# Presidential Advisory Commission on Holocaust Assets in the United States

## PCHA

Box 15

Gold Team Documents

Folders 21 — 23

Documents 208449 — 210476

# A D J U D I C A T I O N

BY THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

ON A CLAIM SUBMITTED BY THE ROYAL HELLENIC GOVERNMENT

FOR THE RESTITUTION OF 7,441.7344 KGS OF FINE GOLD.

-=-=-=-=-=-=-=-=-=-=-=-=-=-

208449

RG 59
Entry GADIIS Tec
File Tec Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
Authority
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

# ADJUDICATION

by the Tripartite Commission for the Restitution of Monetary Gold (hereafter described as "the Commission"), having its seat in Brussels, 50 avenue des Arts, pursuant to Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946 (hereafter described as "the Agreement") and the Commission's Terms of Reference published, on 29 September 1946, in the Department of State Bulletin and, on 27 September 1946, in the London Gazette and the Journal Officiel de la République Française, on a claim submitted, pursuant to the above-mentioned Agreement and Terms of Reference, by the Royal Hellenic Government, (hereafter described as "the Government of Greece"), for the restitution of 7,441.7344 (seven thousand four hundred and forty one.7344) kilograms of fine gold. (1)

The Commission, on 13 March 1947, wrote, pursuant to the Agreement and Terms of Reference, to the Delegates to the Inter-Allied Reparation Agency, in Brussels, of the Governments of Albania, the United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxemburg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, who were signatories to the Agreement and also, with certain reserves, to the Representatives in Brussels of the Governments of Austria, Italy and Poland, who were not signatories to the Agreement, (but adhered respectively by Protocols signed in London on 4 November 1947, 16 December 1947 and 6 July 1949, to the arrangement for the restitution of monetary gold set forth in Part III of the Agreement), advising them of the setting up of the Commission and informing them of the texts and principles which would govern the work of the Commission, and enclosing a Questionnaire, with a request that it should be completed and returned by those Governments claiming a share in the pool of monetary gold set up under Part III of the Agreement.

The Delegate of the Government of Greece returned the Questionnaire under cover of a letter, dated 10 May 1947, in which he submitted two claims on behalf of his Government: one for 82.81466 kgs of fine gold, (hereafter described as claim (a)) and one for 0.919731 kgs of fine gold (hereafter described as claim (b)).

---

(1). The total amount originally claimed was 12,718.6654 kgs of fine gold, but, as is explained in the adjudication, the Government of Greece finally reduced its claim to 7,441.7344 kgs of fine gold.

208450

RG 69
Entry GADIIS Tgc
File Tgc Decisions-Greece
Box 13

DECLASSIFIED
NND 968106
Authority
By TI NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The Delegate, in his covering letter, referring to the above-mentioned claims for 82.81466 and 0.919731 kgs of fine gold, explained: " the claim now submitted concerns only monetary gold within the restrictive meaning laid down by your Commission and referred to in your letter of 13 March 1947". He further stated that his Government "finds itself obliged... to make the most explicit reserves concerning the definition of monetary gold given by your Commission". He also said, in effect, that the Government of Greece considered that the definition had been sent out as a matter of administrative convenience and made it clear that his Government had other claims to restitution of gold which it considered it was entitled to submit.

The definition of monetary gold referred to was the following:-

> "All gold which, at the time of its looting or wrongful "removal, was carried as a part of the claimant country's "monetary reserve, either in the accounts of the claimant "Government itself, or in the accounts of the claimant "country's Central Bank or other monetary authority at "home or abroad".

The Commission, in a letter dated 11 August 1947, referred to the statements made by the Delegate of the Government of Greece, in his letter of the 10 May 1947, and reminded him that his Government had not, up to then, submitted details on the appropriate forms of the Questionnaire, of the additional claims referred to in his letter.

The Government of Greece has, therefore, been afforded every opportunity of submitting whatever claims it considered itself entitled to submit, and it did in fact, as will be seen later, submit an additional claim (hereafter described as claim (c)) amount of which it finally reduced from a higher figure to 7,358 kgs of fine gold.

The original documentation, furnished was incomplete and many of the directions contained in the Commission's Questionnaire had not been complied with.

The attention of the Commission was drawn to the fact that owing to the actions of the Germans in Greece during the war it would be difficult for the Government of Greece to assemble entirely satisfactory documentation. The Commission, however, not only afforded the Government of Greece an opportunity of developing, verbally, through its representatives, on 29 April 1949, such arguments as it considered appropriate to put forward in support of its claims, but it also endeavoured over a considerable period and in the course of lengthy correspondence with the Government of Greece, to obtain sufficient data. By the end of April 1951, the Commission considered that the Government of Greece had delivered all the documentation which it was in a position to supply.

208451

RG 59
Entry GADIIS Loc
File TGC Decisions-Greece
Box 13

DECLASSIFIED
NND 968106
Authority
By TU NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

**Claim for 82.8147 kgs of fine gold (claim (a))**

This claim is for 82,814.660 grams of fine gold which, for the purposes of the Commission's examination and adjudication and in accordance with the Commission's usual practice, have been converted into kilograms to four decimal points, namely 82.8147 kilograms of fine gold. This gold was in the form of coins as detailed below:-

| Description | Number of coins and face value | Total value | Fineness | Gross weight in grams | Fine weight in grams |
|---|---|---|---|---|---|
| Pounds sterling | 167 x ½ | 83.10/- | | | |
| | 1196 x 1 | 1196.-.- | | | |
| | | 1279.10/- | | | |
| African pounds | 1 x 1 | 1 | | | |
| Australian " | 2 x 1 | 2 | | | |
| | | 1282.10/- | 916.6 | 10,190.500 | 9341.291 |
| United States of America Dollars | 661 x 1 = 661 | | | | |
| | 116 x 2½ = 290 | | | | |
| | 605 x 5 = 3025 | | | | |
| | 293 x10 = 2930 | | | | |
| | 191 x20 = 3820 | 10,726 | | | |
| Canadian dollars | 1 x 5 | 10,726<br>5 | | | |
| | | 10,731 | 900.0 | 17,884.500 | 16,096.050 |
| Turkish pounds | 16 x 1/4 = | 4 | | | |
| | 27 x 1/2 = | 13.50 | | | |
| | 6482 x 1 = | 6482. | | | |
| | 4 x 2.1/2 = | 10. | | | |
| | 27 x 5 = | 135. | | | |
| | | 6,644.50 | 916.6 | 47,722.950 | 43,746.037 |
| Francs of Latin Union | 38 x 5 = | 190. | | | |
| | 389 x10 = | 3890. | | | |
| | 1697 x20 = | 33940. | | | |
| | 1 x40 = | 40. | | | |
| | 52 x50 = | 2600. | | | |
| | 4 x100 = | 400. | | | |
| | | 41,060. | 900.- | 13,144.500 | 11,830.050 |

208452

RG 59
Entry GADIIS Tec
File Tec Decisions-Gold
Box 18

DECLASSIFIED
AUTHORITY NND 968106
By TI NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

| Description | Number of coins and face value | | Total value | Fineness | Gross weight in grams | Fine weigh in grams |
|---|---|---|---|---|---|---|
| Roubles | 38 x 5 | = | 190. | | | |
| | 13 x 7.5 | = | 97.50 | | | |
| | 105 x10 | = | 1050. | | | |
| | 5 x15 | = | 75. | | | |
| | | | 1412.50 | 900.- | 1,209.500 | 1,088.550 |
| Marks | 4 x10 | = | 40. | | | |
| | 11 x20 | = | 220. | | | |
| | | | 260.- | 900.- | 102.500 | 92.250 |
| Egyptian pounds | 4 x 1 | = | 4 | 875. | 33.500 | 29.312 |
| Mexican pesos | 32 x 1 | = | 32 | 900. | 27. | 24.300 |
| Spanish pesetas | 20 x 1 | = | 20 | 900. | 6.500 | 5.850 |
| Argentine pesos | 2 x 5 | = | 10 | 900. | 16. | 14.400 |
| Italian liras | 2 x 20 | = | 40 | 900. | 12.500 | 11.250 |
| Austrian crowns | 192 x 1 | = | 192. | | | |
| | 103 x 10 | = | 1030. | | | |
| | 25 x 20 | = | 500. | | | |
| | | | 1722. | 900. | 574.800 | 517.320 |
| Florins | 3 x 10 | = | 30. | 900 | 20. | 18. |
| | | | | | 90,944.750 | 82,814.660 |

The Government of Greece, in its reply to the Questionnaire, describes itself as the owner of these coins and indicates that the holder was the National Bank of Greece.

The facts affecting the issues before the Commission are set forth hereunder, in chronological order:-

Up to 27 October 1927, the Bank of Issue of Greece, that is to say, its Central Bank, was the National Bank of Greece.

On the 27 October 1927, this Bank signed an Agreement with the Government of Greece, whereby it (the Bank) surrendered its privilege to issue notes.

208453

RG 59
Entry GADIIS Loc
File Loc Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
Authority
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

By decree of the Government of Greece, dated 10 November 1927, ratified by a Greek law, dated 7 December 1927, there was set up a new Bank of Issue designated "Bank of Greece", to which the privilege to issue notes, previously surrendered by the National Bank of Greece, was granted.

The Agreement of 27 October 1927, referred to above, stipulated, inter alia, that the "National Bank of Greece will continue, after that date, (the date of the beginning of operations by the Bank of Greece) to effect all other operations provided for in its statutes or in the laws and conventions in force or which may be enforced in the future, provided these operations are not of such a nature as to fall within the scope of operation of a Central Bank of Issue".

At the end of 1927, the position, therefore, was that the Central Bank of Greece was the Bank of Greece (which still is Greece's Central Bank) and that the National Bank of Greece, the original Central Bank of the country, had become a private bank (which it still is). The agreement of the 27 October 1927, had laid down the basis of the financial settlements to be effected between the latter bank and the Bank of Greece but, as was only natural in the circumstances and as will be seen in the immediately following paragraphs, this settlement was somewhat complicated and long drawn out.

On the 1 August 1935, there was promulgated in the Greek Official Gazette No. 342, a Decree Law, relevant portions of the certified true translation of which, read as follows:-

" <u>Decree Law of 1st August 1935, (Greek Gazette No. 342) concerning</u>
" <u>the ratification, modification and complement of the compulsory</u>
" <u>Decree of July 29th, 1932, "on Drachmification" (obligatory</u>
" <u>conversion into drachmas) of credits in foreign currencies or</u>
" <u>exchange.</u>

" Article 1.

" Is ratified by the present Law the compulsory Decree of 29 July "1932, 'concerning the obligatory conversion into drachmas of credits in "foreign currencies or exchange', the purport of which is conceived as "follows:-

" <u>Compulsory Decree of July 29th 1932, on the subject of</u>
" <u>Drachmification (obligatory conversion into drachmas) of credits</u>
" <u>in foreign currencies or exchange.</u>

" <u>Notice</u> (1)

" The present Decree-Law is not anticonstitutional, being based on "the principle that the safety of the State is the supreme Law (Decision "of the High Court of Appeal No. 407/1939).

---

(1) This "notice" was presumably inserted in copies of the Decree-Law printed subsequently to 1939, since a reference to a decision of the High Court of Appeal, dated 1939, could not, for obvious reasons, have been inserted in the original text of the Decree-Law which is dated 1935.

208454

RG 59
Entry GADIIS TGC
File TGC Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
AUTHORITY NARA Date 12/6/99
By TJ

REPRODUCED AT THE NATIONAL ARCHIVES

" Art. 1. - Credits of every kind in foreign currencies or "exchange payable in Greece, established before the 26th April 1932, "shall be considered, as from the day of the promulgation of the "present Decree, as having been converted into credits in drachmas "at the rate of 100 drachmas for one U.S. Dollar and at the current "rate of exchange of the day, of other currencies into dollars.

.....

.....

" The true meaning of the above-mentioned term "established "credits" is that are considered as such all credits existing on or "before the 26th April 1932, even though they were not exigible at the "time, as well as all existing credits under whatever conditions "(Art.3, par. 4 of the Decree-Law).

.....

.....

" The true meaning of the term "credits in foreign currencies "or exchange" is that, under the provisions of the present Decree, "fall all credits of any kind in metallic drachmas, or foreign moneys, "in gold or in notes of the foreign countries to which they belong "(Art.14 of the Decree-Law).

.....

.....

" Interest or other assets such as permanent or temporary "income, pensions, allowances, salaries and other assets are equally "subject to the same conversion.

.....

.....

" As credits, to which apply the provisions of Art. 1 of the "present Decree, are considered also deposits in foreign currencies "in Banks existing on the 26th April 1932, (Art.3, par.1 of the "Decree-Law)".

These extracts and the verbal explanations given to the Commission by the Representatives of the Government of Greece make it clear that this law applied exclusively to capital holdings abroad, as at 26 April 1932, as well as to foreign currencies, metallic or in notes, derived therefrom or due, as at 26 April 1932 and thereafter, to firms or individuals in Greece by firms or individuals abroad; as a result of foreign trade transactions or on account of interests, pensions, allowances etc.....

208455

RG 59
Entry GADIIS Tec
File Tec Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
Authority NARA Date 12/9/99
By TI

REPRODUCED AT THE NATIONAL ARCHIVES

The use of the word "credit" (in French: "creance") implies that the monies to which the law applied were due under obligations entered into by firms or individuals abroad towards firms or individuals in Greece. The scope of the law is limited. It could not, for instance, be held to have applied, in any way, to gold, derived from other sources than foreign credits, in the hands of private persons in Greece.

According to the explanations given by the Government of Greece the National Bank of Greece declined to surrender its foreign credits to the Bank of Greece, pursuant to the above law, on the ground that the Government of Greece had not settled its debts in foreign currencies towards the Bank and it (the National Bank of Greece) instigated proceedings before the competent administrative Court of Greece.

On 18 October 1938, there was promulgated a law No. 1419, in the Greek Official Gazette No. 380/1938, relevant portions of the certified translation of which read as follows:-

" Law No. 1419 of the 18th October 1938 about the
" ratification of the conventions concerning the
" agreements between the National Bank of Greece and
" the Hellenic State.

"Article 1 - .....

"Article 2 - .....

"Article 3 - .....

"Article 4 - The foreign exchange reserves arising from the measures "for compulsory drachmas conversion which are deposited with the "National Bank of Greece and which amount, on the 30th of June of the "present year, to a total of £934.550 - (consisting in detail of the "following sums:-

"Assets: £70.688 in cash and with Banks abroad, £421.112 in stocks, "£72.294 in properties in Egypt, £557.099 in loans on wheat in Greece "and in other investments in Greece and in Egypt, £52.694 in various "accounts outstanding.

"Liabilities: £108.321 in credits abroad, £131.016 in deposits of "all kinds), remain with the National Bank of Greece, in order that the "sum available at any time may be utilized for its commercial trans-"actions in conformity with the laws for the protection of national "currency.

" As regards, however, any modifications of the composition of "the above reserves of foreign currency in order to safeguard its "internal value, the National Bank of Greece may carry out such modi-"fications, only after approbation of the Bank of Greece.

208456

RG 59
Entry GADIIS Tgc
File Tgc Decisions-Greece
Box 13

DECLASSIFIED
NND 968106
Authority
By TI NARA Date 12/6/98

REPRODUCED AT THE NATIONAL ARCHIVES

" The State has the right both to verify the accuracy of the "figures of the foreign exchange reserves, declared to be, as above, "in the possession of the National Bank of Greece, on the 30 June "1938, and to request, at any time, the cession, at the current rate, "of the liquid foreign exchange assets available on the date such a "request is made".

These extracts and the verbal explanations given by the Representatives of the Government of Greece show that, pursuant to a convention, ratified by a Greek Law, between the Government of Greece and the National Bank of Greece, the foreign credits which the latter Bank had, as explained above, declined to surrender, were left at the disposal of the Bank for commercial purposes subject, however, to verification by the State as indicated above and to the right for the State to call for the surrender to itself of any "liquid" foreign credits available at any given moment in the hands of the National Bank of Greece.

On 31 October 1940, the National Bank of Greece, as a precautionary measure, in view of the threat of invasion, packed in ten cases ready for immediate transfer elsewhere, all the gold and silver which was in its vaults and entrusted these ten cases to the competent official of the Bank for safe-keeping. The certificate of packing and of delivery to the official concerned, a certified translation of which is in the hands of the Commission, shows that the gold coins, said by the competent official of the Bank to weigh 90,944.750 grams, were packed in twenty-seven small bags, numbered 1 to 27, and placed in three cases numbered 1 to 3; and that the silver coins, which the Commission is not concerned with, and which were said to weigh 142,314.500 grams, were packed in forty-seven small bags, numbered 1 to 47, and placed in seven cases numbered 4 to 10. The dimensions of each of the 10 cases were, according to the above certificate, 0.26 x 0.36 x 0.16 M. and they were sealed with the bank's seal bearing the letters E.T.E.

The position, on 31 October 1940 was, therefore, that ten cases containing the gold and silver of the National Bank of Greece, duly sealed in accordance with the practice of the bank, were placed in the custody of the competent official of the bank, ready for immediate transfer to a place of safety if need be.

On 12 April 1941, letters, certified translations of which are in the hands of the Commission and are reproduced hereunder, were exchanged between the National Bank of Greece and the Bank of Greece:-

"NATIONAL BANK OF GREECE".

" Athens, 12th April 1941

" Confidential

" Secret.

"Governor,
"Bank of Greece,
"Athens.

"Sir,

" We have the honour to advise you that we have

208457

RG 59
Entry GADIIS Tec
File Tec Decisions-Greece
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

"instructed Messrs. Nicolas Lavdas, Sub-Manager of our Section "of General Accounting, and Mr. Panayotis Tsimicalis, Cashier of our "Bank, to deliver to you ten (10) cases sealed with our Bank's seal, "belonging to our Bank and containing gold and silver in coins, and "shall be glad if you will kindly arrange for their transport, without "insurance, by any facility which the State would give you and without "any responsibility for you against any risk.

" Will you kindly appoint the person or persons who will take "delivery of these cases.

"

" Yours faithfully,

" (sign.) C. Zavitzianos

" Governor. "

"BANK OF GREECE

"Dept. of Safes for Securities
"Accounting Service. Athens, 12th April 1941.

" Receipt of taking delivery of cases
"No. 5. of unknown contents.

" We took delivery from the National Bank of Greece, through the "medium of Mr. Nicolas Lavdas, their Sub-Manager and Panay. Tsimicalis, "their Cashier, 10 (ten) cases of unknown contents No. 1-10 bound with "steel wire and sealed with Spanish wax with the Bank's seal bearing "its title and the Crown, the size of each being:

" 0,26 x 0,36 x 0,16 under letters - E.T.E.

" According to the declaration of the Bank, the above cases "contain gold and silver coins.

| | | |
|---|---|---|
| "P. Mavrodimos | A. Papadimitrou | C. Anisas |
| " Cashier | Manager | Chief of Dept. |

"Control Office of Safes for Securities

" A. Theodorou

" Chief of Dept."

These documents show that on 12 April 1941, ten cases, belonging to the National Bank of Greece, said to contain gold and silver and answering the description given in the Certificate of packing and delivery referred to earlier were entrusted by the National Bank of Greece for safe keeping to the Bank of Greece.

A certificate, dated 22 September 1947, signed by the Governor of the Bank of Greece, which it will be remembered is the Central Bank of Greece since 1927, certified translation of which is in the hands of the Commission, states that "according to the statements of foreign

208458

RG 59
Entry GADIIS Loc
File Tgc Decisions-Gree
Box 13

DECLASSIFIED
AUTHORITY NND 968106
By TJ NARA Date 12/9/98

REPRODUCED AT THE NATIONAL ARCHIVES

"exchange and of the gold position of the National Bank of Greece kept "with the Bank (the Bank of Greece) the stock of foreign exchange of "the said Bank (the National Bank of Greece) amounting to £934,550..... "referred to in Article 4 of the Agreement between the Government of "Greece and the National Bank of Greece, ratified by law No. 1419, of "18 October 1938, ..... and particularly the amount of £70,688 - which "was kept in the vaults and with banks abroad, included gold of a gross weight "of 90,944.750 grams, in gold coins, as well as silver of a gross weight "of 142,314.500 grams, in silver coins, and that both this gold and silver "continued to be kept in the vaults of the National Bank of Greece until "12 April 1941, when they were delivered to the Bank of Greece and that, "furthermore, the above stock (including the said gold and silver) which "was kept at the National Bank of Greece at the disposal of the Hellenic "State was returnable to the latter pursuant to the terms of the "aforementioned agreement."

The Government of Greece's contention is that the gold which was packed at the National Bank of Greece on 31 October 1940, was the same gold which was transferred for safe-keeping to the Bank of Greece on 12 April 1941, and that this identical gold was gold which was subject to delivery to the Bank of Greece under the decree of 29 July 1932, ratified by the Decree Law of 1 August 1935, but which the Government of Greece, as a measure of exception, left, among other proceeds of foreign credits, at the disposal of the National Bank of Greece under the agreement ratified by Greek Law No. 1419, of 18 October 1938, subject to control by the State and to surrender to the State, at any given moment, upon demand of any available liquid portion thereof.

Shortly after the 12 April 1941, the ten cases in question were, according to the statement of the Government of Greece, transferred by the Bank of Greece to Crete and deposited in the vaults of the Heraklion branch of the Bank of Greece in that island.

In June 1941, the German Authorities moved into Heraklion. They asked for and obtained delivery of the keys of the vaults of the Heraklion branch of the Bank of Greece and made a search of the vaults in the presence of the Manager of the branch. The ten cases referred to above were seized and subsequently removed by the German Authorities on 17 June 1941, upon which date a minute of the proceedings was signed by the branch Manager of the Bank of Greece and Major von Künsberg, acting pursuant to an order of the same date issued by Major Krüger, "Beauftragter des Militarbefehlshabers von Kreta in Iracklion". A photocopy of the above minute is in the hands of the Commission as well as a photocopy of the order of which Major von Künsberg was the bearer. In both documents, the cases are described as "three cases containing gold and seven cases containing silver".

The Manager of the Heraklion branch of the Bank of Greece advised the Governor of the National Bank of Greece of the seizure by letter dated 24 July 1941, and, on 26 August 1941, sent a further letter to the Governor, enclosing a copy of the minute of the proceedings referred to in the preceding paragraph. Certified translations of both these communications are in the hands of the Commission.

208459

RG 59
Entry GRDIS Tec
File Tec Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
Authority
By TI NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

According to the Government of Greece, representations were made to the Germans "Political Plenipotentiary" - Herr Altenburg and, later, to the German "Financial Plenipotentiary", Herr Neubacher, and the Greek Cabinet, which was under enemy control at the time, also made representations to the German occupation Authorities with a view to obtaining restitution of the gold and silver to the National Bank of Greece, but neither the gold nor the silver was returned.

Such are the facts of the case.

The Commission is satisfied that the Government of Greece is entitled to submit a claim in respect of this gold and that the claim is one upon which the Commission is authorised to adjudicate.

The issues before the Commission are:-

Firstly, was the gold claimed monetary gold within the meaning of the Agreement?

Secondly, do the circumstances in which the gold was removed to Germany, constitute looting or wrongful removal?

Thirdly, was any compensation received or gold recovered by the claimant Government?

Fourthly, are there any other circumstances affecting the totality of the claim?

With regard to the first issue, it has already been observed that the National Bank of Greece was not, at the time of the removal of the gold by the Germans, the Central Bank of Greece. The fact that the gold in question was held for the account of the National Bank of Greece could not, therefore, be taken as implying that the gold belonged to the State. In fact, there appears to be no doubt that prior to the promulgation of the decree of 29 July 1932, imposing the compulsory conversion of foreign credit into drachmas, which decree was later ratified by the Decree Law of 1 August 1935, this gold belonged, in the sense in which this term is usually employed, to the National Bank of Greece.

It is the view of the Commission, however, that the events which followed the promulgation of the decree of the 29 July 1932, radically altered the status of the gold under discussion vis-a-vis the National Bank of Greece and vis-a-vis the Government of Greece and the Bank of Greece.

An examination of the texts quoted earlier in this adjudication shows that what happened was this:

A decree was promulgated on 29 July 1932, imposing the compulsory conversion into drachmas of all foreign credits (and, as a natural corollary, of gold derived therefrom). Although this is not stated, in so many words, in the decree, the Commission is satisfied, from the explanation given by the Government of Greece, that the compulsory conversion into drachmas was effected through the intermediary of the Bank of Greece, which, in the normal course of events, became the owner of the foreign credits.

208460

RG 59
Entry GADIIS TGC
File TGC Decisions-Greece
Box 13

DECLASSIFIED
Authority NND 968106
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The decree in question was ratified by a Decree Law, dated 1 August 1935.

The Documentation furnished by the Government of Greece shows that the validity of this Decree Law was queried and that the High Court of Appeal ruled that the Decree Law in question was not unconstitutional.

The position, therefore, was that it was illegal as from 29 July 1932, to hold foreign credits (or gold derived therefrom) existing on or before 26 April 1932. These had to be surrendered to the Bank of Greece.

There is no reason to doubt that what ensued in practice was that foreign credits (and gold derived therefrom), in the hands of private firms or persons in Greece, were either surrendered by the private firms and persons in question to the Bank of Greece, against consideration in drachmas, in compliance with the Decree and the Decree Law, or seized on behalf of the Bank of Greece, pursuant to the Decree and Decree Law, through the normal judicial machinery of the State.

The Decree and Decree Law had, to all intents and purposes, the effect of making foreign credits (and gold derived therefrom) the property of the Bank of Greece and gold derived from these foreign credits accruing to the Bank of Greece, in the circumstances described, must unquestionably be considered as belonging to Greece within the meaning of Part III of the Agreement.

Such, in the opinion of the Commission, were the conditions, generally, which obtained subsequently to the promulgation of the Decree and Decree Law.

The case of the National Bank, however, was a special one and the Bank must have found itself in a somewhat difficult position. It had only recently ceased to be the Central Bank of Greece. It held foreign credits and gold derived therefrom which it was illegal to retain. On the other hand, it had what appeared to it to be a valid claim against the Government of Greece, in respect of foreign credits which it had advanced to that Government. It took the only course which was open to it in the circumstances and submitted its claim against the Government of Greece to the competent court of the country. The Foreign credits which it (the National Bank of Greece) held, remained, temporarily in the hands of the Bank pending a decision of the Court.

The decision was never rendered, since the Government of Greece entered into an agreement with the bank, which agreement was ratified by Law No. 1419 of 18 October 1938, relevant extracts of which have already been quoted.

The Commission observes that what was agreed between the Government of Greece and the National Bank of Greece was:-

208461

RG 59
Entry GADIIS Tgc
File Tgc Decisions-Gree
Box 18

DECLASSIFIED
NND 968106
AUTHORITY
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

1. that the foreign exchange reserves in the hands of the Bank, as at 30 June 1938, would "remain with the Bank in order that the sum available at any given time may be utilised for its (the Bank's) commercial transactions in conformity with the laws for the protection of national currency".

2. that the State had "the right ..... to verify the accuracy of the figures of the foreign exchange reserves declared to be as above in the possession of the National Bank of Greece on the 30 June 1938".

3. that the State had the "right..... to request, at any time, the cession, at the current rate, of the liquid foreign exchange assets available on the date such request is made".

The conclusions which, in the Commission's opinion, can be drawn from the above are the following:-

The wording of the Agreement makes it clear that the Government of Greece did not, purely and simply, abandon the foreign credits in settlement of its debt towards the National Bank of Greece. This is an important point since it would seem that, if it had done so, the foreign credits would thereafter have belonged unrestrictedly to the National Bank of Greece - which was a private Bank and that gold derived from these foreign credits could not be considered as forming part of Greece's monetary reserve.

All that was agreed, however, by the Government was that the foreign credits would remain (subject to restrictions which are mentioned in the immediately following paragraph) with the National Bank of Greece in order that any liquid portion thereof, available at any given moment, might be utilized by the Bank for commercial purposes.

The restrictions were, the obligation for the Bank to comply with the laws for the protection of national currency, the right for the State to verify the accuracy of the declarations of the National Bank of Greece and, most important of all, the right for the State to demand the surrender at any time of any "liquid foreign exchange assets " available on the date of the demand.

It is clear from what precedes that the right to dispose of these foreign credits belonged to the Government of Greece, otherwise no special agreement and no ratification by a law would have been necessary to enable the National Bank of Greece to retain them. The right to dispose of property generally implies ownership of the property.

208162

RG 59
Entry GADIIS Tgc
File Tgc Decisions-Greece
Box 18

DECLASSIFIED
AUTHORITY NND 968106
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

It is equally clear that the intentions of the parties were that the National Bank of Greece should, if it so wished, use for commercial purposes, such proceeds of the foreign credits which were left in its hands as might become available, from time to time, on the understanding, however, that the Government of Greece could, for its part, take over for its own ends, at any time, any unused portion of the said proceeds.

What the Government of Greece said to the National Bank of Greece was, in effect, that the National Bank of Greece might use the foreign credits and the proceeds therefrom, so long as the Government of Greece did not wish to make use of them itself.

It follows, in the Commission's understanding (the records of the Government of Greece were lost as a result of the German invasion), that the foreign credits figured (subsequently to the signature of the agreement between the State and the National Bank, at least), on the "liabilities" side of the balance sheet of the National Bank of Greece and on the "assets" side of the Bank of Greece's balance sheet and that, as and when proceeds of the foreign credits were utilised by the National Bank of Greece, a corresponding portion of the Bank of Greece's debt towards the National Bank of Greece was written off and the accounts between the two Banks adjusted accordingly.

The Governor of the Bank of Greece's statement that the gold subject of the present adjudication was included, at the time of the German invasion, among the unused portions of the proceeds of the foreign credits in the hands of the National Bank of Greece is accepted by the Commission.

The Commission, having regard to all that precedes, is satisfied that the gold can be considered to have belonged, at the time of the German invasion, to Greece within the meaning of Part III of the Paris Agreement. The fact that it could have been used by the National Bank of Greece in the circumstances which have been described does not affect the issue since it was not so used.

This standpoint is further strengthened by the fact that, subsequently to the events described, namely on 21 August 1936, there was promulgated a law No. 33/1936, which had the effect of placing gold such as was held by the National Bank of Greece, which it will be remembered was a private bank, under the absolute control of the Bank of Greece. Relevant portions of the certified translation of this law are quoted hereunder:-

" .....

"ARTICLE 2 - par. 1. The possession of gold, foreign currencies "and exchange by stock-jobbers, stock-brokers, money-brokers, "money-changers, private bankers and every other person practising "even unofficially these professions, is prohibited.....

" .....

208463

RG 59
Entry GADIIS TGC
File TGC Decisions-Greece
Box 13

DECLASSIFIED
ANNO 96/806
AUTHORITY
By TI NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

" Par. 3.4. The individuals quoted in this article, which are "now in possession of gold, foreign currencies and exchange, are relieved "from penal responsibility if they declare and hand over same to the Bank "of Greece, against payment of their equivalent in drachmas, within 8 days "from the date of enforcement of this law."

The Commission is also satisfied, from an examination of the documents referred to earlier in this adjudication, particularly of the certificate of packing at the National Bank of Greece and of the exchange of correspondence between the National Bank of Greece and the Bank of Greece, that the gold in question was, in fact, transferred to the branch of the Bank of Greece at Heraklion.

So much for the first issue.

With regard to the second issue, the Commission has no hesitation in accepting the Government of Greece's submission that the gold in question was looted by the Germans. Photocopies of the receipts signed by the latter for ten cases, three of which contained gold, which the Commission is satisfied was the gold subject of the present adjudication, are in the hands of the Commission.

With regard to the third and fourth issues, the Commission is satisfied, from an examination of the documentation submitted, that the Government of Greece received no consideration for the gold which was taken, and that there are no other circumstances affecting the totality of the claim.

The Commission holds, therefore, that the Government of Greece has established, under Part III of the Agreement, its claim in respect of the above-mentioned amount of 82.8147 kgs of fine gold.

. . .

Claim for 0.9197 kg of fine gold (claim b)

This claim, as submitted, was for 0.919731 kg of fine gold but it is the custom of the Commission to elucidate claims to four decimal points only of a kilogram of fine gold and the claim has therefore been recorded as in the above heading.

The claim is in respect of gold taken by the Germans from an Institution described in the French text of the Greek Government's submission as the "Caisse des Dépôts et Consignations". There is no equivalent of this term in the English speaking countries and the French designation is accordingly used both in the French and English texts of the present adjudication.

208464

RG 59
Entry GRDIIS Toc
File Toc Decisions-Greece
Box 13

DECLASSIFIED
NND 968106
Authority
By TI NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The "Caisse des Dépôts et Consignations" is a para-statal institution. Its main function is to receive monies, gold, banknotes and securities, title to which is in doubt or is disputed, and deposits by way of a guarantee for the execution of contracts of various nature. Monies seized upon the persons of criminals, for instance, or found in the possession of a deceased person whose heirs are unknown, are deposited at the "Caisse des Dépôts et Consignations". Monies which, in other countries, are "paid into court" are, in Greece, deposited at the "Caisse des Dépôts et Consignations". Contractors for Public Works deposit their guarantees at the "Caisse des Dépôts et Consignations".

There usually arrives a time when the conditions laid down by law or contract, for the release of the deposit, have been fulfilled and the deposit should normally be restituted to its rightful owner.

A number of categories of private persons were, at the time of the German invasion, allowed to hold gold in Greece, although they could not dispose of it except to the Bank of Greece. It was quite normal and legal, therefore, that gold should have been included in some of the deposits held by the "Caisse des Dépôts et Consignations".

The gold which was lost was at the Arta (Epiraeus) and Candia (Crete) Branches of the "Caisse des Dépôts et Consignations".

According to the Government of Greece, the Arta branch held the following coins, which formed part of the fortune of T. Koulia, S. Zakar, on deposit, pursuant to a decision of the Examining Magistrates of Arta. The acts of deposit were numbered respectively 28/11/4/44, 29/11/4/44 and 32/12/4/44 :

| | | Fineness | Gross Weight | Fine Weight |
|---|---|---|---|---|
| (i) | 114 Pounds Sterling in gold | .916 | 910.632 g | 834.144 g |
| (ii) | 1 Twenty Lira gold piece | .916 | 6.450 g | 5.908 g |
| (iii) | 2 Twenty Franc gold pieces | .916 | 12.900 g | 11.816 g |
| (iv) | 1 Turkish Pound in gold | .916 | 7.216 g | 6.609 g |
| | | Total weight of fine gold | | 858.477 g |

There is a mistake, to which the attention of the Delegate of Greece was drawn, in the submission of the Government of Greece as described above. The fineness of gold liras and gold francs is .900 and not .916 as stated. The exact fine weight of item (ii) is, therefore, 5.805 g and of item (iii) 11.610 g. The corrected total of the four items works out at 858.168 g or 0.858168 Kgs.

The Candia branch held the following coins :

(1) 1 twenty dollar gold piece deposited under act of deposit No.144/6/14/1/41 by the Director of the "Pananion Hospital" at Candia.

(2) 1 twenty dollar gold piece deposited under act of deposit No.886/24/9/40 in favour of the heirs of Nicolaidis.

208465

RG 59
Entry GADIIS Tgc
File Tgc Decisions-Gree
Box 13

DECLASSIFIED
AUTHORITY NND 968106
BY TJ NARA DATE 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

Each of these coins is described as being of a standard fineness of .916 - gross weight 33.436 g., net weight 30.627 g. -

Here again, there is a mistake in the submission of Greece. The standard fineness of a 20 dollar gold piece is .900. The fine gold content of each of these coins is, therefore, 30.092 g., or 0.030092 kgs.

The total weight of fine gold involved is, therefore :

| | | |
|---|---|---|
| in the case of the branch at Arta ..... | 858.168 g, or | 0.858168 kgs. |
| in the case of the branch at Candia ..... | 60.184 g, or | 0.060184 kgs. |
| | Total ..... | 0.918352 kgs. |

and not 0.919731 kgs as originally claimed.

The total amount of gold involved in this claim is therefore considered, in accordance with the Commission's usual practice, which is to limit the figures of claims to four decimal points, as being 0.9183 kgs of fine gold.

With regard to the gold at the Arta branch, the intervention of a magistrate would tend to indicate that the amount deposited may possibly have been seized upon the person of a private individual subject of criminal proceedings or that the gold may have been connected with a case of disputed inheritance following upon a decease. It appears not improbable that the 20 dollar gold piece deposited at the Candia branch by a hospital director may have been deposited following upon a decease at the hospital.

The circumstances of the looting or wrongful removal are described as follows :

The gold at the Arta branch was removed by the German Authorities on 18th April, 1944. The Commission is in possession of a photocopy of the receipt for this gold (and other objects) signed by "Platskommandant" of Arta.

The gold at the Candia branch was removed by the German authorities on 11 August, 1941. The Commission is in possession of photocopies of the receipts signed by the German authorities, for this gold.

The above summary shows that the Greek Government is entitled to submit a claim and that the claim is one upon which the Commission is authorised to adjudicate.

The Commission is satisfied as to the reality of the looting.

It is also satisfied that no compensation or consideration was received by Greece and that the gold was not returned to Greece.

The only important issue before the Commission is - was this gold monetary gold belonging to Greece within the meaning of Part III of the Agreement ?

208466

RG 59
Entry Gabbis Tgc
File Tgc Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
Authority
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The Government of Greece, in its reply to the Commission's questionnaire, describes itself as the "owner" of the gold. Its contention is that, under Greek law, gold deposited at the "Caisse des Dépôts et Consignations" had to be declared to the Bank of Greece and that the gold deposited, when the conditions laid down, by law or contract, for their release had been fulfilled could not be restituted to their owners in the form of gold. The gold had to be delivered to the Bank of Greece and the owners received drachmas notes in an amount equivalent to the value of the gold they had deposited. The Government of Greece holds that, in the special circumstances described, the gold referred to should be considered as "belonging to it" within the meaning of Part III of the Agreement.

The General Manager of the "Caisse des Dépôts et Consignations", describing the situation which obtained in regard to his establishment in a written statement which is in the hands of the Commission, says, in effect, that, under a series of laws (Nos 33, 257 and 309 of 1936) all gold deposited in public or private banks had to be declared and registered in the name of the State, and that, by virtue of the above-mentioned laws, the gold deposited at the "Caisse des Dépôts et Consignations" - a Government organisation placed under the jurisdiction of the Ministry of Finance - belonged "ipso jure" to the State and that the owners only had the right to draw the counter-value of the gold in drachmas (banknotes) on the basis of quotations in the official bulletin issued by the Bank of Greece.

He also says that the gold (coins or ingots) deposited at the "Caisse des Dépôts et Consignations" remained in the safes of the "Caisse" up to the time of what he described as "the liquidation, that is to say the expiration of the contract foreseen in all agreements between the "Caisse des Dépôts et Consignations", as depository, and the depositors". After the expiration of the "agreement", the "Caisse des Dépôts et Consignations", according to the general manager's statement was obliged to sell the gold concerned to the Bank of Greece, paying the depositors the equivalent of their gold in drachmas (banknotes).

The above statement, as the Commission understands it, means that gold deposited at the "Caisse des Dépôts et Consignations" was declared by that establishment to the Bank of Greece and that this gold did not remain indefinitely deposited at the "Caisse des Dépôts et Consignations". There normally arrived a time when a guarantor having fulfilled his undertakings or a rightful owner, in possession of documentary proof of his ownership of the gold, came forward and claimed restitution of the deposit. According to the General Manager of the "Caisse des Dépôts et Consignations" what happened then was that the "Caisse des Dépôts et Consignations" was obliged to sell the gold to the Bank of Greece and paid the equivalent in drachmas (banknotes) to the owner of the gold.

The Government of Greece, in response to requests from the Commission, furnished - over a period of months - copies of the Greek laws and regulations referred to, the main documents being laws 5406, 5422, 33, 257, 309 and certain decrees of the Ministry of Finance, as well as a circular of the Bank of Greece.

208467

RG 59
Entry GADIIS Tcc
File Tcc Bacuiam-Greece
Box 18

DECLASSIFIED
NND 968106
Authority
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission, after exmaining these laws and regulations referred to and comparing them with the statement of the General Manager of the "Caisse des Dépôts et Consignations", considered that certain points required clarification. It accordingly wrote to the Government of Greece and requested it to quote the exact text of law or regulation upon which the statement of the General Manager of the "Caisse des Dépôts et Consignations" was based.

The reply received, in early March, 1951, showed that the statement in question was based, in particular, on Emergency Law 33/1936 (Greek Government Gazette No. 364). The English translation of the relevant articles of this law, furnished by the Government of Greece and certified as "True and Correct" by the Minister for Foreign Affairs of Greece, runs as follows :

"Article 2. par. 1. The possession of gold, foreign currencies "and exchange by stock-jobbers, stock-brokers, money-brokers, "money-changers, private bankers and every other person practising "even unofficially these professions, is prohibited.....

"Par. 3.4. The individuals quoted in this article, which "are now in possession of gold, foreign currencies and exchange, "are relieved from penal responsibility if they declare and hand "over same to the Bank of Greece, against payment of their "equivalent in drachmas, within 8 days from the date of enforce-"ment of this law".

The Commission observes that the "Caisse des Dépôts et Consignations" is not specifically referred to in the articles quoted but it is prepared to admit that if private bankers had to declare gold which they held and to deliver it to the Bank of Greece, the "Caisse des Dépôts et Consignations", a para-statal institution, must a fortiori , have been under a similar obligation.

Moreover, the General Manager, of the "Caisse des Dépôts et Consignations", a high official, has confirmed this in writing, on two different occasions, and the Legal Counsellor at the Greek Legation in Brussels has given a similar confirmation, verbally, and explained that Law 33/1936 continued to apply from the date of its promulgation and still applies.

The conclusion which can be drawn from all that precedes is that the Bank of Greece had, to all intents and purposes, a lien on the 0.9183 kgs of fine gold which were deposited at the "Caisse des Dépôts et Consignations" and that the gold in question would inevitably have been incorporated in the gold reserves of the Bank had it not been for the German intervention and looting.

The question which arises is - can gold in the position described be considered as monetary gold belonging to Greece and looted by Germany, within the meaning of Part III of the Agreement ?

208468

RG 59
Entry GADIIS Tgc
File Tgc Decl-Gen
Box 18

DECLASSIFIED
ANNO 961106
Authority
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The gold making up the total claimed was deposited, in the first case referred to, by a magistrate, in the second case, by a hospital director and in the third case, "in favour of the heirs of Nicolaidis", that is to say, in all three cases by third persons.

The Commission is prepared to assume that these deposits were made because the Greek laws laid down that monies (including gold) in respect of which no owner had come forward or was known, should be "deposited at the Caisse des Dépôts et Consignations". This is an acknowledged principle of law in many countries. The amounts thus deposited were, probably, entered in the books of the "Caisse des Dépôts et Consignations" as "belonging to persons at present unknown" or under a similar heading.

Another law laid down that gold deposited in private banks (the Commission is prepared to admit that the "Caisse des Dépôts et Consignations" fell within this category) had to be declared to the Bank of Greece and that when the conditions laid down by law or agreement for its release had been fulfilled, the gold had to be delivered to the Bank of Greece. The owner of the gold received drachma notes in an amount equivalent to the value of his gold.

Persons endeavouring, by legal means or negotiation, to establish title to the gold must have known that under the laws in force they could never enter into physical possession of the gold and that their rights, if they succeeded in establishing them, were limited to receiving the value of the gold in drachma notes.

The Government of Greece, through its representative, has explained that the reason why the gold, upon being deposited, was not transferred immediately to, and paid for by, the Bank of Greece was that it was obviously more convenient, from an administrative and accounting point of view, to be able to pass such entries as were necessary in the books of the Bank of Greece and in the books of the "Caisse des Dépôts et Consignations" in the name of known persons to whom the countervalue of the gold could be paid in drachma notes, than to transfer anonymous gold. It was one of the functions of the "Caisse des Dépôts et Consignations" to hold the gold until the formalities necessary to justify its release had been accomplished, whereupon the gold was delivered to the Bank of Greece. The "Caisse des Dépôts et Consignations" had no option in the matter. This was a legal obligation.

The argument that the "Caisse des Dépôts et Consignations" virtually held the gold for the Bank of Greece since it (the "Caisse") could give nothing but drachma notes to the owner of the gold and the gold could go nowhere else but to the Bank of Greece is a strong one and the further argument that the gold should, in the circumstances, be held to have been monetary gold belonging to the Government of Greece (through the Bank of Greece) is one which, in the opinion of the Commission, can, in equity, be sustained and accepted.

The Commission has already admitted the fact of looting.

The Commission holds, therefore, that the Government of Greece has established, under Part III of the Agreement, its claim in respect of the above-mentioned amount of 0.9183 kg of fine gold.

208469

RG 59
Entry GADIIS Tgc
File Tgc Decisions-Greece
Box 18

DECLASSIFIED
AUTHORITY NND 968106
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

Claim for 7,358 Kgs of fine gold (Claim c)

By letter dated 15 September, 1947, the Delegate of the Government of Greece had announced that his Government had instructed him to submit two additional claims :

- one for 116.129 kgs of fine gold stated to have been looted from the Salonika branch of the Bank of Greece, and

- one for 12,518.802 kgs of fine gold stated to have been looted from private persons.

Claim (c) subject of this part of the adjudication was, therefore, originally recorded as being for 12,634.9310 kgs of fine gold (116.129 kgs + 12,518.802 kgs) but, as will be seen later, it was finally reduced by the Government of Greece to 7,358 kgs of fine gold.

No data was attached to the Delegate's letter, but the letter stated that all necessary supporting documents would be furnished in due course.

In response to repeated requests from the Commission that these supporting documents be furnished, the Delegate finally sent some documents enclosed with a letter, dated 15 May, 1948, in which he :

1. formally withdrew his Government's claim for 116.129 kgs of fine gold, saying that "same does not figure in the stock of monetary gold of the State", and

2. reduced the claims for 12,518.802 kgs of fine gold to 7.358 kgs of fine gold, made up as follows :

   (a) 772 kgs of fine gold described as "registered for the benefit of the State", looted by the Germans from private persons, and

   (b) 6,586 kgs of fine gold described as "governmental fine gold" looted from Greek Jews who had been deported to Germany and massacred.

The explanation given by the Delegate for the reduction was that his Government had found it impossible to collect all the necessary documentation in support of its original submission and wished to comply with the "decisions and procedure" of the Commission. The Delegate reiterated the reserves previously made by his Government and stated that this claim was put forward without prejudice to his country's rights regarding the restitution of the totality of the gold looted by the Germans" most of which was in the possession of private individuals".

208470

RG 69
Entry GRDIIS Toc
File Toc Decision-Gree
Box 13

DECLASSIFIED
NND 961106
AUTHORITY
By TU NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

Two sets of supporting documents were furnished on this occasion, but this documentation was incomplete. As has already been stated, the attention of the Commission was drawn to the fact that, owing to the actions of the Germans in Greece during the war, it would be difficult for the Government of Greece to assemble entirely satisfactory documentation. The Commission, however, endeavoured over a considerable period and, in the course of lengthy correspondence with the Government of Greece, to obtain sufficient data. By the end of April 1951, the Commission considered that the Government of Greece had delivered all the documentation which it was in a position to supply.

A favourable adjudication by the Commission is dependent upon the establishment by a claimant country, by means of detailed and verifiable data, that a definite amount of monetary gold (as defined by the Commission) belonging to it, was looted by Germany or, at any time after 12 March, 1938, was wrongfully removed to Germany.

It would appear, from the correspondence and documentation, that the original intention of the Government of Greece was to claim all the gold, whatever its nature, estimated by it to have amounted to 12,634.9310 kgs of fine gold, which the Germans removed from Greek territory, but that, on reconsidering the matter in the light of the texts governing the restitution of monetary gold, it decided to modify the presentation of its case by reducing the amount claimed from 12,634.9310 kgs of fine gold to 7,358 kgs, as has already been mentioned, and basing its claim for restitution of these 7,358 kgs of fine gold on the following argumentation :

A. that 7,358 kgs of fine gold were "registered" as part of Greece's monetary reserve, in the accounts of Greece's Central Bank;

B. that all the gold in the country belonged to the Greek State under Greek Law;

C. that more than 7,358 kgs of gold were looted in Greece by Germany and that it must, therefore, be held that a definite amount of monetary gold (as defined by the Commission) - (vide A) - belonging to Greece (vide A and B) was looted by Germany (vide C) and an adjudication made for the above amount in favour of Greece.

It is in the light of the situation described above that the case was presented, but the Commission, in accordance with its normal practice, has examined it from all angles.

The Government of Greece was undoubtedly entitled to submit this claim and the claim is one upon which the Commission is authorised to adjudicate.

It is clear, both from the reply of the Government of Greece to the Commission's Questionnaire (Form III) and the 11th Report of the Bank for International Settlements, that the Bank of Greece held, in its vaults or abroad, prior to the invasion of Greece, approximately 25 tons of gold and there is no doubt that Greece was able to place this reserve in safety before the German invasion.

208471

RG 59
Entry GADIIS Tec
File Tec Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
Authority
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

It is equally clear, as will be seen later, that the gold, subject of the present adjudication, was gold which was not held by the Bank of Greece, either in its vaults or abroad, at the time of of the German invasion, but which the Government of Greece claims should, nevertheless, be regarded as monetary gold belonging to Greece, pursuant to Greek laws and regulations, looted by Germany during the occupation.

With regard to argument A, the "registration" has been variously described in the documentation furnished by the Government of Greece as having been effected "for the benefit of the State", "on behalf of the State", "on account of the State". The gold has been described as "State gold", as "Governmental gold" and as having been "compulsorily listed".

When they were heard by the Commission, the Representatives of the Government of Greece stated that "through the registration, the gold became the property of the State".

The document furnished in support of the contention that 7,358 kgs of fine gold were "registered" as above is not, as one would expect, a photostatic copy of formal entries in the books of the Bank of Greece.

It is a single sheet headed "Ministry of Finance, General Accounting Office, Monetary Section, List of gold coins and gold registered by virtue of Laws 33/1936, 257/1936 and 309/1936".

A translation, certified by the Government of Greece, of a letter, dated 11 May 1948, from the Ministry of Finance of Greece, transmitting this list to the Ministry for Foreign Affairs of Greece, and of the list itself, reads as follows :

" KINGDOM OF GREECE
" MINISTRY OF FINANCE
" PUBLIC ACCOUNTANCY GENERAL DIRECTORATE
" MOVEMENT OF PRIVATE FUNDS GENERAL DIRECTORATE
" CURRENCY SECTION - BUREAU III.

" Reg. No. 118202

" Athens 11 May, 1948.

" Extremely Urgent

" To the Ministry for Foreign Affairs,

" Directorate for Economic Affairs, Section III

---

" In reply to your communication Nos. 3040/7.4.48, 3642/17.4.48 "and 3643/17.4.48, in connection with the movement of gold in bars and

208472

RG 59
Entry GADIIS Tgc
File Tgc Decisions-Greece
Box 18

DECLASSIFIED
AUTHORITY NND 961106
BY TJ NARA DATE 12/6/96

REPRODUCED AT THE NATIONAL ARCHIVES

"gold coins in the hands of individuals, from data in our possession, "we have the honour to inform you that from the only statement "preserved regarding movement of the State gold of the aforesaid "category , a copy of which we attach hereto - seeing that all other "data which existed in our archives was destroyed prior to the "German invasion in April 1941, for plausible reasons - it results "that the total of the said gold in different gold coins and in bars, "reckoned in pounds sterling, amounted on the eve of the German "invasion to one million four thousand nine hundred and thirteen "pounds gold (1,004.913), i.e. to seven thousand three hundred "fifty eight (7,358) kilograms of pure gold.

" The Service for the Protection of the National Currency, "to which we applied by our communication No. 106742/7.5.48. for the "purpose of obtaining supplementary data and information, informed us "by their communication No.871/226/7.5.48. that, by order of the "Government at that time, all the archives and statements showing "the gold and the movement of the State Currency gold of the afore-"said category were destroyed a little prior to the German invasion.

" Copies of the above communications, together with a copy of "the statement in question, are being forwarded to you attached hereto.

" In view of the foregoing and as it results from the data "preserved in our archives, the State Currency gold of the aforesaid "category, the restitution of which we are entitled to claim from the "Brussels Tripartite Committee for the Restitution of Currency Gold, "amounted to seven thousand three hundred fifty eight, i.e. (7,358) "kilograms of pure gold.

" It should be, moreover, taken into consideration that, in "accordance with the legislation in force in Greece, the gold which "has been hitherto declared by individuals over and above the above "quantity, should be considered as State Currency gold, and we hereby "authorise you to take up and support the said question of gold in "excess at the Brussels Tripartite Committee for the Restitution of "Currency gold. Please keep us informed of developments.

" The Minister and by special order - The General Director -

" P. Exarchakis.

"MINISTRY OF FINANCE
"GENERAL ACCOUNTING
"OFFICE

"MONETARY SECTION

" L I S T

" of golden coins and gold registered by virtue
" of Laws 33/1936, 257/1936 and 309/1936

208473

RG 59
Entry GADIIS Tgc
File Tgc Decimal-Gree
Box 13

DECLASSIFIED
NND 968106
Authority
By TI NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

| " Kind | Number | Gold £ |
|---|---|---|
| "Gold Pound Sterling | 523.538 | 523,538.- |
| "Gold Dollars | 108.789 | 22,354.372 |
| "Gold pieces of 20 francs | 165.389 | 131,149.342 |
| "Gold Egyptian Pounds | 68.732 | 69,812.552 |
| "Gold Turkish Pounds | 217.451 | 245,234.262 |
| "Gold Swiss francs | 131.436 | 5,211.273 |
| "Gold French francs | 160.902 | 6,379.563 |
| "Gold Italian Lire | 12.604 | 499.733 |
| "Gold Drachmae (Gr.22.835) | 11.410 | 452.392 |
| "Gold Grammes | 2.088 | 282.422 |
| | | 1,004,913.911 |

The Director General

P. Exarchakis. "

As will be seen, the value of the gold listed is computed in Gold £, the figure mentioned being 1,004,913.911 gold pounds, countervalue of which in kilograms of fine gold = 7,358 kgs.

The list is undated but the letter, dated 11 May, 1948, from the Ministry of Finance, sending the schedule to the Ministry for Foreign Affairs, states that it reflects the position on the eve of the German invasion, that is to say early in 1941, whereas, on Form III of the Commission's Questionnaire, the Government of Greece shows this same gold as having been "registered" as at 12 March, 1938.

The Commission requested verbally that corroborative evidence, in the shape of individual sets of registration forms originating either from the private banks which made the declarations or from the Bank of Greece which received them, should be furnished but none has been produced.

With regard to argument B, namely that, under Greek Law, all the gold in the country belonged to the State, the Commission is satisfied, both from its own investigations and from the verbal declaration made before it by the Delegate of Greece, that it now has before it relevant extracts of all the laws (including the three laws specifically mentioned in the list referred to earlier in this adjudication) and regulations governing the holding and disposal of gold in Greece at the time of the German invasion.

The official certified translations of the above-mentioned relevant extracts are somewhat defective and, in view of this, the Commission has decided that no useful purpose would be served by setting them forth textually.

What these laws and regulations and the verbal explanations of the Delegate of Greece establish, however, is :

208474

RG 59
Entry GRDIIS Tgc
File Tgc Decisions-Greece
Box 18

DECLASSIFIED
Authority NND 968106
By TI NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

A. that "members of the Stock Exchange, Stock Exchange brokers, money changers, money lenders and private banks" were not allowed to hold gold and had to sell it to the Bank of Greece, at current rates, before the 28 August, 1936, failing which they rendered themselves liable to imprisonment and their gold was subject to confiscation.

Gold in this category is not in issue since it was sold to the Bank of Greece before the 28 August, 1936, and must have been incorporated in the normal reserves of the Bank of Greece which, as has already been mentioned, the Government of Greece was able to place in safety before the German invasion.

B. that private persons and firms, other than those listed at (A) above, were allowed to hold gold.

Their position and obligations differed, however, according to whether they had, or had not, a "safe deposit box" (described hereafter as a "safe").

(i) If they had no safe, they could hold gold where they liked in their homes or places of business, but they were not free to dispose of it except to the Bank of Greece.

(ii) (a) If they had a safe, they were obliged to open it before the 30 November, 1936 (the original date was 30 September, 1936, but it was later extended to the 30 November, 1936) and to declare the gold contents of the safe to the Bank of Greece. Provided they did this, they were allowed to retain and hold the gold and even to remove it to their homes and places of business, but they were not allowed to dispose of it except to the Bank of Greece.

(b) If they did not open their safes within the time-limits imposed by law, the safes were "sealed" and later "unsealed" by committees composed of officials who inventoried their contents and delivered any gold found to the Bank of Greece, who acquired it, crediting the lessees of the safe with the corresponding value in drachmas (banknotes) at current rates. There was no option. This forced sale was a penalty for non-observance of the law.

Gold in the latter category, B (ii) (b), is not in issue since it was, no doubt, incorporated in the Bank of Greece's gold reserves which were saved.

With regard to argument C, namely that the Government of Greece has proved that an amount exceeding 7,358 kgs of fine gold was looted by Germany from the Greek population, the Government of Greece has furnished three main sets of documents.

208475

RG 59
Entry GARIIS Loc
File Tgc Decisions-Greece
Box 13

DECLASSIFIED
AUTHORITY NND 968106
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The first set purports to establish that 772 kgs of fine gold were looted from private persons. The evidence supplied is in the form of statements on oath made by the persons who were the victims of the seizures. Some of these statements are confirmed by third parties, but these are very rarely eye-witnesses and usually know of the case only by hearsay and are generally either relatives or friends of the victims. In no case has one of these private claimants been able to produce a receipt from the Germans. M. Athanase Lucas Crystallis, alone, has submitted a certified translation (not the original) of a letter from the German Military Commander stating that "the monetary gold coins seized at your hands are considered as war prize". The letter does not, however, mention the amount seized.

None of the above-mentioned statements indicates that the gold was seized in safes rented in private banks (which would imply that the gold seized had been declared to the Bank of Greece and registered) or that the gold had been declared to the Bank of Greece and was registered, or that the gold was the property of the State and did not form part of the personal assets of the person from whom it was seized.

The second set of documents purports to establish that certain other quantities of gold were seized by the Germans.

Among the documents furnished are reports by 18 police officers from Salonica, declarations made during the trials of collaborators, notes drawn up by the Jewish Communities and extracts from a book by Rabbi Melho.

These statements contain many details as to the persecution of the Jews in Greece and refer to the seizure of gold ornaments, gold teeth and sundry coins. With regard to the coins, though in most cases their number is given, the type is not always indicated and the weight never given.

It is impossible to check, on an accounting basis, the amount of fine gold said, in these statements, to have been seized. The amount, moreover, would only represent a very small fraction of the total amount claimed by the Government of Greece.

The third set of documents purports to establish that "under the circumstances, the quantity of monetary gold seized by the "German authorities in Greece, only amongst the Jews of the country, "amply exceeds 2,000,000 Turkish pounds, representing an imposing "mass of more than twelve tons of fine gold."

The main document is an estimation based on certain calculations made by M. Nehama, a Greek historian, as follows :

"To get an idea of the coined gold in almonds and armlets emanating "from coined golden pieces detained by the Jews of Salonica when the "German occupation started, the following schedule may be quoted "without any danger of deviating sensibly of reality :

208476

RG 59
Entry GADIIS Loc
File Tgc Decisions-Greece
Box 13

DECLASSIFIED
AUTHORITY NND 968106
By TU NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| " 100 | families | possessing | each | an | average | of | 1000 £ | Ie. | 100,000 |
| " 600 | " | " | " | " | " | " | 500 £ | " | 300,000 |
| "3000 | " | " | " | " | " | " | 250 £ | " | 750,000 |
| "4000 | " | " | " | " | " | " | 100 £ | " | 400,000 |
| "5000 | " | " | " | " | " | " | 50 £ | " | 250,000 |
| | | | | | | | Turkish pounds : | | 1,800,000 |

". . . . . .

" The armlets, considering their origin constituted "a real stock of monetary gold kept for hard or difficult "times. It can be estimated that 18,000 persons of the "fair sex, at the least, possessed a pair of armlets of an "average price of T. £ 25, i.e.

"upon the whole ..... 450,000

" The monetary gold kept by the Jews reads, therefore T.£.2,250,000
" a total of..... ==========

". . . . . .

" All these reserves have been destroyed with the German persecutions "and the deportations in mass of the Jews. It can be estimated that at "least the three quarters of this gold have been confiscated by the "Germans, . . . . . .

" To the foregoing has to be added the stock of dental gold "from 62,500 Jews of Greece, gassed and incinerated in the equipments of "the camp of death. It is not exaggerated to estimate to 100,000 "Turkish pounds the amount of gold extirpated from the maxillaries from "dead persons, at the time of their cremation. This very dental gold was "carefully casted in ingots of hexagonal shape, prepared by goldsmiths "(two French deportees) operating into a dispensary next the crematoria.

" What we quote for Salonica applies likewise for all the "Jewish agglomerations of Greece and more especially for Janina where "amongst the 400 families were in their ranks somewhat 20 families of "very wealthy people. The gold plundered by the Germans in Janina may "be easily estimated to 200,000 Turkish Pounds. The monetary gold "confiscated by the Germans in the other localities of Greece amongst "the Jewish population, may be estimated at 300,000 Turkish pounds "gold.

" Under the circumstances, the quantity of monetary gold "seized by the German authorities in Greece, only amongst the Jews of "the country, amply exceeds the 2,000,000 Turkish Pounds, representing "an imposing mass of more than twelve tons fine gold".

208477

RG 59
Entry GADIIS Toc
File Toc Decisions-Greece
Box 13

DECLASSIFIED
ANNO 901896
AUTHORITY NARA Date 12/9/93
By TJ

REPRODUCED AT THE NATIONAL ARCHIVES

Such are the facts connected with Claim (c).

The issues before the Commission are :

1. Has the Government of Greece, in fact, established that 7,358 kgs of gold were "registered", and, if so,

2. can the gold thus registered be considered to have formed part of Greece's monetary reserve and, if so,

3. has the Government of Greece established that this gold was looted within the meaning of Part III of the Agreement ?

With regard to the first and second issues, the Commission having regard to the fact that most of Greece's official records were destroyed, is inclined to accept the list which was annexed to the letter of 11 May, 1948 from the Minister of Finance of Greece, as proof, despite its imperfections, that 7,358 kgs of gold were, in fact, registered, but it cannot accept the contention that the registration had the effect of making the gold "State gold", or "Governmental gold" or that "through the registration, the gold became the property of the State". This contention is not borne out by any of the relevant documents. The official translation of the list already referred to describes the gold as having been "registered" by virtue of the laws. The only obligation imposed by the laws themselves, as is clear from the official translations, was to "declare" the gold. It is the Commission's view that what happened was that the gold was merely declared by the holders and registered by the Bank of Greece, a common practice under the regulations in force in many countries at that time. The Commission, further, holds that the registration can only have been in the names of the declarants, that is to say, the holders of the gold. The latter were under no obligation to deliver it. They were, in fact, legally entitled to retain it and there is no doubt in the Commission's mind that they did retain it. What they could not do was to dispose of their gold except to the Bank of Greece, but the Commission is equally convinced, from a perusal of the laws, that such gold as was voluntarily sold to the Bank of Greece was incorporated, prior to the invasion of Greece, in the normal gold reserves of the Bank of Greece, which, as has already been mentioned, were saved, and never formed part of the 7,358 kgs of gold subject of the present adjudication. These 7,358 kgs were never acquired by the Bank of Greece and consequently never became the property of the Bank. The gold making up this amount remained in the hands of declarants in all parts of the country. It follows that the gold could not have been registered in any other names than those of the declarants.

The Commission cannot but conclude, in the circumstances, that the gold in question cannot be held to have been "monetary gold belonging to Greece".

But, even if the Government of Greece had established that the 7,358 kgs of fine gold registered in the circumstances described constituted "monetary gold belonging to" it, it has failed to produce any proof that this identical gold was looted by, or wrongfully removed to, Germany.

208478

RG 59
Entry GRDIIS Loc
File Tgt Decisions-Greece
Box 18

DECLASSIFIED
NND 968106
AUTHORITY
By TU NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

The only detailed and verifiable data produced are the declarations made by the victims themselves in respect of gold amounting in all to 772 kgs, but not one of the victims, who are all private persons, mentions that the gold had been declared and registered, or that the gold was the property of the State and did not form part of the personal assets of the persons from whom it was seized.

The Commission is willing to concede that the 772 kgs of gold in question were looted from private persons by the Germans, but there is not even a beginning of proof that any of the gold was ever registered in such a way as to have formed part of the 7,358 kgs in question.

The rest of the documentation furnished by the Government of Greece, such as the estimation made by M. Nehama quoted earlier in this adjudication, or the reports of the 18 Police Officers of Salonica, establishes a fact which is not disputed by the Commission, namely, that the Greek population suffered extreme hardship at the hands of the German authorities and that such private property, including gold, was, in fact, looted by the Germans, but there is nothing whatsoever in any of the documents submitted even tending to indicate that any of the gold thus looted from private persons was "registered" gold, forming part of the 7,358 kgs.

To sum up, the Commission, whilst appreciating the difficulties with which Greece is confronted, cannot but conclude :

1. that the Government of Greece has failed to establish that the 7,358 kgs of gold registered in the circumstances described constituted monetary gold belonging to it within the meaning of Part III of the Agreement, and

2. that the Government of Greece has, further, failed to establish that any of the gold thus registered was, in fact looted.

It is clear from all that precedes that the Government of Greece has endeavoured to present its claims within the framework of the Commission's definition of monetary gold and to demonstrate (1) that there was a definite amount of gold carried in the books of Greece's Central Bank, (2) that this gold was monetary gold within the meaning of the definition and (3) that the circumstances were such that this same gold should be considered as having been looted by the Germans.

The Government of Greece's reserves regarding the definition of monetary gold would appear to be irrelevant in the circumstances of the present claim for the relevant portions of Part III of the Agreement read :

> "All the monetary gold found in Germany .....
> ".....
> "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".

208470

RG 59
Entry GADIIS Tgc
File Tgc Decisions-Gree
Box 18

DECLASSIFIED
NND 968106
AUTHORITY
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

"A proportional share of the gold shall be allocated to "each country concerned ..... which can establish that " a definite amount of monetary gold belonging to it was "looted by Germany or ..... wrongfully removed into "German territory".

"The various countries participating in the pool shall "supply..... detailed and verifiable data regarding "the gold losses suffered....."

The Commission holds that the above texts can only mean one thing. In order to succeed, a Government (for only Governments can claim) entitled to claim, must prove, by means of detailed and verifiable data, that a definite amount of gold belonging to a Monetary Authority of the State, as opposed to privately owned gold, was looted by Germany.

It has already been demonstrated that the Government of Greece has failed to prove that any of the gold referred to belonged to a Monetary Authority of the State and it has further failed to prove that a definite quantity of the particular gold referred to was looted.

The Commission is of the opinion that, from whatever angle this claim is considered, it must fail.

. . .

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

The Royal Hellenic Government has established before the Commission, under Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946 its claim up to an amount of 83.7330 (Eighty three.7330) kilograms of fine gold. A share of the pool of monetary gold established pursuant to the above-mentioned Agreement and administered by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and of France, is therefore allocated to the Royal Hellenic Government, pro rata to this established loss.

The Royal Hellenic Government has not established before the Commission, under Part III of the above-mentioned Agreement the balance, amounting to 7,358.0014 (seven thousand three hundred and fifty eight.0014) kilograms of fine gold of its claim. No share in the pool of monetary gold can, therefore, be allocated to the Royal Hellenic Government in respect of the said balance.

208480

RG 59
Entry GADIIS Tec
File Tec Decisions-Greece
Box 18

DECLASSIFIED
AUTHORITY NND 968106
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

Done in duplicate, in Brussels, on this ninth day of June nineteen hundred and fifty-eight, in the English and French languages, the two texts, one set of which shall be deposited in the archives of the Government of the French Republic, being equally authentic.

Richard B Freund
Commissioner of the Government of the United States of America.

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

Jacques Lacoste
Commissioner of the Government of the French Republic.

John Watkins
Secretary General.

208181

RG 59
Entry GADIIS Tlcc
File Tlcc Decisions-Green
Box 13

DECLASSIFIED
NND 968106
AUTHORITY
BY TU NARA DATE 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

(5)
D-5

SECRET

DENY

ADJUDICATION

BY THE TRIPARTITE COMMISION FOR THE RESTITUTION OF MONETARY GOLD

ON A CLAIM SUBMITTED BY THE ROYAL HELLENIC GOVERNMENT

FOR THE RESTITUTION OF 7,441.7344 KGS OF FINE GOLD

---

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY U Smith DATE 7/10/85
Appellate Serv, OADR
RDS [ ] OR XD [ ] EXT. DATE
TS AUTH. [illegible] REASON(S)
ENDORSEMENT ISSUING MARK [ ]
DECLASSIFIED [ ] DECLASSIFIABLE [ ]
RELEASE DENIED [X]
FA or FOI EXEMPTIONS (b-1)(A-3-5)

208182

SECRET

RG 59
Entry GRDIIS Ice
File Tgc Decision-Gree
Box 13

DECLASSIFIED
NND 968106
AUTHORITY
By TJ NARA Date 12/9/99

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13

D-1C

SECRET

DENY

A D J U D I C A T I O N

BY THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

ON A CLAIM SUBMITTED BY THE GOVERNMENT OF CZECHOSLOVAKIA

FOR THE RESTITUTION OF 45,008.2784 KGS OF FINE GOLD

---

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY D. Smith DATE 7/1/85
Upgraded to Secret, OADR
RDS☐ or XDS☐ EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☒
PA or FOI EXEMPTIONS (B-1), (A-2,5)

SECRET

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13

# ADJUDICATION

by the Tripartite Commission for the Restitution of Monetary Gold (hereafter described as "the Commission"), having its seat in Brussels, 155 rue de la Loi, pursuant to Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946 (hereafter described as "the Agreement") and the Commission's Terms of Reference published, on 29 September 1946, in the Department of State Bulletin and, on 27 September 1946, in the London Gazette and the Journal Officiel de la République Frangaise, on a claim submitted, pursuant to the above-mentioned Agreement and Terms of Reference, by the Government of Czechoslovakia, for the restitution of 45,008.2784 (forty five thousand and eight.2784) kilograms of fine gold.

The Commission, on 13 March 1947, wrote, pursuant to the Agreement and Terms of Reference, to the Delegates to the Inter-Allied Reparation Agency, in Brussels of the Governments of Albania, the United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxemburg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, who were signatories to the Agreement and also, with certain reserves, to the Representatives in Brussels of the Governments of Austria, Italy and Poland, who were not signatories to the Agreement, (but adhered respectively by Protocols signed in London on 4 November 1947, 16 December 1947 and 6 July 1949, to the arrangement for the restitution of monetary gold set forth in Part III of the Agreement), advising them of the setting up of the Commission and informing them of the texts and principles which would govern the work of the Commission and enclosing a Questionnaire, with a request that it should be completed and returned by those Governments claiming a share in the pool of monetary gold set up under Part III of the Agreement.

The Government of Czechoslovakia returned the Questionnaire, completed, together with some supporting documentation on 30 April and 5 August 1947.

Further proofs of ownership and looting or wrongful removal were forwarded, by the Government of Czechoslovakia, under cover of a letter dated 30 October 1947 in compliance with a request of the Commission, dated 6 October 1947. An analysis of the data furnished by the Government of Czechoslovakia showed that that Government's claim was sub-divided into four parts:-

a) in respect of gold transferred to the Reichsbank in Berlin after the Munich Agreement in proportion to the territories yielded in October 1938 (Sudetenland);

b) in respect of gold, held outside the country, credited, in March 1939, to the account of the Reichsbank on orders given, under duress, by the National Bank of Czechoslovakia, whose competence, as will be seen later,

DECLASSIFIED
Authority NND 968106
By SIH NARA Date 8/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



was limited, by German decree of 31 March 1939, to the so-called "Protectorate of Bohemia and Moravia", which, at the same time changed the Bank's title to that of "National Bank of Bohemia and Moravia". The remainder of Czechoslovakia, that is to say Slovakia was converted into a so-called "independent State" in which there was set up a new Bank designated : "National Bank of Slovakia";

c) in respect of gold coins forcibly yielded by the National Bank of Bohemia and Moravia, referred to above, which purported, as has been seen, to continue the statutory functions of the National Bank of Czechoslovakia in the Protectorate of Bohemia and Moravia;

d) in respect of gold "administered" by the Skoda and Zbrojovka A.S., yielded to the Reichsbank after collection by the Bank of Bohemia and Moravia.

Supplementary data was requested by the Commission on 8 December 1947, and the Government of Czechoslovakia replied, on 3 February 1948, forwarding proofs of ownership and of transfer of the gold claimed under (a) and, on 12 January 1948, furnishing information concerning claims (b) and (d).

Meanwhile, on 11 December 1947, the Commission had requested a detailed explanation regarding certain gold acquired during the occupation and placed to the credit of the National Bank of Slovakia in Switzerland, regarding the functioning of the various accounts through which this gold had passed and regarding the constitution of the two banks, the National Bank of Bohemia and Moravia and the National Bank of Slovakia. The Government of Czechoslovakia furnished these explanations, with supporting evidence, by letter dated 16 February 1948.

By letter dated 18 February 1948, the Commission requested supplementary information regarding certain credits given by the Germans for gold and regarding the status and activities of the National Bank of Bohemia and Moravia and the National Bank of Slovakia and this was furnished by the Government of Czechoslovakia by letter dated 9 April 1948.

On 10 April 1948, the Commission requested an explanation as to how the gold in the possession of the Skodaworks came to be held by that firm and had never been shown in the accounts of the National Bank of Czechoslovakia. The Government of Czechoslovakia forwarded a detailed memorandum, dated 3 June 1948, with supporting documentation.

By letter, dated 13 May 1948, the Commission requested further information regarding the negotiations with Germany pursuant to which the "Sudeten gold cover" had been yielded and the Government of Czechoslovakia furnished this information, by letter dated 14 July 1948, supported by documents.

With regard to the sales of gold to the Reichsbank, Berlin and the re-purchases which had enabled the National Bank of Slovakia to acquire gold in Switzerland, the Government of Czechoslovakia forwarded information on 16 February 1948 and it completed this information by a detailed memorandum on this subject, on 29 March 1949, giving details of the purchases and sales, with copies of the relevant accounts.

By letter, dated 5 June 1950, the Government of Czechoslovakia forwarded, in response to a request of the Commission, copies of the various pre-war foreign exchange regulations which governed, inter alia, the holding of gold by the Skodaworks.

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



Finally, in response to an invitation from the Commission, the Government of Czechoslovakia designated two Representatives, Mr. Julius Hajek and Dr. Popel, who appeared, on 21 November 1951, before the Commission, for the purpose of clarifying certain points.

These representatives were questioned by the Commission and, as agreed in the course of the meeting, the Government of Czechoslovakia forwarded, on 28 January 1952, balance sheets of the National Bank of Bohemia and Moravia and of the National Bank of Slovakia as at 15 March 1939 and 23 March 1939, and copies of certain correspondence exchanged between the Government of Czechoslovakia and the Government of Switzerland and the Swiss National Bank from May 1946 to December 1946, regarding the return to Czechoslovakia of gold which accumulated, during the war, to the credit of the account of the National Bank of Slovakia at the Swiss National Bank. The correspondence between the two Governments also referred to a quantity of 200 odd kilograms of gold which was returned to Czechoslovakia by the Bank for International Settlements.

The Commission considers it appropriate to make clear that the date, 12 March 1938, which is the date mentioned in Paragraph C. of Part III of the Agreement, was the date of the frist German aggression against a sovereign state Austria, and that the claims of Czechoslovakia arise from what may be described as the second German aggression against an independent sovereign state. This aggression against Czechoslovakia was in two parts and two dates are relevant, 29 September 1938, the date of the so-called Munich Agreement, and the 15 March 1939, the date of the forcible liquidation by Germany of what was left of the independent Czechoslovak State after the Munich Agreement, by the incorporation of Bohemia and Moravia in the German Reich in the guise of a German "Protectorate", and the creation of a so-called "independent" or "free" State of Slovakia. The Commission must, therefore, consider these claims as within its scope. The consequences of this German aggression against Czechoslovakia were not entirely similar to the consequences of the subsequent aggressions against Belgium, Holland and other countries which were the occupation of the country following on the defeat and surrender of the armed forces of these countries.

The Munich Agreement was an agreement to which Czechoslovakia was not a party, and Czechoslovakia, in regard to any action which she is purported to have taken vis-à-vis Germany as a consequence of the Munich Agreement, claims to have acted under duress. A fortiori, duress is claimed to apply to any action which Czechoslovakia is purported to have taken as a result of the events of the 15 March 1939.

The claims put forward by the Government of Czechoslovakia all stem from action which, it is alleged by that Government, the National Bank of Czechoslovakia (the Central Bank of the Czechoslovak State) called by the Germans "the National Bank of Bohemia and Moravia", was compelled to take under duress by the German Government, in respect of the gold which the Government of Czechoslovakia alleges was held or potentially held by the Bank as part of the monetary reserve of the Czechoslovak State, and which resulted in this gold being wrongfully removed to Germany.

The total claim of the Government of Czechoslovakia is for 45,008.2784 kgs of fine gold and may be sub-divided into four parts in chronological order with respect to the date of removal to Germany.

a) 14,536.2010 kgs of fine gold transferred to the Reichsbank in Berlin from the National Bank of Czechoslovakia at Prague via Brussels and Berne.

208486

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



b) 23,087.3040 kgs of fine gold held by the Bank of England on account of the Bank for International Settlements for the account of the National Bank of Czechoslovakia, and transferred to the credit of Reichsbank in Berlin.

c) 6,375.8588 kgs of fine gold representing gold coins held in the vaults of the National Bank of Bohemia and Moravia at Prague and transferred to the Reichsbank in Berlin.

d) 1,008.9146 kgs of fine gold "administered" by Skodaworks and Zbrojovka A.S., and transferred to the Reichsbank, Berlin, after collection by the National Bank of Bohemia and Moravia at Prague.

Claim (a) is a claim on account of action which the National Bank of Czechoslovakia was compelled by the Germans to take in pursuance of the "Munich Agreement", and claims (b), (c) and (d) are claims resulting from action which the National Bank of Czechoslovakia, whose name was changed, as has already been explained, to that of "National Bank of Bohemia and Moravia", was compelled to take following upon the events of the 15 March 1939, (the creation of the German Protectorate of Bohemia and Moravia and of the German satellite, the so-called Independent or Free State of Slovakia.)

In order to make the narrative and sequence of events clear, the Commission considers it necessary to explain now the status of the three Banks to which reference is made. These are the National Bank of Czechoslovakia, the National Bank of Bohemia and Moravia and the National Bank of Slovakia. The National Bank of Czechoslovakia was the Central Bank and Bank of Issue of the Czechoslovak State holding under its statutes a reserve including a gold reserve to cover the Czech crown note issue of the Czechoslovak State. After creating the so-called Protectorate of Bohemia and Moravia within the framework of the Reich and the so-called Independent State of Slovakia, the Germans issued a decree, which was dated 31 March 1939 and entered into force on 7 April 1939, abolishing the National Bank of Czechoslovakia's powers and privileges outside the territory of the Protectorate, with retrospective effect from 13 March 1939, and changing its name to that of "National Bank of Bohemia and Moravia". In Slovakia, the so-called Government of Slovakia created, by decree dated 4 April 1939, a "National Bank of Slovakia". How this was done can best be described by quoting the following relevant passages from the Government of Czechoslovakia's letter of 9 April 1948:- (1)

" After the occupation of the territory of the Czechoslovak Republic, "that is to say after 15 March 1939, and after the setting up both of the "so-called "Protectorate of Bohemia and Moravia" incorporated into the Reich, "and of the Slovak State, the monetary relations of these two States were "settled in the following manner:

" (a) The competence of the National Bank of Czechoslovakia with its "head office in Prague formed the subject of a Governmental Decree, dated "31 March 1939, No. 96 of the Code of Laws and Decrees, which entered into "force on 7 April 1939.

" Paragraph 1 of this Decree stipulates that:

---

(1) The passages quoted here are from an English translation, made by the Commission's expert translators, of the original text which was in French. Where there figures no indication to the contrary, passages quoted are from the official certified translations, furnished by the Government of Czechoslovakia, of the original texts.

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

TGC
9-96-59
2D 115 Box 13



"" 1. The competence of the National Bank of Czecho-
""slovakia (paragraph 54 of the Law of 14 April 1920,
""No.347 of the Compendium of Laws and Decrees) over the
""joint stock Bank of Issue is abolished as from 13 March
""1939, inclusive, in the territory outside the Protectorate
""of Bohemia and Moravia. On the same date, the rights and
""obligations of the officials of the Bank who are domiciled
""outside the territory of the Protectorate are to be con-
""sidered as cancelled.

"" 2. The title of the Bank becomes "National Bank of
""Bohemia and Moravia in Prague".

"" 3. Its competence covers the territory of the
"" Protectorate of Bohemia and Moravia"".

" The text of this law shows clearly that the National
"Bank of Czechoslovakia continued to function even after
"15 March 1939, under the title of National Bank of Bohemia
"and Moravia in Prague; its competence was restricted to
"the territory of the Protectorate of Bohemia and Moravia.
"All the accounts in the name of the National Bank of
"Czechoslovakia in Prague with its correspondents abroad,
"including its accounts with the Reichsbank, remained, even
"after 15 March 1939, the property of the National Bank of
"Czechoslovakia, of Prague, which became the Bank of Bohemia
"and Moravia in Prague after 7 April 1939.

" (b) For the territory of the Slovak State, the Decree
"of the Slovak Government, dated 4 April 1939, No.44 in the
"Slovak Code, set up the National Bank of Slovakia with its
"head office in Bratislava; as a joint-stock corporation.

" The National Bank of Slovakia in Bratislava took over
"the assets and liabilities of all the branches of the
"National Bank of Czechoslovakia in Prague located in the
"territory of the Slovak State as well as all bank notes
"issued by the National Bank of Czechoslovakia which were in
"circulation in the territory of the Slovak State. The
"branches of the National Bank of Czechoslovakia had no assets
"or liabilities abroad.

" After the withdrawal of the bank notes, issued by the
"National Bank of Czechoslovakia, in circulation in the
"territory of the Slovak State and after the amount of the
"compensation due on this account by the National Bank of
"Czechoslovakia, or rather by the Bank of Bohemia and
"Moravia in Prague, had been determined, a balance sheet of
"the credit and debit of the National Bank of Bohemia and
"Moravia vis-à-vis the National Bank of Slovakia was drawn
"up by the latter.

" The settlement of the balance in favour of the National
"Bank of Slovakia formed the subject of a special agreement.

" The National Bank of Slovakia took over none of the
"accounts of the National Bank of Czechoslovakia maintained
"with its correspondents abroad.

" All these accounts, as I have already mentioned,

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



"remained the property of the National Bank of Bohemia and "Moravia and continued to appear in its books.

" With regard to the way in which the National Bank of "Czechoslovakia, that is, the National Bank of Bohemia and "Moravia in Prague, could have had free access to the sums "credited to its account at the Reichsbank, may I once again "stress the fact that formally and theoretically the National "Bank was able to have free access to its account without "any special restrictions.

" However, as the whole of the administration of the "National Bank was under the control of the Special Agent of "the Reichsbank and a Representative of the Ministry of "Economy of the Reich, it was not the officials of the "National Bank of Bohemia and Moravia in Prague who in "practice decided how these accounts should be used.

" 4. After the liberation of the Republic of "Czechoslovakia, the title of the National Bank was again "changed and it became once more the National Bank of "Czechoslovakia.

" In the territory of the Slovak State, the National "Bank of Slovakia continued to operate.

" By decree of the President of the Republic, dated "19 October 1945, No. 139 of the "Code of Laws and Decrees", "the National Bank of Slovakia was amalgamated with the "National Bank of Czechoslovakia and its head office in "Bratislava became the regional institute of the National "Bank of Czechoslovakia. Thus the scope of the National "Bank of Czechoslovakia was once again extended to the whole "territory of the Czechoslovak Republic.

" Paragraph 5 of the above-mentioned decree authorises "the Czechoslovak Government to carry out the fusion of the "assets of the two parts of the Bank of Issue.

" On 11 March 1948, the National Assembly of the "Czechoslovak Republic voted a new law in respect of the "National Bank of Czechoslovakia. Under this law, the "National Bank lost its character of a joint-stock company "and became a State Corporation.

" In paragraph 39 of the above-mentioned law, it is stated "that, on the day of entry into force, all assets and "liabilities as well as business in hand and the balance "sheets of the National Bank of Czechoslovakia, constituted "as a joint-stock company, would be transferred under an act "of succession and without any kind of liquidation to the new "National Bank of Czechoslovakia".

This same letter also states :

" Decisions relating to all operations of the National "Bank of Czechoslovakia in gold and foreign currency, as "indeed was the case with the whole administration of the "Bank, were under the control, during the occupation, of a "special agent of the Reichsbank (Sonderbeauftragte der "Deutschen Reichsbank bei der Nationalbank fur Bohmen und

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND 3-59-96-59
Lot 62D 115 Box 13



"Mahren in Prag, Reichsbankdirektor Dr. Muller) and of a representative "of the Ministry of Economy of the Reich (Regierungsrat Dr. Winkler).

" These gentlemen, whose offices were located in the premises "of the National Bank, took sovereign and final decisions with regard "to all the operations of the National Bank."

The National Bank of Bohemia and Moravia, therefore, purported to continue the statutory functions of the National Bank of Czechoslovakia in so far as the Protectorate of Bohemia and Moravia was concerned, while the National Bank of Slovakia was a completely new creation taking over what had been the functions of the National Bank of Czechoslovakia in Slovakia.

It is the view of the Commission that the National Bank of Bohemia and Moravia was German controlled from 13 March 1939 and that the National Bank of Slovakia was also German controlled, through the so-called Government of Slovakia, from its inception and that whatever the language used in the German decree laying down the rules which would henceforth govern the former and in the "Slovak" decree creating the latter, they must be held to have been mere instruments, forcibly introduced, for the furtherance of German monetary policy, in what had been Czechoslovakia, in the place of that which had been applied, prior to the events of 15 March 1939, by the Government of Czechoslovakia and the National Bank of Czechoslovakia. The fact that, on the liberation of Czechoslovakia and reconstitution of the former Czechoslovak State as it was before October 1938, the name of the National Bank of Bohemia and Moravia was changed to that of "National Bank of Czechoslovakia" and that the latter bank subsequently absorbed the National Bank of Slovakia, and was able to obtain restitution of certain assets of that Bank held abroad, does not affect the position between 13 March 1939 and the liberation, which was that which is described above. The origin, nature and disposition of the various accounts in which the Reichsbank held gold for the National Bank of Bohemia and Moravia all reflect the Reich's effort to preserve the fiction of its autonomy by superficial observance of the formalities of legitimate dealing with a truly independent Central Bank, but, in fact, the direct control exercised by the Germans in Prague is shown by the allegedly independent central Bank requiring, in respect of operations, the consent of the Reichsbank director, installed in Prague after its occupation as "Special Agent" of the Reichsbank.

The Commission also considers it necessary to explain what was the de facto political and economic situation in the so-called German Protectorate of Bohemia and Moravia from 15 March 1939, until the liberation. Theoretically, Bohemia-Moravia, that is to say the old Bohemia and Moravia of the former State of Czechoslovakia stripped of the Sudetenland which had been incorporated into the German Reich, was a separate unit, but a unit of the German Reich for all that, a "Protectorate". A German "Protector" was installed by Hitler with absolute power. He was in fact the governor of a subordinate and practically speaking tributary province of the Reich. Theoretically again the Protectorate enjoyed a measure of economic independence. Its currency was still the Czech crown. It and its state currency appeared to be separate. But this independence was quite illusory and bore no relation to the real facts. All state economic institutions, banks exports and imports and so on were controlled directly by the Germans, reporting to the Protector and to Berlin. There were no customs barriers between the Reich and the Protectorate. The Reichsmark circulated/...

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



circulated freely and in fact by a decree of Hitler, dated 16 March 1939, was effectively the main currency of the Protectorate.

The de facto situation therefore was that during this period Czechoslovakia was a part of Germany and any attempt to imagine that calculations could be made showing that the Czech economy, in Czechoslovakia itself, as a separate economy, after the 15 March 1939, had or had not benfited would be otiose. Politically and economically, everything that was done during this period was for the benefit of Germany and enforced by Germany in a de facto portion of Germany. No isolated economic acts can be cut out from this general picture.

The Commission has now to consider in detail the four parts into which the claim of the Government of Czechoslovakia has been divided.

A) 14,536.2010 kgs of fine gold representing 579.8323 kgs of fine gold held by the National Bank of Czechoslovakia with the National Bank of Belgium, 1,468.3578 kgs of fine gold held by the National Bank of Czechoslovakia with the Bank for International Settlements at Berne, and 12,488.0109 kgs of fine gold held with the Swiss National Bank at Berne, orders for the Transfers to the Reichsbank at Berlin being issued by the National Bank of Czechoslovakia on the 7 March 1939, and the transfer accomplished on the 8 March 1939.

In their reply to the Commission's letter and Questionnaire of the 13 March 1947, the Czech Government state their claim to be for gold owned by the National Bank of Czechoslovakia in Prague consisting of:- 1185 ingots of a total gross weight of 14,789.3073 kgs and of a total fine weight of 14,536.20105 kgs. (It will be observed that the Government of Czechoslovakia has computed its claim to five decimal points whereas the Commission has, in accordance with its usual practice, limited the figures it has quoted throughout this adjudication to four decimal points).

The circumstances under which the looting or wrongful removal took place, they describe as follows:- (1)

" After the cession of the frontier districts to Germany "following the Munich Agreement the Germans substituted the "Czechoslovak notes circulating in these districts by reichsmarks. "The notes were then sent to the National Bank of Czechoslovakia "in Prague who was compelled to credit their total value, i.e. "Kč 1,250.200.000, to a special account entitled "Clearing "Banknote Account of the Reichsbank" together with the balances "of Cheque Accounts of the ceded Branch Offices of the National "Bank of Czechoslovakia amounting to Kč 415,172.35 making a total "of Kč 1.250.615.172.35. For this amount the Germans demanded a "part of the monetary gold reserve of the National Bank of "Czechoslovakia; as a basis for the calculation the Germans took "the figures as stated in the National Bank's weekly return "as of the 15 October 1938, namely:-

| | | |
|---|---|---|
| "Gold..... | | Kč 2.672.963.887 |
| "notes in circulation and Cheque "Accounts balances..... | 8.306.663.710 | |
| "reduced by "Other assets"..... | 1.130.718.762 | Kč 7.175.944.948 |

"so that the required gold cover was 37,25%. The National Bank "of Czechoslovakia conducted protracted negotiations with the "Reichsbank but was unable to obtain recognition of any of its well

(1) Stops and commas appear to have been used indiscriminately in the grouping of figures in the official French and English translations, furnished by the Government of Czechoslovakia. These have been reproduced, exactly as in the original, in all quotations from official translations throughout this adjudication.

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



"founded objections to this demand neither as regards the "total obligation on the title of the notes nor as regards "the gold cover of these notes. The claim to the part of the "Czechoslovak gold was set by the Germans at Kč 465,800.000.

" On the 7 March 1939, the National Bank of Czechoslovakia "had requested by cable the Bank for International Settlements "in Basle to transfer to the Reichsbank from the gold held

| | |
|---|---|
| "at Brussels 47 ingots ..... | 579,83230 kg |
| "at Bern 125 ingots ..... | 1,468.35784 kg |
| "and at the same time requested the Banque "Nationale Suisse to transfer to the Reichsbank "from the gold held at Bern 1013 ingots ..... | 12,488.01091 kg |
| fine weight | 14,536.20105 kg |

" The order was executed on the 8 March 1939".

Later, in addition to other information on this subject given in its letters of the 3 February and the 14 July 1948, the Government of Czechoslovakia furnished a copy of the agreement upon the outcome of negotiations conducted between the representatives of the Reichsbank and the representatives of the National Bank of Czechoslovakia in Berlin in the period from 28 February to 4 March 1939, relating to the redemption of Czech banknotes withdrawn from circulation in the Sudeten area and the claim of the Reichsbank resulting from balances in Bankers' accounts, a translation of which reads as follows:-

" The following has been agreed between the Reichsbank and "the National Bank of Czechoslovakia:

" 1) The Reichsbank has withdrawn Czechoslovak banknotes "from circulation to the amount of K 1,250.2 millions, "replacing them and a sum of K 0,4 million from Bankers' "accounts by Reich banknotes.

" 2) As a result of previous negotiations carried on both "orally and in writing in respect of the redemption of the "said Czechoslovak banknotes and of the claim of the Reichsbank "arising from balances in Bankers' accounts, an agreement was "reached to settle the question directly between the two Banks "of Issue on the basis of the Statement of the National Bank of "Czechoslovakia of 15 October 1938.

" 3) After examining different suggestions and views the "Reichsbank presented a demand that the Czechoslovak banknotes "which it had withdrawn from circulation be entirely made good "in international values, i.e. in gold and foreign exchange.

" In a forthcoming manner the Reichsbank has however declared "itself ready to accept as satisfactory a certain minimum "factual share in the gold and foreign exchange reserves, and "the remainder by way of a credit entry in the books of the "National Bank of Czechoslovakia.

" 4) The Reichsbank has fixed the share in gold and foreign

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



"exchange as mentioned in the foregoing paragraph on the basis "of the gold cover percentage shown in the statement of the "National Bank of Czechoslovakia of 15 October 1938. At the "same time however the Reichsbank has added to the currency gold "reserve as thus stated an amount of 335,5 million K marked as the "reserve cover for meeting obligations in gold so that the share "of gold claimed by the Reichsbank has now been increased to 37,25% "and in relation to the banknote circulation ascertained in the "Sudeten area involves the sum of K 465,8 millions.

" The portion to be paid in foreign exchange has been calculated "by the Reichsbank on the basis of the relation of the stock of "foreign exchange, shown in the statement of the National Bank of "Czechoslovakia, to the total of Czechoslovakian banknotes in "circulation and of Bankers' balances with the National Bank of "Czechoslovakia, and under the same proportional relation to the "volume of circulation shown in the Sudeten area is thus fixed at "the sum of K 15,2 millions.

" In the aggregate the Reichsbank therefore requests the sum "of K 481 millions in international values, i.e. in gold and "foreign exchange.

" 5) The representatives of the Czechoslovak National Bank, "who argued that for ascertaining the portion of gold which was to "fall to the Sudeten area only that relation should be decisive "which resulted from comparison of the actual banknote circulation "and Bankers' accounts, unreduced by banknotes issued in exchange "for Treasury notes and coin, with the monetary gold stock stated "in the return, have suited themselves to the request of the "Reichsbank after assurance having been given by the latter that it "is left to the National Bank to settle the remainder, equal to "K 769,6 millions, in a manner taking cognisance of the standpoint "that the banknote circulation should not again be expended by the "withdrawn banknotes.

" 6) For settlement of the remainder, equal to K 769,6 millions "as mentioned in the foregoing paragraph, the Reichsbank reckons "with:

"a) the sums originating from discount and advances against "collateral already placed to the credit of the National Bank of "Czechoslovakia.

"b) those sums yet to come in from Sudeten-German advances on "collateral which were granted by the National Bank of Czechoslovakia "in concert with the Czechoslovak Rediscount and Lombard Bank to "certain Sudeten-German Savings Banks on the basis of pledged "securities, and which have not yet been withdrawn.

"c) compensation, not yet agreed upon, for the taking over of "branch offices of the National Bank of Czechoslovakia by the "Reichsbank.

208493

DECLASSIFIED
Authority NND 968106
By SIM NARA Date 8/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



" Further the Reichsbank is ready to settle surpluses "arising in favour of the Czechoslovak Republic from Clearing "with the German Reich, including the Sudeten area by "transfer to debit of the account set forth in paragraph 7.

" Claims of Czechoslovak nationals within Czechoslovakia "in Sperrmarken against German debitors possessed by them "since the arising of the claims may also be settled to debit "of the account in question.

" The German Reichsbank will to the utmost support the "Czechoslovak National Bank in its endeavours to acquire "and to liquidate the resources above set forth. In "particular it will endeavour to meet the wishes of the "Czechoslovak National Bank in regard to the redemption of "loans granted in the Sudeten area against warrants and "communal obligations in the Sudeten area through the use of "the said account.

" 7) The sum of 481 millions in gold and free foreign "exchange, viz;

" 465,8 million K in gold and
" 15,2 million K in free foreign exchange shall be "paid by the National Bank of Czechoslovakia to the Reichsbank "forthwith. For this purpose 1 kilogram of fine gold shall "be calculated as 32,041.012495995 K.

" The Reichsbank shall then deliver to the Czechoslovak "National Bank the banknotes withdrawn from circulation in "the Sudeten area to the amount of K 1,250.2 millions - "after having previously lodged them at the request of the "National Bank simultaneously with the transfer of gold and "foreign exchange in a special trust deposit account - and "shall also place the claim resulting from balances in "Bankers' accounts at the disposal of the National Bank of "Czechoslovakia.

" The Czechoslovak National Bank shall credit the Reichsbank "with this sum of K 1,250.6 millions in a special account of a "clearing character (conto separato) after deducting the "amount mentioned in paragraph 1. All amounts becoming "available shall progressively be entered to debit of the said "account. These amounts shall be selected by the National Bank "of Czechoslovakia within the scope of the categories, enumerated "in paragraph 6, in such a way that the claim of the Reichsbank "shall be satisfied in the shortest possible time.

" 8) The Agreement of 15 November 1938, providing that the "Reichsbank shall reimburse to the National Bank all sums of "foreign exchange which the latter may have applied for the "benefit of the Sudeten area economy after 1 October 1938, "shall not be affected by the present Agreement.

" 9) The provisions of the present Agreement, which is "binding upon both Banks of Issue, shall without delay be "confirmed by letters to be exchanged between the Reichsbank "and the National Bank of Czechoslovakia.

" Executed in two copies in Berlin on 4 March 1939".

208494

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NN3-59-96-59
Lot 62D 115 Box 13



It is the contention of the Government of Czechoslovakia that these negotiations were the direct consequence of the Munich Agreement to which Czechoslovakia was not a party, and that in consequence her representatives could not do otherwise than give way to the pressure of the German Government and accept the conditions imposed by the representatives of the Reich; that is to say that the agreement regarding the redemption of Czech banknotes in the Sudeten area was negotiated under duress. Further the Government of Czechoslovakia contends that though the German Government turned over to the Government of Czechoslovakia the Czech crown notes for which the gold served as a reserve, the Government of Czechoslovakia received in fact no real or computable compensation for this gold.

Before proceeding to the issues the Commission records that it holds it proved that the National Bank of Czechoslovakia was the owner of the gold and that the gold was part of the monetary reserve of the State. The evidence of ownership of the gold in question consists of photocopies of the books of the National Bank of Czechoslovakia containing details relating to gold held by it up to March 1939 with the Bank for International Settlements, Berne and through the Bank for International Settlements at the National Bank of Belgium, Brussels and with the Swiss National Bank.

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

The actual transfer of the gold to the Reichsbank the Commission also holds proved by:-

1. a certified copy of the confirmation of cable instructions dated 7 March 1939 from the National Bank of Czechoslovakia to the Swiss National Bank to effect transfer of 12,488.01091 kgs of fine gold to the account of the Reichsbank.

2. a photocopy of a confirmation of instructions to the Bank for International Settlements, dated 7 March 1939, to transfer 47 bars held in the name of the Bank for International Settlements with the National Bank of Belgium (containing as shown by a certified translation of a letter, dated 10 May 1939, from the Bank for International Settlements to the National Bank of Slovakia, 579.8323 kgs of fine gold) and 125 bars held in the name of the Bank for International Settlements with the Swiss National Bank, Berne, the latter having a weight of 1,468.3578 kgf.

3. a photocopy of letter from the Swiss National Bank to the National Bank of Czechoslovakia, dated 8 March 1939, advising it of the completion of the transfer, mentioned under (1), to the Reichsbank account.

4. a certified copy of a letter, dated 10 March 1939, from the Bank for International Settlements to the National Bank of Czechoslovakia, advising it of the completion of the transfers, mentioned under (2), to the account of the Reichsbank.

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



The issue before the Commission is, was the removal of this monetary gold to Germany, which the Commission holds proved, looting or wrongful removal of monetary gold within the terms of Part III of the Agreement ?

This depends on the answer to the following preliminary issues :

Firstly, was German action towards Czechoslovakia after the 29 September 1938 such as to destroy the Munich Agreement and, if this is so, can the Agreement regarding the gold cover of the Sudeten notes be regarded as having been imposed by Germany on Czechoslovakia in such a manner as to make Czechoslovakia unable to resist ?

Secondly, even if the Agreement on the gold cover for the Sudeten notes be regarded as having been destroyed, can Czechoslovakia be regarded as having received any real or computable compensation forthe gold which was handed over to Germany?

It is a historical fact which the Commission does not deem it necessary to elaborate that, subsequent to the Munich Agreement, Germany exercised continuous pressure upon the Government of Czechoslovakia. The Agreement itself was specifically violated by the failure of Germany and Italy to give the guarantees of the new Czechoslovak boundaries as required by Annex I, and this pressure and violation culminated in the German invasion of Czechoslovakia on 15 March 1939 and the forcible liquidation of what was left of the Czechoslovak State after 29 September 1938.

The Government of Czechoslovakia, through the official pronouncements of Dr. Benes and others, declared that it considered the Munich Agreement as invalid and not binding on Czechoslovakia:-

"We did not accept, and never will accept, the Munich Agreement. "Everything connected with that Agreement was a violation of "previously existing international agreements and of agreements "affecting ourselves, as well as of all our constitutional and "other internal laws".

Mr. Winston Churchill, speaking for Great Britain, declared on 30 September 1940 that the Agreement had been destroyed by the Germans. This was followed by an exchange of notes in 1942 between His Majesty's Government in the United Kingdom and the Government of the Czechoslovak Republic, in which Great Britain reiterated that the Germans had destroyed the arrangements made at Munich and that the British Government would consider itself free from any engagements with respect to those arrangements.

Likewise, an exchange of notes took place between the French National Committee and the Government of Czechoslovakia in exile on 29 September 1942, in which the French National Committee, repudiated the Munich Agreement and declared :

"that they considered these agreements to be null and void, as also all "acts accomplished in the application or in consequence of these same "agreements".

The United States, for its part, after the seizure of March 1939 refused to recognise the legality of the German occupation of Czechoslovakia.

In view of the above, the Munich Agreement must be considered to have been destroyed by subsequent German action.

The Commission has now to consider whether the Agreement regarding the handing over of the gold of the Sudeten note cover can be held to be void.

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99
RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



The action of Germany in destroying the Munich Agreement does not necessarily invalidate all action that Germany took following on the Munich Agreement. Otherwise, all agreements, however reasonable having regard to the de facto situation between the Government of Czechoslovakia and the German Government regarding the Sudetenland, would be null and void. It could be argued that the agreement to hand over gold must be regarded as a separate transaction, and that the arrangements regarding the gold should be considered as bound up with it. At the time the gold agreement was made, the annexation of the Sudetenland by Germany was a fact and, having regard to the withdrawal of Czech currency and the substituion for it of German currency, it could be urged that the agreement was not in itself intrinsically unreasonable.

But the occupation of the Sudetenland arose from an agreement which was to have mutual obligations, if any at all. The cession of the Sudetenland had been acquiesced in and a proportionate gold compromise agreed upon, subject to German implementation of the agreement and the maintenance of a status quo defined therein. The destruction of the Munich Agreement by the German invasion of March 15th 1939, destroyed any right the Germans may have had towards the gold transfer deriving from an agreement which they had wilfully torn up. During the period 29 September 1938 to 15 March 1939, the Germans exercised such continual pressures and threats, culminating finally in their own abandonment of the conditions of the agreement, that the gold arrangements were rendered null and void. In the opinion of the Commission the removal of the gold became wrongful removal because of the actions of the Germans themselves.

The Commission holds, therefore, that the transfer of this gold to Germany following the agreement regarding the withdrawal of the Sudeten Czech crown notes was looting or wrongful removal within the terms of Part III of the Agreement and it remains only to answer the second issue as to whether Czechoslovakia received any real or computable compensation for the gold so transferred.

The Commission examined this question in detail and at great length, both with regard to the situation immediately after the surrender of the gold to Germany and the situation after the liberation of Czechoslovakia in 1945 when the Sudetenland was reincorporated in the Czechoslovak State. The Commission has already emphasized what was the de facto situation in Czechoslovakia from 15 March 1939 till the liberation. It is impossible to assert that there was any benefit to Czechoslovakia by any financial and economic arrangements which took place during that period unless it is to be found in a subsequent recovery of gold by Czechoslovakia. This question will be examined later. The essential point is that Czechoslovakia lost the gold. Any so-called compensation which Czechoslovakia received from Germany in this connection by the very fact of the German action of 15 March 1939 and the consequences which flowed from it till the liberation, was

PRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99
RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



expended in the German forcible and wrongful occupation and control of Czechoslovakia. In fact, Czechoslovakia lost the ability of using the gold for the purposes for which it would have used it as an independent State. The Commission, therefore, holds that there was no compensation received by Czechoslovakia.

For these reasons the Commission holds that the Government of Czechoslovakia has established that the 14,536.2010 kgs of fine gold subject of this part of the Commission's adjudication constituted monetary gold belonging to Czechoslovakia and that this gold was looted by Germany or wrongfully removed into German territory, within the meaning of the Agreement.

B. 23,087.3040 kgs of fine gold held by the Bank of England on behalf of the Bank for International Settlements, Basle, for the account of the National Bank of Czechoslovakia and transferred to the account of the Reichsbank, Berlin, in consequence of instructions by the National Bank of Czechoslovakia, (whose title, as has already been explained, was later changed to that of "National Bank of Bohemia and Moravia") to the Bank for International Settlements in a letter dated 18 March 1939.

The details of the gold claimed to have been lost are:

1845 ingots, total gross weight : 23,845.15425 kgs; total fine weight : 23,087.3040 kgs.

Particulars regarding the fineness, weight and numbers of the individual ingots have been given by the Government of Czechoslovakia to the Commission and it is not necessary to detail them in this adjudication. The Government of Czechoslovakia, in its letter dated 5 August 1947, describes the circumstances of the loss as follows:-

> " Immediately after the occupation of the remaining parts "of Czechoslovakia by the Germans, the National Bank of "Czechoslovakia received from the occupants a verbal order to "transfer to the Reichsbank, Berlin, the monetary gold held by "the Bank of England on behalf of the Bank for International "Settlements, Basle, for account of the National Bank of "Czechoslovakia. The National Bank of Czechoslovakia, being "unable to oppose the order, requested the Bank for Inter-"national Settlements, Basle, in a letter dated 18 March 1939, "No. 19599, to transfer from the gold held for them by the Bank "of England 1845 ingots total fine weight 23,087.3040 kgs to "the account of the Reichsbank, Berlin.
>
> " The order for this transfer was exacted from the National "Bank of Czechoslovakia under pressure on the part of the "Germans, as it was obviously not in the interests of "Czechoslovakia to have the bulk of their monetary gold held "by the Reichsbank. The British Legation, then still "existing in Prague, was, therefore, secretly informed by "some of the National Bank's officials with a view to causing "the execution of the order to be frustrated in London. In "spite of the fact, however, that the British Authorities "were well aware of this state of affairs - the Chancellor of "the Exchequer admitted so himself in a debate in the House of "Commons -, the order was carried out. The Bank for

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



"International Settlements confirmed the execution of the "order by letter dated 24 March 1939, No. 913162.

" The Reichsbank notified the National Bank of Czecho- "slovakia in a letter dated 12 June 1939, that they had "credited the National Bank's account with 23,087.2932 kgs of "fine gold, replacing at the same time the original 1845 "ingots by others in the number of 1880. Numbers of these "ingots, however, were not stated. The gold was carried "in the books of the Reichsbank under the title "Sonderlagerung"."

The Government of Czechoslovakia has produced photostatic copies of:-

1. The order of the 18 March 1939, to the Bank for International Settlements to transfer 23,100 kgs held at the Bank of England for account at the National Bank of Czechoslovakia to the Reichsbank.

2. The advice of execution from the Bank for International Settlements to the National Bank of Czechoslovakia dated 24 March 1939.

3. Advice from the Reichsbank, dated 12 June 1939, of the receipt of 23,087.3040 kgs of fine gold for safe custody on behalf of the National Bank of Bohemia and Moravia.

and a copy of a letter, dated 13 October 1939, from a former Director of the National Bank of Czechoslovakia, Monsieur Josef Malik, then in Paris, to the President of the Bank for International Settlements in which he stated that the transfer order of 18 March 1939, had been signed under duress and demanded that the remaining assets of Czechoslovakia with the Bank for International Settlements be blocked.

The Commission is satisfied as to the authenticity of these documents.

The Commission is further satisfied that the claim is one in respect of which it is empowered to adjudicate.

The issues before the Commission are:-

1. Was the gold the subject of the present claim "monetary gold" belonging to Czechoslovakia within the terms of Part III of the Agreement?

2. Was this gold looted by Germany or wrongfully removed into German territory?

3. Are there any circumstances which would affect the totality of the claim?

With regard to the first issue, the Commission holds that it is incontestably proved that the gold in question was part of the assets of the National Bank of Czechoslovakia held as part of the cover for the Czech crown note issue in accordance with the statutes of the Bank, and as such belonged to Czechoslovakia within the terms of Part III of the Agreement.

With regard to the second issue, had this gold been physically in the vaults of the National Bank of Czechoslovakia at Prague, the act

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



of the German Government in occupying Prague with their armed forces on the 15 March 1939 and declaring that portion of Czechoslovakia which consisted of Bohemia and Moravia as a German Protectorate, together with the German decrees regarding the National Bank of Czechoslovakia quoted above would have in themselves been a basis for concluding that this gold had been wrongfully removed into German territory, unless there was clear evidence rebutting this presumption. But this gold was not in the vaults of the National Bank of Czechoslovakia. It is however incontestably proved that it was transferred to the Reichsbank in Berlin via the Bank for International Settlements from London where it was held at that time for the account of the National Bank of Czechoslovakia. The Commission is satisfied from the documents produced before it and of which the authenticity is not in doubt that the order of such transfer was given by the National Bank of Czechoslovakia to the Bank for International Settlements, under duress. The Commission therefore holds that this gold was wrongfully removed to German territory within the terms of Part III of the Agreement.

With regard to the third issue, the Commission has been compelled to take a number of facts into consideration in order to arrive at a conclusion.

These facts may be divided generally into two categories - the first, the action taken by the Reichsbank vis-a-vis the German - controlled National Bank of Bohemia and Moravia and the German-controlled National Bank of Slovakia subsequent to the transfer to the Reichsbank of the 23,087.3040 kgs of fine gold, and the second - the recoveries of gold which the National Bank of Czechoslovakia was able to effect on its reconstitution after the liberation.

It has already been shown that subsequently to the transfer of this gold to the Reichsbank as notified by the letter from the Bank for International Settlements of the 24 March 1939, the Reichsbank, by its letter of the 12 June 1939, notified the National Bank of Bohemia and Moravia that it held this gold on deposit. Subsequently, between 1 April 1939 and 16 May 1940, the National Bank of Bohemia and Moravia sold, out of this gold, to the Reichsbank, 12,768.9601 kgs of fine gold in exchange for free reichsmarks which it used for reimbursing the Reichsbank for foreign currency advances which served to pay for the importation of goods into the Protectorate.

The position, at this moment, therefore, appeared to be that the National Bank of Bohemia and Moravia had sold to the Reichsbank a portion of the gold which the Reichsbank held on deposit for its account and that the balance, something over 10,000 kgs of fine gold, was still held by the Reichsbank on deposit for the National Bank of Bohemia and Moravia. This position, as far as the Reichsbank was concerned, seems to have been maintained up to the capitulation of Germany, the Reichsbank's accounts at that moment still showing 10,000 odd kgs of fine gold held to the credit of the National Bank of Bohemia and Moravia. All, however, that is relevant for the Commission is that 23,087.3040 kgs of fine gold were wrongfully removed to Germany and that 10,000 odd kgs were certainly never restored to Czechoslovakia. The point here for consideration is, therefore, merely whether in one way or another 12,768.9601 kgs of fine gold, or their equivalent, ever found their way as monetary gold back into Czechoslovakia or, rather, into the vaults of the National Bank of Czechoslovakia after the reconstitution of the original Czechoslovak State on liberation and the

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NN3-59-96-59
Lot 62D 115 Box 13



reconstitution of the National Bank of Czechoslovakia.

The Commission has examined with great care the question as to whether by the sale of these 12,768.9601 kgs of fine gold by the National Bank of Bohemia and Moravia to the Reichsbank for free reichsmarks, Czechoslovakia may not have obtained some real compensation which would justify the Commission in making a deduction from the claim on this account. The Government of Czechoslovakia has stated, quite properly and frankly, in the opinion of the Commission, that it is possible that the economy of that portion of the country which was a Protectorate of Germany may have benefited; and so possibly, Czechoslovakia, on the liberation, may have benefited to some degree, but the Government of Czechoslovakia has also pointed out, and the Commission agrees with it, that there is no method by which such compensation or benefit in Czechoslovakia itself could be assessed. Therefore, the Commission must hold that the forcible occupation of Bohemia and Moravia and its declaration as a German Protectorate can only mean from the point of view of the Commission that all actions of the National Bank of Bohemia and Moravia were German actions dictated by Germans and for the benefit of Germany. In such circumstances there has not been any assessable benefit to the economy of Czechoslovakia of which the Commission could take account by such sale, by a German Bank or rather a German controlled Bank, of gold for free reichsmarks, that gold having in the origin been part of the monetary reserve of Czechoslovakia.

The second point that arises concerns the gold recovered by Czechoslovakia or rather by the reconstituted National Bank of Czechoslovakia from Switzerland after the liberation and the reconstitution of the National Bank of Czechoslovakia in respect of gold which was held in Switzerland to the account of the so-called National Bank of Slovakia. This point will be considered later with regard to the whole claim of Czechoslovakia.

The Commission, however, holds that Czechoslovakia has established that the 23,087.3040 kgs of fine gold, subject of this part of the Commission's adjudication, constituted monetary gold belonging to Czechoslovakia and that this gold was looted by Germany or wrongfully removed into German territory, within the meaning of the Agreement.

C. <u>6,375.8588 kgs of fine gold representing gold coins held originally in the vaults of the National Bank of Czechoslovakia at Prague and transferred from these vaults which were at that date designated as those of the National Bank of Bohemia and Moravia to the Reichsbank in Berlin on 12 June 1940.</u>

The Government of Czechoslovakia in reply to the Commission's letter and Questionnaire of the 13 March 1947, describes this gold as owned by the National Bank of Czechoslovakia and consisting of:-

| " Denomination | Total face value | Total gross weight | Total fine weight |
|---|---|---|---|
| " Dollars | 347.702 1/2 | 580,190.0 kg | 522,171.0 kg |
| " Sovereigns | 31.771 1/2 | 253,189.5 " | 232,048.2 " |
| " Francs | 617,522 1/2 | 198,233.3 " | 178,310.9 " |
| " Kronen | 15,061.030 | 5090,173.8 " | 4580,647.4 " |
| " Rubles | 39.810 | 34,130.7 " | 30,711.0 " |
| | | 6155,917.3 kg | 5543,888.5 kg |

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



| " Denomination | Total face value | Total gross weight | Total fine weight |
|---|---|---|---|
| " | B/F | 6155,917.3 kg | 5543,888.5 kg |
| " Kromer | 26.160 | 11,717.0 kg | 10,539.5 kg |
| " Florins | 17.215 | 11,562.0 " | 10,404.7 " |
| " Schillings | 279.725 | 65,795.0 " | 59,208.9 " |
| " Pesos (Mexico) | 1,145.1/2 | 0,953.6 " | 0,858.2 " |
| " Pesos (Colombia) | 7 1/2 | 0,011.9 " | 0,010.8 " |
| " Pesos (Cuba) | 10 | 0,016.6 " | 0,014.9 " |
| " Pesos (Chile) | 25 | 0,014.8 " | 0,013.6 " |
| " Pesos (Argentina) | 55 | 0,088.5 " | 0,079.6 " |
| " Peruvian Pounds | 3 7/10 | 0,029.5 " | 0,027.0 " |
| " Turkish Pounds | 11,813 3/4 | 84,781.5 " | 77,575.1 " |
| " Yens | 130 | 0,108.2 " | 0,097.4 " |
| " Reichsmark | 148.420 | 58,858.1 " | 52,972.3 " |
| " 5-Mark pieces | 111 | 0,220.0 " | 0,198.0 " |
| " Dukats | 174.550 | 609,200.0 " | 599,909.7 " |
| " Miscellaneous | 909 | 5,958.6 " | 5,684.5 " |
| | | 7005,232.6 kg | 6361,482.7 kg |
| " Miscellaneous numismatic coins | | 15,028.5 kg | 14,371.9 kg |
| | | 7020,261.1 kg | 6375,854.6 kg |

" The numismatic coins were later substituted by other coins, so
"that the final figures have changed as regards the total of
" Dukats to 176.572 pieces,
" Kronen to 15,082.350 K
" Reichsmark to 151.620 RM
"Total Weight of Fine Gold Lost:
"
"Coins ..... 6.375,8588 kg."

The Government of Czechoslovakia further states that:-

"the order to transfer the gold to Berlin was given verbally "by the Reichsbank's plenipotentiary with the National Bank "of Czechoslovakia. The memorandum, dated 12 June 1940, "states that by order of the Reichsbank the gold coins have "been taken over by the Reichsbank's plenipotentiary. The "gold was carried on the books of the Reichsbank under the "title "Depositum Regulare".

Additional information and documentation obtained from the Government of Czechoslovakia establish the following facts.

In June 1940, the National Bank of Bohemia and Moravia, which was the name given to the National Bank of Czechoslovakia by the Germans after they had occupied that Bank, held in its vaults at its central office in Prague, gold in coin of a total weight in fine gold of 6,375.8588 kgs.

On 10 June 1940, the Reichsprotektor of Bohemia and Moravia informed the Prime Minister in Prague that he had decided to have all gold deposited in the National Bank transferred to the Reichsbank Treasury in Berlin. This decision was stated to be a reprisal following the serious incident which had led to the arrest of a departmental director and of a manager of the National Bank of Bohemia and Moravia.

208502

DECLASSIFIED
Authority NND 968106
By SM NARA Date 8/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



On 12 June 1940, representatives of the Reichsbank came to the National Bank of Bohemia and Moravia and took possession of 105 boxes containing the gold held in Prague. These boxes were sent to Berlin, and the Reichsbank in a letter of 31 July 1940, notified the National Bank of Bohemia and Moravia that it had placed the contents, certified to be 6,375.8546 kgs of fine gold, in deposit under an account entitled "Depositum regulare" opened in the name of the National Bank.

Later, the National Bank of Bohemia and Moravia claimed, and obtained, the return to Prague of certain coins of numismatic value. These coins had to be replaced by other coins, and as a result of this exchange, the weight of fine gold deposited in Berlin was increased to 6,375.8588 kgs of fine gold.

The Commission holds it proved that the 6,375.8588 kgs of fine gold transferred from Prague to Berlin were the property of the National Bank of Czechoslovakia (called "National Bank of Bohemia and Moravia" by the Germans), as is proved by:-

- accounting documents supplied by the Government of Czechoslovakia;
- the balance sheet of the National Bank of Bohemia and Moravia as established on 31 December 1940;
- the Minutes drawn up on 12 June 1940 when the transfer to the Reichsbank took place.

The National Bank of Czechoslovakia was the central monetary authority of the Czechoslovak State and the gold in question came under the control of the Germans, when they occupied that bank and called it the "National Bank of Bohemia and Moravia".

The physical transfer of the gold to the Reichsbank the Commission holds to be established by:-

- the Minutes drawn up on 12 June 1940, at the time when the gold was handed over to the representatives of the Reichsbank;
- the letter from the Reichsbank of 31 July 1940, notifying the National Bank of Bohemia and Moravia that the gold had been entered in an account entitled "Depositum regulare", opened in its name in Berlin;
- the accounting ledgers of the Reichsbank, recovered in Germany.

The Commission, therefore, holds the transfer of this gold, which formed part of the gold reserves of the National Bank of Czechoslovakia and constituted monetary gold belonging to Czechoslovakia, within the meaning of the Agreement, to be established.

The issues before the Commission are:-

Firstly, was this gold looted by Germany or wrongfully removed into German territory?

Secondly, was any compensation received by Czechoslovakia for this gold?

With regard to the first issue there is no doubt whatsoever. The illegal nature of the transfer is proved by the fact that it was carried out on the categorical order of the Reichsprotektor as a measure of reprisal following incidents which led to the arrest of bank officials. Even the Germans did not attempt to link the removal with any sci-disant financial or economic operation.

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NN3-59-96-59
Lot 62D 115 Box 13



With regard to the second issue, the answer follows from the first. The removal was a removal without any counterpart being given.

For these reasons, the Commission holds that the Government of Czechoslovakia has established that the 6,375.8588 kgs of fine gold, subject of this part of the Government of Czechoslovakia's claim constituted monetary gold belonging to Czechoslovakia and that this gold was looted by Germany or wrongfully removed into German territory, within the meaning of the Agreement.

D. 1,008.9146 kgs of fine gold "administered" by Skodaworks and Zbrojovka A.S., and transferred from the vaults of the National Bank of Bohemia and Moravia at Prague to the Reichsbank in Berlin on 4 September 1940.

The Czechoslovak Government in its reply to the Commission's letter and Questionnaire of the 13 March 1947, describes the gold as owned by the National Bank of Czechoslovakia in Prague as gold

> "administered by the Skodaworks and Zbrojovka A.S., within the "limits of the autonomy granted them by the National Bank of "Czechoslovakia for Exchange purposes. The autonomy had been "granted to the said firms on technical grounds only to enable "them to conduct arbitrage operations according to their "requirements. The gold entrusted to them under this "arrangement was in effect but a decentralised part of the "monetary gold reserve of the National Bank of Czechoslovakia".

The gold is described as consisting of 81 ingots of a total gross weight of 1,020.7671 kgs and a total fine weight of 1,008.9146 kgs. The numbers, weights and fineness of the ingots are given.

The circumstances of the removal of the gold to Germany are described as follows:-

> " The National Bank of Czechoslovakia received, through the "medium of the Reichsbank's representative a verbal order from "German Authorities to transfer to Berlin the gold that was "in the "administration" of Skodaworks and Zbrojovka A.S., "The National Bank of Czechoslovakia took over the gold in "July 1940 and despatched it to the Reichsbank in Berlin on "the 4 September 1940.
>
> " The Reichsbank credited the account of the National Bank "of Czechoslovakia with the value of gold and the National "Bank of Czechoslovakia in their turn paid over the equivalent "in crowns to the Skodaworks and Zbrojovka A.S."

All the references in the above to the National Bank of Czechoslovakia should, for reasons which have already been explained read "The National Bank of Bohemia and Moravia".

In reply to a request from the Commission for certain explanations and proofs, the Government of Czechoslovakia forwarded, under cover of a letter dated 12 January 1948, from the Delegate of Czechoslovakia:-

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 6/24/99

NG 59
NND3-59-96-59
Lot 62D 115
TGC
Box 13



- the text of a letter from the National Bank of Czechoslovakia 31 August 1932, authorising the works to keep permanent foreign currency balances. This letter provides that the works should request the authorisation of the Bank before effecting any payment from the aforesaid balances, but it does not make it clear that these currencies were the property of the Bank. Finally, and above all, it makes no reference to the administration of gold assets;

- the text of another letter from the Bank, of 15 October 1941, that is to say, more than a year after the delivery to Germany of the gold held by the works - cancelling the authorisation given (certified English translation) "some years ago" for "the right of autonomy in disposing of your holdings of foreign exchange". This letter contains new directives applicable as from 1 November 1941, and authorises only the Skoda Works "to retain the foreign exchange resulting from your business transactions" and to exchange it "by arbitrage operations against other exchange". The letter further states: "Foreign exchange that you will acquire under the terms of paragraph 1 of this letter or in some other way or that which you already held may only be disposed of with the permission of the National Bank of Bohemia and Moravia". Lastly, this letter obliges the Skodaworks to supply a periodical statement of their holdings in currencies and to "offer" to the Bank for sale those currencies which it cannot make use of within a short period. No reference is made to past, present or future transactions regarding gold assets administered by the works.

In the covering letter, dated 12 January 1948, referred to above, the Delegate states:- (1)

> "There are no records of these ingots in the registers of "the National Bank of Czechoslovakia prior to July 1940. "In the accounts of the National Bank of Czechoslovakia the "above mentioned ingots appear only after the National Bank "of Czechoslovakia had come into physical possession of them, "that is to say, on 31 August 1940".

As has already been mentioned, the references in the above passage, to the National Bank of Czechoslovakia, should read "The National Bank of Bohemia and Moravia".

The various enquiries by the Commission from the Government of Czechoslovakia and the documents which the latter furnished enabled the Commission to reconstruct the successive accounting transactions covering the transfer of this gold to Germany:

- on 20 and 26 August 1940, the Bank of Bohemia and Moravia took delivery of the ingots from the works and immediately credited the "Giro" accounts of the latter with the equivalent value in crowns of the weight of fine gold as given by them. The contra of these entries consisted in entering identical sums in crowns, without mention of the weight of the fine gold received, in a provisional asset account which the Government of Czechoslovakia describes as an account for record entitled - "Postes réciproquement non comptabilisés - ou - Suspense account".

- on 31 August 1940, after having completed the checking of the weight of fine gold received, the Bank of Bohemia and Moravia wrote back the entries of the above-mentioned provisional account and entered the

---

(1) Passage quoted from an English translation, made by the Commission's expert translators, of the original text which was in French.

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 6/4/99

RG 59 IGC
NND3-59-96-59
Lot 62D 115 Box 13



amount of gold on the basis of the verified weight of fine gold and of its exact corresponding value in crowns in a gold account "Reichsbank - Berlin", a sub-division of the global assets account entitled "Assets abroad".

- on the same date, the Bank recorded the characteristics and weight of each gold bar on special sheets of a ledger entitled "unminted gold" in the returns of the "Foreign Assets" account. These sheets carry the following mention: "deposited with the central Cash Department for the Reichsbank, Berlin".

- on 4 September 1940, the gold itself was transferred to Berlin and the payment of the bars was entered in the ledger "Unminted gold".

- on 19 September 1940, the Bank received from the Reichsbank notice of a credit in free Reichsmarks corresponding to the value of the gold delivered. It entered this credit, expressed in Reichsmarks, and in its corresponding value in crowns, on the statements of its "Hauptkonto - Reichsbank, Berlin" account, a sub-division of the global account "Assets abroad", and entered the payment of the amount in crowns and in weight of fine gold, recorded in this account since 31 August 1940, in the gold account "Reichsbank, Berlin", another sub-division of the global account "Assets abroad".

The issues before the Commission are firstly was this gold removed to Germany and secondly can this gold be regarded as monetary gold forming part of the monetary reserve of the Czechoslovak State and belonging to Czechoslovakia within the terms of Part III of the Agreement.

With regard to the first issue there is no doubt.

With regard to the second issue the accounting practice which has been described above on the basis of the documents furnished by the Government of Czechoslovakia is quite different from that which would normally be followed by a Central Bank when dealing with gold which passed through its accounts as part of its monetary reserve. For if the Bank did, in fact, pay to the works an amount of crowns corresponding to the gold handed over by the latter, it only entered at first the contra of this operation in the provisional account "Postes réciproquement non comptabilisés" or "Suspense Account", an account never used to record the gold reserves of the Bank. Again when, from 31 August 1940, it entered the bars received in the gold accounts, it immediately used the "Reichsbank Berlin" account. Obviously by its very heading this account cannot refer to a purely Czech gold reserve. Further, the fact that this gold account was, with the "Hauptkonto" account, a sub-division of the same global account called "Assets abroad" indicates that the National Bank of Bohemia and Moravia expected from the outset a credit in Reichsmarks, and that the gold was entered in its ledgers only provisionally and in lieu of a credit in Reichsmarks expected from Germany, which was to be entered in the same account on its balance sheet. Further, on the ledger "Unminted gold" on which the characteristics of the bars were noted is entered the statement "with the central Cash Department for the Reichsbank, Berlin".

The Delegate of Czechoslovakia, in his letter of the 3 June 1948, states:- (1)

(1) Passage quoted from an English translation, made by the Commission's expert translators, of the original text which was in French. The Commission is also responsible for the underlining.

DECLASSIFIED
Authority NND 968106
By SIM NARA Date 6/4/99

RG 59 IGC
NN3-59-96-59
Lot 62D 115 Box 13



" In the case under consideration, the Extraordinary "Representative of the Reichsbank gave instructions, long before "the delivery of this gold, that the gold which the Skoda and "Zbrojovka Works were to deliver to the National Bank should be "surrendered by the latter to the Reichsbank as soon as the "National Bank had taken possession of it.

" It was further categorically insisted that, in the account "containing the entries relating to the gold in question, it "should be expressly mentioned that this gold, deposited with "the Chief Cashier of the National Bank, was intended for the "Deutsche Reichsbank, Berlin".

From the above, the Commission holds that the gold in question was private gold held for a private purpose by the works in question under licence from the National Bank of Czechoslovakia in the first instance, and latterly the National Bank of Bohemia and Moravia, and that the National Bank of Bohemia and Moravia in being the institution through which this gold passed to the Reichsbank in Berlin acted only as the intermediary of the Reichsbank on the latter's behalf, the Reichsbank being the real purchaser. Its short appearance in the accounts of the National Bank of Bohemia and Moravia and the very wording of the accounts show conclusively that this gold cannot be regarded as at any time having formed part of the monetary reserve of Czechoslovakia and as belonging to Czechoslovakia.

For these reasons, the Commission holds that the Government of Czechoslovakia has not established that the 1,008.9146 kgs of fine gold, subject of this part of the Government of Czechoslovakia's claim constituted monetary gold belonging to Czechoslovakia within the meaning of the Agreement. The question of looting, therefore, does not arise and this claim is rejected.

The Commission would note at this point that it has found all the claims of Czechoslovakia valid with the exception of that for 1,008.9146 kgs of fine gold. But it has left for consideration till this point the bearing of the recoveries which the National Bank of Czechoslovakia, on its reconstitution after the liberation of the Czechoslovak State was able to effect of the gold held to the account of the National Bank of Slovakia in Switzerland. Very full details and documentation have been provided by the Government of Czechoslovakia in this respect and the Commission has therefore been able to study in this connection, the movements of gold from and into Czechoslovakia, during the period from the Munich Agreement to the liberation, which have been supplied by the Government of Czechoslovakia in its reply to the Commission's Questionnaire.

The Commission feels that a statement in general terms of this very complex case may now help to clarify the position. The position is that Czechoslovakia claims that she lost all her monetary gold (the Commission excepts from this claim the gold "administered" by Skoda and Zbrojovka, in respect of which Czechoslovakia's claim has been disallowed), which was owned by the National Bank of Czechoslovakia in Czechoslovakia itself, with the exception of a small amount of some 43,000 crowns worth of gold, held in Slovakia when the National Bank of Slovakia was created, and certain other monetary gold held to the account of the National Bank of Czechoslovakia abroad, including a few kilogrammes, about 27, which appear to have been held in Switzerland and which seem to have remained intact till the reconstitution of the National Bank of Czechoslovakia

DECLASSIFIED
Authority NND 968106
By SIM NARA Date 6/4/99

RG 59 IGC
NN3-59-96-59
Lot 62D 115 Box 13



after the war. The Commission has found that this is true. Nevertheless shortly after the liberation, the National Bank of Czechoslovakia was able to obtain for itself 7,107.44172 kgs of fine gold which had accumulated in one way or another to the credit of the former National Bank of Slovakia with the Swiss National Bank and 200.5682 kgs of fine gold which had accumulated at the Bank for International Settlements in Switzerland. The Commission understands that this return was made possible after negotiations between the Governments of Switzerland and Czechoslovakia and the recognition by the Swiss National Bank that the reconstituted National Bank of Czechoslovakia could be regarded as having absorbed and as being the successor to the former National Bank of Slovakia. (At a hearing by the Commission held on the 21 November 1951, M. Hajek, the Representative of the Governments of Czechoslovakia, stated that "the reasons why the Swiss Government agreed to this transfer is that the National Bank of Czechoslovakia when reconstituted, was considered the legal successor of the Bank of Bohemia and Moravia and of the National Bank of Slovakia").

How this gold came to be to the credit of the account of the former National Bank of Slovakia in Switzerland is described below:-

## The account of the former National Bank of Slovakia with the Swiss National Bank.

According to the entries of the National Bank of Czechoslovakia (The regional Institute of Bratislava), the Account of the former National Bank of Slovakia with the Swiss National Bank shows the following transactions for what may be described as the "occupation" period:-

| | | |
|---|---|---|
| a) | The Reichsbank placed at the disposal of the former Bank of Slovakia, on 5 June 1941, against RM derived from the "Warenkonto".... | 1,604.00837 kgs of fine gold |
| b) | Gold purchased on account of the former National Bank of Slovakia by the Swiss National Bank; on 30 June 1941 ..... | 303.45047 kgs of fine gold |
| c) | on 4 September 1941 ..... | 1,006,77709 kgs of fine gold |
| d) | on 17 June 1944 ..... | 1,000.65419 kgs of fine gold |
| | | 2,300 |
| e) | The Reichsbank placed at the disposal of the former National Bank of Slovakia, on 5 July 1944, against RM derived from the "Warenkonto" Account..... | 1,60 1,793.77584 kgs of fine gold |
| | | 3,400 |
| f) | The Reichsbank placed at the disposal of the former National Bank of Slovakia, in exchange for gold of local extraction (containing according to the Delegate of Czechoslovakia's letter of 16 February 1948, 1,399.78590 kgs of fine gold) which had been handed over to it by the National Bank of Slovakia; on 17 June 1944 ..... | 995.90528 kgs of fine gold |
| g) | and, on 17 August 1944 ..... | 402.87048 kgs of fine gold |
| | | 1,400 |
| | (compensation for the difference in weight, amounting to 1.01014 kgs of fine gold was received in Swiss francs by the former National Bank of Slovakia). | |
| | In all, the National Bank of Slovakia had at its disposal with the Swiss National Bank in Berne ..... | 7,107.44172 kgs of fine gold |

208508

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



In the Delegate's letter of 16 February 1948, the Government of Czechoslovakia gives the total amounts of gold actually purchased by the National Bank of Slovakia. These amount in all to:-

5,896.35774 kgs of fine gold

The Government of Czechoslovakia confirms that these purchases were paid for by debiting the "Warenkonto" account; that is to say, by goods delivered and services rendered by the so-called Slovak State to the German Reich.

The gold purchased by the National Bank of Slovakia was entered by the Reichsbank on an account of the National Bank of Slovakia entitled "Dépôt Gratuit".

It has not been possible to obtain photographic reproductions of this account, for the National Bank of Slovakia, in order to render the control of its gold transactions more difficult, entered them on a general account entitled "Purchase and Sale of Gold" and on various supplementary accounts.

Of the 5,896.35774 kgs of fine gold purchased by the National Bank of Slovakia, 2,498.5769 kgs of fine gold were sold back by it to the Reichsbank, as is confirmed by the letters from the Reichsbank mentioned in forms II-A-1 of the original reply by the Government of Czechoslovakia to the Questionnaire on Gold.

All the gold remaining to the credit of the "Dépôt Gratuit", that is, 3,397.78084 kgs of fine gold was transferred by the Reichsbank to the account which the National Bank of Slovakia had with the Swiss National Bank. The latter, after checking it, entered it on its books for the amount of 3,397.78421 kgs of fine gold.

In his letter of 16 February 1948, the Delegate of Czechoslovakia states that, according to the books of the National Bank of Slovakia, that bank's account with the Swiss National Bank showed certain gold credits, which, for purposes of simplification, may be grouped as follows:-

1. 3,397.78421 kgs of fine gold - mentioned above.

2. 2,310.88175 kgs of fine gold - purchased direct by the National Bank of Slovakia from the Swiss National Bank.

3. 1,398.77576 kgs of fine gold - transferred by the Reichsbank in exchange for gold of local extraction which had been handed over to it by the National Bank of Slovakia.

Total: 7,107.44172 kgs of fine gold

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 8/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



No part of this deposit was sold and, in March 1947, the reconstituted National Bank of Czechoslovakia found the entire amount at its free disposal with the Swiss National Bank.

The amount of 3,397.78421 kgs of fine gold is comprised in items (a) and (e) above. The remaining amounts making up the total of 7,107.44172 kgs of fine gold may be classified as:

2,310.88175 kgs of fine gold representing the total of items (b), (c) and (d) above, described as having been "purchased direct by the National Bank of Slovakia from the Swiss National Bank", and

1,398.77576 kgs of fine gold representing the total of items (f) and (g) above and described as having been "transferred by the Reichsbank in exchange for gold of local extraction which had been handed over to the Reichsbank by the National Bank of Slovakia".

With regard to the acquisition of 2,310.88175 kgs of fine gold, the statement made by the Delegate of Czechoslovakia explain that these amounts of gold were purchased from the Swiss National Bank by the National Bank of Slovakia which used part of its "Girokonto" credit account in Swiss francs in payment.

These statements also show that the Swiss francs credited to the account held by the Swiss National Bank originated from:-

- direct payments into this account in settlement of Slovak exports to Switzerland of certain specialised goods.

- transfer, on 5 April 1941, of 3,001,766.83 Swiss francs formerly credited to the National Bank of Slovakia in another account - Verfugunskonto" - which carried all credits for Slovak exports of current goods to Switzerland.

- transfer, made by the Reichsbank, on 4 September 1941, of 1,500,000 Swiss francs compensation for a transfer in its favour of RMs entered in the National Bank of Slovakia's "Warenkonto" account.

From the statements made by the Delegate of Czechoslovakia, which are not supported by any accounting documents, it would appear that, except for funds transferred by the Reichsbank, all Swiss francs which might have been used for making these acquisitions of gold originated from payments made in respect of Slovak exports of goods to Switzerland.

Now, there is nothing in the documents supplied by the Government of Czechoslovakia to suggest that the Germans placed any restrictions whatever on exports from Slovakia, which they had formed into a so-called independent State, to neutral countries.

On the other hand with regard to that part of the gold purchased with the Swiss francs made available to the National Bank of Slovakia by the Reichsbank it may well be (a) that certain purchases of gold were made with Swiss francs supplied by the Reichsbank in compensation

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 8/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



for RMs originating from the payments of Slovak exports to Germany, or (b) that sales of gold were made against payment in free RMs which were themselves used for settling imports of goods by the Protectorate of Bohemia and Moravia under the control of Germany.

The equivalent in gold of 1,500,000 Swiss francs, on the basis of the rates of exchange used by the Reichsbank in 1941, is 312.2306 kgs of fine gold.

With regard to the 1,398.77576 kgs of fine gold, this represents gold which had been transferred to the account of the National Bank of Slovakia in Switzerland by the Reichsbank in exchange for gold of local extraction which the Reichsbank had taken over from the National Bank of Slovakia.

Copies of the pre-war Czech laws governing dealings in previous metals, including gold, are in the hands of the Commission.

Very briefly, dealings in gold were controlled; registers had to be kept and periodically communicated to the National Bank of Czechoslovakia; the Bank could call for surrender, at five days' notice, of all stocks of unworked gold and, in particular, it "reserved to itself the right to purchase all gold mined and manufactured in the country". It seems clear from the laws and regulations that purchasing by the National Bank of Czechoslovakia was optional and not obligatory, and there is no indication as to the extent to which the Bank made use of its privileges. The general impression is that dealings in gold and the working of gold were concentrated in the hands of a small number of "authorised" persons or firms, under strict control.

Finally, there is a sum of 200.5682 kgs of fine gold which the Czechoslovak Government also recovered from Switzerland and which accumulated in the account of the National Bank of Slovakia with the Bank for International Settlements in favour of the Postal Services of the Slovak Ministry of Communications. This gold represents payments which were almost all made on the order and for the account of German organisations for services rendered within the framework of postal relations.

The issue before the Commission is: should all or part of these recoveries of gold be considered as affecting the totality of Czechoslovakia's claim ?

The Commission holds that a part of these recoveries should be so considered.

The Commission has described the general picture of Czechoslovakia during the period between 15 March 1939 and the liberation - a country split into a portion virtually integrated with the Reich under the guise of a German Protectorate and a satellite State set up by Germany and controlled by it. An economy directed by Germany and controlled for the benefit of Germany which, for this purpose, had seized all the monetary gold held by the former independent sovereign State. There is a German controlled so-called National Bank of Slovakia which, at the outset, it is known, had no gold assets abroad, but which acquired them

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 6/4/99

RG 59 TGC
NN3-59-96-59
Lot 62D 115 Box 13



as part of the German economy embracing all the territories of former Czechoslovakia. The Commission is inclined to view the picture as a whole. It has already said that it would be useless to attempt to assess a benefit or a loss to Czech economy during the period of German control in terms of trade or industrial capital. But the loss or gain of monetary gold can be precisely ascertained.

The Commission considers that the Czech Government was entirely correct in making the claims which it has before the Commission, only one of which, for 1,008.9146 kgs of fine gold, the Commission has felt itself unable to find valid, and that it has been equally correct in giving the details of gold recoveries, gold recoveries which, in this case, arose out of acquisition of monetary gold between 15 March 1939 and the liberation.

A total of 7,308.0099 kgs of fine gold, which had accumulated to the credit of the National Bank of Slovakia with the National Bank of Switzerland and the Bank for International Settlements was recovered by the reconstituted National Bank of Czechoslovakia after the liberation and incorporated in Czechoslovakia's monetary reserve.

It might, conceivably, have been argued that the gold referred to should have been put into the pool of monetary gold established under Part III of the Agreement but it was not so treated and it is not for the Commission to treat it as such. The Commission, however, which clearly indicated in its letter of 13 March 1947 and the Questionnaire sent out with it, that it would take losses and gains into account and which is charged, under the Agreement and its Terms of Reference, with the task of putting into effect "an equitable procedure for the restitution of monetary gold", considers itself bound to apply the following equitable principles: Czechoslovakia, as a result of what may be called, in general terms, "transactions" or "operations" forced upon that country by the Germans lost all its monetary gold (with the exception of the small quantities referred to earlier in this part of the adjudication) and the Commission has admitted the whole of Czechoslovakia's claim in respect of this loss, except with regard to the 1,008.9146 kgs which were held by the Skodaworks. During the period when these losses occurred other "transactions" or "operations" involving German intervention resulted in a gain for Czechoslovakia, which the Commission, subject to what is said below, holds should be set off against the losses.

The gains which should be so set off, in the Commission's view, amount to 5,909.2342 kgs of fine gold, that is to say all the gold recovered from Switzerland less 1,398.7757 kgs of fine gold representing gold, mined in Czechoslovakia, which the National Bank of Slovakia placed at the disposal of the Reichsbank against transfer, by the Reichsbank, of a corresponding amount in gold to the account of the National Bank of Slovakia in Switzerland. The Commission holds that the latter amount must be considered as an accretion of monetary gold to Czechoslovakia which would have arisen, in any case, whether Germany had or had not occupied that country.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NN3-59-96-59
Lot 62D 115 Box 13



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

The Government of Czechoslovakia has established before the Commission, under Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946, its claim up to an amount of 43,999.3638 (forty three thousand, nine hundred and ninety nine.3638) kilograms of fine gold. But the Commission finds that the Government of Czechoslovakia has recovered 5,909.2342 (five thousand, nine hundred and nine.2342) kilograms from the National Bank of Switzerland and the Bank for International Settlements and holds that this recovery of monetary gold diminishes the claim of the Government of Czechoslovakia by an equivalent amount. A share of the pool of monetary gold established pursuant to the above mentioned Agreement and administered by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and of France, is therefore allocated to the Government of Czechoslovakia, pro rata to the net loss of 38,090.1296 (thirty eight thousand and ninety.1296) kilograms of fine gold as determined above.

The Government of Czechoslovakia has not established before the Commission, under Part III of the above mentioned Agreement the balance, amounting to 1,008.9146 (one thousand and eight.9146) kilograms of fine gold, of its claim. No share in the pool of monetary gold can, therefore, be allocated to the Government of Czechoslovakia in respect of the said balance.

Done, in duplicate, in Brussels, on

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

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

The Secretary General.

208513

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13



208514

With regard to the second issue, the answer follows from th first. The removal was a removal without any counterpart being given.

For these reasons, the Commission holds that the Government of Czechoslovakia has established that the 6,375.8588 kgs of fine gold subject of this part of the Government of Czechoslovakia's claim constituted monetary gold belonging to Czechoslovakia and that this go was looted by Germany or wrongfully removed into German territory, with the meaning of the Agreement.

D. 1,008.9146 kgs of fine gold "administered" by Skodaworks and Zbrojovka A and transferred from the vaults of the National Bank of Bohemia and Moravia at Prague to the Reichsbank in Berlin on 4 September 1940.

The Czechoslovak Government in its reply to the Commission's letter and Questionnaire of the 13 March 1947, describes the gold as owned by the National Bank of Czechoslovakia in Prague as gold

> "administered by the Skodaworks and Zbrojovka A.S., within the "limits of the autonomy granted them by the National Bank of "Czechoslovakia for Exchange purposes. The autonomy had been "granted to the said firms on technical grounds only to enable "them to conduct arbitrage operations according to their "requirements. The gold entrusted to them under this "arrangement was in effect but a decentralised part of the "monetary gold reserve of the National Bank of Czechoslovakia".

The gold is described as consisting of 81 ingots of a total gross weight of 1,020.7671 kgs and a total fine weight of 1,008.9146 kgs. The numbers, weights and fineness of the ingots are given.

The circumstances of the removal of the gold to Germany are described as follows :-

> " The National Bank of Czechoslovakia received, through the "medium of the Reichsbank's representative a verbal order from "German Authorities to transfer to Berlin the gold that was "in the "administration" of Skodaworks and Zbrojovka A.S., "The National Bank of Czechoslovakia took over the gold in "July 1940 and despatched it to the Reichsbank in Berlin on "the 4 September 1940.
>
> " The Reichsbank credited the account of the National Bank "of Czechoslovakia with the value of gold and the National "Bank of Czechoslovakia in their turn paid over the equivalent "in crowns to the Skodaworks and Zbrojovka A.S."

All the references in the above to the National Bank of Czechoslovakia should, for reasons which have already been explained read "The National Bank of Bohemia and Moravia".

In reply to a request from the Commission for certain explanations and proofs, the Government of Czechoslovakia forwarded, under cover of a letter dated 12 January 1948, from the Delegate of Czechoslovakia :-

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 8/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13

208515



- the text of a letter from the National Bank of Czechoslovakia, of 31 August 1932, authorising the works to keep permanent foreign currency balances. This letter provides that the works should request the authorisation of the Bank before effecting any payment from the aforesaid balances, but it does not make it clear that these currencies were the property of the Bank. Finally, and above all, it makes no reference to the administration of gold assets;

- the text of another letter from the Bank, of 15 October 1941, that is to say, more than a year after the delivery to Germany of the gold held by the works - cancelling the authorisation given (certified English translation) "some years ago" for "the right of autonomy in disposing of your holdings of foreign exchange". This letter contains new directives applicable as from 1 November 1941, and authorises only the Skoda Works "to retain the foreign exchange resulting from your business transactions" and to exchange it "by arbitrage operations against other exchange". The letter further states: "Foreign exchange that you will acquire under the terms of paragraph 1 of this letter or in some other way or that which you already held may only be disposed of with the permission of the National Bank of Bohemia and Moravia". Lastly, this letter obliges the Skodaworks to supply a periodical statement of their holdings in currencies and to "offer" to the Bank for sale those currencies which it cannot make use of within a short period. No reference is made to past, present or future transactions regarding gold assets administered by the works.

In the covering letter, dated 12 January 1948, referred to above, the Delegate states:- (1)

> "There are no records of these ingots in the registers of "the National Bank of Czechoslovakia prior to July 1940. "In the accounts of the National Bank of Czechoslovakia the "above mentioned ingots appear only after the National Bank "of Czechoslovakia had come into physical possession of them, "that is to say, on 31 August 1940".

As has already been mentioned, the references in the above passage, to the National Bank of Czechoslovakia, should read "The National Bank of Bohemia and Moravia".

The various enquiries by the Commission from the Government of Czechoslovakia and the documents which the latter furnished enabled the Commission to reconstruct the successive accounting transactions covering the transfer of this gold to Germany:

- on 20 and 26 August 1940, the Bank of Bohemia and Moravia took delivery of the ingots from the works and immediately credited the "Giro" accounts of the latter with the equivalent value in crowns of the weight of fine gold as given by them. The contra of these entries consisted in entering identical sums in crowns, without mention of the weight of the fine gold received, on a provisional asset account which the Government of Czechoslovakia describes as an account for record entitled - "Postes reciproquement non comptabilises - ou - Suspense account".

- on 31 August 1940, after having completed the checking of the weight of fine gold received, the Bank of Bohemia and Moravia wrote back the entries of the above-mentioned provisional account and entered the

---

(1) Passage quoted from an English translation, made by the Commission's expert translators, of the original text which was in French.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 6/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13

208516



amount of gold on the basis of the verified weight of fine gold and of its exact corresponding value in crowns in a gold account "Reichsbank - Berlin", a sub-division of the global assets account entitled "Assets abroad".

- on the same date, the Bank recorded the characteristics and weight of each gold bar on special sheets of a ledger entitled "unminted gold" in the returns of the "Foreign Assets" account. These sheets carry the following mention: "deposited with the central Cash Department for the Reichsbank, Berlin".

- on 4 September 1940, the gold itself was transferred to Berlin and the payment of the bars was entered in the ledger "Unminted gold".

- on 19 September 1940, the Bank received from the Reichsbank notice of a credit in free Reichsmarks corresponding to the value of the gold delivered. It entered this credit, expressed in Reichsmarks, and in its corresponding value in crowns, on the statements of its "Hauptkonto - Reichsbank, Berlin" account, a sub-division of the global account "Assets abroad", and entered the payment of the amount in crowns and in weight of fine gold, recorded in this account since 31 August 1940, in the gold account "Reichsbank, Berlin", another sub-division of the global account "Assets abroad".

The issues before the Commission are firstly was this gold removed to Germany and secondly can this gold be regarded as monetary gold forming part of the monetary reserve of the Czechoslovak State and belonging to Czechoslovakia within the terms of Part III of the Agreement.

With regard to the first issue there is no doubt.

With regard to the second issue the accounting practice which has been described above on the basis of the documents furnished by the Government of Czechoslovakia is quite different from that which would normally be followed by a Central Bank when dealing with gold which passed through its accounts as part of its monetary reserve. For if the Bank did, in fact, pay to the works an amount of crowns corresponding to the gold handed over by the latter, it only entered at first the contra of this operation in the provisional account "Postes reciproquement non comptabilises" or "Suspense account", an account never used to record the gold reserves of the Bank. Again when, from 31 August 1940, it entered the bars received in the gold accounts, it immediately used the "Reichsbank Berlin" account. Obviously by its very heading this account cannot refer to a purely Czech gold reserve. Further, the fact that this gold account was, with the "Hauptkonto" account, a sub-division of the same global account called "Assets abroad" indicates that the National Bank of Bohemia and Moravia expected from the outset a credit in Reichsmarks, and that the gold was entered in its ledgers only provisionally and in lieu of a credit in Reichsmarks expected from Germany, which was to be entered in the same account on its balance sheet. Further, on the ledger "Unminted gold" on which the characteristics of the bars were noted is entered the statement "with the central Cash Department for the Reichsbank, Berlin".

The Delegate of Czechoslovakia, in his letter of the 3 June 1948, states:- (1)

---

(1) Passage quoted from an English translation, made by the Commission's expert translators, of the original text which was in French. The Commission is also responsible for the underlining.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 8/4/99

RG 59 TGC
NND 3-59-96-59
Lot 62D 115 Box 13

208517



" In the case under consideration, the Extraordinary "Representative of the Reichsbank gave instructions, long before "the delivery of this gold, that the gold which the Skoda and "Zbrejovka Works were to deliver to the National Bank should be "surrendered by the latter to the Reichsbank as soon as the "National Bank had taken possession of it.

" It was further categorically insisted that, in the account "containing the entries relating to the gold in question, it "should be expressly mentioned that this gold, deposited with "the Chief Cashier of the National Bank, was intended for the "Deutsche Reichsbank, Berlin".

From the above, the Commission holds that the gold in question was private gold held for a private purpose by the works in question under licence from the National Bank of Czechoslovakia in the first instance, and latterly the National Bank of Bohemia and Moravia, and that the National Bank of Bohemia and Moravia in being the institution through which this gold passed to the Reichsbank in Berlin acted only as the intermediary of the Reichsbank on the latter's behalf, the Reichsbank being the real purchaser. Its short appearance in the accounts of the National Bank of Bohemia and Moravia and the very wording of the accounts show conclusively that this gold cannot be regarded as at any time having formed part of the monetary reserve of Czechoslovakia and as belonging to Czechoslovakia.

For these reasons, the Commission holds that the Government of Czechoslovakia has not established that the 1,008.9146 kgs of fine gold, subject of this part of the Government of Czechoslovakia's claim constituted monetary gold belonging to Czechoslovakia within the meaning of the Agreement. The question of looting, therefore, does not arise and this claim is rejected.

The Commission would note at this point that it has found all the claims of Czechoslovakia valid with the exception of that for 1,008.9146 kgs of fine gold. But it has left for consideration till this point the bearing of the recoveries which the National Bank of Czechoslovakia, on its reconstitution after the liberation of the Czechoslovak State was able to effect of the gold held to the account of the National Bank of Slovakia in Switzerland. Very full details and documentation have been provided by the Government of Czechoslovakia in this respect and the Commission has therefore been able to study in this connection, the movements of gold from and into Czechoslovakia, during the period from the Munich Agreement to the liberation, which have been supplied by the Government of Czechoslovakia in its reply to the Commission's Questionnaire.

The Commission feels that a statement in general terms of this very complex case may now help to clarify the position. The position is that Czechoslovakia claims that she lost all her monetary gold (the Commission excepts from this claim the gold "administered" by Skoda and Zbrejovka, in respect of which Czechoslovakia's claim has been disallowed), which was owned by the National Bank of Czechoslovakia in Czechoslovakia itself, with the exception of a small amount of some 43,000 crowns worth of gold, held in Slovakia when the National Bank of Slovakia was created, and certain other monetary gold held to the account of the National Bank of Czechoslovakia abroad, including a few kilogrammes, about 27, which appear to have been held in Switzerland and which seem to have remained intact till the reconstitution of the National Bank of Czechoslovakia

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 6/4/99

RG 59 IGC
NND3-59-96-59
Lot 62D 115 Box 13

208518



after the war. The Commission has found that this is true. Nevertheless shortly after the liberation, the National Bank of Czechoslovakia was able to obtain for itself 7,107.44172 kgs of fine gold which had accumulated in one way or another to the credit of the former National Bank of Slovakia with the Swiss National Bank and 200.5682 kgs of fine gold which had accumulated at the Bank for International Settlements in Switzerland. The Commission understands that this return was made possible after negotiations between the Governments of Switzerland and Czechoslovakia and the recognition by the Swiss National Bank that the reconstituted National Bank of Czechoslovakia could be regarded as having absorbed and as being the successor to the former National Bank of Slovakia. (At a hearing by the Commission held on the 21 November 1951, M. Hajek, the Representative of the Government of Czechoslovakia, stated that "the reason why the Swiss Government agreed to this transfer is that the National Bank of Czechoslovakia, when reconstituted, was considered the legal successor of the Bank of Bohemia and Moravia and of the National Bank of Slovakia").

How this gold came to be to the credit of the account of the former National Bank of Slovakia in Switzerland is described below:-

**The account of the former National Bank of Slovakia with the Swiss National Bank.**

According to the entries of the National Bank of Czechoslovakia (The regional Institute of Bratislava), the Account of the former National Bank of Slovakia with the Swiss National Bank shows the following transactions for what may be described as the "occupation" period:-

a) The Reichsbank placed at the disposal of the former Bank of Slovakia, on 5 June 1941, against RM derived from the "Warenkonto" .....1,604.00837 kgs of fine gold

b) Gold purchased on account of the former National Bank of Slovakia by the Swiss National Bank; on 30 June 1941 .....303.45047 kgs of fine gold

c) on 4 September 1941 ..... 1,006.77709 kgs of fine gold

d) on 17 June 1944 ..... 1,000.65419 kgs of fine gold

e) The Reichsbank placed at the disposal of the former National Bank of Slovakia, on 5 July 1944, against RM derived from the "Warenkonto" Account ..... 1,793.77584 kgs of fine gold

f) The Reichsbank placed at the disposal of the former National Bank of Slovakia, in exchange for gold of local extraction (containing according to the Delegate of Czechoslovakia's letter of 16 February 1948, 1,399.78590 kgs of fine gold) which had been handed over to it by the National Bank of Slovakia; on 17 June 1944 .....995.90528 kgs of fine gold

g) and, on 17 August 1944 ..... 402.87048 kgs of fine gold

(compensation for the difference in weight, amounting to 1.01014 kgs of fine gold was received in Swiss francs by the former National Bank of Slovakia).

In all, the National Bank of Slovakia had at its disposal with the Swiss National Bank in Berne ..... 7,107.44172 kgs of fine gold

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 IGC
NND 3-59-96-59
Lot 62D 115 Box 13

208519



In the Delegate's letter of 16 February 1948, the Government of Czechoslovakia gives the total amounts of gold actually purchased by the National Bank of Slovakia. These amount in all to:-

5,896.35774 kgs of fine gold

The Government of Czechoslovakia confirms that these purchases were paid for by debiting the "Warenkonto" account; that is to say, by goods delivered and services rendered by the so-called Slovak State to the German Reich.

The gold purchased by the National Bank of Slovakia was entered by the Reichsbank on an account of the National Bank of Slovakia entitled "Depot Gratuit".

It has not been possible to obtain photographic reproductions of this account, for the National Bank of Slovakia, in order to render the control of its gold transactions more difficult, entered them on a general account entitled "Purchase and Sale of Gold" and on various supplementary accounts.

Of the 5,896.35774 kgs of fine gold purchased by the National Bank of Slovakia, 2,498.5769 kgs of fine gold were sold back by it to the Reichsbank, as is confirmed by the letters from the Reichsbank mentioned in forms II-A-1 of the original reply by the Government of Czechoslovakia to the Questionnaire on Gold.

All the gold remaining to the credit of the "Depot Gratuit", that is, 3,397.78084 kgs of fine gold was transferred by the Reichsbank to the account which the National Bank of Slovakia had with the Swiss National Bank. The latter, after checking it, entered it on its books for the amount of 3,397.78421 kgs of fine gold.

In his letter of 16 February 1948, the Delegate of Czechoslovakia states that, according to the books of the National Bank of Slovakia, that bank's account with the Swiss National Bank showed certain gold credits, which, for purposes of simplification, may be grouped as follows:-

1. 3,397.78421 kgs of fine gold - mentioned above.

2. 2,310.88175 kgs of fine gold - purchased direct by the National Bank of Slovakia from the Swiss National Bank.

3. 1,398.77576 kgs of fine gold - transferred by the Reichsbank in exchange for gold of local extraction which had been handed over to it by the National Bank of Slovakia.

Total: 7,107.44172 kgs of fine gold.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SLM NARA Date 8/4/99

RG 59 TGC
NND3-59-96-59
Lot 62D 115 Box 13

208520



No part of this deposit was sold and, in March 1947, the reconstituted National Bank of Czechoslovakia found the entire amount at its free disposal with the Swiss National Bank.

The amount of 3,397.78421 kgs of fine gold is comprised in items (a) and (e) above. The remaining amounts making up the total of 7,107.44172 kgs of fine gold may be classified as:

2,310.88175 kgs of fine gold representing the total of items (b), (c) and (d) above, described as having been "purchased direct by the National Bank of Slovakia from the Swiss National Bank", and

1,398.77576 kgs of fine gold representing the total of items (f) and (g) above and described as having been "transferred by the Reichsbank in exchange for gold of local extraction which had been handed over to the Reichsbank by the National Bank of Slovakia".

With regard to the acquisition of 2,310.88175 kgs of fine gold, the statements made by the Delegate of Czechoslovakia explain that these amounts of gold were purchased from the Swiss National Bank by the National Bank of Slovakia which used part of its "Girokonto" credit account in Swiss francs in payment.

These statements also show that the Swiss francs credited to the account held by the Swiss National Bank originated from:-

- direct payments into this account in settlement of Slovak exports to Switzerland of certain specialised goods.

- transfer, on 5 April 1941, of 3,001,766.83 Swiss francs formerly credited to the National Bank of Slovakia in another account - Verfugungskonto" - which carried all credits for Slovak exports of current goods to Switzerland.

- transfer, made by the Reichsbank, on 4 September 1941, of 1,500,000 Swiss francs compensation for a transfer in its favour of RMs entered in the National Bank of Slovakia's "Warenkonto" account.

From the statements made by the Delegate of Czechoslovakia, which are not supported by any accounting documents, it would appear that, except for funds transferred by the Reichsbank, all Swiss francs which might have been used for making these acquisitions of gold originated from payments made in respect of Slovak exports of goods to Switzerland.

Now, there is nothing in the documents supplied by the Government of Czechoslovakia to suggest that the Germans placed any restrictions whatever on exports from Slovakia, which they had formed into a so-called independent State, to neutral countries.

On the other hand with regard to that part of the gold purchased with the Swiss francs made available to the National Bank of Slovakia by the Reichsbank it may well be (a) that certain purchases of gold were made with Swiss francs supplied by the Reichsbank in compensation

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 IGC
NND3-59-96-59
Lot 62D 115 Box 13

208521



for RMs originating from the payments of Slovak exports to Germany, or (b) that sales of gold were made against payment in free RMs which were themselves used for settling imports of goods by the Protectorate of Bohemia and Moravia under the control of Germany.

The equivalent in gold of 1,500,000 Swiss francs, on the basis of the rates of exchange used by the Reichsbank in 1941, is 312.2306 kgs of fine gold.

With regard to the 1,398.77576 kgs of fine gold, this represents gold which had been transferred to the account of the National Bank of Slovakia in Switzerland by the Reichsbank in exchange for gold of local extraction which the Reichsbank had taken over from the National Bank of Slovakia.

Copies of the pre-war Czech laws governing dealings in previous metals, including gold, are in the hands of the Commission.

Very briefly, dealings in gold were controlled; registers had to be kept and periodically communicated to the National Bank of Czechoslovakia; the Bank could call for surrender, at five days' notice, of all stocks of unworked gold and, in particular, it "reserved to itself the right to purchase all gold mined and manufactured in the country". It seems clear from the laws and regulations that purchasing by the National Bank of Czechoslovakia was optional and not obligatory, and there is no indication as to the extent to which the Bank made use of its privileges. The general impression is that dealings in gold and the working of gold were concentrated in the hands of a small number of "authorised" persons or firms, under strict control.

Finally, there is a sum of 200.5682 kgs of fine gold which the Czechoslovak Government also recovered from Switzerland and which accumulated in the account of the National Bank of Slovakia with the Bank for International Settlements in favour of the Postal Services of the Slovak Ministry of Communications. This gold represents payments which were almost all made on the order and for the account of German organisations for services rendered within the framework of postal relations.

The issue before the Commission is: should all or part of these recoveries of gold be considered as affecting the totality of Czechoslovakia's claim?

The Commission holds that a part of these recoveries should be so considered.

The Commission has described the general picture of Czechoslovakia during the period between 15 March 1939 and the liberation - a country split into a portion virtually integrated with the Reich under the guise of a German Protectorate and a satellite State set up by Germany and controlled by it. An economy directed by Germany and controlled for the benefit of Germany which, for this purpose, had seized all the monetary gold held by the former independent sovereign State. There is a German controlled so-called National Bank of Slovakia which, at the outset, it is known, had no gold assets abroad, but which acquired them

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99

RG 59 IGC
NND3-59-96-59
Lot 62D115 Box 13

208522



as part of the German economy embracing all the territories of former Czechoslovakia. The Commission is inclined to view the picture as a whole. It has already said that it would be useless to attempt to assess a benefit or a loss to Czech economy during the period of German control in terms of trade or industrial capital. But the loss or gain of monetary gold can be precisely ascertained.

The Commission considers that the Czech Government was entirely correct in making the claims which it has before the Commission, only one of which, for 1,008.9146 kgs of fine gold, the Commission has felt itself unable to find valid, and that it has been equally correct in giving the details of gold recoveries, gold recoveries which, in this case, arose out of acquisition of monetary gold between 15 March 1939 and the liberation.

A total of 7,308.0099 kgs of fine gold, which had accumulated to the credit of the National Bank of Slovakia with the National Bank of Switzerland and the Bank for International Settlements was recovered by the reconstituted National Bank of Czechoslovakia after the liberation and incorporated in Czechoslovakia's monetary reserve.

It might, conceivably, have been argued that the gold referred to should have been put into the pool of monetary gold established under Part III of the Agreement but it was not so treated and it is not for the Commission to treat it as such. The Commission, however, which clearly indicated in its letter of 13 March 1947 and the Questionnaire sent out with it, that it would take losses and gains into account and which is charged, under the Agreement and its Terms of Reference, with the task of putting into effect "an equitable procedure for the restitution of monetary gold", considers itself bound to apply the following equitable principles: Czechoslovakia, as a result of what may be called, in general terms, "transactions" or "operations" forced upon that country by the Germans lost all its monetary gold (with the exception of the small quantities referred to earlier in this part of the adjudication) and the Commission has admitted the whole of Czechoslovakia's claim in respect of this loss, except with regard to the 1,008.9146 kgs which were held by the Skodawerke. During the period when these losses occurred other "transactions" or "operations" involving German intervention resulted in a gain for Czechoslovakia, which the Commission, subject to what is said below, holds should be set off against the losses.

The gains which should be so set off, in the Commission's view, amount to 5,909.2342 kgs of fine gold, that is to say all the gold recovered from Switzerland less 1,398.7757 kgs of fine gold representing gold, mined in Czechoslovakia, which the National Bank of Slovakia placed at the disposal of the Reichsbank against transfer, by the Reichsbank, of a corresponding amount in gold to the account of the National Bank of Slovakia in Switzerland. The Commission holds that the latter amount must be considered as an accretion of monetary gold to Czechoslovakia which would have arisen, in any case, whether Germany had or had not occupied that country.

PRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority NND 968106
By SM NARA Date 6/4/99
RG 57 IGC
NND3-59-96-59
Lot 62D 115 Box 13



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

The Government of Czechoslovakia has established before the Commission, under Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946, its claim up to an amount of 43,999.3638 (forty three thousand, nine hundred and ninety nine.3638) kilograms of fine gold. But the Commission finds that the Government of Czechoslovakia has recovered 5,909.2342 (five thousand, nine hundred and nine.2342) kilograms from the National Bank of Switzerland and the Bank for International Settlements and holds that this recovery of monetary gold diminishes the claim of the Government of Czechoslovakia by an equivalent amount. A share of the pool of monetary gold established pursuant to the above mentioned Agreement and administered by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and of France, is therefore allocated to the Government of Czechoslovakia, pro rata to the net loss of 38,090.1296 (thirty eight thousand and ninety.1296) kilograms of fine gold as determined above.

The Government of Czechoslovakia has not established before the Commission, under Part III of the above mentioned Agreement the balance, amounting to 1,808.9146 (one thousand and eight.9146) kilograms of fine gold, of its claim. No share in the pool of monetary gold can, therefore, be allocated to the Government of Czechoslovakia in respect of the said balance.

Done, in duplicate, in Brussels, on

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

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

A D J U D I C A T I O N

BY THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

ON A CLAIM SUBMITTED BY THE GOVERNMENT OF THE POLISH REPUBLIC

FOR THE RESTITUTION OF 138,718.5309 KGS OF FINE GOLD.

-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-

208524

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968100
By SR NARA Date 12-18-96

REPRODUCED AT THE NATIONAL ARCHIVES

# ADJUDICATION

by the Tripartite Commission for the Restitution of Monetary Gold (hereafter described as "the Commission"), having its seat in Brussels, 50 avenue des Arts, pursuant to Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946 (hereafter described as "the Agreement") and the Commission's Terms of Reference published, on 29 September 1946, in the Department of State Bulletin and, on 27 September 1946, in the London Gazette and the Journal Officiel de la République Française, on a claim submitted, pursuant to the above-mentioned Agreement and Terms of Reference by the Government of the Republic of Poland, (hereafter described as "the Government of Poland"), for the restitution of 138,718.5309 (one hundred and thirty eight thousand seven hundred and eighteen.5309) kilograms of fine gold. (I) & (II)

The Commission, on 13 March 1947, wrote, pursuant to the Agreement and Terms of Reference, to the Delegates to the Inter-Allied Reparation Agency, in Brussels, of the Governments of Albania, the United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxemburg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, who were signatories to the Agreement and also, with certain reserves, to the Representatives in Brussels of the Governments of Austria, Italy and Poland, who were not signatories to the Agreement (but adhered respectively by Protocols signed in London on 4 November 1947, 16 December 1947 and 6 July 1949, to the arrangement for the restitution of monetary gold set forth in Part III of the Agreement) , advising them of the setting up of the Commission and informing them of the texts and principles which would govern the work of the Commission and enclosing a Questionnaire, with a request that it should be completed and returned by those Governments claiming a share in the pool of monetary gold set up under Part III of the Agreement.

In response to the Commission's letter, the Government of Poland, through the intermediary of its Chargé d'Affaires in Brussels, submitted to the Commission under cover of a letter dated 29 April 1947, some documentation accompanied by an explanatory note. The latter described, with references to the supporting documentation, the circumstances in which various quantities of gold were alleged to have been removed by the Germans at the time of, or subsequently to, the invasion of Poland by the German Forces.

The documentation, which was submitted in the German or Polish languages, comprised :

---

(I) A further claim of the Government of Poland in respect of a quantity of 4,726 kgs of fine gold alleged to have been looted from the Bank of Danzig has been adjudicated upon separately by the Commission.

(II) On Form I-A-1 of the Commission's Questionnaire, the Government of Poland states that they "claim only ..... 134.000 kgs. gold, reducing the quantity due to them on account of a possible repetition of certain amounts which have been recorded". The six sub-claims making up the Government of Poland's total claim amount, however, as recorded in detail, to 138,718.5309 kgs and the Commission has dealt with them accordingly.

(III) The text of the Protocol of 6 July 1949, by which Poland adhered to the arrangement for the restitution of monetary gold, is annexed to the present adjudication (Annex A).

208525

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

7 parcels of documents relating to compulsory sales of gold belonging to private persons;

a set of reports by the board of direction of the "Reichskreditkassen" of Krakow;

a statement of gold purchases by the Poznan branch of the "Reichsbank";

a bundle of receipts;

reports of the Postal Savings Bank regarding confiscations of gold from its safes;

a document relating to the confiscation from foreign banks of gold belonging to Polish citizens;

files containing, according to the Government of Poland, 6,872 minutes of proceedings in the course of which gold and securities were confiscated, in the presence of their owners, from the safes of the Postal Savings Bank of Warsaw;

162 minutes of proceedings in the course of which gold securities were confiscated from safes at the above bank in the absence of the owners;

21 documents relating to the registration of war losses declared by the population of Poland; and,

8 documents relating to the pilfering of gold and objects of value from interned Polish citizens.

At the same time the Government of Poland forwarded a copy of a protest which it had made, on 12 April 1947, to the Allied Governments concerning the definition of monetary gold which had been adopted and set forth in the Commission's Questionnaire.

On 24 July 1947, the Polish Legation forwarded some extracts, relating to the looting of gold and jewelry, from the minutes of the trials, particularly the Reinhardt trial, which had taken place at Nuremberg, emphasizing further the vast losses the Poles had suffered.

The Commission noted, at this stage, that the majority of the forms of the Questionnaire which it had requested should be completed and returned by all claimant countries had not been completed and returned by Poland.

It further noted that there was no indication, in the documentation which the Government of Poland had submitted, of the amount of the gold reserves held by the Bank of Poland, (the Central Bank of Poland), immediately prior to the invasion of that country by Germany. Technical publications covering the latter period showed the Bank of Poland as holding approximately 75,000 kilograms of fine gold.

208526

RG 59
Entry GRDIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

According to the Commission's information the Government of France accepted, after the military defeat of Poland, to take into custody 1216 cases of fine gold belonging to the Bank of Poland, the contents of 8 of which were sold by the Bank of Poland to the Bank of France, leaving 1208 cases, containing approximately 60,000 kilograms of fine gold, which were eventually restored to Poland. It appeared, therefore on 29 April 1947, date of the Government of Poland's original submission, that the position in regard to Poland's pre-invasion gold monetary reserve (as this term has always been construed by the Commission) was that the major portion of it was saved and, in due course, restored to Poland.

On 13 September 1947, M. Marianowicz, Charge d'Affaires of Poland in Brussels submitted to the Commission, on behalf of his Government, a memorandum querying and protesting against the methods and procedure which were being adopted or had been adopted by the Commission and the interpretation it was giving to Part III of the Agreement.

Following upon this demarche the Commission heard the then Charge d'Affaires of Poland, M. Bartol, at his own request, on 6 October 1947. The Charge d'Affaires, in his address, confirmed the queries and protests which had already been submitted in writing on 13 September 1947 and developed arguments in support of the Government of Poland's claims.

Further representations were made by M. Bartol in a letter which he addressed to the Commission on 23 October 1947.

Following upon these communications the Commission, by letter dated 16 January 1948, informed the Charge d'Affaires of Poland that though it had been willing (subject to the reserves referred to earlier in this adjudication) to receive the claims submitted to it by the Polish Government, it would not be able to examine the various arguments put forward by the Government of Poland until it had received information that Poland had adhered to the arrangement for the restitution of monetary gold set forth in Part III of the Agreement.

The Polish Legation submitted, under cover of a letter dated 24 August 1948, further evidence regarding the systematic looting of gold by the Germans during the occupation from the Polish population and, in particular, documentation, in the Polish and German languages, relating to various purchases of gold and coins by the Reichskreditkassen, Emissionsbank, and the branches of the Reichsbank in Poland.

208527

RG 59
Entry 6210115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

Certain German decrees and ordinances of September/December 1939 were enclosed.

The Protocol, by which Poland adhered to the arrangements set forth in Part III of the Agreement was signed on 6 July 1949, and on 20 July 1949 the Commission requested that the Polish submission be completed in the form it had demanded from other countries. Information regarding the status of the Reichskreditkassen and Emissions Bank and the functioning of the branches of the Reichsbank on Polish territory was requested.

The Polish Legation forwarded further documentation on behalf of its Government under cover of letters dated 3 November 1949, 15 January and 7 February 1950, with a view to completing the information requested in the Commission's Questionnaire.

At the end of 1949, the Commission, after a careful examination of the mass of documentation submitted and of the replies received to its enquiries, drew up a list of the claims of the Government of Poland, as it saw them, and sent it by letter dated 12 December 1949 to the Charge d'Affaires of Poland for a formal confirmation that the Government of Poland was in agreement with the descriptions and figures set forth therein. The same letter requested additional information necessary to complete that given by Poland on the forms of the Commission's Questionnaire. The Charge d'Affaires replied by letter, dated 7 February 1950, giving certain explanations and forwarding additional documentation. A further exchange of letters ensued, after which the Commission recorded the claims of the Government of Poland as follows:-

| | | | |
|---|---|---|---|
| 1. | purchases by the Reichskreditkassen and Emissions Bank ..... | 1,654.2011 | kgf |
| 2.a | transfers by the Deutschebank, Krakow ..... | 91.8980 | " |
| b | purchases by the Landesgenossenschaft, Bromberg ..... | 10.6652 | " |
| 3.a | purchases by the Reichsbank, Poznan ..... | 260.3000 | " |
| b | purchases by the Reichsbank, Lodz ..... | 466.1012 | " |
| c | other purchases by the Reichsbank ..... | 3,533.8988 | " |
| 4.a | seizures from the Postal Savings Banks ..... | 260.0489 | " |
| b | seizure of a deposit belonging to a Polish citizen at Amsterdam ..... | 69.2130 | " |
| 5.a | losses of gold declared by Polish citizens ..... | 4,877.2047 | " |
| b | estimation of other losses from declarations of value ..... | 27,515.0000 | " |
| 6. | estimation of weight of gold taken from concentration camp victims ..... | 100,000.0000 | " |
| | Total ..... | 138,738.5309 | kgf |

208528

RG 59
Entry GRD 115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission, when drawing up its list, had, in some cases, reproduced the totals figuring at the foot of certain schedules furnished by the Government of Poland which it had taken as correct. However, it transpired, in the course of the meticulous review effected by the Commission of the Polish documentation, that there were some mistakes in the additions on these official schedules affecting the list given above as follows:-

The total of item 3.b. was 466.0553 kgf and not 466.1012 kgf
The total of item 3.c. was 3,533.9447 kgf and not 3,533.8988 kgf
The total of item 5.a. was 4,857.2047 kgf and not 4,877.2047 kgf

Only the third mistake affected the total of the list which, after rectification, was 138,718.5309 kgf, which was the amount finally recorded as being that of the claims of the Government of Poland and not 138,738.5309 kgf.

On 15 April 1950 the Charge d'Affaires of Poland wrote to the Commission stating that his Government considered that it was being discriminated against, criticising the procedure which had been followed by the Commission up to then and requesting, in the event that the Commission should have doubts regarding the Polish demands, that representatives of the Government of Poland should be heard by the Commission before any decision was taken on the claims of Poland. This request was acceded to and Professor Dr. Manfred Lachs, who was accompanied by the Minister of Poland in Brussels and by Dr. Pawel Zielinski, Counsellor at the Ministry of Finance at Warsaw was heard by the Commission on 5 September 1950 and the hearing was continued and ended on 12 February 1951.

The Polish Representative's arguments, considered in the Commission's findings, which follow, on the individual claims of the Government of Poland, covered all the claims of that Government as listed above and attempted to give the Commission legal and equitable bases for restitution.

Among other documents referred to by the Polish Representative in his arguments was a decree of the President of the Polish Republic, dated 2 September 1939, which, it will be remembered, was the day following the German invasion of Poland. Extracts from the certified translation, furnished by the Government of Poland, of portions of this decree are quoted below:-

"EXTRACT from the "DZIENNIK USTAW RZECZYPOSPOLITEJ POLSKIEJ"
"-Official Organ of the Polish Government - of September 2nd,
"1939, No.87

549.

"Decree of the President of the Polish Republic dated
"September 2nd, 1939, on the amendment of the decree of
"the President of the Republic relative to currency
"transactions with foreign countries and transactions in
"foreign and domestic means of payment.
"In pursuance to art.79 paragraph (2) of the constitutional
"law I order as follows:

208529

RG 59
Entry 6ADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

"Art.I.

"In the decree of the President of the Republic dated "April 26th 1936 relative to currency transactions with "foreign countries and transactions in foreign and domestic "means of payment by virtue of the announcement published by "the Minister of Finance dated November 7th, 1938 "(Dz. U.R.P. No.85, pos 584) the following amendments are "being introduced:

"1) Art.9 paragr. (2) obtains the following form:

"The acceptance of a credit from a foreigner and guaranteeing "the payment of such credit by a physical or legal person, "residing or having a constant residence in the country without "authorisation are prohibited.

"2) Art.9 paragr. (3) obtains the following form:

"The obtaining of credit in commodities (so called commodities "credit) by a person residing or having a constant residence "in the country from a foreign seller is to be declared to the "Foreign Exchange Control Committee at a time to be fixed by "order of the Minister of Finance.

"3) A new Art.10a. is introduced after Art.10 and reads as "follows:

"Physical and legal persons residing or having a constant "residence in the country are bound:

" a)to declare and offer for buying up or order for "selling or collecting by institutions, appointed by "Executive orders, any foreign means of payment, any gold "as determined by Art. 6 paragr. (2), any foreign interest "and dividend bearing papers and the coupons of same, they "possess in the country.

" b)to prove before institutions appointed by executive "orders that the above mentioned obligations have been "complied with.

"(2) The provisions of the preceding paragraph is binding "within limits set by the orders of the Minister of Finance, "which orders also will determine the rates, at which the "buying up as provided in the preceding paragraph will be "carried out.

"(3) The Foreign Exchange Control Committee may grant ex- "ceptions from the obligations as provided in paragraphs (1) "and (2).

"4) art.13 obtains the following form:

"(1) "For all transactions and settlements in foreign means "of payment, the rates of foreign currency or exchange quoted "in the official schedule of the Money Exchange at Warsaw "are binding (for foreign currency - rates given in the column ""Bank Notes", for foreign exchange - rates in column "Checks "and payments"). In the case of lack of quotations the rate "of foreign means of payment as fixed and published by the "Bank Polski" in the official part of "Monitor Polski" will "be binding.

"(2) The Foreign Exchange Control Committee may authorise the "application of other rates in respect to transactions and "settlements in foreign means of payment, than those, binding "by virtue of the preceding paragraph".

"5) A new Art.14.c is introduced after art.14.b which reads "as follows:

"Any mail, ordinary and registered, postal parcels and letters "with value declared thereon, arriving from abroad into the "country, may be delivered to addressees only after examination "in regard to foreign exchange.

"6) Art.16 obtains the following form:

208530

RG 59
Entry GADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

"(1) Who without consent of the Minister of Finance
"(art.15) or the Foreign Exchange Control Committee
"(art.4) or contrary to the conditions of such consent
"acts against the provisions of art.5 paragr. (1),
"art.6,7,7a,8 and 9 paragr. (1) and (2) is subject to
"penalty of imprisonment and fine.

The Commission, at this stage, was satisfied that it had received all the documentation and information necessary to enable it to adjudicate on the six sub-claims making up the Government of Poland's total claim.

• • •

This claim presents unique features which the Commission has not met in any of the other claims before it and, although it will examine in detail each of the six sub-claims making up the total claim, the Commission considers it desirable, before doing so, to set forth the broad lines of the Government of Poland's case and to deal with those queries and arguments which may be considered to affect or to apply, in a general way, to all six of the sub-claims.

Viewed from this angle the questions which fall to be examined here may be classified under two broad headings: "Queries and Protests" and "Arguments developed in support of the Claims".

Queries and Protests.

On 13 March 1947 the Commission, pursuant to its Terms of Reference, had sent out to the Governments signatories to the Agreement and, also, with certain reserves to the Representatives in Brussels of Poland, Austria and Italy a circular letter accompanied by a Questionnaire requesting the submission of claims pursuant to Part III of the Agreement. This letter stated that the concepts of loss through looting by or wrongful removal to Germany which would guide the Commission were described in the United Nation's Declaration against Axis acts of Dispossession of 5 January 1943, in the United Nation's Declaration of 22 February 1944, and in Resolution 6 of the Final Act of the United Nation's monetary and financial conference of 22July 1944; and that the Commission for the purpose of implementing Part III of the Agreement, in so far as the submission of claims for restitution in respect of losses of monetary gold through looting or wrongful removal to Germany was concerned, had adopted the following definition of "monetary gold":-

"All gold which, at the time of its looting or
"wrongful removal, was carried as a part of the
"claimant country's monetary reserve, either in the
"accounts of the claimant Government itself or in
"the accounts of the claimant country's Central Bank
"or other monetary authority at home or abroad".

It requested that detailed and verifiable data regarding the losses of monetary gold as defined above should include only claims on behalf of "your Government or of your country's Central Bank or other monetary authority".

The Government of Poland's queries and protests arose mainly out of the terms of the Commission's above quoted letter and Questionnaire.

208531

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The issues, subject of the Government of Poland's representations, which concern the Commission, are summed up below and the summing up is followed by the Commission's answer.

A. The Government of Poland contends that paragraphs A. E. and G. of Part III of the Agreement show that the term "monetary gold" "is used in connection with its geographical location without any indication as to its origin or ruling as to the time when .... it had to have the characteristic features of "monetary gold". The gold had only to be monetary gold at some stage. The term "gold" is used without any "adjective attached to it". It follows that such gold as Poland is able to prove was looted from Polish citizens (Poland admits it was not monetary gold at the time of its looting) and found its way into the gold reserves of the Reichsbank became monetary gold through its incorporation in the said gold reserves and is thus liable to restitution to Poland under Part III of the Agreement.

The Commission's answer is that the Government of Poland has omitted to take into account the very clear significance of the words "belonging to it" read in conjunction with the words "was looted" in paragraph C. which runs as follows:-

> " 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 March 12th 1938, was
> "wrongfully removed into German territory".

In order to qualify for restitution gold had to be "monetary gold" at the time it was looted and, moreover, it had to be monetary gold "belonging" to the country claiming its restitution. It is impossible to attribute any other meaning to the wording of paragraph C. Gold, subject to restitution under the Agreement, is gold which had been the monetary reserve of a country and had functioned as such in its national economy and was looted by or wrongfully removed to Germany. The units to be considered for the purpose of economic reconstruction and reparation, of which the restitution of monetary gold was part, were, consequently, countries, not institutions, companies or individuals, and the Agreement was an intergovernmental agreement, concerned, as its preamble shows, with reparation to Governments. As will be seen later, by far the major portion of the Government of Poland's claim concerns gold estimated to have been contained in "valuables" (gold rings, watches, wrist straps etc) looted from Polish citizens. The Government of Poland's contention appears to be based upon an interpretation of the term "monetary gold" and of the words "belonging to it", which does not arise either from the text or the intentions embodied in the Agreement.

B. The second contention of the Government of Poland was that the Commission's definition was restrictive, that the Commission was not entitled to formulate this definition and that the existence of such a definition constituted a bar to the submission by the Government of Poland, and to the acceptance by the Commission, of certain claims of Poland.

208532

RG 59
Entry GRD 115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission's answer is that its definition was adopted as a framework for the submission of claims. It has clearly not prevented the Government of Poland from submitting such claims as it considered fit to submit. With regard to the latter part of the Government of Poland's contention the Commission's answer on issue A. shows, independently of all other considerations, that it was not the Commission's definition but the conditions laid down in Part III of the Agreement for restitution, to which the Government of Poland adhered by the Protocol dated 6 July 1949, which led the Commission to take the decisions which follow.

C. The Government of Poland's third contention was that the principle of a liberal interpretation of Treaties and considerations of equity should have led the Commission to afford Poland special treatment in the matter of claims.

The Commission's answer is that it has, throughout, not only in the case of the claims of Poland but, also, in that of all the other claimant countries, interpreted Part III of the Agreement in as liberal a manner as was compatible with its obligations and in accordance with normal principles of equity. It cannot agree that equity demanded, in the case of Poland, a decision at variance with decisions made on established and equitable principles in the case of all other claimant countries.

Arguments developed in support of the Claims.

An argument of the Government of Poland, which, if taken in conjunction with that Government's contention outlined at A. above, might be considered as applying to all the Polish claims is that which is based upon the existence of the Polish decree of 2 September 1939 certified extracts from which have been quoted earlier in this adjudication. Broadly speaking, the Government of Poland contends, inter alia, that because of this decree all the gold in the country, which was looted from Polish citizens, should be treated as monetary gold of Poland.

The Commission cannot agree that the Polish decree of 2 September 1939 produced any such effect as is attributed to it by the Government of Poland. It was issued the day after the invasion of Poland. It was unenforceable since, on the one hand, the country was immediately overrun and controlled by the Germans, and on the other, it seems clear that the "executive orders" in which the institutions "for buying up" the gold were to be "appointed" were never issued. It remained unenforced since even the Germans did not attempt, as they did in some of the other countries, to use it for their own ends and issued ordinances of their own for the purpose of collecting gold from the Polish population. The gold was anonymous gold in the hands of Polish citizens. It could not possibly have formed part of the gold reserves of the Bank of Poland, since that bank had ceased to function and cannot, therefore, have recorded declarations of gold holdings in its books or have received and entered the gold in its accounts. Moreover the Bank of Poland

208533

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

was not specifically mentioned in the decree as an institution to which gold holdings were to be surrendered and the institutions who were to receive it were never designated and if they had been designated they would have been unable to function otherwise than under German control.

The Government of Poland's contention in this respect appears to be based upon an untenable construction of the terms of the decree.

. . .

The Commission will now proceed to examine, in turn, the six claims of the Government of Poland.

1. 1,654,2011 kgf gold purchased by or confiscated at the instigation of the Reichskreditkassen and Emissionsbank in occupied Poland. (Claim No.1.)

It was stated by the Government of Poland in documentation forwarded on 29 April 1947 that:-

" "The Reichskreditkassen" were established in occupied Poland in "accordance with the decree of the German occupation authorities of "14th September 1939. At first their activity covered the whole "occupied territory of Poland with the exception of Silesia where "immediately upon its occupation branch offices of the Reichsbank "were established.

" In accordance with the decree of the Fuehrer of the 8th October 1939, "the western and northern territories of Poland were incorporated into "the Reich. The incorporation affected the coast with Gdynia and Gdansk, "the voyevodie of Poznan, Pomerania, Silesia, Lodz, the Northern part of "the voyevodie of Warsaw and a part of the voyevodie of Bialystok. On "these areas the "Reichskreditkassen" ceased their activities on the 31st "of October 1939. They were substituted by the Reichsbank branches on "the 1st November 1939.

" On the remaining territories of the Polish state, which formed the "so-called General Gouvernement the Reichskreditkassen continued their "activities until the 8th April 1940. On that day they were wound up "and replaced by the Occupational "Emissionsbank" in Poland with its "headquarters in Cracow.

" The gold collected by the "Reichskreditkassen" of the Reich and the "Emissionsbank" had its origin in compulsory purchases from Polish citizens "and partly in confiscation. In accordance with the decree of the "occupation authorities every citizen was compelled to offer for sale to the "above mentioned institutions all the gold he possessed namely coins, bars, "ingots of gold etc., as well as foreign currency and foreign exchange. "Apart from that all gold deposed in bank-safes was also confiscated. "Further details regarding this purchasing action are submitted by the "general report presented to the Commission. Both the Reichskreditkassen "and the Emissionsbank in Poland constituted the central banks of occupied "Poland. The "Reichskreditkassen" issued their own bank notes, the so-"called "Reichskreditscheine", the "Emissionsbank" issued Polish Zlotys. "The gold collected by these institutions upon being taken over by them "became monetary gold as the stock and coverage for their emission. It "was exported and handed over to the Reichsbank in Berlin".

The Government of Poland, in the same documentation asserts that the exact amount of this gold purchased or confiscated was verified as follows:-

208534

RG 59
Entry 6210115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-94

REPRODUCED AT THE NATIONAL ARCHIVES

""The Reichskreditkassen" and the "Emissionsbank" have by "purchase by compulsory means and confiscations obtained the "following quantities of gold:-

| | | | |
|---|---|---|---|
| "R.M. | 2,287,166.65 | 819 klg | 7777 gr. |
| "$ Amer. | 348,982.50 | 525 " | 1488 " |
| "Roubles | 290,105 | 224 " | 6091 " |
| "Francs Fr. | 65,325 | 18 " | 9638 " |
| "Francs Sw. | 400 | 0 " | 1161 " |
| "Francs Bel. | 180 | 0 " | 0524 " |
| "American Crowns. | 33,205 | 10 " | 1232 " |
| "Norveg. Crowns | 770 | 0 " | 3104 " |
| "£ English | 1,869.10 | 1 " | 3689 " |
| "Dutch Floren | 4,130 | 2 " | 4978 " |
| "Polish Zlotys | 40 | 0 " | 0067 " |
| "Italian Lires | 40 | 0 " | 0116 " |
| "Lei Rum. | 100 | 0 " | 0293 " |
| "Ducates Austr. | 2,667 | 9 " | 1798 " |
| "Shilling Austr. | 7,985 | 1 " | 6905 " |
| "£ South-Africa | 3 | 0 " | 0219 " |
| "Peso Mexic. | 135.50 | 0 " | 0393 " |
| "£ Turkish | 234.25 | 1 " | 7152 " |
| "Austrian Floren | 8 | 0 " | 0058 " |
| "Sovereignes | 1,418.50 | 1 " | 0386 " |
| "Jeny Jap. | 72 | 0 " | 0410 " |
| "Peru Lib. | 4.3/5 | 0 " | 0220 " |
| "Peso Cub. | 20 | 0 " | 0580 " |
| "Gold Ingot | - | 37 " | 3732 " |
| Total - | | 1,654 klg | 1911 gr. " |

There is a mistake in the addition in this schedule. The total amount of gold involved is 1,654.2011 kgf and not 1,654.1911 kgf.

Polish citizens were placed under an obligation to offer their gold to designated German institutions pending creation of the Reichskreditkassen and the Emissionsbank and later to the latter bank by a German ordinance of the 14 September 1939, issued at Posnan by the chief of the civil administration and of 7 October 1939, issued by the Commander-in-chief of the German Army and promulgated in Berlin on 14 October 1939.

Relevant extracts from the official translations furnished by the Government of Poland, of these ordinances read as follows:-

" Decree on monetary circulation
of September 14, 1939.

" .....

" 10.

" Foreign mediums of payment as well as gold in rough form, "domestic and foreign gold coins are to be sold to one of credit "institutions, authorized by me, for the purchase,

208535

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

"at the official rate of exchange within 10 days on the
"publication of this decree or in 3 days from the day of
"their receipt. In Posen the sale must be effected, up
"to the time of creation of a banking institution, to one
"of the following banks:
" Danziger-Privat-Actien Bank /Poststr.10/
" Bank fur Handel und Gewerbe /Bank of Commerce and
" Industry/ Marstallstr. 8a and Schlossfreiheit 19/
" Al. Marsz. Pilsudskiego 19/
" Landesgenossenschaftsbank - Schlossfreiheit 12/
" Al. Marsz. Pilsudskiego 12/

" .....

"Posen, September 14, 1939
" Chief of Civil Administration
" Greiser "
" .....

"Date Currency regulation for the occupied formerly
"7.10.39 Polish territories /except Eastern Upper Silesia
"7.10.39 p.33 Currency regulation for Eastern Upper
" Silesia p.41 of October 7, 1939.

" .....

"12. Obligatory offering and delivery.
" /1/ Indigenous persons are obliged to offer for sale and
"deliver on demand to the State Credit Banks following
"valuables if they owned them at the time of the present
"decree coming into force:
"a/ Foreign currency,
"b/ Claims in foreign values,
"c/ Checks and drafts in domestic currency, if they are
drawn on a foreign country,
"d/ Claims in domestic values against foreigners,
"e/ Gold,
"f/ Foreign securities."

The Reichskreditkassen were created by an ordinance of the German Commander-in-chief dated 23 September 1939 as German institutions "for the regulation of credits and for money turn-over". They were dependent on a governing body set up in Berlin, all the members of which, except two, were nominated by the President of the Reichsbank. The two remaining posts were filled by representatives designated by the Minister of Finance and the Minister of Economy of the Reich respectively. (para 1. of the ordinance). The Reichskreditkassen issued token notes in Reichsmarks which were considered as legal means of payment in the occupied territories (para 10 of the ordinance). Gold was not mentioned among the assets which were to serve as cover for such issues (para 11 of the ordinance).

208536

RG 59
Entry GADIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LP NARA Date 12-13-94

REPRODUCED AT THE NATIONAL ARCHIVES

The Emissionsbank was created by an ordinance of the Governor General, Frank, for Polish occupied territory, dated 15 December 1939, as a German institution "to maintain the normal functions of money circulation, gold turn-over, and credit operations in the occupied territories of Poland". Its head office was in Krakow, and it was authorised to open branches on the territory of the Governor General (para 1. of the ordinance). Its President, vice-presidents, Manager and the members of its governing body were nominated by the Governor General (paras 2, 3 and 4 of the ordinance). It issued Zloty notes (para 13 of the ordinance). The Zloty was the only means of legal payment in Polish occupied territory after the liquidation of the Reichskreditkassen and the withdrawal of the token notes issued in Reichsmarks by the latter, (para 18 of the ordinance). Gold was not mentioned among the assets which were to serve as cover for the issue of Zloty notes (para 16 of the ordinance).

In order to avoid lengthening this adjudication unduly and for purposes of clarity, the Commission, although it has given due consideration to all the elements comprised in the vast mass of documentation submitted by the Government of Poland, has limited its quotations and references to those documents which it has deemed of essential importance in connection with each individual claim.

The ordinances referred to above were implemented as follows:- The gold was entered in the books of the collecting organizations in an account designated "Goldankauf" which was really a commission account with the "Deutsche Reichsbank - Hauptkasse - Edelmetal - Berlin III". The procedure differed according to whether gold coins, in good condition, of a type in respect of which daily quotations were established by the Reichsbank were concerned or whether the gold fell within other categories or consisted of damaged coins. In the first case the account was immediately debited with the counter value of the gold in reichsmarks; in the second case the debit in reichsmarks was only entered when, after verification, the Reichsbank at Berlin had indicated the value, in reichsmarks, of the gold. In both cases the Reichsbank, after verification, credited the "Goldankauf" account of the organization concerned with the counter value, in reichsmarks, of the gold. The gold was centralized, in the first instance, at the head office of the Reichskreditkassen or Emissionsbank whence it was dispatched every ten days to the Reichsbank at Berlin.

Broadly speaking, the Government of Poland, in its arguments, both written and verbal, has endeavoured to establish, in the first place, that the Commission's interpretation of Part III of the Agreement, as reflected in the Commission's Questionnaire and the covering letter thereto, was wrong; in the second place that because of the Polish decree of 2 September 1939 the gold referred to should be treated as monetary gold of Poland and that such losses thereof as it can establish must be considered as opening a right to restitution under the Agreement;

208537

RG 59
Entry GADIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

in the third place that, in any event, the German institutions which functioned in Poland must be considered as the successors of the Bank of Poland and the gold which passed through their books as monetary gold belonging to Poland.

The first two issues have already been dealt with in the Commission's analysis of the queries and arguments which may be considered as affecting the Polish claims as a whole. The Commission cannot agree that the fact that the gold collected from Polish citizens found its way into the monetary reserve of the Reichsbank can serve as a basis for holding that it should be treated as monetary gold belonging to Poland. It cannot agree, either, that the Polish decree of 2 September 1939 which, as has already been demonstrated was unenforced and unenforceable, affected, in any way, the status of the gold in the hands of its possessors, namely Polish citizens.

The third issue only concerns those cases where gold was collected by banks and similar institutions and calls for special consideration.

The Government of Poland has described the Reichskreditkassen and Emissionsbank as constituting "the central Bank of occupied Poland". The implication is that they should be considered as the successors of the Bank of Poland and that gold which was entered in their books and subsequently yielded to the Reichsbank should be treated as monetary gold belonging to Poland looted by the Germans.

With regard to this third issue the Commission cannot agree that the Reichskreditkassen and the Emissionsbank can, in any way, be considered as having been the successors of the Bank of Poland in Polish territory. From the point of view of municipal law they certainly were not. The Commission has examined the de facto situation with great attention and it has arrived at the conclusion, with regard to the Reichskreditkassen, that these were institutions set up by the conqueror and occupier as a matter of expedience. They issued notes in Reichsmarks. The Germans did the same in most if not all occupied territories. The surrender of gold to the Reichskreditkassen seems to have been either by sale or by confiscation, following on a German decree. There was no attempt by the Germans to link such surrender of gold by private persons with the economy of the occupied country, which economy, such little of it as remained, they exploited for their own ends, or with the currency of the country. In fact most of the sales were for Reichsmarks. The Emissionsbank which replaced the Reichskreditkassen after their liquidation and issued Zloty notes served the same purposes as the latter and the above observations apply, equally, to the Emissionsbank.

208538

RG 59
Entry GRDIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

No other country has attempted to claim before the Commission the restitution of gold purchased or confiscated by the Reichskreditkassen, and gold was so purchased or confiscated in most if not all occupied countries. The Commission has no hesitation in holding that the Reichskreditkassen and Emissionsbank were German institutions collecting gold by force from private persons for the benefit of Germany, and cannot, in any circumstances, be held to be successor monetary authorities to the pre-occupation monetary authority of Poland.

Although this is not strictly relevant to the issue the Commission has noted from a perusal of the numerous documents submitted to it that, to put it in very general terms, Polish citizens, victims of these forced sales appear, in the main, to have received compensation for their gold (though, perhaps, at a rate which did not correspond with the intrinsic value of the gold) up to a certain date, several times extended and that it was only after the expiration of the time limits fixed by the Germans that gold which had not been yielded was confiscated.

In view of all that precedes, the Commission, whilst sympathising with Poland's difficulties, cannot but find that this portion (claim No.1) of the Government of Poland's total claim has not been established.

2. 102.5632 kgf said to represent the amount of transfers by the "Deutsche Bank in Krakow" and the "Landesgenossenschaft in Bromberg" to the Reichsbank, Berlin. (claim 2(a) and (b))

This part (claim 2(a) and (b)) of the total claim of the Government of Poland, as formulated on form 1-B-1 of the Commission's Questionnaire reads as follows:-

| " | | | September 1939 | Total |
|---|---|---|---|---|
| "Landesgenossenschaft "Bromberg/Bydgoszcz/ | coin | R.M. | 29,785.80 | 10 klg 6652 gr |
| "Deutsche Bank, Krakow | coin | R.M. | 256,394 | 91 klg 898 gr |
| "Total | coin | R.M. | 286,179.80 | 102 klg 5632 gr " |

In form 1-A-1 of the Commission's Questionnaire the Government of Poland gives the following explanation:-

208539

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

"Even prior to the establishing of Reichskreditkassen in "Poland, two banks of the occupied territory have sent "their gold directly from Poland to the Reichsbank in "Berlin, namely the "Landesgenossenschaft, Bromberg" and ""Deutsche Bank, Krakau" in Krakau. An original report "of the Reichskreditkassen is hereby enclosed. In view "of the fact that there is no access to the documents of "the Reichsbank, it is impossible to establish by what "means the two above-mentioned banks obtained the gold in "question. It can safely be assumed that it came from "the first confiscations that took place immediately after "the invasion of Poland by the German armies".

The report, referred to, of the Reichskreditkassens' central administration, dated 20 November 1939, (as translated by the Commission's translators) states:-

"Taking into consideration the fact that certain values "were transferred directly to the Reichsbank by two Banks "of Credit in the occupied territory before the Reichs-"kreditkassen had been instituted, the general result is "as follows:-

| " | | Foreign currencies | | Gold |
|---|---|---|---|---|
| "Landesgen, Bank Bromberg | RM | 8,769.08 | RM | 29,785.80 |
| "Deutsche Bank, Krakow | RM | 105,915 | RM | 256,394 |
| "From table I.b | RM | 357,131.20 | RM | 1,333,677.03 |
| "From table II.b | RM | 265,552.21 | RM | 218,927.70 |
| " | RM | 737,367.49 | RM | 1,838,784.53 |
| " | | | | 737,367.49 |
| " | | | | |
| "Total receipts in occupied territory | | | RM | 2,576,152.02 " |

It is clear that the Government of Poland has taken the amounts of RM. 29,785.80 and RM. 256,394 in lines 1 and 2, under the heading "Gold" of the schedule, quoted immediately above, which figured in the report of the Reichskreditkassen, calculated the quantity of gold these amounts represented at the rate paid by the Reichsbank, at the time, and based its claim as formulated on the Commission's form 1-B-1 on the basis of these calculations. The figures in lines 3 and 4 of the same schedule evidently refer to transactions subject of claim 1 which has already been dealt with above.

In this connection the Commission notes that the Reichsbank apparently paid a higher rate for gold in Poland than it paid in most other countries for the rate in other countries was RM. 2,784 per kilogram of fine gold as against RM. 2,790.277 applied by the Government of Poland in the above mentioned calculations.

208540

RG 59
Entry GRD 115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The contention of the Government of Poland, as the Commission understands it, is that the report of the Reichskreditkassen establishes that gold was transferred, prior to the setting up of the Reichskreditkassen, to the Reichsbank at Berlin by branches, already established in Poland, of two German banks, the branch of the Landesgenossenschaft, at Bromberg, and the branch of the Deutsche Bank, at Krakow, that these transfers were effected in "September 1939" and that the gold transferred and the credit received therefor amounted respectively to 102.5632 kgf and RM. 286,179.80 and that restitution should be effected to Poland on the basis of the 102.5632 kgf. It is further contended that "it can safely be assumed that it (the gold) came from the first confiscations that took place immediately after the invasion of Poland by the German armies".

The evidence furnished by the Government of Poland in support of this claim and, indeed, as a whole, hardly constitutes "detailed and verifiable data" as called for in Part III of the Agreement but the Commission, appreciating the difficulties which the Polish Government must, as a result of the harsh treatment its administration and population suffered at the hands of the Germans, have encountered in collecting it, has interpreted all the evidence submitted in as wide a manner as was compatible with its obligations under Part III of the Agreement and its Terms of Reference.

With regard to the Government of Poland's assertion that "it can safely be assumed that it (the gold) came from the first confiscation that took place immediately after the invasion of Poland by the German armies" the Commission agrees that the gold claimed may have been gold which was surrendered to the two branches, mentioned above, of the Landesgenossenschaft and Deutsche Bank pursuant to the German ordinance of 14 September and 7 October 1939, prior to the setting up of the Reichskreditkassen but it may also have been gold which had been acquired in the course of legitimate business by the two branches concerned prior to the invasion, in which case its transfer to Germany, where the head offices of the two banks in question were situated, could hardly be qualified as looting or wrongful removal by Germany.

It would seem, therefore, that, on this count alone, this claim must fail.

But even if the Government of Poland had established that this gold constituted the proceeds of confiscations from or forced sales by Polish citizens, subsequently to the invasion of Poland by Germany the claim must fail for the reasons already given in the case of claim 1. The Commission cannot agree that upon the basis of the Polish decree of 2 September 1939 the gold in question should be treated as monetary gold belonging to Poland and it cannot agree that two branches of German banks established in Poland prior to the German invasion could, in any way, before or after the invasion, be considered as monetary authorities of Poland.

208541

RG 59
Entry GRDIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-18-96

REPRODUCED AT THE NATIONAL ARCHIVES

3. 4,260.3000 kgf of gold said to have been purchased by branches of the Reichsbank in Poznan, Lods and by other branches of the Reichsbank throughout occupied Poland. (claim 3, (a), (b) & (c))

On page 5 of the Government of Poland's explanatory note of 29 April 1947, there figures the following statement:-

" Some books and cash receipts of the branch offices of the "Reichsbank concerning the turn-over in gold and foreign "exchange were found at the end of 1946 when papers left by "the Germans in Poznan were examined. Those papers, "incomplete as they are, show that in that district alone one "branch office of the Reichsbank has acquired by compulsory "purchase gold amounting to over 260 kgs of pure gold. This "happened in but one branch office of which the Reichsbank had "over ten in the incorporated territories".

Further explanations regarding this claim were given by the Government of Poland on form 1-A-1 of the Commission's Questionnaire as follows:-

" On the Polish territory incorporated into the Reich by "the decree of the Fuehrer of 8 October 1939, the compulsory "purchase of gold was effected by the branches of the Reichsbank. "They were established there on the 1 November 1939, after the "liquidation of the "Reichskreditkassen" which were functioning "on these territories only for a few weeks. As already "mentioned in the information part Form 1-A-1/1/ the western "and partly the northern areas of the Polish territories were "incorporated into the Reich. These were the richest and "economically most cultivated areas which possessed more of "the natural resources of the country as compared with other "parts of Poland. Consequently, the population of these "areas was also wealthier and had more gold in coins and goods "than people in other areas of Poland.

" It is not known how much gold was taken from the Polish "population of those areas by the branches of the Reichsbank. "The Polish Government approached several times the Allied "Control Council of Germany, trying to obtain the possibility "of looking into the documents of the Reichsbank - but it did "not receive the necessary permission. The Polish Government "possess only incomplete data in this matter. In Poznan, for "instance, among other documents left by the Germans the cash "book of the Poznan branch of the Reichsbank was found. It "covered the period from the end of 1939 till the end of 1946 "and a part of cash documents for the years 1940-1944 regarding "the turn-over of gold, foreign currency and foreign exchange. "On the basis of these data, it was calculated that the "Reichsbank branch in Poznan has collected by means of "compulsory purchase from the local population 260 klg of "gold which was sent to the Reichsbank in Berlin. There were "several such branches throughout the Polish territory incor-"porated into the Reich, amongst other - branches in such towns "as Lods and Katowice. It is to be supposed approximately "that in these branches of the Reichsbank was accumulated by "way of compulsory purchase at least 4.000 klg of fine gold.

208542

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" The branches of the Reichsbank on the Polish territory "incorporated into the Reich were the central bank of this "territory and the gold received by these branches became "monetary gold.

" More detailed information regarding compulsory purchase "of gold, confiscations and robbery on Polish territories "incorporated into the Reich is enclosed in the general "report submitted to the Commission".

Yet further explanations were given on form 1-B-1 of the Commission's Questionnaire as follows:-

" The branch of the Reichsbank in Posnan purchased by means "of duress and obtained by confiscation the following quantities "of gold in gold coins during the period of 1939-1944:
"
"

| "Foreign "currency " | Quantity | Value in RM | Quantity of fine gold. |
|---|---|---|---|
| "RM | 321,280. | 336,776.55 | |
| "$ Amer. | 56,485. 50 | 246,489.80 | |
| "£ Engl. | 2,190 | 46,962.95 | |
| "Roubles | 40,285 | 87,900.58 | |
| "Austr. Crowns | 825 | 716.62 | |
| "Ducats | 10 | 97.73 | |
| "Dutch Flor. | 125 | 215.72 | |
| "Belg. Francs | 240 | 203.95 | |
| "Francs Fr. | 6,870 | 5,752.78 | |
| "Ital. Lires | 180 | 149.83 | |
| "Francs Sw. | 640 | 540.72 | |
| "Peso Mex. | 30 | 66.63 | |
| "£ Turk. | 4 | 75.90 | |
| "Norv. Crowns | 175 | 197.59 | |
| "Austr. Flor. | 8 | 17.22 | |
| "Polish Zlotys | 10 | 8.61 | |
| "Sw. Crowns | 25 | 28.07 | |
| "Dutch Crowns | 40 | 44.92 | |
| " Total | | 726,246.17 | 260 klg 300 gr |
| "We estimate that other branches "of the Reichsbank on Polish "territory incorporated into the "Reich have bought up during the "same period of time about: | | | 4,000 " |
| | Total - | 726,246.17 | 4,260 klg 300 gr |

208543

RG 59
Entry GRD 115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-18-99

REPRODUCED AT THE NATIONAL ARCHIVES

As in the case of claim 2, examined earlier in this adjudication, the Commission observes that the Government of Poland has based its calculations on a purchase price of 2,790 RM, approximately, per kilogram of fine gold whereas the rate usually applied by the Reichsbank in other countries was 2,784 RM per kilogram of fine gold.

The Commission having, by letter dated 20 July 1949, requested certain further information, the Chargé d'Affaires of Poland in Brussels forwarded on 3 November 1949 some additional documentation which contained, inter alia, the following information and list of coins:-

"Summary of losses of monetary gold (in coins) through buying
"by force and confiscating on the account of the Reichsbank -
"branch in Lodz (Lodsch called by Germans Litzmanstadt) during
"the period: 16.X.39 to 31.X.39 (Appendix No.1 and No.2.
1.XI.39 to 30.IV.40 " No.3
4.V.40 to 31.XII.40 " No.4 " No.5.
1.I.41 to 30.IV.41 " No.6 " No.7.
10.II.42 to 29.IV.44 " No.8

| "COINS | QUANTITY | TOTAL GROSS WEIGHT GRAMS | TOTAL FINE WEIGHT GRAMS |
|---|---|---|---|
| "1) Dollars (specified in appendix 1-7) | 206,979 | 346,068.89 | 311,461.99 |
| " Dollars (specified in appendix No.8) | 41,166 | 68,829.55 | 61,913.- |
| "2) Roubles (russian) | 108,449 | 93,373.63 | 84,038.63 |
| "3) Reichsmarks | 141,890 | 5,635.33 | 5,071.88 |
| "4) Pound sterl. | 117 | 934.60 | 856.71 |
| "5) France's fr. | 3,960 | 1,277.50 | 1,149.59 |
| "6) Switzerland's fr. | 475 | 153.20 | 137.90 |
| "7) Belgium's fr. | 20 | 3.23 | 2.90 |
| "8) Austrian's schilling | 150 | 35.28 | 31.75 |
| "9) " crowns | 2,630 | 890.90 | 801.80 |
| "10) Norway " | 50 | 22.40 | 20.16 |
| "11) Swedish " | 35 | 15.68 | 14.11 |
| "12) Austr.-hung's ducats | 33 | 115.20 | 113.59 |
| "13) Dutch ducats | 10 | 34.94 | 34.34 |

208544

RG 59
Entry 6215
File Loc Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

| "COINS | QUANTITY | TOTAL GROSS WEIGHT GRAMS | TOTAL FINE WEIGHT GRAMS |
|---|---|---|---|
| "14) Dutch florins | 212.50 | 142.76 | 128.42 |
| "15) " guldens | 5 | 3.36 | 3.02 |
| "16) Danish crowns | 130 | 58.24 | 52.39 |
| "17) Italy lire | 220 | 35.49 | 34.93 |
| "18) Rumanian's loy | 100 | 44.80 | 40.03 |
| "19) Napoleons | 440 | 141.90 | 127.73 |
| "20) Sovereigns | 1 | 7.99 | 7.32 |
| "21) Polish Zloty | 10 | 3.22 | 2.90 |
| "22) Mexico Pesetos | 12 | 11.88 | 10.30 |
| | Together | 517,863.11 | 466,101.24 |

The addition of the fine weights in grams is faulty and the general total of the relevant column should read 466,055.39.

Finally, a list of all the 18 branches of the Reichsbank in occupied Poland is given.

References were made in the rest of the documentation to a series of measures taken by the Germans; to the ordinance of the 14 September 1939; to the ordinance of 7 October 1939 establishing a "Devisenstelle ober-Ost" for all occupied Polish territories except Upper Silesia and to another ordinance of the same date setting up a "Devisenstelle" for Upper Silesia itself. Certified translations of the Fuehrer's ordinance for the administration of eastern territories dated 8 October 1939 which entered into force on 1 November 1939, of another dated 17 November 1939 establishing branches of the Reichsbank in those territories, and of the statutes of the Reichsbank itself governing the relations between the Reichsbank and its branches operating in Polish territory, were also furnished.

It will be seen from the above that only two lists of actual purchases by two branches of the Reichsbank were forwarded to the Commission, totalling 726.3553 kgs. The remainder of the amount claimed, i.e. 3,533.9447 kgf, is an estimation, by the Polish Government, of gold purchases by the remaining sixteen branches of which no records are available.

It would appear that the eighteen branches concerned of the Reichsbank were only new German extensions of the Reichsbank, Berlin, set up on Polish soil, which apparently began buying coin about 16 October 1939, the date of the first purchase evidenced by the documentation. This purchasing continued at least up to 29 April 1944, the date of the last purchase evidenced. It would seem that these branch banks acted as intermediaries for their head office in purchasing, by virtue of the various ordinances,

208545

RG 59
Entry 6205
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KR NARA Date 12-18-96

REPRODUCED AT THE NATIONAL ARCHIVES

those amounts of gold which were offered to them by Polish citizens and institutions under the obligation imposed upon them by the said ordinances. There is no direct evidence as to the transfer of this gold to Berlin but from the terms of the ordinances it appears probable that such gold as was transferred was paid for according to the prevailing rate of exchange, as in the cases of the purchases by the Reichskreditkassen and the Emissionsbank.

The evidence before the Commission merely tends to establish the fact that gold to the amount of 726.3553 kgf was purchased by two branches of the Reichsbank and indicates that the Government of Poland, upon the basis of these purchases, estimates that a further 3,533.9447 kgf must have been purchased by the other sixteen branches of the Reichsbank.

The Commission is inclined to the view that, independently of any other grounds of rejection, that portion of the Government of Poland's above mentioned claim which is based upon an estimation must fail, in the absence of detailed and verifiable evidence. Since, however, the fate of gold, if any, which might be allocated in respect of this portion of the claim is tied up with that of the remaining portion of the claim amounting to 726.3553 kgs, the Commission will now proceed to examine the status of the latter gold.

It was obviously not gold forming part of the pre-war monetary reserve of Poland. The Commission has already stated that it cannot agree that upon the basis of the Polish decree of 2 September 1939 the gold should be treated as monetary gold belonging to Poland. Therefore the mere fact that the 726.3553 kgs of fine gold were in the hands of the Polish population, acquired by the two branches of the Reichsbank and transferred to Germany even if the transfer were proved, which it is not, would not constitute grounds for acceptance by the Commission of this part of the Government of Poland's claim. The Commission has also already stated that it cannot consider German institutions, set up before or after the invasion, in Poland as having been monetary authorities of Poland and the fact therefore, if established, that the gold was entered in the books of the two branches concerned and transferred to Germany cannot, in the Commission's view, open a right to restitution of this gold to Poland under Part III of the Agreement.

In the circumstances no further examination of that portion of the claim of the Government of Poland which is based upon an estimation, is necessary.

The Commission cannot but conclude that the Government of Poland has not established its claim to restitution of the 4,260.300 kgs of fine gold subject of claim 3 (a), (b) and (c).

208546

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

4. 329.2619 kgf said to have been seized by the German authorities from Polish Postal Savings Banks and safe deposits of Polish citizens. (claim 4 (a) and (b)).

The Government of Poland's original explanatory note of 29 April 1947 states:-

" On November 15, 1939, the chief of the foreign exchange "division at the office of the Governor General decreed the "confiscation of gold coins, molten and pure gold. At the "same time the Germans began to open forcibly all safes in "banks and loan institutes. The Polish Government is in "possession of a circular letter of the head office of the "Reichskreditkassen describing this action in Warsaw in "October 1939. A special Commando was in charge (Devisen-"schutskommando). When the owner could not be located the "safe was opened forcibly and its content registered. The "contents of the safe and the lists were turned over to the "Reichskreditkassen. Until the end of October 1939, 660 lists "containing 2,000 items were made. To quote the above "mentioned circular letter: "The work goes on slowly, often "entrances to the vaults must first be cleared. Owners "cannot be located, they either perished or fled. No more "than ¼ of all safes were opened until now. The Commando "will probably be ready with the job in 3 to 4 months. It is "difficult to estimate what the safes will yield. On the basis "of present results we hope to get around 1 million marks in "gold and foreign currencies"".

" In this way safes were opened in all banks. There exist "fragmentary proofs concerning few cases to show what was "taken out of the safes. The governing officers of the "Pocztowa Kasa Oszczednosci (Postal Savings Bank) found after "their return to liberated Warsaw in 1945 in the ruins of the "bank building parts of the receipts prepared by the above "mentioned Commando. Being a part only it nevertheless "consists of 14 files with tens of lists in every file. They "show that in bars and coins the value of over 272 kg of pure "gold was looted as well as 8,3 of platinum. The jewels "and foreign currencies taken out of the safes represent a "value exceeding many times the value of the above given "figure of gold.

" The contents of safes in the branch offices of the Postal "Savings Bank in Lodz, Poznan and Krakow were also confiscated. "On the basis of claims registered by the customers of the "Postal Savings Bank the losses in that bank alone amount "to tens of millions of zlotys.

" Out of the safes of the Bank Cukrownictwa and the Bank "Zwiasku Spolek Zarobkowych in Poznan over 10 kg of gold "were taken as well as a large quantity of jewels.

208547

RG 59
Entry GADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968100
By SP NARA Date 12-18-99

REPRODUCED AT THE NATIONAL ARCHIVES

" Other banks do not possess even those fragmentary "data. The registration of losses with the Ministry "of Finance made by banks for their customers in cases "where they know of the contents of the confiscated "safes shows a loss of 33 million zloty (almost 3.500 kg "of pure gold). The amount of looted gold must have "been specially large in banks which dealt with wealthy "Jewish customers.

" Polish citizens abroad were also affected by the con- "fiscation of gold especially in France, Belgium and "Netherlands. To give just one example: out of the safe "of a Polish citizen, Mrs. A.W. Nr. 1308 in the Rotterdamsche "Bankvereinigung N.A. in Amsterdam, the Germans confiscated "in 1942 gold in the form of bars and coins, representing the "value of 46,000 zloty - the equivalent of almost 70 kg "of pure gold. This gold was turned over to the Reichsbank "in Berlin. This was not an isolated case".

The above statement was confirmed, by the Government of Poland, in almost identical terms on form 1-A-1 of the Commission's Questionnaire.

The Government of Poland, on form 1-B-1 of the Commission's Questionnaire stated:-

" On the basis of a part of documents possessed by the "Post Saving Bank the Germans have taken from the bank "safes gold coins, and gold ingots in the period of "12/X.1939 - 10/IV.1940.

| | | | | | |
|---|---|---|---|---|---|
| "$ | 92,818.50 | kg. | 139 | gr. | 657 |
| "Roubles | 127,148.50 | " | 98 | " | 443 |
| "RM. | 37,945.- | " | 13 | " | 600 |
| "Francs | 8,365.- | " | 2 | " | 428 |
| "Zlotys | 2,475.- | " | - | " | 718 |
| "£ Engl. | 216.- | " | 1 | " | 582 |
| "£ Turkish | 4.- | " | - | " | 29 |
| "Austr. Crowns | 5,697.50 | " | 1 | " | 737 |
| "Austr. Schillings | 360.- | " | - | " | 76 |
| "Scand. Crowns | 80.- | " | - | " | 32 |
| "Dan. Crowns | 60.- | " | - | " | 24 |
| "Ducats | 58.- | " | - | " | 199 |
| "Dutch Flor. | 155.- | " | - | " | 94 |
| "Monetary gold & ingots | | | 1 | " | 429.9 |
| " | | kg. | 260 | gr. | 049 |
| "From safe Nr. 1308 belonging "to the citizen Alicja "Wolosanska, 20 klg gold in bars "20,000 gold dollars, 20,000 "golden francs and 3,000 Austr. "ducats (golden) were looted | | " | 69 | " | 213 |
| | Total - | kg. | 338 | gr. | 262 |

208548

RG 59
Entry 6ADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

"Besides about 8.3 klg. of platinium were taken from the Post "Saving Bank as well as a great quantity of jewels and other "valuables".

There is a mistake in the addition in the above schedule. The correct total is 329.2619 kgf and not 338.262 kgf.

Photocopies and certified copies of documents dated 24 January and 18 April 1944, relating to the above mentioned seizures were furnished by the Government of Poland. It would seem that in most cases some form of consideration in reichsmarks was credited to the accounts of the victims of these seizures. In the case of Mr. Woloszynski (not Mrs. Woloszynska as stated in the declarations of the Government of Poland) whose safe at the Rotterdamsche Bankvereinigung, at Amsterdam contained 69.213 kgf of gold, the documentation clearly shows that the gold was confiscated and that no consideration was given. This was a penalty for non-observance of the German ordinances, the owner of the gold having admitted that he voluntarily omitted to declare or surrender it.

It is nowhere suggested, in the documentation submitted by the Government of Poland, that any of the quantities of gold seized were the property of the Postal Savings Bank and no information regarding the status of the latter or its relations with the State has been furnished.

All the information furnished tends to indicate that all the gold seized belonged to Polish citizens who had placed it in safes hired by them at the seat of the Postal Savings or in one of its branches or in certain private banks.

The Commission concludes, in the circumstances, that the gold falls within one of the categories upon which the Commission has already given a ruling in its analysis of the queries and arguments which may be considered as affecting the Polish claims, as a whole, or following upon its examination of claims 1, 2 (a) and (b) and 3 (a), (b) and (c).

This claim of the Government of Poland therefore fails.

. . .

<u>32,372.2047 kgf gold said to have been seized from Polish citizens in Poland during the occupation. (Claim 5 (a) and (b) as amended).</u>

The explanatory note sent with the Government of Poland's original documentation states:-

" In 1945 a registration of war losses suffered by "individuals has been ordered throughout Poland. It consisted "of a declaration recorded on a standard form on which under the "heading: III2. a. every citizen had the opportunity to register "his losses in gold and other valuables. The genuineness of "a declaration was attested to as to its content by two witnesses and "as to the form by a government official supervising the "registration. The witnesses had to give their residence on the "first side of the form. The purpose of the formal supervision "was to exclude any overvaluation of the losses.

208549

RG 59
Entry 6210115
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-18-96

REPRODUCED AT THE NATIONAL ARCHIVES

" These declarations are being entrusted for safe keeping "to the country and city authorities and well recorded. "They number almost 1½ million.

" A special Government agency has thoroughly examined "all these declarations as to the losses in gold and other "valuables. Of 1½ million 134.500 persons are claiming "losses resulting from looting or confiscation of gold or "other valuables. It has been possible to establish not "only the total value of the item "gold and valuables" "but also to differentiate between the various sorts of "valuables.

" The total value of gold coins and gold bars is equivalent "to 4.875 kgs of pure gold.

" The valuables (rings, chains, watches, wrist bands, "medallions etc.) lost by individuals amount to 326.051.645 "zloty according to the declarations. It is only fair to "accept that the value of gold amounts to 50% of this sum "and the other valuables like precious stones constitute "another 50%. It is known that the German authorities con- "verted gold products of minor artistic value into gold bars - "as it is clearly demonstrated by the orders of the German "central authorities transmitted to the concentration camp "in Oswiecim and Oranienburg. The same orders, now in "possession of the Polish Government bear also testimony to "the fact that valuables were given over to the Reichsbank. "The gold bars served to increase the German monetary gold "stock. A large part of valuables and especially diamonds "were sold in neutral countries, which enabled Germany to "get foreign exchange without using her own monetary gold.

" On the basis of a fair estimate that 50% of all looted "valuables consisted of gold and taking the Polish gold "parity (1 kg of gold = 5.924,44 zloty) the amount of gold "which the Germans derived from looted valuables is being "put at 27,519 kgs".

It is further stated, by the Government of Poland, on form 1-A-1 of the Commission's Questionnaire:-

" The register of war losses sustained by civil population "fully dealt with in the general report submitted to the "Commission covered over one and half a million affected "citizens. Only 134.000 have declared their losses in gold "and valuables.

" The losses in gold consist of coins of different countries "taken by the Germans which together with gold ingots amount "to over 4,875 klg. of fine gold.

" The losses of valuables declared to be registered according "to submitted declarations amount to over 326 millions of "Zlotys. There is reason for assuming that 50% of this sum "consists of golden ore and other 50% consist of other "valuables, jewels and golden objects.

208550

RG 59
Entry GRD 115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" It is a well known fact that the German authorities melted "gold objects of no great artistic value into bars of gold. "More valuable jewelry was sold abroad in neutral countries in "order to obtain foreign currency, which allowed them to preserve "their own stock of monetary gold which otherwise would have to be "used up.

" Admitting that 50% of the whole value of the robbed valuables, "namely 163 millions Zlotys was gold ore and admitting at the "same time the value of this gold ore according to the value of "the Polish Zloty, /1 kg of gold = 5,924,44 Zlotys/ the quantity "of fine gold in valuables amounts approximately to over 27,500 klg.

" As said in the general report submitted to the Commission, the "register could not cover the whole of the Polish losses in Zlotys. "The repatriation of the whole population is not been completed "yet. Many people did not register their losses. As a matter of "fact, the register does not include millions of people dead and "murdered during the war".

Form 1-B-1 of the Commission's Questionnaire, as completed by the Government of Poland, contains the following schedule:-

" The losses of the Polish population declared when registering "war losses:-

"In gold coins and gold ingots

| | | | | | |
|---|---|---|---|---|---|
| "$ U.S.A. | 1.534.630 | klg | 2.309 | gr. | 0353 |
| "Austr. Ducats | 1.249 | | 4 | | 3000 |
| " | 75.200 | | 4 | | 3000 |
| "£ Engl. | 6.182 | | 45 | | 2665 |
| "Flor. Austr. | 12 | | 0 | | 0348 |
| "Flor. Dutch. | 210 | | 0 | | 1270 |
| "Austr. Crowns. | 66.840 | | 20 | | 3775 |
| "Swedish Crowns | 1.240 | | 0 | | 500 |
| "Lei Rum | 7.000 | | 0 | | 2100 |
| "Italian Lires | 40 | | 0 | | 0058 |
| "R.R. | 601.840 | | 215 | | 7145 |
| "Hung. Penge | 1.900 | | 0 | | 5000 |
| "Roubles | 1.023.705 | | 792 | | 5833 |
| "Gold coins "(various kind) | | | 1.457 | | 7000 |
| "Gold ingots | | | 7 | | 0000 |
| | Total - | | 4.875 klg | | |
| "50% of the sum of "326 millions Zlotys "of declared losses "in valuables = 163 "millions of fine gold. | | | 27.515 | | |
| | Total - | | 32.380 klg. | | |

208551

RG 59
Entry GRD 115
File "GC Claims"
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

There is a mistake in the addition of the number of kilograms of fine gold said to be contained in the coins described in the above schedule. The correct figure is 4,857.2047 kgf and the correct general total is 32,372.2047 kgf.

Various lists of gold coins alleged to have been looted, a specimen form, presumably the form which had to be completed by Polish citizens claiming to have suffered war losses and a certified translation of a German ordinance, dated 17 September 1940, relating to property in that part of Poland which was annexed to the Reich, was also furnished. The Commission noted, inter alia, from one of the documents submitted (a photocopy of a memorandum by a German general, General Glabocnik) that the proceeds of the looting which took place at Lublin were valued at some RM. 178,745.960. The original of the latter document was, it would seem, produced before the court at the Nuremberg trials.

The evidence shows that an agency was set up, after the war, by the Government of Poland, to receive declarations of war losses from Polish citizens and that the latter, in their declarations, claimed to have suffered losses, in the form of gold coins and bars, representing a total of 4,857.2047 kgs of fine gold. The total value of other "valuables" (rings, chains, watches, wrist bands, medallions etc.) claimed to have been lost is estimated, by the Government of Poland, at 326,051.645 Zlotys. In this connection the Government of Poland submits the following reasoning:-

> " Admitting that 50% of the whole value of the robbed "valuables, namely 163 millions Zlotys was gold ore and "admitting at the same time the value of this gold ore "according to the value of the Polish Zloty, /1 kg of "gold = 5,924,44 Zlotys/ the quantity of fine gold in "valuables amounts approximately to over 27,500 klg".

The Commission has examined all this documentation with great care. It undoubtedly shows that the population of Poland suffered considerable losses at the hands of the Germans and the Commission has noted this fact with the greatest sympathy. It cannot, however, follow the Government of Poland in its reasoning.

There is no question but that one of the elements upon which the Government of Poland bases its claim in respect of the 27,500 kgs (claim 5 (b)), is an estimation of the gold content of "valuables" other than gold coins and bars.

The Polish decree of 2 September 1939 and the German ordinances imposing the surrender of gold did not apply to valuables such as rings, chains, watches etc. The Government of Poland does not contend that these valuables, after collection, were entered in the books of the Reichskreditkassen and other German institutions, considered by the Government of Poland as "the central banks of occupied Poland". The arguments put forward by the Government of Poland in connection with the gold collected by the Reichskreditkassen and other German institutions do not, therefore, apply in this case and, if they did, the Commission has already demonstrated that it cannot accept them.

208552

RG 59
Entry GADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

Independently of the fact that the documentation furnished in support of this claim cannot be described as constituting "detailed and verifiable data", as required by Part III of the Agreement, the Commission finds some difficulty in determining the grounds upon which it was put forward since the term "monetary gold", however liberally interpreted, could hardly be held to include a gold ring or a gold watch in the unrestricted possession of a private individual. Nor could the term "belonging to it" (a claimant country) be interpreted as applying to this same gold ring or gold watch.

The Government of Poland, in its oral arguments did, it is true, attempt to demonstrate that the gold contents of valuables - rings, watches etc. - should be considered as monetary gold because some part of the said contents may have found its way into the gold reserves of the Reichsbank but this point has already been dealt with in the Commission's analysis of the queries and arguments of the Government of Poland which might be considered as affecting the Polish claims as a whole.

The Commission cannot but conclude that the 27,500 kgs of fine gold estimated (for this figure is only an estimation) to have been contained in valuables looted from Polish citizens, subject of the Government of Poland's claim 5 (b), did not constitute monetary gold belonging to Poland within the meaning of Part III of the Agreement.

With regard to claim 5 (a), that is to say with regard to the 4,857.2047 kgs of fine gold, in the form of coins and bars, subject of declarations of losses by Polish citizens, the Commission's view, for reasons which have already been stated in detail, is that this gold belonged to private individuals, that it did not function as monetary gold of Poland prior to the publication of the decree of 2 September 1939, and that the latter decree, for reasons which have, also, already been stated did not have the effect of making it monetary gold of Poland.

208553

RG 59
Entry ERDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission, further, notes that there is nothing to show that this claim (5 (a)), does not constitute, in part, at least, a duplication of claims 1, 2 (a) and 3 (a), (b) and (c) in respect of gold collected by the Reichskreditkassen and other German institutions since the coins and bars declared as lost by Polish citizens may well have found their way to Germany through the intermediary of the Reichskreditkassen and other German institutions and be included in the gold claimed by the Government of Poland as having been collected by these institutions. (1)

For the above reasons and other reasons given earlier in this adjudication the Commission cannot but find that claim 5 (a) and (b) fails in its entirety.

6. <u>100.000.0000 kgf. an estimation of gold looted by the German forces from victims of concentration camps during the period of hostilities. (claim 6).</u>

In form 1-A-1 of the Commission's Questionnaire returned under cover of the Government of Poland's note, dated 29 April 1947, the latter states:-

" The Germans committed mass looting in a most ruthless "way, combined with mass murder or tortures to death, "which took place in concentration camps. There were over "400 of these camps on Polish soil. The report submitted "to the Commission deals fully with these exterminating "activities which aimed at the biological annihilation of "the Polish and Jewish nations. The annihilation of Jews "in Poland was carried out almost completely and the Polish "nation escaped this fate only owing to the victory of the "Allied Nations.

" As stated in the report mentioned, the total of Polish "citizens who were murdered in concentration camps amounts to "4,900.000. 1,700.000 were Christians, 3,200.000 Polish Jews.

" We can safely assume that at least 50% of the Christian "population among whom prevailed members of free professions "and intelligentsia had gold in coins and in golden objects "(watches, wedding rings, chains etc) approximately 25 gr. "per person. This makes over 20.000 klg of fine gold of "which the victims were robbed.

" As to the Jews, supposing that 3,200.000 murdered "persons consisted of 80.000 families of 4 persons each and "that every family possessed only 100 gr. of fine gold of "different kind, we may obtain the figure of at least "80.000 klg., which were looted by the Germans.

" According to information, the gold and valuables robbed "in concentration camps were as a rule despatched to the "Reichsbank where they contributed to the increase of the "stock of monetary gold".

---

(1) In this connection, see footnote (11) page 1 of this adjudication.

208554

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

Form 1-B-1 of the Commission's Questionnaire returned under cover of the above mentioned note, dated 29 April 1947, contains the following schedule:-

"Unit: klg. of fine gold /1000/1000/

| " | 1939-1945 | Total |
|---|---|---|
| "Looted from murdered Christian "Polish citizens | 20,000 | |
| "Polish Jews | 80,000 | |
| "Total | 100,000 kg. | 100,000 kg" |

In support of this claim the Government of Poland has furnished various documents (in the form of photocopies or certified translations). One of these documents, which is in German, is a copy of instructions given, on 24 January 1944, to the administration of the concentration camp of Auschwitz, by the head of Section D.II - administrative Group D - concentration camps. This document contains detailed instructions regarding the classification and disposal of valuables taken from prisoners in concentration camps.

The Polish Representative, when he was heard by the Commission on 12 February 1951, handed to the Commission a photocopy of a secret letter, dated 8 October 1942, addressed by the Central Office of the S.S. for economic affairs and administration to the "Reichsfuhrer" S.S. Berlin. This letter mentioned that gold, approximately 50 kgs, removed from dentures and teeth of deceased prisoners was to be deposited at the Reichsbank.

The documentation furnished by the Government of Poland establishes a fact which is not denied by the Commission namely that sections of the Polish population were treated in an extremely harsh fashion by the Germans and that many of its members were brutally murdered and their belongings looted. The Commission and the world in general are, unfortunately, aware that deplorable incidents occurred in nearly all, if not all, the occupied countries.

The Commission notes that whereas in the case of claim 5 (b) the Government of Poland at least had the declarations of losses by Polish citizens upon which to base an estimation it has no such basis in the present case since no declarations of losses have apparently been made by the next of kin, of which there must be some, of the victims of the concentration camps.

208555

RG 59
Entry GRDIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The Government of Poland's estimation of 100.000 kgf appears to be a purely arbitrary one, unsubstantiated by any direct evidence of value.

It is with some surprise that the Commission has noted the existence of this claim since it has been unable to find in Part III any grounds, however slight, which would justify the submission, by the Government of Poland, or the consideration by the Commission, of such a claim.

Indeed, although acts of terrorism and looting, such as are described by the Government of Poland, were committed by the Germans in concentration camps, to a greater or lesser degree, in all occupied countries, no other claimant Government but that of Poland (with the exception of one, which, like Poland was able to send abroad and recover the greater portion, if not all, of its pre-war monetary reserve, and whose claim the Commission found itself obliged to reject) has considered that there were grounds in Part III of the Agreement for submitting claims on this account to the Commission.

It is common knowledge that most of these countries, if not all, have passed legislation for the purpose of dealing, as a purely internal matter, with war damage and war losses suffered by their populations and that purely national agencies have been set up to receive claims in this respect from private citizens and pay such compensation as has been provided for by the legislator as a charge against the national budget. It would appear, from the documentation submitted by the Government of Poland that similar action has been taken in Poland.

Put very briefly, the Commission holds that the requirement of Part III of the Agreement that detailed and verifiable data should be supplied has not been met, that the gold, such of it as there was, was not monetary gold at the time it was looted and that, further, it did not belong to Poland but to private individuals. Indeed, the Government of Poland does not appear to contend that it was monetary gold at the time it was looted or that it belonged to Poland, (the Polish Representative, when he was heard on 12 February 1951, in fact admitted that it was not monetary gold). The Government of Poland's contention, as the Commission understands it, is that since some of this gold may have found its way into the gold reserves of the Reichsbank it should, for this reason, be considered to have become monetary gold subsequently to the looting and that an allocation should be made to Poland on this account. This thesis, in the face of the clear wording of Part III of the Agreement, "a proportional share of the gold shall be allocated to each country concerned ..... which can establish (on the basis of detailed and verifiable data) that a definite amount of monetary gold belonging to it was looted by Germany ....."

208556

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

is quite unacceptable. The Commission has already given, earlier in this adjudication, in great detail, its reasons for its findings as above and considers it unnecessary to develop them further here.

In view of all that precedes, the Commission, pursuant to the mission entrusted to it and to the powers conferred upon it by virtue of the Agreement and its Terms of Reference, finds as follows:-

The Government of the Republic of Poland has not established before the Commission, under Part III of the Agreement on Reparation from Germany, on the establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold signed in Paris on 14 January 1946, its claim in respect of 138,718.5309 (one hundred and thirty eight thousand, seven hundred and eighteen.5309) kilograms of fine gold. No share in the pool of monetary gold established pursuant to the above-mentioned Agreement and administered by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and of France, can, therefore, be allocated to the Government of the Republic of Poland in respect of the amount claimed.

Done, in duplicate, in Brussels, on this ninth day of June nineteen hundred and fifty-eight, in the English and French languages, the two texts, one set of which shall be deposited in the archives of the Government of the French Republic, being equally authentic.

Richard B. Freund

Commissioner of the Government of the United States of America.

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

Jacques Lauwers

Commissioner of the Government of the French Republic.

John M. Watson

Secretary General.

208557

DECLASSIFIED
Authority NND 968106
By KR NARA Date 12-13-96

RG 59
Entry 6215
File TGC Claims
Box 13

REPRODUCED AT THE NATIONAL ARCHIVES

ANNEX A

# PROTOCOL

The Governments of the United States of America, the French Republic and the United Kingdom of Great Britain and Northern Ireland, hereinafter referred to as "the Allied Governments concerned", on the one hand, and the Government of Poland, on the other, have through the undersigned duly enpowered representatives, agreed as follows :-

1. Poland shall receive a proportional share of the gold distributed pursuant to Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold signed at Paris on 14th January, 1946, on the same basis as the countries signatory to the said Agreement to the extent that Poland 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.

2. Poland adheres to the arrangement for the restitution of monetary gold set forth in Part III of the aforementioned Agreement and declares that the portion of the monetary gold accruing to it under the Agreement is accepted in full satisfaction of all Polish claims against Germany for restitution of monetary gold.

3. Poland accepts the arrangements which have been or will be made by the Allied Governments concerned for the implementation of the aforesaid arrangement.

Done in London this 6th day of July, 1949, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the Government of the United Kingdom and of which certified copies shall be communicated to the other signatory Governments.

For the Government of the United States of America :

J.C. HOLMES.

For the Government of the French Republic :

R. MASSIGLI.

For the Government of the United Kingdom of Great Britain and Northern Ireland :

ERNEST BEVIN.

For the Government of Poland :

JERZY MICHALOWSKI.

208558

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

DENY

(9)

D-9

SECRET

# ADJUDICATION

BY THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD ON A CLAIM SUBMITTED BY THE GOVERNMENT OF THE POLISH REPUBLIC FOR THE RESTITUTION OF 138,718.5309 KGS OF FINE GOLD.

-x-x-x-x-x-x-x-x-x-x-x-x-x-x-


DEPARTMENT OF STATE/A/CDC/MR

REVIEWED BY D. Smith DATE 2/11/85

Upgraded to Secret, OADR

RDS or XDS CAT. DATE

TS AUTH. REASON(S)

ENDORSE EXISTING MARKINGS ☐

DECLASSIFIED ☐ RELEASABLE ☐

RELEASE DENIED ☒

PA or FOI EXEMPTIONS (B-1), (A-2,5)


208559

SECRET


RG 59

Entry GABIIS

File TGC Claims

Box 13

DECLASSIFIED

Authority NND 968106

By RR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

A D J U D I C A T I O N

BY THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

ON A CLAIM SUBMITTED BY THE GOVERNMENT

OF THE FEDERATED PEOPLE'S REPUBLIC OF YUGOSLAVIA

FOR THE RESTITUTION OF 12,264.92418 KGS OF FINE GOLD.

-=-=-=-=-=-=-=-=-=-=-=-=-=-

208560

RG 59
Entry 62D115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND968106
By [illegible] NARA Date [illegible]

REPRODUCED AT THE NATIONAL ARCHIVES

# A D J U D I C A T I O N .

by the Tripartite Commission for the Restitution of Monetary Gold (hereafter described as "the Commission"), having its seat in Brussels, 50,avenue des Arts, pursuant to Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946, (hereafter described as "the Agreement"), and the Commission's Terms of Reference published, on 29 September 1946, in the Department of State Bulletin and on 27 September 1946, in the London Gazette and the Journal Officiel de la République Française, on a claim submitted, pursuant to the above-mentioned Agreement and Terms of Reference, by the Government of the Federated People's Republic of Yugoslavia (hereafter described as "the Government of Yugoslavia"), for the restitution of 12,264.92418 (twelve thousand, two hundred and sixty four.92418) kilograms of fine gold.

The Commission, on 13 March 1947, wrote, pursuant to the Agreement and Terms of Reference, to the Delegates to the Inter-Allied Reparation Agency, in Brussels, of the Governments of Albania, The United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, The United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxemburg, Norway, New Zealand, The Netherlands, Czechoslovakia, The Union of South Africa and Yugoslavia, who were signatories to the Agreement and also, with certain reserves, to the Representatives in Brussels of the Governments of Austria, Italy and Poland, who were not signatories to the Agreement, (but adhered respectively by Protocols signed in London on 4 November 1947, 16 December 1947 and 6 July 1949, to the arrangement for the restitution of monetary gold set forth in Part III of the Agreement), advising them of the setting up of the Commission and informing them of the texts and principles which would govern the work of the Commission and enclosing a Questionnaire, with a request that it should be completed and returned by those Governments claiming a share in the pool of monetary gold set up under Part III of the Agreement.

The Delegate of the Government of Yugoslavia, under cover of a letter dated 14 May 1947, returned the Commission's Questionnaire, with supporting documentation, accompanied by an explanatory note, dated 8 May 1947, from the Minister for Foreign Affairs of Yugoslavia.

The claim can conveniently be divided, for the purposes of the Commission's adjudication, into four parts:

1. Claim for the restitution of 9,328.62251 kgs of fine gold originating from the Uzice branch of the National Bank of the Kingdom of Yugoslavia of which:-

   8,857.480 kgs are said to have been removed from Yugoslavia by Italy and subsequently looted from Italy by Germany and

   471.1425 kgs are said to have been looted directly from Yugoslavia by Germany.

208561

RG 59
Entry 6ADIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

2. Claim for restitution of 117.55263 kgs of fine gold originating from the Sarajevo branch of the National Bank of the Kingdom of Yugoslavia said to have been transferred to the Croatian State Bank by Ustacha officials brought in by the armies of occupation and, thereafter, to have been looted by the Germans from officials of that bank.

3. Claim for the restitution of 137.36884 kgs of fine gold said to have been removed from the National Bank of Serbia in circumstances which amounted to a looting of monetary gold belonging to Yugoslavia by Germany.

4. Claim for the restitution of 2,681.38020 kgs of fine gold said to have belonged to Yugoslavia, of which

445.571 kgs are said to have been looted by the Germans in the form of gold bars from the Bor Mines.

282.9790 kgs held in Paris are said to have been looted by the Germans from the Bor Mines, and

1,952.8302 kgs are said to have been extracted, in Germany, from Bor Mine blister copper.

. . .

1. Claim for the restitution of 9,328.62251 kgs of fine gold originating from the Uzice branch of the National Bank of the Kingdom of Yugoslavia of which 8,857.480 kgs are said to have been removed from Yugoslavia by Italy and subsequently looted from Italy by Germany and 471.1425 kgs are said to have been looted directly from Yugoslavia by Germany. (Claim No.1.)

As has already been explained, four claims were submitted by the Government of Yugoslavia, the first of which forms the subject of the present decision.

The Minister for Foreign Affairs, in his note accompanying the Government of Yugoslavia's reply to the Questionnaire, said that:-

"It appears from the documentation attached hereto relating "to the monetary gold mentioned in No.1. that this gold was "removed by the Italian authorities in 1941, that is, at the "beginning of the occupation. By a note, Pov.664, of May 21, "1945, the Government of the Federative People's Republic of "Yugoslavia submitted the present case to the Allied Embassies "in Belgrade, that is, to the Embassy of the Soviet Union "and to those of the United States of America and Great Britain, "and in a Memorandum attached to the above-mentioned note "proved the accuracy of its statements as to the quantity and "the method of removal of the gold in question. The Allied "Military Authorities in Italy carried out an investigation "into the matter and by note No.373, of October 31, 1945, "(a certified true copy of which is attached hereto)

208562

RG 59
Entry GADIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

"the British Embassy at Belgrade informed the "Government of the Federative People's Republic of "Yugoslavia that it had been duly established that the "said gold was removed from Italy to Germany. Con- "sequently the Government of the Federative People's "Republic of Yugoslavia has nothing to add concerning "the fact that the monetary gold of the National Bank, "looted by the Italians, is at present in Germany".

The note referred to, from the British Embassy at Belgrade, however, merely states, in general terms, that "it would appear that the gold (no specific amount is mentioned) has been removed from Italy to Germany". Furthermore, the detailed documentation forwarded with the note from the Minister for Foreign Affairs refers both to gold removed by Italy from Yugoslavia and subsequently looted from Italy by Germany, and to gold removed directly from Yugoslavia by Germany.

It is clear, from the documentation, that the Government of Yugoslavia, whose country had been divided by the Axis Powers and whose archives and records had been thrown into a state of confusion during the occupation, met with some difficulty in collecting its documentation and particularly in its attempts to determine what portions of its monetary reserve had been removed by Italy, and what portions had been removed by Germany, and that, since it was able to establish that all this gold originated from the Usice branch of the National Bank of the Kingdom of Yugoslavia which held 9,611.30801 kgs of fine gold, it decided to take this figure as a starting point for its reasoning. The difference between the latter figure and the amount of the Government of Yugoslavia's original claim, which was for 9,328.62251 kgs of fine gold, is explained by the fact that the Yugoslav Government in exile took with it, when it left the country, some of the gold originating from the Usice branch of the National Bank of the Kingdom of Yugoslavia, which gold was, of course, not claimed for.

It will be seen later in this adjudication that the claim for the gold which was taken directly by Germany from Yugoslavia was based on statements of eye witnesses insofar as the number of cases of gold taken was concerned, and that the basis for the calculation of the actual fine weight of gold claimed was the average fine gold content of one case. It will also be seen that the original figures given in respect of the gold which was taken by Italy had to be rectified.

In response to certain observations which were made by the Commission, which had found the original documentation and information furnished by the Government of Yugoslavia insufficient, the Delegate of that Government, on 5 March and again on 21 June 1948, furnished additional documentation and information, which was supplemented by the Minister of Yugoslavia in Brussels on 1 March 1952.

The Commission, when considering this claim, also had certain other information before it.

208563

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

This was, in the first place, the Italian Government's reply to the Commission's Questionnaire, which contained details regarding the gold removed by Italy from Yugoslavia and, secondly, information received from England regarding that part of Yugoslavia's monetary reserve which was removed to British territory by the Yugoslav Government in exile for safe keeping at the time of the invasion. The latter information was, as will be seen later, of assistance to the Commission in connection with the calculation of the average fine gold content of cases originating from the Uzice branch of the National Bank of the Kingdom of Yugoslavia.

The facts of the case are as follows:-

The National Defence Council of Yugoslavia decided, on 2 May 1939, and on 16 May 1940, that in view of the threat of war, the major portion of the gold reserves of the National Bank of the Kingdom of Yugoslavia, should be sent out of the country to London and to New York and that only a small portion should be retained in the country to meet eventual requirements.

Of this smaller portion:-

coins, originating from the Sarajevo Branch of the National Bank of the Kingdom of Yugoslavia, fine weight of which was ..... 7,738.56649 kgs

and coins, originating from the Seat of the Bank at Belgrade, fine weight of which was ..... 260.27347 kgs

together with bars, also originating from the Seat of the Bank at Belgrade, fine weight of which was ..... 1,612.46805 kgs

that is to say a total of ..... 9,611.30801 kgs of fine gold.

were sent, pursuant to an order of 26 November 1940, in execution of the decisions taken on 2 May 1939 and 16 May 1940, to the Uzice Branch of the National Bank of the Kingdom of Yugoslavia, where the gold was stored in specially constructed strong rooms.

The documentation furnished by the Government of Yugoslavia shows that this gold was inventoried as follows:-

"COINS

| "Number of Cases | Gross Weight Kgs | Fine Weight Kgs | Currency | Face Value |
|---|---|---|---|---|
| " 6 | 289,51440 | 260.27347 | Gold Francs | 900,000.- |
| " 99 | 5,307.25630 | 4,854.32761 | Turk. Liras | 739,370.- |
| " 25 | 1,284.78744 | 1,265.65518 | Ducats | 371,050.- |
| " 35 | 1,762.52721 | 1,584.50974 | Aus. Crowns | 5,211,850.- |
| " 1 | 19.396 | 17.43698 | Russ. Rubls | 22,650.- |
| " | 8.88755 | 7.98545 | Dutch Flors. | 13,240.- |
| " | 4.82220 | 4.33514 | Aus. Schil. | 20,500.- |
| " | 4.39940 | 4.02395 | Rus. Imp. | 675.- |
| " | 0.32530 | 0.29244 | Ital. Liras - new issued. | 3,700.- |
| " 166 | 8,681.91580 | 7,998.83996 | | |

208564

RG 59
Entry 6ADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

"BARS

| "Consignment Number | Markings of cases | Number of Bars | Gold Gross Weight | Gold Fine Weight | Silver Content Fine Weight. |
|---|---|---|---|---|---|
| " 1 | 1089 | 4 | 37.970 | 33.78919 | |
| " 2 | 1090 | 4 | 48.33550 | 43.42278 | |
| " 3 | 1091 | 4 | 51.47190 | 51.46395 | |
| " 4 | 1092 | 4 | 49.997 | 49.992 | |
| " 5 | 1093 | 4 | 49.99750 | 49.99250 | |
| " 6 | 1095 | 4 | 47.77740 | 47.77261 | |
| " 7 | 1096 | 4 | 47.49770 | 47.49293 | |
| " 8 | 1097 | 4 | 48.78270 | 48.77780 | |
| " 9 | 1098 | 4 | 46.65450 | 46.64982 | |
| " 10 | 1099 | 4 | 48.31620 | 48.31135 | |
| " 11 | 1100 | 4 | 47.01360 | 47.00887 | |
| " 12 | 1101 | 4 | 47.60470 | 47.59992 | |
| " 13 | 1102 | 4 | 46.25280 | 46.24817 | |
| " 14 | 1103 | 4 | 48.22670 | 48.22186 | |
| " 15 | 1104 | 4 | 45.90050 | 45.89588 | |
| " 16 | 1105 | 4 | 50.10670 | 50.00502 | |
| " 17 | 1106 | 4 | 46.07780 | 45.90729 | |
| " 18 | 1107 | 4 | 46.27540 | 46.10416 | |
| " 19 | 1108 | 4 | 48.67230 | 48.62682 | |
| " 20 | 1109 | 4 | 49.86220 | 49.85720 | |
| " 21 | 1112 | 4 | 50.629 | 49.42284 | |
| " 22 | 1113 | 4 | 49.99580 | 49.99080 | |
| " 23 | 1114 | 4 | 49.99570 | 49.99070 | |
| " 24 | 1116 | 4 | 42.17030 | 41.34872 | |
| " 25 | 1117 | 4 | 41.48280 | 41.47699 | |
| " 26 | 1118 | 4 | 49.96880 | 49.96380 | |
| " 27 | 1119 | 4 | 34.75050 | 31.01939 | |
| " 28 | 1120 | 4 | 49.98970 | 49.98470 | |
| " 29 | 1121 | 4 | 47.36390 | 46.44942 | |
| " 30 | 1094 | 4 | 32.691 | 22.12646 | 6,558 |
| " 31 | 1110 | 4 | 47.32880 | 39.38938 | 6,768 |
| " 32 | 1111 | 4 | 43.25070 | 32.99448 | 8.000 |
| " 33 | 1115 | 4 | 35.21550 | 21.56535 | 11.205 |
| " 34 | 1122 | 4 | 35.92680 | 23.75946 | 7,882 |
| " 35 | 1123 | 4 | 44.575 | 29.34552 | 7,517 |
| " 36 | 1124 | 4 | 46.18230 | 39.66423 | 6,192 |
| " 37 | 1125 | 4 | 37.17720 | 26.46816 | 7,859 |
| " 38 | 1126 | 4 | 32.29810 | 24.36753 | 6,848 |
| " | | | | | |
| " | | | | | |
| " | | 152 | 1,723.785 | 1,612.46805 | 68,829 |
| " | | | | | |

"Total : Coins in 166 cases weighing Net. Kgs. 7,998.83996
Bars in 38 cases weighing Net Kgs. 1,612.46805
Total 204 cases weighing Net Kgs. 9,611.30801 fine gold".

208565

RG 59
Entry 6ADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-18-96

REPRODUCED AT THE NATIONAL ARCHIVES

When war broke out, on 6 April 1941, the management of the National Bank of the Kingdom of Yugoslavia, taking with them the rest of the Bank's mobile assets, moved to Uzice, where the Minister of Finance had, temporarily, established his offices.

The latter, in view of the unfavourable trend of events, issued a decree No. 10/11/1941, to the effect that the gold referred to above should be transferred without delay to the Mostar Branch of the National Bank of the Kingdom of Yugoslavia, where there were suitable strong rooms available and the Bank, on 8 April 1941, carried out this instruction. The gold, accompanied by Mr. Todor Karanovic, Departmental Manager of the Bank, Mr. Jovan Zivadinovic, Chief Clerk, and Mr. Marjan Krisper, Clerk, was transported by motor lorries to the Branch of the Bank at Mostar. The covering letter, dated 7 April 1941, describes the gold as follows:-

"1. GOLD COINS

| | | | |
|---|---|---|---|
| " | 6 | boxes Nos. | 100 - 105 |
| " | 98 | " " | 322 - 419 |
| " | 34 | " " | 420 - 453 |
| " | 24 | " " | 461 - 484 |
| " | 4 | " " | 637, 639, 641 and 642. |
| " | | | |
| " | 166 | boxes. | |
| " | | | |

"2. GOLD IN BULLIONS

| | | | |
|---|---|---|---|
| " | | | |
| " | 38 | boxes Nos. | 1089 - 1126 |
| " | | | |
| " Total - | 204 | boxes /approximately 9,611 kgs/ | |

and so does the protocol, dated 9 April 1941, which was drawn up at the Mostar Branch of the Bank, upon receipt of the gold and signed by the joint holders of the keys of the Mostar strong rooms, Mr. Milorad Krstic and Mr. L. Ivusic.

On 13 April 1941, General Milojko Jankovic called the Manager of the Mostar Branch, Mr. Krstic, who was accompanied by Mr. Marjan Krisper, a clerk of the Head Office of the Bank, to his Headquarters and communicated to him an order, which he had received by wireless, to the effect that the gold was to be transferred to Niksic.

In the night of the 13/14 April 1941, the 204 cases of gold were accordingly sent off on motor lorries accompanied by the officials mentioned in the immediately preceding paragraph.

In the evening of 14 April 1941, the 204 cases reached Bileca where they were transferred to a railway wagon which started the same evening for Niksic where it arrived in the morning of 15 April 1941. A few hours later, officers of the Bank headed by the Chief Clerk, Mr. Zivadinovic, arrived and supervised the removal of the gold in motor lorries to a grotto, known as the "Trebjesa Grotto" where the 204 cases were stored.

208566

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

Events moved quickly at Niksic.

The Yugoslav Government had intended to have the whole of this gold removed by air to a place of safety abroad. The unfavourable trend of the military operations and shortage of aircraft, prevented the Yugoslav Government from putting this plan into execution, however, and when it went into exile, on 16 April 1941, all that the Yugoslav Government was able to save out of the 204 cases referred to, were 6 cases which its members took away with them.

Whilst the Government was leaving the country that is to say on 16 April 1941, 100 cases of the gold were sent, in motor lorries, to Cetinje, accompanied by Captain Gojnic, Lieutenant Jankovic, 2nd Lieutenant Slepcev and Military Clerk Jukic.

At the same time, 10 cases were loaded into a motor lorry and driven to the Ostrog Monastery, where the Patriarch Gavrilo had taken refuge.

Captain Gojnic, mentioned above, who accompanied the 100 cases to Cetinje, witnessed, before he left Niksic, the departure of the gold which was sent to the Ostrog Monastery. In a signed statement, dated 15 April, 1947, certified translation of which has been communicated by the Government of Yugoslavia, (document No.8. annexed to the Government of Yugoslavia's reply to the Questionnaire), he says: "Except these three motor trucks which I conveyed (to Cetinje) there was a fourth motor truck loaded, too, in which, as far as I can recollect, were loaded 10 cases of gold. This motor truck, accompanied by a Police Lieutenant, started for the monastery "Ostrog" where it was delivered to the Patriarch".

88 cases were left behind at Niksic, in the offices of the Chief of the District Administration, where they had been taken over by the District Chief Administrator, Miras Radonic, and his chief clerk, Kotlica, from Captain Svetislav S. Nesovic, Air Lieutenant Vladimir B. Rajkovic and Air Sergeant M. Radulovic who had been responsible for their transport from the Trebjesa grotto.

Such was the situation, on 16 April 1941.

On 24 and 27 April, 1941, the Italian Forces, which had reached Niksic some days previously, discovered the 88 cases of gold which had been hidden in this town and removed them to Bileca.

At the end of April 1941, the German Forces discovered the gold which had been hidden in the Ostrog Monastery and seized it. An original copy of a German newspaper "Panzer am Balkan", dated 1 May 1941, enclosed, as document No.14., with the original reply of the Government of Yugoslavia to the Commission's Questionnaire, contains an article by German war correspondent Wilfred V. Oven, describing the discovery and the removal of this gold. Relevant extracts from this article, translated into the English language by the Commission's expert translators, are quoted below:

208567

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

" "THE TREASURE IN THE MOUNTAIN EYRIE"

" 375 millions of the Serbian State Treasure found -

" Chests of gold among smoked hams.

---

" The Gestapo in collaboration with the Wehrmacht has discovered "an important part of the Serbian State treasure concealed in the in-"accessible mountains of Montenegro. The coterie of traitors which "surrounded the young King Peter had previously, like so many other "governments in allegiance to England, endeavoured to convey the state "treasure to the British Isles. This attempt failed in Serbia. "375,000,000 dinar, as well as several chests of mint gold were seized "there. In addition to this the Patriarch of Yugoslavia, Gavrilo, one "of the principal instigators of war against Germany, was arrested in the "Greek Orthodox Convent of Ostrog, the last refuge of the former king and "of his followers. Further traces leading to other places of concealment "are now being followed up. At all events, by this prompt seizure the "Gestapo has dealt another severe blow to England, who had intended to "enrich herself at the cost of this "Ally" of hers.

" At 5 a.m., we find ourselves in Niksic, a small Montenegran "provincial town, whose present importance is due alone to the fact that "it lies in a wide valley, surrounded by high mountains. Here there was "an aerodrome, from which the plane left which carried ex-king Peter and "his close associates out of the country, here was the scene of the last "act of his short career as Serbian king, and it was here that everything "that could not be carried off in the rapid flight from German troops was "left behind : statements and millions of banknotes, generals and pure gold, "state documents and personal property. If in future people should speak "of Niksic, it will only be because here ended a sad chapter in the history "of the Balkans.

" The town of Niksic was still asleep when we left by a narrow "winding path that leads up the mountains. The mountain scenery here is "wildly romantic, filled with ravines and steep rocks, with a mountain "torrent many hundred metres below. There we caught sight of the convent "which lies within an opening that has been made in an almost perpendicular "mountain side. This was the goal of the king when he fled. It is also "our goal. The convent seemed still asleep when we arrived, except for the "monotonous chanting of monks in the chapel; but the place was soon awakened "by our arrival. The porter, whose appearance betrayed a bad conscience, "appeared and seemed at once to understand what we were after. He told us "that the Prior was still in bed. We told him it was him we wished to see. "All the inmates of the convent were to assemble in one of the rooms before "we began our search. When the leader of the expedition asked whether "everyone was present, he was told that all were there except two monks "who were in the building situated higher up and which was the real convent.

208568

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

" We believed his word and began our search. A locked door
" interested us. From the outside it might appear to be the entrance of a
" store-room. Although the servant of the Prior assured us that it contained
" nothing of interest, we were anxious to investigate. Finally, after he
" had seen that we had prepared hammers and crowbars, the Prior produced the
" key. Having opened the door, we found ourselves in a sort of comfortably
" furnished clubroom with chairs round a table .....There was a
" door opening to another room, and who should we find here, ..... but
" the Patriarch of Yugoslavia, Gavrilo! .....
"
" He had just finished putting on his richly ornate official
" vestment when we showed him two pistols which he had hidden away in his
" cupboard. Apparently the Patriarch was prepared to fight against Germany
" with other than merely spiritual weapons. Later we found other arms, rifles,
" numerous pistols and large stores of ammunition. There was no doubt that
" it was only our sudden appearance which had prevented these weapons being
" used against German soldiers.
"
" Although the Gestapo had quite reliable clues which led to this
"convent, the Patriarch maintained that he knew nothing of any treasure.
"It was only after we had made him understand that he might be liable to be
"shot for having concealed weapons, that he requested us to follow him.
"He led us down to a mountain cellar, closed by an iron door. By the light
"of our torches, we saw piles of boxes, officers' equipment and state
"documents. Then we proceeded through a narrow damp passage where there
"was a smell of smoked hams and meat. Then we found ourselves in the larder
"of the convent, filled with countless numbers of sausages, hams, sacks of
"flour, sugar, coffee and other foodstuffs. But there we found also other
"sacks made of strong untearable canvas, fastened with chains and locks,
"about the contents of which there could be no doubt. These we dragged up
"to the daylight.
"
" For the first time in my life, I carried 25 millions on my back,
"for each one of these sacks has a neat little label on which is written:
"Contents 25,000,000". A sack was opened and a number of little packages
"fell out into the courtyard, each one carefully tied up and containing a
"thousand notes, each of one thousand dinar. Thus gradually 375 millions
"were brought forth and packed away on a lorry. But still more important
"were the chests, each of which was so heavy that two men had difficulty in
"carrying it. This was mint gold. We had made a splendid haul.
"
" We then hurried upward to the romantic convent on the side of
"the cliff, climbing up countless steps. The two monks up there had noticed
"our arrival and were waiting for us, looking pale and frightened. One was
"elderly and the other considerably younger.
"
" They led us through the convent, which is built into the rock,
"full of winding passages with beautiful views over the countryside. In
"contrast to the narrow cells and tiny chapel, the larder room here was also
"wide and spacious and filled with many good things ..... But, above all,
"we found here a little chest filled with some millions, which apparently
"had come from one of the sacks .....
"
" .....Further search of the lower part of the convent
"building revealed bundles of banknotes hidden away ....."

208569

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The fate of the 100 cases of gold which were sent to Cetinje is described in great detail by the Yugoslav Government. Put very briefly, 50 cases which arrived at Cetinje in motor lorries late in the evening of 16 April 1941 were, after various consultations between Yugoslav Civil and Military Authorities and removals from one hiding place to another, eventually placed in the strong rooms of the Banovina Administration at Cetinje, where they were discovered early in May 1941, by the Italian Forces. In June 1941, these 50 cases were removed from Cetinje to Rome under a guard of Carabinieri commanded by Captain Siracusa. The investigations which led to the discovery of these cases and the removal to Rome were carried out by the Italian Civil Authorities headed by Commissioner Mazzolini and his Deputy Professor Boscov, and the Military participants were the Commando Carabinieri Reali Montenegro-XI Bataglione C.C.R.R. Mobilitato - Cetinje.

The second consignment of 50 cases arrived, shortly after the first consignment, at Cetinje, but, as the Italian Forces were in the neighbourhood, it was dispersed, after various consultations between Yugoslav civil and military Authorities. 8 cases were unloaded from the lorry in which they were being transported and hidden in a private house at Cetinje, and the rest of the convoy was directed, by the Ban of Banovina Zeta to proceed to Hercegnovi, where the remaining 42 cases were stored in the supply Department of the Boka Kotorska Headquarters. These 50 cases were, at various times, discovered by the Italian Forces and removed to Italy.

The above account is supported by adequate documentary evidence.

Some of this evidence was collected from the officials of the National Bank of the Kingdom of Yugoslavia who accompanied the gold and from the civil and military Authorities who witnessed its transportation, by the former Governor of the Bank, the late Dr. Milan Radosavljevic who remained in Yugoslavia. The latter reported the removal of that part of the gold which had been taken by Italy to the German Commissioner with the National Bank of the Kingdom of Yugoslavia and there resulted, according to the Government of Yugoslavia, a "diplomatic incident" between Germany and Italy but it was only in 1943, after the capitulation of Italy, that Germany came into possession of this gold.

The whole of the gold referred to in the above statement of events, namely 9,611.30801 kgs. of fine gold figured, at the time the original answer of Yugoslavia to the Questionnaire was submitted, in the books of the National Bank of Yugoslavia, in a temporary account headed, according to the Government of Yugoslavia, "account of funds en route" in which the gold was entered as a "temporary item of debit of the Bank's strong rooms, pending the return of the gold to the Bank". The Commission is satisfied that no compensation had been received by Yugoslavia from Italy or from Germany, in respect of this gold, prior to the submission of Yugoslavia's reply to the Questionnaire.

The Government of Yugoslavia, in its reply to the Commission's Questionnaire, recapitulates the position as follows:-

Gold originating from the Uzice branch of the National Bank of the Kingdom of Yugoslavia:

| | | | |
|---|---|---|---|
| 166 cases of gold coins | - gross weight 8,681.91580 | - fine weight 7,998.83996 kgs |
| 38 cases of gold bars | - gross weight 1,723.78500 | - fine weight 1,612.46805 kgs |
| 204 cases containing | gross weight 10,405.70080 | - fine weight 9,611.30801 kgs |

208570

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-15-99

REPRODUCED AT THE NATIONAL ARCHIVES

The 204 cases were lost or removed in the following circumstances:

88 cases remained at Niksic, where they were seized and removed by the Italian Forces.

50 " were transferred from Niksic to Cetinje where they were captured and seized by Italians.

42 " were transferred from Niksic, via Cetinje, to Heroegnovi and were seized and removed by the Italians. (The Government of Yugoslavia originally stated that 1 of these cases was removed by the Ustachas, but subsequently withdrew this statement on the basis of further information received by it).

10 " were transferred from Niksic to the Ostrog monastery, where they were seized by the German Forces.

8 " were consigned from Niksic to Heroegnovi, via Cetinje, but they were hidden en route in the latter town, where they were discovered and removed by the Italians.

6 " were taken away from Niksic, by air, by the Yugoslav Government in exile.

204 cases

The Government of Yugoslavia, in the penultimate paragraph of its original submission, explains that it has not been able to ascertain which cases were taken away by the Government in exile and that "in view of the fact that the cases were of different unequal weights, the net weight of cases being various, as for instance the cases of gold coins weighed from 17.43698 kgs of fine gold up to 49.32709 kgs of fine gold, whilst the net weights of cases of gold ingots varied from 24.36753 kgs up to 51.46395 kgs of fine gold - the Bank is forced, in order to be able to value the contents of the cases taken away by the members of the former Yugoslav Government in emigration, to use the average weight of gold in each case". The Government of Yugoslavia has accordingly divided 9,611.30801 kgs, being the amount of fine gold lost or removed, by 204, and taken the resulting figure, i.e. 47.11425 kgs, as the average fine gold content of one case. It has multiplied this figure by 6 in order to obtain the estimated weight of the 6 cases removed by the Yugoslav Government in exile, the resulting figure being 282.68550 kgs of fine gold.

The concluding paragraph of the Government of Yugoslavia's original submission, which is the paragraph summing up and submitting Yugoslavia's formal claim, reads as follows:-

" Consequently the Government of the Federal People's Republic of "Yugoslavia is herewith giving information and submitting a claim "for restitution concerning the Individual Loss of Monetary Gold "through Looting by or Wrongful Removal to Germany as follows:-

| | | | |
|---|---|---|---|
| "Gross Kgs. 10,405.70080, | Net Kgs. 9,611.30801 | minus | |
| " " " 306.04998 | " " 282.68550 | representing the gold in 6 cases taken away by the former Yugoslav Government in emigration." | |
| "Gross Kgs. 10,099.65082, | Net Kgs. 9,328.62251 | | |

208571

RG 59
Entry GADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

It is necessary, at this stage, to show how that part of the claim which concerns the gold which was removed to Italy and subsequently looted from that country by Germany was disposed of.

Article 75 (8) of the Treaty of Peace with Italy, which was signed on 10 February 1947, reads as follows:-

" The Italian Government shall restore to the Government "of the United Nation concerned all monetary gold looted "by or wrongfully removed to Italy or shall transfer to the "Government of the United Nation concerned an amount of "gold equal in weight and fineness to that looted or wrong- "fully removed. This obligation is recognised by the "Italian Government to exist irrespective of any transfers "or removals of gold from Italy to any other Axis Power "or a neutral country".

A Protocol which was entered into, on 16 December 1947, between the Governments of the United States of America, the United Kingdom, France and Italy reads as follows:-

PROTOCOL

" The Governments of the United States of America, the "United Kingdom of Great Britain and Northern Ireland, and the "French Republic, hereinafter referred to as "the Allied "Governments concerned", on the one hand, and the Government "of Italy, on the other, have, through the undersigned duly "empowered representatives, agreed as follows:-

" 1. The Allied Governments concerned agree that Italy "should receive a proportional share of the gold distributed "pursuant to Part III of the Agreement on Reparations from "Germany, on the establishment of an Inter-Allied Reparations "Agency and on the Restitution of Monetary Gold signed at Paris "on 14 January 1946, on the same basis as the countries "signatory to the said Agreement to the extent that Italy can "establish that a definite amount of monetary gold belonging to "it was looted by Germany, or, at any time after 3 September 1943, "was wrongfully removed into German territory.

" 2. Italy adheres to the arrangement for the restitution of "monetary gold set forth in Part III of the afore-mentioned "Agreement and declares that the portion of the monetary gold "accruing to it under the Agreement is accepted in full satis- "faction of all Italian claims against Germany for restitution of "monetary gold.

" 3. Italy accepts the arrangements which have been or will "be made by the Allied Governments concerned for the implementation "of the aforesaid arrangement.

" 4. (a) Pending the definitive settlement of such claims as "may be made pursuant to Article 75, paragraph 8, of the Peace "Treaty with Italy within six months of the coming into force of "the Treaty, the Italian Government agrees to set aside out of its "share as stipulated above as a guarantee for the execution of the "said provisions of the Treaty, and to leave on deposit with the "Allied Governments concerned, an amount of gold approximately equal "to the claims which it is now known will be made against Italy under "the said provisions, viz., 14,422 kilograms of fine gold in respect "of the claim of France and 8,857 kilograms of fine gold in respect "of the claim of Yugoslavia.

208572

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" (b) The amount provided for in sub-paragraph (a) "shall be set aside in full out of any distribution made to "Italy before any gold is withdrawn by Italy for its own use.

" (c) The Allied Governments concerned will notify the "Italian Government of the arrangements to be made for depositing "the aforesaid amount of gold.

" 5. The present Protocol shall be deemed to have come into "force on the day of the coming into force of the Treaty of Peace.

" Done in London this 16th day of December, 1947 in the "English and French languages, of which both texts are equally "authentic, in a single copy which shall be deposited in the "archives of the Government of the United Kingdom of Great "Britain and Northern Ireland, by whom certified copies shall "be transmitted to the other contracting Governments.

" For the Government of the United States of America

" L.W. DOUGLAS

" For the Government of the United Kingdom of Great
" Britain and Northern Ireland

" ERNEST BEVIN

" For the Government of the French Republic

" R. MASSIGLI

" For the Government of Italy

" T. GALLARATI SCOTTI "

The concluding paragraph of the Foreign Minister of Yugoslavia's note of 8 May 1947, which accompanied Yugoslavia's reply to the Commission's Questionnaire, reads as follows:-

" The Government of the Federative People's Republic "of Yugoslavia desires to stress the fact that in the event of "its not receiving, out of the pool of gold, the whole of the "gold above-mentioned, it reserves the right to obtain the "balance of its monetary reserve in virtue of Article 75 of the "Treaty of Peace with Italy, in conformity with Clause B. of "Part III of the Paris Reparation Agreement. ".

On 18 June, 1948, the Government of Yugoslavia addressed a note verbale to the Italian Government, paragraphs 3 and 4 of which read as follows:-

"3. Le Gouvernement de la République Fédérative Populaire "de Yougoslavie, se basant sur la documentation dont il dispose, "a présenté au Gouvernement italien ainsi qu'à la Commission "pour la restitution de l'or monétaire sa demande pour la "restitution de 8.857 kgs d'or fin, équivalent à l'or décrit "dans les spécifications présentées.

208573

RG 59
Entry GADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" Le Gouvernement italien en base à la documentation "dont il dispose a déclaré à la Commission tripartite pour "la restitution de l'or monétaire que l'Italie avait emporté "de la Yougoslavie 8.393 kgs d'or monétaire, correspondant "par son titre aux spécifications présentées.

"4. Désirèux de résoudre la question de la restitution "monétaire yougoslave d'une façon amicale entre le Gouvernement "de la République Fédérative Populaire de Yougoslavie et le "Gouvernement italien, le Gouvernement de la République "Fédérative Populaire de Yougoslavie déclare que sa demande, "en application de l'article 75 paragr. 8 du Traité de Paix avec "l'Italie, sera entièrement et définitivement acquittée par la "restitution de 8.393 kgs. d'or fin, et renonce au droit de "demander, sous n'importe quel titre au Gouvernement italien la "restitution du reste de l'or monétaire, surpassant les 8.393 kgs. "d'or fin qui pourrait devenir objet d'une contestation."

The Italian Government replied on 21 June 1948 by a note verbale in which it quoted in extenso the above mentioned note verbale which it had received from the Government of Yugoslavia and concluded as follows:-

" Il Ministero degli Affari Esteri nel segnare "ricevuta della nota sopra trascritta ha l'onore di comunicare "alla Legazione della Republica Federativa Popolare di "Jugoslavia in Roma che il Governo italiano e d'accordo su "quanto con la nota stessa proposto."

On 2 September 1948, Yugoslavia formally withdrew the claim which it had lodged directly with the Commission relating to 188 boxes of gold, contents of which were estimated by the Government of Yugoslavia to be 8,857.480 kgs of fine gold.

It is clear from the above quoted documents:-

1. That the Government of Yugoslavia originally estimated that the amount of its gold, which had been removed by Italy, was 8,857.480 kgs of fine gold, said to be contained in 188 cases, which amount was included in the 9,328.62251 kgs of fine gold, said to be contained in 198 cases, subject of Yugoslavia's claim No.1. as originally submitted to the Commission.

2. That the difference between the two figures quoted in 1, namely 471.14251 kgs, represents the Government of Yugoslavia's estimate of what was taken away by the Germans.

3. That the Government of Yugoslavia finally agreed that the amount removed by Italy should be considered to be 8,393 kgs of fine gold and not 8,857.480 kgs.

4. That the Government of Yugoslavia finally withdrew that part of its claim before the Commission which concerned the 8,857.480 kgs, thereby reducing Claim No.1. from 9,328.62251 kgs of fine gold to 471.14251 kgs of fine gold, said to be contained in 10 cases.

208574

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-15-99

REPRODUCED AT THE NATIONAL ARCHIVES

Annex A. to the present adjudication, in which are quoted relevant extracts from the Commission's adjudication on the Italian claim (which included the gold taken by Italy from Yugoslavia and subsequently looted from Italy by Germany, which was entered in the books of the Banca d'Italia as amounting to 8,393.2282 kgs) completes the history of the gold which was taken away from Yugoslavia by Italy.

Thus, the Government of Yugoslavia's claim for 9,328.62251 kgs of fine gold came to be reduced to an estimated 471.14251 kgs of fine gold said to have been contained in 10 cases said by the Government of Yugoslavia to have been looted directly from Yugoslavia by the Germans.

The original evidence submitted, regarding this latter part of the Government of Yugoslavia's claim, was somewhat scanty and the Commission, as has already been stated, requested further evidence both regarding the circumstances of the looting and the amount of gold looted.

With regard to the circumstances of the looting, the Government of Yugoslavia in reply to the above-mentioned request, forwarded to the Commission on 5 March 1948, a letter from the National Bank of the Federal People's Republic of Yugoslavia containing the following declaration:-

> " As to the looting of 10 cases of gold carried away by Germans "from the monastery Ostrog, where at that time stayed the Serbian "Patriarcha Gavrilo, we have sent to you as an evidence the "Declaration of Captain Gojnic (document No.8) and a copy of the "German Military paper "Panzer am Balkan" No.11 dated May 1st, 1941 "(document No.14).
>
> " At present we are in position to furnish you, as document No.54. "with the Declaration of Mr. Rista Grdzic, Director of the Serbian "Patriarcha Office, and that of Mr. Dusan Dozic, Secretary to the "Serbian Patriarcha Gavrilo, who - together with the Serbian "Patriarcha Gavrilo - were also present at the looting of this gold "by the Germans. According to these documents, armed German officers "rushed into the monastery Ostrog on the 21st of April 1941, which "monastery is situated near Niksic, and they carried away the whole "gold discovered there together with a considerable amount of banknotes "and other valuables. At that time the Serbian Patriarcha Gavrilo "and his Secretary Mr. Dusan Dozic were imprisoned and interned by "Germans.
>
> " The Banque Nationale deems it necessary to draw your attention "to the fact that the enemy in our country did not in any way acknow- "ledge receipt of looted property, as well as of the looted gold, as "it might have been the case in those countries whose claims for the "restitution of monetary gold have been found by that Commission as "being indisputable".

Documents 8 and 14 referred to above have already been quoted earlier in this adjudication.

The official translation, furnished by the Government of Yugoslavia, of document 54, which is also referred to above, reads as follows:-

208575

RG 59
Entry 6205
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

BANQUE NATIONALE
DE LA REPUBLIQUE FEDERATIVE
POPULAIRE DE YOUGOSLAVIE

SIEGE CENTRAL

DUSAN DOZIC
Secretary to the Patriarcha
RISTO GRDJIC
Director of Patriarcha Office

DOCUMENT No. 54

Belgrade, 17 November 1947.

TO THE BANQUE NATIONALE DE LA RFPY.

BELGRADE

At the request of the Banque Nationale de la RFPY, we, as witnesses, hereby give the following declaration concerning the wrongful removal of gold and other valuables from the monastery Ostrog executed by Germans:

On the day of capitulation of Yugoslavia, we were at the monastery Ostrog (at about 12 to 15 kms. from Niksic) escorting His Ex. Patriarcha Gavrilo.

On the day of 25th April 1941, a German group of policemen (Gestapo) rushed into the monastery Ostrog, where His Ex. Patriarcha, Mr. Dusan Dozic, the Secretary of his office, and the Chief of the monastery Leontije Mitrovic, were imprisoned and taken away by the Germans.

On that occasion, the Gestapo-men seized all State money and state gold, as well as all other valuables belonging either to the monastery or to the Montenegro or Yugoslav royal court.

We are cognizant that the bank-notes were contained in bags and the gold in cases.

According to Archimandrid Leontije Mitrovic's declaration, and that of other staff of the monastery, there was very much in bank-notes and as well more cases of gold.

Beside the chief deposit of gold in the lower monastery, there was a smaller quantity of gold in the upper monastery, and on that occasion a little motor-car was driven up the narrow lane to the upper monastery (with a few Gestapo-men therein), which had never been the case before owing to the belief that it was impossible for a motor-car to climb that steep-place. This gold too was seized and carried away by the Germans.

Signed : Risto Grdjic
Director of Patriarcha Office.

Signed : Dusan Dozic
Secretary to the Serbian Patriarcha. "

208576

RG 59
Entry 6A D 115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-18-96

REPRODUCED AT THE NATIONAL ARCHIVES

At this stage in the proceedings, the Commission was satisfied that a quantity of gold had, in fact, been looted from the Ostrog monastery but the only evidence regarding the actual number of cases, in which this gold was contained, was the statement, already quoted, by Captain Gojnic who said that "except these three motor trucks which I conveyed (to Cetinje), there was a fourth motor truck loaded, too, in which, as far as I can recollect, were loaded 10 cases of gold. This motor truck, accompanied by a Police Lieutenant, started for the Monastery "Ostrog" where it was delivered to the Patriarch".

This statement was not such as could be considered by the Commission as constituting satisfactory proof that 10 cases were, in fact, loaded, delivered to the Ostrog Monastery and subsequently looted by the Germans.

The Government of Yugoslavia, however, communicated to the Commission, on 1 March 1952, two declarations which established, to the Commission's satisfaction, that Captain Gojnic's estimation of the number of cases which were sent to the Ostrog Monastery, namely 10, was correct and that these 10 cases were, in fact, delivered to the Monastery and subsequently looted by the Germans.

In view of their importance, the certified translations, furnished by the Government of Yugoslavia, of the two declarations in question are quoted textually hereunder:-

" Document No. 73

" At the request of the National Bank of the Federal People's "Republic of Yugoslavia, I hereby make the following

" STATEMENT

" I was born in the District of Niksic. I attended school "in Belgrade, and graduated at the Faculty of Theology. The last "years until the war were spent by me at Sarajevo where I was "Professor at the School of Theology. In the course of the war, "I was mobilized and I served at the Zeta Division Headquarters "whose residence place was at Tusla. On the day of capitulation of "Former Yugoslavia, i.e. on the 16 April 1941, I was at Danilov Grad. "In order to avoid my being taken prisoner-of-war by the enemy I "went and came to the Monastery of Ostrog where my relative, Mr. "Petar Koprivica was at service and, beside that, Mr. Leontije "Mitrovic, Superior of the Monastery of Ostrog was my personal friend. "Beside other persons there, I met His Holiness the Patriarch, Mr. "Gavrilo, whom I had known well and with whom I had already been in "good personal friendship. On that occasion, the Patriarch requested "and asked me to remain with him at Ostrog for some period of time, "in order to wait for further development of events there.

" A few days after my arrival at the Monastery of Ostrog, the "Superior, Mr. Leontije Mitrovic got me to know and showed me, in the "cellar of the building of castle of former king Nikola, the valuables "of the former Yugoslav Court packed in suit-cases and cases as well "as ten (10) cases of gold and fifteen (15) bags - sacks of National "Bank of Yugoslavia banknotes which had been handed to the Monastery "Administration for safe-keeping. Also he got me to know and showed "me the valuables of the Serbian Orthodox Church and the personal "belongings of the Patriarch.

208577

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

On the 25 April, 1941, just when it began dawning, when I was still in bed, a group of Gestapo agents, with a general at head, arrived in a few motor-cars and lorries. One of the Gestapo agents rushed into the room in which I was in bed. He commanded me to get up and dress, which I did, and then he took me to the reception room of the Monastery Administration where they had already taken some of the guests and personnel of the Monastery. From this room, I saw that His Holiness Patriarch Gavrilo and Archimandrite Leontije Mitrovic had been taken out by them and were being kept by the guardians in rain and in front of the lower Monastery. Also I saw that all monastery premises were being searched and that various objects were being taken out by them, among others the cases, suit-cases and sacks containing the valuables of the former Yugoslav Court as well as the gold and banknotes of the National Bank of Yugoslavia were taken out of the cellar of Castle of former king Nikola in which they had been placed before.

After three hours' time elapsed, in the course of which searches were being made and the taking out and loading of objects on lorries and motor-cars were performed, the guardians who had kept and watched us went off. His Holiness Patriarch Gavrilo, the Superior of Ostrog Monastery, Mr. Leontije Mitrovic and the Patriarch's private secretary were taken into the cars by the Gestapo agents who got in themselves and drove away.

Immediately after their departure, I personally inspected all the premises in which the above mentioned objects and valuables had been placed, and I established the fact that they all had been carried away together with ten (10) cases of gold which previously had been handed by the National Bank of Yugoslavia to the Ostrog Monastery Administration for safe-keeping.

In proof of the truthfulness of my above statement, I am prepared, if necessary, to swear to.

The above has been read through by me.

Cetinje, 19 January 1952

Signed : Andrija Koprivica
Director of the Tourisme Administration
of the People's Republic of Montenegro

Hereby it is certified that Mr. Andrija Koprivica of Cetinje has signed this document himself with his own hand and has acknowledged the signature affixed to this document as his own.

He properly established his identity and is theretofore to us personally known, and known to us to be the individual described.

Fee covering certification, pursuant to Art. 6, Sect. 4 of Tax Law, not paid.

District Court of Justice at Cetinje
Oz No. 110/52.
January 19, 1952.

L.S. Certifying Officer,
Signed : D. Sjekloca.

People's Republic of Monte Negro
Ministry of Justice
No. 133/52.
Titograd, 28 January 1952.

The Ministry of Justice of the People's Republic of Monte Negro hereby certifies the genuineness of the rubber stamp of the District Court of Justice at Cetinje and the signature of its Certifying Officer, Mr. D. Sjekloca. Exempt of fee, pursuant to Art. 6. Sect. 4 of Tax Law.

Under the Authority of the
Minister
Signed : Uros Zekovic
Secretary

L.S.

208578

RG 59
Entry GRDIIS
File War Crimes
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

"ADMINISTRATION OFFICE
" OF THE
"MONASTERY OF OSTROG

Document No. 74.

Ostrog, 26 January 1952.

"I, Leontije Mitrovic, Superior of the Monastery of Ostrog, at the "request of the National Bank, herewith make the following statement as to the event "in the month of April 1941, which took place at the Monastery of Ostrog the "Superior of which I was at that time.

"After the aggression of Germany against Yugoslavia and the air-raid of "Belgrade, the Monastery of Ostrog, as a safer place among the mountains, served as "shelter for lots of distinguished personalities. Thus, His Holiness Gavrilo, Serbi "Patriarch, together with most essential escort and luggage, arrived here on the "11 April 1941. We presumed that our resistance against the aggressors in Monte "Negro would last longer and the Patriarch had selected Monastery of Ostrog to be th "residence of the Serbian Church Superior Office. The former King Petar arrived on "the 13 April 1941 and slept for a night at the Monastery. The King left the next d "and in one or two days later on a few personalities belonging to his escort arrived "by car and, on that occasion, brought with them a larger quantity of valuables of "the Court packed in 14 (fourteen) cases and suit-cases and, in addition to this, an "iron strongbox and an artistic painting of Raphael wrapped in a role which was cove "with laths - lathed. In addition to this the Monastery Administration received fro "the National Bank 10 (ten) cases of gold and 15 (fifteen) sacks of 1000-Dinar bank- "notes (value 375,000,000 say three hundred and seventy five million dinars) for "safe-keeping. The Court cases and suit-cases were closed and I was not told as to "what they contained; I believe there were gold objects contained in there too, After "the announcement of the capitulation of our army, the court motor-cars, together wi "all people thereof, left Ostrog and went to Niksic and farther, leaving all these "things behind at the Monastery.

"On the 25 April 1941, at the time of dawning, just when I had to leave "for Danilovgrad, several motor-cars with Gestapo agents on them arrived at the "Monastery. Firstly, I was arrested and all monastery keys were taken away by them "from me. Thereupon, I was taken into the court-yard and left there to be kept and "watched by the guardians by a wall. Shortly afterwards, His Holiness the Patriarch "and some other personalities, among them more persons who provisionally were there, "were taken out into the court-yard. So we were standing there until noon while it "was raining in torrents. While we were being kept under guard, all monastery "premises were searched by them thoroughly. On that occasion, they discovered also "the cases containing the gold of the National Bank and the valuables of the Court "contained in suit-cases and cases as well as the sacks full of banknotes and the "Raphael painting. In the Monastery cellar they found a great deal of smoked meat, "wine and other foodstuff and treated themselves thereto very well at the Monastery "itself while the remainder, together with the gold and valuables were loaded on th "cars and carried away. On this occasion the carpets of the Monastery rooms as wel "as the private luggage and money of Patriarch Gavrilo were taken away by them too. "Then His Holiness Patriarch Gavrilo, his private secretary and I were arrested and "under a strong guard taken to Sarajevo. The Church itself was not touched by them "at that time.

"L.S.

Superior of the Monastery
of Ostrog
Signed : Leontije L. Mitrovic
Archimandrite

"Hereby it is certified that Mr. Leontije L. Mitrovic, Superior of "Monastery of Ostrog, Archimandrite has signed this document himself with his own "hand and has acknowledged the signature affixed to this document as his own.

"He properly established his identity and is theretofore to us personal "known, and known to us to be the individual described.

"Fee covering certification not paid pursuant to Art. 6., Sect. 4 of "tax Law.

"District Court of Justice at Niksic
"ov. No. 84/52
"January 26, 1952
"L.S.

President of the Court
Signed : Ljub, D. Vukotic.

208579

RG 59
Entry 6205
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-18-96

REPRODUCED AT THE NATIONAL ARCHIVES

"People's Republic of Monte Negro
" Ministry of Justice
"Titograd, 28 January 1952.

" The Ministry of Justice of the People's Republic of
"Monte Negro hereby certifies the genuiness of the rubber stamp
"of the District Court of Justice at Niksic and the signature
"of its President, Mr. Ljubo D. Vukotic.
" Exempt of fee, pursuant to Art. 6, Sect. 4 of Tax Law,
" Under the Authority of the Minister
" L.S. Signed : Uros Zekovic
" Secretary. "

With regard to the calculation of the amount of the looted gold it has already been seen that the numerous reports submitted by the Government of Yugoslavia describing the various movements and operations which took place refer to cases of gold and not to weights. The Yugoslav Government having established, however, that the total amount of gold looted or removed was 9,611.30801 kgs of fine gold and the total number of cases in which this gold was contained 204, has explained that, in the absence of evidence which would enable it to determine the fine gold content of each individual case which was looted or removed, it has divided 9,611.30801 kgs by 204 and taken the resulting average content of one case - namely 47.11425 kgs - as a basis for the calculation of its claims. Thus, it has claimed 471.1425 kgs of fine gold in respect of the gold content of the 10 cases taken by the Germans from the Ostrog Monastery.

The Commission, as has already been stated, did not consider this method of calculation to be entirely satisfactory, since the weights of the cases, according to the Government of Yugoslavia's own admission, varied considerably, and it advised the Government of Yugoslavia accordingly.

The latter, on 21 June 1948, furnished the Commission with a list giving the numbers and the fine gold content of 26 cases among which, according to the Government of Yugoslavia, must certainly have figured the ten cases taken by the Germans at Ostrog. This list had been compiled by the Government of Yugoslavia as a result of a comparison which it had made between the original list in its possession (of 204 cases) and the list (of 178 cases) furnished by the Italian Government relating to the gold handed over by the Italian armed Forces to the Bank of Italy.

The Commission was already in possession of the complete list furnished by Yugoslavia, in its original reply to the Commission's Questionnaire, of the cases and their respective contents which were originally located in the Uzice branch of the National Bank of the Kingdom of Yugoslavia and which were dispersed as has already been described.

It was also in possession of a list which it (the Commission) had obtained, through its own channels, of the cases and their contents which were taken away by the Yugoslav Government in exile.

It was possible, on comparing these three lists, to compile a list of 20 cases and their respective contents, among which the 10 cases looted by the Germans from the Ostrog Monastery must undoubtedly have been included. The margin of possible error in the calculations was thus considerably reduced and it became apparent that the minimum which the contents of 10 cases could have weighed is 452.7143 kgs of fine gold.

208580

RG 59
Entry GADIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

Such are the facts of the case.

The Government of Yugoslavia was undoubtedly entitled to submit this claim and the claim is one upon which the Commission is authorised to adjudicate.

It being understood that, of the original claim No.1. of the Government of Yugoslavia which amounted to 9,328.62251 kgs of fine gold, there only remains before the Commission a claim for 471.14251 kgs of fine gold. The issues for consideration are:-

1. Was this gold (leaving aside the question of the actual amount for examination as issue No.4) monetary gold belonging to Yugoslavia within the meaning of Part III of the Agreement?

2. If so, was this gold looted by, or wrongfully removed into, German territory? and

3. If so, was any compensation received by Yugoslavia in respect of this gold? and

4. Are there another facts affecting the totality of the claim?

With regard to the first issue, the Commission is satisfied that the gold claimed, which was carried on the books of the National Bank of the Kingdom of Yugoslavia prior to the invasion of Yugoslavia as part of Yugoslavia's monetary reserve, was monetary gold belonging to Yugoslavia within the meaning of Part III of the Paris Agreement.

With regard to the second issue, the Commission is satisfied that the circumstances and the evidence furnished, particularly the article in the German newspaper "Panzer am Balkan" and the signed statements by Patriarch Gavrilo's Secretary Dusan Dozic and by the Director of the Patriarch's Office Risto Grdjic, completed by the statements of Mr. Andrija Koprivica and the Superior of the Monastery of Ostrog, Archimandrite Leontije L. Mitrovic, are such as to justify a decision that this gold was looted by Germany.

With regard to the third issue, the Commission is satisfied that no compensation was received by Yugoslavia in respect of this gold.

With regard to the fourth issue, the Commission is satisfied that the number of cases deposited at the Ostrog Monastery and subsequently looted by the Germans was 10. It is further satisfied that the total fine gold contents of these 10 cases cannot have weighed less than 452.7143 kgs. The Commission, in the absence of positive proof that the contents weighed more than this amount, does not feel justified in accepting the higher figure of 471.14251 kgs of fine gold claimed by the Government of Yugoslavia, on the basis of its own estimation calculated as has already been described.

The Commission, accordingly, takes note that the Government of Yugoslavia's claim No.1. which was originally for 9,328.62251 kgs of fine gold, is reduced by the Government of Yugoslavia's withdrawal, dated 2 September 1948, of a portion thereof, amounting to 8,857.480 kgs of fine gold, to 471.14251 kgs of fine gold, and finds the latter established up to an amount of 452.7143 kgs.

208581

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

2. Claim for restitution of 117.55263 kgs of fine gold originating from the Sarajevo branch of the National Bank of the Kingdom of Yugoslavia said to have been transferred to the Croatian State Bank by Ustacha officials brought in by the armies of occupation and, thereafter, to have been looted by the Germans from officials of that bank.

Four claims were submitted by the Government of Yugoslavia, the second of which forms the subject of the present decision.

The Minister for Foreign Affairs, in his note of 8 May 1947, explained that:*

"as regards the gold mentioned in No.II. it may be seen from "the documents attached herete that, on 7 May 1945, on his "flight to Germany, the Ustacha Leader Pavelic, with the help "of his Ustacha officials, carried off the gold in question, "then in the State Bank of Croatia, which had been founded "by the Germans to take the place, as regards functions and "competence, of the principal branch of the National Bank of "the Kingdom of Yugoslavia, in the territory of Croatia, Boznia, "and Herzegovina".

The Commission found the original documentation and information furnished insufficient and it wrote, on 28 August 1947, to the Delegate of Yugoslavia requesting further information and documentation which were furnished by the Delegate under cover of a letter dated 29 September 1947. Copies of various decrees, orders and publications were handed by the Delegate to the Commission on 21 March 1952.

The Commission also heard, at some length, the verbal arguments of the Government of Yugoslavia, concerning this claim, which were developed before the Commission on 10 March 1949, by H.E. Monsieur Milan Bartos, Delegate of Yugoslavia to the Inter-Allied Reparation Agency.

This case is a complicated one. The story of German intervention in Yugoslavia and of the creation of the puppet state of Croatia will be set forth hereafter. But the Commission deems it necessary to summarise, at the outset, exactly what it is that the Government of Yugoslavia claims.

The Government of Yugoslavia, in effect, claims that of that portion of the gold reserves of the National Bank of the Kingdom of Yugoslavia held in Croatia amounting to 1,089.80216 kgs of fine gold at the time of the German invasion and of the entry into Zagreb of their armed forces, 109.34773 kgs of fine gold have been lost through German looting, the remainder having been recovered by Yugoslavia after the liberation and that a further 8.20490 kgs of fine gold collected by the so-called "Croatian State Bank" during the existence of the puppet state of Croatia should be regarded as forming part of Yugoslavia's monetary reserve and were also lost with the 109.34773 kgs.

Historical accounts of the events which led up to and followed the German invasion of Yugoslavia show that German threats to the 1919 settlement which followed World War I became apparent in 1938 and that German pressure on Yugoslavia increased after the German military successes of 1940. On 25 March 1941, Prince Paul's Government was compelled to adhere to the Tripartite Pact.

208582

RG 59
Entry 6205
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

The German attack on Yugoslavia was launched on 6 April 1941, and the Government was immediately compelled to withdraw from Belgrade.

An "independent State of Croatia" with Ante Pavelic as head (Poglavnik) was proclaimed on 10 April 1941, the day the German troops entered Zagreb. The Government of Yugoslavia has furnished certified translations of the "proclamation of the Independent State of Croatia" by the Deputy Poglavnik, Slavko Kvaternik, and of the "Proclamation of the New Mayor of Zagreb", Josip Dumandzic, as well as of a "declaration of Dr. Macek", all dated 10 April 1941, which throw considerable light on the events which took place in Croatia, with which this part of the Commission's adjudication is mainly concerned.

On 18 April 1941, the capitulation was signed in Belgrade and the Yugoslav Government went into exile, with the exception of Dr. Macek.

These events undoubtedly occurred as a result of German aggression but Italy almost immediately took a preponderant part in the control of Croatia.

Pavelic was closely connected with Italy and, on 18 May 1941, he went to Rome and formally placed Croatia at the disposal of King Victor Emmanuel. The crown of the new kingdom was offered to King Victor's cousin, Aimone of Savoy, Duke of Spoleto. In spite of his acceptance, he never visited his kingdom. At the same time, three agreements were signed between Italy and Croatia, a military agreement, a Treaty of Guarantee and Collaboration for 25 years and a frontier agreement which gave most of Dalmatia to Italy.

On 8 July 1941, a Treaty was signed in Berlin between Germany and Italy, recognising the new frontiers.

Italian troops came into Croatia in large numbers in August 1941 and thereafter outnumbered the Germans.

There was only one German division in the country in the summer of 1942, but some 300,000 Italians.

Prior to the invasion of Yugoslavia, the Central Bank of that country was the National Bank of the Kingdom of Yugoslavia.

This Bank and its branches were "liquidated" by an order of the German Military Commander in Serbia and a Decree Law of the "Independent State of Croatia", certified translations of which, furnished by the Government of Yugoslavia, are quoted below:-

" OFFICIAL GAZETTE
"OF THE MILITARY COMMANDER IN SERBIA
" No.7
" Belgrade, 31 May 1941

" ORDER

" on the Serbian Bank of Issue

" By virtue of the authority vested in me by the Supreme
"Commander of the Army, I hereby order the following:-

208583

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" I

" The National Bank of the Kingdom of Yugoslavia shall go "into liquidation.

" 2

" The Serbian National Bank shall be established as the new "Bank of Issue.

" 3

" Decree Laws on the execution of this Order shall be issued "by the General Authorised Agent for Economy in Serbia.

" Belgrade the 29th of May 1941
" MILITARY COMMANDER IN SERBIA"

" National Newspaper
" Official Gazette
" of the
"Independent State of Croatia
" No. 25
" 12th of May 1941.

" On proposal of Minister of National Economy, I do prescribe "and proclaim the following:

" DECREE LAW

" on the Establishment of the Croatian State Bank

" Art.1.

" The Croatian State Bank, having its registered office in "Zagreb, is hereby established to be the Bank of Issue under the "sovereignty of the Independent State of Croatia.

" Art.2.

" The organization and activity of the Croatian State Bank "shall be prescribed by a separate law.

" Art.3.

" All business of the former National Bank of the Kingdom of "Yugoslavia come under the activities of the Croatian State "Bank whereby the existing provisions, which have been "applicable to the former National Bank of the Kingdom of "Yugoslavia, shall be in force until the promulgation of the "Law on organisation and activity of the Croatian State Bank "insofar as they are not in contradiction with the provisions "of the Constitution and laws of the Independent State of Croatia.

208584

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" Art.4.

" The Croatian State Bank shall take over all the "activities of the former National Bank of the Kingdom "of Yugoslavia within the territory of the Independent "State of Croatia, as well as all its branch officie and "existing organisations. At the same time, all assets "of the former National Bank of the Kingdom of Yugoslavia "being within the territory of the Independent State of "Croatia shall be taken over by the Croatian State Bank, "while the final separation of assets shall be established "by a separate settlement and agreement between the "Independent State of Croatia and the former National Bank "of the Kingdom of Yugoslavia.

" Art.5.

" The Croatian State Bank shall carry on its business under "direct control of the Ministry of National Economy which is "at the same time entrusted with the execution of this Decree "Law.

" Art.6.

" This Decree Law shall become effective - come into force "on the date when published in the National Newspaper.

" Zagreb, the 10th of May 1941.

" Poglavnik (Head of the State) of
" the Independent State of Croatia.

" Signed : Dr. Ante Pavelic."

Those portions of Yugoslavia which were considered as definitely annexed to the territories of the Axis Powers were thereafter incorporated in the monetary system of the respective Axis Powers, but, as is clear from the order and Decree Law quoted above, in the area administered by the German Military Commander in Serbia, there was set up a Central Bank designated "The Serbian National Bank" and in the territory of Croatia, there was created a Central Bank designated "The Croatian State Bank".

It is interesting to note, although this is not relevant to the issue, that the Decree Law "liquidating" the Croatian branches of the National Bank of the Kingdom of Yugoslavia and assigning their assets to the newly created "Croatian State Bank" was promulgated prior to the promulgation of the order of the German Military Commander in Serbia "liquidating" the Head Office of the National Bank of Yugoslavia, which was in Belgrade, and its branches in Serbia. The date of the former is 12 May 1941 and of the latter, 31 May 1941.

The Bank involved in the claim subject of this part of the Commission's adjudication is the "Croatian State Bank".

The history of this Bank is given in detail in the explanation furnished by the Government of Yugoslavia, in its reply to the Questionnaire, and may be summarized as follows:-

208585

RG 59
Entry GADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-94

REPRODUCED AT THE NATIONAL ARCHIVES

The Bank, that is to say the Croatian State Bank, was established pursuant to a decree, dated 10 May 1941. There were two phases in the life of the Bank. During the first phase, which ended on 23 June 1943, the Bank was controlled by the Ministry of the Treasury of the "Independent State of Croatia" and it was managed by a State Commissioner. The Commissioners were, from 18 April 1941, to 16 January 1942, Mr. Ivan Pupic, and from 16 January 1942 to 23 June 1943, Dr. Aleksander Hondl, whose Deputy was Dr. Aleksander Tinti.

The system of management by a Commissioner was abolished on 23 June 1943, pursuant to a Decree dated 4 May 1943 (later completed by a decree dated 13 October 1943) which made the Bank "Independent".

The second phase began following upon the promulgation of the decree of 4 May 1943. This decree, together with the decree of 13 October 1943 which completed it, laid down the conditions in which the Bank would henceforth function and which were to govern its organisation and administration, as well as the territorial limits within which it was to exercise its activities. The Bank became what is described, in the official translation, furnished by the Government of Yugoslavia, of its reply to the Commission's Questionnaire, as a "joint stock company". A President Dr. Dragutin Tot, and a Vice-President Ing. Junus Mehmedagic, were appointed on 19 June 1943. The Bank's capital, fixed at 300,000,000 Kunas, was fully paid up between 20 July and 14 August 1943. On 26 July 1943 the "advisory council" was set up, the names of whose members are given in the Government of Yugoslavia's reply to the Questionnaire. The first general meeting of the Bank, held on 7 November 1943 elected a Board of Directors and a Board of Control, the names of whose members are also given. A general manager, Dr. Zvonimir Buljevic, was appointed on 15 December 1943. At the end of 1944, Mr. Emil Dinter was appointed a Vice-President and later replaced by Mr. Cvijic. Immediately before the collapse of the "Independent State of Croatia", an Extraordinary Commissioner, in the person of Dr. Puk, was appointed by a special decision of the Prime Minister of "the Independent State of Croatia". It was this Extraordinary Commissioner who later fled with the gold from Zagreb, on 7 May 1945.

The following observations of the Government of Yugoslavia regarding the manner in which the Bank was controlled and managed are relevant and are quoted textually from the official translation furnished by the Government of Yugoslavia in its reply to the Commission's Questionnaire:-

> " Up to June 19th 1943, the Bank had been under direct, "formal and real control of the Ministry of State Treasure. "Thereupon, the Bank was formally made independent, but it "continued working under control of the aforementioned "Ministry. Notwithstanding that occupants were not "formally represented in the Bank's direction, through the "medium of their organs, however this institution stood "under their real control, because all the organs of the "then state authority, as it is known, were in the service "of the occupants, and accordingly the Ministry of State "Treasury too being the direct manipulator of the former "Croatian State Bank.

208586

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

" As set forth above, owing to the division of the "Yugoslav territory among the axis powers and their "satellites, the Banque Nationale du Royaume de "Yougoslavie was forced to begin with its liquidation, "in the place of which the bank-note issue business "was being done by two new Banks of Issue, each within "its own territory, i.e. by the Serbian National Bank "within the closer territory of Serbia, and by the "Croatian State Bank within the territory of Croatia.

" In other occupied countries, however, the territories "of which were not divided, or at least the territorial "competency of their Banks of Issue was not divided, their "Banks of Issue were functioning in their pre-war form "during the occupation also.

" The interference of Germans and Italians in the business "and activities of the Serbian National Bank and Croatian "State Bank was neither more nor less marked than it was the "case with the Banks of Issue in other occupied countries.

" Likewise, with these Institutions, the Serbian National "Bank and the Croatian State Bank also were working for the "purposes under directives and control of the occupants and, "among others, being pressed by the occupants, they were "forced to purchase gold from our population, which gold "was by them entered into their monetary reserves, as one of "the forms of the looted people's property".

The Axis Powers do not appear to have exercised a direct control over the operations of the Bank which, judging from the fact that "owing to the endeavour of our men with the aforementioned bank", (extract from the Government of Yugoslavia's note of 29 September 1947), it was able, as will be seen later, to place 980.45443 kgs of that part of the Yugoslav pre-war monetary reserve which was transferred to it in a place of comparative safety at the Swiss National Bank whence it was eventually recovered by the present-day National Bank of Yugoslavia after the liberation, appears to have enjoyed some measure of freedom.

With regard to the provision and disposal of the Bank's funds, the Government of Yugoslavia gives the following explanations: the necessary funds for the Bank's activities were obtained mainly by issuing notes, since it was the Bank of Issue for the territory of Croatia, and by floating public loans, but is was principally by issuing notes that ordinary and extraordinary expenditure was met.

The circumstances in which the gold claimed was collected and the manner in which the amount of the claim was calculated are described in detail in the Government of Yugoslavia's reply to the Commission's Questionnaire and the description is supported by adequate documentary evidence.

The explanations given may be summarised as follows :-

208587

RG 59
Entry GRDIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

On 24 April 1941, Dr. Mato Bonacic, Manager of the Financial Department of the Royal Banska Administration of Drinska Banovina, acting as Representative of the Croatian Government at Zagreb, pursuant to the verbal orders given by Mr. Petar Petkovic, Delegate of the Croatian Government at Zagreb, called at the Sarajevo branch of the National Bank of the Kingdom of Yugoslavia and demanded that he should be allowed to check the contents of the strong rooms of this branch and thereafter to seal them up. This he was permitted to do. The parties to these proceedings, a minute of which was drawn up, dated 24 April 1941, were, on behalf of the Branch of the National Bank of the Kingdom of Yugoslavia, Messrs. Djordje R. Besarovic and Dusan R. Kostic, who were the joint holders of the keys of the strong room and, on behalf of the Croatian Government, as has been stated above, Dr. Mato Bonacic. The minutes show that, besides the valuables of the Branch Office, recorded apart in a special Protocol No.1, a certain number of cases, a bullion box and bags, all said to contain gold, were recorded as being in the strong rooms of the Branch Office on deposit for the Head Office of the National Bank of the Kingdom of Yugoslavia. These were:-

1. 24 cases, numbered 1127 to 1150, containing 96 gold bars, gross weight of which was 1,065.67770 kgs and fine weight of which was 991.37112 kgs;

2. a bag containing 4 gold bars;

3. a bullion box containing gold bars and sundry gold coins,

4. and a bag containing sundry gold coins.

According to the Government of Yugoslavia's explanations, the cases, bullion box and bags referred to at 1, 2, 3 and 4 above, were later removed by the Ustasha Officials to the vaults of the Croatian State Bank where their content was inventoried. The inventory was in three parts and copies were sent by the Croatian State Bank to the National Bank of the Kingdom of Yugoslavia in liquidation. These show that the content of the above-mentioned cases, bullion box and bags was recorded as follows:-

| | | |
|---|---|---|
| First part of the inventory | = | 540.98753 kgs of fine gold |
| Second " " " " | = | 537.41615 " " " " |
| Third " " " " | = | 11.39848 " " " " |
| Total | = | 1,089.80216 kgs of fine gold |

It has been possible, from the documentation furnished, to determine the forms in which this gold was held and the fine weight of each category.

These were as follows:-

208588

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

| | | | |
|---|---|---|---|
| Bars | 96 bars referred to at 1. above | = | 991.37112 kgs of fine gold |
| | The bars referred to at 2 and 3 above (there were 9 altogether) | = | 73.88683 kgs of fine gold |
| | Total weight of bars | = | 1,065.25795 kgs of fine gold |
| Coins | Sundry gold coins referred to at 3 and 4 above | = | 20.42946 kgs of fine gold |
| Other forms | Gold scrap and shavings found in 2 and 4 | = | 4.11475 kgs of fine gold |
| | Grand total | = | 1,089.80216 kgs of fine gold |

| | |
|---|---|
| The bars (105) contained, as has already been seen ..... | 1,065.25795 kgs of fine gold |
| Of these 105 bars, the Croatian State Bank was able, as has already been explained, to transfer at the end of July 1944, 88 bars, containing, according to the records of the Croatian State Bank ..... | 980.45443 kgs of fine gold |
| to the Swiss National Bank for safe keeping. 17 bars, (i.e. the difference between 105 and 88) containing ..... | 84.80352 kgs of fine gold |
| remained in the vaults of the Bank, as well as sundry gold coins (see 3 and 4 above) containing ..... | 20.42946 kgs of fine gold |
| and gold in the form of scrap and shavings (see 2 and 4 above) containing ..... | 4.11475 kgs of fine gold |
| The total weight of gold remaining in the vaults of the Bank after the transfer of the 88 bars to the Swiss National Bank was, therefore ..... | 109.34773 kgs of fine gold |

The Government of Yugoslavia points out that a comparison between the inventory drawn up by the Croatian State Bank and sent to the National Bank of the Kingdom of Yugoslavia in liquidation and the inventory drawn up by the Swiss National Bank upon receipt of the gold sent to it (the transfer was a physical one) by the Croatian State Bank, confirms that the above-mentioned quantity, namely 109.34773 kgs of fine gold remained with the Croatian State Bank and the Commission is satisfied that this is, in fact, what happened.

208589

RG 59
Entry 6ADIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The above enumeration accounts for the whole of that part of Yugoslavia's monetary reserve which was located in Croatia at the time of the German aggression but in order to complete the picture insofar as gold movements are concerned it is necessary to mention that, at the end of May 1944, prior to the transfer by the Croatian State Bank of the 980.45443 kgs of fine gold, mentioned above, to its account at the Swiss National Bank, a physical transfer had been effected to this same account by Germany of 358.42290 kgs of fine gold in respect of expenses incurred by the Independent State of Croatia in "transitting German goods through the territory of Croatia", so that at the end of July 1944, date of the second of the two above-mentioned transfers, the Croatian State Bank was in credit at the Swiss National Bank to the extent of 1,338.87067 kgs of fine gold. (Note: this amount is slightly less than the total of the two amounts mentioned above but it is the credit which the Swiss National Bank, in fact, gave after checking and assaying the gold which had been sent to it and the difference is negligible).

It is also necessary to mention that the Swiss National Bank, subsequently to the liberation of Yugoslavia, substituted the name of the present day Central Bank of Yugoslavia, the National Bank of Yugoslavia, for that of the Croatian State Bank, in its accounts, and that this amount of 1,338.87067 kgs of fine gold thus became part of Yugoslavia's post-war monetary reserve.

Reverting to the gold subject of the Government of Yugoslavia's claim under examination, namely to the 117.55263 kgs, according to statements of eye-witnesses furnished by the Government of Yugoslavia this gold was, at the end of November 1944, taken over from the officials of the Croatian State Bank, who were in charge of it, by a Ustasha Commission whose members were Jure Pavcic, Mirko Vutuc, Dr. Ivan Musa, Ciril Kralj and Stanko Sarac and transferred from the regular vaults of the Bank to a separate vault in the courtyard of the building at 17, Jurisiceva Street, Zagreb, which vault was thereafter guarded by members of the Commission.

According to the statements of these same eye-witnesses and the explanations furnished by the Government of Yugoslavia Dr. Mirko Puk, the Extraordinary Commissioner of the Croatian Government with the Croatian State Bank fled on 7 May 1945 from Zagreb, accompanied by Ustasha Lieutenant Colonel Cirilo Kralj and Ustasha Major Mirko Vutuc, on the approach of the Allied troops, taking with him the following quantities of gold from the above-mentioned vault:-

| | |
|---|---|
| 17 bars of gold containing ..... | 84.80352 kgs of fine gold |
| Sundry gold coins containing ..... | 28.63436 kgs of fine gold |
| Gold scrap and shavings containing ... | 4.11475 kgs of fine gold |
| Total = | 117.55263 kgs of fine gold. |

208590

RG 59
Entry 6ADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

As has been shown earlier, however, of the gold originating from the Sarajevo Branch of the National Bank of the Kingdom of Yugoslavia, namely 1,089.80216 kgs of fine gold which undoubtedly constituted a part of Yugoslavia's monetary reserve, there remained, in 1944, in the vaults of the Croatian State Bank, after the transfer of 980.45443 kgs of fine gold to the Swiss National Bank for safe keeping only.....109.34773 kgs of fine gold

Dr. Puk and his associates are stated to have fled in 1945 with .....117.55263 kgs of fine gold

The following explanations regarding the difference between these two amounts namely ..... 8.20490 kgs of fine gold are given by the Government of Yugoslavia and are quoted textually from the official translation, furnished by that Government, of its reply to the Commission's Questionnaire.

" During the occupation the Croatian State Bank was "purchasing gold, and the gold looted by Ustashas and "occupants from Serbs, Jews and other adversaries of "the Ustasha Government, or taken from their corpses "/within the territory of the so-called Independent "State of Croatia, during the pogrom in the course of "occupation several hundreds of thousands of Serbs "were killed by the occupants and the organs of "Ante Pavelic/.

" Such gold, collected in the above said manner, weighed "a total of kgs 8.20490 of fine gold. As it was being "kept, during a certain period of time, as monetary gold "of the Croatian State Bank, this gold was taken with "by Ustashas on May 7th 1945 (on the occasion of their "fleeing from Zagreb) together with the remaining gold "which had been seized from the National Bank Sarajevo "Branch in 1941.

" Accordingly, the gold taken with by Ustashas on "May 7th 1945 consisted of :-

"Kgs. 109.34773 which has been seized by the Ustashas
" from the National Bank Sarajevo Branch
" on April 24th 1941 and
"Kgs. 8.20490 which has been purchased by the Croatian
"_____ State Bank during the occupation.

"Kgs. 117.55263 of fine gold".

It would appear from the above explanations that Dr. Puk, when he fled in 1945, took away with him from the Croatian State Bank, a certain amount of gold undoubtedly originating from the pre-occupation gold reserves of the National Bank of the Kingdom of Yugoslavia, that is to say from what was unquestionably monetary gold belonging, within the Commission's understanding, to Yugoslavia, namely, 109.34773 kgs of fine gold and that he also took away, at the same time, gold coins containing ..... 8.20490 kgs of fine gold which did not originate from the reserves of the National Bank of the Kingdom of Yugoslavia but had been collected in the circumstances described above, subsequently to the invasion of Yugoslavia, from private persons.

208591

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The position in regard to gold held, prior to the occupation, by private persons in Yugoslavia may be summarised as follows:-

Private persons and firms in Yugoslavia (except domestic mines producing gold, in respect of which special legislation was in existence) were allowed, prior to the invasion of Yugoslavia by the Axis Powers, to hold gold and they were under no obligation to declare it or to surrender it to the National Bank of the Kingdom of Yugoslavia. But if they wished to sell it, they could dispose of it only in two ways. Either:-

a) to the National Bank of the Kingdom of Yugoslavia, or

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

It is clear from what precedes that the 8.20490 kgs of fine gold referred to above, which were surrendered by, or seized from, its rightful owners subsequently to the invasion of Yugoslavia by Germany, could not, therefore, have been carried, prior to the invasion, directly or indirectly, as part of Yugoslavia's monetary reserve in the accounts of Yugoslavia's legal pre-war Central Bank, the National Bank of the Kingdom of Yugoslavia or in those of any other monetary authority of the country. The Government of Yugoslavia does not, indeed, contend that it was thus carried for, in the official translation it has furnished of its reply to the Commission's Questionnaire, it says:-

"We do not enclose with this reply the required photostatic "copies of balances and books of the Yugoslav monetary author-"ities, because we have not contended that in their accounts "was shown the gold which, prior to 6 April 1941, was held by "private persons".

The considerations, upon which the Government of Yugoslavia's contention that the gold in respect of which restitution is claimed was looted by Germany, or wrongfully removed to Germany, is based, were summed up by the Representative of the Government of Yugoslavia, H.E. Monsieur Milan Bartos, when he appeared before the Commission on 10 March 1949, as follows:-

" Practically speaking, this means that the question is "reduced to ascertaining whether this gold wrongfully removed "from Yugoslavia did or did not constitute an act of looting "by Germany.

" We consider that evidence that this gold was removed from "the Yugoslav State and from the National Bank of Yugoslavia "can be found in the fact that, in 1941, it was taken from "the vaults of the Yugoslav National Bank and transferred to "the Fascist and Quizling Government of the so-called "Independent State of Croatia, in other words, to the Ustashi "Ministry of Finance. The act of looting consists in this "fact.

208592

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

" The officials of the Ustashi Government, introduced from "abroad, arrived in the country with the armies of occupation. "They were, in fact, auxiliary services of the latter and were "neither the legal proprietors nor the owners of this gold. "Similarly, the splitting up of the occupied territory of "Yugoslavia into several so-called separate States was likewise "an illegal act of the occupying forces, since it was contrary "to the Hague Convention governing land warfare. In the same "way, the action of the occupying forces in dividing the "Yugoslav National Bank among usurpers, who had wrongfully "seized the property of the Bank, is equally illegal.

" Any act by which the occupying forces or their Quisling "Governments, disposed of the property of the Yugoslav Nation "was, therefore, an illegal act. We must, however, refrain "from subtle legal discussions on the unlawful character of "such transfers. The Quisling Ustashi usurpers had no right "to dispose of this national property. For this reason, any "transfer of Yugoslav monetary gold to a foreign country, carried "out by them, was an unlawful act.

" It would be a mistake to assert that the Yugoslav claim is "solely founded on the illegality of the actions committed by "the Ustashis. On the contrary, this is but a first element "in the case, a question of fact and not one of legality. The "real argument on which the Yugoslav Government bases its claim "for restitution are the acts committed by persons belonging to "the German Army.

" The gold wrongfully transferred by the Ustashis, who, in fact, "belonged to the services of the German occupying forces, was "subjected to further ruthless and illegal action on Austrian "territory, where it was forcibly taken away from the Ustashis "by members of the German Army.

" The proof that the Yugoslav gold, after its unlawful transfer "to Austrian territory, was ruthlessly looted by the German armed "forces, is to be found in document No.57 already submitted to the "Commission. This document is the attestation of an eye-witness, "Mr. Mato Crnek, a Bank Official. This witness categorically "states and affirms that the lorry which transported the gold was "seized from the Ustashis by four members of the Reichswehr in "uniform. The witness is unable to say whether these German "Agents were officers or N.C.O.s, but this is a minor point. "The essential point is that he proves that the gold was looted "by members of the German Army; in other words, it was an act of "looting committed by Germany."

The official translation, furnished by the Government of Yugoslavia of Document No.57, referred to in the above statement, is quoted textually below:-

" MINUTES OF PROCEEDINGS.
"
" drawn up on the 8th of March 1948 at Banque Nationale de
" la Republique Federative Populaire de Yougoslavie Branch
" at Zupanja relative to the looting of the gold of the
" Yugoslav National Bank and to the removal of this gold by
" Ustasha functionaries to Germany.

208593

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The convoked Mato Crnek residing at Zupanja, 151 Tvornicka Street is given in minutes the following:-

"

DECLARATION.

" A few months before the liberation, pursuant to the "decision of the Prime Minister of the so-called Independent State "of Croatia, at Zagreb, there was established a State Commission "to take possession of valours from the Croatian State Bank.

" As members of this Commission were appointed, so far as I "remember, the following Ustacha functionaries : Dr. Puk, Mirko Vutuc, "Ciril Kralj, Pecnikar, Stanko Sarac, and the Chief of the then State "Printing Establishment (whose name I have forgotten).

" The gold which was in the vaults of the Croatian State Bank "as well as the gold which had been taken from the Yugoslav National "Bank Sarajevo Branch, in the month of April, 1941, were manipulated "by the constant jointkeyholders of the Croatian State Bank who, "pursuant to the order of the Minister of Finance of the so-called "Independent State of Croatia, delivered all this gold to the afore-"mentioned Commission.

" I am cognizant that all the valours that were taken over by "this Commission were transported and placed in the separate vaults of "the Croatian State Bank situated in the Bank's courtyard, in front "of which vault a particular guard was mounted which was subordinated "solely to this Commission.

" On 30th of April, 1945, my release from the army was over. Since "during the whole war, I had been in the army, I was afraid of being sum-"moned at that time. I heard that Dr. Vuljevic, general director "of the Croatian State Bank, was preparing to leave Zagreb to go "somewhere towards Ljubljana. I requested him to take me with him "as far as Ljubljana where I had friends enough. We had to set out "for our journey on May 8th, 1945.

" In the night between the 7th and 8th May, 1945, all the "Bank's valours were taken out of the above-mentioned vault (which was "being manipulated by the above-mentioned Commission) and were loaded "on several cars disguised with different suitcases, bales, pillows, "etc.

" The column started from the Bank at about 10 o'clock a.m. on "8th May, 1945, and I was with Dr. Vuljevic in a separate car in the "column. At a distance of 20 kms from Zagreb, I lost sight of "Dr. Vuljevic and have never seen him since. Instead of Ljubljana, "I reached Austria. On this travelling, I witnessed the further "fate of the Bank's gold which was as follows:-

" On the way from time to time, I saw a lorry being driven by "Vutuc himself, a member of the above-quoted Commission, and in "which on different baggage a few gendarmes were sitting, which I "especially caught sight of.

" Vutuc provoked often incidents on the way being awfully rude, "he was menacing with a revolver in his hand everywhere. At a crossway, "not far from our frontier, the column stopped and the driver said "to me that Vutuc provoked an incident again. Being inquisitive, I "went forward and at that moment I saw that four German officers "(or non-Commissioned officers) were aiming at Vutuc with their revolvers "and forced him to turn aside from the road into a meadow. I continued "my way further.

208594

RG 59
Entry 6210115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" Inasmuch as some further particulars on the above facts
"are necessary, I am always willingly at your disposal.

" Death to the Fascisme - Liberty to the People!

"  signed : Mato Crnek
"  Chief of the District
"Zupanja, 8th March 1948.  Cooperative Association at Zupanja."

Mention must be made, at this stage, of the fact that the Commission's instigated enquiries in the various zones of occupation in Germany, with a view to ascertaining whether any of the persons referred to, or quantities of gold subject of the claim, had been apprehended, or recovered, in these zones. These enquiries gave no results.

Such are the facts of the case.

The Government of Yugoslavia was undoubtedly entitled to submit this claim and the claim is one upon which the Commission is authorised to adjudicate.

The Commission deems it appropriate, at this stage, to set down its conclusions on certain points which are evident from what has been stated above. In the first place there is no doubt that of the amount of 117.55263 kgs of fine gold claimed by the Government of Yugoslavia 109.34773 kgs of fine gold formed part of the pre-war reserve of the National Bank of the Kingdom of Yugoslavia and that this gold was therefore monetary gold belonging to Yugoslavia within the meaning of Part III of the Agreement, whereas it has already been demonstrated that the balance amounting to 8.20490 kgs of fine gold did not form part of the reserves of the National Bank of the Kingdom of Yugoslavia and was, therefore, not monetary gold belonging to Yugoslavia within the meaning of the agreement. It is clear, therefore, from the outset, that the first requirement of Part III of the Agreement has not been met in respect of the latter amount, that the claim insofar as these 8.20490 kgs are concerned must, independently of what will be said later on the question of looting, fail and that a further study of this part of the claim is unnecessary. The Commission will confine itself to a study of that part of the claim which concerns the 109.34773 kgs which, as has already been stated, did constitute monetary gold belonging to Yugoslavia.

The Croatian State Bank which took over the gold reserves of the National Bank of the Kingdom of Yugoslavia, including the above-mentioned amount of 109.34773 kgs, in Croatia, in circumstances which have already been described, was certainly set up as a result of the confusion and disintegration caused, in the first place, by the German aggression, and, in the second place, by Italian action in Croatia almost immediately following upon the German aggression. The manner in which the Croatian State Bank was set up and functioned has been described in detail earlier in the present part of the Commission's adjudication and there is no doubt that it enjoyed a measure of independence. It will be recalled that it was able to transfer to the Swiss National Bank the major portion of the reserves of the National Bank of the Kingdom of Yugoslavia which it had taken over in Croatia, which major portion the present day National Bank of Yugoslavia was able to recover after the liberation.

208595

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission is faced with a case where it is asserted that 117.55263 kgs of monetary gold belonging to Yugoslavia were looted by Germany or wrongfully removed into German territory. It has already been demonstrated that, of this amount, 8.20490 kgs cannot be considered to have belonged to Yugoslavia. The crucial issue, therefore, which is before the Commission, is : was the difference, amounting to 109.34773 kgs, which was undoubtedly monetary gold belonging to Yugoslavia, looted by Germany or wrongfully removed into German territory ?

The confusion in Yugoslavia after the German aggression and until the liberation has been described. The country was split up into a number of entities, some administered direct by Germany or Italy, some with a measure of independence, some annexed to the Axis Powers or their satellites. But from the point of view of the Commission, Croatia, whatever may have been the status or title given to it, remained part of Yugoslav territory. The Commission must now determine whether the circumstances were such as to justify a finding that the 109.34773 kgs of fine gold were looted by, or wrongfully removed to, Germany.

The Commission is prepared to accept it as a fact that this gold which, since November 1944, has been under the direct control of Dr. Puk and his associates, was removed by them in a convoy of cars and lorries when they fled, on 7 May 1945.

The subsequent fate of the gold is described in the affidavit signed by Mr. Mato Crnek, quoted earlier in this part of the Commission's adjudication on the claims submitted by the Government of Yugoslavia.

The following two passages from the affidavit are of particular importance :

> " On the way from time to time I saw a lorry being "driven by Vutuc himself, a member of the above-quoted "Commission, and in which on different baggage a few "gendarmes were sitting, which I especially caught sight of.
>
> " Vutuc provoked often incidents on the way being "awfully rude, he was menacing with a revolver in his hand "everywhere. At a crossway, not far from our frontier, the "column stopped and the driver said to me that Vutuc "provoked an incident again. Being inquisitive, I went "forward and at that moment I saw that four German officers "(or non-commissioned officers) were aiming at Vutuc with "their revolvers and forced him to turn aside from the "road into a meadow. I continued my way farther."

The presence of "a few gendarmes" on the lorry driven by Vutuc, the fact that the latter was a "Ustacha Major" and that he was armed and obviously endeavouring to force his way through the traffic which must have been very dense on 7 May 1945, a day on which the Axis Powers and their collaborators were in full flight, would tend to indicate that it was on this particular truck that the gold was loaded.

208596

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

Furthermore, Mr. Mato Crnek who, since 10 April 1941, must have been subjected to German and Italian military administration, in addition to the civil administration of the so-called State of Croatia, and must, therefore, have been familiar with the uniforms ( if not with the ranks ) of the Axis Armies, can hardly have been mistaken in his description of Vutuc's aggressors. He has stated, on oath, that they were four German officers (or non-commissioned officers). The latter, who were in full flight, would hardly have stopped to threaten Vutuc with their revolvers and force him to turn aside from the road into a meadow without good reason, such as the presence of gold in the lorry.

The presumption that the lorry contained the 109.34773 kgs of fine gold and that there was German intervention immediately prior to the final disappearance of the gold is such that the Commission is prepared to accept the Government of Yugoslavia's contention to this effect.

Put very briefly, the facts, therefore, are :

- that, prior to the German invasion, this gold formed part of the monetary gold reserve of the genuine Central Bank of Yugoslavia;
- that, on 6 April 1941, the Germans invaded Yugoslavia and proceeded to dismember the country;
- that, on 10 April 1941, the day the German troops entered Zagreb, a so-called "Independent State of Croatia" was proclaimed;
- that, on 10 May 1941, there was set up a "Croatian State Bank" to which this gold, with other gold from the Sarajevo branch of the National Bank of the Kingdom of Yugoslavia, was transferred by Ustacha officials;
- that, on 31 May 1941, the German Military Command abolished the National Bank of the Kingdom of Yugoslavia, the genuine Central Bank of Yugoslavia;
- that, at the end of November 1944, this gold was taken over by a Ustacha Commission from the officials of the Croatian State Bank, who were in charge of it, and transferred to a separate vault under the control of the Ustacha Commission;
- that, on 7 May 1945, Dr. Mirko Puk, the Extraordinary Commissioner of the so-called Croatian Government with the Croatian State Bank, accompanied by two Ustacha officers, of field rank, fled with this gold which was, on 8 May 1945, wrested from them by four German officers (or non-commissioned officers).

The Ustachas have been described by the Government of Yugoslavia as "officials of the Ustachi Government introduced from abroad", as "having arrived in the country with the Armies of occupation" and as "Quisling Ustachi usurpers"; the inference being that they must be treated as having been German Agents. They were certainly not followers of the genuine Yugoslav Government, which was in England at the time, and their behaviour, throughout, and precipitate flight on the approach of the Allied armies, brand them, if not as German Agents, at least as traitors to their country, guilty of having furthered the German war effort.

There is no doubt that, had it not been for German action and the action of collaborators within Yugoslavia, the gold in question would not have been lost. The Commission feels that, in all the circumstances of the case, the gold can be deemed to have been looted by Germany. It has already been demonstrated that it was monetary gold belonging to Yugoslavia.

The Commission, accordingly, finds that the Government of Yugoslavia has established that 109.34773 kgs of monetary gold belonging to Yugoslavia were looted by Germany or wrongfully removed into German territory, within the meaning of Part III of the Agreement. The remainder of this claim, which is in respect of 8.20490 kgs of fine gold collected by the Croatian State Bank from private persons, after the German invasion, is, for reasons which have already been given, rejected.

208597

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

It will be recalled that the genuine Central Bank of Yugoslavia, reconstituted under the name "The National Bank of Yugoslavia", after the liberation, recovered from the Swiss National Bank an amount of 1,338.87067 kgs of fine gold, originating as follows :

- 980.4543 kgs of fine gold, forming part of Yugoslavia's genuine monetary reserve transferred, at the end of July 1944, by the Croatian State Bank to its account at the Swiss National Bank;
- 358.42290 kgs of fine gold, transferred to the latter account by the Reichsbank, in reimbursement of expenses incurred by the "Independent State of Croatia", in "transitting German goods through the territory of Croatia". (Note the total of these two amounts is slightly in excess of that mentioned as having been recovered, but 1,338.87067 kgs of fine gold represent the amount which was actually credited, by the Swiss National Bank, after checking and verification, to the account of the Croatian State Bank).

The situation which arose, in this respect, has been described earlier in this part of the Commission's adjudication and falls to be examined at this stage.

The Commission which, in its letter of 13 March 1947 and in the Questionnaire sent out with it, made it clear that it might take recoveries into account, considers that it is competent to determine whether its allocation to the Government of Yugoslavia is, in any way, affected by the recoveries which were made.

With regard to the 980.4543 kgs of fine gold, it has been demonstrated that this was gold which formed part of the genuine pre-war monetary reserve of Yugoslavia and which, thanks to the efforts of patriotic elements within the Croatian State Bank, was placed in a position of comparative safety at the Swiss National Bank. It has not, of course, been claimed for by the Government of Yugoslavia. It was recovered by the National Bank of Yugoslavia, after the liberation, very much in the same way as other Central Banks of countries, which were in the fortunate position of having been able to send their monetary gold reserves to a place of safety abroad on the outbreak of hostilities, were able to recover these reserves after their liberation. The Commission can see no reason for taking this recovery into account in connection with its allocations to the Government of Yugoslavia.

With regard to the 358.42290 kgs of fine gold, the Commission is of the opinion that Germany, in transferring this amount to the account of the "Croatian State Bank" at the Swiss National Bank, appears to have been complying, in continuance of pre-war policy, with the provisions of the "International Convention concerning the transport of goods by rail", according to which balances due were settled on a gold basis. This is not an isolated case and the Commission is aware that Germany also settled on a gold basis certain balances due by her under the Universal Postal Union. The amount of gold delivered in this respect by Germany and received by the countries concerned, including Yugoslavia, may, although this is by no means certain, have been in excess of that delivered in pre-war days but the operation in itself was not an abnormal one and it was effected in accordance with established practice, against normal consideration. Having regard to the circumstances of the case, the Commission does not consider that the position of Yugoslavia in relation to the Agreement or the pool of monetary gold is affected to any appreciable extent as a result of the transfer of gold in question and it does not feel that it would be justified in taking this recovery into account in connection with its allocations to the Government of Yugoslavia.

208593

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

3. Claim for the restitution of 137.36884 kgs of fine gold said to have been removed from the National Bank of Serbia in circumstances which amounted to a looting of monetary gold belonging to Yugoslavia by Germany.

Four claims were submitted by the Government of Yugoslavia, the third of which forms the subject of the present decision. This third claim which was originally for the restitution of 112.61669 kgs of fine gold was increased, subsequently to the original submission, to 137.36884 kgs of fine gold, in circumstances which will be described later.

The Government of Yugoslavia's contention, in respect of the amount of 112.61669 kgs of fine gold originally claimed is summarised in the note from the Minister for Foreign Affairs of Yugoslavia, in which the latter, according to the official translation furnished by the Government of Yugoslavia, says:

"As regards the monetary gold mentioned in No.III, it will be "seen from the documentation attached hereto that this gold "appeared in the books of the National Bank and that the "Germans removed it unlawfully to Germany after having paid "a negligible sum as compensation with the object of con- "ferring some semblance of dignity on this act of looting".

The Commission found the original documentation and information furnished insufficient and it wrote, on 27 February 1948, to the Delegate of the Government of Yugoslavia, requesting further information and documentation which were furnished by the Delegate under cover of a letter dated 12 July 1948. Included in the documentation was a letter No.1716, dated 10 July 1948, signed by the Delegate, and in which, as will be seen later, Yugoslavia's original claim - amounting to 112.61669 kgs of fine gold was, probably owing to a misunderstanding, increased to 137.36884 kgs of fine gold.

The facts of this case, as drawn from the evidence supplied, may be described as follows:-

Prior to the invasion of Yugoslavia, the Central Bank of that country was the National Bank of the Kingdom of Yugoslavia.

Early in 1941, that is to say subsequently to the invasion of Yugoslavia, this Bank was "liquidated" by order of the German Military Commander in Serbia. A German Commissioner was appointed to the Bank in liquidation. Those portions of Yugoslavia which were considered as definitely annexed to the territories of the Axis Powers were incorporate in the monetary systems of the respective Axis Powers but, in the territory of Croatia, there was set up an "Independent State", in which was created a Central Bank designated "The Croatian State Bank" and, in the area administered by the German Military Commander in Serbia, there was set up a separate Central Bank designated "The Serbian National Bank"

The latter Bank is the Bank involved in the claim subject of the present adjudication.

208599

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The history of this Bank is given in detail in the explanations and documentation furnished by the Government of Yugoslavia, in its reply to the Commission's Questionnaire, and is summarised below:-

The Bank was created pursuant to an order, dated 29 May 1941, of the German Military Commander in Serbia. The legal form in which it was to be constituted, the conditions in which it was to function and which were to govern its organisation and administration, as well as the territorial limits within which it was to exercise its activities, were laid down, also on 29 May 1941, in the first Regulations issued by the "German General Authorised Agent for Economy in Serbia".

The Bank was decreed to be a Public Institution. According to the Yugoslav Government's statement, it was constituted in the form of a "joint stock company" and its capital was 100,000,000 dinars, which were never paid up.

Article 1 of the Regulations, referred to above, issued by the "German General Authorised Agent for Economy in Serbia", laid down that the purposes for which the Bank was set up were to uphold the value of the domestic currency with the means at its disposal, to regulate and control the monetary circulation and to grant short term credits for justified economic purposes.

The same Regulations laid down that the Bank, that is to say the Serbian National Bank, was the Bank of Issue for the territory of the German Military Commander in Serbia. The provisions of Articles 13 and 14 of these Regulations may be summarised as follows:-

The Bank had the exclusive right to issue Dinar Bank-notes of the new Serbian State. The bank-notes were legal tender, unrestrictedly, within Serbia. The issue of coins was to be made by agreement with the Bank.

The Bank's notes in circulation were to be covered as follows:-

- by credits under discount and collateral loans pursuant to the provisions of Art.10, Sections 1, 2, 4 and 5;
- by holdings of securities pursuant to the provisions of Art.10, Section 3;
- by gold reserves and by foreign exchange reserves, as well as by credits with foreign Banks of Issue and in Clearing Accounts. The computation of these reserves was to be made at rates determined pursuant to the provisions of Article 10, Section 7.

The Government of Yugoslavia gives the following explanations regarding the provision and disposal of the Bank's funds; The necessary funds for the Bank's activities were almost exclusively obtained by issuing bank-notes. These bank-notes were, in general, issued for the purpose of defraying occupation expenses, of financing the budget of the so-called Serbian State and its domestic economy, of effecting clearing payments (the necessity for which arose as a result of the compulsory export of almost the whole of Serbia's domestic production to Germany). German and puppet organisations were in the habit of looting bank-notes in considerable quantities - which bank-notes were then put into circulation. Bank-notes were also issued for the purpose of purchasing foreign exchange and gold which were compulsorily surrendered by the population and subsequently incorporated in the monetary reserves of the Serbian National Bank.

208600

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The Government of Yugoslavia also mentions that the occupation notes issued in the manner described above were, after the liberation, replaced by bank-notes of Yugoslav issue.

With regard to the control and administration of the Bank, the Government of Yugoslavia gives the following explanations:-

The pre-occupation Governor of the National Bank of the Kingdom of Yugoslavia, the late Dr. Milan Radosavljevic, was appointed Governor of the Serbian National Bank (as well as Liquidator of the National Bank of the Kingdom of Yugoslavia) and Dr. Mirko Kosic, former University Professor, was appointed Alternate Governor. The Board of Directors and Board of Control were never appointed at all.

The Serbian National Bank was under the direct control of the German Commissioner with the Bank, in his capacity as Delegate of the German "General Authorised Agent for Economy in Serbia". This function was exercised by Jakobus Soengen, "Chief Administrative War Counsellor", and a Director of the Reichsbank. For all important operations, the authorisation of the German Commissioner was necessary. In practice, however, the German Commissioner did not limit his activities to giving authorisations. He also gave orders connected with major questions affecting the German Reich.

It is clear from the above that this Bank was set up by the Germans and controlled by the Germans.

The circumstances in which the gold claimed was collected and the manner in which the amount of the claim was calculated are described in detail by the Government of Yugoslavia in its reply to the Commission's Questionnaire and the description is supported by adequate documentary evidence.

The explanations given may be summarised as follows:-

During the occupation, the Germans brought into force an order imposing the compulsory surrender of gold and foreign currencies. There was a complete organisation known as the "Deviesenschutz Command" which was responsible for discovering, by various means which were at its disposal, such gold and foreign currencies as might be in the possession of the population of Serbia. The gold and foreign currencies were seized and the persons in whose possession it was found were imprisoned or fined.

These acts of dispossession, as well as other acts of dispossession in the economic sphere, were carried out by Newhausen, "General Authorised Agent for the Economy in Serbia", and his assistant Krieger, by various means such as the promulgation of orders imposing the surrender of gold and foreign currencies and the application of other measures of a similar nature. These orders and measures were enforced by police action.

The basic Regulations, pursuant to which all quantities of gold and foreign currencies and exchange had to be offered for sale to the Serbian National Bank, were the following: "The Foreign Exchange Regulation for Serbia" or "Devisenverordnung fur Serbien", dated 10 June 1941, and the Order laying down the method of execution of the above Regulation, or "Durchfuhrungsverordnung sur Devisenverordnung", dated, also 10 June 1941. Both these Regulations were published in the Official Journal of the Military Commander for Serbia or "Verordnungsblatt des Militarbefehlshabers in Serbien", No.10, dated 10 June 1941.

208601

RG 59
Entry 6ADIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968100
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

By virtue of these Regulations, the Serbian National Bank "purchased", compulsorily, from the Serbian population, 220.58683 kgs of fine gold, in the following forms:-

| | | |
|---|---|---|
| Coins | fine weight | 134.92495 kgs. |
| Ingots | fine weight | 85.41990 kgs. |
| Gold in other forms | fine weight | 0.24198 kgs. |

These 220.58683 kgs of fine gold were dispersed as follows:-

- 107.70829 kgs (85.46798 kgs in the form of bars and scrap and 22.24031 kgs in the form of coins) were removed, on 12 September 1944 by the organisation of Draza Mihajlovic from the vaults and the safe of the National Bank of Serbia. Some of this gold (81.10291 kgs in bars and 1.85323 kgs in coins) was recovered after the liberation.

- 0.26185 kgs. remained in the safe of the Bank and were recovered there after the liberation.

- 112.61669 kgs were "sold", at different times during the occupation to various German Services.

It was in response to a request by the Commission for certain information and additional evidence, if available, regarding the first of the three amounts mentioned above, namely the 107.70829 kgs of fine gold which were seized by the organisation of Mihajlovic, that the Yugoslav Government not only furnished the information and evidence required but also, probably owing to a misunderstanding, increased its claim, by 24.75215 kgs of fine gold, to 137.36884 kgs of fine gold.

The relevant passage of the Delegate's letter No.1716, dated 10 July 1948, reads as follows:-

"In the same Demand issued by us on Form I-A-1/III we have "mentioned that the Serbian National Bank purchased, during "the occupation, a total amount of:-

"Net Kos. 220.58683 of fine gold, the fate of which was as
" follows - according to data given by us
" in the above Demand:-
"
" Net Kos.107.70829 were looted by Draza
" Mihajlovic Organisation,
" and
" " " 0.26185 remained in the Bank's
" 107.97014 vaults.

"Net Kos.112.61669 of fine gold being the difference which was "seized by the Germans during the occupation. Thus, we have "demanded only for restitution of this difference in gold which "was looted by the Germans in the territory of the German "Military Commandant in Serbia.

" According to your inquiry in your letter of February "27, 1948 referred to /re: points 3 and 4/ we conclude that, "within the restitution of gold of the FPR Yugoslavia, the gold "looted by Draza Mihajlovic Organisation, amounting as above to "Net. Kos. 107.70829, should be taken into account for "restitution too.

208602

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" In this connection we deem it necessary to
"mention that from the gold looted by Draza
"Mihajlovic Organisation totalling:-

" Net Kos. 107.70829 a quantity of
" " 82.95614 was successfully discovered by
the Organs of our Authorities
and returned by them to Banque
"_____ Nationale de la RFPY.

" Net Kos. 24.75215 of fine gold represents loss in
" gold of Banque Nationale looted
" by Draza Mihajlovic Organisation.

" Accordingly, the gold which is to be taken into account
"for restitution to FPR Yugoslavia, on the basis of its
"being looted in the territory of the German Military
"Commandant in Serbia - as per our primary Demand on
"Form I-A-1/III and which gold has been mentioned in your
"letter dated February 27, 1948 - amounts to:-

" Net Kos. 112.61669 being looted by the Germans, and
" " " 24.75215 being looted by Draza Mihajlovic
"_____ Organisation.

" Net Kos. 137.36884 of fine gold".

It is clear that the Government of Yugoslavia construed the Commission's request for further information and documentation regarding the 107.70829 kgs of fine gold as an indication that the Government of Yugoslavia might submit a claim for that portion of the 107.70829 kgs of fine gold which was not recovered by Yugoslavia, namely 24.75215 kgs of fine gold.

It was not the Commission's intention to convey such an indication and there is no question but that this gold was taken by the Organisation of Mihajlovic, that is to say by Yugoslav subjects and not by Germans.

Reverting to the 112.61669 kgs of fine gold described as having been "sold", at different times, during the occupation to various German Services, the Government of Yugoslavia has furnished photostatic copies of the principal entries in the books of the National Bank of Serbia and the Commission, despite certain small discrepancies, is satisfied that the gold referred to was, in fact, carried in the books of the National Bank of Serbia and disposed of in the manner described.

It is clear however that all this gold was collected subsequently to the German occupation and that none of it originated from the original pre-war monetary reserve carried in the accounts of the National Bank of the Kingdom of Yugoslavia which, as has already been stated, was, prior to the occupation of Yugoslavia by the Axis Powers, the Central Bank of Yugoslavia, or in the accounts of some other monetary authority of the country.

The Government of Yugoslavia's contention that the gold was looted by Germany, is based upon the following considerations:-

208603

RG 59
Entry 6215
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The gold in question, that is to say 112.61669 kgs of fine gold was taken from the National Bank of Serbia partly to satisfy official German requirements and partly to satisfy those of German Nationals.

The method employed was a so-called sale by the Bank and purchase by the German Institutions and Nationals, (to give the operation a semblance of legality), at "very low and unreal official rates (55.80 dinars for one gram of fine gold)", fixed by the German Authorities on the basis of current rates on the Berlin Stock Exchange (20 Serbian dinars for one German mark).

The Government of Yugoslavia contends that these operations amounted to looting by Germany.

The photostatic copies of extracts from the books of the National Bank of Serbia show that 106.29724 kgs of gold were disposed of as follows :-

| " Form of gold | Net Grams | Dinars | Purchaser |
|---|---|---|---|
| "Gold Napoleons | 57.58 | 3,230.- | Goll, SS Obertuhrfuhrer, |
| " " " | 578.05 | 32,300.- | Fro, Substitute German Commissary to the Serbian National Bank. |
| " " " | 42,211.15 | 2,358,987.93 | Military Commandant of Serbia |
| " " " | 57.85 | 3,230.- | Jakob Zengen, German Commissary to the Serbian National Bank. |
| " " " | 42,417.72 | 2,366,908.50 | Gen. Plenipotentiary for Economy in Serbia by order of Zengen. |
| " " " | 23.05 | 1,288.- | - idem - |
| " " " | 5.79 | 323.- | Hajnal Erzebet's Depo. |
| "English Pounds | 225.92 | 12,601.50 | Jakob Zengen, German Commissary to the Serbian National Bank. |
| " " " | 72.21 | 4,065.- | - idem - |
| "American Dollars | 2.097.27 | 117,027.50 | Gen. Plenipotentiary for Economy in Serbia by order of Zengen. |
| "German Marks | 775.35 | 43,254.50 | - idem - |
| "Turkish Liras | 230.12 | 12,862.50 | Jakob Zengen, German Commissary to the Serbian National Bank. |
| " " " | 9,549.29 | 532,850.- | Gen. Plenipotentiary for Economy in Serbia by order of J. Zengen. |
| " " " | 6.59 | 367.50 | Hajnal Erzsebet's Depo. |
| "Austro-Hungarian " Crowns | 7,989.30 | 445,802.50 | Gen. Plenipotentiary for Economy in Serbia by order of J. Zengen. |
| "Total | 106,297.24 | | |

208604

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission is satisfied that the gold was, in fact, disposed of in the manner described and it is also satisfied, from the Government of Yugoslavia's explanations, that the difference amounting to 6,31945 kgs between the quantity of gold accounted for above - that is to say 106.29724 kgs and the amount of this portion of Yugoslavia's claim, that is to say 112.61669 kgs was also disposed of in a similar manner.

The Commission is further satisfied that no real consideration was received by the National Bank of Serbia for this gold.

Such are the facts of the case.

The Government of Yugoslavia was undoubtedly entitled to submit at least the main portion of this claim and the claim is one upon which the Commission is authorised to adjudicate.

The issues before the Commission are:-

1. Was the gold claimed monetary gold belonging to Yugoslavia at the time of the invasion of that country by the Axis Powers? and, if not,

2. did this gold become monetary gold belonging to Yugoslavia subsequently to the invasion? and if the answer to 1. or 2. is in the affirmative

3. has the Government of Yugoslavia established that this gold was looted by Germany.

With regard to the first issue, it is clear, from the documentation furnished by the Government of Yugoslavia and from the Government of Yugoslavia's own statements, that, at the time of the invasion of Yugoslavia, by the Axis Powers, all the gold in question was in the hands of private persons or firms, since it was collected, in circumstances amounting to duress, from these persons and firms, on German orders subsequently to the occupation of Serbia by the Germans.

Private persons and firms in Yugoslavia (except domestic mines producing gold, in respect of which special legislation was in existence) were allowed, prior to the invasion of Yugoslavia by the Axis Powers, to hold gold and they were under no obligation to declare it or to surrender it to the National Bank of the Kingdom of Yugoslavia. But if they wished to sell it, they could dispose of it only in two ways. Either:-

a) to the National Bank of the Kingdom of Yugoslavia, or

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

208605

RG 59
Entry 6215
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

It is clear from what precedes that the gold in question, which was surrendered by or seized from its rightful owners subsequently to the invasion of Yugoslavia by the Axis Powers, could not, therefore, have been carried, prior to the invasion, directly or indirectly, as part of Yugoslavia's monetary reserve in the accounts of Yugoslavia's legal pre-war Central Bank, the National Bank of the Kingdom of Yugoslavia or in those of some other monetary authority of the country. The Government of Yugoslavia does not, indeed, contend that it was thus carried.

The Commission holds, therefore, that this gold was not monetary gold, within the Commission's understanding, at the time of the invasion of Yugoslavia by the Axis Powers.

With regard to the second issue the answer to the question "did this gold become monetary gold belonging to Yugoslavia at some date subsequent to the invasion"? is entirely dependent upon whether events subsequent to the invasion of Yugoslavia by the Axis Powers had the effect of placing this gold in a similar position, in relation to the Government of Yugoslavia, to the gold which, prior to the invasion of Yugoslavia by the Axis Powers, was carried in the accounts of the National Bank of the Kingdom of Yugoslavia or in those of some other monetary authority of the country as part of Yugoslavia's monetary reserve.

What happened subsequently to the invasion, was that Yugoslavia's economy and institutions came under the control of the Axis Powers and that in Serbia, that is to say in that portion of Yugoslavia with which the Commission is concerned in the present adjudication, the Germans set up a German Military and civil administration and created a Bank designated the "National Bank of Serbia" which, according to the Government of Yugoslavia's own statements, the Germans controlled. The German Authorities, since there were no pre-war Yugoslav laws imposing the surrender of gold which they could "enforce", issued purely German orders imposing upon the population of Serbia an obligation to surrender any gold which they held to the "National Bank of Serbia". The German management of the "National Bank of Serbia" thus collected 220.58683 kgs of fine gold of which 24.75215 kgs were lost as a result of the action taken by the Organisation of Mihajlovic and 112.61669 kgs were "sold", at "very low and unreal official rates", to German services and individuals.

The Commission is satisfied that the "purchases", amounting to 220.58683 kgs, and "sales", amounting to 112.61669 kgs, referred to, were, in fact, entered in the books of the "National Bank of Serbia" but it cannot agree that the operations described had the effect of making the gold monetary gold or that they can be considered as constituting looting by Germany of monetary gold belonging, in the sense in which the Commission understands this term, to Yugoslavia.

208606

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

These operations did not have the effect of placing the 220.58683 kgs referred to, in a position similar, in relation to the Government of Yugoslavia, to the gold which, prior to the invasion, was carried in the accounts of the National Bank of the Kingdom of Yugoslavia, or in those of some other monetary authority of the country, as part of Yugoslavia's monetary reserve. They amounted, to all intents and purposes, to looting by Germany, through the intermediary of a German controlled Bank, of privately owned gold from the population of Serbia. The gold in question was never, at any time, at the free disposal of the Government of Yugoslavia or of a free and independent Yugoslav Central Bank or other monetary authority.

The Commission holds, therefore, that this gold was not, at any time prior to, or subsequently to, the invasion, monetary gold belonging to Yugoslavia within the meaning of Part III of the Agreement.

In view of what is said in the immediately preceding paragraph the third issue does not arise but this adjudication would hardly be complete if the circumstances in which the losses occurred were not briefly analysed.

The matter can be dealt with in two parts:-

1. The 24.75215 kgs of fine gold representing the difference between the 107.70829 kgs of fine gold which were seized by the Organisation of Mihajlovic and that portion of this same gold, namely 82.95614 kgs of fine gold, which was recuperated by Yugoslavia.

There has never been any question but that this gold was seized by the Organisation of Mihajlovic. There is no doubt that the latter was a Yugoslav subject and not a German subject. The gold cannot be held to have been looted by Germany. It seems clear, moreover, that this portion of the claim was submitted owing to a misunderstanding.

2. The 112.61669 kgs of fine gold "sold", at different times, during the occupation, to various German services.

The Commission is inclined to agree with the Government of Yugoslavia's contention that the circumstances in which these 112.61669 kgs were collected and disposed of, amounted to looting by Germany but, as has already been stated, the Commission holds that this gold did not belong to Yugoslavia at the time of its collection or disposal but to private individuals or firms in the first instance and, in the second instance, to a German controlled Bank, which had collected it, in circumstances amounting to duress, for German purposes, from private individuals or firms.

The Commission finds, therefore, that the Government of Yugoslavia has not established its claim in respect of the above-mentioned amount of 137.36884 kgs of fine gold.

208607

RG 59
Entry 6205
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

4. Claim for the restitution of 2,681.38020 kgs of fine gold said to have belonged to Yugoslavia, of which 445.571 kgs are said to have been looted by the Germans in the form of gold bars from the Bor Mines, 282.9790 kgs held in Paris are said to have been looted by the Germans from the Bor Mines, and 1,952.8302 kgs are said to have been extracted in Germany from Bor Mine blister copper.

Four claims were submitted by the Government of Yugoslavia, the fourth of which forms the subject of the present decision. This fourth claim, which was originally for 2,094.5970 kgs of fine gold, was increased, subsequently to the original submission, to 2,681.3802 kgs of fine gold, in circumstances which will be described later.

The Government of Yugoslavia's contention in respect of the amount of 2,094.5970 kgs of fine gold originally claimed, which applies, equally, to the additional amounts subsequently claimed, is summarized in the note from the Minister for Foreign Affairs of Yugoslavia, in which the latter, according to the official translation furnished by the Government of Yugoslavia, says :

" As regards the gold mentioned in No. IV, the Government "of the Federative People's Republic of Yugoslavia wishes to "direct the Tripartite Commission's attention to its special "position in regard to the definition of monetary gold given "in the Commission's letter No. 0022. The Bor Copper mines, "of which the ore has a very high gold content (about 40 to "50 grams per ton of copper) are, of course, situated on "Yugoslav territory. That was why, at the National Bank's "request and with the object of keeping this gold as a monetary "reserve, the Yugoslav Government published, on August 4, 1934, "Rules for the control of the production and use of precious "metals", of which Article 4 provides that all gold extracted "from copper ore by electrolysis, in the country or abroad, "shall be offered for sale to the National Bank. Hence all "gold extracted from the copper mines, like gold obtained "from the gold mines, must be offered to the National Bank "and forms an integral part of the monetary reserve of the "Yugoslav National Bank. On the occupation of Yugoslavia by "the Germans, the latter ordered the liquidation of the "National Bank of the Kingdom of Yugoslavia and founded the "so-called Serbian National Bank, which by authorisation of "the Germans, applied for and obtained the so-called Rules "concerning offer, published on June 10, 1941, which also "provide for the compulsory offer of all gold extracted from "copper ore. It will be seen from the attached correspondence, "between the Serbian National Bank, the Bor and Krieger mines "and the German deputy agent for economic affairs in Serbia, "that, notwithstanding the existence of the above-mentioned "rules concerning offer, the Germans did not authorise the "National Bank to purchase gold from the Bor Mines, nor did "they permit that gold to be registered in the books of the "National Bank as a monetary reserve.

" For these reasons, the Government of the Federative "People's Republic of Yugoslavia sees no legal or logical "objection which would prevent the gold extracted in the "country or abroad from ore obtained from the Bor mines "from being regarded as monetary gold, since the reason "this gold was not registered in the books of the National "Bank was simply that the German occupying authorities has "had recourse to unlawful procedure".

208608

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission found the original documentation and information furnished insufficient and it wrote, on 29 August, 1947, to the Delegate of the Government of Yugoslavia, requesting further documentation and information which were furnished by the Delegate under cover of his letter dated 17 October, 1947. A considerable amount of documentation and information was subsequently furnished, spontaneously, by the Government of Yugoslavia as and when these were discovered by its Services in the course of the reorganisation of the Government's records and archives, which had been thrown into great confusion during the occupation of the country by the Axis Powers.

The Government of Yugoslavia was afforded an opportunity of developing its arguments in support of this claim, verbally, before the Commission, through its Representative who appeared before the Commission on 10 March 1949, and again, after the Government of Yugoslavia had increased its original claim, on 24 January 1951.

The amount of gold originally claimed by the Government of Yugoslavia was, as has already been stated, 2,094.5970 kgs of fine gold, made up as follows :

445.5710 kgs of fine gold which are alleged to have been located at the Bor Mines, in Yugoslavia, in the form of bars, derived from gold extracted on the spot from Bor Mine blister copper by the refinery of the Bor Mines and to have been removed from the Mines on German orders, and

1,649.0260 kgs of fine gold said to have been extracted in Germany from Bor Mine blister copper removed to that country from the Bor Mines, on German orders.

The Delegate of the Government of Yugoslavia, by letter No. 1677/50, dated 16 May 1950, requested that the figure of 1,649.0260 kgs mentioned above should be increased by 303.8042 kgs to 1,952.8302 kgs, on the ground that additional evidence, which he supplied, showed that the latter amount and not 1,649.0260 kgs had, in fact, been extracted, in Germany, from the Bor Mine blister copper removed from the Bor Mines to Germany.

By letter No. 1969/50, dated 1 December 1950, the Delegate submitted an additional claim for 282.9790 kgs of fine gold contained in 23 bars which, as he explained later, when he appeared before the Commission on 24 January 1951, had been made up, as was proved by documentary evidence produced by the Delegate at the hearing, from gold extracted in France from Bor Mine blister copper which had been sent to that country. The Delegate stated that the Government of Yugoslavia had been unaware, when it submitted its original claim, of the existence of these bars.

The Commission in view of the exceptional circumstances and of the fact that there was no doubt in its mind that the Government of Yugoslavia had not been in a position to submit the latter two claims earlier, decided that it would accept to examine them, at the same time as the original claim and the Government of Yugoslavia's total claim in respect of gold derived from Bor Mine blister copper was, therefore, finally recorded as being for 2,681.3802 kgs of fine gold.

The facts of the case are as follows :

In 1903, the Government of the Kingdom of Yugoslavia granted to a French Company, whose seat was in Paris and which was called "La Compagnie Française des Mines de Bor", a concession for the extraction and refining of blister copper from an area of land situated at Bor in Yugoslavia, near the Bulgarian frontier. This copper contains between 40 and 50 grammes of fine gold per ton.

208609

RG 59
Entry 6210115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The Representative of the Government of Yugoslavia, Monsieur Bartos, summarised the facts affecting this gold, as follows, when he appeared before the Commission on 10 March 1949 : (translation made by the Commission's official translators) :

" In order to allow the Commission to follow our arguments "which, in this particular case, will be somewhat complicated, "I would like to summarise briefly the essential facts :

" (a) The Bor Mines are Copper Mines, but the Copper "contains gold, which is considered a by-product of the Mine.

" (b) Under a decree issued by the Yugoslav Government, "No. 33358/1, of 4th August, 1934, all Mines on Yugoslav "territory must hand over to the National Bank any gold "produced directly or indirectly, in order to increase the "latter's gold reserves.

" (c) The same decree lays down that the portion of "the gold resulting from the refining of copper in foreign "refineries must return to the country and be delivered to "the National Bank.

" (d) When the Bor Mines Concession was revised (See "Decree No. M.S.62 of 12th February, 1937) a clause was "introduced which stipulated explicitely that the Bor "Mines were to conform to the provisions of Yugoslav "legislation unless the concession contained a clause "to the contrary. The concession did not provide any "exemption from the obligation to hand over the gold.

" (e) In order to legalise this obligation imposed "upon the Bor Mines, the Minister of Finance of Yugoslavia "issued a regulation No. Conf. 204, dated 8th July, 1938, "whereby he laid down the exact provisions under which the "Bor Mines were obliged to hand over to the National Bank "of Yugoslavia the total production of gold obtained after "refining either in the country or abroad.

" (f) The Yugoslav authorities concluded two contracts "with the Bor Mines Company on 30th December, 1939, and on "31st October, 1940. These contracts explicitely referred "to the obligations imposed on the Company by the Minis- "terial Decree mentioned in paragraph (e) above, as well "as to the procedure for the delivery of the gold to the "National Bank."

The official translation of decree No. 33358/1, referred to at b), furnished by the Government of Yugoslavia, reads as follows :

" DECREE
" concerning the control of production and use
" of the precious metals.

" Art. 1 - The precious metals in the Kingdom of Yugoslavia
" may be used only for purposes of common interest. The
" use of the precious metals for industrial or other justi-
" fied purposes is only exceptionally permitted, accordingly
" to the Foreign exchange regulations.

208610

RG 59
Entry 6ADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" Art. 2 - According to this decree under precious "metals are to be understood : platinum and the platinoids "(osmium, iridium, palladium, ruthenium, rhedium), gold "and silver.

" Art. 3 - The right to buy the whole production of "precious metals in the country belongs to the National "Bank of the Kingdom of Yugoslavia on behalf of the State.

" Art. 4 - The mining and other enterprises at home, "which produce precious metals principal or secondary "products, or whose products contain precious metals, "regardless of the fact where the said metals are ob- "tained, at home or abroad, are bound to offer all their "production to the National Bank.

" Under mining enterprises are to be under- "stood all persons or enterprises possessing rights to "work a mine, mining prospectory rights, mining leases "and all other rights, regulated by miner's laws.

" Art. 5 - The National Bank may buy all products "offered accordingly to the prescription of the previous "article at world market prices. The prices of the "purchased products will be paid in dinars.

" The Minister of Finance,may, exceptionally "authorise the purchase of the offered products in foreign "currency. The purchase in foreign currency may be "granted to the extent of 35% of the offered quantity; the "balance has to be paid in dinars.

" Art. 6 - In view of the carrying out the prescriptions "of this decree, all enterprises referred to in art. 4 are "placed under governmental or under control of the National "Bank, respectively.

" The Minister of Finance in agreement with the "Minister of forest and mines and the National Bank will "prescribe the manner of carrying out this control, separately "for each enterprise accordingly to the methods of producing "the precious metals in each single enterprise.

" The controlling organs are bound to keep all "business-secrets of the enterprises.

" Art. 7 - All disposal of precious metals, or their use, "contrary to the prescriptions of this decree, will be consi- "dered as smuggling.

" The transgressions of this decree will be fined "up to Din. 1,000.000.-, and if the value of the smuggled "metal exceeds this amount, even with a higher fine.

" In case of reversion, may, on proposal of the "Minister of Finance and the National Bank, through decision "of the Council of Ministers, the right of administration of "the enterprise be refused to the representative of this "enterprise, if he takes part in the transgression, and also "the mining rights and business concessions of the enterprise "cancelled.

208611

RG 59
Entry 6215
File Misc Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" Art. 8 - The Minister of Finance pronounces the "penalties accordingly to this decree. The inquiry of "the transgressions of this decree and the pronounciation "of the penalties will be carried out according the proces- "sual rules prescribed in the Foreign exchange regulations. "The prescriptions of the art. 19-19 g/ of said Regulations "will be if necessary applied also in the case of this "decree.

" Art. 9 - This decree comes into force with the day of "promulgation in the "Official Gazette". One month after "coming into force of this decree, all enterprises named in "the art. 4 of this decree are bound to report to the "National Bank in order to get prescribed the manner of the "control, provided for art. 6, paragraph 2 of this decree."

In connection with this decree, the Government of Yugoslavia, in its reply to the Commission's Questionnaire explains that :

" Under these Law Regulations, the Banque Nationale bought "up the following quantities of gold from the domestic mines :-

| | | | |
|---|---|---|---|
| " | in 1934 | Net Kos. | 1.174,98 |
| " | " 1935 | " " | 2.444,62 |
| " | " 1936 | " " | 2.614,-- |
| " | " 1937 | " " | 2.566,86 |
| " | " 1938 | " " | 2.417,29 |
| " | " 1939 | " " | 1.991,52 and |
| " | " 1940 | " " | 2.164,96 |
| " | | | |
| " | Total : | Net Kos. | 15.374,23 of fine gold |

"and in 1933, i.e., before the aforementioned Order was issued, "only net Kos. 4,88 had been bought up.

" Particulars concerning the purchase of gold from domestic "mines were published in the Bank's annual Bulletins which in "French translation were being sent to all correspondents abroad "of the Bank, and especially to the Banks of Issue-Central Banks.

" The prepondering part of this production of gold, i.e. 4/5 "thereof, is produced by Bor Copper Mines, the ore of which is "known as being rich in gold (about 40 - 50 grams of fine gold "contained in one ton of blister copper)."

Certified translations of the decree, regulations and contracts governing the relations between the Government of the Kingdom of Yugoslavia and the Compagnie Française des Mines de Bor, prior to the invasion of Yugoslavia, referred to at (d), (e) and (f) of the Representative of Yugoslavia's statement, are in the possession of the Commission and substantiate the Representative's statement.

As has been seen above, Decree No. 33358/1 of 4 August 1934 stipulates :

that ....."The precious metals in the Kingdom of Yugoslavia may be used only for purposes of common interest",

that "under precious metals are to be understood ..... gold",

208612

RG 59
Entry 6215
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

that "the right to buy the whole production of precious metals in the country belongs to the National Bank of the Kingdom of Yugoslavia on behalf of the State",

that "mining and other enterprises at home, which produce precious metals principal or secondary products, or whose products contain precious metals, regardless of the fact where the said metals are obtained, at home or abroad, are bound to offer all their production to the National Bank",

that "the National Bank may buy all products offered ..... at world market prices. The prices of the purchased products will be paid in Dinars" and

that "all disposal of precious metals, or their use, contrary to the prescriptions of this decree, will be considered as smuggling".

Article 6 of this Decree places all the enterprises engaged in mining precious metals under the control of the National Bank or the Government of Yugoslavia, and gives powers to the appropriate ministers of the Government of Yugoslavia and the National Bank to prescribe the manner in which the control is to be carried out. The regulation conf. 204 of 8 July 1938 and the agreements between the Minister of Finance of Yugoslavia and the National Bank on the one side and the Compagnie Française des Mines de Bor on the other, of 30 December 1939 and 31 October 1940 are the consequences of the powers given by Article 6. These regulations and agreements deal with the proportion of copper product of the Bor Mines allowed to be exported and the method of payment for this copper, but refer specifically to the obligation of the Company to deliver to the National Bank the totality of its gold production. The regulation of the 8 July 1938 stipulates :

that the Company is obliged to sell to the National Bank the whole of its gold production in conformity with the decree of 4 August 1934.

The agreement of 30 December 1939 stipulates :

that the Company will hand over to the National Bank as it has done hitherto the total quantity of gold contained in the blister copper which it exports,

that the value of this quantity of gold will be calculated by the National Bank after that Bank has had the gold delivered to it,

that the Company is obliged to inform the National Bank of all quantities of gold which are extracted from each quantity of copper delivered to the Office of Mines, and

that the exact quantity of gold delivered will be calculated on the day of the delivery of this gold to the National Bank by the Office of Mines or, at the latest, within 30 days of the date of receipt.

All these stipulations are reproduced in almost identical terms in the agreement of 31 October 1940. Furthermore, the Government of Yugoslavia has produced correspondence exchanged, prior to the invasion of Yugoslavia, between the National Bank, the German refineries and the Compagnie Française des Mines de Bor putting into practice the prescriptions of the various decrees and regulations referred to above.

208613

RG 59
Entry Gabin
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

It is evident, from all these documents read together :-

that the Government of Yugoslavia formally and legally declared that precious metals could only be used for the common interest with the exception of such quantities as the Government of Yugoslavia itself might exceptionally allow to be used in accordance with its regulations for industrial or other justified purposes,

that the disposal of gold by, in this case, the Compagnie Française des Mines de Bor was strictly controlled by the Government of Yugoslavia,

that the Company was bound to deliver all such gold to the National Bank of Yugoslavia, and

that subsequent to such delivery calculations were made as to the amount of Yugoslav currency to be credited to the account of the Compagnie Française des Mines de Bor by the National Bank in respect of the gold previously delivered. It must be noted that the gold was paid for in the currency of the country, namely in Dinars. The Minister of Finance could, however, authorise, as an exceptional measure, a payment in foreign exchange.

The refining capacity of the Bor Mine itself in Yugoslavia was strictly limited and the Company was compelled to export abroad the major portion of its blister copper for refining. This accounts for the somewhat complicated nature of the regulations and agreements quoted above.

The National Bank referred to above was the National Bank of the Kingdom of Yugoslavia, the pre-war Central Bank for the whole of Yugoslavia.

On 6 April 1941, the German attack on Yugoslavia was launched and the Government of Yugoslavia was immediately compelled to withdraw from Belgrade. It is an historical fact that the Germans occupied and controlled, through a military commander, the whole of Serbia, which is the portion of Yugoslavia involved in the present adjudication, and that, in the first days of the aggression, the Germans occupied a portion of the Banovina of Croatia and its principal city of Zagreb and caused one Ante Pavelić, who had been adopted by them as their puppet, to proclaim an independent Croatian State. Italian troops came into Croatia in large numbers, in August 1941, and thereafter outnumbered the Germans in that part of the country.

Early in 1941, the National Bank of the Kingdom of Yugoslavia was "liquidated" by order of the German Military Commander in Serbia. A German Commissioner was appointed to the Bank in liquidation. Those portions of Yugoslavia which were considered as definitely annexed to the territories of the Axis Powers were incorporated in the monetary systems of the respective Axis Powers, but, in the territory of the so called independent State of Croatia, there was created a Central Bank designated "the Croatian State Bank" and, in the area administered by the German Military Commander in Serbia, there was set up a separate Central Bank designated "the Serbian National Bank."

The history of this Bank, which is the Bank with which the Commission is mainly concerned in the present adjudication, is given in detail in the explanation and documentation furnished by the Government of Yugoslavia, in its reply to the Commission's Questionnaire, and is summarised below :

208614

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The Bank was created pursuant to an order, dated 29 May 1941, of the German Military Commander in Serbia. The legal form in which it was to be constituted, the conditions in which it was to function and which were to govern its organisation and administration, as well as the territorial limits within which it was to exercise its activities, were laid down, also on 29 May 1941, in the first Regulations issued by the "German Authorised Agent for Economy in Serbia."

It had most, if not all, of the characteristics of a Central Bank, with one important and, indeed capital, difference, which is that it was set up and controlled by the enemy of the country in which it functioned. It was, in fact, as the German Regulations themselves stipulated, the Bank of Issue for the territory of the German Military Commander in Serbia.

It was under the direct control of the German Commissioner with the Bank, in his capacity as delegate of the German "General Authorised Agent for Economy in Serbia". This function was exercised by Jacobus Soengen, Chief Administrative War Counsellor", and a Director of the Reichsbank. For all important operations, the authorisation of the German Commissioner was necessary. In practice, however, the German Commissioner did not limit his activities to giving authorisations. He also gave orders connected with major questions affecting the German Reich.

What happened, insofar as decrees, regulations and obligations were concerned, after the creation of the Serbian National Bank, is described as follows by the Yugoslav Government in its reply to the Commission's Questionnaire :

" Immediately after the occupation executed, the German Occupation "Authorities issued their Order, published in their Official Gazette "No. 2, dated 1941, under which "All Laws in force in the country "shall remain in force inasmuch as they are not contrary to the pur- "poses of the occupation". These Authorities, besides this, issued "the Order concerning the foreign exchanges for Serbia (Deviesenverord- "nung für Serbien), dated June 10, 1941, and the Executive Order "concerning the execution of Foreign Exchange Order- Order concerning "offers (Durchführungsverordnung zur Deviesenverordnung - Anbietungs- "verordnung), also dated June 10, 1941 (Orders Gazette of the Military "Commander in Serbia No. 10, dated June 10, 1941). Articles 1 and 2 of "the latter Order also prescribed the obligation of offering all forms "of gold to the Serbian National Bank, which gold should serve as a "component part of the Bank's monetary reserve in gold. But, notwith- "standing these Regulations of Law, as those of prewar time as those "issued by the Occupants themselves, the Germans did not permit the "gold produced in domestic mines to be handed over to the Serbian "National Bank, nor they permitted this gold to be passed through the "books, as its monetary reserve, of the Banque Nationale.

" The National Bank was taking all actions and steps in order to "have the gold produced in the domestic mines, and especially in Bor "Mines placed at its disposal.

" Thus, the National Bank, with its letter No. 30961/I dated "March 17, 1944, required from Bor Mines to solve this question "with the Bank's Direction to which letter a reply was received "only in the letter of the Bor Mines dated June 8 , 1944, according "which the Bor Mines had passed this matter on to the competent "German Authorities in order to be decided and solved. A little "later on , the National Bank was informed by the Military Commander "for Serbia, in his letter dated July 29, 1944, that he had issued "the Order under which the Bor Mines were released from obligation "of handing over the gold to the National Bank, which obviously was "contrary to the above-quoted both the prewar and occupation regulations".

208615

RG 59
Entry GRDIIS
File TGC Claims

DECLASSIFIED
Authority NND 968106
By KP NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

Many of the documents referred to are in the possession of the Commission. It will be seen that the German controlled National Bank of Serbia and the German Administration of Serbia interpreted existing decrees and regulations each in their own way and that the net result was that no gold from the Bor Mines found its way to the National Bank of Serbia which Bank regarded itself as the inheritor of the rights of the National Bank of the Kingdom of Yugoslavia in respect of this gold.

Prior to the events which are described above, the Germans had invaded France and imposed upon the French shareholders of the "Compagnie des Mines de Bor" an obligation to sell to them (the Germans) their shares in the Company. They, thus, obtained control of the Company which was re-designated "de Bor Kupferbergwerke und Hütten A.G." and when, in April 1941, the Germans invaded Yugoslavia, they came into possession of the Company's works and installations.

After the defeat of Germany, the French Courts, by judgment, dated 28 July 1945, declared the sales of shares which had been imposed upon the French shareholders to be null and void and reinstated the shareholders in their rights subject to the accomplishment of certain formalities.

About the same time, however, the Government of Yugoslavia unilaterally cancelled the agreements it had entered into prior to the war with the "Compagnie Française des Mines de Bor" and nationalized the works and installations of the Company in Yugoslav territory. Negotiations took place later between the French and Yugoslav Governments and an agreement was finally entered into between the two Governments on 14 April 1951, Article Two of which stipulated :

> "are considered as settled by virtue of the present agreement "all claims arising out of the measures of nationalization, of "expropriation and other measures of a restrictive nature, "directed against the properties rights and interests in "Yugoslavia of physical or moral persons of French Nationality, "having that status at the time the measures were taken and at "the date of the signature of the present agreement, including "all French participations in firms and companies in Yugoslavia."

It is clear from what precedes, that prior to the invasion of Yugoslavia by Germany, the "Compagnie Française des Mines de Bor" were under a legal obligation to offer the whole of their gold production to the National Bank of the Kingdom of Yugoslavia and that the Bank actually purchased the whole of the gold thus offered. There is no reason to believe that there would have been any interruption or alteration of this arrangement, if the Germans had not intervened in the circumstances described.

It is now necessary to describe the manner in which the claim of the Government of Yugoslavia was calculated and the reasoning upon which the Government of Yugoslavia's contention that the quantities of gold mentioned were removed in circumstances which amounted to looting by Germany, was based :

208616

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

The claim, as finally recorded, can be divided, for convenient reference, into three parts :

(1) 445.571 kgs of fine gold said to have been looted at the Bor Mines in the form of bars and looted by Germany;

(2) 1,952.8302 kgs of fine gold said to have been extracted in Germany from blister copper removed on German orders to Germany from the Bor Mines and to have been delivered to various German Institutions;

(3) 282.979 kgs of fine gold said to have been extracted in France from Bor blister copper and transferred, in the form of bars, to Germany during the occupation of France.

With regard to (1), the case for Yugoslavia was clearly summarised by the Representative of the Government of Yugoslavia when he appeared, for the second time, before the Commission, on 24 January 1951, as follows :

" The part of the gold claimed consists of 445 kgs of net gold which "had been produced and refined in the course of occupation at the Bor "Mines. For that reason, the bars are marked BOR accompanied by a "two figures number.

" As the Commission knows, the Yugoslav Government had submitted "their claim for this part of the Bor gold on the basis of specifi- "cations furnished by the laboratory of Bor Mines. During the occu- "pation of Yugoslavia, the German administration of Bor Mines was in "possession of this gold and disposing of it. Despite the request of "the National Bank of Serbia, the German administration never returned "this quantity to the Bank. (The true fate of this gold had become "known to my Government only in the course of last years).

" We have learned that a smaller quantity of this gold - about 20 kgs - "had been handed over by the President of the Bor Company to Herman "Goering (according to the recollection of the German director of Bor Mines).

" A further part of this gold - 16 bars having a net weight of 51 kgs - "was discovered in the British Zone of Occupation in Germany. The Yugoslav "Restitution Mission in the Zone was not aware at that time that this gold "constituted in facto the part of the Yugoslav claim at TCRMG and intro- "duced a claim to the British Zonal Authorities which delivered this gold "forthwith to the Yugoslav Restitution Mission. The said note of the "British Foreign Office makes also reference to this quantity of gold "considering it monetary gold. My Government is, therefore, fully in "accordance that this quantity of 51 kgs of gold be taken into account "in future possible allocations of Bor gold to my country.

" The main quantity of this gold - 85 bars of total net weight of "305 kgs - had been removed by the German administration of the Bor Mines "Company in 1944 from Belgrade to Germany and deposited at the Reichsbank "in Berlin. This gold together with other quantities of gold from Reichs- "bank had been transferred to the salt mine Merkers where the United States "Army came into possession of it. There are plenty indications that this "gold had entered the pool of monetary gold and its identification "would probably present no difficulties. In the documents which we are "putting at the disposal of TCRMG there is the statement of the German "administration of the Bor Mines Company that this quantity of gold "(305 kgs) had been handed over to the Reichsbank; enclosed is also the "specification of bars and a letter of the administration of the Preusische "Bergwerke u. Hütten A.G. declaring that 355 kgs brutto weight (305 kgs net "weight) gold have been transferred, together with other quantities of gold "belonging to the Reichsbank, to Middle Germany."

208617

RG 59
Entry 6215
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

The figure of 445.571 kgs is based, firstly, upon a letter, dated 15 April 1947, from the "Ministry of Mining" of Yugoslavia, which, it will be recalled, now controls the Bor Mines, a certified translation of which is reproduced hereunder :

"MINISTRY OF MINING,
" of F.P.R.Y.
"General Direction of
"Mines and Foundries of
"Coloured Metals.
"Conf. No.25
"
"4th of October 1946
" Belgrade
" T.F.27-201/144

TO THE REPARATION COMMISSION
WITH THE GOVERNMENT OF
F.P.R.Y.
Reparation Office,

BELGRADE

" Ref. Gold transferred abroad during the occupation.

" In connection with your letter Conf. No. 402/46, dated 2nd "October last, we herewith send you particulars of gold which was "carried away from our country by the Occupants, originating from our "Mines "Bor":-

" The production of gold during the occupation was as follows :-

| | | |
|---|---|---|
| " | In 1941 ..... | 2 Kos and 018 |
| " | " 1942 ..... | 62 " " 599 |
| " | " 1943 ..... | 374 " " 546 |
| " | " 1944 ..... | 57 " " 897 |
| " | Total ..... | 497 Kos and 060 |

" Out of this quantity during the occupation were transferred "abroad :- ..... 445 Kos and 571

" Besides this, the Occupants, transferred abroad 41225,655 tons "of blister copper. Calculating minimum 40 AU/t for blister copper, it "proceeds that the Occupants transported 1.649 Kos and 026 gr. of gold "contained in blister copper.

" Accordingly, the whole quantity transported abroad from"Bor" was :-

" 2.094 Kos and 597 grs of fine gold.

" According our particulars, the blister copper was transferred "abroad to :-

" Bergmetall - Berlin ..... 28.972 tons
" Montangesellschaft - Berlin ..... 12.253 "

" D. to the F. - L. to the P.!

" L.S. For the Director :

" signed : Ing. T. Odić. "

208618

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

Secondly, upon a certificate from the present day Central Bank of Yugoslavia, the National Bank of the Federated People's Republic of Yugoslavia, a certified translation of which runs as follows :

"Banque Nationale de la République "Fédérative Populaire de Yougoslavie " Siège Central " No. 41945-XI-1-RK/Sekr.

Beograd, le 5 mars 1949.

" CERTIFICAT

" La Banque Nationale de la République Fédérative Populaire de "Yougoslavie certifie par le présent que la Banque Nationale Serbe "a tenu en son évidence pendant l'occupation, comme dépôt d'or irréa- "lisé, la quantité de 2094,397 kgr d'or fin, soit 445,571 kgs d'or fin "extrait dans les raffineries des Mines de Bor et 1.649,026 kgr d'or "fin contenu dans le cuivre blister et extrait en Allemagne.

" Banque Nationale de la République " l.s. Fédérative Populaire de Yougoslavie " Siège Central.

" 2 signatures illisibles. "

and thirdly, upon what the Yugoslav Delegate described as "accounting documents which were never entered in the main books of the Bank, as this had been expressly forbidden by the Germans."

In this connection, the Representative of the Government of Yugoslavia explained, when he appeared before the Commission, "this evidence "accumulated day by day, owing to the fact that the National Bank of Serbia, "acting as a clearing centre, was obliged to record exports from Yugoslavia "and that, part from its main ledger, has statistics showing all production "and export of gold from the Bor Mines. These statistics were prepared by "officials on their own initiative. They were not placed there by the Germans "but were professional men carrying out the same duties as before the war. "We may further see that, even the puppet Government relied on these statis- "tics when, on several occasions, it requested the occupation authorities "to hand over the gold in question to the National Bank (of Serbia)".

With regard to the looting, the Government of Yugoslavia bases its contention on a number of documents which it has placed before the Commission. It asserts that the National Bank of Serbia repeatedly requested the German controlled Bor Mines to deliver to it, pursuant to existing legislation, the gold extracted from the Bor Mines blister copper. A letter from the Bank to the Bor Mines, dated 17 March 1944, ends, according to the certified translation furnished, as follows :

" We ask you therefore to be so good as to come into touch with "the Direction of the Bank with a view to regulating both the "question of supervision of the production of gold in your concerns "by the National Bank and the question of offering the gold produced "for purchase to the National Bank".

The Bor Mines replied, again according to a certified translation furnished :

" We submitted ..... the questions raised by you ..... "to the competent quarters of the Reich for decision ....."

208619

RG 59 Entry 6205 File IGC Claims Box 13

DECLASSIFIED Authority NND 968106 By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

On 29 July 1944, the Head of the German Military Administration wrote :

" In respect of the duty to offer in compliance with the first "regulation on the enforcement of the Foreign Exchange Regulation "the order is issued that the firm "Bor Copper Mines and smelting "Works, Ltd., Belgrade, be exempted from the duty to offer gold "which it obtains or has obtained in copper smelting works within "this country"."

The National Bank, finally, recorded the gold, according to its own statement reproduced earlier in this adjudication, as gold to be recovered.

In support of its contention that this gold, which was never delivered to the National Bank of Serbia, found its way to Germany, the Government of Yugoslavia points out that some of it was actually found in Germany by the Allied Forces and that 355 kgs gross in bars, (containing 305 kgs of fine gold) are accounted for by the following exchange of correspondence, which is self-explanatory :

" BOR
" KUPFERBERGWERKE UND HUETTEN A.G. Goslar

"A la Mission yougoslave de Restitution,
"à l'attention du Major TEMR,
"Bad Salzuflen, Badstr. 36. Goslar, le 9 avril 1949.

"Réf. Demande de Restitution 231/II - 85 lingots d'or de 355 kgs Poids brut.

" Veuillez trouver, ci-dessous, copie d'une lettre de la Direction "de la Reichsbank, Berlin, concernant l'or repris sous rubrique :

" "Direction de la Reichsbank - lettre du 29/1/1945 - IIa 434.

" A la Bor Kupferbergwerke & Hütten A.G., à l'attention de
" Monsieur le Directeur Général Wisselmann, Preussische Bergwerke -
" und Hütten-Aktiengesellschaft, Berlin, W.8. Markgrafenstr. 38.

" Nous référant à la lettre du 24 crt., nous avons l'honneur de
" vous communiquer que nous avons en dépôt des lingots d'or d'un
" poids brut de 355 kgs. Cet or vous reste confié à la condition
" que, de votre côté, il ne peut en être disposé qu'avec notre
" accord. Nous vous prions encore de bien vouloir nous communi-
" quer qui, dans votre Firme, a le droit de disposer personnelle-
" ment de ce dépôt d'or."

" L'original de cette lettre se trouve à la Preussische Bergwerke -
"und Hütten-Aktiengesellschaft, Berlin - Charlottenburg 2, Fasanenstr. 7-8.

" Nous vous recommandons de vous adresser, si nécessaire, à
"M. le Directeur Werner, pour cette affaire.

" Pour compléter, nous vous prions de trouver dans l'annexe
"ci-jointe, un aperçu des lingots d'or (par pièce) donnant le numéro, poids
"brut, poids d'or fin et poids d'argent fin."

" (signature) "

208620

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

"ANNEXE :
"

Copie

"Gustav Werner
"Preussische Bergwerke - und
"Hütten-Aktiengesellschaft,
"Hauptverwaltung -

Berlin, Charlottenburg 2,
Fasanenstr., 7-8.

"A la Bor
" Kupferbergwerke und Hütten A.G.,
" (20b) Goslar/Harz.
" Bergtal, 8.

" J'ai l'honneur de vous confirmer la réception de votre "aimable lettre du 10 crt. et dois malheureusement, vous communiquer "que nous ne possédons, dans nos dossiers, aucune quittance pour le "dépôt des lingots d'Or d'un poids brut de 355 kg.

" Dans l'original de la lettre de la Direction de la Reichs-"bank, datée du 29 janvier 1945, que nous avons sous les yeux, il est "précisé que la Reichsbank a pris en dépôt - pour nous - des lingots d'or "d'un poids brut de 355 kgs. Cette lettre peut être considérée comme "quittance. Sur la copie de la lettre de BOR, datée du 21 février 1945, "adressée à M. Wilhem, Directeur de la Reichsbank, il existe la note "suivante faite par M. Wisselmann :

" "D'après des renseignements fournis par le Dr. Konitzer
" "l'or en dépôt à la Reichsbank serait déjà en sécurité dans
" "un Minerais de l'Allemagne centrale. En ce qui concerne
" "l'or de la Staatsbank, celui-ci sera, comme souhaité, expédié."

" (s) Werner. "

With regard to (2) (the 1,952.8302 kgs), the Representative of the Government of Yugoslavia said, when he appeared before the Commission, on 24 January 1951 :

" This part of the gold from the Bor Mines was removed during "the occupation in form of blister copper and copper minerals from "Yugoslavia to Germany and also refined there. The German adminis-"tration of the Company of Bor Mines had not handed this gold over "to the National Bank of Serbia for the obligatory purchase by the "Bank. This gold had been disposed of by Germans in Germany, con-"trary to the provisions of the Yugoslav laws.

" At the time when my Government had submitted to TCRMG the "claim for this part of gold, they had not had the knowledge of the "exact amount of gold removed, because the archives of the Company "of Bor Mines had been also removed from Belgrade to Germany and "there destroyed in 1944. In our claim, it had been explicitly "mentioned that the amount of gold thus claimed (our claim of May "1947) was calculated on the basis of the whole quantity of blister "copper which was removed during occupation from Bor Mines to "Germany and on the basis of the presumed average contents of gold "in the copper mineral. The subsequent investigations made by the "Yugoslav Restitution Mission in Germany have proved, however, that "the quantity of gold extracted from blister copper and minerals "originating from Bor Mines exceeds considerably the original esti-"mates (1649 kgs of fine gold). The main reason for this difference "being that the Yugoslav claim of May 1947 had not been taking into "account the considerable amounts of copper minerals removed to "Germany and which contained also gold.

208621

RG 59
Entry 63D115
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By LR NARA Date 12-12-96

REPRODUCED AT THE NATIONAL ARCHIVES

" In our letter of 16 May 1950, addressed to TCRMG, the precise "figure of 1952 kgs net gold had been stated and supported by a "document which was issued by the Norddeutsche Affinerie in Hamburg "indicating the exact figures of amounts of gold extracted from Bor "blister copper and minerals during the war by this firm. The gold "extracted by this firm had been then sold to the firm Degussa "(Deutsche Gold and Scheideanstalt vormals Roessler) in Frankfurt "am M. The archives of this firm have been according to the state-"ments made by the firm itself, destroyed but the TCRMG will remember "that Degussa was the main foundry for precious metals in Germany. "The gold entering the firm had been cast uniformly into bars without "any indication of the origin of the gold cast. In this way, there is "no possibility to identify bars which were cast from the Bor gold. "Degussa was authorised to make obligatory purchase of all gold pro-"duced in Germany; further, it was disposing of the gold upon the "directions (Anweisung) given by the Reichstelle für Edelmetalle. "Degussa was so in fact the distributor of gold receiving orders from "a German authority. The main recipients of these allocations were "Reichskanzlei, Finansministerium and other Nazi institutions. The "gold distributed thus was then deposited at the Reichsbank, which "means that the gold originating from Bor Mines and produced by ex-"traction and refining in Germany, had proceeded the same way to the "safes of the Reichsbank and consequently must have been comprised "in the pool of the monetary gold."

It will be observed that the Representative said "in our letter of 16 May 1950, addressed to the Tripartite Commission for the Restitution of Monetary Gold, the precise figure of 1952 kgs net gold had been stated and supported by a document which was issued by the Norddeutsche Affinerie in Hamburg indicating the exact figures of amounts of gold extracted from Bor blister copper and minerals during the war by this firm."

The document referred to is too long and complicated to be usefully quoted in the present adjudication, but it constitutes indisputable proof that 1952 kgs of fine gold were, in fact, extracted in Germany during the period under consideration from Bor Mines blister copper and disposed of in Germany on orders given by the Reichstelle für Edelmetalle. Furthermore, about the time the Yugoslav Government produced the above mentioned documentary evidence, the Commission received from its own sources similar but somewhat more detailed evidence, which entirely confirmed the authenticity and exactness of the Yugoslav documentation.

With regard to (3) (the 282.979 kgs) the Representative of the Government of Yugoslavia, when he appeared before the Commission, on 24 January 1951, said :

" The part of the gold, which consists of 23 bars having net "weight of 282.979 kgs of fine gold, represents the main issue of "to-day's hearing. This gold had been produced (extracted) in "France from blister copper exported in a regular way from Yugoslavia "to France before the German attack on Yugoslavia (6 April 1941). The "extracted gold had been also refined in France and for that reason "all the bars are carrying the marks : Sté N. le Comptoir Lyonnais "Allemand Paris.

" Under the aforesaid Yugoslav laws, the Bor Mines Company was "obliged to offer obligatory to the National Bank of Yugoslavia also "this quantity of gold. The administration of the Bor Mines Company "which at that time was composed of German nationals, did not, however, "return that gold to the Yugoslav National Bank, but retained it at the "Company.

208622

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

" As may be seen from the statements made by Dr. A.Rietz, "commercial director of the Sud-ost Montan G.m.b.H. in Berlin "(who was holding during the war one third of shares of the Bor "Mines Company) as well as from the statement made by Franz "Neuhausen, the President of the Bor Mines Company during the war, "the administration of the Bor Mines Company had deposited this "whole quantity of gold in the name of company at the Banque de "France in Paris; in 1943, this gold had been transferred to "Belgrade and afterwards to Vienna where it was deposited at the "Kreditanstalt-Bankverein; already in 1944, the German admini- "stration of the Bor Mines ordered the transfer of this gold to "Germany where it was handed over in June 1945 to British Occupa- "tion Authorities in Gosslar. In 1948, this gold had been dis- "covered in the safe of the Landeszentralbank in Hamburg.
"

" The Yugoslav Restitution Mission in the British Occupation "Zone of Germany, which had the authority to submit independently "the restitution claims in the Zone, has introduced in December 1948 "to the British Zonal Authorities the claim for the restitution of "this quantity of gold.

" From the beforementioned note of the British Foreign Office, "it is evident that this quantity of gold had been recognised by the "Governments of United Kingdom, United States and France as monetary "gold and that it entered the pool of monetary gold. The note sug- "gested further (I am quoting) "Any further claim in respect of "balance of 23 bars should be addressed to the TCRMG in Brussels and "I am not aware, for my part, of any obstacle to the presentation of "such a claim by the Yugoslav Government."

" On the basis of these informations, my Government have instructed "me to extend the original claim upon gold from Bor Mines for the "mentioned quantity of 282.979 kgs. In my letter of 1 December 1950, "addressed to the Commission, I had not mentioned any detail or expla- "nation in this connection for the simple reason that I did not dispose "at that time of the necessary documents and details. I supposed also "that, in consequence of the informations given in the note of the "Foreign Office, the original documents enclosed to the Yugoslav claim "and primitively submitted to the British Occupation Authorities in the "Zone, would be subsequently transmitted to the TCRMG for further compe- "tent action. As I have understood this has not happened and there "should be sought probably the source of some obscure points with "respect to this gold."

Documentation supplied by the Government of Yugoslavia subsequently to the Meeting, constituted conclusive proof that 282.979 kgs of fine gold were, in fact, refined in France from Bor blister copper and transferred to Germany on German orders during the German occupation of France. A certified translation, in French, of a declaration made by Ing. Franz Neuhausen, formerly President of the Bor A.G. is reproduced textually hereunder :

"Ing. Franz Neuhausen Belgrade, le 6 août 1949

" DECLARATION

" En qualité du Président de la Bor A.G. j'ai donné ordre,
" vers la fin de l'année 1942 ou au début de l'année 1943, à
" Dr. A. Rietz, Directeur du Minerais "Bor" A.G., de transporter
" à Belgrade des lingots d'Or de ca. 287 kg. saisis par la Raffi-
" nerie à la Bor-Blister-Kupfer en France et appartenant au Mine-
" rais de Bor. Ces lingots furent exportés en France, pour
" raffinage, de la Bor-Blister-Kupfer en Yougoslavie.

208623

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968108
By LR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" Cet ordre fut exécuté par Dr. A. Rietz en Avril 1943 et
" l'Or fut transporté à Belgrade. Plus tard, pour des raisons
" de sécurité, les Autorités compétentes du Reich de l'époque
" décidèrent de placer cet Or en dépôt à la Credit-Anstalt-
" Bankverein à Vienne. Cet ordre fut également exécuté par
" Dr. A. Rietz.

" Il m'est connu, comme ce le fut à l'époque, que suivant
" une loi yougoslave et suivant contrat, la Bor A.G. fut liée
" avec le Ministre des Finances Yougoslave et la Banque Nationale
" Yougoslave. En raison de cette loi et de ce contrat, la Bor A.G.
" fut obligée d'offrir en vente, à la Banque nationale yougoslave,
" tout l'Or - se trouvant soit en Yougoslavie, soit à l'Etranger -
" extrait du minerais Bor.

" Les obligations ressortant de ce contrat ne furent pas
" exécutées par suites de guerre et en raison des instructions du
" Reich.

" (s) Ing. Franz NEUHAUSEN. "

Such are the facts of the case.

The above exposé shows that the Government of Yugoslavia is entitled to submit a claim and that the claim is one upon which the Commission is authorised to adjudicate.

The issues before the Commission are :-

1. Was the gold claimed monetary gold belonging to the Government of Yugoslavia ? and, if so,

2. Was this gold looted by Germany ?

With regard to the first issue, this is a case which is almost, but not quite, unique among those upon which the Commission has had to adjudicate, inasmuch as the gold was not gold which had been acquired, prior to the invasion of Yugoslavia, in the normal course of business, or pursuant to a law, by the National Bank of the Kingdom of Yugoslavia and deposited in its vaults for a public purpose, that is to say as part of the country's monetary reserve. It is, therefore, necessary in order to arrive at a decision as to whether this gold should be held to have been gold belonging to Yugoslavia, to determine the precise status of this gold when it first became gold, that is to say when it came out of the refineries in the form of gold bars.

The Government of Yugoslavia had specifically declared its right to have this gold delivered to it. It was destined to form part of the country's monetary reserve and no other destination could be assigned to it. Such gold, if delivered to the National Bank, automatically became part of the monetary reserve of Yugoslavia. It is the view of the Commission that the arrangements for payment for this gold by the National Bank of Yugoslavia to the Compagnie Française des Mines de Bor do not concern it, as the specific and primary obligation on the Company was to deliver to the National Bank such gold in which the Yugoslav Government had unequivocally declared its rights.

208624

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-15-99

REPRODUCED AT THE NATIONAL ARCHIVES

It is true that this gold was not entered in the gold accounts of the central bank. As has been explained elsewhere in this adjudication the National Bank of Yugoslavia had ceased to exist and it had been replaced by the National Bank of Serbia, a German creation. Nor was the gold entered in the books of the National Bank of Serbia because none of it was delivered to the National Bank of Serbia though the Commission is satisfied on documentary evidence that the National Bank of Serbia made efforts to have this gold so delivered. But the Government of Yugoslavia has been able to establish with absolute accuracy through the documents of the Bor Mines Company and of the various refining companies the exact amount of gold, in each of the three cases, extracted from the blister copper by the Company.

The wording of Decree No. 33358/1 which, it will be recalled, dates back to 4 August 1934, long before the invasion of Yugoslavia, of the regulations enforcing it and of the agreements concluded between the Government of Yugoslavia and the "Compagnie des Mines de Bor" at a time when both the Government and the Company were free agents, all of which have been described in detail earlier in this adjudication, and the documentary evidence showing that the prescriptions of the decree, regulations and agreements were unrestrictedly put into practice, leave no doubt in the Commission's mind but that the gold became, from its inception, gold earmarked for purposes of common interest, upon which the Government of Yugoslavia had an unquestionable lien. It was destined to form part of the country's monetary reserve and no other destination could be assigned to it. In short, it was constructively monetary gold belonging to Yugoslavia and the Commission, having regard to its powers and the nature of its mission, feels amply justified in considering it as such. The answer of the first issue is, therefore, that all the gold claimed was monetary gold belonging to Yugoslavia within the meaning of Part III of the Agreement.

With regard to the second issue, there is unquestionable proof that quantities of fine gold amounting to 1,952.8302 kgs and 282.979 kgs came into German possession and the Commission is satisfied, in regard to the quantity of 445.571 kgs, that the circumstances, as outlined in the body of this adjudication, are such as to justify it in holding that this quantity, also, came into German hands in its entirety.

All this gold should have been delivered to the National Bank of Yugoslavia where it would have become part of the monetary reserve of Yugoslavia. The action which did not allow the normal and legal course to be followed was German action, and the Commission has no hesitation in holding that this diversion of the gold by the Germans amounted to looting and wrongful removal by Germany.

The Commission, therefore, holds that the Government of Yugoslavia has established that 2,681.3802 kgs of monetary gold belonging to it were looted by Germany or wrongfully removed into German territory.

208625

RG 59
Entry GRDIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-94

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission, before proceeding to its adjudication on the total claim of the Government of Yugoslavia, must give consideration to certain facts which although they do not affect the adjudication itself, will affect the delivery which will be made to Yugoslavia pursuant to the adjudication. The facts are as follows :-

In December 1948 the Yugoslav Restitution Mission in the United Kingdom Zone of Occupation in Germany advanced a claim for restitution to Yugoslavia of thirty nine bars of gold located in Germany and held to have originated from the Bor Mines. The claim was accepted by the British Authorities who made over sixteen of these bars to the Mission. Delivery of the balance was halted pending certain consultations between the Government of the United Kingdom and the Governments of France and the United States in whom resides a joint responsibility for the implementation of Part III of the Agreement. Following upon these consultations the Secretary of State for Foreign Affairs of the United Kingdom addressed, on 25 October 1950, a note to the Ambassador of Yugoslavia in London relevant extracts from which are quoted below :-

" I now have the honour to inform you that His Majesty's "Government have jointly with the Government of France and "the United States decided that the thirty nine bars in "question are monetary gold found in Germany by the Allied "Forces and should accordingly form part of the gold pool for "the establishment of which Part III of the Paris Agreement "provides.

" Any further claim in respect of the balance of twenty "three bars should be addressed to the Tripartite Commission "for the Restitution of Monetary Gold in Brussels; and I am "not aware, for my part, of any obstacle to the presentation "of such a claim by the Yugoslav Government.

" The Tripartite Commission would be obliged, in determining "the share of the common pool which should be allocated to "Yugoslavia, to take account of the sixteen bars already in her "possession."

The Delegate of Yugoslavia in Brussels referred to this matter in a letter, dated 1 December 1950, addressed to the Commission, in the following terms :-

" En me référant à mes lettres No. 1708/50 du 29 mars 1950 et "No. 1797/50 du 2 juin 1950 ainsi qu'à votre réponse du 16 juin "1950, sous référence CC/YUG-1136, j'ai l'honneur de vous faire "savoir que par sa note adressée le 25 octobre 1950 à l'Ambassade "de Yougoslavie à Londres, le Foreign Office (German Section) a "fourni certains renseignements au sujet de la demande de restitu- "tion soumise en 1948 par la Mission yougoslave pour les restitu- "tions en Allemagne sous référence No. 231/II para.2 et concernant "39 lingots d'or (23 + 16) retrouvés en Allemagne et provenant des "mines de Bor. De cette quantité 16 lingots ont été déjà livrés à "la Yougoslavie à titre de restitution.

" La note signale également que les Gouvernements du Royaume-Uni, "de France et des Etats-Unis d'Amérique ont décidé de commun accord "que les 39 lingots d'or en question sont de l'or monétaire retrouvé "par les Forces Alliées en Allemagne et qu'en conséquent cet or doit "faire partie intégrante du pool ainsi qu'il est prévu dans la "Partie III de l'Accord de Paris.

208626

RG 59
Entry GRDIIS
File IGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By SP NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

" Pour ce qui concerne la différence de 23 lingots d'or, la "note signale que mon Gouvernement doit s'adresser à la Commission "Tripartite pour la Restitution de l'or monétaire qui sera obligée, "au moment de déterminer la part à attribuer à la Yougoslavia, de "tenir compte de ces 16 lingots que celle-ci a déjà reçus.

" Comme suite à cette décision ainsi qu'aux communications "ci-haut mentionnées, je suis autorisé par mon Gouvernement d'élargir "ses demandes formulées dans les lettres No. 1627/47 du 14 mai 1947 "et 1677/50 du 16 mai 1950 concernant la restitution de l'or provenant "des mines de Bor, pour

" 282,979 kgs d'or (23 lingots, finesse 999,9)

"qui ont fait l'objet de sa demande déposée auprès des autorités "d'occupation britanniques sous référence No. 231/II. par.2.
"

" Je vous serais reconnaissant, Monsieur le Secrétaire Général, "de bien vouloir porter à l'examen de Messieurs les Commissaires, "la demande de mon Gouvernement ainsi élargie."

Following upon receipt of this letter the Commission requested the Government of Yugoslavia to designate representatives to appear before the Commission for the purpose of clarifying a number of points connected with Bor Mine gold. The Government of Yugoslavia complied with this request and Monsieur Swetislav Orlic, Delegate of Yugoslavia to the Inter Allied Reparation Agency in Brussels and Monsieur Jan Flore, Counsellor at the Ministry for Foreign Affairs of Yugoslavia, appeared before the Commission on 24 January 1951. The Commission's own investigations and the replies of the Yugoslav Representatives showed that the Delegate of Yugoslavia's letter of 1 December 1950 and the statements made by the Representatives of Yugoslavia at this hearing constituted a claim, additional to those already submitted, for an amount of 282.9790 kgs of fine gold - which claim has been dealt with in its proper place in the present adjudication.

With regard to the sixteen bars, fine weight of which has been determined as being 51.5114 kgs, Monsieur Orlic, the Representative of Yugoslavia said at the hearing on 24 January 1951 :-

" A further part of this gold - 16 bars having a net weight of "51 kgs - was discovered in the British Zone of Occupation in Germany. "The Yugoslav Restitution Mission in the Zone was not aware at that "time that this gold constituted in facto the part of the Yugoslav "claim at the Tripartite Commission for the Restitution of Monetary "Gold and introduced a claim to the British Zonal Authorities which "delivered this gold forthwith to the Yugoslav Restitution Mission. "The said note of the British Foreign Office makes also reference to "this quantity of gold considering it monetary gold. My Government "is therefore fully in accordance that this quantity of 51 kgs of "gold be taken into account in future possible allocations of Bor "gold to my country."

The claim to which the Delegate of Yugoslavia referred in the above statement as being already before the Commission was a claim, which has been dealt with in its proper place in the present adjudication, in respect of 445.571 kgs of fine gold in the form of bars which were seized by the Germans at the Bor Mines. The Yugoslav claim, which was actually met, for direct restitution of the sixteen bars duplicated this claim to the extent of 51.5114 fine kgs.

208627

RG 59
Entry 6ADIIS
File TGC Claims
Box 13

DECLASSIFIED
Authority NND 968106
By KR NARA Date 12-13-96

REPRODUCED AT THE NATIONAL ARCHIVES

The Commission holds, in the circumstances, that these 51.5114 kgs of fine gold in the form of sixteen bars delivered to Yugoslavia must be regarded as having been delivered on account of Yugoslavia's share in the pool of monetary gold established by the Agreement such as it shall be determined pursuant to the present adjudication.

The Commission takes note that the Government of Yugoslavia's total claim amounting to 12,264.92418 kgs of fine gold is reduced by the Government of Yugoslavia's withdrawal of a portion thereof amounting to 8,857.480 kgs of fine gold, to 3,407.44418 kgs of fine gold and, pursuant to the mission entrusted to it and to the powers conferred upon it by virtue of the Agreement and its Terms of Reference, adjudicates, in respect of the latter amount, as follows :

The Government of the Federated People's Republic of Yugoslavia has established before the Commission, under Part III of the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold, signed in Paris on 14 January 1946, its claim up to an amount of 3,243.44223 (three thousand, two hundred and forty-three.44223) kilograms of fine gold. A share of the pool of monetary gold established pursuant to the above-mentioned Agreement and administered by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and of France, is therefore allocated to the Government of the Federated People's Republic of Yugoslavia, pro rata to this established loss.

The Government of the Federated People's Republic of Yugoslavia has not established before the Commission, under Part III of the above mentioned Agreement, the balance amounting to 164.00195 (one hundred and sixty-four.00195) kilograms of fine gold of its claim. No share in the pool of monetary gold can, therefore, be allocated to the Government of the Federated People's Republic of Yugoslavia in respect of the said balance.

Done, in duplicate, in Brussels, on this ninth day of June nineteen hundred and fifty-eight,
in the English and French languages, the two texts, one set of which shall be deposited in the archives of the Government of the French Republic, being equally authentic.

Richard B. Freund
Commissioner
f the Government
United States of America

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

Jacques Lacour
Commissioner
of the Government
of the French Republic

Secretary General.

208628

DECLASSIFIED
Authority NND 968106
By NARA Date 12-13-99

RG 59
Entry 6215
File TGC Claims
Box 13

REPRODUCED AT THE NATIONAL ARCHIVES

SECRET

D-12

DENY

# ADJUDICATION

BY THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD

ON A CLAIM SUBMITTED BY THE GOVERNMENT

OF THE FEDERATED PEOPLE'S REPUBLIC OF YUGOSLAVIA

FOR THE RESTITUTION OF 12,264.92418 KGS OF FINE GOLD.

-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-


DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY D. Smith DATE 7/11/85

Upgraded to Secret, OADR

RDS ☐ or XDS EXT. DATE

TS AUTH. Byrd REASON(S)

ENDORSE EXISTING MARKINGS ☐

DECLASSIFIED ☐ RELEASABLE ☐

RELEASE DENIED ☒

PA or FOI EXEMPTIONS (B-1), (A-3,5)


SECRET


208629

RG 59

Entry GAD 115

File TGC Claims

Box 13

DECLASSIFIED

Authority NND 968106

By RR NARA Date 12-13-99

REPRODUCED AT THE NATIONAL ARCHIVES

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 979002
By JE NARA Date 6-4

RG 59 IGL
NND3-59-96-59
Lot 62D 115 Box 17

Our file 'Czech claim

# INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

SECRET A

4

Control 9482

Rec'd May 28, 1948
9:45 a.m.

Action: OFD
Info :
SS
E
C
G
EUR
L
OCD
CIA
DCL
ITP
FC
EURX
DCR

FROM: Praha

TO: Secretary of State

NO: 834, May 28, 11 a.m.

URGENT

TO BRUSSELS FOR DORR

OFFICE OF FINANCIAL AND DEVELOPMENT POLICY
JUN 1 1948
DEPARTMENT OF STATE

My experience in dealing with Czechoslovak Government particularly since the Communist coup has made it all too clear that no consideration other than its own gain will impel the government to settle our claims for nationalized properties and that all negotiations by the Czechoslovak Government on this subject have as their objective an agreement under which the benefits to the Czechoslovaks will outweigh the cost. This attitude applies as well to all countries other than the Soviet Union and the satellite states. The Department should therefore proceed on assumption that our claims will not be paid unless and until we bring such pressure to bear on the Czechoslovak Government that it is to its advantage to settle.

In view of fact that Czechoslovaks have no substantial balances in the US that we could freeze and that they buy more from US than they sell to US, nothing can be done along the lines of threatening to apply non-existent balances or surplus of exports to the US to the liquidation of our claims. It is probably that several of the other western countries particularly Switzerland and Belgium will be able to force settlements out of existing deposits or trade balances. Others may be able to force settlements by freezing or threatening to freeze Czechoslovak property

or other assets of

SECRET

INFORMATION COPY

208630

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 979002
By JE NARA Date 6-4

RG 59 IGC
NND3-59-96-59
Lot 62D 115 Box 17

SECRET

-2-#834, May 28, 11 a.m. from Praha

or other assets of one kind or another. As none of these bargaining counters are or will be available to us in the foreseeable future we must find other means and as Department apparently is loathe to employ economic sanctions to current trade, the Czechoslovak's share of the gold pool appears to be our one and only bargaining counter. I do not believe that the use of this weapon would arouse any greater antagonism to the US from a wholly Communist-dominated government than already exists. Thus, in my opinion we have everything to gain and little if anything to lose by withholding delivery of Czechoslovakia's share of the gold pool as a means of forcing settlement.

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

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

As Czechoslovakia's

SECRET

208631

REPRODUCED AT THE NATIONAL ARCHIVES

Authority NND 979002
By JE NARA Date 6-4

RG 59 IDC
NND3-59-86-59
Lot 62D 115 Box 17

SECRET

-3-#834, May 28, 11 a.m. from Praha

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

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

Sent Dept 834, repeated Brussels 5.

STEINHARDT

SW:FAE

SECRET

208632

REPRODUCED AT THE NATIONAL ARCHIVES

Authority NND 979002
By JE NARA Date 6-4

RG 59 NND3-59-96-59 Lot 62D 115 Box 17

# INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

SECRET

A

Control 3001

Rec'd June 9, 1948
6:43 a.m.

15-X

Action: OFD
Info :
SS
E
C
G
O
EUR
L
OCD
CIA
DCL
ITP
DS
FC
DCR

FROM: Praha

TO: Secretary of State

NO: 903, June 8, 7 p.m.

PRIORITY

I agree with Dorr that US position as trustee and under treaty obligations might be subject to criticism were Czech share of gold pool to be alienated before Commission has made allocation. REDEPTEL 697, May 21, EMBTEL 834 of May 28, Brussels 1137, June 3 from Dorr to Department repeated to Praha as 5. On other hand it might be equally questionable for Commission after allocation to place Communist dominated Czech Government in possession of Czech share of gold pool in complete disregard of American claims. In my opinion Commission is trustee and bound by treaty obligations only up to time of allocation thereafter becomes stake-holder as between conflicting claimants, particularly if formal notice of claim has been given by attorneys for American claimants.

For Commission after allocation to deliver gold to Czech Government in face of formal notice of claim by American claimants would be tantamount to making a decision on merits as between conflicting claimants. While deposit by Commission in US of share allocated to Czechoslovakia might be regarded as favoring American claimants, surrender or delivery to Czech Government could be severely criticized by American claimants as putting gold out of their reach in as much as they would be unable to attach the gold or bring action against a sovereign state.

Under these circumstances I urgently recommend that if the Czech share of gold pool cannot be deposited within jurisdiction of US without occasioning serious difficulties, delivery to the Czech Government be temporarily withheld

or the gold

SECRET

INFORMATION COPY

208633

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 979002
By JE NARA Date 6-4

RG 59 IGC
NND3-59-96-59
Lot 62D 115 Box 17

SECRET

-2-#903, June 8, 7 p.m., from Praha

or the gold be deposited in a western country pending outcome of negotiations with Czech Government on behalf of American claimants. Alternative would be the deposit of the Czech share of gold pool with International Court of Justice pending a settlement of American claims against Czechoslovakia, a procedure which would hardly be criticized by anyone.

I am firmly convinced that any measure which deprives the Czech Government temporarily of physical possession of its share of gold pool will bring about a reasonably prompt settlement of our claims. Delivery of the gold to Czech Government following on heels during the past two or three years of over $220,000,000 of gifts from US to Czechoslovakia settlement of American claims for nationalized and otherwise expropriated properties will be interpreted by Czech Government as indifference on part of US Government to the receipt by US citizens of compensation for their properties.

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

Sent Department, repeated Brussels 6.

STEINHARDT

MJF:JMK

SECRET

208634

REPRODUCED AT THE NATIONAL ARCHIVES
Authority NND 979002
By JE NARA Date 6-4
RG 31 NND 3-59-96-59 Lot 62D 115 Box 17

STANDARD FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

TO : CE, EUR and L DATE: June 16, 1948

FROM : OFD - Mr. Knapp

SUBJECT: Memorandum to Accompany the Attached Telegram.

The incoming telegram from Mr. Dorr indicates that after much delay OMGUS is now prepared to go forward with the removal of the residue of the gold pool from Frankfurt to London. OFD calls attention to the fact that the attached outgoing telegram does not instruct Mr. Dorr to seek the reversal of the decision made by the Gold Commission sometime ago that the residue of the gold should be shipped to London. Gold Commission operations looking to this transfer had begun well before the question was raised when Mr. Dorr was last here whether future awards to Czechoslovakia should not be blocked by the U.S. pending settlement of U.S. nationalization claims against Czechoslovakia. It will be recalled in this connection that the Department and Mr. Dorr are agreed that the only possible way of blocking Czechoslovakia without violating the Paris Agreement on Reparation would be to have Czechoslovakia accept as its share a quantity of gold remaining in U.S. jurisdiction, either in Frankfurt or in this country, which gold could be subsequently blocked unilaterally by the U.S.

OFD had not expected that the issue regarding the possible blocking of the Czech gold would arise in this way. Rather, it had been thought that a residual amount would have remained in Germany because of the continuance of difficulties with OMGUS regarding the removal. During this period and before the next award by the Gold Commission to Czechoslovakia, some six to eight weeks hence, it could be seen what the results of Mr. Steinhart's present negotiations with the Czechs might be.

It is desirable, however, for operational and security reasons that the gold be removed from Germany, and in view of the agreement with OMGUS, this movement will apparently take place unless immediate steps are taken to stop it. OFD is strongly of the opinion that no such steps should be attempted. It should be clearly understood that after the Frankfurt gold is moved to London it may be quite difficult for Mr. Dorr to secure the agreement of the Commission for re-shipment of any part of it to New York. However, this possibility remains; and in any case, there is now in the New York Federal 9.0 tons of gold, which together with the 7 tons from Sweden which the Commission has already agreed to accept in New York, would constitute an important quantity of gold which could be used for further assignments to Czechoslovakia and then blocked should this course

208635