

Authority NND 979002By JE NARA Date 6.4NND 3-59-96-59
Lot 620 115 Box 17

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ultimately be decided upon. The total Czech allocations in U.S. would then amount to about 23 tons, ~~about~~ ^{about} two-thirds of the total expected recovery by Czechoslovakia from the gold pool, some ~~29~~ tons; ~~but~~ it would be a significant source of pressure on Czechoslovakia.

OFD is, however, strongly opposed to the blocking of the Czech share of the gold pool, wholly or partially, in order to obtain a U.S. bargaining lever against Czechoslovakia. Such an effort by the U.S. would violate the substance and intent of Part III of the Paris Agreement on Reparations and would be inconsistent with the U.S. economic objective of long standing to redistribute the monetary gold among the United Nations which lost their gold to Germany. Such a unilateral act would be bitterly resented by the British and French which also have claims against Czechoslovakia. Such an operation would involve the practice of deception on Czechoslovakia, for that country would certainly never accept its share of gold from a source within American jurisdiction if it had any inkling that the U.S. was planning to initiate new blocking action against it. Such new blocking action would, of course, single out Czechoslovakia for the reimposition of economic warfare measures which are not generally being reimposed upon Soviet Satellite countries.

Because the views of OFD on the principle involved are those stated in the preceding paragraph, OFD has called special attention to the present situation in order to make it quite clear to the other interested offices, that unless positive instructions are issued that a portion of the gold should remain in Germany, it may not be possible to implement in the future a decision that the ^{all} Czech share should be blocked. If any of the offices addressed wish to seek resolution of the basic issue at this time, OFD is prepared to participate in a meeting to be called by those offices.

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By JE NARA Date 6-4

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Lot 620115 Box 17

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

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Dept considers that it is necessary to utilize all available bargaining weapons in effort to obtain agreement with Czechs on compensation in light of Steinhardt's recommendations (Praha 903 June 8). Gold (6074 kgs) deposited by Commission with Czech account Fed Res NY is not sufficient to provide effective bargaining weapon in current negotiations. No decision will be made at this time on blocking this sum or any further allocations after possible transfer to Czech account until such time total amount and progress of negotiations warrants consideration of this action. Commission's account in NY should be increased by diverting to it forthcoming accruals from Swedish, Portuguese and other possible sources as well as by reshipment of portion of Frankfurt balance after completion of counting and reassaying. You may wish to point out to your colleagues favorable aspects of NY Fed Res earmark procedure as compared with Bank of England to obtain acceptance of transfer to NY. Ultimate objectives should not be revealed explicitly to Brit or French at this time.

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-2-#1016, July 1, 4 pm, to Brussels.

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

MARSHALL

(Code Room: Please repeat to Praha for Ambassador Steinhardt.)

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FN:OFFletcher:je
GE:FTWilliamson:cal
June 28, 1946

EP OFD EUR L U
(Cleared With Mr. Oliver) (Cleared With Mr. Knapp)

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By *ad* NARA Date 6/2/99

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Lot 62015 Box 18

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TRIPARTITE COMMISSION
FOR THE
RESTITUTION OF MONETARY GOLD

Brussels, Belgium
January 28, 1949.

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DIVISION OF FINANCIAL AFFAIRS
FEB 15 1949
DEPARTMENT OF STATE

No. 499

RESTRICTED

The Honorable

The Secretary of State,
Washington 25, D. C.

Sir:

I have the honor to transmit for the information of the Division of Financial Affairs, the Office of the Legal Adviser (Economic), the Division of Economic Property Policy and other interested Officers of the Department a copy of a memorandum entitled "Considerations on Czech Claim Involving Free Reichsmarks" prepared by the United States Commissioner on the Tripartite Commission for the Restitution of Monetary Gold and considered by the Commission at its meeting on January 27.

This memorandum is referred to in the Embassy's telegram to the Department No. 142 of January 27.

Respectfully yours,

Alex B. Daspit
Alex B. Daspit
United States Commissioner
Tripartite Commission for the
Restitution of Monetary Gold

Enclosure: *act*

Memorandum prepared by
U.S. Commissioner.

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 By ad WARA Date 6/7/99

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 Lot 62015 Box 18

January 24, 1949

**CONSIDERATIONS ON CZECH CLAIM
INVOLVING FREE REICHSMARKS**

1. The Commission will recall that I have been awaiting advice from the Legal Adviser of the Department of State concerning the legal aspects of the claim of Czechoslovakia for 14,536 kilograms (Sudeten gold) and for 12,768 Reichsmarks (claim involving compensation in free Reichsmarks). I have not yet received the opinion of the Legal Adviser's and, therefore, cannot formulate finally my position with respect to either of these claims. Nevertheless, I have undertaken a careful re-examination of both of them and whereas I have found no cause to modify the preliminary position I have already expressed with respect to the Sudeten gold, certain new ideas have occurred to me with respect to the other claim which I venture to put before my fellow Commissioners. I emphasize again that these conclusions must be considered tentative; nevertheless, I am of the opinion that they merit discussion by the Commission, and, if my colleagues agree they are worth developing, they require the dispatch of certain further questions to the Czechoslovak Government.

2. Although I have ventured to refer to the ideas which I here formulate as "new" they were, I believe, suggested at least in embryo by M. Gargan as early as September 22, 1947. In a memorandum of that date, he wrote "But one may wonder if it would be equitable to the other countries taking part in the Pool to admit that a country, which has increased its gold reserves owing to its economic relations with the Reich during the war, be entitled to this increase not being taken into consideration when obtaining reparation for the damage which the same Reich had inflicted upon it in other respects".

3. It is worth emphasizing that in certain of its aspects this claim is unique among those presented to the Commission. Czechoslovakia is the only German-occupied country among those participating in the pool of monetary gold which had a degree of formal freedom of action in conducting financial and commercial transactions, and which was able to acquire as well as to dispose of substantial quantities of gold in the course of commercial transactions. It is the nature of these gold acquisitions which appears to require particularly careful examination.

4. The significant aspects of the foreign exchange transactions in which Czech institutions were permitted to participate are outlined below:

a). Firms located within the Protectorate were licensed to import goods by German Agencies operating under the Reich Ministry of Economics. Imports were paid for by means of foreign exchange provided by the National Bank against the licenses thus issued.

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b). The National Bank secured foreign exchange for this purpose by means of (i) the sale of gold against free reichsmarks convertible into foreign exchange, or (ii) by building a favorable balance in commercial transactions with the neutral countries or Germany proper.

c). When its commercial balance was favorable, the National Bank sometimes bought gold, thus adding to its gold holdings. Sometimes this gold was held by the Reichsbank possibly to be later reconverted to free reichsmarks for financing further imports (substantial amounts of gold thus acquired remained on the books of the Reichsbank at the end of the war and were thus lost to Czechoslovakia); sometimes the gold was deposited abroad, where in certain instances it became available to the Czechoslovak State after the liberation.

5. Thus the buying as well as the selling of gold was part of the foreign trade operations of the Protectorate and the two activities were intimately related. The Czech claim growing out of the sale of gold for free Reichsmarks, requires consideration of the purchase of gold for free Reichsmarks or related means. I suggest that two major questions are before the Commission. a). Is the sale of gold under such circumstances to be interpreted as "looting or wrongful removal" within the meaning of Part III of the Paris Agreement? b). Is the purchase of gold under such circumstances to be considered as a legitimate augmentation of the country's gold reserves with which the Commission need not be concerned except insofar as such acquisitions are in turn lost and the total of the country's claim thus increased?

6. The first question, I believe, must be answered in the affirmative, though subject to the reservations noted below. But to answer the second as well with an unqualified affirmative would be to adopt a formula under which there would be virtually no theoretical limit to the amount of gold which the Czechs might claim. Thus the Czechs could begin with one kilogram of gold; the sale of this one kilogram for free Reichsmarks would provide the basis for a one kilogram restitution claim; gold purchased with these free Reichsmarks and later sold again would provide the basis for a further claim for one kilogram, and so on ad infinitum.

7. It seems to me that the only basis on which a logical and equitable answer to this problem is to be found is to consider all transactions involving the sale and purchase of gold in the course of foreign trade operations as a unity. It is the net gold position at which the Czechs arrive at the end of all these commercial transactions which is relevant. This theory seems to me to be the only one consistent with the basic intention underlying Part III of the Paris Agreement which was, I believe it will be agreed, to effect restitution of monetary gold to countries in proportion to the worsening of their position as a result of German exploitation. I do not think it is relevant that at one period during the occupation Czechoslovakia was forced to dispose of X amount of gold; at another period, out of her commercial profits she was able to buy back Y, of which amount in turn she was forced to dispose of a quantity equal to X₁. What is relevant is the position at the beginning of these operations and the position at the end.

8. What, then, is the net position of Czechoslovakia growing out of these manifold commercial operations? The major elements are as follows:

Total gold sold for free Reichsmarks	12,768 kgs.
Total gold purchased by free Reichsmarks or related means	17,843 kgs.

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This latter figure of 17,843 deserves very careful analysis. There appears below an itemization of the major elements which compose it:

a). 9,636 kilograms purchased from the Reichsbank, either with free Reichsmarks — 2,180 kilograms — or with other foreign exchange (Swiss Francs, Swedish Crowns, Dutch Florins) — 7,456 kilograms, of which

719 kilograms was sold against free Reichsmarks in order to meet requirements in Swiss Francs to pay for further imports

8,917 kilograms remained in account at Reichsbank and, captured at Markers, was incorporated in the gold pool.

b). 5,896 kilograms purchased from the Reichsbank by Bank of Slovakia using Reichsmarks derived from the credit balance of the German-Slovak clearing account "Warenkonto", of which

2,498 kilograms sold back to the Reichsbank in return for Reichsmarks transferred to the free account of the Bank of Slovakia with the Reichsbank.

3,398 kilograms transferred to account of National Bank of Slovakia with National Bank of Switzerland, and taken over by Czechoslovakia after liberation.

c). 2,311 kilograms purchased direct from Swiss National Bank

1,398 kilograms purchased direct from Swiss National Bank by National Bank of Slovakia, using unspecified funds. This amount was also taken over by Czechoslovakia after liberation.

9. The data noted above suggest two observations:

a). The Czechs themselves in submitting their claims did not adopt the extreme theory outlined in paragraph 6. They did not claim for gold purchased in the first instance with free Reichsmarks and later lost either by resale or by non-recovery from the Reichsbank at the end of the war. The failure to press such claims carries the implicit recognition that gold thus acquired and subsequently lost is not restitutable under the terms of the Paris Agreement. It seems to me it is a natural corollary of this position that any gold thus acquired which fell to a country at its liberation must be considered a recovery from Germany and a proper deduction from the country's total gold loss.

b). There appears to be strong presumptive evidence that both the 3,398 kilograms and the 2,311 kilograms listed in b) and c) of paragraph 8 above are, on this basis, deductible from the Czech claim. The Czechs have apparently failed to indicate precisely how these quantities of gold were acquired. In my opinion, they should be called upon to do so and unless they produce satisfactory evidence to demonstrate that these sums should not be considered as deductible under the theory I have suggested above, it would appear that the claim for 12,768 kilograms might be reduced by the combined amount of the two items (5,709 kilograms), leaving the claim at 7,059 kilograms, which in turn is subject to the observations which follow.

10. The foregoing analysis has accepted the Czechs' underlying assumption that the 12,768 kilograms of gold sold against free Reichsmarks is basically a restitutable item under the Paris Agreement. Although I believe this assumption is in principle correct, certain qualifications must be registered.

11. It has been argued in the Commission that this claim should be rejected because of a lack of detailed and verifiable data, as required by the Paris Agreement. But in what respect is detailed and verifiable data lacking — that 12,768 kilograms of gold were sold to the Germans under conditions which, at least in the first instance, amounted to spoliation? That fact, as to which

the Commission is justified ...

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justified in showing the most uncompromising insistence as to documentation, appears to be demonstrated to the satisfaction of all Commissioners. It is the resultant situation which remains inadequately documented -- the demonstration that as a result of disposing of the gold the Czechs did not receive certain benefits which must be considered counter-value and thus deductible from the Czech claim. It is my feeling that while extreme insistence is justified in demanding that a country demonstrate the positive fact of an initial loss; negative proof that no counter-value was received cannot be demanded with equal insistence, and that if deductions are to be made on this basis, the Commission must itself show some reasonable grounds for the action.

12. As I understand the Czechs thesis it is that although free Reichsmarks were used to finance imports into the Protectorate and some Czech institutions exercised a formal independence in handling these transactions, the reality of the situation was that the whole of Czechoslovakia's economic life was controlled and directed exclusively toward the furthering of the German war effort. On this basis, it can be argued with some plausibility, questions concerning the precise nature and destination of German licensed imports is irrelevant. This general position seems to me to be so morally persuasive as to make it extremely difficult to disallow the whole claim on any such pretext as the absence of detailed and verifiable evidence in the purely negative sense described above.

13. In my view the Czechs have a strong a priori case; which even in the absence of additional evidence, the Commission will probably have to allow. This does not mean, however, that the Commission is not justified in going to great lengths in the effort to secure at least a portion of the documentation which would tend to complete the file.

14. If the detailed records of import transactions have in fact been destroyed, it does not necessarily follow that it is impossible to produce copies of the general directives under which the offices issuing import licenses operated. Such directives should provide considerable documentary support to the purely a priori statements in the Czech claim; they might, also, provide the Commission with justification for making certain reductions in the claim, as explained below. I suggest that the Commission call upon the Czechoslovakian Government to provide such documentation, and at the same time request the Military Governors of the Occupation Zone for copies of any such directives which may be available to them.

15. Even admitting the correctness of the Czech thesis without the benefit of the documentation referred to above, it does not necessarily follow that the Czechs have derived no effective counter-value to the gold disposed of. Any imports financed by this gold which remained in Czechoslovakia at the liberation must be considered as falling in this category. On this showing, certain machinery imports, as well as materials incorporated in capital equipment would be liable to deduction.

16. Here again, the Czechs claim that they have no documents which would make it possible to determine what exactly was the nature of the imports financed by the sale of the gold in question. Conceding that it is plausible that all such detailed records may have been destroyed, certainly it should be possible to produce documents which would give some conception of the size of the major categories of imports into the Protectorate during the period in which the free Reichsmarks derived from the sale of this gold were expended.

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17. I suggest that the Commission would be justified in seeking information indicating the overall volume of Czech imports in 1939 and 1940, and their breakdown by major category. Such information might be sought both from the Czech Government and from the Military Governors in Germany. Upon examining such data the Commission might feel itself justified in concluding that possible net additions to Czech capital resulting from the sale of the gold in question was a negligible quantity and might be appropriately disregarded; or alternatively, the figures provided might suggest the desirability of working out some type of percentage factor by which the Czech claim could be reduced.

18. In addition to the amounts of gold mentioned in paragraph 8 (b) and (c), Czechoslovakia also took over at the Swiss National Bank an amount of 1,398 kilograms which the records indicate had been transferred there to the account of the National Bank of Slovakia by the Reichsbank in exchange for gold of local extraction, which it had taken over from the National Bank of Slovakia. It might be possible by a somewhat sophisticated argument to arrive at the conclusion that this quantity of gold should also be deducted from the Czech claim. The argument would be that if the gold was not a part of Czechoslovakia's monetary reserve duly carried on the books of a monetary institution of the State, its transfer to the Reichsbank would not be a loss within the meaning of the Paris Agreement, whereas the receipt of the equivalent amount of gold in the Swiss National Bank might be considered a net gain. I do not think the Commission would be justified in pushing such an argument; nevertheless it seems to me that it is possible that the situation with respect to this gold might be sufficiently similar to that of the Yugoslav Bor Mine claim to require that the two be considered together. I suggest that it would be desirable for the Commission to complete its files with respect to this gold. Full information is not already available as to its form, ownership, and whether it was entered in the books of the Slovakian National Bank as part of its monetary reserve at the time of its transfer.

19. I have rapidly reviewed the Commission's previous decisions and have not discovered any which appear to be inconsistent with the general theory here formulated. It seems to me that the only related cases are:

Austria - Salzburg gold
 Italy - Istemb

43 kilograms from Hungary in settlement of debt under postal agreement.

1,327 kilograms from Sweden via Germany in payment for Italian planes.

The Italian acquisitions listed above all occurred before the German occupation and could not be considered as part of a body of commercial transactions carried on under German supervision. The situation with respect to the Salzburg gold differs significantly from the Czech claim under consideration, but in so far as this decision has any bearing it appears to support the theory here advanced.

Conclusion ...

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By *ad* NARA Date 6/2/99

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CONCLUSION

20. My present suggestion is that the Commission consider this theory with a view to deciding on its acceptability at a later date, and that it now ask the Czech Government for the following information relevant to a decision on the basis proposed:

- a). Details with respect to the transactions noted in paragraph 8 (b) and (c) -- particularly, the nature of the funds with which the gold purchases were made, and the source from which these funds were derived.
- b). The amounts of foreign exchange (hard currency) in the country's possession at the time of (i) the Munich Agreement, (ii) the German occupation of Prague, (iii) the liberation.
- c). Documentation showing the nature of the directives under which the German agencies issuing licenses to Czech importers operated.
- d). Documentation showing the volume of imports into the Protectorate by major category during the period when the free Reichsmarks under review were expended.
- e). Information concerning the form and ownership of the gold mentioned in paragraph 18.

In view of my feeling expressed in paragraph 11 that if the Commission is to make deductions from claims on the basis that counter-value was received, it has a responsibility to show cause for such deductions, I believe that in addition to asking the Czechs the Commission should attempt to secure the information listed in (c) and (d) from the several Military Governors in Germany.

Alex B. Daspit
United States Commissioner
Tripartite Commission for the
Restitution of Monetary Gold.

January 25, 1949

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Authority 220979000
By ad NARA Date 6/7/99

KG 57 1GC
MN-57-96-59
Lot 620115 Box 18

our file
Czechoslovak gold claim

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : GFD - Mr. Knapp

DATE: March 24, 1949

FROM : FN - Mr. Fletcher *0.3.*

SUBJECT: Czechoslovak gold position *and request for special loan against gold.*

In compliance with your request I am glad to give you the following information: *USSR gold loan to Czechoslovakia may be at any time*

1. Czech gold holdings before the Sudetenland annexation amounted to about \$50 million partly deposited with the Bank for International Settlements and the Bank of England and partly held domestically.

After the war the Czechs claimed the full amount that is mentioned above from the Gold Commission as lost to the Germans. Out of this claim a portion of \$14.5 million was recognized and allocation made in an amount of \$6.8 million. An amount of \$1.1 million has been disallowed and an amount of \$16 million is almost certain to be allowed. An amount of \$14 million has a 50-50 chance and an amount of about \$4.0 million seemingly has been recovered by the Czechs directly which will have to be deducted from their claim.

2. Consequently, Czech gold holdings in the near future will emerge as follows:

	in million dollars
Postwar commercial acquisitions outside of the pool and deposited with the Federal Reserve Bank, New York between 1946 through 1948,.....	4.0
Allocated and transferred from Gold Commission and deposited with Federal Reserve Bank, New York,.....	6.8
Held with Federal Reserve Bank, New York, total,	10.8
German looted gold recovered directly by Czechs probably via Switzerland and held either in Switzerland or domestically, about.....	4.0
Present holdings total	14.8

To which might be added:

Allocation on the \$16 million Sudetenland claim - transfer to be expected before June 30, 1949, about	8.0
Possible allocation on \$14 million claim to be transferred before June 30, 1949, <i>partial</i> <i>after deduction of \$4 million</i>	3.5 (?)
	4.0 to 7.0 (?)
Estimated holdings as of June 30, 1949 about	26.3
	25.3 (21.8)
3. No	26.3

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3. No confirmation can be obtained regarding the rumors that Czechoslovakia has received or is about to receive a gold loan from the USSR. However, the persistency of these rumors in connection with the willingness of the Czechs to pledge their gold receipts from the gold pool for a loan plus the fact that the USSR and/or her satellites are presumed to be the source of recent large-scale gold sales on various European free gold markets make it very plausible that a USSR gold loan to Czechoslovakia may be or may become a reality.

Intelligence reports indicate that USSR satellites, e.g. Albania have recently shipped gold to Czechoslovakia. If that be true a reasonable assumption would be that Czechoslovakia is in a better position than the USSR or any other satellite to convert gold into hard currency with which to buy needed strategic materials.

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CONFIDENTIAL

*Mr. DeLoach
 Mrs. Malone*

OPD - Mr. Knapp

April 5, 1949.

PH - Mr. Fletcher

Czechoslovak gold position and request for special loan against gold

In compliance with your request I am glad to give you the following information:

1. Czech gold holdings before the Sudetenland annexation amounted to about \$50 million partly deposited with the Bank for International Settlements and the Bank of England and partly held domestically.

After the war the Czechs claimed the full amount that is mentioned above from the Gold Commission as lost to the Germans. Out of this claim a portion of \$14.5 million was recognized and allocation made in an amount of \$6.8 million. An amount of \$1.1 million has been disallowed and an amount of \$16 million is almost certain to be allowed. The major portion of the \$14 million claim has a 50-50 chance and an amount of about \$4.0 million seemingly has been recovered by the Czechs directly which will have to be deducted from their claim.

2. Consequently, Czech gold holdings in the near future will emerge as follows:

	in million dollars
Postwar commercial acquisitions outside of the pool and deposited with the Federal Reserve Bank, New York between 1946 through 1948	4.0
Allocated and transferred from Gold Commission and deposited with Federal Reserve Bank, New York	<u>6.8</u>
Held with Federal Reserve Bank, New York, ...	10.8 total
German looted gold recovered directly by Czechs probably via Switzerland and held either in Switzerland or domestically, about	4.0
Present holdings total	<u>14.8</u>
To which might be added:	
Allocation on the \$16 million Sudetenland claim-transfer to be expected before June 30, 1949, about	8.0
Possible partial allocation on \$14 million claim after deduction of \$4 million to be transferred before June 30, 1949, about	3.5 (?)
Estimated holdings as of June 30, 1949, about	<u>26.3 (21.8)</u>

3. No

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 Authority 720979008
 By ad NARA Date 6/2/99

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3. No confirmation can be obtained regarding the rumors that Czechoslovakia has received or is about to receive a gold loan from the USSR. However, the persistency of these rumors in connection with the willingness of the Czechs to pledge their gold receipts from the gold pool for a loan plus the fact that the USSR and/or her satellites are presumed to be the source of recent large-scale gold sales on various European free gold markets make it very plausible that a USSR gold loan to Czechoslovakia may be or may become a reality.

Intelligence reports indicate that USSR satellites, e.g. Albania, have recently shipped gold to Czechoslovakia. If that be true a reasonable assumption would be that Czechoslovakia is in a better position than the USSR or any other satellite to convert gold into hard currency with which to buy needed strategic materials.

4. It is recommended to accept the possible forthcoming Czech offer pledging their gold holdings in the United States as collateral for a special loan for compensation payment if an agreement about the compensation payment has been reached. This for the following reasons:

- (a) We would have to purchase such gold anyway if the Czechs decided to offer it for sale in accordance with past U.S. gold policy; and
- (b) To accept the gold as collateral for a long-term loan for the above-mentioned purpose would be the most convenient way to prevent Czech gold holdings from being used for possible obnoxious purposes.

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Return to Natus

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Memorandum No. _____

-Czech Loan Secured by Gold

THE PROBLEM

During the preliminary negotiations in Praha the Czechs tentatively expressed their willingness to settle our compensation claims by payment of a lump sum in dollars if they could obtain a dollar loan which they would be willing to back up by collateral in gold received as their share in the gold pool.

DISCUSSION

The exact amount of our compensation claim can not be stated at the present time. Estimates are running from 25 to 40 millions dollars. It will only be possible during the forthcoming negotiations in Washington to feel out what amount would be suitable both to satisfy U.S. needs for compensation and match Czech willingness and ability to pay. It can be estimated that this amount will be somewhere between 10 and 20 millions dollars. It might also be expected that the Czechs will be prepared to earmark only a part of the obtained dollar loan for compensation settlement and will wish to be free to use the balance of the loan for payment of imports.

Czech gold holdings in this country at the present time deposited with the Federal Reserve Bank, New York, amount to \$10.8 millions. It is estimated that in addition the Czechs are holding domestically \$4.0 millions worth of gold. They can expect to receive in the form of additional allocations from the gold pool 8 to 12 millions before the end of the year. (See memorandum on Czech gold position, April 5, 1949 attached).

Considering the fact that the Czechs will need a long term loan for a special purpose only a private bank loan can be taken into consideration. Mr. Fletcher of the Department informally contacted the Chase National Bank in New York (which specializes in such loans) and received a statement of willingness to negotiate a loan with the Czech Government of between 10 and 30 millions dollars secured by gold collateral at a reasonable interest rate (of about 3%) if the Department suggests the desirability of the extension of such a loan. Although the bank does not usually favor loans over a term of more than a year, an exception might be made if so suggested. Mr. Fletcher was told confidentially that Director Keneany of the Zivnostenska Banka in Praha has already informed the Chase Bank of his desire to discuss business matters on the 18th or 19th of this month when he would be at New York.

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RECOMMENDATION

That the Department interpose no objection to the probable forthcoming Czech proposal for pledging their gold holdings in the United States as collateral for a special loan for compensation payment if an agreement about the compensation payment has been reached. This for the following reasons:

- a) We would have to purchase such gold anyway if the Czechs decided to offer it for sale in accordance with past U.S. gold policy; and
- b) To accept the gold as collateral for a long-term loan for the above-mentioned purpose would be the most convenient way to prevent Czech gold holdings from being used for possible obnoxious purposes.

If the Czechs want to pledge only their present gold holdings in the United States (\$10.8 millions) as collateral for a dollar loan then the total proceeds of the loan should be required for compensation payment. If they are willing to transfer additional gold (from future gold pool allocations or from other sources) to the United States for use as collateral only 25 percent of such additional loan proceeds should be requested to be used for compensation payments up to the amount agreed upon in the settlement and the balance should be left at their free disposal.

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208652

Czechoslovak gold claim

MEMORANDUM

To: Mr. Fox
From: Mr. Fletcher
Subject: Czech Claims

Czech Claims total 45,008.2784 kg of gold. This total is to be broken down into the following:

- (A) 6,375.8588 kg ————— Coins, part of the Czech National Bank's Monetary Reserve, physically transferred to Reichsbank by the Germans. (Claim admitted; proportionate delivery made to Czechs)
- (B) 14,536.2040 kg ————— Cover for that part of notes in circulation which corresponds to the Sudetenland population and was transferred to the Reichsbank by the Germans under this pretext. Claim admitted in the 85th Meeting on October 15, 1949. Czechs not informed yet of admission and no delivery made on this allocation.
- (C) 23,087.304 kg ————— Gold held by the Czechs via BIS at the Bank of England transferred at Bank of England from BIS Account to Reichsbank Account in order of Czechs under German compulsion. However, for compensation Reichsbank deposited in favor of Czech National Bank an equivalent amount of gold in its own vaults.

This claim is to be broken down into the following (according to the conclusions of the experts):
 - (a) 6,920.5597 kg ————— Still left in the above mentioned segregated depot at Reichsbank, Berlin at the end of the war and with the other Reichsbank gold seized by U. S. transferred into the pool. This portion of the Claim consequently was admitted together with Claim sub (A) and proportionate delivery made to Czechs.
 - (b) 12,768.9601 kg ————— Sold back to Reichsbank out of the 23,087.304 kg against free RM. Free RM generally could be used for the acquisition of gold and hard currency (Swiss Francs for instance); however, the experts seemingly could not establish whether the Czechs could really freely dispose of the free RM and what the free RM were spent for, in particular whether goods purchased abroad did benefit the Czech economy.

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- (c) 3,397.7842 kg ——— Represents a number of bars purchased from the Reichsbank by the Bank of Slovakia and deposited by the latter at the Swiss National Bank in Bern; put at the free disposal of the Czechs after the German surrender. The Bank of Slovakia seems to have acquired the gold in question with free RM she netted from the Slovakian-German clearing or it might represent the net result of a number of back and forth gold transactions between the two Czech banks and the German Reichsbank in which the National Bank of Bohemia was able to participate by using free RM obtained from partial sales of the odd 23,000 kg mentioned under sub (c).

It is not clear to me how this amount is being considered by the experts a portion of the Claim under sub (c); it should rather be a deduction from this claim.

- (D) 1,008.9146 kg ——— Gold held by the Skoda Works (largest Czech armament works) for their own business purposes under Czech government license in a similar way as the Dollfus-Mieg held gold in France under French license. This gold is in my opinion no monetary gold and the claim should not be admitted.

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Czech Claim
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EE - Mr. Vedeler

May 10, 1951

MH - C. F. Fletcher

Economic Sanctions against Czechoslovakia and her Share in the Gold Pool.

Reference is made to yesterday's conversation on the subject matter.

It confirmed, inter alia: (1) US ability to withhold delivery of Czechoslovakia's share in the gold pool after the impending award is made by the Tripartite Gold Commission, is the most potent and most readily usable weapon - in view of the low ebb of Czechoslovakia's current banking accounts in the US which have dwindled to a few million dollars - to be used against Czechoslovakia in case economic sanctions would be decided upon by the US. (I maintained however my personal conviction that withholding of the gold delivery, followed by an endeavor of attachment on our side, should possibly be reserved as an offsetting procedure or as a lever to obtain settlement of long outstanding US claims or as part of a general economic defense program and not be included in "retaliatory measures" if they become advisable or necessary in a case such as the Gatis Arrest).

(2) The use of economic sanctions such as blocking or withholding of gold delivery are not now under active consideration in the Gatis case at the moment according to your statement.

(3) You indicated that MH would be consulted beforehand and any such recommendation would be brought to the attention of MH in time to enable us to consult Treasury - which would be the implementing agency - if blocking by Treasury under the Trading with the Enemy Act was being considered.

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In compliance with your request I should like to give you the Czech position with the gold pool. Czechoslovakia submitted to the Tripartite Gold Commission a number of claims for the restitution of monetary gold, amounting altogether to 45,000 kilograms of gold, of which the Commission validated 37,000 kilograms and rejected 8,000 kilograms. The pertinent decisions were made successively with reference to the various sub-claims and have undergone changes as new evidence became available. The Czechoslovak Government will be notified of the final decisions in the near future. Six thousand (6,000) kilograms ^{of gold} (about 6.7 million dollars) were delivered to the Czech account with the Federal Reserve Bank, New York in May, 1948 at the occasion of a preliminary distribution. (She has transferred this gold to Europe since; there is no more earmarked gold held in the US by either Czechoslovakia or USSR or Poland, Bulgaria or Hungary.) Since the total Czech claim admitted by the Tripartite Gold Commission amounts to 37,000 kilograms and since distributions are being made on the assumption of a quota of about 52% (with some pay-off to follow) her share in the pool at the impending final distribution (save for the pay-off) will amount to about 19,000 kilograms. Having received already 6,000 kilograms, her share in the impending final distribution would be 13,000 kilograms of gold (about 14.5 million dollars) plus another 1,000 (1.1 million dollars) at the occasion of the distribution of the "pay-off" (accruals, reserves).

cc: OFD - Mr. Corbett
 L/E - Mr. Cardoso
 - Mr. Maurer
 EE - Mr. Gleck

OFD:ME:OFFletcher:fw

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Czech Claim *copy*

Oct. 23-51

In reply refer to
MM

SECRET - INTERNAL

Dear Homer:

Thank you very much for your interesting letters dated October 9 and October 10.

Regarding the subject of staff personnel for the Sauser-Hall hearings I think it has been established in the mean time by exchange of messages between all interested parties that there will be no need for additional personnel at the occasion of the first meeting beginning November 5. Concerning the need for necessary personnel for his second meeting it is really difficult to judge from here how many people will be necessary and what their salaries would amount to. This can best be decided by the Governments' "agents" at the occasion of their first meeting. I am sure you will bring to bear the moderating influence of yours on Colonel Watson if he gets too fancy. By the way, you probably were as amazed as we here that the Secretary General wants to have additional office facilities and personnel at this late hour, and this brings us right to the subject of your letter of October 9, namely the winding up of the Commission's business, final decisions, and the Czech share.

It was gratifying to learn from your letter and from the minutes of the last meetings that progress is being made in the determination of cases and preparation of the list of final decisions and that the

decisions

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

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decisions on those parts of the Belgium, Dutch and Italian claims, which had been under reconsideration, were confirmed as we felt they should. As to the remaining cases which you mentioned in your letter, I think they should be decided like all the others, on their merits.

In the Bor Mines case, I think the decisive factor should be whether or not the gold contained in the raw material sent to Germany for processing was entered in the books of the Yugoslavian Central Bank beforehand. I recall that this was the general feeling in the Commission at the time we discussed this case and found a claim for it should be admitted. If the French Company has a money claim for processing this very gold, I think the Yugo Government should pay to the French Company but this should not be part of the Commission's decision. As regards the thirty-nine bars of Bor Mines gold recovered in the British Zone of Germany I share your opinion expressed in your letter of June 14, 1951 on this subject, namely that all thirty-nine bars belong in the pool and the bars already recovered by the Yugs should be deducted from their claim. The Department, of course, is interested to have Yugoslavia receive as much as justifiable.

As to the final decision on the undecided part of the Czechoslovakian claim (23,000 tons), I guess we all agreed that the Swiss recovery amounting to some 7,000 kgs. should be deducted. As to an additional deduction under the heading of "value received" I think we should not fight them on that score if the British and French Commissioners feel strongly that no additional deduction should be made. Between you and me, this would work out to the advantage of the United States if we can carry out our present plans, namely to veto delivery of the remaining portion of the Czech share in order to use it as a lever or to try to attach it for our compensation claims. (See my letter of August 2, 1951).

The British and French Governments have presented strong notes blaming the Department for stalling on the preliminary distribution suggested by the Commission. I am preparing a paper for Mr. Thorp which represents the present feeling of the Interested officers in the Department recommending:

Sending notes of reply to the British and French stating that the Department and its representative on the Commission are and always have been anxious to wind up the Commission's business and make the final distribution. The Department is opposed to an interim distribution at this late stage either to a few or to all claimants because it does not want to take ~~changes~~ before having seen the final decisions in

their

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their entirety and because it is felt that the work involved in a temporary distribution would further delay the completion of the final decisions and the preparation of the final distribution. The Department will further state that it is sending instructions to the United States Commissioner to contribute his best efforts as in the past to help the Commission reach final decisions and transmit a list of such decisions to the three governments, possibly not later than December 15; it will be suggested to the British and French to send similar instructions to their respective commissioner. The French will also be told that the Department will devote its immediate attention to reviewing this list as soon as it is submitted and that it hopes to be able to clear the list not later than six weeks after it is received and that the United States Commissioner will be instructed to vote for immediate distribution as soon as the three governments have cleared the final decisions, withholding only the necessary reserves and any such share as cannot be delivered to the rightfully entitled recipient for one reason or the other. In this connection, the note will recall the Brussels Conference decision regarding the Danzig share and will state that the United States Government might, however, object to the delivery of other particular shares if it so deems fit at the time of the delivery.

You will, of course, receive a copy of our reply note and in due time, instructions to object to a delivery of the balance of the gold allotted to Czechoslovakia, rebus sic stantibus.

I am very glad you are coming to Washington in early December which will give us an opportunity to talk more about those things. We hope you will have a pleasant vacation which you certainly have well earned. Is it too optimistic to hope that the final decisions will be taken before you leave so that Watson can write up those decisions for submitting them to the three governments while you are away? It would be an ideal solution if we could discuss the list with you before you return to Brussels. But this should certainly not influence or interfere with your travel and home leave dispositions.

Best personal regards.

Sincerely yours,

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

P.S. Please send by cable any comments you may wish to make regarding the reply note to the British and French as outlined in this letter.

OFD:MN:OFFletcher:ib
 10/19/51

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SECRET SECURITY INFORMATION

TO: Deputy Undersecretary

FROM: E - Mr. Willard Thorp

Problem:

To decide policy and procedure with respect to the disposition of the Czech share in the gold pool, distribution of which is impending.

Background:

In implementation of Part III of the Paris Reparation Act, namely pooling monetary gold for distribution on a pro rata basis among countries from which it was looted or otherwise wrongfully removed by Germany, the United States, United Kingdom and French Governments established in Brussels, Belgium on September 27, 1946 a commission known as the Tripartite Commission for the Restitution of Monetary Gold. Eleven countries submitted claims totaling \$558 million to the Commission, among them Albania, Czechoslovakia and Poland (the latter one also in the name of Danzig) which now belong to the Soviet bloc. After protracted study and careful consideration the Commission is in the process of concluding its deliberations and submitting its decisions to the Tripartite Governments for review. Upon approval of the Commission's decisions by the three Governments the gold in the pool is to be distributed on a pro rata basis (estimated at over 60%) in accordance with the adjudications. On the same basis, a tail-end distribution will take place at a subsequent date from reserves which have to be set up and from accruals which are expected as the result of certain pending negotiations. The bulk of the gold is actually held at the Bank of
 England,

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England, about \$10 million at the Federal Reserve Bank of New York and about \$2 million at the Bank of France. The situation with respect to claims by Soviet bloc countries is as follows:

a. Albania. The claim submitted by the Albanian Government is 2,200 kg. of gold (\$2.4 million). The Commission was satisfied that the gold claimed was monetary gold and was looted by Germany. However, the Commission was unable to decide whether this gold should be awarded to Albania or Italy, the latter of which claimed it, inter alia, by reason of its preponderant ownership of the shares of the Bank of Albania. Further the U. K., having a claim against Albania for compensation for damages arising out of the Corfu Channel incident, sought to attach the gold if awarded to Albania. In view of these circumstances the U. K., U. S. and France agreed to submit to an arbitrator the question of whether Italy or Albania or neither is entitled to the gold under the Paris Reparations Agreement; and if Albania should be found to be so entitled the three Powers further agreed that the gold would then be delivered to the U. K. unless within ninety days either (a) Albania makes an application to the International Court of Justice for the determination of the question whether it is proper that the gold claimed by Albania should be delivered to the U. K. in partial satisfaction of the Corfu compensation claim or (b) Italy makes an application to that court for the determination of the question whether, by reason of any right which she claims to possess other than that based upon Section III of the Paris Agreement, the gold should be delivered to her.

b. Poland

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b. Poland submitted claims totaling 138,900 kg. (\$153 million) including 3,900 kg. (\$4.3 million) in the name of Danzig. The Polish claim will be denied in its entirety except for the portion claimed in the name of Danzig on the ground that it was not monetary gold and that a definite figure could not be proved for the amount claimed. The Danzig claim will be admitted; however the Commission does not consider Poland as authorized in the present circumstances to receive delivery. Consequently, the Commission will recommend to the three Governments to hold the Danzig share in trust until the final decision on the political status of Danzig is made.

c. Czechoslovakia submitted claims amounting to 45,000 kg. of gold (\$50 million). These claims will be admitted to the extent of 36,900 kg. The proportionate share on the basis of an about sixty per cent realization would be about 22,000 kg. On the occasion of a preliminary distribution in January, 1948 Czechoslovakia, at that time not under Soviet domination, received payment of 6,100 kg. Consequently the amount due her at the impending "final" distribution is about 16,000 kg. (\$17.6 million).

Remarks:

In view of the fact that Czechoslovakia has evaded all our efforts to reach a settlement on our compensation claims against her, which we have been willing to settle for a sum not less than \$25,000,000, it is important that the U. S. endeavor to prevent the delivery of such a large amount of gold to Czechoslovakia.

The

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The French Government, interpreting our opposition to a recent request for an interim distribution in which the Czechoslovakian Government would have participated, as unwillingness to increase the Czech war potential, has to a certain extent already dis-associated itself from a withholding policy by stating its belief that "giving seven tons of gold to Czechoslovakia according to the proposal of the Committee is not liable to have serious consequences as to the possibility of that country increasing its military potential." (French aide memoire handed to the Secretary on October 9, 1951 by the French Ambassador). A representative of the British Embassy, at the occasion of a meeting on the subject of final distribution of the gold pool, has inquired what position the U. S. Government intends to take with respect to delivery of Czechoslovakia's share and requested early consultations with the British and French Governments in case the U. S. intends to object to such a delivery.

For the past two years or so it has been understood among the interested officers of the Department that any major Czech assets we could directly or indirectly control should be used either as an offsetting item or as a lever to obtain settlement of long outstanding U. S. claims against Czechoslovakia. The only sizable Czech asset left in the United States, a steel rolling mill purchased by the Czechs at about \$17 million - present selling value estimated at \$8-14 million - was recently blocked by Treasury's special order, upon the Department's initiative, and thus secured for the aforementioned purpose. The other major asset within ^{possible} reach is the Czech share in the impending distribution of the gold pool. In order to use it for the above described purpose the following course of action suggests itself.

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While the Department as a matter of policy did not want to influence decisions of the Commission regarding the adjudication of claims submitted, it considers it justifiable to utilize the provision in the Terms of Reference of the Tripartite Gold Commission (5d and 5e) which provide that delivery of gold from the pool after adjudication is up to the three Governments which established the Commission. This means in practice that no delivery of gold adjudicated by the Commission can be made to the claimant government if one of the three Governments objects to the particular delivery. This has always been the understanding of all three Governments and their representatives in the Commission. It was on the basis of this provision that the French Government objected in one case to the delivery of gold to a claimant on the basis of a tentative decision of the Commission (which in the meantime was reversed by the Commission itself). In accordance with paragraphs 5d and 5e of the Terms of Reference and in view of the French precedent the U. S. Government through the U. S. Commissioner could object to delivery of the Czech share at the time when the final adjudications are being published, without giving a reason for its objection. This would probably force the Czech Government to come forward with some proposition or else her share would remain blocked in custody of the Commission, and after the Commission's liquidation, at some depository, together with a few other shares which had to be shelved for urgent reasons. However, if British and French concurrence is obtainable, it seems preferable from a propaganda viewpoint and in order to take an affirmative measure to obtain the gold for U. S. purposes to provide for the intercession of the courts. To that effect

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effect an agreement with the British and French should be sought by which the Tripartite Powers agree that the Czech share should be delivered to the U. S. Government in partial satisfaction of the U. S. claims against Czechoslovakia, unless within ninety days from the date of the publication of the Commission's adjudications Czechoslovakia makes an application to the International Court of Justice for the determination of the question whether it is proper that the gold should be delivered to the U. S. in partial satisfaction of its compensation claims. This agreement would be worded like the similar agreement made recently by the three Powers with respect to U.K.'s securing any gold allotted to Albania for compensation on its Corfu Channel claims (see text of State Press Release No. 337, May 1, 1951, attached).

Recommendation:

It is recommended:

- (1) That the delivery to Czechoslovakia of her share in the gold pool be objected to by the U. S. Commissioner at the occasion of the impending distribution and the Commissioner be instructed.
- (2) That the British and French representatives in the informal working group on this program be immediately informed by the Department's representative of the Department's intention to take the action described in (1), and be requested to inquire of their governments whether an agreement could be worked out aiming at the delivery of the Czech share to the U. S. unless Czechoslovakia makes an application within ninety days to the International Court of Justice.
- (3) If no such agreement is obtainable the U. S. would continue

objecting

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Deputy Undersecretary

objecting and would, if so requested by the U. K. and France, agree that Czechoslovakia be informed by the Commission at the occasion of the intimation of the adjudication that delivery was withheld since the U. S. Government objected to delivery at the present time.

(4) That this Government inform the Czechoslovak Government when delivery is withheld of the reason for the objection on the part of the U. S. to delivery, namely, the unsettled financial claims of the U. S. against Czechoslovakia.

it was looted or otherwise wrongfully removed by Germany, the United States,

Concurrences:

English and French Governments established in Brussels, Belgium on September 27, 1946 a commission known as the Tripartite Commission for the

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Attachments:

Excerpt from Paris Reparations Agreement (Part III) (the latter one also in the name of Raszig) which now belong to the Soviet Union.

Terms of Reference (Press Release No. 676, September 27, 1946)

Press Release No. 337, May 1, 1951

of gold in the pool, distribution of which is impending. The gold in the pool is to be distributed on a pro rata basis (estimated at over 60%) in accordance with the adjudications. On the same basis, a tail-end distribution will take place at a subsequent date from reserves which have to be set up and from accruals which are expected as the result of certain pending negotiations. The bulk of the gold is actually held at the Bank of England, the gold should be delivered to her.

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England,
Poland

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COPY

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA
TRIPARTITE COMMISSION
FOR THE RESTITUTION OF MONETARY GOLD

File: Czech gold claims

SECRET - SECURITY INFORMATION
OFFICIAL - INFORMAL

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

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

Dear Otto:

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

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

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

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

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

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*Copy sent to
EE - Mr. Vedeler for
10/23/53*

10/23/53

*copy of report
EE - Mr. Vedeler*

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MEMORANDUM

on the

Czech Share in the Gold Pool
in Connection with the
Liquidation of the Tripartite Gold Commission

In implementation of Part III of the Paris Reparation Act, which provided for pooling recovered monetary gold for distribution on a pro rata basis among countries from which it was looted during the war, the U.S., U.K., and French Governments established in 1946 a commission at Brussels known as the Tripartite Gold Commission for the Restitution of Monetary Gold. Eleven countries submitted claims totaling about 560 million dollars, among them Czechoslovakia.

The Czech claim is, like most of the claims of other countries, composed of several portions which in their total call for the restitution of 45,000 kilograms of gold which is the equivalent of about fifty million dollars. After protracted study of all the claims submitted and after obtaining additional information partly through questionnaires, partly through oral hearings with representatives of the claimant governments, the Commission has concluded its deliberations and submitted its decisions for review and approval to the three governments which make up the Commission. Among the most controversial and most complicated claims were the ones composing the Czech submission.

It should be noted at this point that if the awards are made as proposed by the Commission a quota of over 60 percent on the claims approved can be expected by the claimants. The Czech share would amount to about 27 million dollars. On the occasion of a preliminary distribution in January, 1948, Czechoslovakia, at that time not in the Soviet Block, received an advance of about 6000 kilograms of gold (value about \$7 million.)

Consequently,

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Consequently, the amount due her at the impending final distribution is about 20 million dollars worth of gold. However, the French Government in reviewing the final texts has, through its representative on the Commission, suggested quite substantial changes in the Czech award which involve the basic jurisprudence of the Commission and, expressed in dollars and cents, about 10 million dollars' worth of gold. Since the suggested changes work both ways, they partly cancel each other moneywise. The net result, if all French changes were accepted by the U.S. and U.K. members of the Commission, would reduce the Czech share by about \$2 million. The suggested changes are being studied both at the Commission and the government level.

For the past three years or so, it has been understood among the interested officers of the Department that any major Czech asset we could directly or indirectly control should be used as a lever to obtain settlement of our claims against Czechoslovakia. The only sizeable Czech asset left in the U.S. is the proceeds of the steel rolling mill blocked by Treasury's special order and thus secured for the aforementioned purpose. The other even bigger asset possibly within reach, though not under our direct control, is the Czech share in the gold pool. While the Department, as a matter of policy did not want to influence decisions of the Gold Commission regarding the adjudication of claims, considers it justifiable to try to delay the issuance of the Czech award or if absolutely necessary, to use its power to block delivery of the gold to Czechoslovakia once awarded. Therefore, several months ago, when after the sale of the steel mill the time appeared to be appropriate to renew our endeavors for continuation of financial negotiations with the Czechs, the Department invited representatives of the

British

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British and French Embassies in Washington to discuss with them our views with respect to the Czech share in the pool as stated above. We told them that we would prefer a procedure whereby all awards with the exception of Czechoslovakia would be issued simultaneously when they were finally ready and a statement would be issued at the same time by the Commission saying that the Czech award could not be completed in time due to the complexities of the Czech claim. (This situation devised as a scheme a few months ago, has become an actual situation due to the French request for changes mentioned above.)

While the U.K. Government relatively quickly agreed to our plan, the French Government only a few days ago informed us that it "continues to believe that it would be very difficult for the three Powers not to make public the decision on the Czech claims at the same time as the other decisions. Although French-Czechoslovak relations are no longer carried on at the level of the traditional confidence and friendship between the two countries, the French Government considers that it would be advisable to avoid, in the technical matter of the distribution of monetary gold, taking any position that might appear discriminatory with respect to Czechoslovakia." Consequently, the French want us to consider some other formula which would avoid what they consider a "disadvantage."

OPD:MM:OFFletcher:ray
 November 23, 1954

CONFIDENTIAL

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DECLASSIFIED

Authority: NND 968106By: SP NARA Date: 12-13-99RG 59Entry 62915 TcFile Greek Gold ClaimBox 19

Ref. 3101

Brussels, 15th. September 1947

Greek

Tripartite Commission for the
Restitution of Monetary Gold
Résidence Palace
155, rue de la Loi
Brussels

Following my letter dated 10th. May 1947, Nr. 2005, I have now been instructed by my Government, to transmit you the following declaration:

Considering that the Greek Government, has formulated by the above mentioned letter, its most expressive reserves, with regard to the definition of monetary gold, as established by your Commission, on the basis of the reasons exposed therein and that it considers the gold looted or wrongfully removed to Germany, from private persons, as its property and consequently forming part of its reserve of Monetary Gold, I beg you to take note that the quantity of Monetary Gold looted from Greece and for the restitution of which a demand has been introduced already must be increased by:

- 1) 116 Kgs. 129 gr. fine gold looted from the Bank of Greece, Salonica Branche,
- 2) 12.518 Kgs. 802 gr. fine gold looted from private persons.

Reserving myself to submit you in due course all the necessary documents supporting these claims,



Very sincerely yours,

Greek Delegate

T. Triantafyllakos

T. Triantafyllakos

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

RG 59
 Entry 62D115 JCC
 File GreekGSDC
 Box 19 208671

Greek

AMERICAN EMBASSY

Athens, Greece, July 31, 1947

Rec'd
 Aug 14 No. 5259

ACTION UNCLASSIFIED
 OFD

SUBJECT: Recovery of Property Forcibly Transferred or Looted
 in Greece During World War II.

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THE HONORABLE
 THE SECRETARY OF STATE,
 WASHINGTON.

A-0-4-3/461F:

I have the honor to refer to Embassy's airgram no. 284 of July 31, 1947, in reply to the Department's circular airgram of June 5, 1947 regarding the procedure to be followed in attempts to recover property forcibly transferred or looted in Greece during the war.

In addition to despatch no. 1291 dated July 9, 1945, "Control of Enemy Property in Greece During Axis Occupation", reference is made to reports no. 40 dated September 26, 1945 and no. 124 dated October 8, 1946, both entitled "Modifications in "Enemy Property" Regulations in Greece".

The information submitted in airgram no. 284 was obtained from Mr. G. Zarifopoulos, Director, Direction IX (Adjustment of Economic Affairs Resulting from the War), General Accounting Office, Ministry of Finance. The delay in replying to the Department's circular airgram is due to the fact that Mr. Zarifopoulos was unable to complete the data before this time.

There is attached a translation of Constitutional Act No. 45/1945 dated June 1, 1945, concerning transactions concluded during the occupation.

Respectfully yours,

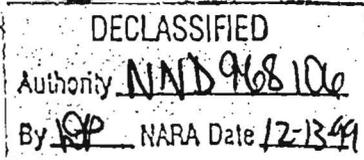
For the Ambassador:

H. Lawrence Groves
 Counselor of Embassy for
 Economic Affairs

Enclosure:
 Translation of Constitutional
 Act No. 45/1945 dated June 1,
 1945.

File no. 711.3
 AT/HB:hb

UNCLASSIFIED



RG	<u>59</u>
Entry	<u>62D115 TCC</u>
File	<u>Greek Gold Claim</u>
Box	<u>19</u> <u>208672</u>

the American Embassy at Athens. Subject: Recovery of property forcibly transferred or looted in Greece during World War II.

TRANSLATION

CONSTITUTIONAL ACT NO. 43/1945

Transactions Concluded During the Occupation

GEORGE II

KING OF THE HELLENES

At the instance of our Council of Ministers, we have decided and hereby decree that:

ARTICLE I

1. Transactions concluded as from the date of entry into the country of enemy troops - German, Italian, Bulgarian and Albanian - until the date of their withdrawal, whereby real and/or personal property of any kind was in any way transferred, either by enemy political or military authorities or by individual military or political officers of those authorities, to Greeks or foreigners or to Greek or foreign juridical persons, except the International Red Cross Committee and the Committee for the Administration of Relief in Greece, are declared from the outset null and void and of no legal effect.

The Government acquires full ownership of property involved in these transactions, and no one is entitled to apply for compensation or put forward any claim against the Government for losses arising from these transactions.

2. Transactions under paragraph I concluded by individual military or political officers or by commissaries or representatives of the above enemy authorities in Greece are regarded as having been concluded by these enemy authorities themselves.
3. Transactions under paragraph I regarding the supply of merchandise or other commodities which have been obtained for consumption or to meet the requirements of internal trade are not included in the cancellation declared under paragraph I.
4. The cancellation declared under paragraph I applies to transactions concluded in each of the various sections of the country, as from the day on which the particular section was occupied by the above military authorities until the day of their withdrawal therefrom.

ARTICLE II

1. The right of the Government to confiscate property transferred under the conditions set forth in Article I of the present Act is subject to limitation after December 31, 1945 and the cancellation declared in the same Article is reversed with respect to such property as has not been confiscated.
2. Transactions involving machinery of any kind, means of transportation or articles that obviously, from their nature or quantity, were derived from a transaction with the authorities under Article I of the present Act, are not subject to the above limitation; nor is the cancellation declared in Article I subject to expiration of the time limit fixed in the preceding paragraph.

ARTICLE III

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

RG 59
 Entry 62015 JCC
 File Greek Govt. Claim
 Box 19 208673

American Embassy, Athens: Subject: Recovery of Property Forcibly Transferred or Looted in Greece During World War II.

ARTICLE III

In very exceptional cases the Claims Commission to be established by special law may declare that transactions coming under paragraph 1 of Article I may remain effective, wholly or in part, if this be necessitated by good faith, bona mores, or by the common sense of justice.

ARTICLE IV

1. Transactions not included in the provisions of paragraph 1 of the preceding Article I, that were concluded during the period from April 27, 1941 to October 12, 1944 within the areas of Greek territory liberated up to the latter date or until the subsequent liberation of each of these parts of the country, whereby enemy property in Greece according to Article VII of Emergency Law No. 2636/1940 is transferred under any legal form by the enemy to Greeks or foreigners or to Greek or foreign juridical persons, may until December 31, 1945 be declared null and void ex officio by decision of the Minister of Finance issued with the agreement of the Committee under Article XIX of Emergency Law No. 2636/1940, provided it can be satisfactorily proved that the transfer was accomplished by means of a "cloak" or as the result of error, force or fraud, or by exploitation of the need, inexperience or naiveté of the other contracting party, or that the transfer is one that could be declared null and void owing to some other legal cause for cancellation, or, finally, that the transfer was carried out in order to evade probable sequestration or with a view to serving the enemy's political or military aims.
2. Transactions concluded within the time limits specified in the preceding paragraph, whereby property of any kind was transferred by any person whatsoever to the enemy or for the benefit of the enemy, may be declared invalid until December 31, 1945 by decision of the Minister of Finance issued with the agreement of the Committee under Article XIX of Emergency Law No. 2636/1940, provided it can be satisfactorily proved that the transfer was accomplished by means of a "cloak" or as the result of error, force or fraud, or by exploitation of the need, inexperience or naiveté of the other contracting party, or that the transfer is one that could be declared null and void owing to some other cause for cancellation as provided by the law.
3. Such decisions of the Minister of Finance shall be issued following application by those who have a legal interest in the transferred property, to be submitted to the General Accounting Office within a definite time limit of three months if the person having the legal interest is domiciled or residing in Greece, and six months if he is domiciled or residing abroad.
4. By the above decisions of the Minister of Finance to be issued with the agreement of the Committee under Article XIX of Emergency Law No. 2636/1940, any financial or other conditions may be made in favor of the Greek Government and at the expense of the party benefited by the invalidity or cancellation of the transfer.
5. The declaration or non-declaration of invalidity of a transfer in accordance with the administrative procedure of paragraphs I and II of the present Act does not prevent the party owning a legal interest therein from having recourse to the regular courts of law,

but proceedings

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Authority NND 908106By SP NARA Date 12-13-99RG 59Entry 62915 TCCFile Greek Gold CoinBox 19

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Page 3 to enclosure () to unclassified despatch no. () dated July 31, 1947 from American Embassy, Athens. Subject: Recovery of Property Forcibly Transferred or Looted in Greece During World War II.

but proceedings should be instituted within a definite time limit of one month, or after the lapse of four months during which no action is taken, from the date of submission to the General Accounting Office of the petition under paragraph 3 of this Article.

Recourse to the regular courts of law as stipulated above, is inadmissible if the decisions according to preceding paragraphs have not been issued by the Minister of Finance or if the time limit of four months has not elapsed.

6. Regular courts may also set ex officio any financial or other condition at the expense of the party benefited by the invalidity or cancellation of the transfer.

ARTICLE V

Transactions involving the transfer of bearer securities whereby these securities were transferred for any reason whatsoever into the possession of the enemy or third parties acting on behalf or for the account or benefit of the enemy, are not subject to the provisions of the preceding Article; provision for such transactions will be made by a special law.

ARTICLE VI

The time limits set in Article II, paragraphs 3 and 5, of the present Act may be extended by decision of the Council of Ministers.

ARTICLE VII

The present Constitutional Act shall become effective on the date of its publication in the Official Gazette.

THE REGENT

Athens, June 1, 1945.

AT/HB:hb

DECLASSIFIED
Authority NND 908100
By SP NARA Date 12-13-99

RG 59
Entry 622115 TGC
File Greek Gold Club
Box 19

W Fletcher

COPY

TRIPARTITE COMMISSION FOR THE
RESTITUTION OF MONETARY GOLD

Brussels, May 28, 1947
24 A Boulevard Du Regent

Mr. Joseph A. Todd,
Division of German and
Austrian Economic Affairs,
Department of State,
Washington, D.C.

Dear Jack:

In writing you on May 17 anent the Polish Note I did not anticipate that we should receive so soon another question on the gold definition. However, the enclosed Note from the Greek Commissioner gives us specimen No. 2.

The attached draft of reply which we have cooked up follows the general pattern of the proposed reply to the Polish Note. You will observe that we have reserved our position with regard to the contention of the Greeks, set out in the third paragraph of their Note, as to the sense of the Minutes of the Paris Conference.

It seems to me probable that much of the gold disposed of on the open market in Greece during the German occupation was introduced there by Allied agents to finance resistance and espionage operations and, to a lesser extent, by relief and rescue organizations operating with our blessing. If this assumption is correct it would be rather incongruous to come up with the conclusion that such gold constituted a portion of the Greek monetary reserve. The Department may be in possession of information which will confirm or negate our premise and we would value its receipt.

In view of the general significance of our relations with Greece at this time, I am sending copies of the enclosed material to the Department in the form of a despatch but feel that you should have these advance copies as soon as possible. I shall be awaiting your comments.

Best personal regards.

Faithfully yours,

Russell H. Dorr
United States Commissioner
for the Restitution of Monetary Gold

Enclosures:

- 1. Copy of letter from Greek Delegate dated May 10, 1947
 - 2. Draft of reply to Greek Delegate dated May 27, 1947.
- export of gold but also the prohibition of gold existing in the country constitutes in substance a monetary reserve of the

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Authority NND 90810eBy SP NARA Date 12-13-49RG 59Entry 62015 TCCFile Greek Gold ClaimBox 19COPY

ATION OF GREECE
 credited to the Inter
 Allied Reparation Agency.

Brussels, May 10, 1947

Ref. No. 2005.

To the Commissioners,
 Tripartite Commission for the
 Restitution of Monetary Gold,
 24a, Boulevard du Regent,
 BRUSSELS.

Sirs,

Acting on instructions from my Government, I have the honour to submit to you, in the form laid down in the questionnaire prepared by your Commission, the Greek Government's claim for the restitution of the gold removed from Greece by the German authorities, gold which belonged to the Greek Government and which formed part of the monetary reserve of the country.

The claim now submitted concerns only monetary gold within the restrictive meaning laid down by your Commission and referred to in your letter of March 13, 1947.

My Government finds itself obliged, however, to make the most explicit reservations concerning the definition of "monetary gold" given by your Commission. In its opinion, this definition does not cover all the cases contemplated in the general provisions governing the question on which your Commission is called upon to take decisions, namely, the Declaration of the United Nations of January 5, 1943, relating to acts of dispossession committed by the Axis Powers, the Declaration of the United Nations on gold on February 22, 1944, Resolution IV of the Final Act of the United Nations Monetary and Financial Conference of July 22, 1944, and more particularly the Paris Conference on German Reparation.

In point of fact the general acts above-mentioned relate to looting within the countries occupied by the Axis, in any form whatsoever, whereas during the discussions on the clauses of Part III of the Paris Agreement it was expressly declared that all claims for the restitution of gold which had been removed should be deemed valid, even if spoliation had taken place by purchase on the open market (Minutes of the Heads of Delegations to the Paris Conference on Reparation, sub No. 21, dated December 3, 1945).

The Greek Government understands that the purpose of the questionnaire which has been forwarded is to collect information relating to monetary gold from a technical standpoint only and that the Governments of the occupied countries will later be called upon to submit their claims and proofs relating to the looting of monetary gold which did not form part of the monetary reserve of the Institute of Issue or of the other monetary authorities, within the more restricted meaning of the term.

As regards Greece, where under legislation already long in force, gold in the form of coin or bullion must be offered for sale to the Bank of Greece, and where in consequence not only the export of gold but also its transfer from one individual to another within the country is prohibited, any quantity of gold existing in the country constitutes in substance a monetary reserve of the

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

RG 59
Entry 62915 JGC
File Greek Gold Claim
Box 19

-2-

Institute of Issue or of the State, and hence gold removed from Greece in the conditions referred to must be taken into account in the distribution of German monetary gold.

Pending a reply from the Commission on the questions raised in this letter, the Greek Government reserves the right to submit its claim relating to the looting of monetary gold which was removed by the authorities of occupation by purchase on the open market or through acts of violence and which did not form part of the gold belonging to the monetary authorities.

As regards the claim attached to the present letter, I shall be happy to give you any further information and any other details that may be required.

I have the honour to be,

Sir,

Your obedient Servant,

(sgd) T. TRIANTAFYLLAKOS,

Delegate of Greece.

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 Authority NAD 968106
 By SP NARA Date 12-13-99

RG 59
 Entry 620115 JCC
 File Greek Gold Claim
 Box 19

May 27, 1947

M. T. Triantafyllakos,
 Delegate of Greece,
 Inter-Allied Reparation Agency.

Sir:

The Tripartite Commission for the Restitution of Monetary Gold has received your letter of May 10, 1947 covering the Greek Government's claim for the restitution of monetary gold removed from Greece by the German authorities. Your letter states that the Greek Government has explicit reservations concerning the definition of monetary gold as adopted by the Commission and is of the view that certain other types of losses should be considered as coming within the purview of such definition.

In order to facilitate its consideration of the issue raised, the Commission has the honor to request the Government of Greece to furnish it, at its earliest convenience, with the following additional information:

I. A copy, together with authenticated translations, of the legislation referred to in the antepenultimate paragraph of your letter, pursuant to which it is concluded that any gold existing in Greece constitutes in substance a monetary reserve of the Institution of Issue or of the State.

II. The total weight and fineness of the gold lost by Greece falling within each of the two categories referred to in the penultimate paragraph of your letter of May 10, 1947:

(a) Gold removed by the German authorities by purchase on the open market.

(b) Gold which did not belong to the Greek monetary authorities and which was acquired by the Germans through acts of violence.

III. The number of individual cases involving the removal of gold by the German authorities by purchase on the open market, together with an itemized statement of the valued paid by the purchasers to the vendors of such gold.

IV.

10.

export of gold but also its transfer from one individual to another within the country is prohibited, any quantity of gold existing in the country constitutes in substance a monetary reserve of the

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DECLASSIFIED
Authority NND 908106
By SP NARA Date 12-13-99

RG 59
Entry 62915 TGC
File Greek Gold Claim
Box 19

IV. The number of individual cases involving German acquisition and removal from Greece through acts of violence of gold which did not belong to the monetary authorities of Greece.

V. A full description of the nature of the evidence which the Greek Government would propose to submit tending to establish in regard to each of the two categories listed under I above:

(a) The ownership of the gold at the time of its acquisition by the German authorities.

(b) The purpose of the holding at the time of its acquisition by the German authorities.

(c) The circumstances of the looting or wrongful removal.

(d) The form, weight and fineness of the gold involved.

(e) The manner in which the gold involved prior to the time of its acquisition by the German authorities had been accounted for in statements of the monetary reserves of Greece.

The information requested will prove to be of great assistance to the Commission in considering the question raised by the Government of Greece and, accordingly, its early receipt will be appreciated. The Commission may also wish to avail itself of your offer to furnish further information concerning the claim submitted with your letter of May 10, 1947.

We have the honor to be,

Sir,

Commissioner for
the Government of
the U.S. of America

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

export of gold but also its transfer from one individual to another within the country is prohibited, any quantity of gold existing in the country constitutes in substance a monetary reserve of the

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

RG 59
 Entry 620115 TGC
 File Greek Gold Claim
 Box 19

EMBASSY OF THE
 UNITED STATES OF AMERICA

copy

Gen. Gold Holdings

SECRET

Paris, France

NO. 3877

November 29, 1945

The Honorable
 The Secretary of State,
 Washington

Sir:

I have the honor to enclose for the information of the appropriate members of the Department a copy of a letter to Sir David Waley on allocating a share of reparation to aid non-repatriable victims of German persecution; a copy of a letter to Monsieur Jacques Rueff on monetary gold; and a copy of a statement which I made to the Heads of Delegations on November 20 regarding budgetary war costs.

Respectfully yours,

James W. Angell
 United States Representative
 Allied Commission for Reparations

Enclosures:

1. Letter of November 29 to Sir David Waley
2. Letter of November 27 to Monsieur Jacques Rueff
3. Statement of November 20 to Heads of Delegations

Copy to Charles Kindleberger

SGF:rl

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

RG 59
 Entry 629115 Tc
 File Greek Gold & Coin
 Box 19

November 29, 1945

My dear Sir David:

Your letter of November 19, 1945 set forth certain misgivings entertained by the U.K. Government concerning the U. S. proposals to allocate a share of reparation to aid non-repatriable victims of German persecution. The present letter attempts to clarify the U. S. position with respect to the questions raised by your Government and to restate the basic elements of the U. S. proposal.

1. I agree that insofar as the proposed fund rests on the proceeds of German external assets these should be confined to such assets in neutral countries and to the surplus of German assets in countries which do not receive reparation.

2. The difficulties foreseen by the U.K. with respect to the deliveries of machinery either from existing equipment or current production are probably valid. The U. S. Delegation believes, however, that the share of reparation envisaged for the proposed fund would easily be covered by the allocation to it of the non-monetary gold found in Germany and of a portion of the proceeds of German assets in neutral countries.

3. I agree that the scheme should cover all non-repatriable victims of the Nazis and not merely Jews. In this connection, the U. S. Delegation considers that the figure of 100,000 persons mentioned in its memorandum of November 12, 1945 seriously underestimates the number of persons who would be eligible for aid under the scheme.

4. While the United States sympathizes with the view that Governments should not escape responsibility for proper compensation of their own nationals, it considers that the scheme should not be limited to persons who are stateless in the strictly legal sense. I understand that the U.K. and U.S. Governments now hold divergent views concerning the categories of persons who are legally stateless. Aside from this, however, my Government is concerned that persons, whether legally stateless or not, who have had to leave their countries because of conditions created by the Nazis and whose racial origin or political beliefs make repatriations difficult, should not be forced to return. In particular, my Government feels that it would be neither just nor humane to insist that Germans and Austrians who had to flee from their homes because of political or religious persecution should now return to live among the people who persecuted them so bitterly and who are responsible for the murder of so many of their relatives or political associates.

Similar problems exist in the case of displaced persons from countries formerly occupied by the Germans. The U.S. Government will, of course, continue to aid the voluntary repatriation of such people. It does not, however, wish to create conditions that would force the return of persons who would face the prospect of

physical

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

RG 59
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 File GreekGoldClaim
 Box 19

- 2 -

physical harm or economic starvation in their former homes, particularly since these dangers derive in large part from popular attitudes encouraged and aggravated by German action and propaganda.

For these reasons, my Government believes the scheme should be broad enough to cover German and Austrian nationals now living outside those countries as well as displaced nationals of countries formerly occupied by the Germans whose return is blocked by danger of physical harm or serious economic discrimination. The U.S. Delegation is prepared to discuss the classes of persons described in its earlier memorandum with a view to defining more clearly the persons eligible under the scheme.

5. The U. S. Government is not committed to the view that the proposed fund be administered by the Inter-Governmental Committee. The U.K. suggestion that a Board of Trustees be set up under the Economic and Social Council appears to be an acceptable solution provided there is provision for proper liaison between the proposed Board and the Inter-Governmental Committee and other agencies with related functions. An interim arrangement may, however, be necessary if the UNO machinery cannot begin to function at a sufficiently early date. I agree that the Trustees should work in close conjunction with specialized private and public organizations concerned with refugees and displaced persons. The proper agency for administering the fund might be discussed further by the U.K., French and U.S. Delegations.

6. I recognize that the establishment of the scheme involves a number of complicated administrative aspects which might possibly be referred to the representatives of the three Western Controlling Powers or to IARA for solution. It is of first importance, however, that the Paris Conference take action with respect to the general principles of the scheme. These are few and simple:

a. That a share of reparation of agreed size be allocated for the rehabilitation and resettlement of non-repatriable victims of Germany;

b. That the share so allocated be satisfied out of the non-monetary gold seized in Germany and from a portion of the proceeds of German external assets in neutral countries and of any surplus of German assets in countries which do not receive reparation;

c. That the classes of persons eligible for aid under the scheme should include the nationals both of Germany and of ex-occupied countries who suffered loss by reason of German action, who require aid, and who cannot be returned to their countries within a reasonable time because of past persecution or prospective physical or economic dangers;

d. That the share allocated for these purposes be administered by an international agency;

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Authority NARS 90810eBy SP NARA Date 12-13-99RG 59Entry 620115 TGCFile Greek Gold ClaimBox 19

- 3 -

e. That the funds be used not for the compensation of individual victims but, at the discretion of the agency, to further the rehabilitation or resettlement of persons in the eligible classes.

I hope that it will be possible for you to join with me in a proposal to the Conference along these lines.

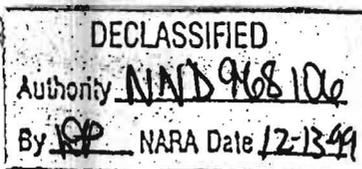
Sincerely yours,

James W. Angell
United States Representative
Allied Commission on Reparations

MAmt

Sir David Waley
U.K. Reparations Delegation
Paris

208683



RG	<u>59</u>
Entry	<u>62915 TCC</u>
File	<u>Greek Gold Claim</u>
Box	<u>18</u>

November 27, 1945

My dear Monsieur Rueff;

With reference to our previous discussions regarding the topic of monetary gold, I have received instructions from my Government which I shall outline to you as follows:

(1) The United States Government is willing to associate itself in a three-power approach to the Swiss Government concerning the Belgian gold allegedly received by Switzerland after the United Nations Declaration of January 5, 1943. The Department of State is canvassing the procedures that might be followed in this regard;

(2) In as much as my Government has adopted the view that the United Nations Declaration of January 5, 1943 covers German Post-Ausschluss acquisitions in Austria, it believes that Austria should participate in the proposed pooling arrangement of monetary gold found in Germany;

(3) My instructions are that only Italian monetary gold found in Germany should be included in the pooling arrangement, in which Italy would participate proportionately to the extent that its claim was included. The United States Government cannot agree that the Italian gold valued at \$25,000,000 which was found by Allied forces in northern Italy and which is now in Allied custody at Rome should be included in the pooling arrangement;

(4) Regarding the shares of Hungary and Italy, the United States Government would prefer that the Italian share be delivered immediately and that the Hungarian share be held in abeyance until a final peace settlement. However, should the French Government insist, the United States would agree to a similar arrangement regarding Italy;

(5) The United States Government does not have sufficient information to enable the nature of the French claims against Italy for fifteen tons of gold to be fully understood. The United States Government would be interested in receiving additional information and in considering the request of the French Government for full restitution against Italy on the basis of such information. The United States Government cannot agree, however, that satisfaction of this claim be made a condition precedent to participation of Italy in the pooling arrangement regarding Italian gold found in Germany;

(6) The United States Government agrees that Italy should make full restoration of gold to Albania.

I have handed Sir David a copy of this letter.

Sincerely yours,

James W. Angell,
United States Representative
Allied Commission on Reparations

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

RG 59
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 File GreekGoldClan
 Box 19

November 20, 1945

NOTE ON BUDGETARY WAR COST AND REPARATION

During my brief absence from the Conference yesterday afternoon, a statement was made by M. Rueff, in his capacity as a member of the French Delegation, on the relative importance which should be attached to budgetary war costs as a basis for the distribution of reparation. I believe M. Rueff's statement was extremely important. I am not wholly in agreement with what I understand M. Rueff said, and wish to make clear the position of my government.

1. I wish to state as the position of my government the view, which was also expressed yesterday by Sir David Waley, that the allocation of the total of reparation should be guided by the principles which were determined at the Crimea Conference and which underlay the Potsdam Protocol. In substance, those principles, as stated by Sir David, are that "reparations are to be received in the first instance by those countries which have borne the main burden of the war, have suffered the heaviest losses and have organized victory over the enemy".

2. I do not wish to stress here the contributions made by my country to the organization of victory over the enemy. They are familiar to all of you. In order to carry its full part in the war, and to achieve victory, my country subjected itself to tremendous internal economic and financial dislocations, mobilized a very large part of its population in the direct war effort, used up enormous reserves of natural resources which would otherwise have been the heritage of future generations, and incurred a gigantic public debt which will place great burdens on our tax-payers for decades to come.

3. The item now under discussion, budgetary war cost, is a rough but simple measure of the material, economic and financial burdens assumed by the United States to wage the war and to carry it to victory. In a number of other countries, notably Great Britain

and

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Authority NAD 968106
By SP NARA Date 12-13-99

RG 59
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- 2 -

and most of the British Empire countries, budgetary war cost is likewise a very important direct measure of economic war burdens and efforts.

4. I am keenly aware of the disastrous and tragic effects of the war on occupied countries. My government is prepared to consider seriously, in the distribution of reparation, the reconstruction needs of such countries. Moreover, it is clear that the direct damage and other losses suffered by all countries should be given full weight. I wish, however, to reaffirm the general view of my government, that the distribution of reparation should be governed in the first instance by the principles established at the Crimea Conference. On these principles, it is clearly impossible either to ignore budgetary war costs or to attach secondary importance to them. To the extent that M. Rueff intended to convey this last view, I must respectfully express my disagreement with him.

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Authority NND968106
By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN(A) Poland Danny
Box 22

Berlin, January 30, 1948

RESTRICTED

No. 139

SUBJECT: POLISH RESTITUTION CLAIMS
FOR LOOTED GOLDRecd.
Feb. 11ACTION
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The United States Political Adviser for Germany has the honor to submit herewith for the Department's information copies of letters recently exchanged between Maj. Gen. J. Prawin, Chief of the Polish Military Mission in Berlin, and General Clay on the subject of restitution of gold and valuables looted in extermination camps in Poland.

General Prawin writes that the Polish Restitution Mission submitted a claim for these goods in July 1947, supporting this claim with evidence that the Germans had systematically looted camp prisoners and corpses. The claim, however, was returned with a statement from the Foreign Exchange Depository, Frankfurt, that the looted valuables were not to be found in the vaults of the Reichsbank Frankfurt. General Prawin goes on to say that it can be proven that gold looted from camps in Poland was placed in the Berlin Reichsbank, later located by U. S. troops, and deposited in the Reichsbank at Frankfurt. He estimates the total amount of looted gold at over 100 tons, and feels that the Foreign Exchange Depository statement must have resulted from a misunderstanding.

General Clay's reply states that 30 unprocessed deliveries of non-monetary gold items from Polish concentration camps (which were filled with citizens of almost every European country) were turned over to the International Refugee Organization pursuant to Article 8 A of the Final Act of the Paris Conference on Reparations of December 21, 1945. General Clay points out that the USSR agreed at Potsdam to settle Polish reparation claims from its own share of reparations and at the same time waived claims to gold captured by Allied troops in Germany.

General Clay admits that some of the gold, both monetary and non-monetary, may have been looted from Polish nationals, but says that the impossibility of determining

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determining original ownership plus the provisions of the Final Act of Paris would preclude settlement of Poland's restitution claims.

Enclosures:

1. Letter from General Clay to General Prawin, dated 27 January 1948
2. Letter from General Prawin to General Clay, dated December 20, 1947.

In original and ozolid to the Department.

Copy for CE - Mr. Leam
 - Mr. Martin

JTRogers/dm

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 C O P Y

Berlin, December 29, 1947

Gen. L. D. Clay,
 Military Governor for Germany, U.S.
 Commander-in-Chief of the European Command U.S. Army,
B E R L I N

By claim No. 1637/47 dated 31st July 1947, Polish Mission for Restitution to Poland attached to the Office of Military Government for Germany (U.S.) Rear Echelon, Economics Division, Restitution Control Branch, claimed the return of Gold and valuables looted in extermination camps in Poland under special plans organized by the Germans and, in particular, submitting material concerning one of these plans, the so named "Reinhard plan". This material contains the original report of S. S. general Globocnik, Chief of Police District Lublin, covering the results achieved under the plan on the territory of the Voievodship of Lublin.

Restitution Control Branch accepted the claim, but on the 11th September 1947 transmitted to the Polish Restitution Mission the statement of the Foreign Exchange Depository, Reichsbank Frankfurt, that the Frankfurt vaults contain none of these valuables which were the subject of claims lodged by Polish Mission for Restitution to Poland on behalf of the Polish Government.

It is a fact known and supported by documentation that gold and valuables looted from Polish citizens in extermination camps were transferred to the Reichsbank, Berlin, while on the other hand there is evidence that at time of the offensive from the East the total stock of gold and valuables from the Reichsbank vaults in Berlin was evacuated to the West, subsequently located by the American troops in the U.S. Occupation Zone and deposited in the Reichsbank vaults in Frankfurt. These stocks are now being inventoried. It is, therefore, beyond doubt that gold and valuables originating from the Reinhard plan and other similar plans are now in those vaults, although no inventory of them has perhaps up to this time been made.

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It is generally known that in concentration camps not only prisoners were subjected by the Germans to the extraction of gold teeth, but even the dead. Moreover, it has been proved by documents in the Nuernberg trial that German loot organizations were instructed to melt the spoiled gold into bars prior to delivering it to the Reichsbank. It is also a fact that gold bars lying in the Reichsbank vaults in Frankfurt originate for the most part from loot in extermination camps on Polish territory.

In these camps 4.900.000 Polish citizens have found their death. Taking roughly that each individual possessed at least 25 gram gold in coins, chains, watches, trimmings or teeth, the amount of gold obtained from them and sent in a melted form to the Reichsbank would highly exceed 100 tons. This gold having been brought from Poland by force and deposited in a clearly defined place is a restitutionable object, since the character of restitutionability could not have been changed through the fact that the shape of gold has been changed through melting. Which part of gold found in the Reichsbank treasury derives from this source can be easily ascertained either from Reichsbank accounts or from evidence of the previous managers of the Reichsbank.

In view of these facts the answer of the Foreign Exchange Depository transmitted by the Restitution Control Branch would be correct if there were no gold in Frankfurt originating from the Reichsbank treasury. However, during the visit of representatives of Polish Mission for Restitution to Poland on 3rd April 1947 in the Frankfurt vaults they were able to identify the availability of a number of cases containing rings, watches and gold.

I feel, therefore, that the answer of Foreign Exchange Depository can result only from a misunderstanding. I also feel that there is hardly any other restitutionable object deserving more careful handling than goods robbed by the Germans from the victims of extermination camps. This in spite of being a typical routine matter of R D & R, this case of regaining gold and valuables looted in Poland acquires a particular importance also from the moral angle. As I understand that there are some misunderstandings between the restitution Control Branch and the Foreign Exchange Depository pertaining facts which can be easily ascertained, -I have the honour to request you that the

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factual situation of Polish restitutionable gold and valuables contained in the Reichsbank vaults in Frankfurt be cleared and these valuables looted in Poland be restituted to my country.

POLISH MILITARY MISSION
CHIEF

(FRANIN J., Maj. Gen.)

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C O P Y

Berlin, Germany
27 January 1948

My dear General Prawin:

I refer to your letter of 20 December 1947 - reference No. Pr. 792/398/47 - concerning restitution of gold and valuables removed from concentration camps in Poland, and to my interim reply of 30 December 1947.

A further investigation of the matter shows that a major part of the holdings of the Reichsbank in Berlin had been evacuated to the Merkers mines where these holdings were found by the U. S. Forces and later transferred to the Foreign Exchange Depository in Frankfurt. They have all been inventoried but it has been impossible to identify any of them as having come from Poland, except that 30 unprocessed deliveries of non-monetary gold items, such as are described in the Globocnik report (attached to the Polish restitution claim in question) were traced back to concentration camps situated in Polish territory. However, it was ascertained that these deliveries had come to the Reichsbank long after these Reinhardt deliveries and at a time when inmates of these camps consisted of the nationals of practically every country in Europe. These 30 lots were turned over to the International Refugee Organization pursuant to Article 8 A of the Final Act of the Paris Conference of 21 December 1945 which provides that "a share of reparation consisting of all the non-monetary gold found by the Allied Armed Forces in Germany . . . shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German Action". You will recall that under the Potsdam agreement of 2 August 1945 the USSR undertook to settle the reparation claims of Poland from its own share of reparations, waiving at the same time all claims to gold captured by Allied troops in Germany.

As far as any monetary gold held by the Foreign Exchange Depository is concerned, Poland, although not an original signatory to the Final Act of Paris, was submitted to the Tripartite Gold Commission in Brussels.

It may very well be that part of the Reichsbank's monetary gold was obtained from melting down of Polish concentration camp and other loot, such as might have been acquired in consequence of the "Action Reinhardt", and together with gold from other sources might have gone into the gold bars or been added to the reserve of gold

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held by the Reichsbank. However, we are faced with the impossibility of identifying the source of the individual items involved or even of computing on a percentage basis the participation of the various countries of origin involved. This fact as well as the existence of the gold pool under the Final Act of Paris would bar any restitution claims.

I hope that my above explanations will help to clarify the situation which you were kind enough to bring to my attention in your letter under discussion.

Sincerely,

LUCIOUS D. CLAY
General, U.S. Army
Military Governor

Major General Dr. J. Prawin
Chief of the Polish Military Mission
42 Schlueterstrasse
Berlin W 15

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22LÉGATION DE POLOGNE
& BRUXELLES

COPY IV.

Brussels, 29th April 1947.

Nr.24401.

Sirs,

Referring to your letter of the 13th march of this year Nr.0025 and mine of the 22nd inst. Nr.24401, I have the honour to forward in the enclosure, in the name of the Polish Government, the following documents justifying their claims for the restitution of gold despoiled by Germany or wrongfully removed into that country during the occupation of Poland:

- 1/ Explanatory note concerning the Polish claims to the German monetary gold - 6 copies in french and 6 copies in english /enclosure Nr.1/
- 2/ Information with numeral specifications after form I-B-1, concerning the Polish losses in gold - 6 copies in french and 6 copies in english /enclosure Nr.2/
- 3/ Abridged information, after form I-A-1, supplementing the numeral specifications, mentioned

To the TRIPARTITE
COMMISSION FOR THE
RESTITUTION OF MONETARY
GOLD
24a, bld. du Régent
BRUSSELS.

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COPY 2 -

- in the preceding point - 6 copies in french and 6 copies in english /enclosure Nr.3/
- 4/ 9 parcels of original documents /enclosures Nr.Nr. 4a, 4b, 4c, 4d, 4e, 4f, 4g, 4h, 4i/
- 5/ Specification of the above mentioned documents - 6 copies in french and 6 copies in english /enclosure Nr.4/.

At the same time my Government explain, that the information mentioned at point 2, consists of numeral specifications of the separate losses, as indicated at I-B-1 /in the number of eight/ corresponding to the respective column identically determined in the Questionnaire of the Tripartite Commission for the Restitution of Monetary Gold. The abridged information mentioned at point 3 is joined to these numeral specifications, after form I-A-1, corresponding to the respective column identically determined in the Questionnaire of the Tripartite Commission. The other points of the Questionnaire were not filled out by my Government as not being in correspondence with their claims.

My Government are adding at the same time, that their claims to the monetary gold from the "Bank von Dantsig", appearing in form I-A-1 under point 7 and in form I-B-1 point 7, are in strict conformity with the definition of monetary gold fixed by the Tripartite Commission.

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EXPLANATORY NOTE

General report

Poland was the first victim of German aggression and her territory remained under occupation for the longest time of all other occupied countries. Of all fighting nations Poland suffered the biggest losses in proportion to her territory, to the number of inhabitants and to the national wealth. Apart from destroyed cities with Warsaw heading the list, apart from thousands of burned villages, devastated industry and transportation Poland lost also a great part of her population.

Poland's loss in gold is proportionate to the losses suffered in all other fields.

The Polish population was robbed of gold, specifically of gold coins and of gold products.

The ruthless methods of oppression, applied by the Germans in Poland, the extermination of the Jewish population, the unheard-of looting of the Polish national wealth make it difficult to present a detailed account of the gold losses. Different was the situation in this respect in other, especially western European countries, where Germany did not aim at a biological extermination and where the oppression, although severe, was not as ruthless as in Poland.

Two methods were applied by Germany in robbing Poland of her gold. The first consisted of forced purchase of gold, contributions and confiscations. The second method was organized robbery and looting on an unheard-of scale connected with mass murders.

The forced purchase of gold was undertaken by the Reichskreditkassen immediately after they had established their branch offices in Poland. On September 14, 1939 the chief of the Civilian Administration at the office of the Military Commandant in Poznan ordered all Poles and Jews to deposit with the banks, within ten days, all

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cash exceeding the amount necessary for one week and also all gold, foreign exchange and foreign currency.

On October 7 a general decree ordered under heavy penalties the whole population of Poland to deposit gold and foreign currencies with the Reichskreditkassen before October 31, 1939. Finally, 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 (Devisenschuttkommando). 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 1/4 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 proves concerning few cases to show what was taken out of the safes. The governing officers of the Pocztaowa Kasa Oszczedności (Postal Savings Bank) found after their return to li-

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berated 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 Związku Spółek Zarobkowych in Poznan over 10 kg of gold were taken as well as a large quantity of jewels.

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 5.500 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 confiscation 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 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.

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The compulsory purchase of gold and foreign exchange from Polish citizens was completed by October or November 1939. Gold and foreign exchange found after that date were confiscated.

Part of those goods passed through the Reichskreditkassen and later through the branch offices of the Reichsbank which were established in place of the Reichskreditkassen in the incorporated territories. Beginning with April 8, 1940 on the territory of the so-called General-Gouvernement the gold passed through the Bank Emisyjny which took over the functions of the Reichskreditkassen. The greater part of the seized gold however went into Germany through other channels or stuck to the pockets of the Gestapo, the gendarmerie or the employees of the administration.

The Government of Poland has in its possession part of detailed and authentic documents concerning bought up and confiscated gold which was taken over by the Reichsbank from the Reichskreditkassen and the branch offices of the Bank Emisyjny. In particular, the Polish Government is in possession of an original report of the head office (Hauptverwaltung) of the Reichskreditkassen of November 20, 1939 giving the results of the compulsory purchase of gold and foreign exchange as per end of October 1939. Original documents for valuables taken over by the Reichskreditkassen and the branch offices of the Bank Emisyjny as well as a great number of receipts of the Reichsbank for gold sent to that Bank by the above mentioned institutes were also found. Those documents show what gold, coins and foreign currencies and where they were bought.

The afore mentioned evidence concerns a fraction of Poland's losses in gold only. The Polish Government has no data as to gold taken over by the branch offices of the Reichsbank after November 1, 1939 in the western territories of Poland incorporated onto the

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Reich.

In this connection it has to be stressed that the western territories were the wealthiest in Poland and their population having a high standard of living had accordingly more gold in coins and products than the population of other parts of Poland. The loot in gold taken from the Polish population there must also have been greater;

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 kg of pure gold. This happened in but one branch office of which the Reichsbank had over ten in the incorporated territories.

The confiscation of gold began in the western territories in 1940 in connection with the mass deportation of the Polish population into the General Gouvernement and later to forced labor into Germany. People subject to deportation were given 20 or sometimes even 10 minutes only to leave their houses. All deportees were searched for money, jewels and other valuables which were taken away from them against receipts written on plain paper not bearing any official letterhead. They were supposed to get the equivalent in zloty after their arrival in the General Gouvernement but never received anything.

The Catholic Church in the western territories of Poland was subject to particularly heavy repressions. The Germans closed during the war 345 of 361 parochial churches of the Archdiocese of Poznan. The churches were looted of everything. During the

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Greiser process before the Supreme Tribunal in Poznan Rev. Nowacki testified as expert as follows: "I know from witnesses who were present that the Germans looted the buildings of the former consistory of monstrances, vessels, gold receptacles, loaded them on trucks and took them away. All masterpieces of art were taken from the cathedral of Poznan among others the priceless 5 bronze doorplates of the end of XV and the beginning of the XVI century. The cathedral treasure, transferred in part to the province of Lublin before the outbreak of the war, was transported by the Germans to Berlin"

On November 17, 1939 the German mayor of the city of Warsaw ordered the confiscation of all valuables owned by the Polish citizens of Jewish origin. The official seizure was accompanied by looting of jewelry watches done by the Germans in Jewish apartments. This action has grown in scale and was carried out not only in Warsaw but also in all cities and towns of the General Gouvernement.

The most ruthless looting was carried out in concentration camps. The Chief Commission for the Examination of German Crimes, constituted on November 10, 1945 and working through regularly appointed judges has established that there were in Poland 4 concentration camps, 4 death camps and 435 labor camps. The concentration camps had many branch camps of which for example Oświęcim had 44 and Sztutowo over 30. A great number of Polish citizens have been also in camps in Germany. According to the data compiled by Polish authorities 6.028.000 persons of Polish and Jewish origin perished during the occupation. As there were 27.000.000 Polish citizens of Polish and Jewish origin at the outbreak of the war, the above mentioned figures amounts to 22,2% of the total population.

Almost 5.000.000 Polish citizens (exactly 4.863.000) perished in concentration camps of which 3.200.000 were of Jewish origin.

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The camps were not only places of tortures and death but at the same time an instrument of organized looting on a mass scale. The prisoners were thoroughly searched for anything valuable they may have had immediately after their arrival. All money and valuables were taken and sent away. It has been established that of the victims who were gassed in Oświęcim, and they were over 4 million, artificial teeth, crowns and so on made of gold were extracted. After the flight of the Germans 2904 reports of the supervisor of the crematorium were found among other papers. They show that in one day alone 16.325 gold and platinum teeth were extracted of 2904 victims. 40 prisoners were employed daily at this work. At some times 12 kg of gold were gained weekly from melting artificial teeth. The SS Untersturmfuehrer Bergman employed at the camp in Oświęcim said in the presence of one of the witnesses of the above mentioned Commission that valuables taken from the Jewish inmates of Oświęcim amounted to 1 billion marks but that actually this was an understatement.

Rudolf Hoess testified before the Supreme National Tribunal in Warsaw in March 1947 that the gold taken from murdered victims in Oświęcim was converted into bars of the size of a brick. "We have sent 2 to 4 such bars to the Chief Sanitary Authority of the Reich every month"

Valuables were registered by the so-called "Operation Reinhardt" and transferred to the Reichsbank. According to Hoess their value was enormous. During one particular month 5 tons of jewelry were collected in the camp.

Similar methods were applied in other camps. It has been established through court inquiries that 350.000 persons mostly Polish Jews from the so-called "Warthegau" (Polish western territories) perished in the Chelm death camp. A special unit collected

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money, rings and gold teeth from the dead victims. In the court files there is a document dated September 9, 1944 showing that on that day above 550 pocket watches and 115 wrist watches were collected by the special unit.

800.000 persons were killed in the death camp of Treblinka according to a similar court inquiry. There the unit in charge of collecting valuables consisted of Jewish inmates and was called "Gold Jews". Every week or every other week one or two trucks loaded with gold, money and other valuables were leaving the camp.

In the camp of Belzec 600.000 persons were gassed. All valuables were taken from the victims immediately after their arrival in camp. A German Government official visited the camp periodically taking with him all valuables in a special box after each visit.

It has been established during the court action against Amon Goeth, the commandant of the Plaszow camp that similar methods were also used there with the difference that Goeth appropriated for himself the most valuable part of the loot amounting to many millions of zloty.

In the first provisional calculation the Polish authorities have already established that at least 4.900.000 persons perished in death camps, concentration and penal camps as well as during the extermination of the ghettos, in consequence of the so-called pacification of the Lublin and Zamosc areas, execution of hostages and so on. This figure, will certainly be higher when definite results of inquiries are known. Of the 4.999.000 persons 1.700.000 were members of Christian churches. University professors, teachers of high schools and lower schools, physicians, lawyers, technicians, bank executives, priests, estate owners,

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state officials and executives of private enterprises formed the majority of the latter figure. If only half of them had with them gold in form of wedding or other rings, watches, chains, cigarette cases and the like, and if the value of gold amounted to 25 gr. per person only (the amount of gold in an average gold watch) - it results in 20.000 kg of gold taken by Germans from this group of victims.

The biggest loot was taken from the ghettos and the death camp where the Jews were exterminated.

In 1939 there was a Jewish population in Poland of ~~XXX~~ 3.500.000. Of this number not more than 50.000 survived in Poland, another part fled abroad in September 1939 or moved to U.S.S.R. where also another group came in 1941 flying before the advancing German front. All in all, around 300.000 Polish Jews survived the war. Therefore 3.200.000 of them perished. The extermination of the Jewish population was started by the Germans right from the first days of the occupation. Confiscation of the wealth, looting, imposing of contributions were the different methods applied. Beginning with 1941 the Jews were transported from the ghettos to the death camps. In 1944 only one ghetto remained namely in Lodz and this was also liquidated in August of that year.

The amount of gold and jewelry taken from the Jews must have been very large. It has to be borne in mind that the Jews in Poland were hardworking people and that they used to make their investments mostly in gold and jewelry. When they were sent to the death camps they took with them all their gold and jewelry, still in their possession with the hope that it may

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facilitate their escape or help to survive. On the basis of a conservative estimate that the 3.200.000 Jews killed during the war in Poland formed 800.000 families of 4 persons each and that every family had 100 gr. of gold only - the minimum amount of gold gained by the Germans from this source is 80.000 kg.

The Warsaw uprising gave the Germans another opportunity for robbery on a large scale. Gold and other valuables were taken not only from houses but also from the population driven out of the city. The SS Brigade Dirlenwanger and the SS Brigade Kaminski were the most ruthless in this respect. General von dem Bach, who was in charge of the German army fighting against Warsaw testified before the Polish Public Procurator Jerzy Sawicki in Nurnberg on January 26, 1946 that he saw himself "a car loaded to capacity with looted valuables, gold, watches, diamonds" robbed by Kaminski. Kaminski had - according to von dem Bach - "suitcases full of silver, gold and diamonds" .

All the above described cases of forced buying up of gold and foreign exchange confiscations and robberies are facts which were sanctioned by German laws, decrees and orders and which are borne out by documents and witnesses. They prove robbery executed on an unheard-of scale. In particular, the hundreds of death and concentration camps in Poland were not only places of mass extermination of the Polish population. They were also used as an instrument of the Reich to gain money for waging war and a source of enrichment for German dignitaries.

Robbery was organized in an identical way in all camps. It was not an improvisation neither was it an idea conceived by the individual camp commandants but a system thought out by the central authorities in Berlin and ordered for execution in all

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the camps. According to the above mentioned testimonies of Hoess, concerning the Oświęcim camp and of Amon Goeth, concerning the Plaszow camp the value of gold and jewelry taken in those two camps alone amount to several million zloty.

In view of the particular methods used by the Germans it is difficult to register an exactly defined account of losses in gold. The Germans did not issue any receipts to the victims and the murdered and dead cannot present their claims. Besides, the Germans tried to wipe out all marks of their crimes when they had to retreat before the advancing Soviet armies. They dynamited and set afire buildings, destroyed documents or transferred them to other places. People working in special commandos who knew too much were killed. In view of the above Poland can only base her claims to the German gold on documents of the Reichsbank, concerning the compulsory purchase of gold and further on statements of Polish citizens as to the amount of their losses as well as on estimates of the robbery committed in Poland. These data, although not complete, show that Polish losses in gold are very large.

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: III 2a every citizen had the opportunity to register his losses in gold and other valuables. The genuisness 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 witness 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.

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These declarations are being entrusted for safe keeping to the country and city authorities and well recorded. They number almost 1 1/2 million.

A special Government agency has thoroughly examined all these declarations as to the losses in gold and other valuables. Of 1 1/2 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 kg of pure gold.

The valuables (rings, chains, watches, wrist bands, medallions etc.) lost by individuals amount to 326.05L.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 converted 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 Oświęcim 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

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RG 59
Entry Lot 62D115
File I-AN(P) Poland Danzig
Box 22

- 13 -

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 kg.

Not all losses in gold are comprised in the afore mentioned registration. The repatriation of Poles dispersed in the world is not yet completed. A considerable number of people did not register their losses. However the most important fact is that for obvious reasons no registration can include losses of murdered and dead Polish citizens in cases where all the members of a family perished.

On the basis of the above mentioned estimates, namely: the results of the registration and estimates concerning gold looted from inmates of concentration camps it is only fair to put the Polish losses at a minimum figure of 134.000 kg of pure gold, on equivalent of 89.000 000 gold dollars.

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Form I - B - 1

1

Unit: klg. of fine gold /1000/1000/

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 "
£ Engl.	1.869,10	1 "	3689 "
Dutch Florins	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-Afric.	3	0 "	0219 "
Peso Mexic.	135,50	0 "	0393 "
£ Turkish	234,25	1 "	7152 "
Austrian Florin	8	0 "	0058 "
Sovereigns	1.418,50	1 "	0386 "
Yen 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

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 Box 22

Form I - B - 1.

2

Unit: klg of fine gold /:1000/1000:/

September
 1939

T o t a l

Indesgenossenschaft

romberg /Byggoszcz/ coin RM 29.785,80 10 klg 6652 gr

Deutsche Bank

Crakow coin RM 256.394,- 91 kg 898 gr

T o t a l coin RM 286.179,80 102 kg 5632 gr

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Entry Lot 62D115
File I-AN(A) Poland Danzig
Box 22

Form I - B - 1 .

3

1000 klg. of fine gold / 1000/1000 /.

The branch of the Reichsbank in Poznan 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 R.M.	Quantity of fine gold
R.M.	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		7 26.246.17	260 klg. 300 gr.

2/ 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.
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By <u>JW</u> NARA Date <u>12-6</u>

RG	<u>59</u>
Entry Lot	<u>62D115</u>
File	<u>I-AN(A) Poland Danzig</u>
Box	<u>22</u>

Form I - B - 1

4.

Unit: klg. of fine gold /: 1000/1000 :/

- 1/ On the basis of a part of documents possessed by the Post Saving Bank the Germans have taken from the bank safes golden 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
R.M.	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. Shillings	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

- 2/ From safe Nr.1308 belonging to the citizen Alicja Woloszynska 20 klg. gold in bars, 20.000 gold. Dollars, 20.000 golden Francs and 3.000 Austr.ducats(golden) were looted

"	69	"	213
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Total: klg 338 gr 262

Besides about 8,3 klg. of platinum were taken from the Post Saving Bank as well as a great quantity of jewels and other valuables.

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 Box 22

Form I - B - 1

5

Unit: klg of fine gold

The losses of the Polish population declared when registering war losses :

golden coins and gold ingots	\$ U.S.A.	klg.	gr.
	1.534.630	2.309	0353
Austr. Ducats	1.249	4	3000
	75.200	4	3000
L. Engl.	6.182	45	2665
Flor. Austr.	12	0	0348
Flor. Wak 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. Pengo	1.900	0	5000
Roubles	1.023.705	792	5833
Riff Gold coins various kind		1.457	7000
gold ingots		7	0000

Total 4.875 klg.

2/ $\frac{1}{2}$ 50% of the sum of
 326 millions Zlotys
 of declared losses in
 valuables = 163 millions
 of fine gold

27.515 "

Total 32.380 klg.

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Entry Lot 620115
File I-AN(A) Poland Danzig
Box 22

Form. I - B - 1

6

Unit: klg. of fine gold /1000/1000/

1939 - 1945

Total

ooted from murdered

Christian Polish citizens 20.000

Polish Jews 80.000

Total 100.000 kg.

100.000 klg.

208714

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RG 59
 Entry Lot 62D115
 File I-AN(A) Poland Danzig
 Box 22

Form I - B - 1
 7

Unit: klg of fine gold /1000/1000/

		September 1939	Total
		about.	about.
Sold within Country	"Bank von Danzig"	28 milj.guld.	4726 klg.

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Entry Lot 62D115
File I-AN(a) Poland Danzig
Box 22

I - B - 1

8.

Summary of Polish losses in gold as indicated

in detailed lists

Form I - B - 1 / 1 - 7 /

A/ Reichkreditkassen & Emmissionsbank	1654 klg.	191 gr.
"Deutsche Bank Krakau" & "Genossen- chaftsbank Bromberg"	102 "	563 "
Reichsbank branches	4200 "	300 "
Opened Bank-safes	338 "	262 "
Register of war damage	32380 "	-
Looting in camps	100000 "	
	<hr/>	
Total "A"	138735 "	316 "
B/ Exported from the "Bank von Danzig"	4726 "	
	<hr/>	
Total " A " & " B "	143461 klg.	316 gr.

208716

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By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN(A) Poland Danzig
Box 22**COPIE**

The Polish Government beg to refer to the questionnaire forwarded to them by the Tripartite Commission for the Restitution of Monetary Gold concerning the formal registration of the basis and extent of claims to monetary gold found on German territory - and have the honour to submit to His Majesty's Government in the United Kingdom their views on the subject and to request His Majesty's Government to give their support to the same.

The Polish Government have already had the opportunity of requesting their participation in the distribution of the monetary gold found in Germany in accordance with the stipulations of the Final Act of the Paris Conference on Reparations which provides the allocation of the said gold to despoiled countries as restitution of their gold in a ration corresponding to the losses sustained in result of looting or wrongful removal of their gold to Germany. They have submitted their claims in notes delivered in October 1946 to the Governments of the United States of America, the United Kingdom and France and to the Tripartite Commission for the Restitution of Monetary Gold in Brussels, on the basis of par.D.part III of the Final Act

HIS EXCELLENCY
THE RIGHT HONOURABLE
ERNEST BEVIN
HIS MAJESTY'S SECRETARY
FOR FOREIGN AFFAIRS

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of the Paris Conference on Reparations of December 21st 1945.

The Polish Government beg to draw attention to the following facts -

the above-mentioned part III of the Final Act of the Paris Conference while using the terms " gold" or " monetary gold " contains no directive as to the definition of gold which is to be subject to restitution in favour of despoiled countries.

It was only the Tripartite Commission for the Restitution of Monetary Gold in Brussels, which, in connection with the despatch of the above-mentioned questionnaire laid down the definition of gold to be subject to recovery on the basis of restitution. In accordance with the definition established by the mentioned Commission only monetary gold is to be subject to restitution in proportion to losses suffered through looting and wrongful removal. The Commission attempts to define monetary gold as -

" 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 " .

In connection with foregoing, the Polish Government wish to express the view that the gold found in Germany, which was in the possession of the Reichsbank is undoubtedly

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Entry Lot 62D115
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monetary gold. The claim to this gold should however be open to despoiled countries not only in all those cases, where they lost their monetary gold within the meaning of the Tripartite Commission but also in cases where the gold in shape of coins, bars and jewels was looted from the population in consequence of orders issued by the German occupation authorities, forced sales, confiscations during searches, in banks, safes and the gold robbed from millions of victims murdered in camps - and thus subsequently increased the amount of Germany's monetary gold or permitted her to maintain her monetary gold reserves.

The Polish Government are in possession of parts of evidence which can be produced at any time and which prove that the gold

1. confiscated and forcibly purchased from the Polish population on the basis of orders issued by the occupation authorities:
 2. acquired by the Germans by way of forcible opening of Polish bank safes,
 3. acquired through looting of victims in concentration and death camps in Poland
- was turned over to the Reichsbank, thus increasing the German monetary gold reserve.

Apart from the above, looted jewels sold in neutral countries enabled Germany the purchase of gold or by supplying her with foreign exchange, helped her to save and protect her own monetary gold.

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Entry Lot 62D115
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Irrespective of the afore-mentioned, it is conclusive from the activities of Reichskreditkassen, of the so-called Emissionsbank and the branch offices of the Reichsbank which were operating in Polish territory under occupation and in Polish areas incorporated into the Reich, that the mentioned bodies made use of gold looted from private individuals for the purpose of monetary gold which served as gold coverage for the banknotes circulated by them on Polish territory.

In considération of the above the Polish Government have therefore the honour to draw the attention of His Majesty's Government to the fact that the definition of the gold which is to be subject to restitution adopted by the Tripartite Commission in Brussels deprives Poland of the possibility of participation in the distribution of the monetary gold found in Germany, thus seriously affecting Poland's interests which according to estimates amount to 134.000 kilograms of pur gold.

The Polish Government have therefore the honour to request that the definition of gold which is to be subject to restitution be fixed or extended in a manner which would enable the restitution of gold to despoiled countries also in those cases where the gold looted from them contributed to the increase of the German monetary gold reserve or to its maintenance.

The Polish Government have the honour to register at the same time their claim to the gold removed by the

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5

Germans from the "Bank von Danzig" and turned over to the Réichsbank. This gold is valued at 28.000 Danzig guilders. The Polish Government are basing their claim to the gold on the fact that -

1. Poland's sovereignty extended to the Free City of Danzig to which Germany renounced her rights in Treaty of Versailles /par.100/
2. Poland was a co-owner of the "Bank von Danzig", her share amounting to 25 o/o of the stock.

The Polish Government express ~~the~~ hope that the above-presented claims of Poland in view of Poland having suffered enormous losses in all fields, including her gold reserve, will be taken into favourable consideration and her standpoint supported by His Majesty's Government.

The Polish Government have the honour to inform His Majesty's Government that similar notes have been submitted to the Government of the United States of America and the French Republic.

Warsaw, the 12th of April 1947.

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 File I-AN Poland Gold Claim
 Box 22

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TO : Department of State MN

200.6241-Gold/12-1450

FROM : US COMMISSIONER, TCC, AMEMBASSY, BRUSSELS - 200 - December 14, 1950

REF : D-199 - December 13, 1950

SUBJECT : Gold Commission Request for Certain Documents

In the statement made by the Polish representative before the Tripartite Gold Commission on September 5, 1950, copies of which were transmitted with the reference despatch, reference was made to various documents or documentation. The Commission is most desirous of having available for appropriate reference as many of these documents as can be obtained. It has been thought that, perhaps, the following documents could most conveniently be supplied from United States sources:

1. Decision of the Allied Control Council of 21st January, 1946, "placing the problem of restitution on the same footing as resolution 1 of the Paris Agreement".
2. Military Government Regulations (U.S.) of 15th April, 1946.
3. American Law 59 (U.S. Zone - Germany) "implementing the Allied Control Council's Decision of 21st January, 1946".
4. Final Act of the Conference of Bretton Woods, of 22nd July, 1944, insofar as it refers to "the need for safeguarding property and gold looted and expropriated, with a view to returning it to its rightful owners".
5. Department of State Bulletin of June 16, 1946, insofar as it "stresses the rightful claims of Poland".

It will be greatly appreciated if the department will endeavor to furnish copies of the above documents, in quadruplicate if possible, (i.e., one copy for each Commissioner and one copy for the Secretariat) as promptly as may be convenient.



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

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one file *Polish claim to gold*
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 4 Enclosures
 200.6241 GOLD/12-1350

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TO : Department of State - MN
 FROM : US COMMISSIONER, TCC, AMEMBASSY, BRUSSELS - 199 - December 13, 1950
 RE:
 SUBJECT : Statement by Polish Representative before Gold Commission, September 5, 1950.

There are transmitted herewith copies of the verbatim report of the statement made by the representative of Poland at the meeting of the Tripartite Commission for the Restitution of Monetary Gold held in Belgium on Tuesday, September 5, 1950.

The obtaining of copies of this statement has been delayed by various untoward and unforeseen circumstances. However, it will be noted that the statement of the Polish representative is to be continued at some later meeting of the Commission. This future statement, or continuation of the statement, has also been delayed by the absence of the Polish representative in New York, and hence the delay in transmitting copies of the first part of the statement may not have caused any particular inconvenience.

It may be observed that the Polish representative's statement raises certain questions which might be of interest, not only in connection with the Polish claim, but also in connection with the operation of the Commission and of all claims submitted to it. As an example, the Polish representative spoke at some length on the question of the interpretation of the phrase "Monetary Gold". He argued for a liberal interpretation of this phrase, but claimed that the Commission itself was tending to take a restricted interpretation.

It is suggested that his statement might be considered from this broader point of view, as well as from its application to the specific Polish claim. The statement has not yet been formally considered by the Commission itself.

(NOTE: The enclosures consist of the original copy of the Polish representative's statement as received from the Commission Secretariat and as corrected by the Polish representative himself. The other copies have been made from this original, but have not been proof-read.)

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

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RG 59
Entry Lot 62D115
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Box 22

~~EP~~ WJS
POLAND



Poland
Gold

Treaty Series No. 44 (1949)

Protocol
between the Governments of the United Kingdom,
the United States of America and the French Republic
and the Polish Republic relating to
the Restitution to Poland of Monetary Gold
looted by Germany

London, 6th July, 1949

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of His Majesty*

LONDON
HIS MAJESTY'S STATIONERY OFFICE
ONE PENNY NET

Cmd. 7749

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By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN Poland Gold Claim
Box 22

PROTOCOL BETWEEN THE GOVERNMENTS OF THE UNITED KINGDOM, THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC AND THE POLISH REPUBLIC RELATING TO THE RESTITUTION TO POLAND OF MONETARY GOLD LOOTED BY GERMANY

London, 6th July, 1949

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 empowered 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,⁽¹⁾ 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.

(1) "Treaty Series No: 56 (1947)," Cmd. 7173.

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Authority NND968106
By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN Poland Gold Claim
Box 22 208720TRIPARTITE COMMISSION
FOR THE
RESTITUTION OF MONETARY GOLDBrussels, Belgium
August 19, 1948CONFIDENTIAL

No. 386

Rec'd The Honorable
August 26ACTION
OFDThe Secretary of State,
Washington, D. C.

INFO

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TREAS

Subject: Adherence by Poland to Arrangement for
Restitution of Monetary Gold Established
by Paris Reparation Agreement.

Sir:

I have the honor to refer to the American Embassy London Despatch No. 1147 of June 29, 1948, and enclosures. In view of the concern expressed by the Polish representative in the London discussions as to whether Poland would be given an opportunity to state its case fully before the tripartite Commission for the Restitution of Monetary Gold, it seems appropriate to point out for use in any future negotiations on this subject the fact that the Commission has already accorded one hearing to an authorized representative of Poland who had expressed to it a desire to make a statement in support of the claim filed by his Government with the Commission. This hearing occurred on 6 October 1947 when M. Edward Bartol, Charge d'Affaires of Poland in Brussels, appeared before the Commission and made an extended statement in support of Poland's claim. At the conclusion of his presentation he answered various questions put to him by the Commissioners and submitted a 10 page written expose and enclosures attached thereto. M. Bartol expressed to the Commission on behalf of his Government his appreciation of the opportunity which the Commission had afforded him for explaining and supporting his Government's claims. Enclosed for the information of the Department is a copy of the minutes of the Meeting of the Commission at which the hearing was held and of the expose filed with the Commission by M. Bartol.

No application for a further hearing has been made to the Commission by representatives of the Government of Poland.

In the light of the above it is difficult to find any justification whatever for the Polish expressions of anxiety as to whether or not Poland would be afforded a full hearing by the Commission if it should sign the proposed Protocol.

The Polish request for assurances that they will receive "an adequate reply on all questions of substance" from the Commission raises a more difficult question. I do not believe that there should be any hesitation in assuring Poland that the Commission will make a statement as to its reasons for any action it may take upon Polish claims. Guaranteeing that the Commission will make a statement which Poland will regard as "adequate" however is something else again and would come dangerously close to agreeing to satisfy Poland.

Poland has on several occasions questioned the basis upon which the Commission was proceeding in carrying out its work and has in this connection submitted several communications to the Allied Powers concerned and to the

Commission

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By JW NARA Date 12-6RG 59Entry Lot 62D115File I-AN Poland Gold ClaimBox 22 208727

Despatch # 386

Page 2.

Commission itself. The Commission has taken the position that it could not properly make and publish any ruling on the validity of Poland's claims at a time when that country's participation in the gold pool was still under consideration and subject of diplomatic negotiations. Nor did it feel it appropriate under such circumstances to enter into a discussion with the Government of Poland as to the propriety of its actions. It is possible that this attitude of the Commission is the basis of Poland's insistence on receiving assurances that a statement will be forthcoming from the Commission concerning the allowability of its claims. If and when Poland should sign the Protocol I do not believe that there would remain any further obstacle either to the Commission's giving Poland any further hearing she may desire or to its making a ruling on the validity of Poland's claims and stating the basis thereof. In view of what is known of Poland's attitude, it would, however, seem to be unwise to agree that that country is to be the judge of the adequacy or reasonableness of the Commission's statement.

Respectfully yours,

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

Enclosures:

- (1) Minutes of 12th Meeting of Commission.
- (2) Expose submitted by M. Bartol.

cc: L. P. Bartlett, First Secretary
American Embassy, London.

American Embassy, Warsaw, Poland.

Original and Ozalid to Department

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Authority NND968106
By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN Poland Gold Claim
Box 22 208728RESTRICTED

Enclosure 1 in despatch No. 1447 of June 29, 1948 from the Embassy in London

(COPY)

CJ 3064.104.182
D.J.RESTITUTION OF MONETARY GOLD
PURSUANT TO PART III OF THE ACT OF PARISParticipation of Poland in the distribution of gold
by the Tripartite Commission for the Restitution of
Monetary Gold

26th June 1948

British draft
for agreed re-
cord of meet-
ing. Subject
to amendment
by all parties
concerned

at 4 P.M. on 7th June, 1948, M. K. Alexandrowicz and M. P. Rolande of the Polish Embassy called at the Foreign Office, London, to discuss the terms on which it was proposed that Poland should participate in the distribution of monetary gold.

They were met by Mr. F. P. Bartlett of the United States Embassy, M. R.P. Festy of the French Embassy, and by Mr. D.L. Haviland, Mr. D.A. Johnston and Mr. D.W. Royce of the Foreign Office.

The text of the draft Protocol which was to be discussed is annexed to this minute.

Mr. Johnston reviewed the previous negotiations. When representatives of the four Governments had last met to discuss the draft Protocol on 15th January, 1948, Dr. Lachs had asked whether, in the event of the Polish Government agreeing to sign the Protocol as drafted, the other three Governments would be willing to sign an interpretive letter declaring that nothing in the Protocol should be taken to imply that Poland was being admitted to participation in the "Pool" of monetary gold upon terms less favourable or with rights less than those accorded to other members. The American, British and French representatives had undertaken to consider this suggestion if the Polish Government would put forward a draft for the proposed letter. On 12th March M. Alexandrowicz had left with him a draft, which had since been considered by the three Governments.

Mr. Johnston, emphasising that he was speaking on instructions, said that H.M. Government were not prepared to sign such an interpretive letter as had been proposed. The Protocol offered to the Polish Government for signature was in all essential respects identical with the Protocol by which the Governments of Austria and Italy had been admitted to the Pool. Precedents had thereby been established from which H.M. Government were unwilling to depart. Were an interpretive letter to be signed, purporting to clarify the meaning of article 3 of the Protocol, the two documents might seem to conflict, in which event difficulty and confusion would arise such as H.M. Government were anxious to avoid

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By JW NARA Date 12-6RG 59Entry Lot 62D115File I-AN Poland Gold ClaimBox 22 208729RESTRICTEDp.2, Enclosure 1,
Despatch 1447

On previous occasions, Dr. Lachs and M. Alexandrowicz had expressed the desire of the Polish Government to accede to the eighth of the resolutions published as an annex to the Final Act of the Paris Conference. Mr. Johnston said that H.M. Government could not agree to this. The resolution concerned was not part of the Act of Paris. It was no more than a recommendation by delegates to their Governments. Whether the Governments participating in the distribution of monetary gold had a right to appeal from the decision of the Tripartite Commission was a question which had not been tested. H.M. Government thought the participating Governments had no such right of appeal, and were not willing to do anything which might be thought to imply that they had.

Mr. Bartlett said that the attitude of the United States Government, which he had been instructed to express, was substantially the same as that of H.M. Government as Mr. Johnston had described it. The United States Government could certainly not agree that the resolution referred to was binding upon any of the Governments to whom it was addressed.

M. Testy said he had received very clear instructions from his Government. The French Government could not agree either to any further amendment of the draft Protocol or to the signature of an interpretive letter. The French Government agreed with the Governments of the United Kingdom and of the United States that no useful purpose would be served by the accession of the Polish Government to the eighth resolution annexed to the Act of Paris. The French Government indeed went further. Were the three Governments to admit the right of the Polish Government, in certain circumstances, to appeal to the International Court they would be specifically according to the Polish Government rights of which the possession by other Governments participating in the Pool was, to say the least, problematical. This would be equivalent to giving the Polish Government a position of special advantage.

M. Alexandrowicz said he was glad to observe from the draft Protocol before him that the American, British and French representatives had agreed to omit from Article 2 the words "without prejudice to claims by way of reparation for unreturned gold". He asked whether they could not, even now, agree to omit the whole of article 3. Article 2 bound the Polish Government to accept the decisions of the Tripartite Commission; and article 3, as he had contended before, was therefore superfluous.

The American, British and French representatives replied that their Governments still insisted upon the retention of article 3. Their Governments were inflexibly determined to adhere to the definition of monetary gold adopted by the Tripartite Commission, and to allow no opportunity for the work of the Commission to be obstructed; they, therefore, considered article 3 an indispensable safeguard.

M. Alexandrowicz said that although he could not but recognise the determination of the three Governments to maintain the definition of monetary gold, his Government attached the greatest importance to having an opportunity of

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Despatch 1447

stating its case fully before the Tripartite Commission and to receiving from the Commissioners a full and reasoned reply. His Government feared that were they to agree to Article 3 of the Protocol, the Commissioners might refuse to hear the Polish case upon the grounds that the definition of monetary gold was a "past act" within the meaning of Article 3 and could not, therefore, be discussed with the Polish representative. The Polish Government was prepared to accept without comment the procedural rules which had been adopted by the Tripartite Commission for the restitution of monetary gold, but desired to be assured of their right to be heard, and to receive an adequate reply, on all questions of substance. Their duty to their own people required no less, and Article 3 in its present form might constitute an obstacle to such an exposition of the Polish views before the Gold Commissioners.

L. Alexandrowitz then turned to the question of the eighth resolution annexed to the Act of Paris. He said that the Polish Government could not but regard the refusal of the other three Governments to allow Poland to accede to this resolution as an act of discrimination against Poland. There might be, as had been suggested, some doubt as to the legal force of the resolution; but it seemed to the Polish Government that it was plainly intended to give participants in the distribution of monetary gold the right to take disputes to the International Court that had not been settled by other means. There appeared also to be some doubt whether the participant Governments had a right of appeal from the decisions of the Tripartite Commission. But, however slender and uncertain were the rights of the other participating Governments in this matter, the Polish Government wished to possess them. He would be prepared to suggest to his Government that if the Polish Government were allowed to accede to the eighth resolution they should give suitable assurances to the other Government concerned that the right to appeal to the International Court would not be abused or frivolously exercised.

The British representatives repeated that H.M. Government were not willing either to dispense with Article 3 of the Protocol, or to agree to the signature of the eighth resolution. The Governments of the United States, of France and of Great Britain had been entrusted with the implementation of Part III of the Final Act of the Paris Conference; the other Governments participating in the Pool were obliged to accept the administrative measures and the decisions of the Tripartite Commission for the restitution of monetary gold which these three Governments had established. The Commission was itself a semi-judicial body. If the Polish Government signed the Protocol as it stood they would be in no different position from the other participating Governments; and they could rely on the word of the Governments of the United States, France and Great Britain that no discrimination would be exercised against them.

The British representatives saw no difficulty in the desire of the Polish Government to state their views before the Tripartite Commission and to receive a reasoned answer to

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By JW NARA Date 12-6RG 59
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Despatch 1447

any question they might raise. Although the Polish Government would have bound themselves to accept the decisions, past and future, of the Tripartite Commission, there was no reason why the Polish representative in Brussels should not raise any questions he wished with the Commissioners, and it was unthinkable that he should not receive a full and courteous reply.

M. Festy reminded M. Alexandrowicz that the Polish Government was not the only Government some of whose claims for the restitution of gold were necessarily excluded by the definition which the Tripartite Commission had adopted; the French Government had of its own volition withdrawn more than 2,000 claims which they had presented to the Tripartite Commission in respect of gold looted from French citizens by the Germans. The French Government considered themselves justified in insisting that the Protocol should be signed without further modification by the fact that the Polish Government in their Note of October, 1947, had, in effect, asked that the whole work of the Tripartite Commission up to that time should be set aside and the distribution of gold begun again from the beginning according to different principles. He, too, saw no obstacle to the Polish representative in Brussels discussing freely with the Gold Commissioners any questions which he wished to raise once the Polish Government had signed the Protocol.

Mr. Bartlett restated the attitude of his Government to the eighth resolution. He suggested that the Polish Government might address a Note to the other Governments concerned, recommending that any disputes which might arise from the Protocol should be referred, if necessary, to the International Court. He agreed that once the Protocol had been signed and the Polish Government admitted to participation in the Pool, the Polish representative in Brussels would be able to state the views of his Government before the Tripartite Commission. There was no doubt that the Commissioners would be willing to hear the Polish representative fully, and would return a reasoned and detailed reply; if M. Alexandrowicz desired further assurance of this he had no doubt that the three Governments would be willing to instruct the Commissioners to hear the Polish case and to explain fully the policy they were pursuing. The Commissioners, however, were reasonable men and he thought such formal instructions would be superfluous.

M. Alexandrowicz said he would have to ask his Government for further instructions since he could not agree to the signature of the Protocol in its present form. He deeply regretted the refusal of the other Governments to agree to the signature of an interpretive letter such as he had suggested. He was glad to know that, if his Government should finally agree to sign the Protocol, the Polish representative in Brussels would be entitled to a hearing before the Tripartite Commission. He would, however, like some written assurance that this would be the case; and he thought that an agreed record of the discussion which had taken place would be sufficient for his purpose and of great assistance to the Polish Government. He asked if the others would agree to this.

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By JW NARA Date 12-6

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Box 22

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The American, French and British representatives agreed that a signed record of the discussion should be produced, and that it should clearly incorporate the assurances which they had given M. Aleksandrowicz about the right of the Polish representative in Brussels to be heard and answered by the Tripartite Commission.

Foreign Office,

S.W.1.

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Authority NND968106
By JW NARA Date 12-6RG 59Entry Lot 62D115File I-AN Poland Gold ClaimBox 22RESTRICTEDANNEXPROTOCOL

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 empowered 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 Reparations Agency and on the Restitution of Monetary Gold signed at Paris on January 14th, 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 day of _____ 1948, 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:

For the Government of the French Republic:

For the Government of the United Kingdom of Great Britain and Northern Ireland:

For the Government of Poland:

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Authority NND968106
By JW NARA Date 12-6RG 59Entry Lot 62D115File I-AN Poland Gold ClaimBox 22RESTRICTED

2273

Secretary of State
WashingtonA- 1200Subject: Polish Gold Talks

FROM LONDON

DATE June 8, 1948

REC'D June 11, 2:28

Poland
Gold

ACTION: E

INFO:

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OCD

CIA

FC

At a meeting held on June 7, 1948 in the office of Mr. D.W.G.L. Haviland, head of the German General Economic Department, Foreign Office, representatives of the Embassy, Foreign Office and French Embassy discussed with representatives of the Polish Embassy the proposed Protocol regarding Poland's adherence to the arrangement for the restitution of monetary gold set forth in Part III of the Final Act of the Paris Conference on Reparation (Embassy's telegram 2434, June 3 to the Department, 89 to Brussels, 46 to Warsaw).

At this meeting a representative of the Foreign Office explained to the Polish representative that it had been agreed by the United States, French and British Governments that an interpretative letter indicating that Poland would not be discriminated against if it became a member of the monetary gold pool was unnecessary and undesirable, but that he could assure his Government that it would not be discriminated against as a participant in the pool.

The Polish representative expressed his disappointment in the decision and proceeded to argue the two points which he had set forth at previous meetings: (1) that Poland wished to have paragraph 3 of the proposed Protocol omitted, and (2) that it wished to adhere to resolution 8 annexed to the Final Act of the Paris Conference on Reparation.

In connection with point (1) it was explained to the Polish representative that paragraph 3 had been inserted in the proposed Protocol in order to make certain that the work of the Tripartite Commission during the past two years should not be upset. Upon his insistence, however, that Poland at least should have an opportunity to state its case before the Tripartite Commission should it decide to join the pool, the Polish representative was assured that Poland would have full opportunity to

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 Authority NND968106
 By JW NARA Date 12-6

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 Box 22

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A-1200, p.2.
 FROM LONDON
 June 8, 1948

present its case and would receive a reasoned reply from the Commission. It was clearly indicated to him, however, that under the proposed Protocol Poland would have to accept the arrangements in the same way as Italy and Austria, and that as he was aware the decision regarding the definition of "monetary gold" might well be in the negative. The Polish representative, apparently anxious to be able to report something favorably back to Warsaw, then requested that a letter accompany the Protocol which would assure Poland that it would have full opportunity to present its case. This did not appear desirable, and it was finally agreed that possibly a copy of the minutes of the meeting might be sufficient. These minutes are to be prepared in the first instance by the Foreign Office.

On the second point, Poland's adherence to resolution 8, it was pointed out to the Polish representative that this resolution was recommendatory only, and that it applied to the Final Act as a whole and not just to Part III, since the members of the Tripartite Commission are quite different from the signatory governments of the Act. The Polish representative then requested a letter permitting Poland to adhere to the resolution on the understanding that it would enjoy under it whatever privileges might be accorded because of it to the other participants in the pool. This suggestion could not be agreed to since, as it was explained to the Polish representative, one of the basic reasons for not including an interpretative letter had been to keep a complicated situation from becoming more so. A letter such as Poland was suggesting could potentially be similarly confusing.

At the conclusion of the meeting, the Polish representative stated that he would have to communicate with his Government before he could inform the other three Governments whether his Government would, under the circumstances outlined at the meeting, authorize him to sign the Protocol without any interpreting documents.

DOUGLAS

FPBartlett/mw

Copies to Brussels and Warsaw

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Authority NND968106
By JW NARA Date 12-6RG 59Entry Lot 62D115File I-AN Poland Gold ClaimBox 22FN - ~~Mr. Breitner~~
Mr. Stibrauch

CONFIDENTIAL

E - Mr. Reinstein

FN - Mr. Fletcher

Polish Gold Claim

May 5, 1948

In compliance with your telephone request, please find attached copies of two departmental notes on subject matter addressed to the Polish Ambassador.

Poland has submitted her claim for about 140,000 kilograms (\$155 million) of gold to the Tripartite Gold Commission, Brussels. The Commission has made a final decision to disallow 130,382 kilograms as not covered by its definition of monetary gold and is considering as possibly valid 7,259 kilograms (\$8 million) out of this claim. (In an other cable from Brussels the figure reported is 6,665 kilograms.)

The Polish claim also included an additional amount of about 4,000 kilograms in the name of Danzig. The Danzig claim by final decision of the Commission was allowed to the extent of 3,821 kilograms (\$4.1 million), ^{representing} the published figure of Danzig gold reserve as of August 1939. The allotment was made upon Department instructions not on Poland's account but as a set-aside for Danzig until ultimate decision regarding the political status of Danzig is made.

The Commission cannot make any allocation to Poland nor send her any formal notification or explanation before Poland is formally admitted to the Gold Pool by signing the "London Protocol" which includes a statement of adherence to the arrangements of Part III of the Paris Reparations Agreement, to which Poland was not co-signer.

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 Authority NND968106
 By JW NARA Date 12-6

RG 59
 Entry Lot 62D115
 File I-AN Poland Gold Claim
 Box 22

**DEPARTMENT OF THE ARMY
 STAFF MESSAGE CENTER
 INCOMING CLASSIFIED MESSAGE**

SECRET TOT

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE
 FER PARAS 51i and 60a (4) AR 380-5

From: **OMGUS** Berlin, Germany sgd Hays

To: Chief of Staff for CSCAD

Nr: **CC-2971** 23 January 1948

Reurad WX-93380. Since all monetary gold held at Foreign Exchange Depository is scheduled for delivery on order of Tripartite Gold Commission, we suggest that all German records in possession of Foreign Exchange Depository reflecting monetary gold movements such as Prussian mint and Reichs Bank records be delivered to Tripartite Gold Commission against receipt providing for return to OMGUS of records upon demand. This would facilitate their study of claims such as Polish claim recently submitted to Gold Commission for gold looted in Poland. Preliminary examination of these records indicates possibility that certain amount of monetary gold might have been looted Poland. Thorough examination of records not possible here because of personnel shortage. Please advise.

End

DIVISION OF FINANCIAL AFFAIRS

JAN 27 1948

DEPARTMENT OF STATE

**DIVISION OF OCCUPIED AREAS
 ECONOMIC AFFAIRS**

JAN 27 1948
DEPARTMENT OF STATE

ACTION: CAD

INFO: CAD (State), OUS, PO

CM-IN 4335 (24 Jan 48) DTG 231744Z svc

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT, 50 U. S. C. 31 AND ITS TRANSMISSION OR REVELATION OF ITS CONTENT IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

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COPY NO.

3883

DECLASSIFIED

Authority NND968106
By JW NARA Date 12-6RG 59Entry Lot 62D115File I-AN Poland Gold ClaimBox 22**INCOMING TELEGRAM**

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

SECRET

4

Control 4531

Rec'd January 16, 1948
9:17 a.m.

Action: OFD

Info:

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FROM: London

TO: Secretary of State

NO: NIACT 165, January 16, 1 p.m.

US URGENT

OFFICE OF
FOREIGN & POLITICAL AFFAIRS
JAN 16 1948
DEPARTMENT OF STATE

Poles advised paragraph three gold protocol must stand. (EMBSTEL 133, January 13 to Department repeated Brussels 2, Warsaw 4.) However Poles greatly concerned over status in pool reiterating they accept past arrangements of tripartite commission, don't want any rights other members don't have but do want equal right with members including possibility of questioning future tripartite compacts.

In repeated lengthy and excellent legal argument Poles have raised hitherto unconsidered points of legal rights, etc. Poles assert agreement expressed verbally in recent Foreign Office meetings that Poles have right to tripartite commission hearing on their October 25 note and equal right with other members to questioning within commission future acts of commission not possible under strictly legal interpretation paragraph three. Accordingly Poles requested letter be presented with protocol more exactly stating rights Poles do have. Foreign Office, etc. well aware Poles will pursue such rights to limit and necessity carefully considering advisability such letter. Draft test follows soonest possible.

Test protocol without phrase "without prejudice, etc." agreed with Poles (DEPTEL 144, January 15, to London, repeated 64 Brussels.) Telegraphing text Warsaw.

Repeated Brussels for Dorr 3, Warsaw 6.

GALLMAN

MRM:MEW

SECRET

INFORMATION COPY

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draft.

Polish
Greek

American Embassy
London

Restricted

1. Dept agrees ~~principles~~ ^{generally ~~same~~ terms} British reply to letter French Emb May 15, London 2803 May 19, ^{subsequently} ~~rep~~ ^{rep} to Brunel ~~///~~ upon Dept request.

2. Substance of Polish note, ~~except Danyig question~~ (which was also received Dept via Amemb Moscow), except Danyig issue, will be handled Tripartite Commission. Dorr submitted draft reply advising Polish Government specify all claims they believe to have without explaining Commission's reasons for limited definition. Dept requested Dorr avoid language that could unduly raise Polish hopes.

3. Statement by Tripartite Commission explaining technical reasons for narrow definition of monetary gold should be issued only after study of claims received and after receipt of additional information requested from Polish and Greek govt. Greeks after informal inquiry Dept, submitted letter Tripartite Commission dated May 10 objecting narrow definition similar grounds Polish. ~~Dorr~~ ^{reply} submitted draft reply from Commission along lines ~~Polish~~ ^{to Dept's knowledge} to Poles.

2 May 28

Col of numbers

4. Re Danyig claim no questionnaire, sent Danyig by Commission which ~~therefore~~ however will have to consider Danyig claim along lines stated Moscow decision.

5. Dept preparing short ^{reply} note to Polish Emb Wash. ~~advising~~ ^{advising} that substance being handled Tripartite Commission and ~~with respect~~ re Danyig referring to Moscow decision.

Rep. Brunel for Dorr, Paris (3)

GA, FN, FUV

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Authority NND968106
By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN Poland Gold Claim
Box 22Final TextC
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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 empowered 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.

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Authority NND968106
By JW NARA Date 12-6RG 59
Entry Lot 620115
File I-AN Poland Gold Claim
Box 22*Sharon Colvard Eubank**Mr. Stibraney*

The Polish Government beg to refer to the questionnaire forwarded to them by the Tripartite Commission for the Restitution of Monetary Gold concerning the formal registration of the basis and extent of claims to monetary gold found on German territory - and have the honour to submit to the Government of the United States of America their views on the subject and to request the United States Government to give their support to the same.

The Polish Government have already had the opportunity of requesting their participation in the distribution of the monetary gold found in Germany in accordance with the stipulations of the Final Act of the Paris Conference on Reparations which provides the allocation of the said gold to despoiled countries as restitution of their gold in a ratio corresponding to the losses sustained in result of looting or wrongful removal of their gold to Germany. They have submitted their claims in notes delivered in October 1946 to the Governments of the United States of America, the United Kingdom and France and to the Tripartite Commission for the Restitution of Monetary Gold in Brussels, on the basis of par. D. part III of the

HIS EXCELLENCY
THE HONOURABLE
GEORGE MARSHALL
SECRETARY OF STATE

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Authority NND968106
By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN Poland Gold Claim
Box 22

-2-

Final Act of the Paris Conference on Reparations
of December 21st 1945.

The Polish Government beg to draw attention
to the following facts -

the above-mentioned part III of the Final
Act of the Paris Conference, while using the terms
"gold" or "monetary gold" contains no directive
as to the definition of gold which is to be subject
to restitution in favour of despoiled countries.

It was only the Tripartite Commission for the
Restitution of Monetary Gold in Brussels, which
in connection with the despatch of the above-men-
tioned questionnaire laid down the definition of
gold to be subject to recovery on the basis of res-
titution. In accordance with the definition establi-
shed by the mentioned Commission only monetary gold
is to be subject to restitution in proportion to
losses suffered through looting and wrongful remo-
val. The Commission attempts to define monetary gold
as -

"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."

In connection with the foregoing, the Polish
Government wish to express the view that the gold
found in Germany which was in the possession of the

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By JW NARA Date 12-6RG 59
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Box 22

-3-

Reichsbank is undoubtedly monetary gold. The claim to this gold should, however, be open to despoiled countries not only in all those cases, where they lost their monetary gold within the meaning of the Tripartite Commission but also in cases, where the gold in the shape of coins, bars and jewels was looted from the population in consequences of orders issued by the German occupation authorities, forced sales, confiscations during searches, in banks, safes and the gold robbed from millions of visitors murdered in camps - and thus subsequently increased the amount of Germany's monetary gold or permitted her to maintain her monetary gold reserves.

The Polish Government are in possession of parts of evidence, which can be produced at any time and which prove that the gold

1. confiscated and forcibly purchased from the Polish population on the basis of orders issued by the occupation authorities,
2. acquired by the Germans by way of forcible opening of Polish bank safes,
3. acquired through looting of victims in concentration and death camps in Poland

was turned over to the Reichsbank, thus increasing the German monetary gold reserve.

Apart from the above, looted jewels were sold in neutral countries and enabled Germany the purchase of gold or by supplying her with foreign exchange helped her to save and protect her own monetary gold.

Irrespective of the afore-mentioned, it is conclusive from the activities of the Reichskreditkassen, of the so-called Emissionbank and the branch

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By JW NARA Date 12-6RG 59
Entry Lot 62D115
File I-AN Poland Goldclim
Box 22

-4-

offices of the Reichsbank, which were operating in Polish territory under occupation and in Polish areas incorporated into the Reich, that the mentioned bodies made use of gold looted from private individuals for the purpose of monetary gold which served as gold coverage for the banknotes circulated by them on Polish territory.

In consideration of the above, the Polish Government have, therefore, the honour to draw the attention of the United States Government to the fact that the definition of the gold which is to be subject to restitution adopted by the Tripartite Commission in Brussels deprives Poland of the possibility of participation in the distribution of the monetary gold found in Germany, thus seriously affecting Poland's interests which, according to estimates, amount to 134,000 kilograms of pure gold.

The Polish Government have, therefore, the honour to request that the definition of gold which is to be subject to restitution be fixed or extended in a manner which would enable the restitution of gold to despoiled countries also in those cases where the gold looted from them contributed to the increase of the German monetary gold reserve or to its maintenance.

The Polish Government have the honour to register at the same time their claim to the gold removed by the Germans from the "Bank von Danzig" and turned over to the Reichsbank. This gold is valued at 28,000 Danzig guilders. The Polish Government are basing their claim to the gold on the fact that -

1. Poland's sovereignty extended to the Free City of Danzig, to which Germany renounced her rights

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in the treaty of Versailles (par. 100)

2. Poland was a co-owner of the "Bank von Danzig", her share amounting to 25% of the stock.

The Polish Government express the hope that the above-presented claims of Poland, in view of Poland having suffered enormous losses in all domains, including her gold reserve, will be taken into favourable consideration and her standpoint supported by the United States Government.

The Polish Government have the honour to inform the Government of the United States of America that similar notes have been submitted to the Governments of the United Kingdom and the French Republic.

Warsaw, the 12th of April 1947.

SEAL

MINISTERSTWO SPRAW

ZACRAMICZNYCH

208745

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Authority NND968106
By JW NARA Date 12-6RG 59Entry Lot 62D115File I-AN Poland Gold ClaimBox 22

April 1, 1947

CONTROL COUNCIL

DEFINITION OF THE TERM "RESTITUTION"

1. The question of restitution of property removed by the Germans from Allied countries must be examined, in all cases, in light of the Declaration of January 5th, 1943.

2. Restitution will be limited, in the first instance, to identifiable goods which existed at the time of occupation of the country concerned and which have been taken by the enemy by force from the territory of the country.

Also falling under measures of restitution are identifiable goods produced during the period of occupation and which have been obtained by force.

All other property removed by the enemy is eligible for restitution to the extent consistent with reparations. However, the United Nations retain the right to receive from Germany compensation for this other property removed as reparations.

3. As to goods of a unique character, restitution of which is impossible, a special instruction will fix the categories of goods which will be subject to replacement, the nature of these replacements, and the conditions under which such goods could be replaced by equivalent objects.

4. Relevant transportation expenses within the present German frontiers and any repairs necessary for proper transportation including the necessary manpower, material and organization, are to be borne by Germany and are included in restitutions. Expenses outside Germany are borne by the recipient country.

5. The Control Council will deal on all questions of restitution with the Government of the Country from which the objects were looted.

Approved at Berlin 21 January 1946

Appendix 'A' to
CONL/P(46)3(Revise)

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By JW NARA Date 12-6

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File I-AN Poland Gold Claim
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DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

file - gold pot

DEPARTMENT OF STATE
INCOMING TELEGRAM

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Paraphrase before communicating except to Govt Agencies.

SECSTATE

Brussels

Dated October 10, 1946

Rec'd 6:22 p.m., 10th.



1333, October 10, 2 p.m.
FOR GA FROM DORR

One. Gold Commissioners have received from Polish Legation Brussels note averring totality Polish monetary gold Germany looted and assuming Commission will entertain claims now being prepared in detail.

Two. In view DELSEC 4817 to Dept September 25, please instruct whether Poland should be told (A) she will participate and should submit claim (B) decision her participation still undecided but to submit claim (C) Gold Commission cannot decide participation and communication should be addressed US, UK, France. Any indication that matter of Polish participation still undetermined might lead Yugoslavia to press for Assembly decision on all participations on claim IARA countries are "allied govts concerned".

Three. Doubt decision gold pot participation can be much longer postponed anyway. Believe Commission may be queried re non-IARA participations when gold questionnaire goes out regardless our Polish reply. Dept may wish consider whether preferable to be prepared if necessary propose agreed US, UK, French list of participants rather than deal with single cases in fortuitous order.

Repeated SECDEL Paris for Thorpe 166.

KIRK

MJF:ABC

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THE DEPARTMENT OF STATE

BULLETIN

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The Paris Agreement on Reparation From Germany

Article by JOHN B. HOWARD¹

THE EIGHTEEN-POWER Paris Conference on Reparation was in session from November 9 to December 21, 1945. It was convened upon the invitation of the Governments of the United States, the United Kingdom, and France, as the powers occupying the three western zones of Germany. The other participating countries were Albania, Australia, Belgium, Canada, Czechoslovakia, Denmark, Egypt, Greece, India, Luxembourg, the Netherlands, New Zealand, Norway, the Union of South Africa, and Yugoslavia. James W. Angell, United States representative on the Allied Commission on Reparation—Germany, was the Delegate of the United States at the Conference. D. Maynard Phelps, deputy United States representative on the Allied Commission was Deputy Delegate.

The Paris Conference recommended to the participating governments the adoption of the Paris Agreement on Reparation.² This agreement was signed on January 14, 1946 by a sufficient number of governments to bring it into force on that date and has now been signed by all of the 18 governments which participated in the Paris Conference.

I

The basic program of the United States and its Allies for the satisfaction of their reparation claims against defeated Germany is contained in two complementary agreements—the tripartite Potsdam Agreement³ of August 2, 1945 and the 18-power Paris Agreement on Reparation of January 14, 1946 resulting from the Paris Conference on Reparation.

At the Potsdam Conference the Governments of the United States, the Union of Soviet Socialist Republics, and the United Kingdom agreed upon the principles of a plan for the exaction of reparation which formed an integral part of a coordinated Allied political and economic policy toward Germany. The World War I con-

ception of reparation as the maximum obtainable financial compensation in fixed sums of money for the staggering costs of war to the Allies was abandoned. The application of this conception had actually transferred much of the real burden of German reparation to the Allies, in the form of repudiated loans. Instead, the Potsdam Agreement established two major new principles. First, it was agreed that the primary objective should be the establishment of military and economic security against renewed German aggression, not the maximizing of reparation receipts. Second, it was agreed that reparation should be paid by Germany in kind, rather than in cash, the payment in kind to be made out of such German assets as would, if left under German control, constitute an economic base for future aggression by Germany but would, if received as reparation, hasten the economic recovery of the United Nations. The total amount and duration of reparation and, to some extent, the character of the reparation assets to be made available by Germany were not fixed in advance but were made dependent upon subsequent determinations to be reached by the Control Council for Germany with respect to the establishment of the German economy on a peaceful basis.

Agreement was also reached at Potsdam upon a plan for the division of German reparation assets between the Union of Soviet Socialist Republics and Poland, on the one hand, and the United States, the United Kingdom, and other countries entitled to reparation, on the other hand. Under this plan and subsequent decisions the principal

¹ Special Adviser to James W. Angell, U. S. representative on the Allied Commission on Reparations for Germany and U. S. Delegate to the Paris Conference on Reparation. Mr. Howard also acted subsequently as alternate to the U. S. Delegate to the Inter-Allied Reparation Agency.

² For text of the Paris Agreement on Reparation, see BULLETIN of Jan. 27, 1946, p. 114.

³ For text of the Potsdam Agreement, see BULLETIN of Aug. 5, 1945, p. 153.

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assets out of which the reparation claims of the countries in the latter group are to be satisfied include:

1. German enemy assets within the jurisdiction of these countries.
2. German external assets within the countries which remained neutral in the war against Germany.
3. 75 percent of the industrial capital equipment to be removed from the western zones of Germany.⁴
4. Two thirds of the German merchant marine.⁵
5. The commodities to be delivered by the Union of Soviet Socialist Republics (referred to hereafter as Russian reciprocal deliveries) in exchange for receipt of 15 percent of the industrial capital equipment to be removed from the western zones of Germany.⁶

At the Paris Conference on Reparation the governing principles and the mechanism were established for the division of these reparation assets among the 18 governments which participated in

⁴ Of the 25 percent which is to be allocated to the U.S.S.R. and Poland, 10 percent represents reparation to these countries and 15 percent is to be paid for by the U.S.S.R. in food, raw materials, and other products.

⁵ The Potsdam Agreement provided for equal distribution of the surrendered German merchant marine among the U.S.S.R., United States, and United Kingdom. It provided further that the U.S.S.R. would provide out of its share for Poland and that the United States and United Kingdom would provide, from their shares, appropriate amounts for other Allied countries whose merchant marines have suffered heavy losses in the war against Germany. The ships allocated to the United States and United Kingdom, in accordance with their respective one-third shares, have been made available by these countries to the Inter-Allied Reparation Agency, referred to below, for distribution by the Agency among the 18 member governments in accordance with the principles of allocation established in the Paris Agreement.

⁶ Although the Potsdam Agreement does not expressly so provide, it has been decided that Russian reciprocal deliveries should constitute a source of reparation to the countries other than U.S.S.R. and Poland.

⁷ For text of the report on the Crimea (Yalta) Conference, see BULLETIN of Feb. 18, 1945, p. 213.

⁸ Reparation assets were divided into two categories because of the decision of the United States, discussed below, not to claim so large a share of industrial equipment as of other forms of reparation assets and because of the greater administrative convenience of allocating individual items of reparation in accordance with separate shares for these two categories.

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the conference. Arrangements are under consideration whereby certain other governments which are entitled to receive reparation from Germany and which did not participate in the conference will meet their reparation claims from German external assets within their several jurisdictions.

II

Several major results were achieved by the Paris Conference and by the Paris Agreement:

1. Agreement was reached among the 18 governments on their respective shares in all assets available to these governments collectively as reparation from Germany.

In the establishment of reparation shares the Paris Conference was guided by the principle, agreed upon at the Yalta Conference of February 1945,⁷ that reparation from Germany should be received in the first instance by those countries which have borne the main burden of the war, have suffered the heaviest losses, and have organized victory over the enemy. To insure the attainment of an equitable distribution of reparation assets in the light of this principle, the conference examined extensive data submitted by the participating governments relating to their reparation claims against Germany. The data covered a number of categories such as war damage, war expenditures, costs of German occupation, man-years spent in the armed forces and war production, and loss of life. The sum total of claims for direct damage, war expenditures, and occupation costs alone amounted to almost \$300 billion, an amount obviously tremendously in excess of the total value of any probable available German reparation assets.

This statistical data necessarily provided much of the basis for determining the relative sizes of the reparation shares of the several countries. Nevertheless, it was clear to the delegates to the conference that no single formula could be devised which would adequately take into account the statistical non-comparability of the different categories of losses and the numerous non-statistical factors inherent in the Yalta principle for the equitable division of reparation assets.

The reparation shares agreed upon assign separate percentage shares to each government in two different categories of reparation assets.⁸ One category, designated A, includes all reparation

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assets⁹ except industrial and other capital equipment removed from Germany and merchant ships and inland water transport. The latter types of assets comprise the other category, designated B. These percentage shares for the 18 governments are as follows:

Table of Shares

Country	Percentage share	
	Category A	Category B
Albania	0.05	0.35
United States ¹⁰ of America	28.00	11.80
Australia	0.70	0.95
Belgium	2.70	4.50
Canada	3.50	1.50
Denmark	0.25	0.35
Egypt	0.05	0.20
France	16.00	22.80
United Kingdom	28.00	27.80
Greece	2.70	4.35
India	2.00	2.90
Luxembourg	0.15	0.40
Norway	1.30	1.90
New Zealand	0.40	0.60
Netherlands	3.90	5.60
Czechoslovakia	3.00	4.30
Union of South Africa	0.70	0.10
Yugoslavia	6.60	9.60
	100.00	100.00

The reparation receipts to which the United States is entitled, as a consequence of its percentage shares as shown above and of the special provisions of the Paris Agreement applying to German external assets and to receipts of German merchant ships, may be summarized as follows:¹⁰

(a) All German external assets within the jurisdiction of the United States, estimated at some \$200 million;

(b) 28 percent of German external assets in neutral countries;

(c) A share of German merchant shipping proportionate to the relative tonnage losses of the United States;¹¹

(d) 11.8 percent of industrial and other capital equipment removed from the western zones of Germany and made available to the governments participating in the Paris Conference; and

(e) 28 percent of the value of all other German assets made available for reparation to these governments, including such assets as Russian reciprocal deliveries.

At the Paris Conference the United States did not claim so large a percentage share of industrial equipment as of other types of reparation assets. This decision was based on the fact that the early receipt of such equipment is especially important to the war-devastated countries of Europe, whereas the United States, as a capital exporting

nation, has only a limited interest in such equipment. The share of the United States is large enough to cover equipment which may be removed from Germany as reparation in which there are private American pre-war financial interests of a substantial character,¹² and also to make possible the receipt of a relatively small volume of special items likely to be desired by the United States and its nationals. Canada and the Union of South Africa likewise decided at the Paris Conference not to claim so large a share of industrial equipment as of other types of reparation assets. It is quite likely, in view of the restricted class of German industrial equipment and of German merchant ships which the United States will wish to receive as reparation, that the United States will not submit requests to IARA to the full extent of its share of these items.

⁹The Potsdam Agreement does not determine whether current production and labor shall be regarded as sources of reparation. The agreement does provide, however, that the proceeds of exports from current production and stocks shall be available in the first place for payment for imports. The reparation shares assigned at the Paris Conference have been adjusted in recognition of the benefits accruing from past use and the then anticipated future use by the participating governments of German prisoner-of-war labor.

¹⁰In order that countries, such as the United States and Canada, which decided not to claim so large a share of industrial equipment as of other forms of reparation assets, should not be penalized in their receipt of other assets as the result of these decisions, section G of article 1 of part I of the Paris Agreement was adopted. Under this section such a country, in accounting for receipts of merchant ships and of German external assets within its jurisdiction, is entitled to regard its Category B percentage share of ships as equal to its larger Category A percentage share and to charge off excess external assets (as provided in section E of the same article) against the additional share to which the country would have been entitled if its share in Category B were equal to its Category A percentage share. The statements in paragraphs a and c in the text are based on the United States percentage of losses of ships and on a reasonable assumption regarding the minimum total value of industrial equipment removals envisaged by the Potsdam Agreement. Paragraph b results from section C of article 1, part I, of the Paris Agreement.

¹¹The Paris Agreement provides that the German merchant ships available as reparation to the signatory governments shall be distributed among them in proportion to the respective over-all losses of merchant shipping, on a gross-tonnage basis, of the signatory governments and their nationals through acts of war.

¹²See the allocation principle discussed below, which gives priority to a claimant country having a substantial interest in industrial equipment removed from Germany.

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In order to insure an equitable distribution of individual items of industrial equipment among the several governments, within the limits of their respective reparation shares, and to promote the effective use of industrial equipment for reconstruction purposes, the Paris Conference adopted certain general principles to govern the allocation of industrial equipment as reparation. One is that no government shall request allocation to it of industrial equipment except for use in its own territory or for use by its own nationals outside its own territory. A second principle adopted is that items of industrial equipment in which a country has a substantial pre-war financial interest shall be allocated to that country if it so desires.¹³ Under these principles, a property may not be requested merely for resale to another country; and if a property is removed from Germany in which a substantial American interest existed, that property will be allocated to the United States upon its request, regardless of competing claimants, and may be relocated in western Europe or elsewhere under American ownership. The allocation of an item of industrial equipment between two or more countries having substantial interests in the item, or between claimant countries none of which has such an interest, is to be guided by certain general criteria such as the urgency of need for economic rehabilitation, the extent of loss of similar property, the relation of the item to the claimant country's pre-war economy and post-war development, requirements of countries with small shares for specific items, and the maintenance of a reasonable balance among the rates at which the reparation shares of the several claimant governments are satisfied.

It is worth noting that although the reparation shares assigned by the Paris Agreement are based in part on a consideration of private losses resulting from war damage to property, as well as of in part on a consideration of private losses re-a public or general character, the allocation of German assets as reparation is made, not to the individual persons who suffered losses, but to the several governments involved. The compensation of private persons who hold claims against Ger-

¹³ The term *substantial* is not defined by the Paris Agreement, and the definition must be supplied by the Inter-Allied Reparation Agency, which is responsible for the allocation of industrial equipment among the signatory governments.

many arising out of the war is a matter for the several Allied governments, to be handled in accordance with their respective governmental procedures. It should also be noted that the reparation mechanism is independent of the procedures which have been agreed upon for the restoration, by way of restitution, of property which was looted by Germany and subsequently recovered and identified.

2. Agreement was reached by the governments participating in the Paris Conference that their respective shares of reparations shall be regarded by each of them as covering all its claims and those of its nationals against the former German Government and its agencies arising out of the war. By virtue of this agreement the several governments undertook not to present reparation claims against Germany for satisfaction outside the framework of the reparation program envisaged under the Potsdam Agreement. This undertaking was without prejudice to the final determination of the total amount of reparation and the right each government may have in the final settlement of German reparation, which may become the subject of negotiations at the peace settlement with Germany.

3. The Paris Agreement also established the principle that no signatory government shall assert or support claims against any other signatory government or its nationals in respect of property received by that government as reparation. Accordingly, where a signatory government receives property in which other signatory governments or their nationals have financial interests, the latter governments will not support any claims of their nationals, and will not assert any claims of their own, against the receiving government or its nationals. The giving of clear title to reparation assets received, to which this principle contributes, is desirable in order to help avoid years of complex litigation over such property in the courts of the recipient countries involving the nationals of other countries. Such litigation would engender friction, and the possible later assertion of claims against property removed might impede the reparation plant-removal program.

4. The charter was written for an Inter-Allied Reparation Agency which would allocate specific items of German reparation among the member governments. All of the 18 governments which participated in the Paris Conference have since become members of the Agency, which has been in

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operation several months with headquarters at Brussels.¹⁴

5. Agreement was reached on a series of provisions implementing the United Nations effort to remove all German foreign assets from German control. Each government shall hold or dispose of German enemy assets within its jurisdiction in manners designed to achieve this end. In addition, each government undertook to charge the net proceeds of liquidation of all German enemy assets within its jurisdiction against its reparation account and to provide the Inter-Allied Reparation Agency with all information for which it asks as to the value of such assets and the amounts realized from their liquidation.

It was further agreed that German assets in the neutral countries shall be liquidated or disposed of in accordance with the authority of the United States, the United Kingdom, and France, pursuant to arrangements to be negotiated with these countries. The net proceeds of such liquidation or disposition shall be made available to the Inter-Allied Reparation Agency for distribution among the member governments on reparation account. Switzerland, the first neutral country to reach agreement on this subject with the United States, France, and the United Kingdom, has recently undertaken to make available 50 percent of the proceeds from German assets within Switzerland.¹⁵ Similar negotiations are being or will be held with other neutral countries.

6. A share of German reparation was allocated to the large number of non-repatriable victims of German persecution, who are not in a position to turn to an Allied government for present help through the reparation mechanism.

The group of non-repatriable persons for whom this aid is intended, estimated to number hundreds of thousands, is made up, in part, of German and Austrian refugees and, in part, of nationals of countries formerly occupied by the Germans who were victims of Nazi concentration camps. All of this group have suffered severely from German action, and many have lost not only all their property but also their families, friends, and connections in the wholesale massacres carried out by the Nazis.

The share of reparation set aside to aid this

¹⁴ An article in a following issue of the BULLETIN will describe the Agency and its role in the Allied reparation program.

¹⁵ BULLETIN of June 2, 1946, p. 955.

group of persons consists of all the non-monetary gold found by the Allied armed forces in Europe—in particular the boxes of SS loot collected from Nazi crematories and composed primarily of tooth-fillings, rings, and other items removed by the Nazis from their victims—a sum of \$25 million to be met out of the proceeds of German assets in neutral countries, and also assets in neutral countries of victims of Nazi action who have since died and left no heirs. Representatives of the Governments of the United States, France, the United Kingdom, Czechoslovakia, and Yugoslavia are presently meeting in Paris to work out, as provided in the Paris Agreement, a general plan for the use of the fund thus to be made available. The fund is to be used to further the rehabilitation and resettlement of eligible persons and does not prejudice their claims against a future German Government for compensation or other benefits.

7. Agreement was reached upon a method for the restitution of the monetary gold looted by or wrongfully removed to Germany and subsequently recovered by the United Nations. The bulk of the gold recovered was captured by United States armed forces in Germany. The gold recovered is being restored to the countries from which it was looted or removed, in recognition of their right to restitution under the principles of the Allied Declaration on Axis Acts of Dispossession of January 5, 1943, and the United Nations Gold Declaration of February 22, 1944. These declarations—particularly the Gold Declaration—warned the neutral countries that Germany was looting property in the occupied areas and that she had exhausted the legitimate gold reserve with which she had entered the war, with the result that gold offered to the neutrals after these declarations must, of necessity, have been looted. Under this assumption, gold found in Germany by the Allied forces must likewise have been looted.

The so-called "gold pot" principle of restitution was adopted, under which all monetary gold found in Germany by the Allied forces, or recovered from a third country to which it was transferred by Germany, is to 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. The monetary gold thus accruing to a country will be accepted in full satisfaction of all its claims against Germany for restitution

(Continued on page 1053)

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Visit of Haitian Economist

Francis Salgado, a distinguished lawyer and political economist and chairman of the Inter-American Commercial Arbitration Commission in Haiti, is visiting the United States at the invitation of the Department of State. He purposes to confer with colleagues in the field of economics and to study the past economic relations between Haiti and the United States and the possible development and improvement of future relations.

As a specialist in political economy and finance he is prepared to lecture in American universities on either political economy, finance, or sociology, and thus to promote a better understanding between Haiti and the United States.

Mr. Salgado will remain approximately six weeks in Washington, D. C., and then will visit universities in the northeast section of the United States.

HOWARD—Continued from page 1027.

of monetary gold. This method of distribution was chosen because the losses of gold, amounting to over a half billion dollars, were far in excess of the gold recovered, and because the gold recovered was for the most part not identifiable. As a part of the agreement with Switzerland referred to, Switzerland has agreed to make available to the "gold pot" \$58.1 million of gold, in recognition of the large amounts of gold she received from Germany during the war.

8. The Paris Conference adopted a unanimous resolution that, in the administration of benefits for war damage to property, each government shall in principle accord to the nationals of all the other participating governments treatment not less favorable than that accorded to its own nationals. The important undertaking contained in this resolution will help to assure non-discriminatory treatment of United States and other foreign nationals in the administration of compensation benefits by all the nations which participated in the conference.

III

The agreements reached by the Paris Conference were achieved in a remarkable spirit of cooperation and good-will. On a number of occasions during the 42 meetings and 6 weeks of con-

tinuous discussion, conflicts of interests threatened the Conference with disunity and even complete dissolution. Nevertheless, out of the desire of every delegate to reach agreement, conflicts were overcome through compromise, and an exceptional atmosphere of mutual understanding and common sense developed which prevailed during even the most serious crises and finally led the Conference to success.

Informal discussions were held by the American, British, and French delegates to the Conference, both in advance of and during the conference, in order to obtain preliminary agreement on as many points as possible. Through these discussions it was possible to provide general guidance to the work of the conference itself. At the same time there was full participation by all 18 delegates in the initiation of proposals, in the drafting of final resolutions, and in the discussions of the conference. Unanimous agreement was sought on every point within the competence of the conference. With respect to matters within the competence of the Control Council for Germany, a number of non-unanimous resolutions were adopted by delegates who desired to adhere, and the delegates of the occupying powers undertook to bring these to the notice of their respective governments.

The Congress

Study of International Communications: Hearings Before a Subcommittee of the Committee on Interstate Commerce, United States Senate, Seventy-ninth Congress, first session, pursuant to S. Res. 187 (78th Congress) (Extended by S. Res. 24—79th Congress), a resolution directing a study of international communications by wire and radio. Part 2. Exhibits submitted by Federal Communications Commission, March 19—April 3, 1945. iii, 330 pp.

Atomic Energy Act of 1946: Hearings Before the Special Committee on Atomic Energy, United States Senate, Seventy-ninth Congress, second session, on S. 1717, a bill for the development and control of atomic energy. Part 4. February 18, 19, and 27, 1946. iii, 70 pp.

Administrative Expenses in Government Departments. H. Rept. 2186, 79th Cong., to accompany H.R. 6533. 24 pp. [Favorable report.]

Providing Support for Wool, Amending the Agricultural Marketing Agreement Act of 1937, and Providing for Wool Standards, and for Other Purposes. S. Rept. 1398, 79th Cong., to accompany S. 2033. 18 pp. [Favorable report.]

208754

Polish claim adjudicated

~~AIR POUCH~~
PRIORITY

~~SECRET~~
SECURITY INFORMATION
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

200.6241 Gold/10-2052

FROM : **AS COMMISSIONER, TGC,**
AMEMBASSY, BRUSSELS
TO : **THE DEPARTMENT OF STATE, WASHINGTON. - MN**
REF : **EMB DESPATCH 384, Oct 13 (See note below)**

387
DESP. NO.

October 20, 1952.
DATE

OFF

27 For Dept. Use Only bs	ACTION E*	DEPT. I N F O	EUR	GER	OLI	L
	REC'D OCT 25	OTHER	TR	OAP		

SUBJECT: **Definitive Adjudication on the Claim of Poland for 1,387 kgs of fine gold.**

In continuance of the series of definitive adjudications of the Tripartite Gold Commission, there are now transmitted herewith three copies of the subject adjudication.

In transmitting these copies, the Chairman draws attention to the fact that, "whilst this definitive text contains no alterations in substance or affecting any of the principles adopted by the Commission, a considerable effort has been made with a view to rendering the statements of facts more precise, clarifying the issued still further, reinforcing the arguments for rejection and improving the presentation, generally."

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

Enclosure:

Three copies definitive text
Polish Claim for 1,387 kgs.
fine gold.

Correction: My previous despatch number 385 is in error and should be changed to number 384.

HSE: Set
REPORTER

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Retain in divisional files or destroy in accordance with security regulations.

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RG 59
Entry 628115
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Authority NND968106
By Jw NARA Date 12-9

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

208756

RG 59
Entry Lot 62D115
File I-AD(1) Poland Final
Box 22 Adjudication

DECLASSIFIED
Authority NND968106
By Jw NARA Date 12-6

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, 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 Republique Francaise, 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. (1) & (11)

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 Charge 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:-

-
- (1) 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.
- (11) On form I.A.I. of the Commission's Questionnaire the Government of Poland states that they "claim only134.000 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.

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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.

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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.

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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	<u>100,000.0000 "</u>
	Total	<u>138,738.5309 kgf</u>

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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:

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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 exceptions 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 authorize 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:

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"(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 22 July 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.

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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.

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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

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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 deposited 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:-

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"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 "	0993 "
"£ 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 Poznan 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,

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"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).

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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 - Edelmetall - 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;

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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 value of these notes was dependent upon the value of the reichsmark, which was equally dependent, inter alia, on the gold reserve of the Reichsbank. 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.

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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 other words the German occupier appears, broadly speaking, to have acted in a harsh, but nevertheless not altogether unfair, fashion and to have paid compensation to those Polish citizens who complied with his demands within reasonable time limits.

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:-

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"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 Reichskreditkassen's 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 Reichskreditkassen had been instituted, the general result is as follows:-

	<u>Foreign currencies</u>		<u>Gold</u>
"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	<u>737,367.49</u>	RM 1,838,784.53
"			<u>737,367.49</u>
"Total receipts in occupied territory	RM		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.

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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.

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3. 4,260,3000 kgf of gold said to have been purchased by branches of the Reichsbank in Poznan, Lodz 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 incorporated into the Reich, amongst other - branches in such towns as Lodz 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.

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" 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 Poznan 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

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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

<u>"COINS</u>	<u>QUANTITY</u>	<u>TOTAL GROSS WEIGHT GRAMS</u>	<u>TOTAL FINE WEIGHT GRAMS</u>
"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

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<u>"COINS</u>	<u>QUANTITY</u>	<u>TOTAL GROSS WEIGHT GRAMS</u>	<u>TOTAL FINE WEIGHT GRAMS</u>
"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 these 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,

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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).

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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 (Devisenschuttskommando). 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 $\frac{1}{4}$ 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 Pocztaowa 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.

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" 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 5.500 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.

"g	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
 "Woloszka, 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	

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"Besides about 8.3 klg. of platinum 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.

5. 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).

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.

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" 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 items "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.

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" 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
			<hr/>		
	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.

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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 Gladocnik) 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.

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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.

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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. 100,000,000 kgr. an estimation of gold looted by the German forces from victims of concentration camps during the period of hostilities. (claim 6).

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 kgr 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 kgr., 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.

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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 klg.	100,000 klg"

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.

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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"

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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

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.

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 By (MS) NARA Date 12/7/94

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FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

SECURITY : CONFIDENTIAL

PRIORITY: AIR POUCH
 4 Enclosures

Fletcher

TO : Department of State - MN

200.6241 GOLD/12-1350

FROM : US COMMISSIONER, TCC, AMEMBASSY, BRUSSELS - 199 - December 13, 1950

REA :

SUBJECT : Statement by Polish Representative before Gold Commission,
 September 5, 1950.

7
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 DEC 20
 R E C D
 A C T I O N
 I N F O
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There are transmitted herewith copies of the verbatim report of the statement made by the representative of Poland at the meeting of the Tripartite Commission for the Restitution of Monetary Gold held in Belgium on Tuesday, September 5, 1950.

The obtaining of copies of this statement has been delayed by various untoward and unforeseen circumstances. However, it will be noted that the statement of the Polish representative is to be continued at some later meeting of the Commission. This future statement, or continuation of the statement, has also been delayed by the absence of the Polish representative in New York, and hence the delay in transmitting copies of the first part of the statement may not have caused any particular inconvenience.

It may be observed that the Polish representative's statement raises certain questions which might be of interest, not only in connection with the Polish claim, but also in connection with the operation of the Commission and of all claims submitted to it. As an example, the Polish representative spoke at some length on the question of the interpretation of the phrase "Monetary Gold". He argued for a liberal interpretation of this phrase, but claimed that the Commission itself was tending to take a restricted interpretation.

It is suggested that his statement might be considered from this broader point of view, as well as from its application to the specific Polish claim. The statement has not yet been formally considered by the Commission itself.

(NOTE: The enclosures consist of the original copy of the Polish representative's statement as received from the Commission Secretariat and as corrected by the Polish representative himself. The other copies have been made from this original, but have not been proof-read.)

Homer S. Fox

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

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NMD 968106

By (VSD)

NARA Date 12/7/94

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COPY

1-1

199 Brussels

VERBATIM REPORT
 OF THE STATEMENT
 MADE BY THE REPRESENTATIVE OF POLAND
 AT THE MEETING
 of the
 TRIPARTITE COMMISSION
 for the
 RESTITUTION OF MONETARY GOLD

which was held at 3.30 p.m. on Tuesday, 5th September, 1950.

2. POLISH REPRESENTATIVE

May it please the Commission. The Polish Government has availed itself of the opportunity to examine the case which is before the Commission in connection with the claim which it has put forward to the Commission some time ago, and I have come here on the instructions of my Government to appear before the Commission in order to present its views in connection with this claim concerning gold looted from Poland and removed illegally by Hitlerite Germany during the war.

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NMD 968106

By (MS)

NARA Date 12/7/54

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I - 2

As the members of the Commission are aware, my Government signed with the three Governments of the United Kingdom, the United States of America and France on July 6, 1949 a protocol by which Poland became a party to Part III of the Agreement on Reparations from Germany and the establishment of an Inter-Allied Reparation Agency signed at Paris on January 14, 1946, i.e. the part dealing with the restitution of monetary gold. Pursuant to this protocol, Poland acquired all rights to which the signatories of Part III of the Reparation Agreement of January 14, 1946 have been and are entitled. May I therefore state from the very outset of the remarks I wish to make today, that I am addressing the Commission as the representative of a Signatory Government to the document in question, in order to prevent its views and attitude concerning the claims it has advanced for restitution of the gold in question.

Members of the Commission will recall that my Government has submitted to the Commission certain information, detailed information I should say, concerning our losses in gold. We have submitted documents and affidavits. We have also delegated an expert in Brussels here who could supply the Commission with any information it may have wished to obtain. In reply, My Government received from the Commission a letter dated July 27, 1950. The Commission was good enough to inform my Government of the views it has taken on the documents submitted to it by the Government of Poland and arrived at what is called a preliminary decision, that it was unable to find any basis for the favourable consideration of the claim submitted by Poland. It was mentioned that this decision was a very preliminary decision and was not the final judgment of the case. There is one particular instance in the letter of July 27, in its first paragraph, which I would like to mention. It concerns the word "alleged", and to quote, it was stated that the Polish Government's claims concerning 138,738,5309 kgs. of fine gold are qualified as "alleged". My Government cannot but be astonished by both the wording and substance of this part of the letter. It seems that the Commission questions the losses incurred by Poland as a result

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