royaume-Uni, de la Tchécoslovaquie et de la Yougoslavie, en consultation avec le Comité Intergouvernemental des Réfugiés, établiront d'urgence un plan, agréé d'un commun accord, et ce sur les bases générales suivantes:

A. Une part des réparations, constituée par l'ensemble de l'or non monétaire trouvé en Allemagne par les forces armées alliées et par une somme complémentaire n'excédant pas 25 millions de dollars, sera affectée à la "réhabilitation" et au réétablissement des victimes non rapatriables de l'action allemande.

B. Cette somme de 25 millions de dollars sera prélevée sur le produit de la liquidation des avoirs allemands se trouvant dans les pays neutres et disponibles pour les réparations.

C. Les Gouvernements des pays neutres seront priés de rendre disponibles à cette fin (en sus de la somme de 25 millions de dollars), les avoirs dans lesdits pays appartenant à des victimes d'actes des nazis qui sont mortes depuis sans laisser d'héritiers.

D. Seules seront susceptibles d'être admises à bénéficier de l'assistance prévue par le plan dont il s'agit les personnes—ainsi que leur famille et les personnes à leur charge—qui ont été réellement victimes des persécutions nazies et qui appartiennent aux catégories suivantes:

- (i) Réfugiés de l'Allemagne ou de l'Autriche national-socialistes qui ont besoin d'assistance et ne peuvent pas être renvoyés dans leur pays dans un délai raisonnable par suite des conditions existantes;
- (ii) Ressortissants allemands et autrichiens résidant actuellement en Allemagne ou en Autriche, dans les cas exceptionnels où il est

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humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period;

(iii) Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of German concentration camps or of concentration camps established by régimes under Nazi influence but not including persons who have been confined only in prisoners of war camps.

E. The sums made available under paragraphs A. and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations Agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this Article under a programme of administration to be formulated by the five Governments named above.

F. The non-monetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

G. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organisations.

H. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

I. Nothing in this Article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraph A and C above.

## Part II.—Inter-Allied Reparation Agency

### ARTICLE 1

#### *Establishment of the Agency*

The Governments Signatory to the present Agreement hereby establish an Inter-Allied Reparation Agency (hereinafter referred to as "the Agency"). Each Government shall appoint a Delegate to the Agency and shall also be entitled to appoint an Alternate who, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate.

### ARTICLE 2

#### *Functions of the Agency*

A. The Agency shall allocate German reparation among the Signatory Governments in accordance with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory

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reasonable, pour des considérations d'humanité, de les aider à émigrer et pourvu qu'ils émigrent effectivement dans un délai raisonnable;

(iii) Ressortissants des pays antérieurement occupés par les Allemands qui ne peuvent pas être rapatriés, ou ne sont pas à même de l'être dans un délai raisonnable. Afin de résérer toute l'assistance aux réfugiés les plus malheureux et les plus méritants, et d'exclure de son bénéfice les personnes dont la loyauté à l'égard des Nations Unies est, ou a été, douteuse, l'assistance ne sera accordée aux ressortissants ou anciens ressortissants des pays antérieurement occupés que s'ils ont été internés dans des camps de concentration nazis ou dans des camps de concentration institués par des régimes subissant l'influence nazie, non compris les personnes qui n'ont été internées que dans des camps de prisonniers de guerre.

E. Les fonds rendus disponibles conformément aux paragraphes A et B ci-dessus seront gérés par le Comité Intergouvernemental des Réfugiés ou par un Organisme des Nations Unies auquel les fonctions que le Comité Intergouvernemental exerce dans ce domaine pourront être transférées dans l'avenir. Les fonds rendus disponibles aux termes du paragraphe C ci-dessus seront gérés pour les fins générales visées par le présent article, conformément à un programme de gestion qui sera établi par les cinq Gouvernements ci-dessus.

F. L'or non monétaire trouvé en Allemagne sera mis à la disposition du Comité Intergouvernemental des Réfugiés aussitôt que le plan aura été élaboré.

G. Le Comité Intergouvernemental des Réfugiés aura le pouvoir d'assurer la réalisation des fins pour lesquelles le fonds est créé, par l'intermédiaire d'organismes d'exécution compétents de caractère public ou privé.

H. Les fonds seront employés, non à indemniser des victimes individuelles, mais à faciliter la "réhabilitation" ou le rétablissement des personnes appartenant aux catégories bénéficiaires de l'assistance.

I. Aucune disposition du présent article ne sera considérée comme préjugeant les réclamations que des réfugiés pourront être fondés à présenter à titre individuel à un Gouvernement allemand futur, sauf dans la mesure où ces réfugiés ont bénéficié des ressources prévues aux paragraphes A et C ci-dessus.

## Partie II.—Agence Interalliée des Réparations

### ARTICLE 1<sup>e</sup>

#### *Constitution de l'Agence*

Les Gouvernements signataires du présent Accord établissent une Agence Interalliée des Réparations (ci-après appelée "l'Agence"). Chacun d'eux nomme un délégué à l'Agence et peut également nommer un délégué suppléant, lequel, en l'absence du délégué, a les fonctions et pouvoirs de celui-ci.

### ARTICLE 2

#### *Fonctions de l'Agence*

A. L'Agence répartit entre les Gouvernements signataires les réparations allemandes conformément aux dispositions du présent Accord et de tous autres accords qui sont ou seront en vigueur entre les Gouvernements

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Governments. For this purpose, the Agency shall be the medium through which the Signatory Governments receive information concerning, and express their wishes in regard to, items available as reparation.

B. The Agency shall deal with all questions relating to the restitution to a Signatory Government of property situated in one of the Western Zones of Germany which may be referred to it by the Commander of that Zone (acting on behalf of his Government), in agreement with the claimant Signatory Government or Governments, without prejudice, however, to the settlement of such questions by the Signatory Governments concerned either by agreement or arbitration.

#### ARTICLE 3

##### *Internal Organisation of the Agency*

- A. The organs of the Agency shall be the Assembly and the Secretariat.
- B. The Assembly shall consist of the Delegates and shall be presided over by the President of the Agency. The President of the Agency shall be the Delegate of the Government of France.
- C. The Secretariat shall be under the direction of a Secretary-General, assisted by two Deputy Secretaries-General. The Secretary-General and the two Deputy Secretaries-General shall be appointed by the Governments of France, the United States of America and the United Kingdom. The Secretariat shall be international in character. It shall act for the Agency and not for the individual Signatory Governments.

#### ARTICLE 4

##### *Functions of the Secretariat*

- The Secretariat shall have the following functions:
- A. To prepare and submit to the Assembly programmes for the allocation of German reparation.
  - B. To maintain detailed accounts of assets available for, and of assets distributed as, German reparation.
  - C. To prepare and submit to the Assembly the budget of the Agency.
  - D. To perform such other administrative functions as may be required.

#### ARTICLE 5

##### *Functions of the Assembly*

Subject to the provisions of Articles 4 and 7 of Part II of this Agreement, the Assembly shall allocate German reparation among the Signatory Governments in conformity with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. It shall also approve the budget of the Agency and shall perform such other functions as are consistent with the provisions of this Agreement.

#### ARTICLE 6

##### *Voting in the Assembly*

Except as otherwise provided in this Agreement, each Delegate shall have one vote. Decisions in the Assembly shall be taken by a majority of the votes cast.

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signataires. A cette fin, l'Agence est l'organe par lequel les Gouvernements signataires reçoivent les informations relatives aux prestations disponibles à titre de réparations et expriment leurs désiderats en la matière.

B. L'Agence traite toutes questions concernant la restitution à un Gouvernement signataire d'un bien situé dans l'une des zones occidentales d'Allemagne, qui lui sont déferées par le Commandant-en-chef-de-cette-zone (agissant pour le compte de son Gouvernement), en accord avec le ou les Gouvernements demandeurs, sans préjuger toutefois le règlement de ces questions entre les Gouvernements signataires intéressés, soit par voie d'accord, soit par une procédure arbitrale.

#### ARTICLE 3

##### *Organisation intérieure de l'Agence*

- A. Les organes de l'Agence sont l'Assemblée et le Secrétariat.
- B. L'Assemblée se compose des délégués; elle est présidée par le Président de l'Agence. Le Président de l'Agence est le délégué du Gouvernement français.
- C. Le Secrétariat est sous la direction d'un Secrétaire général, assisté de deux Secrétaires généraux adjoints. Le Secrétaire général et les deux Secrétaires généraux adjoints sont nommés par les Gouvernements des Etats-Unis d'Amérique, de la France et du Royaume-Uni. Le Secrétariat a un caractère international: Il agit pour le compte de l'Agence et non pour le compte des Gouvernements signataires pris individuellement.

#### ARTICLE 4

##### *Fonctions du Secrétariat*

Les fonctions du Secrétariat sont les suivantes:

- A. Etablir des programmes pour la répartition des réparations allemandes et les soumettre à l'Assemblée.
- B. Tenir une comptabilité détaillée des biens disponibles au titre des réparations allemandes et des biens répartis à ce titre.
- C. Etablir le budget de l'Agence et le soumettre à l'Assemblée.
- D. Remplir telles autres fonctions administratives qui pourront être nécessaires.

#### ARTICLE 5

##### *Fonctions de l'Assemblée*

Sous réserve des dispositions des articles 4 et 7 de la Partie II du présent Accord, l'Assemblée fait les attributions au titre des réparations allemandes entre les Gouvernements signataires conformément aux dispositions du présent Accord et de tous autres accords qui sont ou seront en vigueur entre lesdits Gouvernements signataires. Elle approuve également le budget de l'Agence et remplit toutes autres fonctions compatibles avec les dispositions du présent Accord.

#### ARTICLE 6

##### *Vote à l'Assemblée*

Sauf dispositions contraires du présent Accord, chaque délégué dispose d'une voix. Les décisions de l'Assemblée sont prises à la majorité des votes exprimés.

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## ARTICLE 7

*Appeal from Decisions of the Assembly*

A. When the Assembly has not agreed to a claim presented by a Delegate that an item should be allocated to his Government, the Assembly shall, at the request of that Delegate and within the time limit prescribed by the Assembly, refer the question to arbitration. Such reference shall suspend the effect of the decision of the Assembly on that item.

B. The Delegates of the Government claiming an item referred to arbitration under paragraph A above shall elect an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the United States Delegate shall either act as Arbitrator or appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government.

## ARTICLE 8

*Powers of the Arbitrator*

When the question of the allocation of any item is referred to arbitration under Article 7 of Part II of this Agreement, the Arbitrator shall have authority to make final allocation of the item among the claimant Governments. The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

## ARTICLE 9

*Expenses*

A. The salaries and expenses of the Delegates and of their staffs shall be paid by their own Governments.

B. The common expenses of the Agency shall be met from the funds of the Agency. For the first two years from the date of the establishment of the Agency, these funds shall be contributed in proportion to the percentage shares of the Signatory Governments in Category B and thereafter in proportion to their percentage in Category A.

C. Each Signatory Government shall contribute its share in the budget of the Agency for each budgetary period (as determined by the Assembly) at the beginning of that period; provided that each Government shall, when this Agreement is signed on its behalf, contribute a sum equivalent to not less than its Category B percentage share of £50,000 and shall, within three months thereafter, contribute the balance of its share in the budget of the Agency for the budgetary period in which this Agreement is signed on its behalf.

D. All contributions by the Signatory Governments shall be made in Belgian francs or such other currency or currencies as the Agency may require

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## ARTICLE 7

*Recours contre les Décisions de l'Assemblée*

A. Lorsque l'Assemblée n'a pas donné satisfaction à la demande d'un délégué tendant à faire attribuer un bien à son Gouvernement, l'Assemblée porte la question à l'arbitrage, si ce délégué en fait la requête, dans le délai prescrit par l'Assemblée. L'effet de ce recours à l'arbitrage est suspensif.

B. Les délégués des Gouvernements qui demandent un bien dont l'attribution est soumise à l'arbitrage en vertu du paragraphe A ci-dessus désignent un arbitre choisi parmi les autres délégués. Si l'accord ne peut se faire sur le choix de l'arbitre, le délégué des États-Unis d'Amérique assume les fonctions d'arbitre ou désigne un arbitre parmi les délégués dont les Gouvernements ne demandent pas le bien en question. Si le Gouvernement des États-Unis d'Amérique est l'un des Gouvernements qui demandent le bien dont il s'agit, le Président de l'Agence désigne comme arbitre un délégué dont le Gouvernement n'est pas dans la même situation.

## ARTICLE 8

*Pouvoirs de l'Arbitre*

Lorsque la question de l'attribution d'un bien est déferée à l'arbitrage, conformément à l'article 7 de la Partie II du présent Accord, l'arbitre a le pouvoir d'attribuer, en dernier ressort, le bien en question à l'un des Gouvernements demandeurs. L'arbitre peut, s'il le juge bon, renvoyer au Secrétariat, pour examen supplémentaire, l'attribution du bien en question. Il peut aussi, s'il le juge bon, demander au Secrétariat de soumettre à nouveau l'attribution du bien en question à l'Assemblée.

## ARTICLE 9

*Dépenses*

A. Chaque Gouvernement paye les traitements et indemnités de ses délégués et du personnel de sa délégation.

B. Les dépenses communes de l'Agence sont payées sur les fonds de l'Agence. Ces fonds sont fournis par chaque Gouvernement signataire pour les deux premières années à partir de l'établissement de l'Agence, proportionnellement à sa quote-part dans l'ensemble des biens de la catégorie B, et, par la suite, proportionnellement à sa quote-part dans l'ensemble des biens de la catégorie A.

C. Chaque Gouvernement signataire paye sa part contributive au budget de l'Agence pour chaque période budgétaire (telle qu'elle est définie par l'Assemblée) au début de cette période, étant entendu que chaque Gouvernement, lorsqu'il signe le présent Accord, fournit sur un total de 50,000 livres sterling une contribution au moins proportionnelle à sa quote-part dans l'ensemble des biens de la catégorie B, et qu'il verse, dans les trois mois qui suivent, le solde de sa part contributive au budget de l'Agence pour la période budgétaire au cours de laquelle il signe cet Accord.

D. Toutes les sommes dues par les Gouvernements signataires sont acquittées en francs belges ou en une ou plusieurs autres monnaies fixées par l'Agence.

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**ARTICLE 10***Voting of the Budget*

In considering the budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget for that period payable by his Government.

**ARTICLE 11***Official Languages*

The official languages of the Agency shall be English and French.

**ARTICLE 12***Offices of the Agency*

The seat of the Agency shall be in Brussels. The Agency shall maintain liaison offices in such other places as the Assembly, after obtaining the necessary consents, may decide.

**ARTICLE 13***Withdrawal*

Any Signatory Government, other than a Government which is responsible for the control of a part of German territory, may withdraw from the Agency after written notice to the Secretariat.

**ARTICLE 14***Amendments and Termination*

Part II of the Agreement can be amended or the Agency terminated by a decision in the Assembly of the majority of the Delegates voting, provided that the Delegates forming the majority represent Governments whose shares constitute collectively not less than 80 per cent. of the aggregate of the percentage shares in Category A.

**ARTICLE 15***Legal Capacity—Immunities and Privileges*

The Agency shall enjoy in the territory of each Signatory Government such legal capacity and such privileges, immunities and facilities, as may be necessary for the exercise of its functions and the fulfilment of its purpose. The representatives of the Signatory Governments and the officials of the Agency shall enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connexion with the Agency.

**Part III.—Restitution of Monetary Gold****SINGLE ARTICLE**

A. All the monetary gold found in Germany by the Allied Forces and that referred to in paragraph G below (including gold coins, except those of numismatic or historical value, which shall be restored directly if identifiable)

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**ARTICLE 10***Vote du Budget*

Lors de l'examen du budget de l'Agence, pour toute période budgétaire chaque délégué dispose à l'Assemblée d'un nombre de voix proportionnel à la part contributive due par son Gouvernement pour la période budgétaire considérée.

**ARTICLE 11***Langues Officielles*

Les langues officielles de l'Agence sont l'anglais et le français.

**ARTICLE 12***Bureaux de l'Agence*

Le siège de l'Agence est à Bruxelles. L'Agence établit des organes de liaison dans tout autre lieu que peut désigner l'Assemblée après s'être assurée des accords nécessaires.

**ARTICLE 13***Retrait*

Tout Gouvernement signataire, autre que les Gouvernements responsables du contrôle dans une partie du territoire allemand, peut se retirer de l'Agence après avoir adressé une notification écrite au Secrétariat.

**ARTICLE 14***Amendements et Dissolution*

La Partie II du présent Accord peut être amendée, ou l'Agence dissoute, par une décision de l'Assemblée prise à la majorité des voix exprimées, pourvu que les délégués qui forment cette majorité représentent des Gouvernements dont le total des quotes-parts constitue au moins 80 pour cent de l'ensemble des quotes-parts de la catégorie A.

**ARTICLE 15***Capacité juridique, Immunités et Priviléges*

L'Agence jouit, sur le territoire de chaque Gouvernement signataire, de la capacité juridique, ainsi que des priviléges, immunités et facilités qui lui sont nécessaires pour exercer ses fonctions et atteindre ses buts. Les représentants des Gouvernements signataires et les fonctionnaires de l'Agence jouissent également des priviléges et immunités qui leur sont nécessaires pour exercer en toute indépendance leurs fonctions en rapport avec l'Agence.

**Partie III.—Restitution de l'Or Monétaire****ARTICLE UNIQUE**

A. Tout l'or monétaire trouvé en Allemagne par les forces armées alliées et celui visé au paragraphe G ci-dessus (y compris les monnaies d'or, à l'exception de celles qui ont une valeur numismatique ou historique, qui

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shall be pooled for distribution as restitution among the countries participating in the pool in proportion to their respective losses of gold through looting or by wrongful removal to Germany.

B. Without prejudice to claims by way of reparation for unrestored gold, the portion of monetary gold thus accruing to each country participating in the pool shall be accepted by that country in full satisfaction of all claims against Germany for restitution of monetary gold.

C. A proportional share of the gold shall be allocated to each country concerned which adheres to this arrangement for the restitution of monetary gold and which can establish that a definite amount of monetary gold belonging to it was looted by Germany or, at any time after 12th March, 1938, was wrongfully removed into German territory.

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

E. The various countries participating in the pool shall supply to the Governments of the United States of America, France and the United Kingdom, as the occupying Powers concerned, detailed and verifiable data regarding the gold losses suffered through looting by, or removal to, Germany.

F. The Governments of the United States of America, France and the United Kingdom shall take appropriate steps within the Zones of Germany occupied by them respectively to implement distribution in accordance with the foregoing provisions.

G.—Any monetary gold which may be recovered from a third country to which it was transferred from Germany shall be distributed in accordance with this arrangement for the restitution of monetary gold.

#### **Part IV.—Entry into Force and Signature**

## ARTICLE 1

### *Entry into Force*

This Agreement shall be open for signature on behalf of any Government represented at the Paris Conference on Reparation.

As soon as it has been signed on behalf of Governments collectively entitled to not less than 80 per cent. of the aggregate of shares in Category A of German reparation, it shall come into force among such Signatory Governments.<sup>(2)</sup>

The Agreement shall thereafter be in force among such Governments and those Governments on whose behalf it is subsequently signed.

<sup>(2)</sup> The Agreement came into force on 24th January, 1946.

seront restituées immédiatement si elles sont identifiables) sera réuni en une masse commune pour être réparti à titre de restitutions, entre les pays admis à bénéficier de cette masse, au prorata des quantités d'or qu'ils ont respectivement perdues du fait de spoliations par l'Allemagne ou de transferts illégitimes en Allemagne.

B. Sans préjudice des demandes visant l'or non restitué, présentées au titre des réparations, la quantité d'or monétaire revenant à chacun des pays admis à bénéficier de cette masse sera acceptée par ce dernier en règlement complet et définitif de toute créance sur l'Allemagne au titre des restitutions d'or monétaire.

C. Une part proportionnelle de l'or sera attribuée à chacun des pays intéressés qui accepte le présent arrangement concernant la restitution de l'or monétaire et qui peut établir qu'une quantité déterminée d'or monétaire lui appartenant a fait l'objet de spoliation par l'Allemagne ou, à une date quelconque après le 12 mars 1938, de transfert illégitime en territoire allemand.

D. La question de la participation éventuelle de pays non représentés à la Conférence (autres que l'Allemagne, mais y compris l'Autriche et l'Italie) à la répartition susmentionnée est réservée et l'équivalent de ce qui constituerait la totalité des quotes-parts de ces Etats, s'ils venaient à être admis à cette répartition, sera mis en réserve pour qu'il en soit disposé ultérieurement selon ce qui sera décidé par les Gouvernements alliés intéressés.

E. Les divers pays admis à bénéficier de cette masse fourniront aux Gouvernements des Etats-Unis d'Amérique, de la France et du Royaume-Uni, en tant que Puissances occupantes intéressées, des renseignements détaillés et vérifiables sur les pertes d'or qu'ils ont subies du fait que l'Allemagne les a spoliés de cet or ou que cet or a été transporté sur son territoire.

F. Les Gouvernements des Etats-Unis d'Amérique, de la France et du Royaume-Uni prendront toutes mesures utiles dans les zones qu'ils occupent respectivement en Allemagne pour l'exécution d'une répartition conforme aux dispositions qui précèdent.

G. Tout or monétaire qui pourra-étre récupéré d'un pays tiers dans lequel il a été transféré par l'Allemagne sera réparti conformément au présent arrangement concernant la restitution de l'or monétaire.

#### **Partie IV.—Entrée en Vigueur et Signature**

## ARTICLE 1<sup>er</sup>

## *Entrée en Vigueur*

Le présent Accord pourra être signé par tout Gouvernement représenté à la Conférence de Paris sur les Réparations.

Dès qu'il aura été signé par des Gouvernements ayant droit collectivement à au moins 80 pour cent des parts prévues pour les Gouvernements signataires dans la catégorie A des réparations allemandes, il entrera en vigueur entre lesdits Gouvernements.

L'Accord sera ensuite en vigueur entre lesdits Gouvernements et tel Gouvernement qui le signierait ultérieurement.

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## ARTICLE 2

*Signature*

The signature of each contracting Government shall be deemed to mean that the effect of the present Agreement extends to the colonies and overseas territories of such Government, and to territories under its protection or suzerainty or over which it at present exercises a mandate.

In witness whereof, the undersigned, duly authorised by their respective Governments, have signed in Paris the present Agreement in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, a certified copy thereof being furnished by that Government to each signatory Government.

## ARTICLE 2

*Signature*

La signature par chaque Gouvernement contractant sera considérée comme impliquant que l'effet du présent Accord s'étend à ses colonies, territoires d'outre-mer et territoires sous sa protection, ou sa suzeraineté, ou sur lesquels il exerce actuellement un mandat.

En foi de quoi, les soussignés, dûment habilités par leurs Gouvernements respectifs, ont signé à Paris le présent Accord, en langues anglaise et française, les deux textes faisant également foi, en un seul exemplaire qui sera déposé dans les archives du Gouvernement de la République française, lequel Gouvernement remettra copie conforme de ce texte à chacun des Gouvernements signataires.

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By TM NARA Date 10/10Entry 644-4707  
File General Representations  
Box 84

28

For Albania:

(Signé) KAHREMAN YLLI,  
14 mars 1946

Pour l'Albanie:

For the United States of America: Pour les Etats-Unis d'Amérique

(Signé) JEFFERSON CAFFERY,  
14 janvier 1946

For Australia:

(Signé) W. R. HODGSON,  
25 février 1946

Pour l'Australie:

For Belgium:

(Signé) GUILLAUME,  
14 janvier 1946

Pour la Belgique:

For Canada:

(Signé) GEORGE P. VANIER,  
30 janvier 1946

Pour le Canada:

For Denmark:

(Signé) J. C. W. KRUSE,  
20 février 1946

Pour le Danemark:

For Egypt:

(Signé) FAKHRY-PACHA,  
8 mars 1946

Pour l'Egypte:

For France:

(Signé) BIDAULT,  
14 janvier 1946

Pour la France:

For the United Kingdom of Great Britain and Northern Ireland: Pour le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord:

(Signé) DUFF COOPER,  
14 janvier 1946

For Greece:

(Signé) P. A. ARGYROPOULO,  
24 janvier 1946

Pour la Grèce:

For India:

(Signé) P. CHAUDHURI,  
25 février 1946

Pour l'Inde:

These signatures are appended in agreement with His Britannic Majesty's representative for the Crown in its relation with the Indian States.

Ces signatures sont données en accord avec le Représentant de Sa Majesté Britannique, qui exerce les fonctions de la Couronne dans les relations de celle-ci avec les États Indiens.

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For Luxembourg:

(Signé) A. FUNCK,  
14 janvier 1946

Pour Luxembourg:

For Norway:

(Signé) LUDWIG AUBERT,  
6 février 1946

Pour la Norvège:

For New Zealand:

(Signé) W. CLINKARD,  
20 février 1946

Pour la Nouvelle-Zélande:

For the Netherlands:

(Signé) E. STAR-BUSMANN,  
14 janvier 1946

Pour les Pays-Bas:

For Czechoslovakia:

(Signé) JINDRICH NOSEK,  
27 février 1946

Pour la Tchécoslovaquie:

For the Union of South Africa:

(Signé) DUFF COOPER,  
28 février 1946

Pour l'Union de l'Afrique du Sud:

For Yugoslavia:

(Signé) MARKO RISTIC,  
4 février 1946

Pour la Yougoslavie:

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## CLASSIFIED MESSAGE CENT

## OUTGOING CLASSIFIED MESSAGE

SECRET

CRYPTOGRAPHIC SECURITY DOES NOT APPLY. HANDLE AS SECRET  
 CORRESPONDENCE PER PARAS 44g and 53a, AR 380-5

Joint Chiefs of Staff 77500  
 Col C R Peck

29 November 1945

CG US Forces of Occupation Austria Vienna Austria

CG USFET Main Frankfurt Germany

Number: WARX 85965

Book message to Clark and McNarney for action from the Joint Chiefs of Staff.

1. This directive, received from the State, War and Navy Departments, is issued to you as Commander in Chief, U. S. Zone of Occupation, Austria (Germany) and U. S. Member of the Allied Council, Austria (Germany).

You will seek to obtain agreement in the Control Council to the application in the other zones of occupation of the policies laid down in this directive. If, in your judgment, it appears impossible to obtain quadripartite agreement, you will explore the possibilities of a tripartite agreement applicable to the three western zones and make appropriate recommendations to the Joint Chiefs of Staff.

You will proceed with the application of this directive in your own zone even prior to agreement, provided, however, that restitution of property defined in Paragraphs 2 C and 2 D will be effected only when the return of such property is certified by the appropriate representative of the claimant country to be urgently required for the rehabilitation and reconstruction of his country. The restitution shall not be delayed on the ground that items subject to restitution are needed to meet the military or civilian requirements in any zone of occupation provided that in the case of transportation equipment restitution may be so phased as not to reduce available transportation below that required for military deployment and for purposes of the occupation, in-

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(Nov 45)

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By TB NARA Date 10/00

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File Germany - REPARATIONS  
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## CLASSIFIED MESSAGE CENT

## OUTGOING CLASSIFIED MESSAGE

SECRET

CRYPTOGRAPHIC SECURITY DOES NOT APPLY. HANDLE AS SECRET  
CORRESPONDENCE PER PARAS 44g and 53a, AR 380-5

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Number: WARX 85965 Page 2 29 November 1945

cluding the removal of industrial plant and equipment for reparation.

Items Subject to Restitution.

2. Without prejudice to the formulation of a definitive restitution program, the following categories of property shall, as an interim measure, be subject to restitution in accordance with the provisions of this directive:

- A. All currencies of the United Nations occupied by Germany;
- B. Works of art and cultural works of either religious, artistic, documentary, scholastic or historic value including, as well as recognized works of art, such objects as rare musical instruments, books and manuscripts, scientific documents of an historic or cultural nature and all objects usually found in museums, collections, libraries, and historic archives, identified as having been looted or acquired in any way through commercial transactions or otherwise by Germans from United Nation countries during German occupation;
- C. Heavy and power-driven industrial and agricultural machinery and equipment, rolling stock, locomotives, barges and other transportation equipment (other than sea-going vessels) and communication and power equipment identified as having been looted or acquired in any way by Germans from United Nations during German occupation;
- D. Other goods, valuables (excluding gold, securities, and foreign currencies other than those mentioned in Paragraph 2 A), materials, equipment, livestock and other property found in storage or otherwise in bulk form and identified as having been looted or acquired in any way by Germans from United

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## Nations during German occupation;

- E. In the case of property mentioned in C and D above which was produced during the period of occupation, restitution shall be made only if the claimant government submits adequate proof that the property in question was acquired by Germany through an act of force.

Procedures For Restitution

3. Your government will transmit to you from the governments of the USSR, France, Belgium, Luxembourg, Netherlands, Norway, Denmark, Poland, Czechoslovakia, Yugoslavia and Greece lists of property claimed to have been taken from their countries during the period of German invasion or occupation. Such lists will include wherever possible all relevant information which will aid in the identification and location of such property.

4. After examination of these lists you will indicate to your government which of these countries should be invited to send missions into your zone for the purpose of (A) substantiating claims for the restitution of property mentioned in paragraphs 2 A and D, (B) receiving information regarding the location of property which has been the subject of restitution claims by their government (C) identifying and receiving any such property to be restored or distributed in accordance with the provisions of this directive. You will recommend appropriate time and the size of the mission. After approval, details can be arranged by the respective governments direct with you as commander in chief of the United States Zone. You will furnish such missions facilities necessary to the proper discharge of their functions in your zone.

5. You will take steps to deliver all paper currency of United Nation countries invaded or occupied by Germany, now in your zone, to the government of the country of issue

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without the necessity of proof that it was looted or otherwise acquired from that country during the period of German invasion or occupation.

6. You will take steps in your zone to uncover and secure possession of property covered by paragraphs 2 B, 2 C and 2 D, mentioned in lists submitted by claimant governments, and to restore such property to the government of the country from which it was taken.

General Provisions

7. You will require the claimant governments to give receipts for items received by them in accordance with the provisions of the directive. These receipts shall contain a brief description of the item received and its condition, and a waiver of any further claim as reparation or otherwise based upon the removal of the item concerned by the Germans or the exaction of funds used by the Germans to pay for it.

8. You will keep a complete record of items returned or distributed in accordance with the provisions of this directive; and you will submit to the Control Council and your government monthly reports on the progress of the restitution program.

9. The cost of administering this program of restitution shall be counted as part of the costs of occupation.

10. Any property subject to restitution uncovered in Austria and subsequently removed to Germany shall be regarded as uncovered in Germany.

11. After final determination of the amount and character of reparations removals, to be made by 2 February 1946, there should be no restitution on any items of equipment of key importance to plants retained in Germany as essential to minimum peacetime economy.

End

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Number: WARX 85965

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29 November 1945

ORIGINATOR: JC/S

INFORMATION: Adm Leahy, CG AAF, OPD, G-2, CAD, Adm King,  
Mr. Lovett, C of S

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(Nov 45) DTG: 300014Z

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WX 77546

WX 75141

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CRYPTOGRAPHIC SECURITY DOES NOT APPLY. HANDLE AS SECRET  
CORRESPONDENCE PER PARAGRAPHS 44g and 53a, AR 380-5

From: CG, US Forces, European Theater, Main, Frankfurt, Germany

To: War Department

Nr: S 29224

25 October 1945

S 29224 AG War Department for State and Treasury signed Eisenhower  
cite ETGEC.

Reference your WX 75141, 12th October 1945, the following comments  
relating to financial assets are submitted:

Your Paragraph 2 (D) appears to cover foreign securities, precious  
stones, jewelry, gold teeth and other valuables held in the Foreign Ex-  
change Depository in Frankfurt and referred to in our S-27954 of 14th Oct-  
ober 1945. Until expert technical personnel requested in our S-25884 of  
30th September 1945 is available and functioning here, it will be impract-  
ical to review claims, permit inspection, or make restitutions of such  
valuables.

We construe your WX-77546, 20th October 1945 to exempt property of  
above-mentioned type from provisions of proposed directive until adequate  
facilities for the handling of such property are established.

We further assume that proposed directive Paragraph 2 (D) is not  
applicable to gold and silver bullion and coin held in Foreign Exchange  
Depository, Frankfurt. It is our view that until origin of such bullion  
and coin has been determined by investigation to be made outside Germany  
and overall policy in respect to the disposition of such bullion and coin  
determined, no inspections or restitutions of such property by or to  
claimants should be made.

In this connection refer to wire dated 27th September 1945 to WARCAD  
for State and Treasury from US Group Control Council signed Clay. This  
situation is well known to Mr. Orvis Schmidt, Director, Foreign Funds  
Control Treasury Dept. Washington.

Reference Paragraph 5, paper currency of United Nations countries  
invaded or occupied by the Germans is presently impounded or frozed in  
Germany pursuant to:

(A). Military Government law number 52, which blocks  
property within Germany of absentee owners of United Nations nationality,  
in addition to blocking the property of Nazis, militarists and their  
collaborators and of other persons named in General Order I.

(B). Military Government law number 53, which requires  
the delivery to Reichsbanks of foreign exchange assets held within Germany  
and owned by persons within or outside Germany. This includes paper cur-  
rency of the type referred to in your Paragraph 5.

cc: Glasser, Schmidt (3), Bronz (3), Leonard, Gunter, Ullmann, E. Hebbard.  
*... : Scott*

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Consequently, paper currency within Germany of invaded countries may be owned by desirable, as well as undesirable, persons.

Your Paragraph 5 would appear to require that all such paper currency without distinction as to ownership be delivered to the invaded or occupied United Nations of issue.

The desirability is suggested of further consideration being given to this matter.

End.

Note: 27954 is CM-IN-7136 (15 Oct) CAD  
25884 is CM-IN- 42 (1 Oct) CAD

ACTION: OPD

INFO : G-2 (State & Treasury)  
CAD  
Mr McCloy  
Budget Division  
C of S

CM-IN-12035 (26 Oct 45) DTG 251030A jjf

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~~Reparation~~  
~~Restitution~~

48-2-1

Notes on Cable WARY 75141, dated October 11, 1945,  
from War Department to CG, USFET and CG USFA.

Proposed directive to Austrian and German occupation Commanders on restitution. Comments and recommendations requested:

1. Obtain agreement in other zones of policies laid down in this directive. If quadripartite agreement cannot be obtained, make recommendations to Joint Chiefs of Staff concerning possibilities of tri-partite agreement.

Apply this directive in American zone immediately if restitution defined in 2(c) and 2(d) will be completed only when return of such property is certified by the appropriate representative of the claimant country to be urgently required for rehabilitation and reconstruction. Restitution or distribution will not be delayed on the ground that the items concerned are needed to meet zone requirements.

2. The following types of property shall be subject to restitution:

- a. Currencies of United Nations formerly occupied by Germany;
- b. Books, cultural or religious property, works of art, etc., which have been looted by Germany during occupation;
- c. Agricultural machinery and equipment, railway equipment, industrial equipment, communication and power equipment looted during German occupation, but not including sea-going vessels;
- d. Other property found in bulk, including livestock and equipment, looted from occupied United Nations during the war.

3. Lists of property claimed to have been looted will be obtained from the Netherlands, Belgium, Yugoslavia, Greece, Norway, Poland, U.S.S.R., Denmark, France, Czechoslovakia and Luxembourg and furnished to Commanding General, together with information concerning daily removal, present location and other relevant circumstances.

4. After referring to such lists, the Commanding General will report which of the countries should be permitted to send missions into the American zone:

- a. to substantiate claims to above-mentioned property;
- b. to obtain information of a property's location;
- c. to identify such property.

Facilities will be furnished to foreign missions for this purpose.

207635

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Authority NND 978025

By TB NARA Date 10/00

RG 56

Entry 6A4707

File Germany - PREPARATIONS  
VOL 2

Box 84

Teg 1944 - 480.1

SECRET

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- 2 -

5. Paper currency of United Nations' countries occupied during the war should be uncovered and delivered to the government of issue without any proof of looting, etc.

6. The Commanding General will search out and take possession of property specified in 2(b), 2(c) and 2(d) as designated by claimant countries and restore such items as provided herein.

7. Receipts will be obtained from claimant countries for all property restored. Description, condition and waiver of further claim as reparation will be included in the receipt.

8. Complete record will be maintained of items returned for submission to the Control Council and this Government.

9. Costs of restitution shall be regarded as occupation costs.

RDS:im

207636

DECLASSIFIED

Authority NND 978025

By TB NARA Date 10/100

RG

56

Entry GAY 707

File Germany - REPARATIONS

VOL 2

Box 84

COPY

A. U. FOX

O/ MG.

XXX

Financial

23 October 1945

AGWAR FOR STATE AND TREASURY

Secret

Routine

Reference your WX 75141, 12 October 1945, the following comments relating to financial assets are submitted:

Your paragraph 2D appears to cover foreign securities, precious stones, jewelry, gold teeth and other valuables held in the Foreign Exchange Depository in Frankfurt and referred to in our S-27954 of 14 October 1945. Until expert technical personnel requested in our S-25884 of 30 September 1945 is available and functioning here, it will be impractical to review claims, permit inspection, or make restitutions of such valuables. We construe your WX-77546, 20 October 1945, to exempt property of above-mentioned type from provisions of proposed directive until adequate facilities for the handling of such property are established.

We further assume that proposed directive paragraph 2D is not applicable to gold and silver bullion and coin held in Foreign Exchange Depository, Frankfurt. It is our view that until origin of such bullion and coin has been determined by investigations to be made outside Germany and overall policy in respect to the disposition of such bullion and coin determined, no inspections or restitutions of such property by or to claimants should be made. In this connection refer to wire dated 27 September 1945 to WARCAD for State and Treasury from USGCC signed Clay. This situation is well known to Mr. Orvis Schmidt, Director, Foreign Funds Control Treasury Department, Washington.

Reference paragraph 5 paper currency of United Nations countries invaded or occupied by the Germans is presently impounded or frozen in Germany pursuant to

- a. Military Government Law No. 52, which blocks property within Germany of absentee owners of United Nations nationality, in addition to blocking the property of Nazis, militarists and their collaborators and of other persons named in General Order I.
- b. Military Government Law No. 53, which requires the delivery to Reichsbanks of foreign exchange assets held within Germany and owned by persons within or outside Germany. This includes paper currency of the type referred to in your paragraph 5.

Consequently paper currency within Germany of invaded countries may be owned by desirable, as well as undesirable, persons. Your paragrpph 5 would appear to require that all such paper currency without distinction as to ownership be delivered to the invaded or occupied United Nations of issue. The desirability is suggested of further consideration being given to this matter.

JOSEPH M. DODGE, Chief  
Financial Branch

207637

DECLASSIFIED

Authority NND 978025  
By TB NARA Date 10/100

RG 56

Entry 6A4707

File Germany - REPARATIONS  
Vol. 2

Box 84

S E C R E T

Ankara, Rome, Italy

Dated: June 29, 1948

Rec'd: July 9, 6 p.m.

Reparations  
6-43Secretary of State  
Washington6-43 - June 29, 1948.

Ref my telegram No. 1694, June 7.

The attack on the Italian economy by the Nazi occupation is shown in the following data furnished this Embassy by the Treasury Ministry. The letter states that the figure of 363.0 billion lire is much less than the actual total of destruction suffered, which would include the looting, plunder and damage by the Germans in Italy and which cannot even be estimated by the Italian Govt.

Total Italian credits as of Dec 31, 1943 amounted to 28,700,321.00 lire which is composed of the following items:

Total credit during the first period June 10,  
1946 - September 10, 1946

28,700,320,340.00

Total credit during the second period September  
11, 1946 - December 31, 1946

a. Credit opening by the Bank of Italy at  
Milan during the quarter Oct-Dec 1946      31,300,000,000.00  
b. Withdrawals and currency payments      31,300,100,000.00

Total      30,600,100,000.00

Total Italian debts (with Germany) during the  
period June 10, 1946 - Sept 10, 1946

30,600,000,000.00

Credit due Italy on December 31, 1946

28,700,240,321.00

To this total must be added:

representing loans and supplies by the Dept of  
Agriculture, Public Works, Communications, Justice,  
Industry, Office of Alimentation, and by the Under-  
Secretariat for Press and Tourism (ex-Ministry of Popular  
Culture with respect to central and southern Italy).

22,400,000,000.00

In addition, the following items must be added which  
were obtained from a report of the offices  
located in the North:

Contribution in cash toward war expenses over  
period Jan 1, 1946 - April 30, 1946      160,000,000,000.00

Action: Pollack

cc Gleaser, Schmidt (4), Bronx (3), Carter, Pollack, Willie, Bisterman

Scott  
Anderson

207638

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Authority NND 978025

By TB NARA Date 10/00

RG

56

Entry 6A4707

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Vol 2

Box 84

- 8 -

Furthermore, during the year 1944-45, the so-called Republican Fascist Govt paid the following expenses from its own funds for:

- 1. Billeting of German troops
- 2. Telegraph and telephone communications
- 3. Assistance to Italian workers interned in Germany

1,700,000,000.00  
600,000,000.00  
400,000,000.00

Finally, with reference to the report of the offices located in the North, it is observed that railroad transport services on behalf of the Germans amounted as of Nov. 10, 1944 to

2,000,000,000.00

It cannot be ascertained, even for the North, what the amount due by the Germans for fortification expenses, requisitioning and war damages to vessels, etc. was.

Total 1944

~~10,601,607,000.00~~

~~100%~~

207639

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Authority NWD 76005D  
By TO NARA Date 11/19/97

RG 59

Entry 198D

File 740.0019 CONTROL

AUSTRIA 16-54S

Box 3650 (6-1945)

~~SECRET~~

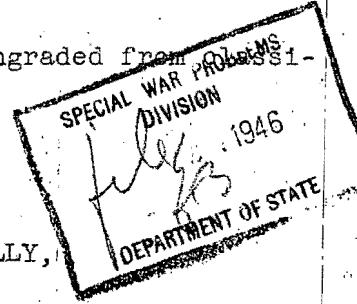
10 October 1945



COPY NO. 39

MEMORANDUM TO HOLDERS OF C.A.D.C. 98/D AND 98/1Note by the Secretaries

C.A.D.C. 98/D and 98/1 are hereby downgraded from classification "TOP SECRET" to "SECRET".



C. H. DONNELLY,

R. M. MUNRO,

Combined Secretariat.

/6-1045

740.0019 CONTROL (AUSTRIA)

CS/V FILED /6-1645

JUL 2 - 1946

DCE - EUR UNIT	
Attn:	HC
Re:	
Cat:	
Date:	

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

Authority NWD 760095

By C.D./S.R. NARS, Date 1-1-1975

207640

DECLASSIFIED  
Authority NWD 7600 SD  
By TJ NARA Date 11/19/99

RG 59  
Entry 198D  
File 740-0019 CONTROL  
ATRIA 6-545  
Box 3650 6-1545

THE JOINT CHIEFS OF STAFF  
JOINT LOGISTICS COMMITTEE  
WASHINGTON 25, D.C.

LM-136  
10 October 1945.

**Telephone**

MEMORANDUM FOR: Brig. General B. M. BRYAN, Jr. USA (W) 76848  
                  (Steering Member) (PMGO)  
                  (Alternate: Lt. Colonel H.R.  
                  ROGERS, USA)  
Lt. Colonel J. E. MILLS, USMC (OPR)(N) 7506  
Lt. Colonel C. E. YUDELSON, USA (W) 72234  
                  (WDGS, G-1)  
Mr. E. T. BAILEY (State Dept) RE 5600 Ext 2080  
                  (Alternate: Mr. P. W. HERRICK)

**Subject:** Disposal of Nationals of Estonia, Latvia, Lithuania and Poland Formerly Members of the Wehrmacht.

References: a. J.L.C. 372/D.  
b. J.C.S. 1436; 1436/1.  
c. C.C.S. 876.  
d. Form for subcommittee report.

1. The Joint Logistics Committee has referred J.L.C. 372/D to the subcommittee listed above for recommendation.
  2. Copies of the references are enclosed.

*R. B. Pegram Jr.*  
R. B. PEGRAM, Jr.,  
Secretary,  
Joint Logistics Committee.

Copy to:

Rear Admiral E. W. Burrough, USN  
Rear Admiral J. H. Cassady, USN  
Brig. General Aaron Bradshaw, Jr., USA  
Brig. General E. C. Langmead, USA  
Brig. General V. J. Esposito, USA  
Captain E. E. Herrmann, USN

"THIS DOCUMENT CONTAINS INFORMATION  
AFFECTING THE NATIONAL SECURITY OF THE  
UNITED STATES AND IS SUBJECT TO THE EMBARGO  
REGULATIONS OF THE DEPARTMENT OF COMMERCE.  
DISSEMINATION OR USE THEREOF BY UNAUTHORIZED  
PERSONS IS PROHIBITED BY LAW."

207641

DECLASSIFIED  
Authority NWD 71000 SD  
By TO NARA Date 11/19/97

RG 59  
Entry 198D  
File 100-545  
Box 3650 6-545

THIS DOCUMENT CONTAINS INFORMATION  
RELATING TO THE NATIONAL DEFENSE OF THE  
UNITED STATES WHICH IS EXEMPT FROM THE  
EXPIRATION ACT, 10 U.S.C. 1605 AND 32. THE  
TRANSMISSION OR LEAKAGE OUTSIDE OF ITS CON-  
TENTS IN ANY MANNER TO AN UNAUTHORIZED  
PERSON IS PROHIBITED BY LAW."

~~SECRET~~

COPY NO. 62

J.C.S. 1436

6 August 1945

Pages 1 - 5, incl.

JOINT CHIEFS OF STAFFDISPOSAL OF CHETNIKS AND GERMAN CROAT TROOPS IN AUSTRIA

Reference: C.C.S. 876 Series

Report by the Joint Logistics CommitteeTHE PROBLEM

1. To consider a message from the Commanding General, United States Forces, European Theater (Appendix "C", page 5) requesting information as to whether any further decision had been taken concerning the final disposal of Chetniks and German Croat troops, about whom original instructions were issued to the Supreme Allied Commander, Mediterranean, in FAN 576, 20 June 1945 (page 3 of C.C.S. 876).

FACTS BEARING ON THE PROBLEM

2. In C.C.S. 876 Series, the Combined Chiefs of Staff informed the Supreme Allied Commander, Mediterranean, and the Supreme Commander, Allied Expeditionary Force that pending further consideration by the United States and British Governments, Chetniks and German Croat troops taken into custody would be retained in custody and handled in accordance with existing instructions of the Department of State and British Foreign Office to their respective representatives in Italy.

3. A representative of the Department of State (Mr. E. T. Bailey, Assistant Chief of the Special War Problems Division) states that there has been no change in the present position of the Government of the United States regarding the disposal of such individuals.

4. For additional facts, see paragraphs 2 and 3, page 1 and Appendix "B", page 4 of C.C.S. 876.

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By TD NARA Date 11/19/99

RG 59  
Entry 198 D  
File 198 D-545-  
Box 3650

~~SECRET~~

CONCLUSIONS

5. It is not possible to make a definitive reply to the inquiry from the Commanding General, United States Forces, European Theater at this time.

RECOMMENDATIONS

6. It is recommended that:
  - a. The message in Appendix "A" (page 3) be dispatched to the Commanding General, United States Forces, European Theater.
  - b. The memorandum in Appendix "B" (page 4) be forwarded to the State-War-Navy Coordinating Committee.

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Authority NOD 760050  
By TO NARA Date 11/19/97

RG 59

Entry 198D

File 198D-16545

Box 3650 G-1545

~~SECRET~~APPENDIX "A"D R A F TMESSAGE FOR THE COMMANDING GENERAL,  
UNITED STATES FORCES, EUROPEAN THEATER

Further governmental decisions have not been taken in  
the matter discussed in paragraph 2 of FAN 576. Your inquiry  
has been referred to the Department of State.

207644

DECLASSIFIED  
Authority NND 7600 SD  
By TD NARA Date 11/19/99

RG 59  
Entry 198 D  
File 44-3650 CONTROL  
Box 3650 (6-1945)

~~SECRET~~APPENDIX "B"D R A F TMEMORANDUM FOR THE STATE-WAR-NAVY COORDINATING COMMITTEE

The Joint Chiefs of Staff request that the following memorandum be transmitted to the Secretary of State:

"The Joint Chiefs of Staff have received an inquiry from the Commanding General, United States Forces, European Theater, requesting information as to whether there has been any decision taken regarding final disposition of Chetniks and German Croat troops now in his custody. As you are aware, this matter was considered by the Combined Chiefs of Staff (C.C.S. 876 Series) and this question was remitted to the United States and British Governments for decision on 19 June 1945.

"It is understood that no further decision has been reached in this matter. In view of the inquiry from the theater commander and the problems involved in the continued retention of such personnel in custody, it is urged that this matter be given immediate consideration with a view to determining the final disposition of these personnel.

"It would be appreciated if the Secretary of State would inform the Joint Chiefs of Staff when definitive action is taken, in order that appropriate instructions may be issued to the military commanders concerned."

207645

DECLASSIFIED  
Authority NND 76005D  
By JV NARA Date 1/19/97

RG 59  
Entry 198D  
File 140.6019 CONTROL  
Box 3650 6-1545

~~SECRET~~

APPENDIX "C"

From: Commanding General, U.S. Forces, European Theater.

To: Joint Chiefs of Staff

Nr: S-14927

1 August 1945

Reference your FAN 576, 20 June 45, information is requested as to whether there has yet been any decision concerning the matter discussed in paragraph 2 of above quoted reference.

End

CM-IN-859

(1 Aug 45)

207646

JCS 1436

DECLASSIFIED

Authority NWD 760050  
By TD NARA Date 11/19/91

RG 59

Entry 198D

File 740.8019 CONTROL

ADMRA (6-545)

Box 3650 (6-545)

IT CONTAINS INFORMATION  
REGARDING THE NATIONAL DEFENSE OF THE  
UNITED STATES DURING THE OCCUPATION OF THE  
SOPOTNIKE NO. 1, NO. 2 AND NO. 3. THE  
TRANSMISSION OR COMMUNICATING OF ITS CON-  
TENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

62

J.C.S. 1436/18 September 1945Pages 6 - 9, incl.JOINT CHIEFS OF STAFFREPATRIATION OF CHETNIKS AND CROAT  
TROOPS TO YUGOSLAVIAReferences: a. C.C.S. 876 Series  
b. J.C.S. 1436Report by the Joint Logistics CommitteeTHE PROBLEM

1. To consider a message from the Commanding General, United States Forces, European Theater (Appendix "B") requesting authority to repatriate Chetniks and Croat troops who express a desire to return to Yugoslavia and who are acceptable by an authorized representative of that country.

FACTS BEARING ON THE PROBLEM

2. Paragraph 3, page 1 of C.C.S. 876 reads as follows:

"3. Prior to the cessation of hostilities, the British Foreign Office and the Department of State issued instructions to their representatives in Italy that dissident Yugoslav troops (which is construed to include Croats and Chetniks) should, upon surrender, be disarmed and placed in refugee camps, except that individuals wishing to return to Yugoslavia should be permitted to do so. These instructions are still extant."

3. A representative of the Department of State (Mr. P. W. Herrick, Special War Problems Division) states that there has been no change in the instructions which the foregoing reference indicates have been issued to their representatives in Italy.

CONCLUSION

4. The requested authority should be granted.

DECLASSIFIED  
Authority NAD 7600 SD  
By TO NARA Date 11/99

RG 59  
Entry 198 D  
File 3650 G-545  
Box 3650 G-545

~~SECRET~~

RECOMMENDATIONS

5. It is recommended that:
  - a. The message in Appendix "A" be dispatched to the Commanding General, U.S. Forces, European Theater.
  - b. A copy of this report be forwarded to the State-War-Navy Coordinating Committee for information.

DECLASSIFIED  
Authority NWD 7600 SD  
By TD NARA Date 11/9/97

RG 59  
Entry 198D  
File 740.80119 CONTROL  
Box 3650 L-1545

SECRET

APPENDIX "A"

D R A F T

MESSAGE FOR COMMANDING GENERAL,  
UNITED STATES FORCES, EUROPEAN THEATER

Authority requested in your S 21379, 4 September,  
is granted.

207649

JCS 1436/1

- 8 -

Appendix "A"

DECLASSIFIED

Authority NWD 76005D  
By TD NARA Date 11/19/99

RG 59

Entry 198D

FILE NUMBER 6-545-1020019 CONTROL

Box 3650 (6-1945)

~~SECRET~~APPENDIX "B"

From: Commanding General, U.S. Forces, European Theater.

To: Joint Chiefs of Staff

Nr: S 21379

4 September 1945

Reference is made to paragraph two of FAN 576 (C.C.S. 876, page 3) and J.C.S. 1436 of 6 August 1945. Pending decision by State Department, is authority granted to repatriate Chetniks and Croat troops who express the desire to return to Yugoslavia and who are acceptable by an authorized representative of that country?

CM-IN-3011 (5 Sep 45)

207650

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Authority NND 76005D  
By TO NARA Date 11/9/91

RG 59  
Entry 198D  
File 740-3019 CONTROL  
AUSTRIA 1945  
Box 3650 (6-1945)

~~TOP SECRET~~

~~This document contains information relating to the national defense of the United States which is the remains of the language as of 1 July 1945. It is illegal to transmit or otherwise reveal any of its contents in any manner to an unauthorized person. PROHIBITED BY LAW.~~

C.C.S. 876

11 June 1945 *ju*COMBINED CHIEFS OF STAFFDISPOSAL OF PRISONERS OF WAR AND  
REFUGEES IN AUSTRIA BY SACMEDReport by the Combined Administrative CommitteeTHE PROBLEM

1. To consider NAF 975, a message from the Supreme Allied Commander, Mediterranean (SACMED), requesting instructions concerning the final disposal of Cossacks, Chetniks, and German Croat troops who are in his custody (Appendix "C" page 5).

FACTS BEARING ON THE PROBLEM

2. In NAF 975, SACMED stated that there were on hand approximately 50,000 Cossacks, including 11,000 women, children, and old men; 25,000 German Croat troops and an estimated 35,000 Chetniks. Of this number 11,000 Chetniks already had been evacuated to Italy.

3. Prior to the cessation of hostilities, the British Foreign Office and the Department of State issued instructions to their representatives in Italy that dissident Yugoslav troops (which is construed to include Croats and Chetniks) should, upon surrender, be disarmed and placed in refugee camps, except that individuals wishing to return to Yugoslavia should be permitted to do so. These instructions are still extant.

4. The combined situation and intelligence reports of 15th Army Group, CM-IN-25574 (27 May 1945) and CM-IN-27275 (29 May 1945) indicate that arrangements have been concluded for the transfer of Cossacks direct to the custody of Soviet military authorities, and for the transfer of Croats to Yugoslav authorities.

207651

DECLASSIFIED

Authority NND 760050  
By TD NARA Date 11/19/97RG 59  
Entry 198 D  
File 740.0009 CONTROL  
Box 3650 6-1545~~TOP SECRET~~CONCLUSIONS

5. The action already taken by SACMED with respect to the disposition of the Cossacks should be ratified.
6. In view of the action already taken on the governmental level concerning dissident Yugoslav troops, further transfers of Croats should be withheld.
7. With respect to Chetniks, SACMED should be informed to handle such personnel in accordance with existing instructions of the British Foreign Office and Department of State.

RECOMMENDATIONS

8. It is recommended that:
  - a. The message in Appendix "A" (page 3) be dispatched to SACMED and repeated for information to the Supreme Commander, Allied Expeditionary Force.
  - b. The memorandum in Appendix "B" (page 4) be forwarded to the Secretary of State and the British Ambassador.

207652

DECLASSIFIED  
Authority NWD 7600 SD  
By TD NARA Date 11/9/97

RG 59  
Entry 198D  
File 740.6019 CONTROL  
Box 3650

~~TOP SECRET~~APPENDIX "A"D R A F T

MESSAGE FOR THE SUPREME ALLIED COMMANDER, MEDITERRANEAN  
(Repeated to the Supreme Commander, Allied Expeditionary Force)

1. With regard to NAF 975, the action already taken by you with respect to the transfer of Cossacks overland to Soviet military authorities, as reported in your O-5659 of 26 May 1945, is approved (CM-IN-25574, paragraph 4, page 1).
2. It is not possible to give you any decision at this time concerning final disposal of the Chetniks and German Croat troops. This matter is presently under consideration by the U.S. and British Governments. For the time being, however, you will continue to retain such personnel in your custody and to handle them in accordance with existing instructions of the Department of State and British Foreign Office to their respective representatives in Italy.

*Became Far 576*

DECLASSIFIED  
Authority NWD 760050  
By TJ NARA Date 11/9/97

RG 59  
Entry 198D  
File 740.0019 CONTROL  
ABR 14 6-545  
Box 3650 6-1545

~~TOP SECRET~~APPENDIX "B"

D R A F T

MEMORANDUM FOR THE SECRETARY OF STATE  
AND THE BRITISH AMBASSADOR

Enclosed for your information is a copy of a report (C.C.S. 876) with regard to a request made by the Supreme Allied Commander, Mediterranean, for instructions concerning final disposal of Cossacks, Chetniks, and German Croat troops who have been taken into custody by Allied military authorities. The message appearing on page 3 was dispatched \_\_\_\_\_ \*.

It is understood that the disposal of dissident Yugoslav troops has been the subject of previous instructions by the Department of State and the British Foreign Office. Since the question now raised by the Supreme Allied Commander, Mediterranean deals with final disposal of such personnel, it is remitted to the governments for action at the appropriate time.

\*Date to be inserted

207654

DECLASSIFIED  
Authority NAD 7600 SD  
By TD NARA Date 11/19/97

RG 59  
Entry 198D  
File 740.0019 CONTROL  
Box 3650 6/1545

~~TOP SECRET~~APPENDIX "C"

From: Supreme Allied Commander, Mediterranean  
To: Combined Chiefs of Staff  
Nr: FX 77292 NAF 975 17 May 1945

Repeated to Supreme Headquarters, Allied Expeditionary Force for information. Reference NAF 974.

To assist us in clearing congestion in southern Austria we urgently require direction regarding final disposal following three classes.

A. Approximately 50,000 Cossacks including 11,000 women, children and old men. These have been part of German armed forces and fighting against Allies.

B. Chetniks whose numbers are constantly increasing. Present estimate of total 35,000 of which we have already evacuated 11,000 to Italy.

C. German Croat troops total 25,000.

In each of above cases to return them to their country of origin immediately might be fatal to their health. Request decision as early as possible as to final disposal.

End

CM-IN-16127 (17 May 45)

Recd NAF 975, May 17. 45

SEARCHED INDEXED SERIALIZED FILED  
about 5000 copies

memo attached to T-143,  
dated - 2231, May 18, 45 Jof 10 45

207655

CCS 876

DECLASSIFIED  
Authority NND 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 60D139

File PORTUGUESE ACCORD

Box 15

DRAFT

L/E - Mr. Mamer

OFFICIAL USE ONLYX-File  
for word

Problem: Method of payment for the former German Legation building in Lisbon  
purchased by the U.S. in 1949.

In 1949 the United States was the successful bidder for the former German Legation building in Lisbon put up for sale by the Allied Committee on German assets in Portugal which was charged with the liquidation of the former German official property in Portugal. The U.S. bid a sum of 7 million escudos for this building and in a promissory note given to the Allied Committee agreed to have this sum deducted from its share of the proceeds of German assets in Portugal later to be distributed by IARA. It does not appear now, however, that any proceeds from these assets will be available for IARA, and, if such assets are received they will probably all be transferred to the Paris Reparation Refugee Fund to fulfill the remaining obligation to that agency. It, therefore, appears that the U.S. should make other arrangements to fulfill its obligation to the Allied Committee in order that such funds can subsequently be paid by it to the Refugee Fund if that course of action is finally agreed upon.

In anticipation of the possibility that IARA would not receive enough proceeds of German assets from Portugal in order to permit the U.S. to debit its IARA account for the 7 million escudo debt, the Department last January decided to delay taking official custody of any future allocations of German assets by IARA to the U.S. until such time the action regarding the disposition of German assets in Portugal seemed more clear. Such allocations so far affected are:

(1) 21,728,352 Japanese yen (approx. \$50,000) and (2) 951,896 Swiss francs (approx. \$226,000). Since the U.S. debt to the Allied Committee is expressed in Portuguese escudos, FSO and OF were recently asked whether there weren't some Portuguese

escudos

OPTIONAL FORM 10-64

OFFICIAL USE ONLY

FEB 20 1960 BY R. H. CHRISTENSEN 10/4/60

207656

DECLASSIFIED

Authority NND 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 60D139

File PORTUGUESE Accord  
Box 15**OFFICIAL USE ONLY**

- 2 -

R.C. W. Maurer

escudos available from other U.S. sources which the FBO could purchase from the Treasury to meet its obligation to the Allied Committee rather than expending dollars for this purpose. There apparently is a substantial sum of escudos which may be available from a recent U.S. P.L. 480 agreement with Portugal part of which might be earmarked for future purchase by the FBO if the forthcoming Lisbon Conference does not provide any escudos for IARA.

Whether or not the above arrangement is worked out, of course, should not affect the forthcoming negotiations in Lisbon. The U.K. and France, should, in any event, be assured that the U.S. indebtedness will be paid to the Allied Committee. The U.K. and France should not care whether the obligation is met by the payment of escudos, Swiss francs, U.S. dollars or parts thereof.

Proceeds from these sales will be available for IARA. However, that any RECOMMENDATION: If it becomes apparent that sufficient funds will not be turned over to IARA to permit either whole or partial debiting of the U.S. account in IARA of the 7 million escudo debt to the Allied Committee, the U.K. and France should be assured that whatever obligation remains will be paid either in Portuguese escudos or some other equally acceptable currency, i.e. Swiss francs or U.S. dollars.

Adoption of the possibility that IARA could not receive enough proceeds of escudo sales from Portugal in order to pay the U.S. to debit the U.S. account for the 7 million escudo debt, and subsequently take temporary steps if necessary to fulfill currency of any future allocations of escudos which may be made by the U.S. until such time the action regarding the repayment of George

Clearances: Mr. Kriazy - GEA  
Mr. Maurer - L/T  
Mr. Maurer - L/T  
(1) 1,726,350 Japanese yen (approx. \$62,000) and (2) 932,654 Swiss francs (approx. \$62,000). Before the E.O. 10

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Escudos, etc. of above probably asked whether there weren't more Portuguese

EUR:RA:NRG:lchrist:gh 10/4/56

Escudos

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207657

DECLASSIFIED  
Authority NWD 968106  
By VR NARA Date 01/10

RG 59  
Entry LOT 60D139  
File PORTUGUESE ACCORD  
Box 16

*John Marshall*  
Identical  
Brit & French CONFIDENTIAL

*PAC*  
*Pale*

*Port Accord*

AIR-REMOVED

The Department of State considers the present blocking of Portuguese assets in the United States to have been without effect in any solution of the problems of looted gold and German external assets still interposed between Portugal on the one hand, and the Governments of France, the United Kingdom, and the United States on the other. It is the intention of the United States Government, therefore, to unblock the assets of Portugal in the United States, and the Portuguese are being so informed.

It may be, however, that some possible advantage in the solution of the aforementioned problems is to be realized from the unblocking of these assets. The Department, in order to avail the three Governments of the benefit of any resulting cooperative predisposition on the part of the Portuguese Government, and in keeping with the suggestions already advanced by the British Embassy for severance of the problems of looted gold and external assets in Portugal, has instructed the United States Mission at Lisbon to concert with the Missions of France and the United Kingdom in informing the Portuguese Government that:

1. The three

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1. The three Allied Governments cannot accept the recent Portuguese offer of 3.9 tons of gold without taking counsel with the other nations at interest, which counsel will now be sought.

2. The three Allied Governments desire the reservation of the gold question, and the immediate putting into effect of the external assets accord. (The Department believes that if placing the proceeds of liquidation in a blocked account is the best arrangement that can be negotiated, it should be accepted.)

It is the hope of the Department that the French and British Embassies will at once seek to have appropriate instructions to the foregoing effect issued to the French and British Missions at Lisbon.

Department of State,

Washington, August 21, 1948

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Pale  
Portuguese  
Accord

TO: L/E - Mr. Metzger  
FROM: L/E - Ely Maurer  
SUBJECT: Swedish and Portuguese Accords.

I think I might briefly sketch for you the situation of the Swedish and Portuguese Accords.

I - Swedish Accord

It appears likely at this time that the Swedes will agree to a meeting with the Allies. In these matters the Allies will want the solution of two main problems (1) 7 million kroner allocation to I.A.R.A. countries (2) settlement of dispute over 713 bars of gold.

(1) With respect to the 7 million kroner problem, I think you are familiar with the fact that under the Swedish Accord (T.L.A.S. 1657, page 19) the Swedish Government agreed to make 75 million kroner available to the I.A.R.A. countries. All but 7 million of the 75 million have been properly disposed of. These 7 million were originally allocated to Belgium and Luxembourg but no satisfactory arrangements could be made between Sweden and these countries for the utilization of this amount. Belgium and Luxembourg have now, at our urging, given up this particular allocation and the question is now one of working out the allocation to other members of I.A.R.A. The Swedes wish to allocate this amount to Norway or Denmark but we object to that because these countries are so overruled that they will probably never be entitled to anything more from German assets distributions. We, of course, desire this amount to be distributed to an undivided country. The language dealing with the allocation of the 75 million is not too clear and the Swedes have used it to argue this amount is a grant by them and if they do not find satisfactory arrangements they need not distribute the whole amount. We, of course, take the view that they have a duty to distribute 75 million and should give favorable consideration to our views with respect to distribution.

A.M.

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As you know there is a proposal that we should make some arrangements for turning over the 7 million to I.G.M. As I indicated to you orally once before I have worried about any utilization of the 7 million which do not in some way result in a credit on the I.A.R.A. books.

(2) With respect to the 718 bars of gold you will recall that under paragraph 4 of the main Swedish-Allied letter P.I.A.S. 1657 (page 2) an open end agreement on gold was made with the Swedes. This provided for additional gold claims which might be submitted before July 1, 1947. The 718 bars of gold fall in this category. Several issues have been raised concerning these bars. The Swedes dispute their liability for any gold which they acquired before the gold declaration of January 1943; they dispute whether gold looted from the Netherlands can really be traced to the gold they received; and they assert that for some of the gold which the Germans secured from the Dutch adequate consideration was given. Their legal position is set forth in a long note of October 21, 1952. Issues can be taken with the Swedes on all of these points. The essential desire of the Allies is, however, to secure a compromise arrangement whereby we get one-half of the disputed gold.

#### II - Portuguese Accord

The status of the Portuguese negotiations is that the Allies have reached an interim arrangement with the Portuguese under which we would ultimately be entitled to 175 million escudos and 3.4 tons of gold. The Germans have been invited to negotiate with the Portuguese for the return of German assets in Portugal against the payment of the counter-value of the 3.4 tons of gold the payment of 175 million escudos and the satisfaction of certain Portuguese claims against Germany. If the negotiations are successful we will ultimately have a Portuguese-German agreement and an Allied-Portuguese Agreement. The functions of the Allied Delegation at this stage would be to "lubricate" any Portuguese-German negotiations and at the same time work out in more

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DEPARTMENT OF STATE

Memorandum of Conversation

*EM*  
*Portuguese  
accord*

DATE: November 6, 1952

SUBJECT: Looted gold settlement with Portugal

PARTICIPANTS: M. Henri Buffin, First Secretary, French Embassy  
Mr. Peter Marshall, Second Secretary, British Embassy

Mr. Fletcher, MN

Mr. Tallman, WZ

COPIES TO: WE - Mr. Dunham RA - Mr. Gilchrist  
Mr. Lyons ✓ L/S - Mr. Maurer  
Mr. Beigel  
OPD - Mr. Corbett  
MN - Mr. Fletcher

U. S. GOVERNMENT PRINTING OFFICE

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M. Buffin and Mr. Marshall met with us today to discuss the various procedural steps to be taken in execution of the new plan aimed at settling the looted gold problem with Portugal.

Mr. Fletcher informed M. Buffin and Mr. Marshall that the note to the Netherlands Government requesting their concurrence in the acceptance by the UK, France and the US of the Portuguese settlement offer of 1948, was delivered to the Netherlands Embassy early this week, and it was generally agreed that there will probably be some delay before the Dutch reply is made. In view of the urgency of this matter, M. Buffin and Mr. Marshall agreed to the following course of action:

1. They will immediately wire their respective foreign offices, requesting authority to approve a preliminary and informal approach to the Portuguese (to determine if their 1948 offer is still outstanding) without waiting for the Netherlands reply to our note.
2. They will request the views of their foreign offices on the following questions:

(a) If the Netherlands oppose our acceptance of the Portuguese offer, should we proceed to settle on the basis of that offer or release ourselves from obligations with respect to looted gold and possibly to German assets in Portugal? (US recommendation is to go ahead with the plan in spite of Dutch objections).

(b) In what

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Memorandum of Conversation

(b) In what manner might the formal approach to Lisbon best be made? Amembassy Lisbon has recommended that a simultaneous presentation of notes to the Portuguese should be made at Washington, London and Paris. Mr. Buffin was inclined to approve this method rather than the presentation of a note in Lisbon since it might carry greater weight with the Portuguese. Mr. Fletcher recommended the presentation of a single note at Lisbon on grounds of expediency.

3. It was agreed that if no reply to our note has been received from the Dutch by November 17 a high level approach should be made by the Embassies in the Hague to expedite the Dutch reply.

MEMORANDUM TO: Mr. W. H. Brewster  
Mr. Lyons  
Mr. Buffin  
Mr. Marshall  
Mr. Fletcher

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Mr. Fletcher informed Mr. Marshall that the Foreign Office had agreed to the Dutch proposal concerning the simultaneous presentation of notes to the Portuguese. Mr. Marshall agreed to the presentation of a single note at Lisbon on grounds of expediency.

Mr. Marshall advised that the Foreign Office had agreed to the simultaneous presentation of notes to the Portuguese after Mr. Fletcher had indicated to the Foreign Office that the note would be sent to the Foreign Office in time to be presented to the Portuguese on November 17. Mr. Fletcher agreed to this proposal.

Mr. Fletcher requested the names of their junior officers on the Foreign Office staff.

Mr. Fletcher advised our government of their intentions either to cancel or postpone the meeting on the basis of a high level meeting between representatives of our government and the Portuguese. Mr. Fletcher also advised that the Foreign Office had agreed to the cancellation of the meeting.

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Position Paper on the Settlement of the Allied  
Claim to Looted Gold in Portugal

*Bent Hart*  
*Govt*  
*Govt*  
*Accord*

PROBLEM: Portuguese Government, however, maintained that it was not appropriate to determine at what amount and in what form the Allied claim to German-looted gold in Portugal should be settled at the forthcoming conversations in Lisbon aimed at settlement of the looted gold question and revision of the German External Asset Act of 1947.

In the note dated July 16, 1948 the Portuguese Government offered to return this amount of gold if our claim to monetary gold looted by Germany during the war and acquired by the Bank of Portugal, ~~provided~~ <sup>is</sup> the proceeds of liquidation of German assets in Portugal were used for the payment of the amount of gold to the Tripartite Gold Commission in Brussels 3,998 kilograms of fine gold within thirty days after the conclusion of the revised accord.

RECOMMENDATION: In the note dated July 16, 1948 the Portuguese Government offered

It is recommended:

1. that the Allies quit their claims to monetary gold looted by Germany during the war and acquired by the Bank of Portugal, ~~provided~~ <sup>is</sup> the Government of Portugal transfers to the Tripartite Gold Commission in Brussels 3,998 kilograms of fine gold within thirty days after the conclusion of the revised accord;
2. that the Portuguese Government be permitted to recover in escudos the value of the above amount of gold from the proceeds of English postwar reparations due to Portugal for damage caused by German assets in Portugal;
3. that the negotiating Three Governments declare, if necessary, ~~are~~ <sup>act</sup> in the name, and as trustees, of all claimant nations;
4. that in the event ~~that~~ the Portuguese Government inquire in particular whether the above settlement would be acceptable to the Netherlands Government, the Tripartite negotiators should refer to their authority as stated in above item No. 3 and casually add that as a matter of courtesy the Netherlands Government had been consulted in advance.

DISCUSSION:

By the work of the Tripartite-Portuguese Subcommittee on Gold, during 1947, the identification of 3,626 bars with weight of 43,951 kilograms fine gold as having been received from Germany by the Bank of Portugal in the period Jan. 1, 1939 to Oct. 31, 1945, has been concluded.

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Gold is located Gold in Portugal

The Portuguese Government, however, maintained that it was not proved by the Allied Governments, in such a manner as to make a convincing case at law or to serve as the basis for an accord, that all that gold was looted. Subsequently the Portuguese Government conceded that out of the above amount of 43,951 kilograms of fine gold received by the Bank of Portugal, ~~over~~ 3,998 kilograms had been identified as looted.

In its note dated July 16, 1948 the Portuguese Government offered to return this amount of gold if permitted to reimburse themselves out of the proceeds of liquidated German external assets.

The recommendation made in this paper is based on the recent U.S. understanding reached with the British and French Governments, and approved by the Netherlands Government, regarding the minimum figure of a gold settlement and, with respect to the waiver ~~of~~

~~U.S. - French~~  
suggests a compromise between the ~~United States, France, and the United Kingdom~~, respectively,

Kingdom position as revealed during the Washington Tripartite Conference.

1. That the negotiations, based upon mutual desire, of the parties, shall be conducted in the strictest confidence, as trustees, of all rights and interests.
2. That in the event that the Portuguese Government requires an independent check upon the above settlement would be acceptable to the Netherlands Government, the Tripartite negotiators should refer to my authority as stated to above upon the 3rd and continually add that as a matter of courtesy the Netherlands Government has been consulted in advance.

#### DISCUSSION:

By the work of the Tripartite-Portuguese Subcommittee on Gold during 1947, the identifications of 3,426 bars with weight of 43,951 kilograms fine gold as having been recovered from Germany by the Bank of Portugal in the period Jan. 1, 1939 to Oct. 31, 1945, has been completed.

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DRAFT AIDE MEMOIRE - September 18, 1946.

In considering the general question of the liquidation of German assets in neutral countries the Allied authorities have always regarded repatriation as an integral part of that subject. It is for this reason, and because of the economic security aspects of this problem, that the Allied Delegations have suggested that the topic of repatriation on the grounds of economic security be taken up in connection with the present negotiations. It is strongly felt by the Allied Delegations that the question of repatriation on economic security grounds parallels, and is interrelated with, the other subjects of the current discussions - liquidation of German holdings, disposition of their proceeds, and the achievement of measures which will guarantee that security towards which Portugal and the Allies are mutually striving.

There exist certain categories of Germans whose very presence in Portugal is a threat to Portuguese and Allied security in view of their economic and technical activities on behalf of German aggression. The Allies, being aware of the keen desire of the Portuguese Government to prevent Germany from once again breaking the peace of the world, and having knowledge of the steps already taken by that Government for the control of German assets, contend that it is of equal importance to appreciate that there are potential threats to world security in the persons of individuals who can only be rendered harmless by return to their own country.

Modern history records only too vividly in so many countries, and in so consistent a pattern, the special development of the Trojan Horse tactics used by Germany that it has become essential to look below the surface in matters of economic security

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security. The Allies believe that none of the Germans residing in Portugal can take exception to their records being closely examined. If this examination discloses that these Germans acted on behalf of their country of origin in furthering Germany's aggressive designs, regardless of its consequences to the country which gave them hospitality, the Allies ask that these Germans be repatriated.

Portugal was happily spared from experiencing the German technique of aggression as it occurred in many countries, where German merchants and clerks, among others, having converted their homes into arsenals, threw off the cloak at the signal of German invasion and took an active part in the enslavement of their neighbors. Nevertheless, it is certain, knowing German methods, that there are Germans in Portugal, in Lisbon and every important ~~and~~ center, who, had Hitler given the word, or if another Hitler gives the word, would emerge to take up similar operations.

That the continued presence of these individuals in Portugal is a danger to the economic security and peace of Portugal and the Allies can scarcely be questioned. In particular, there can be no doubt about the harmful activities of these Germans expressly sent into the country during the war for the chief objective of acquiring and producing material needed by Germany for its war machine, or who increased the staffs of German controlled or German associated companies for purposes which their normal operation could never justify. For example, there are those Germans who were engaged in the production of wolfram, or other material essential to the German war economy; those Germans who were sellers of loot, and also those agents in commercial guise who acted on behalf of the German Government.

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One of the dangers in the presence of such German nationals within neutral countries is that they may, out of local resources, carry on subversive activities. For example, it is known that Germans in Portugal did, out of resources at their disposal, sustain undesirable activities carried on under the cloak of diplomatic facilities. Subsidies, amounting to more than 72,000,000\$00 in 1944 alone, were willingly furnished to the German Legation by German businessmen in Portugal, many of them of very long residence but still considering themselves under the orders of the German Government. It is known to the Allies that these funds were used for intelligence, espionage and propaganda purposes, thereby relieving the German Government of the necessity of using its limited foreign exchange resources for these purposes.

It is to be noted, moreover, that the majority of the individuals concerned were members of the National Socialist party, with all that that means in terms of association in the plans of Germany to overthrow established Government, Church and order in all other countries, and in the adoption and approval of those measures taken by the Nazis, which have revolted the whole civilized world.

The Allies understand that the Portuguese Government would prefer that any representations made on the subject of repatriation should go through the usual diplomatic channels. However, in view of the new and special nature of the problems mentioned in the present aide memoire, the Allies think it appropriate to discuss them in connection with the present negotiations. It is therefore hoped that the Portuguese Government will consider ways and means whereby such discussions can be brought within the scope of these negotiations.

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MEMORANDUM ON LOOTED GOLD

The Allied Delegations recall that the Portuguese Government has adhered to Bretton Woods Resolution VI and the United Nations declaration on gold of February 22, 1944 and thus affirmed its intention to return to the rightful owners property looted by the Germans. In accordance with the common desire of the Portuguese Government and the Allied Delegations to resolve an important part of the problem of looted property, the Allied Delegations bring the following considerations to the attention of the Portuguese Government concerning looted gold.

It was public knowledge, and particularly well known to central banks, that Germany at the commencement of the war had very little gold and foreign exchange. The published figures concerning Germany's gold reserves placed them at only 77 million reichmarks or about 30 million dollars. The huge expenditures undertaken by Germany after 1936 in preparation for its war of conquest and aggression were well known and it was generally realised that Germany was drawing on secret reserves and the looted gold taken from Austria and Czechoslovakia. As a matter of fact, Allied investigations in Germany now disclose that the total reserves of gold possessed by Germany at the beginning of the war amounted to only 126 million dollars.

Early in the war, Germany occupied France and such countries as Norway, Denmark, Belgium, and Holland, which had, up until that time been neutral. In these countries, as it is equally well known, Germany pursued a policy of unparalleled pillage, particularly of gold and treasure. For example, all of the gold held by the Bank of France for the Bank of Belgium, and representing the monetary reserve of the latter, was seized and, as the Allies have subsequently discovered, was remelted, stamped with German markings of pre-war years, and sold abroad.

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The Belgium gold so taken amounted to 198.4 tons of fine gold. By similar acts in the other occupied countries Germany took possession of a further total of about 170 tons of fine gold.

It is apparent from the foregoing the far greater part of the gold available to Germany during the early phase of the war was looted gold. Moreover, during 1940, 1941 and 1942 Germany is known to have disposed of gold far in excess of its total prewar stock: it can thus be concluded that any gold sold by Germany after 1942 was looted gold.

The figures submitted to the Allies by the Bank of Portugal in the memorandum transmitted by the Ministry of Foreign Affairs in its Note Number 4 of February 8, 1946, show that the Bank of Portugal acquired from the German Reichsbank since the beginning of 1939 a net amount of 44,864 kilograms of gold (48,878 purchased from the Reichsbank minus 4,014 sold to the Reichsbank). Other information in the possession of the Allies indicates that the bulk of this gold was acquired after 1942, and further, that much of it originated in gold held by the Bank of France for Belgian account at the time it was looted. Unless the Bank of Portugal or the Portuguese Government is in possession of other information not available to the Allies, it would appear that the gold acquired by the Bank of Portugal from the German Reichsbank consists entirely of looted gold and as such is subject to restitution to its lawful owners.

It is on the basis of these facts and of their aim to assist the formerly occupied countries to regain the gold reserves forcibly taken from them and thus to contribute to the stability of currencies and the reconstruction of Europe, that the three Allied Governments, speaking in the name of all the interested countries, seek to examine this problem with the Government of the Republic of Portugal and to find in accord

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with them a satisfactory solution.

On the basis of considerations similar to those given herein, Switzerland, Sweden and the Bank for International Settlements have already agreed to restitute looted gold acquired by them from Germany during the War.

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REMARKS:																																																
<p>The attached copy of second draft of proposed report on Portuguese Looted Gold has been received from Treasury - Mr. Schwartz. We are advised that this is a working draft which has not been finally cleared in Treasury.</p>																																																
FROM MN - Mr. Carre																																																

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*DPA*  
*Revised*

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(SECOND DRAFT OF PROPOSED REPORT TO BE  
RENDERED TO IARA OR TO THE INDIVIDUAL  
MEMBER COUNTRIES WHICH HAVE CLAIMS FOR  
THE RESTITUTION OF LOOTED GOLD)

REPORT

RELATING TO NEGOTIATIONS FOR THE RESTITUTION OF LOOTED GOLD

BEGINNING AT LISBON, PORTUGAL IN

SEPTEMBER 1946

BETWEEN DELEGATIONS REPRESENTING THE GOVERNMENTS

OF

THE UNITED KINGDOM OF GREAT BRITAIN & NORTHERN IRELAND

THE UNITED STATES OF AMERICA

THE REPUBLIC OF FRANCE

AND

THE GOVERNMENT OF THE REPUBLIC OF PORTUGAL

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REPORT RELATING TO THE NEGOTIATIONS FOR THE RESTITUTION OF LOOTED GOLD BEGINNING AT LISBON, PORTUGAL - SEPTEMBER 1946 - BETWEEN DELEGATIONS REPRESENTING THE GOVERNMENTS OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE UNITED STATES OF AMERICA, THE REPUBLIC OF FRANCE AND THE GOVERNMENT OF THE REPUBLIC OF PORTUGAL.

Introductory

In 1946 the Allied Governments represented by the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the Republic of France concluded agreements with the Governments of Switzerland and Sweden concerning the disposition of German assets existing in those countries and concerning related post-war problems. Included in these agreements were settlements for the restitution of gold looted by Germany and acquired by Switzerland and Sweden. On May 10, 1948 an agreement was reached between the Allied Governments and the Government of Spain on German assets in Spain and for the restitution of all gold looted by Germany and acquired by Spain. An agreement was made on May 13, 1948 with the Bank for International Settlements for restitution of gold looted by Germany and inadvertently acquired by the B.I.S.

The Allies expressed to the Government of the Republic of Portugal through the usual diplomatic channels their desire to negotiate a corresponding agreement with Portugal. The Portuguese Government agreed to participate in such discussions and the Delegates, named by their respective Governments, convened in Lisbon on September 3, 1946.

During the subsequent proceedings, the Allied Delegations introduced the topic of looted gold as an item for the Agenda by presenting to the Portuguese Delegation a Memorandum (Exhibit I) asserting that the Portuguese Government by adherence to Resolution VI of the International Monetary Conference held at Bretton Woods and to the United Nations Gold Declaration of February 22, 1944, had affirmed its intention to return to the rightful owners property looted by the Germans. The Allies in this Memorandum stated that they wished to assist the formerly occupied countries to regain the gold reserves forcibly taken from them and thus on behalf of all such countries, would like to examine the problem with the Government of Portugal. They hoped with Portuguese cooperation to find a satisfactory solution such as had been negotiated with Switzerland and Sweden for the restitution of looted gold acquired during the war.

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The views subsequently exchanged on this international problem are set forth in the documents recorded in the Appendix to this report. A detailed review of the voluminous data presented therein is unnecessary to a fundamental consideration of the problem and to the decision necessary for its solution. In fact, the position of the Allied Governments is a matter of international record. This position was recognized by the Governments of Switzerland, Sweden and Spain by their restitution of gold looted by Germany and subsequently acquired by them. The moral responsibility to restitute looted gold without compensation was recognized, in addition to settlement on external German assets by these countries as well as the 18 governments which adhered to the Final Act of the 1945 Paris Conference on Reparation. On the other hand, the Government of Portugal, motivated by several basic principles, as well as by circumstances it deems peculiar to its situation, has rested its case without offering any reasonable basis for settlement to the Allies.

It is under these circumstances that this report will serve to summarize and comment on the Portuguese point of view and the failure to reach an accord, or any agreement on the basic issues involved. The succeeding chapters will outline those fundamental points upon which Portugal bases its position, namely: 1) that the Allies have not correctly assessed the purpose of and result of the efforts of the Sub-Committee on Gold; 2) that Portugal has effectively fulfilled the obligations it assumed by adhering to Resolution VI of Bretton Woods and the United Nations Gold Declaration; that any attempt to recover looted gold from Portugal must be based on Portuguese law and adjudicated in Portuguese courts; 3) that the activities of Portugal which resulted in the acquisition of looted gold from Germany do not fall within the scope of Allied warnings concerning acts of looting practiced by the Germans; 4) that any looted gold in possession of the Bank of Portugal was acquired in good faith. A separate section (5) is devoted to the substance of a proposal by the Government of Portugal and the most recent exchange of notes.

The Portuguese Delegation from the very beginning of the discussions has relied upon two basic themes of argumentation, both of which have been maintained and are not acceptable to the Allied Governments. First, Portugal does not acknowledge that the Bank of Portugal acquired looted gold and, on this premise, refuses to reach a settlement. Second, even if Portugal were willing to set aside the question of whether the gold acquired was looted in view of the Allied evidence presented, she would

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continue to claim "purchase in good faith" as a justification for insistence upon reimbursement for any restitution of such gold. These two themes have continued to appear in various forms; to have agreed to Portugal's position in either case would be contrary to all the facts available, and would preclude any satisfactory agreement. On the other hand, Portugal's refusal to recognize any requirements and facts contrary to her position has resulted in the necessity for the three Allied Governments to prepare this report.

It was not until the Portuguese note of August 12, 1949 that any reference was made formally to the difficult economic situation of Portugal, and therefore, its inability to make restitution for the looted gold which it had acquired. However, this problem was raised from time to time in discussions by the Portuguese delegation and apparently is basic to the Portuguese position. It was pointed out by the Allied delegations at various times that Portugal's economic position during and immediately after the war was far superior to that of those countries which had suffered occupation and devastation as well as the loss of substantial portions of their monetary reserves including gold which was looted. The suffering of those countries which fought the war hardly need be compared with that of the neutral governments, including Portugal, whose borders were untouched by the aggressor nations and who suffered no property damage or loss of lives as a result of the war. It may be of interest to note that Portugal's gold holdings in 1938 appears to have been equivalent to approximately 85 million dollars and in 1945 were over 420 million dollars. The current deficit of the Portuguese balance of payments however has been taken into account by the Allied offer to settle for one third of the looted gold acquired by Portugal.

The negotiating Allied Governments have suffered in varying degrees from the expenditure in lives and property during the war against an aggressor and have since the end of the war contributed substantially toward the reconstruction and rehabilitation of other nations. Two of the negotiating Allied Governments acting on behalf of others have expended their own resources in attempting to obtain the restitution of looted gold while not participating in the distribution of recovered gold.

In summary it is pointed out that the Allied Governments established, bar by bar, beyond reasonable doubt that Portugal acquired 38.45 tons,

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fine weight of gold looted by Germany. Portugal has refused to accept any responsibility for restitution and offered at the most to return 3.9 tons of gold in return for full compensation thereof from the proceeds of German assets liquidated in Portugal.

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TRIPARTITE CONFERENCE IN BRUSSELS ON LOOTEDMONETARY GOLD MATTERS

File  
1/AM/ Gold  
dated Jan 10, 1950

The following representatives of the Governments of the United States, United Kingdom and France have held meetings in Brussels from January 5 to January 10, 1950, on certain matters pertaining to looted monetary gold, for which provision was made in Part III of the Paris Agreement of 14 January, 1946, on Reparation and the Restitution of Monetary Gold:

M. de la Grandiere, Ministry of Finance  
(Chairman)

French Delegation

M. de la Grandiere, Ministry of Finance  
M. de Peyster, Foreign Affairs  
M. Chayet, Jurist Foreign Affairs  
M. Festy, Assistant Financial Counsellor,  
French Embassy, London.

Secretariat  
Mlle. Tricou, Secretary Interpreter,  
French Embassy, London.

British Delegation

Mr. D.W.G.L. Haviland, Foreign Office  
Mr. A. McDougall, Foreign Office  
Mr. R.C.R. Goodchild, Foreign Office  
Mr. D.N. Royce, Foreign Office  
Mr. J.E. Abbott, Treasury.

American Delegation

Mr. Otto F. Fletcher, State Dept.  
Mr. Ely Maurer, State Dept., Legal  
Mr. Fred B. Smith, Treasury  
Department, Legal.

The Commissioners representing United Kingdom, United States and France on the Tripartite Commission for the Restitution of Monetary Gold, Col. Wingate (Chairman), Mr. Alex Daspit, M. Henri Spitzmuller, were present during part of the proceedings as advisers.

The following is the Record of the Conclusions of the Conference:

- I. The Definition of Monetary Gold and its Application to Law 53 Gold.
- II. Related Instructions to High Commissioners in Germany.
- III. Bor Mine Gold in British Zone.
- IV. Gold delivered to the French Government by the American Occupation Authorities in Germany.
- V. Dollfus-Mieg case.
- VI. Bank of Albania Gold Formerly in Italy.
- VII. Danzig Gold.

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The Meeting took note of the advice of the United States Delegation to the effect that the Office of Alien Property of the United States Government is making an investigation to determine whether certain dollars found in the German Embassy in Washington were in fact Italian Property.

The Meeting agreed to recommend to their Governments that the Tripartite Gold Commission be requested to continue to defer consideration of the Italian Istcambi claim, pending receipt of advice by the United States on the conclusion of the investigation.

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August 30, 1946

2nd draft

NATURE AND VALUE OF GERMAN ASSETS IN  
PORTUGAL

(Units of 1,000,000 Escudos)

I. State Owned (Recognized by Portuguese Government as such):

A. Held in Blocked Accounts

1. Blocked Funds from sale of ships	187.5
2. Blocked account of German Embassy	20.3
3. Blocked account of German Economic Counsellor (Dr. Eichert)	6.0
4. Reichsbank account with Banco I & A	5.4
	<u>319.8</u>

B. In Possession of Joint Allied Committee

1. Miscellaneous Currencies	11.2
2. Proceeds of sale of property	1.4
3. Buildings, land, furniture - Legation and Consulate	2.7
	<u>15.3</u>
	(234.5)

II. State Owned (Not Recognized as such by Portuguese Government):

1. Rowak Mines	30.0
2. Other Mines	60.0 (Est)
3. Funds of Egon Baldziger	1.0
4. Lufthansa Property held by Portuguese Airlines	.8
	<u>91.8</u>
	(326.5)

III. German Private and Commercial Interests:

A. Interest of persons in Germany in Portuguese Companies

49.8

B. Amounts owed to Germany by

1. Companies included in "A" above	62.1
2. Companies not included in "A" above	<u>43.3</u> 125.4

C. Amounts held by banks for persons in Germany:

1. Bank deposits	17.5
2. Credits	7.7
3. Collections	2.4
	<u>27.6</u>
	<u>202.6</u>

IV. Estimated Total for Portugal

529.1

V. Estimated Total for Colonies

50.0

GRAND TOTAL

579.1

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The Allied Committee for  
German Assets in Portugal,  
L I S B O N

Lisbon, September 15th, 1951

## GERMAN ASSETS IN PORTUGAL

## STATISTICAL SURVEY AS OF SEPTEMBER 15th, 1951

No detailed statistical survey has been made of German assets in Portugal other than a preliminary survey drawn up at the time of the Luso-Allied negotiations of 1946-47. The Allied Committee for German Assets in Portugal, therefore, considering that it is now essential to make as complete a survey as possible of such assets, has prepared the following report.

The Committee has also taken the occasion to include therein certain observations regarding the present status of liquidation, and to urge the necessity of expediting the settlement of the cases now pending either in court or before the Special Tribunal or before the Inspectorate General of Credit and Insurance.

Data in the report are confined to the value of assets as shown by declaration, for the most part, dating from the years 1945-46. Consequently, such values are subject to rectification, since they do not reflect variations in real values which have subsequently occurred.

At the beginning of April 1951 the Allied Committee prepared and submitted a short report in which it endeavoured to put into concrete form measures which it considered should be put into operation in order to expedite the liquidation of German assets. No instructions have been received from the three Governments to implement the suggested measures. Attached to the above-mentioned report was a statistical Annex showing the value and the categories of declared German assets in Portugal as of April 15th, 1951. A reproduction of this statistical document will be found at the end of the "Second Supplementary Document." Appendix I consists of a new schedule as of September 15th, 1951.

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I. GERMAN STATE ASSETS (Ex-III Reich)

With the exception of the School at Oporto, the legal position of which has not yet been clearly defined, the liquidation of German State Assets in Portugal has profited by a comparatively simple form of procedure.

The German diplomatic buildings and archives were handed over to the Allied Governments following the proclamation made by the Allied Control Council in Germany on June 5th, 1945. The value of the official assets received or transformed in liquid form totals 17,355,291.15 escudos. It should be noted that 7,000,000.00 escudos of this total represent an advance, made to the United States Government when the latter acquired the former German Legation building in Lisbon, which includes the price of the building and 50% of the notarial costs and land registration costs in connection with this sale, the Allied Committee having agreed to pay the other 50 per cent. At the time of the settlement of the liquidation, this advance will be deducted from the United States' share.

The Allied Committee has still to complete some liquidations of no great value, chiefly of books from the former German libraries and the School at Oporto. This School is rather a fine modern building but quite useless except as a teaching establishment. Its liquidation on the market is therefore unlikely to have any very lucrative results and it is to be hoped that one of the Allied Governments will come forward as a purchaser. France has shown an interest in acquiring this property.

It is important to note that the sum of 17,355,291.15 escudos mentioned above represents the gross proceeds of operations to date (under the Political Committee until June 19th, 1947, and under the Allied Committee since that time). When the audit of the financial proceeds of the liquidations takes place, the expenses which the Allies have incurred in administering the official assets, as well as all other expenditure regarded as deductible, will have to be deducted from this sum.

Moreover, certain funds have been deposited through the Liquidating Commission, operating with the Portuguese Ministry of Finance, in the blocked account opened for this purpose. On September 15th, 1951, the Liquidating Commission has collected 26,533,202.13 escudos also arising from the German State. In reality this sum arose almost entirely from funds handed over to the Portuguese Government in 1945 by the representative of the German Diplomatic Mission in Portugal.

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The official holdings of the German State have thus produced up to date a total of 43,888,493.28 escudos. It is not anticipated that there will be any substantial increase in this sum, as the greater part of the major assets which belonged to the Third Reich have already been transformed into ready money.

### III. ASSETS DEALT WITH UNDER THE CITATION PROCEDURE

The Citation Procedure has been analysed in detail in the expert's report drafted by Mr. Vaidie in November 1950 (cf. pp. 6 and 9 of his report). Up to September 15th, 1951, the Portuguese authorities sent the Allied Committee citation forms to a total nominal value of 241,710,030.44 escudos. The citations may be classified into various categories, which are briefly described in Appendix I. It is necessary, however, to make special mention of the most important of these which deals with a group of assets declared in the name of the four German shipping companies, as follows:

Name	Sum Declared
John T. Essberger-Deutsche Afrika-Linien/Hamburg	Esc: 72,000,000.00
Hamburg Amerika-Linie, Packetfahrt A.G./Hamburg	" 42,000,000.00
Robert Bornhofen,/Hamburg	" 12,500,000.00
Norddeutscher Lloyd,/Bremen	" 61,000,000.00
Total: Esc: 187,500,000.00	

This group of assets, realized from the sale of German ships to the Portuguese Government has, at the Allies' request, been blocked since 1943. It has also been the subject of numerous reports by the Allied Embassies in Lisbon submitted to their respective Governments. The latter have been kept fully informed of the status of this specific case as late as the date of the last démarche made to the Portuguese authorities on July 6th, 1951. The Portuguese Minister of Finance was on that date requested by the Allied Committee to render an opinion on the rights of property of the former Third Reich with regard to the assets blocked in the names of the four German shipping companies.

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The fundamental argument of the Allies is that, since the companies were actually reimbursed in Reichsmarks by the Reich Ministry of Economy, the latter must be considered the real owner of the sums blocked in Portugal. The "First Supplementary Document" annexed to the present report summarizes the history of this group of assets.

Following are the principal points with regard to the other categories of assets which have been the subject of citations:

a) The Liquidating Commission for German Assets, operating under the Portuguese Ministry of Finance, has been supplied by the Inspectorate of Credit (not without numerous urgings on the part of the Allies) with all the dossiers of persons in Germany who have been served citations, as laid down by the procedure, but who have not exercised their right of appeal against the seizure of their assets. This has occurred, up to date, in approximately fifty cases. The liquidation of most of them has been rapidly begun by the Liquidating Commission, but the proceeds of these operations do not always reach the proportions which were expected.

The citations are drawn up by the Portuguese authorities on the basis of information supplied by the trustee or holder of the asset in Portugal. The Commission discovered, in the course of the liquidations, that many of these assets did not correspond with the declarations which had been made regarding them, particularly in the case of commercial credits intended for payment against deliveries of goods. In many cases proof was supplied by the persons concerned that these goods had been destroyed in 1945 as a result of the war. As there were no proceeds realizable in these cases, their files were closed.

b) The Inspectorate has told the Allied delegates that there were numerous cases in which cited persons have appealed the seizure of their assets. This is not surprising since when a citation is served, the Allied High Commission in Germany automatically authorizes the person to whom the citation is addressed to make use of the rights of appeal conferred upon him by Portuguese law.

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These authorisations are derogatory to Law 53 of the Allied Control Council. Although cases which have been appealed must be decided by the Inspectorate of Credit and Insurance, no decision of this kind has so far been rendered.

c) A certain number of citation certificates have not been returned from Germany because the citations could not be served. The people to whom they were addressed have no longer any known domicile in Western Germany. The 1947 Accord foresaw this situation in which citations would have to be served by means of publication. This procedure now seems to be encountering difficulties of a legal nature among the departments of the High Commission: it is desirable that the latter should be overcome as quickly as possible. A preliminary list of fifty-nine cases of this category deals with assets of a total value of 1,014,734.59 escudos.

d) On the other hand, the Allied Committee has annulled certain citations because their wording made it impossible to identify the addressees; it has held up citations which pertain to or were connected with the 42 subsidiaries of German firms (see Appendix A and B); it has also held those citations which concerned capital participation in any Portuguese company.

Finally, certain other citations are in process of being served.

### III. ASSETS DECLARED IN GERMANY UNDER LAW 53 OF THE ALLIED CONTROL COUNCIL

Law № 53 of the Allied Control Council in Germany required German owners of foreign assets to declare such assets to the Allied Control authorities. A compilation of these declarations on MGAX forms were sent to Lisbon and were the subject of a statement drawn up by the British Embassy in Lisbon. This statement, in the form of slips has served as the basis of the "Reminder Forms" sent at the beginning of 1951 to the Departments of the Inspectorate of Credit at the Portuguese Ministry of Finance. These forms were intended to remind the Portuguese of the complete declarations previously sent to them. These declarations total 268,158,280.64 escudos from which total should be deducted 102,274.41 escudos representing the nominal value of declarations already made; thus the value of assets in this category is 268,056,006.23 escudos.

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ANNEX A

THE ALLIED COMMITTEE FOR GERMAN  
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LIST OF 42 FIRMS  
CONSIDERED AS SUBSIDIARIES OF  
GERMAN COMPANIES IN PORTUGAL

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**PRELIMINARY DRAFT**

**MEMORANDUM ON GOLD ACQUISITIONS BY SPAIN DURING THE WAR**

**SUMMARY:**

From February 1942 to VE Day, May 8, 1945, Spain acquired a total of at least \$138,214,000-worth of German gold out of which only \$1,125,000 was recovered leaving an unrecovered balance of \$137,084,000-worth of German gold acquired by Spain. This figure was arrived at as follows:

(All Sums in Thousands of U.S. Dollars)

Acquired directly from Germany and German-occupied territories at least (11,000 kg.) . . . 12,375

out of which the Trusteeship recovered (1,000 kg.) . . . . . 1,125

leaving unrecovered (10,000 kg.) . . . . . 11,250

Acquired from the German deposit with the Swiss National Bank at least (74,000 kg.) . . . . . 83,250

Acquired directly from the Swiss National Bank (37,852 kg., which probably included German looted gold) . . . . . 22,584

Unrecovered Total (121,852 kg., at least) 137,084

It is possible that in addition an unknown quantity of gold was brought into Spain, probably directly from Germany by diplomatic pouch and secret air flights and stored there or sold privately, but we lack evidence.

**RECOMMENDATION:**

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**RECOMMENDATION:**

It is suggested to request the Spanish Government to return 72% of the above total of \$137,884,000 (121,852 kg.) which amounts to \$98,700,000 (87,733 kg.).

**BACKGROUND AND DOCUMENTATION:**

The average percentage of 72% is used for the portion of acquisitions to be returned because it can be assumed (as in the case of Portugal) that out of the \$298,200,000-worth (265,067 kg.) gold which the Swiss acquired from Germany during the war, they were certainly trying to sell first that portion of it which was looted.

It is reasoned that an absolute minimum of 72% of all gold sold abroad by Germany during the war was looted, a deduction which is arrived at as follows:

The total gold looted by Germany during the war is calculated at 433 million-dollars-worth, to which are to be added 53 million taken from Austria and 33 million from Czechoslovakia--altogether 519. It is also calculated that Germany sold abroad during the war about 445 million-dollars-worth of gold. At the beginning of the war Germany's own legitimate gold stock (including 23 million purchased from Russia before she went to war with Germany) amounted to about 126 million-dollars-worth of gold. Subtracting 126 from 445, under the assumption most favorable to the neutrals that Germany sold all her legitimate gold abroad and only part of her looted gold, the minimum of looted gold Germany sold abroad during the war is 319 million-dollars-worth. 319 is 72% of 445 and thus we arrive at the estimate most favorable to the neutrals, that 72% of all gold sold by Germany was looted gold.

Under the above assumption, namely, that Germany spent about 445 million dollars during the war, Germany sold during the 5½ years of the war 35 million-dollars-worth of gold on the average per year. At that rate, since it can be assumed that Germany first sold all her legitimate gold, she must have exhausted her legitimate stocks by the Spring of 1941. Therefore, if we assume that Germany began spending looted gold by the Spring of 1942 we have made ample allowance for the consideration that at the beginning of the war the annual rate of spending was lower and probably increased only after the first

year

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year of war when Germany began to secure material abroad and otherwise increased her foreign activities. If we follow the latter argumentation, we arrive at the conclusion that all gold that the neutrals acquired after the Spring of 1942 was looted gold. The amount of gold acquired by the Spanish after that date undoubtedly would exceed the 72% figure arrived at above, since the bulk of transfers took place after February 1942.

Another calculation leads us to the following consideration: The total sum of gold looted by Germany was 590 million dollars. Under the assumption (the one most favorable to the neutrals) that Germany spent all her legitimate gold holdings, the whole amount of gold found in Germany--namely 199 million dollars (excluding the Italian and Hungarian earmarked gold) is to be deducted from the above 590, leaving 391. To be deducted from this 391 is \$8 recovered from Switzerland and \$ we are going to recover from the Swedes. Since we know that \$2½ million dollars looted gold went to Rumania and some 15 million dollars were privately sold in Turkey, we are missing about 280 million-dollars-worth which is roughly the amount of gold reportedly acquired by Portugal and Spain, as the acquisition of German looted gold by Spain and Portugal combined.

As to figures of Spanish gold acquisitions, the following sources were used:

The first two items of the Summary on page one (\$11,250,000 unrecovered which Spain acquired directly from Germany and German-occupied territories, and \$83,250,000 which Spain acquired from the German deposit with the Swiss National Bank) were taken from the Trusteeship estimate (given in Telegram 859, May 9, 1946, and Airgram 242, May 9, 1946). A subsequent estimate and data given by our Embassy (in Telegram 1032, June 8, 1946, Airgram 338, June 11, 1946, Airgram 340, June 11, 1946, and Airgram 343, June 11, 1946) indicate a higher total.

Telegram 859 reports total shipment of gold to Spain on German order from February 1942 through VE Day, to be (as established by Trusteeship) 85,000 kg. This sum is composed of 74,000 kg. shipped from Switzerland and 11,000 kg. shipped from Germany and occupied territory. Evidence for these estimates was gathered from a variety of sources including truck drivers' statements, statements of German officials in Spain and Germany, and records of Rowak, Sofindus, and Transportes Marmon. According to Airgram 242, the gold went to

the German

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the German Embassy, the Abwehr office, the Bank of Spain, Sofindus, Banco Aleman Transatlantico and Banco Germanico in Hendaye, and Cartones Tenerife. With the exception of the Bank of Spain, these are all quasi-official German or German-controlled organizations. Some of the gold was reported to have come through Hendaye; some was brought by Sofindus official Bernhardt in his car. Method of transportation of some is unknown. Part of this gold was later converted to Swiss francs which were transferred to German accounts maintained in Swiss banks.

Telegram 1032 states that a Sofindus report in the former German Embassy files gives the information that gold imported from Switzerland in 1943 through Canfranc amounted to 83,320 kg. or \$93,735,000-worth of gold. This amount, covering only one year, almost equals the amount given previously for total wartime shipments to Spain. Also, it is the report for one year of the war only. It would seem, therefore, that the Trusteeship's estimate of gold shipped into Spain during the war is too low and should be revised upward, since the Sofindus report shows movements through Canfranc only, and does not show those through Hendaye and Irun, nor shipments by sea or air which may have been made.

The third item of the Summary on page one (\$42,584,000 worth of gold which Spain acquired directly from the Swiss National Bank) was taken from tables of figures on Swiss Confederation and Swiss National Bank holdings and acquisitions of gold which were transmitted to our Legation in Bern confidentially and privately by an official of the Swiss Government on the authorization of the Swiss Federal Council. This figure comes from Table II (Enclosure No. 3 to Foreign Service Despatch No. 12547, September 14, 1945, from American Legation, Bern). The source for this figure, therefore, cannot be quoted to any foreign government.

A preliminary over-all report dated February 26, 1946 of the Strategic Services Unit, War Department, states that between January 1942 and February 1944 a total of about 610,000 kg. gold was shipped by truck from Switzerland to Spain and Portugal and that two-thirds (2/3) of this amount (about 406,000 kg.) went to the Bank of Portugal and one-third (1/3) (about 203,000 kg.) went to the Instituto Espanola de Monedas Extranjera in Madrid. So far as Portugal is concerned this would be in excess of the figures arrived at above on the basis of the Swiss official documents, and so far as Spain is concerned, would be in excess of the Trusteeship's estimate of total shipments of gold to Spain on German order from February 1942 through VE Day,

of net

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of not less than 85,000 kg. (An analysis of an O.S.S. report on shipments of gold through Bellegarde, which clearly is included in the over-all summary of SSU of February 26, 1946, bears out that about 57,000 kg. went to Spain and about 109,000 kg. went to Portugal. No destination was given or can be established for an additional approximately 5,000 kg.)

Any just solution of the problem of recovering looted gold from Spain will also have to consider Spain's over-all gold situation.

Although the Spanish have not gold holdings in the United States at the present time and had none in 1942 and 1943, the increase in Spanish domestic gold holdings in 1941 to 1945 is quite spectacular:

Increase in Gold Holdings of Spain, 1941 - 1945  
Official Published Figures

(In Millions of Dollars)

<u>1941</u>	<u>1945</u>	<u>Increase</u>
42	110	68 (or 264%)

However, before the end of the Civil War, Spain possessed a gold reserve of 525 million-dollars-worth of gold, topped by only a few European countries.

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The Netherlands Ambassador presents his compliments to the Honorable the Secretary of State and has the honor to bring the following matter to his attention.

During the German occupation of the Netherlands, the enemy tried to secure possession of all prewar Netherlands commercial claims against Spain for the purpose of financing the imports of certain strategic materials of which there was a critical shortage in Germany. Evidence of this policy is submitted attached to this note in the form of a reprint of part of a letter to Adolf Hitler, which letter was found after the liberation among the records of the German Commissioner (Beauftragte) to the De Nederlandsche Bank N.V.

In order to prevent Netherlands claims in pesetas from being acquired and utilized for the benefit of the German war effort, and in order to effectively preserve such claims for the Netherlands economy, the following transactions were effectuated during the years of 1942 and 1943.

With the cooperation of the Netherlands Exchange Control Office (Deviezeninstituut), the management of which was, at that time, still in the hands of politically reliable persons whose sympathies lay entirely with the Allied cause, Continentale Handelsbank, a banking institution established in Amsterdam, purchased for the account and risk of the German Potash Syndicate, a

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number of claims totaling 7,626,980.81 pesetas, against payment of 1,408,538.20 guilders.

Almost the entire amount of the above mentioned claims was invested in the Spanish mining company, La Minera S.A., an affiliate of the German Potash Syndicate. This investment was made in the following manner. The proceeds of the claims were deposited into an account with Banco Aleman Transatlantico in Barcelona, Spain, a branch of Deutsche Ueberseeische Bank in Berlin. Out of this account, an amount of 7,600,000 pesetas was segregated and deposited into a special account with the said bank.

It was agreed that this deposit, bearing an interest of 2 1/2 percent per annum, would not be withdrawn until November 26, 1945. On the other hand, Banco Aleman Transatlantico agreed to extend, over the same period of time, a credit of 7,600,000 pesetas to La Minera S.A. which credit was to have a preferential character. In case the loan were not redeemed as and when due, Banco Aleman Transatlantico would have the right to reimburse itself out of the deposit of Continentale Handelsbank, which then would be subrogated in the rights of Banco Aleman Transatlantico.

In evidence of the above, copies of statements by J.A. Deknatel, at the time Managing-Director of the Netherlands Exchange Control Office and by J. Kraayenhof, auditor of Continentale Handelsbank and member of the Netherlands Institute of Accountants, are submitted attached hereto.

As a

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As a result of this transaction, Netherlands owned pesetas were prevented from being used for the benefit of the German war effort. Nevertheless these assets became available to certain German interests. For obvious reasons, however, it cannot be tolerated that Germany, during the occupation, acquired Netherlands owned foreign assets by paying for them with its own claims on Netherlands debtors, as it is a well known fact that Germany's economic warfare resulted in a debt to the Netherlands which exceeds many times all German claims on the Netherlands.

In the opinion of the Netherlands Government such transactions are representative of the type of operations which are condemned by the Inter-Allied Declaration of January 5, 1943 "against acts of dispossession committed in territories under enemy control", which Declaration was signed in London, England, by a great number of Allied Governments amongst which the United States, the United Kingdom, France and the Netherlands. In this Declaration the signatory Allied Governments warned whomsoever it might concern, that no acquisition of property, rights or interests in enemy occupied countries, made under direct or indirect enemy coercion, was to be recognized by them.

The fact that La Minera S.A. was affiliated with a German concern and that Continentale Handelsbank, in acquiring the original peseta claims, used funds indirectly owned by the German Potash Syndicate, is immaterial if the Inter-Allied Declaration is applicable to this transaction, because in that case no valid

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German interest ever originated in the subject peseta claim. Continentale Handelsbank never owed any pesetas to the German Potash Syndicate and the latter's claim against Continentale Handelsbank, in the amount of 1,408,538.20 guilders as referred to above, remained in existence until, at the time of the liberation, the State of the Netherlands became the owner of all German assets within its jurisdiction.

The acquisition of these pesetas for the benefit of the German Potash Syndicate is also invalid by virtue of Netherlands Royal Decree A-6 of June 7, 1940, which voids any and all transactions to the benefit of the enemy, in accordance with similar wartime legislation enacted in other countries.

Therefore, the Netherlands Government disagrees with the assumption that this peseta-claim represents an interest of the German Potash Syndicate, as set forth in a note of May 13, 1950 from the Spanish Ministry of Foreign Affairs.

In addition, the Netherlands Government is of the opinion that this claim should be given preferential treatment.

In 1944, the Deutsche Ueberseeische Bank notified the Banco Aleman Transatlantico to the effect, that the German Potash Syndicate reserved the right to redeem the loan in favor of La Minera S.A. prior to its maturity. Banco Aleman Transatlantico replied that under those circumstances it reserved the right to cancel with a 20 days' notice the deposit of the Continentale Handelsbank in order to immediately

reimburse

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reimburse itself out of this collateral. Copies of the correspondence exchanged between Deutsche Ueberseeische Bank and Banco Aleman Transatlantico have allegedly been sent to Continentale Handelsbank, but were never received. In April 1945, Banco Aleman Transatlantico, in contravention of its agreement with Continentale Handelsbank, cancelled the deposit on 20 days' notice and reimbursed itself out of this collateral for the loan extended to La Minera S.A.

According to bookkeeping entries of Banco Aleman Transatlantico, Continentale Handelsbank, as a result of this cancellation, acquired a claim of 7,600,000 pesetas, plus interest, on La Minera S.A. It is alleged that this claim does not have the preference which the claim of Banco Aleman Transatlantico possessed. Consequently the chances of its realization are seriously impaired because of the existence of other claims on La Minera S.A. which the assets of the latter company are insufficient to meet. On the basis of the Agreement of May 10, 1948 on German Assets in Spain, entered into by Spain, the United States, the United Kingdom and France, the liquidation of La Minera S.A. is to be expected in the near future, and the Netherlands claim is in danger of remaining unsatisfied.

Without dwelling upon the question whether the abovementioned cancellation of the deposit could under any circumstances have had a legally binding effect on Continentale Handelsbank, the Netherlands Government desires to point out that since the entire transaction took place during the war under pressure of enemy influence, none of its effects should be recognized.

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If the preferential nature of the Netherlands claim were denied, the Netherlands economy would suffer a loss of 7,600,000 pesetas since the Spanish economy would be discharged from its prewar obligation to the Netherlands, whereas German assets in Spain would increase to the same extent by virtue of the liquidation of La Minera S.A.

In the light of the Inter-Allied Declaration of January 5, 1943 these consequences appear to be unacceptable. In order to preserve for the Netherlands economy the foreign exchange to which it is entitled, the Netherlands Ambassador would much appreciate the Honorable the Secretary of State to instruct the United States Representative with the Allied Control Council in Madrid, in accordance with the views expressed in this note.

Enclosures.

Washington D.C. September 22, 1950

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DEPARTMENT OF STATE  
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

24526

TC 1-39/R-IV  
FrenchCOPY

Nederlandse Handel-Mij N.V.

(Translation of the English text)

The undersigned, J.A. Deknatel, living at Amsterdam, Manager of the Nederlandse Handel-Maatschappij N.V., makes the following declaration:

Beginning with May 10, 1940 (date of the invasion of the Netherlands by the Germans) the Government of the Netherlands blocked all holdings in foreign currency belonging to residents (Official Journal No. 484).

After the Germans had occupied the Netherlands this blocking was replaced by a foreign exchange control system the plan for which already existed before the occupation. The Nederlandse Devicen-instituut /Netherland Exchange Control Office/ was charged with this control. The directorate of this establishment was made up as follows:

Prof. G. W. J. Bruins, at present Governor of the International Monetary Fund at Washington;

Prof. A. M. de Jong, for many years Manager of the Nederlandse Bank, a position which he still holds;

the undersigned who, from the liberation to November, 1946 was manager of the Nederlandse Beheersinstituut (Bureau of Seizures).

No authorizations respecting foreign exchange of any nature whatever (hence including foreign credits) were granted without the permission of the Nederlandse Deviceninstituut. Except for the obtaining

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obtaining of new foreign securities for the Netherlands economy, authorizations respecting foreign exchange were naturally not granted to residents. No authorization was ever freely granted for a currency transaction involving a payment in marks in the Netherlands.

The Germans several times made use of their force as an occupying power to extort authorizations for operations in favor of Germans comprising a payment in marks in the Netherlands.

These operations brought about a direct loss to the Netherland economic position through the diminution of foreign exchange held by the Netherlands, and consequently had to be hindered if possible.

When Mr. Kraayenhof presented his plan to convert peseta claims into a loan on behalf of the Continentale Handels-bank for the development of a mine in Spain, which could not be exploited for several years, at the earliest, this plan interested me immediately. I was entirely in agreement with Mr. Kraayenhof that, in this manner, the Netherland interests would be protected as well as possible against German plundering. We thus created a capital sum which remained within the sphere of interest of the Netherlands. If the threat of a direct purchase of pesetas by the Germans, which would have been translated into a complete loss of this currency for the Netherlands economy, had not existed, I would not have taken into consideration the request for an authorization for a long-term investment.

As a result of the immobilization of the pesetas, the German authorities would be unable to change an accomplished fact. Every attempt on their part to secure possession of the pesetas for the financing of their war effort would, consequently, be fruitless. The procedure which we followed prevented the Germans from using the pesetas to make war. In this way foreign currency was preserved for the Netherlands economy, as far as possible, in view of the power of the occupying authority.

Consequently

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Consequently, it was not the Germans who ordered us to issue the authorization in question (the transaction was already in progress when they took notice of it); on the contrary, the authorization in question was issued with the sole purpose of preventing the issuance of an authorization for a more unfavorable transaction.

There was no way to use the pesetas in question otherwise, in order to protect them from German plundering. It was impossible to spend them for the importation of Spanish products into Holland; there was no Netherland firm which was in a position at that time to use them for its investments in Spain. Consequently the possibility advanced by Mr. Kraayenhof was the only solution at our disposal.

Before the war the question of authorizations for similar sales of foreign currency had not entered the picture because up until May 10, 1940 foreign exchange transactions were free in the Netherlands. During the war authorizations similar to those of which it is a question here were not issued to the Continentale Handelsbank for other currencies.

Amsterdam, October 4, 1947

/signed/ J. A. Deknatei

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Accountantsassociatie

Klijnfeld, Kraayenhof &amp; Co.

Subject: Claim of Continentale Handelsbank N.V., Amsterdam,  
against La Minera, S.A., Barcelona.

The undersigned, J. Kraayenhof, an expert accountant, member of the Netherlands Institute of Expert Accountants, residing at Amsterdam, makes the following declaration:

I learned in 1942 that some Netherland credits in pesetas would be purchased here by German interests. It was evident that if the Germans so desired they could make use of their authority as the occupying power and oblige the Netherland authorities to grant them the license necessary for the purchases contemplated by them. In view of the fact that it was to be considered as possible and probable that the pesetas thus placed at the disposal of the Germans would be used for German military expenses, the interests of Holland demanded that the Netherland holdings in pesetas be used in such a way that the use contemplated by the Germans would be rendered impossible and that at the same time the value of these pesetas would be protected, as much as possible, for the benefit of the Netherland economy.

It was known to me that a Netherland company, owned by the Continentale Handelsbank N.V. at Amsterdam, forming part, however, of the potash group and managed by the bank indirectly for the German Potash Syndicate in Berlin, was in need of considerable sums in pesetas for the development of a potash mine in Spain, which mine could not be exploited for several years. It seemed to me that at the same time the Netherland interest in particular and the Allied interest in general demanded that

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we profit by this opportunity to have the aforementioned credits in pesetas purchased by the Contibank, a Netherland banking institution, /and/ to have granted, against the asset acquired in this manner in Spain, on its behalf, an advance to the Spanish company owning the mine.

Acting in this manner would make it impossible for the Germans to dispose of the pesetas, directly or indirectly, for their military expenses, and the pesetas—although immobilized in a Spanish mining enterprise—could remain, for later needs, at the disposal of the Netherlands economy.

One had to admit that without this intervention these credits would be lost completely.

I formed these plans without being asked by the Germans to lend my cooperation for the acquisition of pesetas.

For this reason I consulted the acting managers of the Contibank, and with their approval I got in touch with Mr. J. A. Deknatel, at that time Director of the Netherland Exchange Control Office. The latter immediately signified his approval because he saw at once the double advantage of this plan for Holland. For him also the reality of the danger that the Germans could purchase the pesetas for their military expenses formed the decisive element in establishing his point of view. The strong position of the German Potash Syndicate with the Reichsbank at Berlin signified that no opposition was to be expected from that direction.

Amsterdam, October 1, 1947

/signed/ J. Kraayenhof

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By VR NARA Date 01/10

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Box 18 1956

*SpanAccord*

CONFIDENTIAL

September 6th, 1958.

Dear Mr. Harlan,

As you no doubt know, one of the minor but potentially troublesome residual Spanish questions which have been exercising the representatives of the Three Governments in Madrid and Bonn is that of the disposal of certain securities delivered to the Representatives from the Western zones of Germany.

There was a certain number of shares handed by the Representatives to the Spanish Ministry of Foreign Affairs, but almost all of these related to companies expropriated by the Spanish Government and can more or less look after themselves. What concerns us now is those securities remaining in the Representatives' hands, which are largely bearer bonds either of the Spanish Government or of active corporations.

The questions that arise are: whether these securities should be returned to the Germans; if so, whether return should take place in Madrid or in Bonn; and whether we should seek to obtain for them some sort of indemnity or quittance (bearing in mind that, owing to the Representatives' inability to dispose of the bonds and the corresponding coupons during the seven years they have been in the Representatives' hands, a large proportion of coupons, certainly, and a number of drawn bonds, probably, have proscribed, with consequent loss to German owners).

First, as regards the question of principle: we consider that the securities should indeed be returned to the Germans. However, we also consider that the Three Governments are immune from any consequences arising from their possession or their failure to administer the securities until May 5th, 1955, by virtue of the Settlement Convention (Chapter 9, Article 3 and also Chapter 6, Article 3). We think that these Articles also cover us by extension or analogy during the period since May 5th, 1955. If, despite this, someone were to urge some moral obligation as a result of any alleged mal-administration of the securities, then, in our view, the answer would be that Spanish action, especially since 1952, has made administration impossible and that the complainants should look to the Spaniards for redress.

We think, therefore, that when the securities are handed over, they should be accompanied by a list identifying them, of which we should keep copies, but that we should not seek any receipt or other form of documentation in exchange. The reason for suggesting this somewhat casual procedure is that if we make too much of a fuss about transferring these securities, the German recipients might well hesitate to accept them, whereas our object should, we think, be to get rid of the things and place them firmly in German hands.

It follows that we do not favour asking for a full indemnity. To ask for this would raise the very questions which we do not want to be asked, and might perhaps lead to a German refusal to accept the papers, thus leaving us in possession of the securities after the period in which the Accord (and Spanish failure to live up to it) as well as the Convention has covered us. We think, in any case, that to ask for an indemnity would cast doubt on the confidence which we must evince over the efficacy of the relevant provisions of the Settlement Convention, and on that of the provisions of the Terminal Protocol itself.

Mr. Robert H. Harlan,  
Department of State,  
Washington, D.C.

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There remains the question of where, and to whom, the handing-over should take place. Our view is that the best place is Bonn. Our reasons are as follows:

The securities were seized in Germany and were allowed to be removed for action in Spain presumably because they must have been considered to be in some way property situated in that country, since the Madrid Accord was only concerned (Article 1) with "property situated in Spain, etc., belonging to persons of German nationality". I do not know what arguments were used at the time to justify the treatment of these securities as "property situated in Spain", but presumably the Spaniards were invited to treat them as such and expropriate them, actually under their Decree-Law of 23rd April, 1948. The Spaniards declined to have anything to do with the securities. The Representatives could not administer the securities because the Spanish authorities refused to act and the Bank of London and South America, whom the Representatives invited to administer them, is said to have declined to do so because it would have had to satisfy the Spanish authorities as to the proper title to the documents of the Representatives; the Bank is said (although we have no documentary proof) to have considered that the Spanish authorities would not have admitted the title of the Representatives.

We think that the best course is to make out that we have failed all along to have these documents either expropriated or administered in Spain, and so we return them to the place where they were seized.

One further reason for suggesting Bonn is that the official concerned with these matters in the German Embassy in Madrid is both astute and difficult, and that the whole operation has much more chance of proceeding smoothly at headquarters in Bonn, where there seems to be little doubt that the Federal authorities would accept them.

There has been some preliminary discussion of this matter between the representatives of the Three Governments in Bonn, and also, I think, in Madrid. Only tentative comments have been made, of course, and the present position is that the representatives are consulting their respective Governments. However, in the course of these talks I understand that it has been suggested:

- (a) that the Germans should bear the cost of transferring the securities (about one sackful) from Madrid to Bonn, and
- (b) that, as an alternative to bringing the securities to Bonn, the representatives of the Three Powers in Bonn might perhaps make an approach to the Federal German authorities asking them to instruct the German Embassy in Madrid to accept the documents.

On these points, our own view is that to ask about the securities before depositing them would very probably lead to German refusal to accept, and thus leave the Three Governments on the end of a rather shaky limb. Wherever they are left - and we incline strongly to the view that it should be in Bonn - we think that our best chance of trouble-free acceptance lies in leaving the securities, preferably during a personal visit, without prior warning. By the same token, we think that it would be unwise to present to the Germans a bill for the cost of transfer of the securities, partly because the cost would be so small, and more especially because we and not they removed the documents from Germany to Spain in the first place.

I hope these notes may be of some help. This is a minor, but rather tricky matter, but it seems to me that the sooner we can reach a decision on it the less will be the (small) likelihood of complications.

Yours sincerely,

N. Jordan-Moss

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4/FE: Mr. Maurer

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GER - Mr. Lisle ~~CONFIDENTIAL~~

April 22, 1958

THRU:

GEA - Mr. Bray

GEA - William G. Allen

At the time of our memo of March 18, no finalizing of negotiations had been done with Madrid on the Spanish representation of the draft Allied-Spanish Termination Protocol on German Assets in Spain which involved. The British had taken a very strong position that if there were a demand on the Spanish pesetas to be available to the IARA countries, it should be done. There are two major outstanding problems in connection with the negotiation of the Allied-Spanish termination protocol: (1) the possibility of financial concessions to the Spanish and (2) the nature of a termination clause and the contingent liability of the Allied Powers. This memo discusses the first of these problems, and the second is now being studied by L/E. L-2037 from CA-7770.

As to whether such relinquishment would concern the Spanish Pesetas or the Bank of the Commonwealth and the Spanish Pesetas. An Allied draft of a termination protocol, which was Annex 6 of the London Conference Report as amended by Deptel 932 of March 15, 1957 was presented to the Spanish on March 25, 1957. A Spanish counter-draft was given to the British representative in Madrid in November, and was forwarded to the Department in February by the Embassy at Bonn. The Spanish counter-draft in its Article II provided only for the disposal by the Three Governments of the funds in the Banco Exterior, which (according to our files) amount to some 37 million pesetas. The Spanish draft Article II further stated that the balances in the Instituto de Moneda Esterierna would go to the Spanish, which amount (according to our files) was some 29 million pesetas. The total of the two sums (about 66 million pesetas) is approximately the 65 million total which had been provisionally allocated to IARA countries (including the US, UK and France as participants), but on which the Spanish had prevented final release.

Our instruction to Madrid (CA-7770 March 11, 1958) noted the apparent Spanish attempt to obtain some of the 65 million pesetas due the IARA countries, and instructed our representative that, lacking any further explanation, we should continue to try for the provisions of Article II of our original draft, which authorizes the disposal of the amounts in both institutions by the Three Governments. Our instruction at this time asked the Embassy to obtain a current accounting of the sums involved, which our files do not adequately document, and an analysis in terms of money of the Spanish proposal. Up to now the Embassy's reports on the negotiations have not gone into these questions.

At the

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At the time of our March 11 instruction to Madrid, discussions had been held with British and French representatives here, who concurred that we should have an analysis of the amounts involved. The British took a very firm position that if there were a reduction on the amount of pesetas to be available to the IARA countries it should be a proportionate reduction, and not be absorbed only by the Three Governments.

With reference to the relinquishing of all or part of the United States share of the 65 million pesetas which were to be distributed among the IARA countries, an opinion was prepared last year (memo July 1, 1957 from L/EHH to L) as to whether such relinquishment would constitute a disposition of "property belonging to the United States" within Section 3, Article IV of the Constitution and thus require Congressional approval. After a survey of the facts and course of the negotiations, L concluded that the right of the United States to have pesetas transferred to an account in its name under the Spanish Accord need not be construed as "property belonging to the United States" in the meaning of the cited provisions of the Constitution; rather it would be a claim which might be waived by the Executive in the context of an overall settlement of the Spanish Accord. However, L stated that it would be desirable that certain precedents be followed and that the matter be presented to the Senate Foreign Relations Committee for consideration before final action is taken on the matter.

The Spanish have now presented a new draft of the termination protocol in which the financial aspects are dealt with in two articles. Their Article II proposes that the Governments of the Three Powers shall assume an obligation in the amount of 50% of the value of the real property ceded to the Germans by the Spanish-German bilateral, the amount of this contribution and method of payment to be agreed by the Spanish and the Three Governments. Under Article III of the new Spanish draft the Three Governments are authorized to dispose of the sums in their names in both the financial institutions mentioned above (Banco Exterior and Instituto de Moneda Extranjera).

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JANUARY 18, 1950

(NOTE: Our latest on the British position as given in London's 6084 indicates the British Representative in Madrid thinks the Spanish will sign a protocol without the Allies making any financial concessions; the British Foreign Office (McCarthy) thinks this assumption mistaken, but willing to try on this basis if we are all ready with a financial offer if the money proves to be a decisive point. British Embassy position here has always been opposed to financial concessions, and if any such to be shared proportionately by all IARA countries, and not Three Governments only.)

The recent message from London (6084) reported that the British Representative in Madrid had received some indication from the Spanish official with whom the representatives of the Three Governments are dealing in Madrid that the recent Spanish draft is "too hard" on the Allies and improvements might be forthcoming. The British Representative in Madrid was therefore of the opinion that an Allied reply to the Spanish should be delayed until we see whether the Spanish might present what would amount to some concessions.

It does not appear that we could agree to the proposal in Article II of the new Spanish draft, by which we agree to be party to paying the Spanish 50% of an as yet unagreed evaluation of the real property which has been ceded to the Germans. Also, it would be desirable to avoid the difficulties which have been pointed out above in connection with our relinquishing a part of the funds already provisionally allocated to us as a IARA participant. We do not see any real reason why financial concessions should be made to the Spanish, and they have not made any good case to justify their receiving such benefits. Do you approve our proposal that we instruct our Representative in Madrid that we are not prepared to make any financial concessions, either as one to be made by the Three Governments only, or as a IARA participant, and that the negotiation of the termination protocol continue without this consideration. We would also inform the British and French here of that position.

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By VR NARA Date 01/10

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Box 19

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MN - Mr. Fletcher; RA - Mr. Gilchrist;  
 L/E - Mr. Meuer  
 GTI - Mr. Moore

February 26, 1951

*E.A.*  
*File*  
*Turk Accord*

**German Assets Problem in Turkey.** After the above comment follows the situation with respect to the proposals on authority of the Embassy Ankara (Departmental A-106, February 13, 1951) regarding the following. The following is a translation of a news item appearing in the Istanbul newspaper HURRIYET of January 27, 1951: "What Did the German Consul Speak About in Ankara?" According to Turkish Government debt figures,

"The German Consul General in Istanbul, von Kampenhouven, returned to our city after having contacts with competent authorities in Ankara. The Consul General gave our correspondent the following information in this connection:

"The passports that were being issued for Germany by the French Embassy until now will from now on be given by us to the German citizens. After receiving the necessary instructions, the French Embassy will turn over also visa affairs to us."

"No definite decision has as yet been reached as regards the re-opening of German banks in Turkey. In my opinion, the establishment of a branch office in Frankfurt by one of the Turkish banks would be a very useful step in facilitating the banking transactions between Germany and Turkey."

"As regards German credits in Turkey, Germany has a claim of 20 million liras from this country as a result of commercial transactions effected through the 'clearing' system. Aside from this, we have a credit of a hundred million liras arising from the delivery of ammunitions and the rent of some hundred railway coaches and fifty locomotives leased to Turkey. We also have claims for the use of property belonging to Germans."

"Turkey on the other hand has a credit claim of some 2-3 million liras as a result of the 25% payments by merchants on the orders placed in Germany. Those orders could not be met due to the outbreak of war between Turkey and Germany. This question, however, can be settled through direct negotiations between the Turkish and German merchants concerned."

"In view of the fact that the state of war between our two countries has not as yet come to an end, it has not been possible to open our Consulate General building at Ayaspasa. As soon as the difficulties standing in the way are eliminated, our Consulate building will be re-opened and we shall then resume our work there."

SENSITIVE SOURCE: 1pt

cc: OPA - Mr. Cambridge You may

CONFIDENTIAL

207708

DECLASSIFIED

ALBANY NND 968106  
By VR MAR 12 1951

RG 59

Entry LOT 60 D139

File TURKEY/ACCORD

Box 19

~~CONFIDENTIAL~~

AM - Mr. Fletcher; AE - Mr. Gilchrist;

L/S - Mr. Neary

SAC - Mr. Moore

- 2 -

FEBRUARY 26, 1951

You may wish to consider whether the above comment alters the situation with respect to the proposals we authorized the Embassy at Ankara (Department's A-180, February 13, 1951) to make to the Turkish Government for the settlement of the looted gold and German assets problem. I believe the reference to a "credit of a hundred million liras" is incorrect and that the amount should be 100 million Reichsmark, or somewhat over 40 million Turkish liras, according to Turkish Government debt figures.

The German Consul General in Istanbul, von Langenbeck, returned to his city after having consulted with competent authorities in Ankara. The Consul General gave our representative the following information in this connection:

"The prospectus that was being issued by Germany to the Germans abroad until now will from now on be given by us at the Consulate General. After receiving the necessary instructions, the Consulate General will turn over these visa offices to us."

"The definite decision has as yet been taken on regarding the re-opening of German banks in Turkey. At my suggestion, the establishment of a German office in Frankfurt by part of the Frankfurt Reichsbank is a very useful step in finalizing the military agreement between Germany and Turkey.

"As regards German credits in Turkey, however, our credit of 20 million liras from the economy as a result of transactions carried out through the 'Clearing' system, which is to say, we have a credit of a hundred million liras applying to the delivery of munitions and the rest of our requirements. Therefore our fifty thousand liras to Turkey, we also have orders for the rest of property belonging to Germany."

"Turkey on the other hand has a credit of about 2.5 million lira as a result of the 250 payments by Germany to the Soviet Union in Turkey. Those orders could and be met thus in the exchange of war between Turkey and Germany. This question, however, was not discussed directly between our Ambassador and Soviet Ambassador.

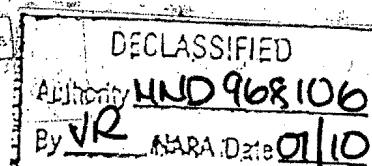
"In view of the fact that the ability of our Embassy over two months has not as yet come to an end, it has not been possible to have our Consulate General building at Ankara. As soon as the difficulties hindering in the way are eliminated, our Consulate building will be reopened and we shall then resume our work there."

NSA:GTI:CRMoore:lpl

cc: GTI - Mr. Woodbridge

~~CONFIDENTIAL~~

207709



RG 59

Entry LOT 60 D139

File TURKEY ACCORD  
Box 19

*E.M.  
Paul  
Tavellewood*

SECRET

MM - Mr. Fletcher; RA - Mr. Gilchrist;

L/E - Mr. Mauer

GFI - Mr. Moore

April 11, 1951

German Assets in Turkey - Krupp Bonds. Standard account of the Krupp bonds. No mention was made of the property held over after 1945 and no compensation made by the French who were waiting for the German assets.

In our discussions several weeks ago, the question arose as to whether, during the tri-partite negotiations with the Turks on the German assets problem in the summer of 1947, consideration had been given to the substantial German assets represented by the Turkish Treasury bonds issued to German arms manufacturers.

As a matter of interest I cite below excerpts from minutes of those meetings which took place between the two groups which relate to this problem.

Minutes of meeting of June 9, 1947:

...Mr. McCombe answered that there should be a division in the claims which would take into account the two principles of charity at home and charity abroad, especially since German assets in Turkey cannot be regarded as the property of the Turkish Government. He then inquired as to the amount and status of Turkish Treasury Bonds held in Turkey. Mr. Zorlu did not know the exact amount but believed it approximated 100 million marks. He stated that his Government is quite prepared to give any facts which the Allies care to have and reiterated the Turkish Government's position that, as a matter of principle, all claims of Turkish citizens must be paid first.

...

Minutes of meeting of June 23, 1947:

...Mr. Baker asked Mr. Zorlu whether he could give any estimate of large credit accounts owing to German manufacturers of armaments and other war material. Mr. Zorlu replied that he thought it was approximately one hundred million reichsmarks but he would have to check with the Minister of Finance. He knew that some credits have not been utilized. Mr. McCombe pointed out that if a credit has been utilized and not been paid off, that credit is clearly a German asset. Mr. Zorlu agreed.

...

Minutes of meeting of July 2, 1947:

...Mr. McCombe stated that he would appreciate any information

AMERICAN SOURCEBOOK

Mr. Weakliig

SECRET

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ADMN HND 968106  
By VR NARA Date 01/10

RG

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File TURKEY ACCORD

Box 19

~~SECRET~~

- 2 -

Question: Is there any information which Mr. Usakligil can obtain regarding the blocked account of the Krupp bonds. He stated that the payments fell due after 1944 and were actually made by the Swiss who were acting for the Germans between 1944 and 1945. It is his understanding that the payment went into the clearing. Mr. Usakligil expressed his surprise in regard to this transaction and requested a further explanation. Mr. McCombe answered that to his knowledge the payment consisted of coupons of certain Treasury bonds issued by the Treasury on behalf of the Ministry of Defense as the result of a transaction between the Ministry of Defense and a consortium of German armament manufacturers, the principal member of which was the Krupp firm. Moreover, coupons were found among the possessions of the German Embassy. The Swiss Minister, acting on behalf of the Germans, presented the bonds or the coupons (he is not certain which) to the Central Bank and at the same time received a discharge and undertaking from the Central Bank that the funds would be paid into a blocked account. Some 50 million Turkish lira represented the whole program. Mr. Usakligil stated that the amount has nothing to do with the clearing; that it is not reflected in any of the figures he has given, and that it is presumably a transaction of the Ministry of Finance, of which the Central Bank has no knowledge. He will, however, check into the matter.

In that 100 million marks, he stated that the Government had nothing to do with giving any funds which the Allies gave the Bank and that reflected the Turkish Government's position that, as a member of the League of Nations, Turkey did not accept

Answer of USAKLIGIL OF APRIL 21, 1952:

Mr. McCombe asked Mr. Usakligil whether he could obtain any information of large credits or monetary policy, the Central Bank's behavior of expenditures and receipts over historical. Mr. McCombe replied that he thought it was approximately one hundred million rubles which he could turn to about the Minister of Finance. He knew that they had not been paid off and that the Central Bank's position was that they were a loan which was not yet been paid off, that overall ~~SECRET~~ a general amount, the total is not present.

Answer of USAKLIGIL OF APRIL 21, 1952:

Mr. McCombe stated that he would appreciate any information

Mr. McCombe

NEA:GTI:CRMoore:lpl

SECRET

207711

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Authority NND 968106
By JR NARA Date 01/10

RG 59  
Entry LOT 60 D139  
File TURKEY Accord  
Box 19

*File  
Temp  
Accord*

INTER ALLIED REPARATION AGENCY

PRESS EXTRACT NO. 31

(Issued in accordance with the terms of the last paragraph of the Secretary General's letter dated 17 February 1950, concerning the Press Review)

GERMAN EXTERNAL ASSETS

The attached Press report, which appeared in the "Deutsche Zeitung u. Wirtschafts-Zeitung" dated 5 August 1950 is circulated to Delegates for information.

(Sgd) N.E.P. SUTTON  
Secretary General.

22 August, 1950.  
Brussels.

207712

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Authority NND 968106  
By VR ASARA Dze 01/10

RG 59

Entry LOT 60D139

File TURKEY ACCORD

Box 19

I.A.R.A./Press Extract No. 31  
22 August, 1950

GERMAN ASSETS IN TURKEYExemplary attitude of the Turkish Authorities

Turkey is the only country in which Germany will find its assets intact. The buildings of the former German Embassy at Ankara and the summer residence at Therapia on the Bosphorus, the Consulate at Istanbul and those at Smyrna and Samsoun, the German hospital and Evangelical Church at Istanbul, the German technical and commercial College at Beyoglu, the archaeological Institute at Beyoglu, the buildings of the German firm "Teutonia", and the sportsground at Istanbul, make up a block of real estate whose total value is approximately 200 million DM. All this property is about to be handed over to a new representative of Germany. When, in August 1944, Turko-German relations were broken off, Switzerland was first of all entrusted with the defence of German interests. After the capitulation of Germany, Turkey took over again the protection and administration of German property, although a short time before, in order to become a member of the United Nations, Turkey had formally declared war on Germany. Neither the rupture of relations nor the formal declaration of war induced the Turkish Government of the period to seize German assets. Turkey opposed their confiscation by the Allied Control and Reparation Commissions on the grounds that it had first of all to determine the rights of its nationals who had suffered loss in Germany and the countries occupied by Germany. The position of Turkey can only be appreciated properly if it is realized that the staffs of the American Embassy and of various Missions, which had expanded greatly during and after the war, were congested and had been obliged to rent private houses. The Turkish point of view can be explained by a desire to re-establish economic relations with Germany as quickly as possible. Sixty per cent of Turkish imports formerly came from Germany, and Turkish economy was completely integrated with that of Germany.

After having prepared an inventory of the property, the buildings were closed and sealed. The inventories were placed in the hands of the Director of State Property. As soon as the Federal Government appoints a Consul, German property will be restored to him by the Turkish Authorities on the basis of the inventories. Thus he will recover intact German real estate in the same condition as it was abandoned by German representatives.

It cannot yet be said in what way the restitution of the German Banking institutions will take place - the branches of the Deutsche Bank and the Dresdener Bank. German banking assets were blocked in August 1944. It is probable that the Turkish Government wishes to wait for a better occasion for the general settlement of all questions relating to German and Turkish assets. At present the Turkish Government attaches greater importance to the development of new commercial relations. Up to the end of July a Turkish Purchasing Commission remained at Frankfurt to obtain agricultural equipment in Germany by means of funds supplied under the Marshall Plan.

With regard to German private property, a Decree of the Turkish Government of August 1944 laid it down that German commercial undertakings should be closed. There was no confiscation. The Agents left by German businessmen were able to keep control of such property. Real estate in private hands could not be sold. Many Germans left their property to be administered by Turks, and it has been restored to them on their return. As early as the summer of 1947, Turkish officials of the Finance Department received confidential instructions not to disturb German businessmen who had remained in Turkey, although the Decree of August 1944 referred to above had ordered that their undertakings should be closed down.

(Deutsche Zeitung u. Wirtschafts-Zeitung, Stuttgart  
5/8/1950)

207713

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Authority NND 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGUESE)

Box 13

Post Card

October 27, 1947

FM - Mr. Spiegel

In discussing the Portuguese gold situation informally with Orvis Schmidt, the following suggestion evolved:

Since we have a gold problem in Portugal, another in Sweden, one of smaller dimensions with the BIS, a problem which will be arising shortly in connection with the Dutch gold vis-a-vis Switzerland, and a problem with respect to Turkey, might it not be a desirable and efficient way of handling matters to send over a small team of gold experts to make the rounds and to attempt to clean up these various situations within a period of say three months. The instructions of such a group would include a fairly broad grant of discretion and we would aim at either the settlement of the gold issues or at drafting a report on why the gold problems in these various places could not be settled, which report would be put into the hands of the Gold Commission and the Inter-Allied Reparation Agency. The gold team would, of course, be joined by British and French members.

In view of the urgency of the situation in Lisbon, and the fact that we shall again get into our usual difficulties of losing momentum unless something is done very quickly there, I should like your urgent consideration of this suggestion.

Seymour J. Rubin

Le/E:SJR:PJ

207714

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AMH/DO HWD 968106  
By VR NARA Date 01/10

RG

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Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGUESE)

Box 13

October 23, 1947

OB - Mr. Baker

This memorandum was prepared prior to the meeting with Dorr and Treasury of October 22. It may still be useful as a resume of views which I believe were generally adopted at the meeting.

Seymour J. Rubin

cc: La/E - Mr. Surrey  
FM - Mr. McGuire  
Mr. Fletcher

La/E:SJR:PJ

207715

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Authority NND 968106  
By VR NARA D210 01/10

RG 59

Entry LOT 700516

File ~~SAPMIS IT LOAN TO~~  
~~(PORTUGUESE)~~

Box 13

*Gulf  
Portugal*

October 23, 1947

OE - Mr. Baker

Subject: Portuguese Gold Negotiations

In connection with our brief discussions on the above subject, and also in connection with a phone conversation between myself and Mr. McGuire of FM, I should like to set out the following opinion with respect to the matter of the Portuguese gold negotiations:

These discussions have now gone on for more than a year. During that time a considerable body of information has been developed, but there has been no indication that the Portuguese are ready to yield on their fundamental position that they are bona fide purchasers of the gold in question, even were it conceded that the gold was "looted". It is possible, however, that the present Portuguese willingness to sit down and discuss this matter, particularly in the light of the oral presentation, which I understand was made at the time that the British-American-French gold note was presented, indicates some willingness to arrive at a compromise on this question. Any undue optimism on this score should be tempered by a realization of the deteriorating position of the Portuguese economy and Portugal's evident desire to retain its gold reserves to the fullest extent possible.

I believe that the US, UK and France, as trustees, have had the sole burden of negotiating with the Portuguese for a long enough time so that they should within a reasonable period of time arrive at a definite agreement, or at a definite conclusion with respect to an agreement. I believe that it would be desirable to send someone to Portugal, on a rather high level, to carry on the gold discussions which the Portuguese have indicated a willingness to resume. At the time that such a person is designated, a telegram should be sent to Lisbon stating that an officer of this Government, able to deal with policy, will arrive for the discussions and that he will be prepared to discuss the fundamental question of principle rather than the details which already are well enough known to both sides. It might also be indicated to the Portuguese that such a designated American representative will be available for a period of not more than three weeks or a month. Such a period should be enough, provided any sort of reasonable cooperation from the Portuguese to arrive at a determination whether Portugal will yield any gold or not is forthcoming. If a reasonable settlement can be worked out with

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REF ID: A1054 NND 968106  
By VR MARAD 2010

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGAL)

Box 13

- 2 -

the Portuguese then the American representative, together with the British and the French, should conclude an agreement with the Portuguese, which agreement should be reported to IARA in the same manner as were the agreements with Sweden and Switzerland. If, on the other hand, agreement is impossible, either because the Portuguese refuse to withdraw from their previous position at all, or because they offer an amount which is too low to be acceptable, then the position of the American Government should be that a report on the German assets and the gold negotiations with Portugal should be filed with the Inter-Allied Reparation Agency. Such a report should refer to the allegations and responsibilities undertaken by the three Allied governments as a consequence of the Paris Reparation Agreement, should describe in some detail the lengthy negotiations with the Portuguese and should describe the German assets settlement and the status of the gold negotiations. The report should point out that both the Allies and the Portuguese have until now taken the position that the German assets settlement would not be put into effect until such time as a settlement was reached on the subject of looted gold. The facilities of the three Allied governments should be offered to IARA in order to transmit to the Portuguese Government any comments or resolutions which IARA may care to enact on this subject. It should, however, be made clear that, so far as this Government is concerned, consideration will, under these circumstances, have to be given to a new manner of negotiating with the Portuguese, in view of the failure to effect a settlement by the methods heretofore pursued. It should further be made clear that IARA and the IARA governments will have to share the responsibility for such new method of dealing with this problem as may be recommended by the IARA Assembly.

The one loose end with respect to which I have no present recommendation is the question of the Gold Declaration to which, of course, the United States was an original and moving member. If a gold settlement is not worked out with Portugal, under present declarations of policy, the United States will be compelled to continue indefinitely its policy of non-acquisition of gold from Portugal. This is a matter which would need the careful consideration of this government and, particularly, the consideration and recommendation of the Treasury Department.

Seymour J. Rubin

cc: Le/E - Mr. Surrey  
FH - Mr. McGuire  
Mr. Fletcher

Le/E:SdRubin:PJ

207717

DECLASSIFIED  
ALBRIGHT HND 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGUESE)

Box 13

Portuguese gold

CONFIDENTIAL

AMEMBASSY,

LISBON.

For Keiper

Re Swiss list all gold bars deposited to Reichsbank Depot Account, Bern used by you in work with Portuguese, question raised as to whether Dutch know of existence said list. To your knowledge, have Dutch been informed of such list in Lisbon or elsewhere?

Lo/B:MSurrey:ian

7/21/47

ES  
(Fletcher)WE Tress  
(Claus  
with  
Richards)

207718

RG 59

Entry LOT 700516

File ~~SUPERIOR LOAN TO  
(PORTUGUESE)~~

Box 13

E5 - Surrey  
Note ~~gutter~~

**DEPARTMENT OF STATE**  
**INCOMING TELEGRAM**

**INFORMATION**

COPY



SECRET

### Control

1 / 6063

Rec'd. December 20, 1946  
5:30 p.m.

**City of State**

December 20, 5 p.m.

AND TREASURY FOR RUBIN AND SCHMIDT

British Ambassador to Foreign Office December 15 to Department) has now resulted in instructions by Salazar personally and the following position as expounded in this morning:

1. Willing continue negotiations on all points and agree to Drafting Committee. Committee's work described as "clarification" since Portuguese say their present draft represents extreme to which they can go on German assets. 2. Agreement on assets when reached may be initialled but not come into force until gold question settled since they say both questions have bearing on Portuguese economy and Portuguese must know where they stand on both before actually putting agreement into effect.

Drafting Committee meeting scheduled January 6. Brandao  
and Araujo Portuguese members.

Two. Gold Sub-committee completed work on available information and report drafted shows identification 1656 bars Belgian gold, estimated weight 20624 kgs. and 890 bars Dutch gold estimated weight 11780 kgs. Portuguese agree report be presented plenary meeting and gold discussions carried on concurrently with drafting work.

Urgently need material re Dutch gold showing looting and identifying entry this gold into mint and also Department's views on acceptable gold settlement (EMBTEL 1073, December 12 to Department)

Claims committee may meet before Christmas.

BARUCH

SW. HB

3300

207719

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Authority **LND 968106**  
By **VR** NARA Date **01/10****RG 59****Entry LOT 700516****File SAMISH LOAN TO  
(PORTUGUESE)****Box 13**DIVISION OF  
COMMUNICATIONS AND RECORDS  
TELEGRAPH BRANCHDEPARTMENT OF STATE  
INCOMING TELEGRAMINFORMATION  
COPY

10-X

SECRET

Control 6V55

Rec'd December 20, 1946  
5:30 p.m.

Action: DC/L  
 Info:  
 S  
 U  
 G-E  
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 CIC

FROM: Lisbon  
 TO: Secretary of State  
 NO: 1103, December 20, 5 p.m.  
 TO DEPARTMENT AND TREASURY FOR RUBIN AND SCHMIDT

One. Visit of British Ambassador to Foreign Office (EMBTEL 1084, December 15 to Department) has now resulted in issuance of instructions by Salazar personally and Portuguese take following position as expounded in plenary meeting this morning:

1. Willing continue negotiations on all points and agree to Drafting Committee. Committee's work described as "clarification" since Portuguese say their present draft represents extreme to which they can go on German assets. 2. Agreement on assets when reached may be initialled but not come into force until gold question settled since they say both questions have bearing on Portuguese economy and Portuguese must know where they stand on both before actually putting agreement into effect.

Drafting Committee meeting scheduled January 6. Brandao and Araujo Portuguese members.

Two. Gold Sub-committee completed work on available information and report drafted shows identification 1656 bars Belgian gold, estimated weight 20624 kgs. and 890 bars Dutch gold estimated weight 11780 kgs. Portuguese agree report be presented plenary meeting and gold discussions carried on concurrently with drafting work.

Urgently need material re Dutch gold showing looting and identifying entry this gold into mint and also Department's views on acceptable gold settlement (EMBTEL 1073, December 12 to Department).

Claims committee may meet before Christmas.

BARUCH

SW:RB

SECRET

207720

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APR 1974 NND 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 700516

File ~~SPANISH LOAN TO~~  
~~(PORTUGUESE)~~

Box 13

## INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION

67 BROAD STREET

OFFICE  
OF EUROPEAN AFFAIRS  
MESSAGE CENTER

NEW YORK 4, N. Y.

1947 JUL 16 PM 3 47

DEPARTMENT OF STATE

July 11, 1947

Dear Walter:

Thank you for your letter of July 8th, which I much appreciate.

I have no details regarding any loan the Spanish Government may have obtained in Switzerland. I only know that the City Bank advised us that they had received over \$3,000,000 of the \$3,500,000 from the Swiss Banking Corporation here. Whether this represented a loan to the Spaniards or funds which they had in Switzerland, I do not know.

I may be in Washington next week, in which case I shall hope to have the pleasure of seeing you.

With kindest regards,

Sincerely yours,

*Francis White*  
Francis White  
Vice President

Walter S. Surrey, Esq.  
Chief  
Division of Economic Security Controls  
Department of State  
Washington, D. C.

207721

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ALBANY MND 968106  
By VR MAR 10 1947

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGUESE)

Box 13

7/15 AM

W E. Horsley  
Returns  
(4186)

*The National City Bank Surrey*  
*of New York*

ESTABLISHED 1812

New York 15, N. Y.

July 9, 1947

IN REPLYING PLEASE QUOTE FGB

*NO*  
 1947 JUL 16 PM 3 47  
 DEPARTMENT OF STATE  
 SPANISH AFFAIRS  
 TELEGRAM CENTER

CABLE ADDRESS "CITIBANK"

Mr. Walter S. Surrey, Chief  
 Division of Economic  
 Security Controls  
 State Department  
 Washington, D. C.

Dear Mr. Surrey:

Thanks very much for your letter  
 of July 8th (Le/E) with regard to our telephone  
 conversation on June 27th concerning the loan  
 to the Instituto Espanol de Moneda Extranjera  
 of Madrid against gold bars now deposited with  
 the Bank of England. We passed on to the  
 Spanish officials the reason for our inability  
 to make the loan.

I appreciate your prompt handling  
 of this matter.

Sincerely yours,

*Henry S. Blair*  
 Vice President

207722

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REF ID: A1000000000000000000000000000000  
HWD 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGUESE)

Box 13

JUL 8 1947

in reply refer to

Le/E

My dear Mr. Blair:

This is to confirm the agreement reached during our telephone conversation on Friday, June 27, 1947 concerning a \$9,000,000 overdraft by the National City Bank of New York to the Instituto Español de Moneda Extranjera of Madrid against gold bars now deposited with the Bank of England.

In view of the United States adherence to the Gold Declaration of 1944 and in view of the fact that Spain has not yet settled with the Allied countries the problem of the return of gold looted by Germany and acquired by Spain, the Department of State and the Treasury Department are at this time not able to approve such a loan.

It was also understood that you would advise the appropriate Spanish officials of the reasons for the inability of the National City Bank of New York to make this loan of gold on deposit with the Bank of England. I wish to express my appreciation to you for your cooperation in this matter.

Sincerely yours,

Walter S. Survey  
Chief  
Division of Economic  
Security Controls

Mr. Floyd G. Blair, Vice President,  
The National City Bank of New York,  
New York, New York.

SEARCHED INDEXED  
7/1/47

207723

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ALB# HND 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGUESE)

Box 13

JUL 8 1947

IN reply refer to  
Le/E

Dear Francis:

I wish to express to you my thanks for your cooperation with respect to the proposed loan of The National City Bank of New York to Spain against gold bars deposited with the Bank of England.

Should you ascertain any details concerning the loan the Spanish obtained in Switzerland, I should appreciate it if you would pass the information on to me.

I look forward to seeing you in the near future.  
In the meantime, with all best regards.

Sincerely yours,

Walter S. Surrey  
Chief  
Division of Economic  
Security Controls

The Honorable  
Francis White,  
International Telephone  
& Telegraph Corporation,  
New York, New York

Le/E 7/10/47

207724

WESTERN UNION

WESTERN UNION

WESTERN UNION

WESTERN UNION

WESTERN UNION

RN  
N

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED

Authority NWD 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(PORTUGUESE)

Box 13

Return to

LE/E

Let to F. White  
Loyd C. Blair  
a Let to NY  
May 1947  
Levy  
1947 War  
1947 War

WU P55 NL PD

WUX CD NEWYORK NY JUN 18 1947

WILLIAM L CLAYTON, UNDER SECRETARY OF STATE  
WE HAVE BEEN REQUESTED BY INSTITUTO ESPANOL DE MINERA  
EXTRANJERA OF MADRID TO GRANT AN OVERDRAFT FACILITY OF NINE  
MILLION DOLLARS AGAINST GOLD BARS NOW DEPOSITED WITH BANK OF  
ENGLAND STOP INSTITUTO INFORMS US THAT THESE GOLD BARS WERE  
OBTAINED FROM BANK OF ENGLAND DURING WAR IN PAYMENT FOR  
SPANISH EXPORTS TO UNITED KINGDOM STOP WE DISCUSSED THE  
MATTER ON THE TELEPHONE TODAY WITH MR. OUTERBRIDGE HORSEY  
AND DR. OTTO FLETCHER OF THE STATE DEPARTMENT STOP THE  
LATTER STATED INFORMALLY THAT THE DEPARTMENT PREFERRED THAT  
NO ACCOMMODATION BE GRANTED AGAINST SPANISH GOLD PENDING  
COMPLETION OF NEGOTIATIONS WITH SPANISH GOVERNMENT WITH  
REGARD QUESTION LOOTED GOLD STOP IN VIEW OF FORMER  
OWNERSHIP OF THIS GOLD BY BANK OF ENGLAND IT WOULD SEEM  
CLEARLY TO FALL OUTSIDE THIS CATEGORY STOP FURTHERMORE WE  
UNDERSTAND THAT ON A PREVIOUS OCCASION BRITISH GOVERNMENT  
PERMITTED INSTITUTO TO USE SAME GOLD AS COLLATERAL FOR A  
CREDIT GRANTED BY ARGENTINA TO SPAIN STOP A SUBSTANTIAL PART  
OF PROCEEDS OF THE CREDIT WILL FLOW IMMEDIATELY INTO  
AMERICAN HANDS STOP WOULD YOU BE GOOD ENOUGH TO ADVISE US  
OBJECTION TO OUR ENTERING INTO THIS TRANSACTION STOP WE  
WOULD LIKE TO MAKE THE ADVANCE UNLESS THERE IS SOME  
SUBSTANTIAL REASON WHY IT SHOULD NOT BE DONE STOP PLEASE  
RUSH REPLY

FLOYD G BLAIR VICE-PRESIDENT THE NATIONAL CITY

BNK OF NEW YORK

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UE - Mr. Clayton
Under Secretary for Economic Affairs
JUN 19 1947
DEPARTMENT OF STATE

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Authority NND 968106  
By VR NARA Date 01/10

RG 59

Entry LOT 700516

File SPANISH LOAN TO  
(Portuguese)

Box 13

1

Mr. Rubin

**DEPARTMENT OF STATE**

### *Memorandum of Conversation*

DATE:

May 21, 1947

**SUBJECT:**

## Spanish Commercial Loan - Gold as Collateral

## PARTICIPANTS:

Mr. Charles J. Dewey, Vice President, Chase National Bank  
Mr. Alfred Barth, Vice President, Chase National Bank  
Otto P. Fletcher, ES

**COPIES TO:**

Messrs. Dewey and Barth came to my office yesterday to inform me that Mr. Emmanuel Vila, top official of the Spanish Instituto de Moneda, is in this country to negotiate with New York banks a revolving loan of about \$25 million to purchase cotton, coal, and a variety of machinery and equipment from the United States.

Since the New York banks are willing to grant such loan only if the Spaniards deposit gold in New York as collateral and the Spaniards are willing to comply with this condition, Chase Bank representatives inquired what the present position of the Department is in this respect. (Mr. Dewey made a similar, more general, inquiry about six months ago.) I informed them that no principal objection exists to a private Spanish loan for that purpose (after I had made sure by inquiring of Mr. Horsey), but that no progress has been made with respect to settlement of the looted gold issue and Spain is therefore still subject to the Gold Declaration of 1944. This means that no Spanish gold would be purchased by the U.S. Treasury. Therefore, it should not be accepted as a collateral by American banks, unless Spain adhered to the Gold Declaration and settled the return of looted gold.

The representatives of the Chase Bank promised to respect U.S. policy in this regard and to tell Mr. Vila that the Spanish Govern-

ment would

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(PORTUGUESE)

Box 13

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ment would first have to settle the looted gold issue before New York bankers could consider the proposed loan involving gold as collateral.

The information received from Messrs. Dewey and Barth indicated that Spain

- a) is in dire need of getting the imports from the U.S.
- b) is short of foreign exchange
- c) possesses, at present, about \$100 million monetary gold acquired during the war partly from U.K. and partly from Germany, either directly or indirectly (via Switzerland and Portugal).

The Chase Bank representatives indicated that - if they can get the idea across to the Spaniards - they would, jointly with the Spaniards, submit to Mr. Thorp a proposition similar to the one made by the Rumanians.

This morning Mr. Barth, who was active in banking and government business in Spain for a number of years, telephoned\* that the Spanish representative understood the situation and is flying back to Madrid to get authorization to submit a reasonable gold settlement offer in the name of the Spanish Government accompanied by a trustee deposit of the corresponding amount of gold, pending final settlement, to get the path cleared for private commercial loans.

\* from New York

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File

FAIR GOLD III NOV 48  
OCT 49

Box 13

COPY FOR L/E MR. MAURER

SOL  
P.M.  
HoldIn reply refer to  
FW 740.00119 EW 8/549

Sept 19, 1949

My dear Mr. Basolomé:

Reference is made to your letter of August 5, 1949 concerning the Intemabi gold claim now pending before the Tripartite Gold Commission for the restitution of 1,777 kilograms of monetary gold and the related question of the ownership of \$3,021,120 in United States bank notes taken from the German Embassy in Washington and subsequently vested by the Alien Property Custodian.

The Department appreciates your willingness to seek out further evidence on the Intemabi claim, particularly as reflected in available German records in Germany. With relation to further search of the records found in the former German Embassy in Washington, your attention is drawn to the enclosure to the memorandum to Mr. Schlesinger of your office dated August 2, 1949 from Mr. Otto P. Fletcher of the Department, which states the view of the division in the Department in charge of such records that further search would be futile. If through questioning of the individuals formerly in the German Embassy in Washington, who are now in Germany, leads are developed concerning the location of relevant documents in the former records of the German Embassy in Washington, the Department will be pleased to pursue the matter further.

Note is made of your statement that it is dubious whether Intemabi can maintain a title claim to the dollar deposit under the Trading with the Enemy Act in view of its failure to file a claim with the Office of Alien Property by April 30, 1949 as required by the Act. The Department will wish to consider this matter with you

after

The Honorable  
 David L. Basolomé,  
 Assistant Attorney General,  
 Director, Office of Alien Property,  
 Department of Justice.

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File FEATA GOLD III NOV 48  
Oct 49

Box 13

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after further information is possessed on the substance of the Italian claim. As you know a representative of the Italian Embassy was first informed on March 25, 1949 by a Department representative of the finding of the \$3,021,120 in the German Embassy. Thereafter when the Italian representative inquired about the propriety of lodging a formal claim with this Government, the Department representative, thinking that the best interests of this Government would thereby be served, cautioned against such a step in view of the pending claim filed with the Tripartite Gold Commission pertaining to the correlated gold deposit.

Sincerely yours,

For the Secretary of State:

Adrian S. Fisher  
The Legal Adviser

L/E:EMaurer

FN:GFFletcher:ch

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File  
Box 13PARIS GOLD TEE NOV 48  
007 49**INCOMING TELEGRAM**

SECRET

16 DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

11 R A Gold

Actions OFD

Control 3946

Info:

Rec'd September 10, 1949  
11:35 a.m.

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Please return  
to Room 4253

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DCR

FROM: Paris

TO: Secretary of State

NO: 3725, September 10, 3 p.m.

TO FM AND LE FROM DASPI

Following summarizes my understanding of agreement reached during course of my discussion in Department during July and August concerning issues pending before Gold Commission. In absence contrary advice from Department will maintain position set forth below at meeting of Gold Commission scheduled for September 19, following general line developed my memorandum July 28, 1949, copies of which in possession Fletcher and Maurer.

1. Interpretation definition of monetary gold. Criterion that gold should be carried in accounts as part of monetary reserve should be dropped. Satisfactory if gold claimed shown to have been at time of looting property of claimant country or of an institution recognized as a monetary authority of claimant country. In citing its decisions Commission should avoid references to question of registration as part of monetary reserve.

2. Belgian claim for 6,434 KG purchased by Banque d'Emission. Should be approved.

3. Yugoslav claim for 445 KG refined by BOR refinery and for 1,400 KG removed in form of metallic ore. Smaller claim should be approved; larger claim disallowed. It may be desirable before taking final action these claims to secure documents revealing at what stage the Germans can be considered as having interfered with operations. Yugoslav statute requiring delivery of gold content of ore to National Bank.

4. Greek

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-2- #3725, September 10, 3 p.m., from Paris

4. Greek claim one KG held by deposit and consignment office. Should be disallowed.

5. Greek claim 7,358 KG seized from private individuals. Request from Greeks documentation their assertion that ruling of higher commission for financial defense and Law 257 of 1936 conferred upon state title to all privately held gold. In absence satisfactory documentation this point, claim should be disallowed.

6. Italian ISTCAMBI. Postpone action pending a report from Department of Justice. Understand that effort will be made to secure ruling from Justice Department so drafted as to enable Commission to dispose of case on this basis.

7. Albanian National Bank. Commission's decision on this case to stand; matter of delivery left to three governments.

8. Czechoslovak claim for gold surrendered in exchange for Czechoslovak notes from Sudetenland. Claim should be approved.

9. Czechoslovak claim for gold exchanged against free reichsmarks. Case should be settled on basis theory developed my memorandum January 24, 1949. Before deciding precise deduction permissible from Czechoslovak claim, necessary secure further information concerning holdings of foreign currency. Careful search should be made to determine that decision on basis indicated entirely consistent with Commission's position on other claims.

10. Yugoslav claim for gold taken by Ustachi. Invalid.

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ARKH

Gold

Mr. Jules Schlezinger, Office of Alien Property

Mr. Otto F. Fletcher, Division of Financial Affairs, Department of State

Istcambi claim

With further reference to our last meeting on subject matter I transmit herewith memorandum of the Division of Protective Services (DS) of the Department of State which they prepared upon my request to reconstruct the history of the seizure of the \$3,021,120 in the German Embassy in Washington. I assume that you will wish - in accordance with the agreement reached in our last meeting - to use the list of names of German officials contained in the attached memorandum in your inquiry of the occupying authorities in Germany.

In compliance with your inquiry I wish to add that according to my files I informed Mr. Ortona of the Italian Embassy of the fact that the \$3,021,120 had been seized in the German Embassy on March 25, 1949 - the very day that I myself was informed of this fact by the Division of Protective Services over the telephone.

## Enclosure:

Copy of memorandum from DS dated July 29, 1949 with enclosures.

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By VR

NARA Date 01/10

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FACSIMILE GOLD III NOV 48  
OCT 49

DS:EMP:pmg

MEMORANDUM

To: Meany, Reis and Schlesinger  
 From: Donald Shaw, Secretary  
 Subject: Interdepartmental discussion on July 25, 1949 regarding Italian claim to \$3,020,120 recovered from the former German Embassy and vested by Vesting Order No. 7496

RepresentativesOffice of Alien Property

Percy Barshay            V. J. Lamont  
 Edward J. Friedlander    Julius Schlesinger  
 Donald Shaw, Chairman

Department of State

Dr. Otto Fletcher  
 Ely Maury

On the basis of statements by the representatives of the State Department, it would appear that in 1940 Isteambi deposited with the Reichsbank \$7,000,000 in American currency. Isteambi authorized the Reichsbank to spend this currency, provided that as the currency was spent Italy was to receive corresponding values of credit in Swiss francs and other European currencies. The Reichsbank deposited the American currency with the German Embassy in Washington, D. C.

Prior to December 1941 the Germans spent approximately \$4,000,000 of the sum deposited, for which it gave the appropriate and required credit to Isteambi. The unspent balance of the Isteambi currency, i.e. \$3,020,120, was allegedly still on deposit with the German Embassy in Washington at the outbreak of the war. When the German Embassy was taken over by the United States Government the sum of \$3,650,156.95 in United States currency and coin was recovered from a safe. Of this amount \$3,020,120 was found separately bundled and shelved in the safe.

The State Department requests an opinion of this Office (1) as to whether the sum of \$3,020,120 separately bundled in the Embassy safe constitutes the same currency as that advanced by Isteambi; and (2) if such sum should be held to be the same whether Isteambi has a valid title claim to the currency.

The State Department was advised that:

- (1) The immediate reaction of this Office based on the statement as to the circumstances surrounding the deposit was that the facts did not establish a valid title claim in Isteambi to the currency;
- (2) The Office of Alien Property would request its German Office to investigate the records of the Reichsbank in Germany to ascertain whether the Reichsbank files could throw any further light on the transaction;

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File FAULT GOLD III NOV 48  
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- (3) The State Department would undertake to investigate the records found in the former German Embassy in Washington to ascertain whether any of these contain any references to the transaction;
- (4) To the extent that the records presented to this Office by the State Department were incomplete the State Department would rectify the same;
- (5) Information would be interchanged between the State Department and the Office of Alien Property with respect to any additional evidence relating to the transaction between Istitambi and the Reichsbank;
- (6) The statute of limitations has passed as to any title claims not asserted by Italy prior to April 30, 1949 and, consequently, since no claim for the currency had been filed by Italy prior to the statutory date the claim would appear to be barred by the statute of limitations.

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By JR MARA Date 01/10

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File SUBVERSIVE ACTIVITIES  
IN LATIN AMERICA

Box 23



OFFICE OF

ALIEN PROPERTY CUSTODIAN  
WASHINGTON

June 22, 1943

Mr. Bernard Meltzer, Acting Chief  
Foreign Funds Control Division  
Room 46, Department of State  
Washington, D. C.

Dear Mr. Meltzer:

This letter is with further reference to the request of the American Embassy in Buenos Aires for material which will be of aid in obtaining the cooperation of the Argentine Government with reference to the institution of more effective controls over enemy property. On June 19th I also wrote you in this connection, attaching certain material which might prove helpful.

There is enclosed herewith certain additional data dealing with Nazi activities in Latin America. This information is largely taken from State Department despatches and from the Taborda report. Consequently, it is not likely to be news to the men in your mission, and therefore probably of minor value. Nonetheless, it might prove helpful in bringing together related material with the view to making an integrated story.

One thing that has impressed me all along has been the relatively few instances where one has a "court case" in connection with direct sabotage and espionage by German interests. I imagine that this is almost in the nature of things. Affidavits and solid evidence simply are not likely to exist, except in isolated cases. In other words, it has seemed to me that it is almost always necessary to put two and two together.

On the propaganda front it is, of course, quite different, since the manifestations can more readily be seen. As I mentioned to Mr. Bohan, you do not have to "prove" German propaganda when you can go down to the street corner and buy it. "El Pampero" exists, and it follows that someone is financing it. Sabotage and espionage, on the other hand, are likely to be more insidious, and can frequently exist without there being marked or overt evidence.

One further thought which may or may not be worth pursuing from your point of view, a Mr. Turner of BEW made a study of the pharmaceutical industry in each of the Latin American countries. I have seen certain of his reports, and he does make reference to the financing of German espionage and sabotage by Bayer, Merck and Schering. Whether or not he has something definite, or knows of the existence of direct concrete evidence, I do not know. One of

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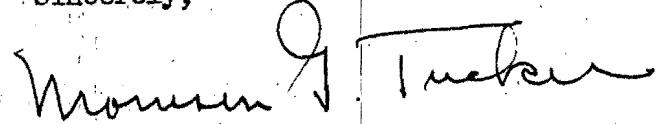
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File SUBVERSIVE ACTIVITIES  
Box 23 IN LATINO AMERICA

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your associates might, however, get in touch with him, and it is my understanding that he is presently with the Rockefeller organization.

If we can be of any further help in this matter (and I don't think we have been of much help so far), please do not hesitate to call upon us.

Sincerely,



Morrison G. Tucker  
Assistant to the Custodian

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Brazil

## Exhibit A

On January 11, 1937 A Chimica Indistria Bayer Meister-Lucius was reorganized as a limited partnership under the name A Chimica Bayer. There was no change in the stock ownership, fifty shares being held by both Frederico Ricardo Weskott and Wilfred Grief of I.G. Farben and one hundred shares by Hermann Kaelble. Grief, later sold his holdings on October 26, 1937 to Kaelble, the manager and controlling stockholder of the firm. On January 30, 1938 William E. Weiss, Jr. and Jan Boissevain purchased fifty shares each, Weskott retiring from the firm. This is the same William E. Weiss, Jr. who was president of Sterling Products and who has been mentioned in connection with the financing and distribution of propaganda in the United States. 2/ On April 29, 1940 Weiss sold his stock back to Kaelble and on January 15, 1941 the capital stock of the firm was increased to 1000 shares held equally by Kaelble and a new partner, Erich Glasser Andressen, a Dane. Four days later Kaelble sold twenty shares to Vicente Saboia Lima a Brazilian and attorney for the I.G. Farben interests. This deal temporarily left Andressen in the nominal position of controlling stockholder. However, Kaelble regained control of the firm through the issuance of 500 shares of capital stock on January 7, 1942. The new stock was used to increase his holdings to 600 shares and the holdings of his friend, Vicente Saboia Lima to 420 shares. In 1942 the increasing pressure of anti-Axis feeling in Brazil caused the firm with typical I.G. Farben prudence, to "de-Germanize" itself by the transfer of the Kaelble holdings to a "straw man", one Johann Karl Ahrens, a naturalized Brazilian of German birth. 3/

In January 1940, Herman Kaelble at the request of the German Ambassador visited the Embassy. It seems that the Embassy was in urgent need of funds to conduct its extensive program of subversive activities. Kaelble immediately made arrangements with the Banco Germanico de Americo del Sud, the Banco Alemana Transatlantico, Banco de Brazil and the National City Bank for the withdrawal and payments in cash to the German Embassy of the required sums in the form of "installment loans" extending over the period of January 3, 1940 to July 24, 1941 and totaling 18,000 contos or approximately \$900,000. 4/

2/ F.B.I. Letter - 10/25/41

3/ FSD #9596 - 12/29/42 - Rio de Janeiro

4/ Ibid

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On December 18, 1941 the German Ambassador wrote A Quimica Bayer remitting 500 contos and stating that it was not possible to effect further payments on the debt since the funds of the Embassy "were practically frozen". 5/

Again it should be noted that the stockholders of record on the date of the inception of the "loan" to the German Embassy were Herman Kaelble, William E. Weiss, Jr. of Sterling Products and Jan Boissevain.

The I. G. Farben attorney, Saboia Lima on August 24, 1942 was placed in charge of the Bayer firm by Captain Orlando Rangel 6/ although there are indications that Captain Rangel was aware of the fact that Kaelble still retained the actual control over the firm. 7/ It is further interesting to note that Saboia Lima subsequently has made every effort to "regularize" and justify the actions of the Bayer firm. 8/

It is reported that Kaelble received 165 contos in 1942 from the firm as partial payment for the stock presumably sold to Ahrens by Kaelble. This was part of certain highly irregular arrangements effected by Kaelble which involved the payment to himself of "anticipated profits" from the stock sold to Ahrens. Another evidence of Kaelble's continued association with the Bayer firm is the fact that Kaelble was still receiving a salary in 1942 under the heading of "bonus" or "indemnity" totaling 500 contos which was to be liquidated in five annual installments of one hundred contos each. Kaelble not only received his "bonus" payments in 1942 but also 255 contos, "his share of the firm's profits" on 1941 operations. All of the above sums were paid to Kaelble in direct violation of the decree law #4166. 9/

Kaelble's connection with the Bayer firm presumably was severed as the result of a recent conference between representatives of the Alien Property Custodian and General Silvio Portella, President of the Brazilian Economic Defense Commission. At this Conference Major Rangel made the statement that Kaelble was the "driving force" in the organization although he was no longer "connected" with the Company whereupon General Portella gave Major Rangel instructions to take immediate measures to insure that Kaelble did not enter upon the Bayer premises again. 10/

5/ FSD #9596 12-29-42, Rio

6/ Ibid

7/ FSD #10192 2-19-43, Rio

8/ Supra Footnote #5

9/ Ibid

10/ Supra Footnote #7

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In conclusion, the activities of Herman Kaelble, general manager of A Chimica Bayer, supervisor of I. G. Farben shipments in Latin America, alleged vice president of I. G. Farben, director of the Berlin firm Brugha m. b. H. and financial backer of the German Embassy's program of subversive activities clearly indicate the dangers that arise from the continued existence of key German personnel in German dominated firms in Latin America. 11/

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11/ FSD #9596, 12-29-42, Rio

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By VR NARA Date 01/10

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p.6

## Brazil

## Exhibit B

Captain Orlando da Fonseca Rangel Sobrinho as Military-Technical director of Schering, S.A. on December 10, 1942 reported that the Schering firm on November 26, 1941 had advanced a total of 5000 contos (\$250,000) without interest to "GEOBRA" (Compania Geral de Obras e Construcoes S.A.) This Proclaimed List firm is a large German construction company controlled by the Philip Holzman A.G. of Frankfurt a/Main, Germany.<sup>12/</sup>

The Schering firm financed this "loan" by borrowing at the rate of 8% interest from the Banco Allemanao Transatlantico, (PL) which managed the deal, and the Banco Germanico da America do Sul (PL). It is the opinion of the Brazilian officials that this transaction offset an equivalent amount which is alleged to have been loaned the Schering firm of Buenos Aires by "GEOBRA'S Argentine affiliate "GEOPE" (Compania General de Obras Publicas S.A.) also on the Proclaimed List. <sup>13/</sup>

Two questions arise from the above transaction.

1-Did any of these funds go to the German Embassy in Brazil?

2- Did this loan ultimately reach the German Embassy in Argentina by way of the Argentine firm "GEOPE".

The contents of a letter of December 18, 1941 addressed to A Chimica Bayer from the German Embassy indicate the Embassy to be in urgent need of funds. <sup>14/</sup> The evidence in this regard is largely circumstantial. However, in the light of the general character of GEOBRA, which is controlled by Philip Holzman A. G. of Frankfurt a/Main, Germany, and the pattern constantly being employed by the German Embassy to finance their "activities", it is not difficult to indicate the probable disposition of the Schering "loan" <sup>15/</sup>

<sup>12/</sup> FSD 9644 1-2-43, Rio

<sup>13/</sup> Ibid

<sup>14/</sup> FSD 9596 12-29-43, Rio

<sup>15/</sup> Supra

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On the assumption that there was a bona fide transfer of funds or credits to the Argentine organization GEOPE, a similar conclusion may be drawn as regards the final disposition of the Schering "loan". GEOPE 16/ is reported to be a monthly contributor to the Nazi "War Chest" in Argentina 17/ and is indicated as being a center of Nazi activity making it possible for the "Nationalists" to carry out their subversive programs. 18/ Furthermore, the manager of GEOPE, Dr. Engineer Walter Kossmann, is a trusted confidant of the German Embassy and uncle to the former counsellor for the Embassy, Herr Henn who is now in the German Foreign Office in Berlin. Kossmann, was one of the original group instructed by the former German Ambassador Guenther Freiherr von Therman to assume the "duties" of the Embassy in the event the German Diplomatic Corps was forced to leave Argentina. 19/

16/ See Tables I & II pp. 10 & 13

17/ British Embassy memo 6-4-41

18/ O.N.I. Report 12-27-40

19/ FBI Letter 5-9-42

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## Argentina

## Exhibit C - Funds of the German Embassy

## Embassy Bank Accounts

It has been reported that "...the Banco Aleman Transatlantico, the Banco Germanico de la America del Sud and the Banco de Napoli are three of the chief clearing houses in Argentina for funds designed for propaganda work and for the rescue of Axis agents requiring bond, wages, hush money and other financial help." 58/

The funds of Axis organizations on deposit in the above banks have received some consideration under previous headings. It has been pointed out that in most cases these funds are under direct control and supervision of the German Embassy and for all practical purposes might well be included as a part of the resources of that Embassy.

During the summer of 1941 the accounts of the German Embassy alone reached a total of 6.157.400 pesos (m\$n) and were divided between the Banco Aleman Transatlantico and the Banco Germanico de la America del Sud. The Embassy held three accounts in the Banco Aleman Transatlantico, a special account known as "K and L", another in the name of Dr. Richard Burmester and another account in the name of Ludwig Meisz, Karl Freitag and H. Sens. In the Banco Germanico de la America del Sud there were four accounts, a special account in the name of Ludwig Meisz, Karl Freitag and H. Sens, a second account in the name of Hermann Metzer, a third in the name of Dr. E. O. Meynen, and a fourth in the name of Stephan Zu Schaumberg-Lippe. All of the above mentioned individuals are members of the German Embassy staff. The accounts of the German Embassy may be divided into three general categories: 59/

- |  |                  |
|--|------------------|
| 1) Accounts representing the payments received under the terms of the German-Argentine commercial treaty | 884.600 (m\$n)   |
| 2) Payment received from banks in Germany  | 4.645.900 (m\$n) |
| 3) Payment received from unknown sources   | 626.900 (m\$n)   |

58/ FSD #5655 - 7-7-42 - Buenos Aires.  
59/ Taborda Report, Vol. II pp. 7-8.

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