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Authority <u>NND 978025</u>
By <u>KEN</u> NARA Date <u>9/30/91</u>

RG 56
 Entry 69A4707
 File GERMANY: Military Government -
Treasury Participation
 Box 82

Finance Div

MEMORANDUM FOR THE FILES

December 28, 1945

Re: Conversation with Jack Bennett at Frankfurt

The following were the significant points covered in my conversation with Mr. Bennett:

1. I told Jack that General Clay had asked that Jack remain in Frankfurt as Acting Deputy Director, at least until a suitable replacement could be obtained--particularly since Mr. Fox has returned to the United States and since Mr. Dodge is on his way back to the United States. I told Jack that General Clay's request had been forwarded to Mr. White by General Hilldring and that Treasury would like him to remain in Frankfurt and carry on in accordance with General Clay's request. Jack asked if the Treasury wanted him to do so, and I replied in the affirmative. He promptly said that he would do so.

2. An order issued in the theater December 15 abolishes DICEA and transfers the responsibility for External Assets and Financial Investigations as well as I. G. Farben control to the Finance Division. The decartelization responsibility goes to Economics. Jack told me that on January 4 he is having a meeting with the Farben control officers (who I assume are now under him) at which time he will serve notice on them about some of the policies to be followed hereafter. Very few of DICEA's personnel will go to the Economic Section.

3. Mr. Dodge is scheduled to sail today from England on the Queen Mary for the United States. In this connection Bennett referred to cable No. 20868 of December 26 from Clay to Hilldring requesting that Dodge talk to Hilldring and to Treasury about the return of so many Treasury people.

4. Bennett is currently in charge of Finance Division in Frankfurt. The chief sections operating out of Frankfurt are External Assets, Financial Investigations, and the Currency Section. External Assets Investigations are now under Zap, who was highly recommended by Sassuly, Weber, and Nixon, and it will be moved to Berlin as soon as possible. Banning is in charge of Financial Investigations and Wallachek is in charge of the Currency Section. Colonel Robertson is in charge of the Finance Division in Berlin in Dodge's absence.

5. Sassuly and Weber are on their way home. Nixon has a No. 2 priority and hopes to leave this next week, but as yet he has not been able to obtain Clay's permission to depart.

6. Janet Banning requested that we deposit money in Frankfurt for Hannley, the disbursing officer, so the Treasury people could

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be paid. A cable to this effect was sent December 17, but as yet they have not received a cable. (Action on this point to be taken by Windsor).

7. Bennett reported that Finance Division had today received \$2,000,000 in gold from Spain which was placed in a vault in Frankfurt.

8. Bennett stated that a report on I. G. Farben's activities in Spain has been completed and will be sent immediately. A report on Degussa will be completed and forwarded on January 4. A report on I. G. Chemie will be completed and forwarded on January 5. Reports on Sterling, Hoechst & Haas, and Bosch have gone to Berlin for signature and forwarding to Washington.

9. I told Jack about our problem with respect to businessmen wanting to go to Germany. Jack said that a cable had been sent six or eight weeks ago raising questions concerning the admittance of businessmen but Frankfurt had not yet received an answer. He said that a cable from the United States to the theater inquiring about this matter and asking what provisions had been made for handling the many problems would be welcomed.

(Signed) Orvis A. Schmidt
 Orvis A. Schmidt

cc: Messrs. Richards, O'Flaherty, J. Friedman, Coe, Ullman, Col. Bernstein,
 and Mrs. Shwarts

OASchmidt:lta 12/29/45

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Assistant Secretary of the Treasury

Date December 27, 1945 19

Handwritten:
e v d e
US Gov
C C
Fin Div

Dec. 19, 1945

TO: Secretary Vinson

Appended is a memorandum that I think is worth your glancing through. It was prepared by Andrew Kamarck, a man who has been with the Treasury for many years except for several years in the Army. He is a very able and sensible chap and his comments usually merit attention. He has spent the last several months in Germany with the Finance Division, after having spent a year or more in Italy at the same tasks.

H.D.W.

Mr. White
Room 3434

Isolation of Finance Person-

Germany have resulted in the U.S. Treasury in part of the Control Council

ry, the U.S. finance at a distinct disadvantage powers.

direct contact with the agents. Practically no information received. There is Berlin. State and War Finance Division of the

representatives in the Control Council at coordination into any major policy positions representatives without Washington, the U.S. finance proposals, without any of the old national public debt, and a

Other three powers are to be consulted and receive in-

and consultation. These representatives are kept informed by direct communication of their country's financial policy towards Germany. Furthermore, they are also kept informed on Washington's financial policy and have better information on this than the U.S. representatives themselves. The action of the representatives of the other three powers in Germany is thus coordinated with the general international financial policy of their home governments.

12/28/45 - Or. to Mrs. McHugh, with or. of note as appended.

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Handwritten:
 c u d e
 US Gov
 C C
 Fin Div

Dec. 19, 1945

Mr. White

Mr. Kazarek

Subject: Administrative Difficulties Resulting from Isolation of Finance Personnel in Germany from the U.S. Treasury

Many major difficulties in the work in finance in Germany have resulted from the absence of a clearly defined connection between the U.S. Treasury in Washington and the finance personnel in the U.S. element of the Control Council in Germany.

1. Due to their lack of connection with the Treasury, the U.S. finance representatives in the Control Council for Germany are at a distinct disadvantage compared to the representatives of the other three powers.

(a) The U.S. finance representatives have no direct contact with the U.S. Treasury, the source of financial policy, in Washington. Practically no information except on an informal sporadic basis is ever received. There is very little interchange of ideas between Washington and Berlin. State and War have given substantially no policy guidance to the U.S. Finance Division of the Control Council for months.

In consequence, the U.S. finance representatives in the Control Council have operated independently of Washington without coordination into any general foreign financial policy of the United States. Major policy positions have been taken in the Control Council by the U.S. representatives without Washington even being aware of such developments. For example, the U.S. finance representatives in the Control Council have formulated proposals, without any participation by Washington for the complete liquidation of the old national banking institutions in Berlin, the cancellation of the public debt, and a program of anti-inflationary action.

(b) In contrast, the representatives of the other three powers are in continual contact with their home Ministries of Finance and receive information and advice from home and are able to refer problems home for study and consultation. These representatives are kept informed by direct communication of their country's financial policy towards Germany. Furthermore, they are also kept informed on Washington's financial policy and have better information on this than the U.S. representatives themselves. The action of the representatives of the other three powers in Germany is thus coordinated with the general international financial policy of their home governments.

12/28/45 - Or. to Mrs. McHugh, with or. of note as appended.

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2. A somewhat similar problem of channels between finance people at headquarters and finance people in the field was encountered and solved within Germany. Just as between Washington and Berlin there exists one "Command" channel, so there exists only one "Command" channel between Berlin-Frankfurt and the two military districts of the U.S. Zone. But in Germany, there also exists a finance "technical" channel from the Finance Division at headquarters to the finance officers in the two military districts. Using this "technical" channel, the Finance Division at Headquarters is in direct contact with finance people in the field and can give technical instructions and advice, resolve problems and receive reports and information. The absence of a similar finance technical channel between the Finance Division in Berlin and the U.S. Treasury in Washington creates difficult operational problems for the U.S. finance personnel in Germany.

3. The finance personnel are in Germany primarily as isolated individuals rather than as integral parts of the U.S. Treasury team. This makes work more difficult and creates bad morale:

(a) Any contact between the Treasury and its personnel in Germany takes on a sub-rosa appearance in the eyes of the other people in the organization of a sub-rosa relationship is suspected.

(b) Due to lack of contact, the Treasury personnel are never able to know whether they are working in the same direction as the general Treasury policy or whether they are working at cross-purposes with the Treasury.

(c) Because of the absence of a clearly defined relationship between the Treasury and the people in Germany the Treasury personnel inevitably feel that their work in Germany is completely divorced from their career in the Treasury. They are isolated from the home office and their Department must necessarily tend to lose sight of them and their interests. People in Germany feel under constant pressure to get out, therefore, and getting replacements is difficult. The necessary rotation of personnel from field to headquarters and back again becomes impossible.

(d) Recruitment of competent finance personnel from outside the Treasury is very difficult when the position in Germany is completely independent of any home organization. The positions do not pay enough to compensate for the resulting isolation from the regular pattern of a career at home. The only people attracted are those who cannot find a place in the States or who find some special lure in working in Germany. As a result, there exists a real personnel crisis in the Finance Division.

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German US Group CC

Excerpts from Letters from Mr. Fox

October 4, 1945

"Yesterday Finance 'won' control over Pillsbury's group and I.G. Farben. I have asked Nix and Albie for memos etc on issues and preferred policies. I hope I will get them, and while here will do what I can to see that 'hard' policy followed.

"Hayden Smith is still fighting the denasification directive, but I understand from him Dodge is again taking the issue to Clay."

October 13, 1945

"As time moves on it seems more and more certain to me that this operation will eventually fold up with plenty of scandal and smear. Until this happens there seems good reason to have our people out of the picture. After the roof has blown and if the job is then assigned to appropriate civilian departments in their respective fields, will be the time for our people to come back here with responsibility and authority and do a job. My guess is that the present structure cannot last more than 6 months. Efforts to streamline it are constructive, but until the Union League Group is discredited and ousted, and the hydra-headed organizational monstrosity we have here supplanted by groups representing civilian agencies, the job done will I feel be pretty thoroughly botched.

"Dodge rather stands out in the group both as to capacity and proper thinking. So far none of his decisions have been on the wrong side. He has supported us in all issues along our lines. Andy feels he is a man easily swayed by his advisers. This may be true--so far his advisers have been Andy, Robinson and myself. Walter Lichtenstein is supposed to have arrived yesterday. What his influence will be or will accomplish remains to be seen. He comes as an "advisor" but may end up head of Financial Institutions. Ken Dayton has replaced Fisher as head of Public Finance, Fisher becoming Executive in Berlin. Met Dayton today for first time and my first impression is not favorable."

"Have seen Carl Hein several times recently -- also keep in close touch with Neal N. We all hope good results therefrom. You will not however see me quoted on anything -- so far I think more effective results can be obtained by anonymity."

*Fin Div Problems
 Oct 1946*

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October 16, 1945

"To date the situation briefly is this. I have yet to lose a battle with Adcock, Hayden Smith or Dodge. Partly that is because there have not been philosophic battles except for denazification of janitors and charwomen. Possibly it can be said I lost that since Smith refused to issue our directive saying it went beyond theatre policy as expressed by Law No. 8 (which it did), and Dodge after an initial effort (strong letter to Smith) said let's stand on Law 8 principles since Law 8 is after all the latest enunciation of theatre policy. As you know I have never been sold on the janitor position so I concurred. However there have been many problems and factual situations and so far Treasury views have prevailed.

"Dodge so far appears the only 'good' man in the Berlin Union League Club. Whether that is because his advice has been slanted from our side I don't know. If his advisors have other philosophies he might cross the line. Lichtenstien is now in Berlin and his influence may be more apparent in a week or so. I've already written that my impression of Ken Dayton is not favorable. He seems arbitrary dogmatic and not a deep or clear thinker. As far as operating is concerned the past 3 1/2 weeks have been a real strain without you and BB. However, despite all extraneous things such as deadlines, reorganizations reports, etc. required by M.G. many of which are simply stupid, we have dealt with the problems. I don't clear anything with Berlin, though copies of what I sign do get to Dodge. I don't see what they do in Berlin and copies don't come down here. The only contact is when they want to ask a factual question, such as Dodge's October 5 memo to Clay on remittances. He phoned, read it to me and asked if it was all right. I suggested a few technical corrections -- otherwise it was good. Generally, however, Berlin goes its way, and I go mine. Naturally it is unsatisfactory and can't last. The biggest problem is personnel which is melting away. Morale is low though not as bad as in other Division of investigators. I have worked very closely with Neal and have already seen some constructive results, though you would not be able to identify it as such. I have phoned Mann and have arranged to get a copy of the McKittrick memo to him--copy was sent you about a week ago. All in all though, Dodge says and seems to want only to get the right answer (policy). I have no confidence in the general set up and feel it will end up in a messy scandal in which even the clean people will be swayed. I have set down my views on paper and will send it to you in a day or so with these reservations: 1. Requires checking for factual accuracy, 2. Indictment of M. G. could be expanded, and 3. Proposed solution should be amplified in greater detail. I will get it off as soon as it is typed. All in all I feel it will get Kamarek, Bennett, and Fox out of Germany as soon as possible. HI Gans went back as a courier but things have now tightened up to such an extent that if you want any of us back in a hurry the request must be strong and if possible a priority specified from Washington.

"Re transportation, Neal just came by to say Richin is being sent back by boat though Justice asked for him immediately for consultation. So it ~~was~~ goes. And by boat went Major Mullens who Dodge is sending back to recruit for finance."

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Call from Maj. Klepper

2. ~~Make~~ Arrange with the Russians to make available to Frankfurt the files of the Reichsbank and the Ministry of Economics. Where are the records? Maj. Klepper understands they have been removed from Berlin.
3. Make arrangements with the Russians to come to Frankfurt to go through files of the Reichs Kredit Kasse files. If the Russians are interested but cannot send anybody, let Maj. Klepper know and they will micro film the records and make them available to the Russians.

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German U.S. Group CC.

COPY Secret

HEADQUARTERS
 US GROUP CONTROL COUNCIL
 GERMANY MAIN
 FINANCE DIVISION
 APO 742

HT/mj

Fin Div

4 September 1945

SUBJECT: Exploratory American-Soviet Conversation of 3 Sept. 1945

TO: Colonel B. Bernstein, Director

1. The conversation took place at an informal luncheon on Labor Day / proclaimed V-J Day by USSR/ at Colonel Bernstein's house. Present were Lt. Colonel Kobrin, Finance Director's Deputy, and Mr. Blumenfeld, Legal Advisor, for the Soviets, and Colonel Bernstein, Mr. Kamarek, Mr. Orvis Schmidt, Mr. John Dierkes, and Miss H. Tarasov.

2. External assets investigation: The Soviet External Assets Investigation Commission has been appointed as an autonomous agency of the Finance Division according to Lt. Col. Kobrin. Its chief, Major Denisov, is expected from Moscow within a short time, but meanwhile it is getting organized to function in the Soviet Zone. The Deputy of Major Denisov and the field staff are already in Berlin. Lt. Col. Kobrin expects them to have an analytical report ready on 15 October, covering the type of documents uncovered, their original and current location, the sort of information revealed, and the direction in which further investigation was indicated. This report, he felt, could serve as the basis, with similar reports from the Allies, for any 4-Power External Assets Commission to start operation. 4-Power teams could then continue investigations.

3. Colonel Bernstein suggested that it might be fruitful in order to avoid duplication, and to make use of accumulated experience, if:

a. At the start of Soviet Commission's work, Major Denisov visited Frankfurt and was introduced to the proper Finance Division Branch.

b. Some interchange of information on current and pending investigations took place in the course of the work of the next six weeks.

Lt. Kobrin agreed, apparently with some enthusiasm.

4. As a concrete example of such potential collaboration, Colonel Bernstein inquired as to whether it would be possible for an American assets investigation officer, accompanied by a Soviet counterpart, to visit Lindau (about 40 mil. north of Berlin) where Schacht, in the course of interrogations, had said various documents were deposited at his country house.

*See
 Hynning 24 Sep
 report in
 Fin Div
 Misc file
 (Kamarek)*

cc: 10/11/45 Messrs. Glasser, Schmidt (3), Bronz (3), Leonard, Gunter,
 E. Mebbard

Encl. 1 - Lettr 486 - Taylor

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Lt. Kobrin saw no reason against it, nor for awaiting the arrival of Major Denisov, but said the matter should wait a few days as the commission was just getting organized for work.

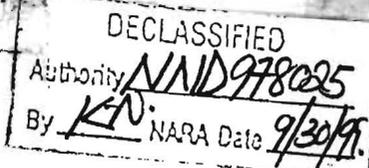
5. Soviet Control of German assets: Control over German assets has in effect been maintained in the Soviet Zone by:

- a. Prohibiting all German transactions in anything other than marks; and
- b. Requiring delivery of all assets including documents on foreign assets, under Law 11, to Soviet authorities, who will themselves determine which to return to owner and which to vest.

6. Assets disposition: Lt. Colonel Kobrin reverted to the old Soviet question of what the American program is for eventual disposition of assets. Colonel Bernstein pointed out that after seizure of external assets under Law 53, the German government would reimburse owners. Then under Law 52, we could lay hand on pertinent assets /of Nazis, etc./ and hold them for final disposition as reparations and for other purposes. Colonel Bernstein again elaborated on the necessity of the principle of compensation in order to make the vesting laws acceptable to neutral powers, particularly those which might be intending to seize German assets within their borders to cover an unfavorable government balance with Germany. He rejected Lt. Col. Kobrin's suggestion that the law should be acceptable in view of the support of the United Nations organization, if not of the mere power of the Allies. There was some confusion in the minds of the Soviet representatives, it appeared: a. as to how Laws 52 and 53 fitted into each other; and b. the distinctions drawn between privately-owned German assets and government balances in neutral countries. These difficulties were cleared up in discussion.

7. Reich debt: The question of the recognition of the Reich national debt was raised again, this time by the Soviet representatives. The Soviet position, expressed with considerable emotional fervor, is that recognition of this debt means compensation to the very people whose capital loans to the government led to the destruction of Russian cities and the death and enslavement of millions of Soviet citizens. To the American view that the labor and fighting of the German people contributed equally, and that institutions lent the small savings of German people of all classes to the government, Lt. Col. Kobrin countered that the German people themselves had suffered, albeit unequally in the destruction of their homes and the loss of life - hence why treat capital especially favorably? He further felt that maintenance of the debt meant an insuperable burden on shattered economy from which heavy reparations and occupation costs as well would be collected. Colonel Bernstein pointed out that apparently neither country wished to wipe Germany off the earth,

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and that the debt would certainly need scaling down, though there were different ways of doing it. He saw no additional danger to German economic stability in partial recognition of the debt, since even the currency was far in excess of active trade, yet there was no talk of retiring it. As for occupation costs, they were insignificant compared to the total Reich obligations.

8. Giro resumption: Colonel Bernstein stated that inter-zonal giro transactions had been resumed in the 3 Western Zones via the use of the main Reichsbank in each zone, and wondered about possibility of including the Eastern Zone. Lt. Col. Kobrin saw no difficulty since the new central bank created under Soviet occupation could play a parallel role. Berlin would be a logical central office for giro representatives of the 4 Zonal banks.

9. Soviet issue of AMM: Lt. Col. Kobrin estimated that the total outstanding issue of Soviet AMM was in the neighborhood of 5 billions, with the reservation that this did not allow for the correction to be introduced by the turn-in of marks by Soviet military personnel now being demobilized who are allowed to exchange two or three months' pay in marks into rubles /This is contrary to previous information from various sources that all marks received by Soviet military personnel must be spent in Germany./ He laid considerable stress on the point that the total amount included marks paid out in lieu of requisitions, which the Americans have already agreed, must be included by the Allied powers using requisitions, in the total account of cost of occupation.

10. Soldiers' pay: Neither of the Soviet representatives was sure as to the exact level of soldiers' pay, but agreed that it was in the neighborhood of 150 or 200 marks a month. /Note: The latter is in agreement with every figure I've heard quoted on the subject./ They explained that one source for the apparent huge funds of Russian soldiers is the purchase by Soviet occupation soldiers of surplus marks from those of their fellows being demobilized and unable to bring all their funds home with them. Lt. Col. Kobrin appeared to be in full sympathy with the American policy of not having the Treasury subsidize the profiteering of its military personnel in Germany.

11. Further Meetings: It was agreed to find out the precise nature of the British program for the suddenly announced joint Economic and Finance Directorates meeting of 4 September at 1400 to be followed by a Finance Directorate meeting. The first session was to deal with expert-impert programs, and the second was believed to be in continuation of the meeting originally scheduled for 21 Aug. Another meeting of the Finance Directorate has been tentatively scheduled for Saturday, 5 September at 1430 to discuss the implementation of a joint program for control of German external and domestic assets.

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12. Miscellaneous:

a. Mr. Malatin is expected back from Moscow by Wednesday, 5 September. Lt. Col. Kobrin expects to go to Moscow soon /and promised to bring back the record of a very popular new Russian piece "Autumn Waltz"!

b. Lt. Col. Kobrin stated that during the whole Japanese-American war, it was Soviet policy to support the American foreign funds control program by accepting practically no American dollars from the Japanese, and requiring detailed documentation of the source of such limited dollar assets as were receivable in Japanese-Soviet transactions.

c. All Soviet women soldiers are being demobilized, but may remain in civilian jobs if they wish.

13. Comments: The conversation was conducted with a complete absence of constraint, with much banter and terse shortcuts in expression of the breezy sort one would encounter in an American meeting where mutual confidence existed. At two or three points Lt. Col. Kobrin assured the Americans that there was no intent to stall when occasional delays were needed, and that on the whole, the Soviet representatives were ready to go ahead fast.

14. Personal Notes: Lt. Col. Kobrin is 36 and has a Ukrainian wife who, however, came from the Caucasus. He lectured /or taught/ at Leningrad at one time. During part of the war period he appears to have held a position analogous to Mr. Schmidt's in Foreign Funds Control, and showed himself familiar with our freezing program, the issue of yellow seal dollars in the Pacific, etc. He was interested in the further clarification of this past history given by Mr. Schmidt. Mr. Blumenfeld is 52 and seems quite interested in music. Both favor the traditionalist school in art. Lt. Col. Kobrin/like Mr. Malatin earlier/ hopes to see their billet repairs completed soon and be able to act as hosts.

HELEN TARASOV
 Berlin Representative
 Fin. Intell. & Liaison Branch

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Form: U.S. Group EE

SEP 5 1945

Assistant Secretary White

H. L. Hoffman

Subj: Per Diem

The recent ruling by the Bureau of the Budget, increasing required deductions from per diem rates for meals and lodging provided by the military, is having an especially adverse effect on personnel of the German Financial Mission for whom the Treasury is responsible.

According to numerous reports from Frankfurt and the accounts of Mr. Zimmerman of the Control and Dr. Howard of the Mint, just back from Germany, announcement of the newly scheduled deductions has had some marked consequences. Several protest meetings were held, and certain Secret Service people even demanded return transportation unless prompt adjustment was made, as the result of which that Agency has authorized temporary salary increases for them. We, of course, cannot do this on a blanket basis.

Since the per diem decline, amounting to about four dollars a day, was unforeseen and came in the face of unusual and heavy personal outlays for required army uniforms and additional clothing, moving expenses, and other preparations, this dissatisfaction is quite understandable. The situation is further complicated by the prospect of added physical discomforts this winter in Europe and particularly by the fact that the State Department is known to reimburse its personnel for uniforms from a confidential emergency fund, while Army officers are, of course, granted uniform allowance.

I strongly recommend, accordingly, that immediate steps be taken to offset partially at least the seeming discrimination against persons employed through Foreign Funds Central, including non-commissioned people whose release from the Army is being requested. Treasury appropriations in no instance permit payment of uniform costs. The Stabilization Fund is the only fund the Treasury has which is comparable to the State Department funds which are apparently being used for this purpose. Reimbursement to the approximately 125 persons concerned at a standard cost rate per uniform would amount to between \$15,000 to \$20,000. While efforts are being continued to effect some alteration of the present Budget Bureau ruling, past experience indicates that revision is highly unlikely.

Under the circumstances I feel that the Treasury ought to use the Stabilization Fund for this purpose to avoid a serious weakening of morale among our personnel in Germany and to remove the present discrimination between the treatment of Treasury personnel and personnel of other agencies.

(Signed) Michael L. Hoffman

9/5 orig. & 1 cc to Mr. White.

IFlanagan:HLHoffman:mbw 9/5/45

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Germs: Misc

London, May 19, 1945

AIR MAIL

Personal and Confidential

No. 348

Dear Mr. White:

Following my return here in mid-April it was not until the closing days of the month that I was able to get in touch with Col. Bernstein. Up to that date he and his associates had been chasing Reichsbank and other German financial officials throughout the area occupied during the course of battle by American troops. Out of this chase came a haul of probably \$300,000,000 in gold, the latest addition to which was tentatively identified as Hungarian. Also growing out of this quest came a round-up of a miscellany of German financial people and the placing under guard of important papers of a number of banks and corporations. When we did get together Col. Bernstein was brought up to date on German planning as of my last visit to Washington.

Since that time members of the Treasury team have arrived in Paris, have been processed and have been sent forward into Germany on designated tasks mapped out by Col. Bernstein. A large group has been sent to Frankfurt where intensive investigation is being carried through of the I. G. Farbenindustrie. It is also in Frankfurt that the gold and other valuables that have been uncovered to date in the American areas have been stored. Col. Bernstein is again in Germany but is expected to return within a day or two to Versailles. We have received a cable from the Colonel requesting that I come forward to SHAEP for a series of conferences and for a visit to Frankfurt. I expect to leave here about May 23 and will return about a week later.

You are probably fully aware of the interchange of cables that has gone on between the War Department and General Lucius Clay in respect to the return of Col. Bernstein to Washington for consultation on military financial affairs. We are sure that you are doing everything in your power to obtain a reconsideration of the theater's reply in respect to this matter and hope that you will be able to insure Col. Bernstein's return to Washington for a brief period of time. In our view it is essential that the Colonel should return to advise the War and Treasury Departments at this crucial period in respect to attitudes in the field and also to ascertain for himself developments at home and the progress of planning in respect to German affairs.

A few days ago we had a very pleasant conversation with Ambassador Winant. The Ambassador was delighted over the re-union with his son which had occurred on VE-Day. He was very pleased at having received from the Secretary a message of congratulation in this regard. The only non-personal comment that the Ambassador made at this time was that the surrender terms imposed upon the Germans by the Allied High Commands had not followed the 14 paragraph document agreed upon in the EAC. The surrender

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terms imposed were in fact much shorter and gave the Allied even greater freedom. The substance of the 14 paragraph EAC document would still be utilized by being issued in proclamation form to the German people.

The EAC is still grinding out documents and acting as a conveyor whereby the Americans, the British and the French may transmit papers on various aspects on German affairs to one another and the Russians. The main interest of EAC at the present time seems to be in developing a program for restitution. This program is being worked out as far as we can judge without any coordination with the program of the American delegation to the Moscow Reparations Commission and in fact seems to cut across the work of the Moscow Reparations Commission. So far, however, EAC has gotten exactly nowhere with the Russians on this question of restitution. The Russians continue to adhere to their policy of viewing restitution as limited to things that were forcibly seized by the Nazis in the occupied areas and for which no payment of any kind was made. Under separate cover we have forwarded a draft memorandum prepared by Bill Stone and his staff on the establishment of an Inter-Allied Restitution Commission.

Eddie Playfair of the British Treasury tells us that it is still not settled whether he or Sir David Waley will be the Treasury representative on the British delegation to the Moscow Reparations Commission. The make-up of the British team has not yet been finally decided upon although the British are not quite as casual about this matter as they were prior to the official announcement from Washing as to the members of the American delegation.

London since V-E Day hasnot undergone any noticeable change. The official black-out is a thing of the past but when the black-out was lifted the British decided to extinguish the few remaining street lights in order to conserve coal. Presumably this was done on the assumption that lights from buildings and apartments would provide sufficient and adequate lighting for people on the streets. This assumption hasnot proved to be true in actuality and in some respects London at night time is darker than ever. There is a great deal of talk about rehousing, about easing on consumption restrictions, about motorcar production, etc., but very little of this has gotten beyond the stage of talk. There is also a great deal of talk about the coming general elections although Mr. Churchill to date has refused to state exactly when such elections will be held. No party has made clear to date what it stands for specifically, and how specifically, it will implement its program if successful in the elections. As far as we can ascertain from the glittering generalities that are being bruted about they are all opposed to sin and in favor of full employment and prosperity. The tempo of campaigning will undoubtedly quicken as the probability of summer election increases. The only effective alternative to the Churchill Government would be a Government led by such people as Alexander, Bevin, Cripps, Dalton, Morrison, Sinclair, etc. These people are all ministers of the present nationalist cabinet. One should not forget to mention in this connection such luminaries of the Labor Party as Clement Attlee and Walter Citrine. Citrine is the individual who in 1939 wrote a book on Russia after having been there a matter of a few weeks in which he proved to his own satisfaction that the Russians were barbarians and scarcely distinguishable from the German Fascists. More recently Mr. Citrine has been used to uncover alleged ELAS atrocities said to have been perpetrated in Athens.

Sincerely,
 Bill Taylor.

P.S. There is enclosed a note to you from Col. Bernstein to which is attached a memorandum regarding Dr. George N. Shuster.

209000

DECLASSIFIED	
Authority	NND 978025
By	KEN NARA Date 9/30/91

RG 56
 Entry 69A4707
 File GERMANY: Military Government -
Treasury Participation
 Box 82

Bob

German: A.S. Group @C

MEMORANDUM FOR THE FILES

July 9, 1945

At a meeting in Mr. Schmidt's office this morning in which Bella Shwartz, Harold Glasser, Orvis Schmidt and myself were present, it was agreed:

- (1) That the Enforcement Division of Foreign Funds Control should be responsible for handling (i.e. receiving, cataloging, indexing, duplicating, translating, routing for information and action) the material received by the Treasury Department from the U.S. Group Control Council in Germany.
- (2) Mr. Glasser will represent the Treasury on any top level inter-departmental committee or group which may be formed to handle the incoming material and the problems connected therewith.
- (3) Mrs. Shwartz as chief of the Enforcement Division of Foreign Funds Control will be the alternate representative on the committee and the Enforcement Division and Monetary Research will provide one or more persons, if necessary, to spend full time representing Treasury's interest in whatever inter-departmental secretariat which may be formed to handle the material in the War Department.

(Signed) Michael L. Hoffman
 M. L. Hoffman

cc: Messrs. Glasser, Richards, Aarons, Coe, L. Leonard, Mrs. R. Shwartz (2),
 General Records and Monetary Research Files

MLHoffman:mbw 7/13/45

209001

DECLASSIFIED
 Authority NND 978025
 By KV NARA Date 9/30/91

RG 56
 Entry 9A4707
 File GERMANY: Military Government -
Treasury Participation
 Box 82

S E C R E T

**SUPREME HEADQUARTERS
 ALLIED EXPEDITIONARY FORCE
 G-5 Division
 Special Finance Detachment
 Frankfurt a/Main**

9 June 1945

**SUBJECT: Functions of Financial Intelligence and Liaison Branch,
 Finance Division, US Group CC**

TO : A/Executive, Finance Division, US Group CC, APO 742

The functions of the Financial Intelligence and Liaison Branch are as follows:

a. To secure, evaluate, and distribute general information relating to German finances.

b. To analyze the application and participate in the formulation of denazification policies to finance, both governmental and private, and maintain a registry of key German financial personnel.

c. To analyze and participate in the formulation of decentralization policies affecting German fiscal administration and financial institutions, governmental and private, with particular reference to the conditions, if any, under which specific functions may require centralized control.

d. To study general trends and developments which directly affect the finances of Germany.

e. To analyze financial problems, prepare studies and surveys, and to take other action necessary to furnish a basis for the development and formulation of policy recommendations, and in particular, the head of the Branch to serve as the chairman of the policy committee of the Division.

f. To keep currently informed of developments in other finance organizations which have a bearing on the financial problems of Germany as a whole.

g. To edit the Monthly Report.

h. To maintain liaison with other Divisions in matters having a direct bearing on the finances of Germany.

**A. M. KAMARCK
 A/Chief, Financial Intelligence and
 Liaison Branch
 Finance Division
 US Group CC**

jp

209002

S E C R E T

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 Authority ANNID 97805
 By KAO NARA Delg 9/30/91

RG 56
 Entry 19AUM7
 File GERMANY: Military Government - Treasury Participation
 Box 82

209003

ORGANIZATION CHART
 FINANCE DIVISION, U.S. GROUP C.C. (GERMANY)
 INTELLIGENCE & LIASON BRANCH

RECAPITULATION

CHIEF	1
POLICY	1
EXECUTIVE	5
DENAZIFICATION	5
STATISTICS	3
REPORTS	3
TIDY CURABUCY SECTION	1 (CAPT. M. WALLY)
TIDY DUSSELDORF	1 (T/M L. BOINARD)
TIDY SHAEF-AG	1
TIDY AN CIV.	1
TOTAL	31

CHIEF INTELLIGENCE & LIASON BRANCH
 MR. AM KAMARCK, CHIEF
 PVT MR. JOSEPH, CLERK-TYPIST

POLICY ADVISERS
 MR. C. S. HYUNING

EXECUTIVE OFFICE
 LT R. A. DAHL, EXEC.
 W/O S. TUCK, ADM.
 T/S B. BRUNETT, PHOTOGRAPHING
 T/S J. A. PITTMAN, ADM. H/O
 T/S AC FERRELL, CLERK-TYPIST

DENAZIFICATION SECTION
 LT RANIXON, CHIEF
 S/SGT J. O. COPPOCK
 S/SGT I. SOLKIND
 S/SGT. K. H. STRAUS
 T/S B. WAYBUR

STATISTICS & ANALYSIS SECTION
 CPL. R. SAGEBY, CHIEF
 T/SGT D. CURTIS
 MISS H. TARRER

REPORTS SECTION
 LT (P) E. A. LOON, CHIEF
 LT L. F. MIKULICH
 SGT. EL. KAMARCK

SHAEF-AG
 NOSTER
 LT KOZAR
 T/S ILKOVICH
 T/S SHUSTER
 CPL FEDORCHAK

GERMAN CIV.
 SEM, CHRIS. LE
 OFFERMANN, SAINE
 GRITMANNEN, K. RT
 STRAUSS, BENJAMIN
 LINNERT, MARTHA

DECLASSIFIED	
Authority	NND 978025
By	KV NARA Date 9/30/97

RG 56
 Entry 69A4707
 File GERMANY: Military Government -
Treasury Participation
 Box 82

U. S. Group - C C

MAR 29 1945

Dear General Hillaring:

This is with reference to SHANP's cable to the War Department of March 21, 1945, SOAF 259.

The Treasury Department considers it very essential that the work outlined in SOAF 259 be pursued with great energy. The Treasury Department will be glad to cooperate in every way possible. Upon receipt of a memorandum by Mr. James S. Martin of U.S. Group 60 to Colonel E. Bernstein concerning request for additional personnel, we communicated with the Department of Justice. Copies of the memorandum to Colonel Bernstein and of the reply received from the Department of Justice are enclosed. It is suggested that the War Department take whatever action seems advisable in order that the Department of Justice may release to the U.S. Group 60 as many of the persons mentioned in the memorandum as possible.

The Treasury Department is planning to arrange for the transfer of Mr. Oscar Ranser, who is presently with the Treasury staff in Paris, France, to the U.S. Group 60 as soon as he has completed his present assignment. We shall notify you as soon as he is available. We shall endeavor to make more people available for the work outlined in the cable mentioned above, if at all possible.

Very truly yours,

(Signed) Frank Coe

Frank Coe
 Director of Monetary Research

Major General J. H. Hillaring,
 Director, Civil Affairs Division,
 Room 2B-222, Pentagon Building,
 War Department,
 Washington, D. C.

Enclosures.

OH:ERS:gb:5/27/45

209005

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 Authority NND 978025
 By KV NARA Date 9/30/91

RG 56
 Entry 69A4707
 File GERMANY: Military Government - Treasury Participation
 Box 82

COPY

March 28, 1945

AMEMBASSY,

LONDON.

2388

We are without sufficient information on the character of Colonel Bernstein's operation and its connections with other intelligence gathering organizations. (CONFIDENTIAL. FROM CROWLEY FOWLER FLEMING AND RUDLIN FEA FOR STONE)

Specifically, though not exclusively, what we should like to know is: ONE - is there any coordination between Col. Bernstein's group and CIOS, especially on Section 28 Black List and Section 30 Grey List. TWO - will EWD London or FEA Washington have access to the results of Col. Bernstein's investigations of German ministries, corporations, etc? THREE - - Has EWD made or does it contemplate making any arrangements with Col. Bernstein whereby EWD or G-2 SHAEF Economic Section personnel will be provided for Col. Bernstein's group?

GREW

(Acting)

209006

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 Authority NND 978025
 By KN NARA Date 9/30/99

RG 56
 Entry 69A4707
 File GERMANY: Military Government - Treasury Participation
 Box 97

209007

**U. S. GROUP C. C.
 FINANCE DIVISION
 AFU 742**

US/CS/ED/

5 January 1945

SUBJECT: Finance Targets for Advanced Ministerial Control Group (Germany)
TO : Headquarters Planning Staff, Advanced Ministerial Control Group.

1. Reference is made to Planning Directive No. 29 (Advanced Ministerial Control Group, Germany) dated 12 December 1944, and to Ministerial Control Memorandum Number 1, dated 22 December 1944.
2. In accordance with instructions in Paragraph 6 of Memorandum Number 1 (referred to in Paragraph 1 above) two copies of Annex II, on which the Finance Targets are listed, are attached.
3. Finance members (representing both the U. S. Group C. C. and the British Element Control Commission) as designated in Annex A to Planning Directive No. 29 referred to in Paragraph 1 above, have agreed to the attached chart.

RODNEY L. MOTT
 Major AUS
 Coordinator, Finance, AMOFT

For the A/Director, Finance Division
 U. S. Group C. C.

APPROVED:

MORTON P. FISHER
 Major, AUS
 A/Executive

				193/14	
11	A	6	Reichskommissar für die Behandlung feindlichen Ver- mögens (Reichsjustizministerium)	Berlin W8, Mauerstrasse 43	2
12	C	8	Reichsfinanzhof	Munich, Ismaningerstr. 109	1

19, 42

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 Authority NND 978025
 By KNO NARA Date 9/30/99

RG 56
 Entry 69A4707

209008

File GERMANY: Military Government - Treasury Participation
 Doc - 67

SECRET

FINANCE DIVISION

Serial No. (1)	Geographical Area (2)	Priority (3)	Description of Target (4)	Location of Target (5)	Object to be achieved (Action to be taken)	No. of Control Personnel Required	
						(7)	(8)
1a	A	2	Reichsbank	Berlin W8, Jägerstrasse 34-36	}	}	}
1b	A	3	Reichshauptkasse	Berlin W8, Jägerstrasse 34-36			
1c	A	3	Golddiskontbank	Berlin, Margrafenstrasse 10			
1d	A	3	Deutsche Rentenbank	Berlin W8, Wilhelmstr. 67			
1e	A	6	Reichskreditkassa	Berlin W8, Jägerstrasse 34-36			
2	A	2	Reichswirtschaftsministerium Abt. II, III, IV	Berlin W8, Behrenstrasse 43	}	}	}
3	A	2	Reichsdruckerei, Abt. I, III, Admin. Offices	Berlin, Gradenstrasse 91			
4a	A	3	Reichsfinanzministerium	Berlin W8, Wilhelmplatz 1	}	}	}
4b	A	8	Reichsschuldenverwaltung	Berlin SW68, Gradenstr. 106-109			
5a	A	3	Deutsche Verrechnungskasse	Berlin, Jägerstrasse 34-36	}	}	}
5b	A	3	Devisenstellen	Berlin, Neue Königstr. 61-64			
5c	A	6	Konversionskasse für Deutsche Auslandsschulden	Berlin C III, Wallstr. 11-12			
6a	A	3	(Postministerium, Abt. I	Berlin, Leipzigerstr. 1-5	}	}	}
6b	A	3	(Postscheckamt				
7	A	4	Reichsgruppe Versicherung & Other Insurance Targets	Berlin, Kaiser Wilhelmstr. 1-3	}	}	}
8a	A	3	Bank der Deutschen Arbeit	Berlin C2, Wallstr. 61-65			
8b	A	4	Reichsgruppe Banken	Berlin, Französischestr. 18	}	}	}
8c	A	4	Deutsche Bank	Berlin W8, Behrenstr. 9-13			
8d	A	4	Dresdner Bank	Berlin, Behrenstr. 35-39			
8e	A	4	Commerz Bank	Berlin W8, Behrenstr. 46-48			
8f	A	4	Reichskreditgesellschaft	Berlin W8, Französischestr. 49-54			
8g	A	4	Deutsche Länderbank	Berlin, Unter den Linden 76			
8h	A	4	Berliner Handelsgesellschaft	Berlin, Behrenstr. 32-33			
8i	A	4	Bank der Deutsche Luftfahrt	Berlin, Am Park 22			
8j	A	4	Merck, Fink & Co.	Berlin, W8, Taubenstr. 22			
8k	A	4	Hardy & Co. G.m.b.H.	Berlin, W8, Margrafstr. 36			
8l	A	4	Delbrück, Schickler & Co.	Berlin W8, Französischestr. 32			
8m	A	6	Deutsche Girozentrale	Berlin, Gertraudenstr. 13-19			
8n	A	6	Deutsche Zentralgenossenschaftskasse	Berlin, Am Zeughaus 1-2			
8o	A	6	Deutsche Kontenbank-Kreditanstalt	Berlin, Wilhelmstr. 67			
8p	A	6	Preussische Staatsbank	Berlin, Margrafenstr. 38			
8q	A	6	Deutsche Industriebank	Berlin, Schinkelplatz 3-4			
9	A	6	Reichsrechnungshof	{ Berlin W9, Potsdamerstr. 24 } { Potsdam, Weisenstr. 30-34 }	}	}	}
10	A	7	Oberfinanzpräsidium	Berlin W15, Kurfürstendamm 193/1A			
11	A	6	Reichskommissar für die Behandlung feindlichen Vermögens (Reichsjustizministerium)	Berlin W8, Mauerstrasse 43	}	}	}
12	C	8	Reichsfinanzhof	Munich, Ismaningerstr. 109			

(For all targets) a. Seizing and/or establishing initial control. b. Safeguarding essential records.

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Authority NND 978025
By KFO NARA Date 9/30/99

RG 56
Entry 69A4707

File GERMANY: Military Government - Treasury Participation
Box 82

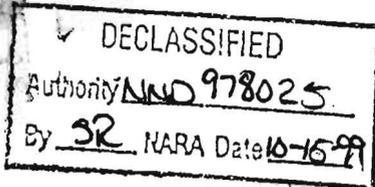
209009

Targets for Advan
sters Planning Sta
control

Summary
(9)

- 1a. Bank for Reich & other public bodies, central agency for supervision of banks, administrative center of foreign exchange control. Important for blocking program.
 - 1b. Central treasury for the Reich.
 - 1c. Reichsbank subsidiary suspected to have engaged in important "unofficial" transactions on behalf of the Reich.
 - 1d. Bank of issue of small denomination notes.
 - 1e. Agency for issue of military currency in occupied countries.
 - 2. Top policy-making Ministry for control of all banking, insurance & foreign exchange matters. Important for blocking program.
 - 3. Currency printing establishment. Important to prevent misuse of note-printing facilities. In addition two P.T. & T. officers for other departments.
 - 4a. Handles revenues, expenditures (including civil service pay), budgets. Important to prevent application of discriminatory tax laws & expenditures inimical to military occupation.
 - 4b. Handles issuance of & service on debts of Reich, Post Office & highways.
 - 5a. Paying & Receiving Office under clearing agreements with foreign countries.
 - 5b. Foreign exchange agencies holding records of permits issued.
 - 5c. Agency for servicing external debts.
 - 6a. & 6b. Top ministry controlling all postal banking activities. To permit functioning of Giro-system (essential element in apparatus for making payments thruout the Reich). Important for blocking program. In addition, one P.T. & T. officer for remainder of postal divisions in Ministry of Posts.
 - 7. Corporate Estate for insurance. ~~Alternative means of implementing US financial program.~~
 - 8a. Bank of Nazi Party & all other Nazi organizations.
 - 8b. Corporate Estate for banking. ~~Possible alternative means of implementing US financial program.~~
 - 8c. Largest nationwide commercial branch bank.
 - 8d. Large nationwide commercial branch bank.
 - 8e. Large nationwide commercial branch bank.
 - 8f. Reich-owned bank serving industrial & other corporate interests of Reich.
 - 8g. Special bank serving exclusively interests of I.G. Farben cartel & its foreign subsidiaries.
 - 8h. One of "Big Six" commercial banks in Berlin.
 - 8i. Financing vehicle for aviation industry (Coering controlled).
 - 8j., 8k. & 8l. Leading private banking firms under known Nazi influence.
-
- Note
- 8a. Apex of savings banks system.
 - 8a. Apex of credit cooperative system.
 - 8c. Central loan agency for agriculture.
 - 8p. Official bank for State of Prussia.
 - 8q. Financing vehicle for armament industry.
- Targets in group 8 are important for blocking program. Later information may indicate additional banking institutions as targets.
- 9. Audits budgetary accounts of Reich & Lander agencies & investigates administrative bodies for efficiency & economy.
 - 10. Supervises collection of Reich revenues & controls Reich funds for Berlin area.
 - 11. To be dealt with on the British side by Finance Division in conjunction with Legal Division; on U. S. side by Reparations, Deliveries, and Restitution Division, & Legal Div.
 - 12. Handles tax cases & matters of valuation and equalization of tax burden.

SECRET



RG <u>56</u> Entry <u>69 A 4707</u> File <u>GERMANY-MILT</u> <u>COMMIT-TRES</u> Box <u>REPRESENTATION</u> <u>82</u>
--

U.S. Group C C

S E C R E T

U S GROUP C C
APO 742

21 March 1945

C
O
P
Y

MEMORANDUM

SUBJECT: Ensuring the cooperation of the Department of Justice.

TO : Col. B. Bernstein, Financial Branch G-5 Division, SHAEF, APO 757, US Army.

1. Recently word came through in a personal letter that the department of Justice in Washington was somewhat discouraged at not having any reports from the members of its staff detailed to work with the Finance Division.

2. As you know, there was a certain amount of opposition on the part of some members of the staff of the Department of Justice to participating in a venture of this kind. Those opposing participation argued that representatives of civilian agencies in a theater of war simply faded out of existence for a year or more and the agencies in Washington were unable to learn anything about their activities or see any concrete results of their efforts.

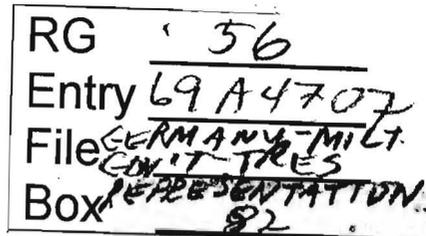
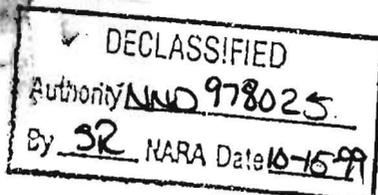
3. When Assistant Attorney General Wechsler decided to assign three members of the Economic Warfare Section to the Finance Division, U. S. Group C.C., I understand he did so with some misgivings. Favorable action was finally taken on the advice of several members of the staff who persuaded Mr. Wechsler that it was a gamble worth taking. Because of the relatively limited experience of the Department of Justice in operating outside the United States, there is a tendency for staff members to underestimate the amount of time required in getting projects set up, especially under war conditions. There was a feeling in the Department that the whole project could be organized in Washington within a few days and that the actual file searching might be consummated within a month or so.

4. The Department's impatience in getting underway, I am sure, is by no means due to lack of interest on its part. Members of the staffs of both the Antitrust and War Divisions have long been convinced of the need for an examination of the files and records of the major German firms. The Department's work in connection with the Grand Jury investigations of National Defense Industries showed the need for such an extensive file search. The answer to many of the questions raised during those investigations can be found only in the files of the German conspirators. It appears likely that affiliates of German firms throughout the Western Hemisphere were being used by German espionage agents to cloak their activities and provide funds for Nazi propaganda throughout the Western Hemisphere. In its capacity as counsel for the Alien Property Custodian, the department became aware of various means of camouflage through which German ownership of assets abroad was placed in the hands of nationals of other countries and how patents were taken out in the name of nationals of other countries in order to conceal German ownership. These facts have convinced the department of Justice of the need for a project, such as that envisaged by U.S. Group C.C. for the examination of the files and records of the principal commercial, industrial and financial enterprises in Germany.

S E C R E T

- 1 -

209010



- 2 -

5. I am convinced that the Department of Justice can be expected to go all out in a program of cooperation with U. S. Group C.C., once it is convinced that the desired objectives can be attained through extension of the present arrangement with U. S. Group C.C. The department needs to be convinced that the present project will be pushed through to a successful conclusion, that the files and records of the German firms will be made available for examination and that copies of pertinent documents will be made available without delay.

6. The problem of communications was foremost in Mr. Wechsler's mind from the start. This, plus the failure to appreciate the amount of time necessary to get things underway in the field has caused the concern now being expressed by the Department.

7. Recommendation

a. The Treasury department, with its background of activities outside continental United States, has a more realistic conception of the amount of time needed for getting such projects underway. It might therefore, help allay Justice's fears and facilitate its further cooperation if someone from the Treasury would call upon Assistant Attorney General Wechsler and discuss the matter.

b. It could be pointed out that we are moving ahead in spite of the delays inevitable in the circumstances, calling attention to the fact that we are not permitted to send non-combatants into occupied cities while they are still under shell fire and expressing satisfaction that the Department has seen fit to contribute toward the present project which is being pushed through to completion as rapidly as tactical considerations permit. It might also be pointed out that many records of banks and industrial firms have been removed, their pre-war headquarters destroyed, and that the experience of the Justice Department would be particularly helpful in tracing them, as well as in selecting the relevant documents from the great mass of material once it has been located.

c. It would certainly help in a matter of this sort as an ideal possibility, if Secretary Morgenthau would discuss the matter with Attorney General Biddle and express his satisfaction that Justice and treasury are linked together in a venture which is an essential step in preventing a revival of the German threat to peace.

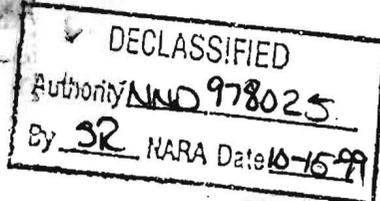
d. The occasion for Treasury's contacting Justice is provided by the request of about a month ago in which additional personnel was requested.

A. M. KAMARCK
 A/Chief, Intelligence
 & Liaison Branch.

S E C R E T

- 2 -

209011



RG	<u>56</u>
Entry	<u>69A4707</u>
File	<u>GERMANY-MILT</u> <u>COMMIT-TRES</u>
Box	<u>REPRESENTATION</u> <u>82</u>

Germany: U.S. Group CC

February 28, 1945

Mr. White

Mr. Coo

Subject: Mr. Tomlinson's letter concerning Treatment of Displaced Persons from Germany, Arrest of Officials in German Financial Institutions, and a Work Program prepared by the Finance Division, U.S. Group CC.

In his letter of February 1, 1945 Mr. Tomlinson has transmitted three different documents.

1. The first document refers to the problem of financial controls to be exercised over displaced persons coming from Germany. On January 4, 1945, Lieutenant Bogdan has submitted "A Tentative Plan for the Treatment of Displaced Persons." In his comments on Lieutenant Bogdan's plan, Colonel Bernard Bernstein suggests that the procedure outlined by Lieutenant Bogdan would present serious administrative difficulties. Colonel Bernstein recommends that it be left to each individual country to deal with its repatriates at its discretion and to make them surrender any foreign exchange they may possess, if it so desires. This attitude is in harmony with the position taken in a meeting with Colonel Bernstein in Mr. White's office on February 2, 1945.

2. This memorandum refers to a meeting between Mr. Snyder and Mr. Mann of the U.S. Treasury and three representatives of the Finance Division of the U.S. Group CC. The meeting was concerned with the Directive which the Control Council, on request by G-2, has prepared regarding the categories of persons in government and private finance of Germany to be arrested pursuant to JCS 1067. It became obvious in the meeting that the recommendations of the Control Council do not go as far as Treasury officials felt they should go. The representatives of the U.S. Group CC stated that they were hesitant in going any further since it would be very difficult to obtain the release of persons whose arrest would prove unjustified. The Treasury representatives felt that this consideration should not prevent the formulation of an arrest policy based on certain important criteria.

3. The various Divisions of the U.S. Group CC were instructed to prepare a "basic plan" for operation which in fact would constitute a work program. The plan prepared by the Finance Division was circulated among other Divisions for comment but has not yet become known to the Treasury officials. A memorandum is attached in which the Political Division comments on the work program of the Finance Division. The Political Division, while recognizing that JCS 1067 denies U.S. responsibility for rehabilitating, maintaining, or strengthening the German economy, considers it desirable that a more positive program

209012

✓ DECLASSIFIED
 Authority NND 978025
 By SR NARA Date 10-15-99

RG 56
 Entry 69 A 4707
 File GERMANY-MILT
COMMITTEES
 Box REPRESENTATION
82

- 2 -

Division of
 Monetary Research

be formulated to avoid the development of chaotic conditions in Germany. Further, the Political Division wonders whether a basic U.S. policy concerning German monopolistic organizations has been formulated. The Political Division calls attention to the widespread ramifications of a program of de-cartelization if such a program should be adopted by the U.S. Finally, the Political Division wonders whether the recommendations by the Finance Division concerning Germany's foreign exchange assets should not be changed. The Finance Division had recommended that no outlay of foreign exchange should be permitted until the status and extent of Germany's external assets and obligations have been determined. The Political Division feels that it may take a long time before such information can be gathered, and suggests more flexible provisions.

OS:hgb
 2/28/45

209013

DECLASSIFIED
 Authority NND 978025
 By SR NARA Date 10-15-99

RG 56
 Entry 69A4707
 File GERMANY-MILT
 COMMITTEES
 Box REPRESENTATION
 82

SECRET

August 29, 1944

MEMORANDUM FOR THE FILES

Personnel with the Financial Section,
 G-5, SHAEF

1. Lt. Col. Moseby Forest

Forest is a former partner of Field Glare. He is bitterly anti-Roosevelt and anti-New Deal. He has been active during the entire planning period for military government as head of the Economic Branch of the German Country Unit. His assistant is Lt. Col. Rundell, an engineer by profession, who is without knowledge of general economic trade or industrial problems. Forest may have to drop out of military government or may be relegated to another position because other people are being considered for his present position.

2. Colonel Edgar Lewis.

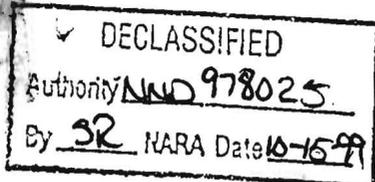
Lewis is head of the German Country Unit under whom both Forest and Rundell are working. Lewis is an attorney from California of very limited ability and a poor organizer.

3. Colonel Gracem Howard

Col. Gracem Howard is currently being considered by General Moseby for the post of head of the Economics Branch of the German Country Unit now held by Lt. Col. Moseby Forest. At the present time, Howard is working as Deputy Head of the Norwegian Country Unit. Howard is a former high officer of the General Motors Corporation. During his association with GM, he was closely linked with GM vice-president, James David Mooney, who was openly attacked in the United States a few years ago for his pro-Nazi sympathies. In August of 1938, Mooney was awarded by the German Government the Order of Merit of the German Eagle. Charges have been made that Howard was associated with the pro-Nazi work of Mooney, although the War Department after checking into Howard's background, stated that the charge was not well founded. It is not necessary to elaborate on GM's interest in Germany.

4. Colonel David Sarnoff

Sarnoff at present is working on communication problems at SHAEF, but has stated his desire to get into Allied Military Government work and particularly to become associated with post hostilities planning for Germany. In a conversation with Brig. Gen. Bedell Smith, SHAEF of



RG <u>56</u> Entry <u>69A4707</u> File <u>GERMANY-MILT</u> <u>COMMITTEES</u> <u>REPRESENTATION</u> Box <u>82</u>

- 2 -

the Financial Section of G-5, he emphasized as of value in German financial work his experience with the Young Plan negotiations in which he was charged with the task of handling some of the negotiations with the Germans. Sarnoff claims to have worked very closely with Hjalmar Schacht for whom he has expressed the highest regard as a fine, able banker with whom we should work closely. Sarnoff has stated that Schacht should be given a key position when we go into Germany and that he, Sarnoff, would know just how to deal with Schacht. Sarnoff was born in Minsk, Russia in 1891. In 1940 he was awarded by the Polish Government-in-Exile the official Order of Polonia Restituta.

5. Lt. Col. Charles Reid

Reid was former Democratic Committeeman from Georgia and Chief Justice of the Georgia Supreme Court. At present, he is acting as head of the Property Control Section of the German Country Unit under the Financial Section of G-5. Reid has stated that he has every expectation of continuing to hold that job in the Allied Military Government in Germany and in its probable successor, the Allied Control Commission for Germany. Reid is of mediocre ability and definitely lazy. He is somewhat non-cooperative in his attitudes. It is extremely important that for the Property Control job in Germany, there should be appointed an energetic, hard-working, right-thinking man, if we are effectively to deprive the Nazis of their loot.

6. Brig. General McSherry

General McSherry holds a key position in the whole Military Government Program for Germany. He is bitterly anti-New Deal in spirit and has an undue appreciation for "big names" in business and finance. Whenever people are being considered for a new post in military government, McSherry invariably brings forward the names of former business associates or acquaintances who have the same point of view that he possesses. General McSherry keeps talking about the need for an outstanding commercial banker to head up the financial work within Germany. General McSherry has apparently made recommendations of various names to General Hildring for key posts in military government.

7. Lt. Colonel Haden Smith

Smith is a chief U.S. legal officer with G-5, SHAEF. Smith is a former partner of Col. Stinson. He is bitterly anti-New Deal on domestic issues, but internationalist on foreign policy matters and has done much useful work at SHAEF.

209015

DECLASSIFIED
 Authority NND 978025
 By SR NARA Date 10-16-99

RG 56
 Entry 69 A 4707
 File GERMANY - MILITARY COMMITTEES REPRESENTATION
 Box 82

Germany; Misc

*Mf
Sum*

OFFICE MEMORANDUM - United States Government

SECRET

Date: July 15, 1944

To : Mr. Harold Glasser - Treasury Department
 From : Mr. J. J. Reinstein - State Department

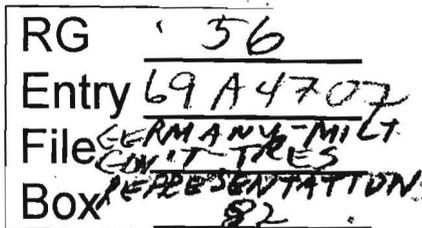
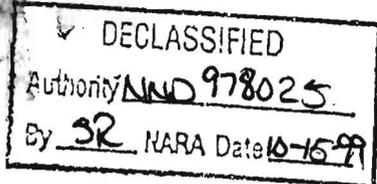
I attach two copies of the comments which we sent informally to Mr. Phillips regarding the Finance Chapter of the Civil Affairs Handbook for Germany. I still think that some effort should be made to go over the Handbook with the War Department and to forward agreed comments through War Department channels.

FMA:JJR:eph

COPY 7-27-44

cc: Messrs. Glasser, Luxford, Schmidt, Hoffman, Bronz, Tomlinson
 Ostrow, Nathan, Bennett.
 Mrs. Gold, Mrs. Schwartz, Miss Mikulich.

209016



**COMMENT ON THE SHANF THIRD DRAFT OF
"CIVIL AFFAIRS HANDBOOK FOR GERMANY"**

PART II, CHAPTER VI, FINANCE.

This chapter appears to be in line with earlier documentation on the subject and with the financial directive which has been sent to SHANF by CGS as an appendix to the Basis Directive for the pre-surrender period. However, there has recently been a considerable change in thinking in Washington, which stems from the Treasury, particularly with regard to the restoration of confidence in the financial system. The inclination now is to rely upon the quick restoration of relatively unrestricted banking services and the resumption of service on the public debt, in preference to the tight controls on bank accounts previously favored. At the same time, there is still some doubt in certain quarters as to the possibility of relaxing all restrictions in the early stages, because of the very real possibility of panic conditions in Germany following surrender. The new ideas have been incorporated in a revision of the financial directive which is in process of clearance in Washington. A copy of this revision may already be in the hands of SHANF.

The more detailed comments which follow are merely those of the Department and have not been cleared with the Treasury.

III, Objectives, Par. D, 1, (pp. 6-7): — It is suggested that sub-paragraph b. might well be expanded to read as follows:

- b. To assist in the control of inflation (i) through the imposition of such restrictions on deposit withdrawals as may be determined by highest AMG authority, and (ii) through measures to induce continued public deposits in the banks, these funds then being invested by the banks in government securities.

A new sub-paragraph d, might be added, somewhat as follows:

- d. To assist in control of the German economy through measures designed to regulate the volume and uses of bank credit.

III, Objectives, Par. E, Public Finance (p.7): — An additional objective in relation to public finance might be mentioned, somewhat as follows:

- e. To finance such deficit as exists through non-inflationary borrowing from the public and the banks rather than through the use of AM marks.

IV, Policy, B, Inflation, Par. 2, (p.8): — The reference in this paragraph to freezing of prices and wages might with advantage refer to control of prices and wages instead, since it may be necessary to permit some rise before freezing is attempted.

DECLASSIFIED
 Authority NND 978025
 By SR NARA Date 10-15-99

RG 56
 Entry 69A4707
 File GERMANY MILIT
 COMMITTEES
 REPRESENTATION
 82

- 2x -

IV, Policy, B, Inflation, Par. 3, (p.8): -- Current thinking in Washington contemplates only ad hoc blocking of bank deposits in the early stages, unless panic conditions are found to prevail. Both a currency conversion (see below) and general restrictions on all deposits could be imposed at a later date as part of a broad anti-inflationary program, which might include also additional taxes.

IV, Policy, C, Currency, (pp. 8-9): -- This section omits mention of a possible currency conversion as part of an anti-inflationary program. While a currency conversion will probably be impracticable in the early stages, it might well be attempted later. In cases where large sums were turned in, only part need be redeemed in new currency and the remainder might be placed in accounts subject to withdrawal restrictions.

IV, Policy, G, Public Finance, Par. 2, (p.11): -- This paragraph does not indicate clearly enough the desirability of resuming service on the public debt at the earliest moment military and fiscal conditions permit, with a view to financing the deficit and absorbing surplus purchasing power.

COPY 7-27-44

cc: Mr. Glasser, Mr. Laxford, Mr. Schmidt, Mr. Hoffman, Mr. Brons,
 Mr. Tomlinson, Mrs. Gold, Mr. Ostrow, Mr. Nathan, Mr. Bennett,
 Mrs. Schwartz, Miss Mikulich.

209018

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REF 968120

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NN3-59-96-59

3

209019

RG 59 General Records of the
Department of State

Office of Financial Operations (E/OFE/FN)

RECORDED RELATING TO THE TRIPARTITE
COMMISSION FOR THE RESTITUTION OF
MONETARY GOLD 1942-1962

Tripartite Gold Commission 1958 -
Terms of Reference

NN3-59-96-59 Lot 6 D115 Box 3

91 TCC

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Dear Dick:

I am enclosing two copies of a table summarizing the global figures on the Gold Pool, which I had to prepare for our internal use. The figures are all derived from the tables prepared last May and June. Since none of these tables, nor anything I have seen since then, gives global data of this kind, I thought you might be interested in a copy for ready reference.

The preparation of this table raised two groups of questions in our minds, on which we would appreciate your views when convenient - no urgency:

Is there any magic in the particular figure set aside for the reserve - 1,990.3877 kilograms? Since the amounts to be distributed soon have been rounded to the nearest 50 kilograms, there is a residue of 122.2816. Why is this not equally a part of the "reserve"?

Where does the gold which has been sold over the years for administrative and other expenses show up? Has this been deducted in advance from the "total gold collected"? Or is the reserve of 1.99 tons really something less than this figure, gold sales having been deducted from this? In the table of administrative expenses that you forwarded on March 11th, expenditures are shown in Belgian francs, dollars, and sterling, as well as in ounces of fine gold. We assume that the YOC receipts of these three currencies came from gold sales. Is this assumption correct?

Sincerely yours,

James C. Lobenstein
International Finance Division

Enclosure: (2 copies)
Global Figures on the Gold Pool

Richard H. Fraud, Esquire,
United States Commissioner,
Tripartite Gold Commission,
American Embassy,
Brussels.

CFD:FN:J.Lobenstein:mjc
4-28-58

CONFIDENTIAL

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CONFIDENTIAL

April 28, 1958

TREASURY - GOLD POOL

	<u>Kg</u>	<u>\$</u>	
Total gold collected (incl. Czech recovery)	331,665.4773	\$ 373,215,202	*
Less: Amount already delivered	<u>269,020.2205</u>	<u>303,734,746</u>	
Amount left	62,645.2568	\$ 69,480,456	
Less: Reserve	<u>1,990.3877</u>	<u>2,233,776</u>	
Amount available for distribution	59,754.8691	\$ 67,246,720	
Less: Shares of Czechoslovakia, Albania, Denmark (being withheld at this time)	<u>22,482.5873</u>	<u>25,299,116</u>	
Balance available	37,272.2816	\$ 41,947,604	
Less: Next distribution (amounts due rounded to nearest 50 kilograms)	<u>37,150.0000</u>	<u>41,804,000</u>	
Amount not distributed, to be added to next distribution	122.2816	\$ 137,604	

* 1 Kg = \$1125.276 (confirmed by Treasury - Mrs. Ross) 3/25/59 - Cur

CONFIDENTIAL

FORM 20-4 Rev. 10-3-54		DEPARTMENT OF STATE TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL	
TO Department of State			DATE April 24, 1958		
FOR Mr. J. Lobenstine		FROM Amembassy, Brussels			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT			
<input type="checkbox"/> Post Information ONLY <input type="checkbox"/> Inform Foreign Office <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input checked="" type="checkbox"/> Dept. Information ONLY <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request			
<input type="checkbox"/> Transmit to or <input type="checkbox"/> Inform U. S. Agency:					
REFERENCE INT-3238					
ITEMS/REMARKS Instructions requested prior to May 7, 1958 so as to permit United States Commissioner to take a position at forthcoming meeting.					
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE					
FILE NO.		SIGNATURE <i>Richard B. Freund</i> Richard B. Freund			
CLASSIFICATION CONFIDENTIAL		OFFICE U.S. Commissioner, TGC			

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28 April 1958.

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the Bank of England to the
st Company of New York,
funds are running low in

f the usual routine letters
sh will be submitted to the
, for signature, if approved.

23 Dec 54 03848 8 M pd

(sgd) J. A. WATSON.

J.A. WATSON,
Secretary General.

bh

209023

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INT- 3238.
C/BE/ca-

23 April 1958.

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From : The Secretary General

To : The Commissioner of the Government of the
United States of America ✓

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

The Commissioner of the Government of the
French Republic.

The last transfer of funds from the Bank of England to the
Commission's account at the Guaranty Trust Company of New York,
Brussels, dates back to October 1957 and funds are running low in
the latter account.

I, accordingly, enclose copies of the usual routine letters
to the Bank of England, originals of which will be submitted to the
three Commissioners, at the next Meeting, for signature, if approved.

(sgd) J. A. WATSON.

J.A. WATSON,
Secretary General.

bh

209024

REPRODUCED AT THE NATIONAL ARCHIVE

G/BE/ca-

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON, E. C. 2.

Sir,

We hereby request and authorise you to sell, at current London Market rates, two gold bars to be selected by your services, at their discretion, from the bar gold account open, at your Bank, in the name of Her Majesty's Treasury c/a of the Governments of the United States, the United Kingdom and France, and to credit the proceeds to the current account bearing that title.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America.

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

Alternate Commissioner
of the Government
of the French Republic.

C/BE/ca-

The Chief Cashier
The Bank of England,
Threadneedle Street,
LONDON, E.C.2.

Sir,

We hereby request and authorise you to transfer, as soon as the sale of gold subject of our letter C/BE/ca- of to-day's date has been effected, the sum of £10,000.--(ten thousand pounds) from the current account open, at your Bank, in the name of Her Majesty's Treasury o/a of the Governments of the United States, the United Kingdom and France, to the Guaranty Trust Company of New York, London, for the credit of the account open in the name of "The Tripartite Commission for the Restitution of Monetary Gold" at the Guaranty Trust Company of New York, Brussels.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America.

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

Alternate Commissioner
of the Government
of the French Republic.

Copy to : The Guaranty Trust Company of New York,
27, avenue des Arts, Brussels.

bh

AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

200.6241-*Hold*
4-1558

FROM : Embassy BRUSSELS

1142
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 15, 1958
DATE

REF : See Bureau T-1468 4/23
Tel + let draft 4/24 JL

For Dept. Use Only	ACTION	DEPT.
	REC'D 4/17	RMIR-2 EUR-5 IRC-8 L-2 CIA-12

919

DBA-3

SUBJECT: TGC Gold Distribution

There is attached as enclosure No. 1, INT-3219 of April 11, 1958, a letter from the TGC Secretary General enclosing copies of letters of allocation to Italy, Austria and Yugoslavia. These letters, with their attachments, have been completed by the Secretary General and are now ready for signature in the Secretariat.

There is also enclosed (enclosure No. 2) a copy of INT-3222 of April 14, 1958, under which the Secretary General furnished copies of the letters he has prepared informing Albania and Poland of the Commission's decisions concerning their claims. He also attached a copy of a typical adjudication such as he intends to despatch with the letters to Albania and Poland. He explains his reasons for recommending the use of the full text of the adjudications in these cases, but that question relates to the problem dealt with in Paragraph 5 of the Department telegram No. 1546 of April 11, 1958. The U.S. Commissioner will deal separately with that problem in the Commission at its next meeting and is, in the meantime, informing the Secretary General of the Department's position.

While the original plan did not foresee review by the three Governments of each of the letters of allocation before signature, it appears that there will be time for such review in these cases. The U.S. Commissioner would appreciate the Department's comments on the draft letters of allocation and related documents enclosed herewith.

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

Enclosures:

1. INT-3219, April 11, 1958
2. INT-3222, April 14, 1958

RBFreund/dtd
REPORTER

CONFIDENTIAL

INFORMATION COPY

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

THE ABOVE INSTRUCTION APPLIES TO THE DEPARTMENT ONLY.

THIS MESSAGE IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE. IT IS THE PROPERTY OF THE DEPARTMENT OF STATE AND IS LOANED TO YOUR AGENCY. IT AND ITS CONTENTS ARE NOT TO BE DISTRIBUTED OUTSIDE YOUR AGENCY.

209027

Enclosure No. 1 +
April 15, 1958

INT- 3219
CC/IT-
CC/AES-
CC/YUG-

11 April 1958.

From : The Secretary General

To : The Commissioner of the Government of the
United States of America.

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

The Commissioner of the Government of the
French Republic.

The letters of allocation (and specimen receipts to be
attached thereto) to Italy, Austria and Yugoslavia have been completed
and are now ready for signature in the Secretariat.

Copies are enclosed herewith, for information.

Copies of the remaining letters of allocation will be
circulated as and when the originals are completed, ready for signature.

(Sd) J. A. WATSON.

J. A. WATSON,
Secretary General.

CC/IT-

H.E. The Ambassador of the Republic of Italy,
43, Avenue Legrand,
Brussels.

Sir,

1. The Commission has the honour to request that you inform your Government that the Commission has now completed its examination of all the claims for restitution of monetary gold made by your Government before it. The text of the Commission's detailed decision is enclosed.

2. Your Government has received to date deliveries of gold in respect of its anticipated proportional share of the gold pool amounting to

Thirty-one thousand, six hundred and sixty-seven.511 (31,667.511)
fine kilogram.

or One million, eighteen thousand, one hundred and thirty-four.042
(1,018,134.042) fine Troy ounces.

3. We are pleased to inform you that a further allocation of gold amounting to

Twelve thousand, seven hundred and fifty.0000 (12,750.0000) fine kilogram.

or Four hundred and nine thousand, nine hundred and twenty-one.360
(409,921.360) fine Troy ounces.

has been decided in favour of your Government.

4. Certain amounts of gold have been held in reserve for a few claims still undecided, for administrative and operational needs of the Commission and contingencies, and there may be some further accruals of gold to the gold pool. Consequently, it is possible that some further gold may be available for distribution later.

5. The Commission has been entrusted by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and of France, pursuant to Paragraph 5 (e) of its Terms of Reference, with the task of distributing, by the issuance of a delivery order, subject to the accomplishment of the formality mentioned in Paragraph 6 below, the additional distribution to your country as stated in Paragraph 3.

2/.....

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6. The Commission will, therefore, be pleased to hand to the duly accredited Representative of your Government in Brussels, as soon as can conveniently be arranged, an order for the delivery of the gold mentioned at Paragraph 3 above, against signature of a receipt in the form enclosed herewith.

7. The Commission would appreciate receiving a copy of the powers which will be delivered to your Government's Representative in Brussels to execute, on its behalf, the receipt and to accept the above-mentioned delivery order.

8. The Commission would also be obliged if you would indicate, at the same time, the exact designation of the Institution or other body in whose name the delivery order should be drawn up.

We have the honour to be,
Sir,

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.

CC/YUG-

The Delegate of the Federative
People's Republic of Yugoslavia,
to the Inter-Allied Reparation Agency,
9, rue de Crayer, Brussels.

Sir,

1. The Commission has the honour to request that you inform your Government that the Commission has now completed its examination of all the claims for restitution of monetary gold made by your Government before it. The text of the Commission's detailed decision is enclosed.

2. Your Government has received to date deliveries of gold in respect of its anticipated proportional share of the gold pool amounting to

Three hundred and seventeen.4256 (317.4256) fine kilograms,

or Ten thousand, two hundred and five.470 (10,205.470) fine Troy ounces.

3. We are pleased to inform you that a further allocation of gold amounting to

One thousand, seven hundred and fifty.0000 (1,750.0000) fine kilograms

or Fifty-six thousand, two hundred and sixty-three.798 (56,263.798) fine Troy ounces,

has been decided in favour of your Government.

4. Certain amounts of gold have been held in reserve for a few claims still undecided, for administrative and operational needs of the Commission and contingencies, and there may be some further accruals of gold to the gold pool. Consequently, it is possible that some further gold may be available for distribution later.

5. The Commission has been entrusted by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and of France, pursuant to Paragraph 5 (e) of its Terms of Reference, with the task of distributing, by the issuance of a delivery order, subject to the accomplishment of the formality mentioned in Paragraph 6 below, the additional distribution to your country as stated in Paragraph 5.

Y/.....

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- 6. The Commission will, therefore, be pleased to hand to the duly accredited Representative of your Government in Brussels, as soon as can conveniently be arranged, an order for the delivery of the gold mentioned at Paragraph 3 above, against signature of a receipt in the form enclosed herewith.
- 7. The Commission would appreciate receiving a copy of the powers which will be delivered to your Government's Representative in Brussels to execute, on its behalf, the receipt and to accept the above-mentioned delivery order.
- 8. The Commission would also be obliged if you would indicate, at the same time, the exact designation of the Institution or other body in whose name the delivery order should be drawn up.

We have the honour to be,
Sir,

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.

CC/ABS-

H.E. The Ambassador of Austria,
11, Avenue Solière,
Brussels.

Sir,

1. The Commission has the honour to request that you inform your Government that the Commission has now completed its examination of all the claims for restitution of monetary gold made by your Government before it. The text of the Commission's detailed decision is enclosed.
2. Your Government has received to date deliveries of gold in respect of its anticipated proportional share of the gold pool amounting to
Forty-four thousand and thirty-one.8249 (44,031.8249) fine kilograms.
or One million, four hundred and fifteen thousand, six hundred and fifty-five.843 (1,415,655.843) fine Troy ounces.
3. We are pleased to inform you that a further allocation of gold amounting to
Six thousand, one hundred and fifty.0000 (6,150.0000) fine kilograms
or One hundred and ninety-seven thousand, seven hundred and twenty-seven.063 (197,727.063) fine Troy ounces,
has been decided in favour of your Government.
4. Certain amounts of gold have been held in reserve for a few claims still undecided, for administrative and operational needs of the Commission and contingencies, and there may be some further accruals of gold to the gold pool. Consequently, it is possible that some further gold may be available for distribution later.
5. The Commission has been entrusted by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and of France, pursuant to Paragraph 5 (e) of its Terms of Reference, with the task of distributing, by the issuance of a delivery order, subject to the accomplishment of the formality mentioned in Paragraph 6 below, the additional distribution to your country as stated in Paragraph 3.

.....

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REPRODUCED AT THE NATIONAL ARCHIVES

6. The Commission will, therefore, be pleased to hand to the duly accredited Representative of your Government in Brussels, as soon as can conveniently be arranged, an order for the delivery of the gold mentioned at Paragraph 5 above, against signature of a receipt in the form enclosed herewith.

7. The Commission would appreciate receiving a copy of the powers which will be delivered to your Government's Representative in Brussels to execute, on its behalf, the receipt and to accept the above-mentioned delivery order.

8. The Commission would also be obliged if you would indicate, at the same time, the exact designation of the Institution or other body in whose name the delivery order should be drawn up.

We have the honour to be,
Sir,

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.

FORM DS-4 Rev. 12-23-53 (Replaces FORM FS-442)		DEPARTMENT OF STATE TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL	
TO Department of State			DATE April 15, 1958		
FOR Mr. James C. Lobenstine					
FROM Ambassy BRUSSELS					
TO THE FOREIGN SERVICE			TO THE DEPARTMENT		
Post Information Only			Department Information Only		
Transmit to		Foreign Office	CERP Publications		
Inform			Enclosure to Previous Despatch		
Submit Report					
Reply to the Individual			Reply to Department Request		
<input type="checkbox"/> Transmit to or <input type="checkbox"/> Inform U. S. Agency:					
REFERENCE INT-3218					
ITEMS/REMARKS Copy of letter from J. A. Watson, April 11, 1958. Department's views would be appreciated.					
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE					
FILE NO.		SIGNATURE <i>Richard B. Freund</i> Richard B. Freund			
CLASSIFICATION CONFIDENTIAL		OFFICE U.S. Commissioner, TGC			

© 27 Aug 54 00718 100 M

the meeting 12/9/57
3189
drafted 4/22/58
jcc

923

11 April 1958.

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Secretary General

Commissioner of the Government of the States of America.

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

Commissioner of the Government of the Republic.

is taken from the Federal Reserve, in the forthcoming distribution to the Netherlands, a total of

at the Federal Reserve Bank of

refiners, said to contain gold, and

five bars, containing gold.

be given in the delivery order for what amount.

For the Commissioners' views on this subject.

(S) J. A. Watson
J.A. WATSON,
Secretary General.

Ref: 156th meeting 12/9/57
INT-3184
Tel. reply drafted 4/22/58
jcc

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A-3

INT-3218
C/FRB-

11 April 1958.

CONFIDENTIAL

From : The Secretary General

To : The Commissioner of the Government of the United States of America.

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

The Commissioner of the Government of the French Republic.

3,000 kgs of gold bars have to be taken from the Federal Reserve Bank of New York for France, via Belgium, in the forthcoming distribution and 1,670.7400 kgs of gold bars for the Netherlands, a total of 4,670.7400 kgs.

The Commission's holdings of bars at the Federal Reserve Bank of New York are divided as follows :

1,054 gold bars of various refiners, said to contain 13,204.0223 kgs of fine gold, and

244 United States Assay Office bars, containing 3,054.5701 kgs of fine gold.

Special instructions will have to be given in the delivery order as to which stock is to be drawn upon and for what amount.

I should be grateful for the Commissioners' views on this subject.

(Sd) J. A. Watson

J.A. WATSON,
Secretary General.

CONFIDENTIAL

April 9, 1958

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MEMORANDUM FOR THE FILES

Karl Sommerlatte, EE, called to say our memo of 4/1 had been discussed extensively in EE. Initial reaction was negative, as negotiations with the Czechs have taken a turn for the worse. The Czechs have raised many more serious problems, and as of now the chances of agreement on the economic negotiations look very slim indeed. EE probably will not reach a decision on a reply to the Czech proposals of March for another couple of months, when the outlines of related problems in Czech-US relations become clearer.

EE will therefore not send a reply to our memo at this time. If the problem becomes urgent for us in the TGC context, they will be happy to reconsider the question and send us a formal reply then.

FN:JCLobenstine

CONFIDENTIAL

FN - [unclear]

(91)

OFFICIAL-INFORMAL

April 4 1952

931

D
B-1
A-3
A-5

Dear Dick:

By simply ignoring my 7-inch deep in box and quite a number of more urgent and important tasks, I have secured agreement on a number of pending TGC matters. Several remain, I know. All I can counsel is patience.

This letter is the promised follow-up to the major instruction, which has reached you at long last, after too many lengthy meetings and discussions extending back over the years. Now, at last, we hope the Commission can start the final phase of its activities. We were not able to reach full tripartite agreement on all points. Nor are we entirely happy with some of the compromises. But at least we have an area of agreement which breaks the long deadlock.

On paragraph 12 of the instruction, you will note that, if approached by the press, the Commissioners and the Secretary General "should say that they have no comment. If, however, they consider that something more is required, they should consult the three Governments before authorizing any statement." We would like to see "no comment" amplified to include a statement that the Commission is preparing a full report of its activities, which will be published in due course. Also, we think the three Commissioners could appropriately ponder the problem of a press release. You in Brussels know better than we what the pressures on the Secretary General and the Commissioners are apt to be at such time as word gets out that there has been a distribution. We have agreed, finally, with the British that the Commission should issue no press release or statement to the press without prior clearance with the three Governments, but we do not agree with them on the desirability of saying absolutely nothing.

Here,

Richard B. Freund, Esquire
U. S. Commissioner,
Tripartite Gold Commission,
American Embassy, Brussels.

CONFIDENTIAL

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CONFIDENTIAL

- 2 -

Here, as on the question of the distribution of adjudications to other Governments, discussed below, the British appear to be dominated by fear of Czech reprisals, a law suit before the ICJ, or something along this line. We are enclosing a copy of the latest letter from the British Embassy on the latter question for your information. They have used the same or similar arguments on the question of publicity. We know they are having their own difficulties with the Czechs. However, we are not sure whether, in the event that the encouraging sounds from Prague and ES should lead to a relatively prompt Czech-ES settlement, the British might not then adopt other tactics and unilaterally block a Czech gold distribution. In any event, last week there appeared to be perhaps a 50-50 chance that we might reach some agreement with the Czechs possibly even before the next distribution actually takes place. Now the Czechs have thrown a couple of curved balls our way, and a "relatively prompt" settlement appears much less likely. If some settlement is possible--and on strictly economic ground we are closer to agreement than we have ever been--we would hope it would lead to a solution of our differences with the British on these two problems, but we cannot be sure it would.

Whether or not the Czech problem has been solved, we see no overriding reason for an air of secrecy about the Commission's activities. If the pressure on the Commissioners and the Secretary General for a statement becomes strong, we think the Commissioners should be in a position to issue a release reasonably promptly, which would not be the case if the three Governments had then to start to try to agree on the wording. Therefore, we hope your colleagues are agreeable to discuss the wording of a possible release, which could then be referred back to the three Governments. We would seek to get their advance approval in principle on the wording of the release, though we think they will want to reserve the right to give the final go-ahead--as we probably will also.

Unless the time schedule promised in your 1298 is considerably more rapid than we think, the problem of a press release is not particularly urgent. Securing tripartite clearance may well take several weeks, however, so we would appreciate the Commissioners' thoughts on the subject as soon as you have time. We would appreciate your coordinated views.

A more serious problem is that of paragraph 14, on whether and how to make available copies of or information on other adjudications to inquiring Governments prior to eventual publication of the TGC's final report. Our view is that claimant Governments have a right to know how other claims were decided, as other decisions directly affect their shares. We were therefore prepared to make other decisions available to other Governments on demand. The British held that an adjudication was the business only of the recipient Government. It should be at liberty to publish it if it wished, or equally at liberty to refuse to permit any other Government to see it (until the TGC published the decisions). Therefore they wanted to refer any inquiring Government to the other Government or

Governments

CONFIDENTIAL

209039

CONFIDENTIAL

- 3 -

Governments whose decisions they wished to see. A third possibility would be to distribute copies of all agreed decisions to all claimants (except Czechoslovakia), rather than only to the Government inquiring.

Some of the British reasoning is incorporated in the enclosed letter of March 18 from the British Embassy. Nevertheless, they did agree that the three Commissioners should discuss the question and report their considered recommendations to the three Governments.

It occurs to me that there may be another possible solution, which we shall try to get L and EUR to consider further, pending receipt of your recommendations on the above.

Last year, when we were trying to get the French and British to agree to seek a new waiver at the time of this next distribution, the French finally agreed provided the three Governments were willing for the Commission to publish an interim report at the time of, or very shortly after, the distribution. The French ideas were outlined in a letter from the French Embassy of January 2, 1958, which forwarded a draft of what they thought should be said on Czechoslovakia. At that time, the consensus in the Department was that this was unacceptable. The more I think about it, the less reason I can see for not going ahead with an interim report, a la IARA. I have reread the Czech award, and what the French proposed be said in a report, and at this point I don't see why we could not agree. We will have difficulty with the British, but if faced with the alternative of an interim report by the Commission versus general distribution of the adjudications, they may well find a comprehensive report the lesser of two evils.

This last is obviously only a preliminary thought at this end. Other offices in the Department may not agree with us, and the British may balk at both alternatives. Nevertheless, while you are seeking agreement with your colleagues on recommendations, we would appreciate your reading the French letter, attached, and thinking about this as a possible alternative. The course of the discussion may make it possible for you to mention this, unofficially, as a possibility, perhaps referring to the earlier French proposal. One additional query, on which we can't ask Watson's opinion at this stage, unless the three Commissioners should agree on this as their recommendation--if tripartite agreement on general delivery of adjudications cannot be reached, and if the British should agree to an interim report, how long do you guess it would take to prepare an interim report of this nature?

Sincerely yours,

James C. Lobenstine
International Finance Division

Enclosures: Copy of British Embassy letter, March 18.
Copy of French Embassy letter, January 2.

OFD:FN:JCLobenstine:faw
4/2/58

FN - ~~Mr. Young~~ CONFIDENTIAL/FE (for L/E)
(in draft) (Mr. Maurer)

WE - Mr. Walsh

209040

CONFIDENTIAL

EUR:EE

L/E - Mr. Metzger

FN - John Parke Young

April 1, 1958

938

Interim Report by Tripartite Gold Commission -- Czechoslovakia

Completion of the work of the Tripartite Commission for the Restitution of Monetary Gold, established under the Paris Reparation Agreement of 1945, has been delayed by many factors, but one principal cause for delay has been the U.S. controversy with Czechoslovakia over U.S. claims. Because of our inability to reach agreement with the Czechs, we have held up final adjudication of the Czech claims before the Gold Commission, and any further gold distribution to the Czechs. This in turn has rendered it extremely difficult to agree with the British and French on other aspects of the Commission's task.

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B-1
A-5

One possible solution for some of the subsidiary problems facing the Commission would be the early publication of an interim report on its activities, as was done by the Inter-Allied Reparation Agency in 1951. Such a report could include a brief summary not only of the Commission's activities to date, but of each of the claims adjudications. Publication of such an interim report would be one way of complying with our trusteeship responsibilities to the claimant Governments, and would permit them to view action by the TGC on their claims in the light of action on other claims.

In a different context, the French Government proposed an outline of such an interim report, and forwarded the text of what they thought should be included on the question of Czech claims. A translation of the French draft is enclosed.

I should appreciate an early indication of EUR's (L's) views as to whether there would be any objection to the publication of a report by the Commission including a section on Czechoslovakia along the general lines given by the French.

Enclosure:

French draft of section on Czechoslovakia
for interim TGC Report.

cc: L/FE - Mr. Maurer

OPD:FN:JCLobenstine:jh

CONFIDENTIAL

209041

DRAFT

INTERIM REPORT COVERING THE CLAIMS OF VARIOUS GOVERNMENTS - CZECHOSLOVAK CLAIMS

The total of the claims for the restitution of monetary gold presented by the Czechoslovak Government amounts to 15,008.278½ kilograms of fine gold.

At the present stage of the work of the Commission, it has been possible to certify claims amounting to a total of 16,694.2027 kilograms, while no decision has yet been reached on other claims amounting to 28,314.0757 kilograms.

Czechoslovak claims accepted

1. A sum of 23,087.3040 kilograms was held, before March 15, 1939, at the Bank of England, under the account of the Bank for International Settlements, in the name of the National Bank of Czechoslovakia. On an order bearing the accredited signatures of the National Bank of Czechoslovakia, this sum of 23,087.3040 kilograms was transferred to the Reichsbank at Berlin on March 18, 1939, and credited to an account opened in the name of the Bank of Bohemia and Moravia, established by the Germans as legal successor to the National Bank of Czechoslovakia.

During the hostilities, the Bank of Bohemia and Moravia utilized this deposit for the purchase of free Reichsmarks in order to finance certain foreign exchange operations. At the time of the German capitulation, this account still had a credit balance of 10,318.3439 kilograms.

The Commission is unanimous in recognizing that this last figure should indisputably be considered as having been the object of looting by Germany in the sense of Part III of the Paris Agreement on Reparations.

A decision has not yet been reached on the balance of 12,768.9601 kilograms.

2. Before March 15, 1939, the National Bank of Czechoslovakia held in Prague 6,375.8588 kilograms of gold in coin. On order of the occupation authorities, these coins were transported to the Reichsbank in Berlin on June 12, 1940. The corresponding weight was inscribed in an account opened in the name of the Bank of Bohemia and Moravia at the Reichsbank, and there remained unchanged at the time of the capitulation of Germany.

The Commission has held proven the illegitimate transfer as looting in the sense of Part III of the Paris Agreement on Reparation, and has decided that the claim presented in this case by the Czechoslovak Government is acceptable.

The total amount of the Czechoslovak claims judged acceptable thus is equal to 10,318.3439 plus 6,375.8588 or 16,694.2027 kilograms.

Czechoslovak claims in suspense

The total of claims on the subject of which no decision has been reached amounts to 28,314.0757 kilograms.

It is appropriate to stress that the difficulties encountered by the Commission are due to the particular problems which these claims pose. It follows that the decisions which will be reached on them cannot be expected, in any case, to affect the decisions taken by the Commission on the claims presented by other Governments.

938a

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Czech gold

Total claim	45,008.2784
Established	43,999.3638
Disallowed (Skoda, as non-monetary)	1,008.9146
 Total reserves amount from Switzerland	7,308.0099
Not set off (gold deposit against newly mined gold)	1,398.7757
To be set off	5,909.2342
 Amounts deliverable (43,999.3638 x 64.1316%)	28,217.4960
Amounts already delivered	9,784.0225
Balance	18,433.4735

91 TGC 5/58

209045

INT- 3270
G/BN

19 May 1958

950
D-1
B-1
A-3

See INT-3291
6/3, encl. to D1383
6/6/58.

From : The Secretary General

To : The Commissioner of the Government
of the United States of America ✓

CONFIDENTIAL

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

The Commissioner of the Government
of the French Republic

Further to my INT-3275, of 15 May 1958, reporting a telephone conversation I had had with the Bank of England, I enclose a copy of a letter PR.13.25/DA.4, dated 15 May 1958, which I have received from the Bank.

My first intention was to suggest to the Commission that an answer to this letter and the instructions requested therein should be signed at the same time as the letters of allocation and the decisions once the three Commissioners have received their instructions to sign the letter.

It would seem, however, that the Bank has taken considerable trouble to satisfy the Commission's requirements and that, since it has set aside 107 of its own bars with a view to exchanging them for 106 of the bars actually in the Gold Pool, it would hardly be courteous to keep it waiting for instructions and further information. The Commission does not yet know when it will be able to sign the letters of allocation and the decisions and, in any event, there will be no charge to the pool in respect of the operation envisaged and there can be no harm in having it carried out at once.

I have, accordingly, prepared a letter to the Bank, a copy of which I enclose. The original is in the envelope addressed to the Chairman, for signature by him, if approved, and transmission, if the Chairman has no objection, to the French Commissioner direct (envelope enclosed) for signature, if approved, and return to the Secretariat, which will then submit it to the American Commissioner for his signature, if approved.

It will be observed that there will be a deficiency of about 4.6655 kilograms in the delivery of bars to Greece (delivery No.7) and that this deficiency will have to be made up in coins. This was not unexpected since Greece's share is very small and the average weight of bars in the Gold

2/.....

209046

T.C.R.M.C.

Page 2.

Pool is about 12 kilograms or so. The effect of delivering 4.6655 kilograms of coins more than was intended will be negligible in relation to the total weight of coins handled.

(sgd) J. A. WATSON.

J.A. WATSON,
Secretary General.

INC-

JAW/ee.

209047

REPRODUCED AT THE NATIONAL ARCHIVE

PRIVATE & CONFIDENTIAL

(D. & A.)

BANK OF ENGLAND,

London, E.C. 2.

FR.13.25/DA.4

15th May 1958.

The Secretary General,
Tripartite Commission for the
Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.

Dear Sir,

I write with further reference to your letter (C/BB-3403) of the 30th April and to a recent telephone conversation regarding the procedure to be adopted for the delivery of certain amounts of gold from the Commission's holding of bar gold and coin.

The Bank, having examined the Commission's holding, have not found it practicable to allocate gold bars which would closely approximate in fine ounce content to the seven separate amounts which it is desired to release in bar form. In order to achieve a more satisfactory solution it is therefore proposed that 106 bars which have been selected from the Commission's holding, containing 42,741.315 fine ounces of gold be transferred to the Bank of England in exchange for 107 bars containing 42,658.809 fine ounces gold; the difference in weight, namely, 82.506 fine ounces gold, would be purchased by the Bank at the London Market fixing price for gold on the day the bars are exchanged and the proceeds credited to the Commission's sterling account.

If this proposal is acceptable to the Commission the Bank would be glad to receive formal instructions to effect this exchange. It will then be possible to allocate bars in such a manner that, in each of the proposed deliveries of bar gold, other than delivery No. 7, the deficiency in fine gold content from the amounts listed in your letter will not be greater than approximately one fine ounce. In the case of delivery No. 7 there will be an unavoidable deficiency of about 150 fine ounces.

From the specimen delivery orders enclosed with your letter the Commission's apparent intention is to make good as far as possible the deficiencies in the fine ounce content of the bar gold delivered with additional gold coin, with the exception of deliveries No. 3 and 6. In these circumstances the Bank would be able to effect deliveries of gold coin to within approximately .1 of a fine ounce below the total amounts to be delivered.

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209048

It is understood that the Czechoslovakian pieces referred to in your letter would not form any part of any of the coin to be delivered and that the 51 gold bars which formed the subject of the Commission's letter (C/BB-1621) of the 12th March 1952 are to form part of delivery order No. 1. Please include instructions to this effect in the relative delivery order.

The specimen delivery orders enclosed with your letter would satisfy the Bank's requirements as authorities for the delivery of the gold and I shall be grateful if the Commission's instructions can be despatched in time to give the Bank notice of the date on which the deliveries are to be effected.

I would add that it is not the Bank's practice to make a charge for services of the type involved on this operation.

Yours faithfully,

sg. illegible.

for Chief Cashier.

C/BE-3423

3 June 1958

The Chief Cashier,
Bank of England,
Threadneedle Street,
LONDON, E.C.2.

Approved + sent.
See INT-3291 6/3
and covering 2-1383
6/6

STRICTLY CONFIDENTIAL

Sir,

The Secretary General of the Tripartite Commission for the Restitution of Monetary Gold has commended to us your letter FR.13.25/DA.4, dated 15 May 1958, replying to his enquiries of 30 April 1958.

We are most grateful to the Bank for the trouble it has taken to meet the requirements of the forthcoming distribution and, in particular, for the proposal, at paragraph 2, page 1, of your letter that 106 bars, containing 42,741.315 fine ounces of gold, from the account operated by the Commission, should be transferred to the Bank in exchange for 107 of the Bank's own bars, containing 42,658.309 fine ounces of gold, and that the difference in weight, namely 82.506 fine ounces of gold, should be purchased by the Bank, as stated, and the proceeds credited to the Commission's sterling account. This proposal is acceptable to us and we would be obliged if the operation described could be carried out at the Bank's convenience.

The information contained in paragraphs 3 and 4 of your letter, particularly that concerning delivery N° 7, has been noted.

The Bank's understanding, in paragraph 1, page 2, of your letter, concerning the Czechoslovakian pieces, is correct. With regard to the 51 bars, subject of the Commission's letter C/BE-1621, of 12 March 1952, to be included in delivery N° 1, we would prefer not to include special instructions in the relative delivery order and we would be grateful if the Bank would kindly take the present letter as a formal instruction to include these 51 bars in delivery N° 1, in due course, and accept its Secretary General's confirmation of this instruction when he sends the Bank a signed duplicate of the relative delivery order, in accordance with the Commission's usual practice.

With regard to paragraph 2, page 2, of your letter, the Secretary General will send you, in due course, a list of the beneficiaries of delivery orders N° 1 to 7, inclusive, and he will send you a signed duplicate of each order as and when the original is handed to the beneficiary. In the case of Order N° 1, he will, as stated above, confirm the instruction to include the 51 bars in this delivery. It is expected that the deliveries will be spread over a few weeks.

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209050

We have noted that it is not the Bank's practice to make a charge for services of the type involved in this operation and we thank you for this information and for the Bank's kind cooperation in this matter, which has been much appreciated.

We are,
Sir,

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.

Encl. to D-1289 5/20/58

INT-3275
G/BE

13 May 1958.

CONFIDENTIAL

From : The Secretary General

To : The Commissioner of the Government
of the United States of America

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

The Commissioner of the Government
of the French Republic

With reference to my INT-3256, of 30 April 1958, I have to report that Mr. Harris, of the Chief Cashier's Department of the Bank of England, 'phoned me up to-day and that we discussed, with all due regard to security, certain technical and administrative aspects of the questions which arise in connection with the forthcoming distribution.

Mr. Harris said that the problems raised had proved somewhat difficult to deal with and he described the solution proposed by the Bank, which includes acceptance of my suggestion that, where necessary, smaller bars from the Bank's own reserves should be exchanged for the 12 or 13 kilo bars at present in the custody of the Bank for the account of the three Governments.

These proposals should enable the Bank to deliver to within an ounce or two, either way, of the amounts specified.

These operations will, of course, entail certain small expenses.

I accepted the Bank's suggestions, which appear to be the best that can be adopted in the circumstances and Mr. Harris said that he would confirm the proposed arrangements and send drafts of the instructions which the Bank suggests should be addressed to it by the Commission.

I will circulate this confirmation and the suggested instructions in due course.

(Sgn) J. A. WATSON.

J.A. WATSON,
Secretary General.

JAW/ss.

209052

Office Memorandum • UNITED STATES GOVERNMENT

DATE: May 5, 1958

Brussels 5/8/58
Tel - Brussels 5/9/58

TO : E - Mr. Mann

FROM : FN - John Parke Young

CONFIDENTIAL

SUBJECT: Forthcoming Gold Distribution by Tripartite Commission

*OK
for item
New Reals
JPY*

al

*DB-1
A-5*

Within the next two weeks or so the Tripartite Gold Commission, with headquarters in Brussels, will be ready to make a quasi-final distribution from the Gold Pool.

The Commission was established under the terms of Part III of the Paris Reparation Agreement of 1946 to distribute equitably monetary gold looted by Nazi Germany. The three members are the U.S., the U.K. and France. Since its establishment there has been recovered and put in the Gold Pool a total of 331.7 metric tons of gold with a value of \$373 million. The Commission has thus far made interim distributions totalling about \$304 million. The forthcoming quasi-final distribution will be of approximately 37 metric tons of gold valued at about \$22 million.

The Commission is not yet in a position to make a final distribution, primarily because of U.S. refusal to permit the making of an award and a distribution to Czechoslovakia, pending Czech agreement on U.S. claims. It is also hoped that 12 years of negotiations with Portugal will soon result in an agreement yielding an additional 4 metric tons of monetary gold to the Gold Pool. Nevertheless, since the forthcoming distribution will be the last major one, the three governments have long been in agreement that the formal decisions by the Commission on the claims to looted gold by the various claimant governments should be completed at this time. A reserve is being maintained sufficient to cover the balance of the share to which Czechoslovakia might ultimately be entitled if an award were agreed upon (approximately \$21 million), the small claims of Albania (against which there are third party claims) and the Bank of Danzig (being withheld pending a German peace treaty), certain possible contingencies, and the Commission's expenses.

The forthcoming distribution has been held up for several years by differences between the British, French, and U. S. Governments. The British had, with French support, refused to permit a further distribution excluding Czechoslovakia. We thought the next distribution was the best time to seek a new, improved waiver of claims from recipient Governments. There were also differences on the extent of information to be made available to other governments, pending the final report of the Commission, which may be several years off. Compromise positions satisfactory to all three governments have now been reached on all issues.

CONFIDENTIAL

209053

REPRODUCED AT THE NATIONAL ARCHIVE

CONFIDENTIAL

- 2 -

The three governments expect to receive from the three Commissioners in Brussels within about two weeks a report that all necessary steps have been taken to prepare for the forthcoming distribution. The Commissioners will then request authority of their governments to sign the decisions, which have previously been agreed upon by the three Governments, and to sign the letters of notification of the forthcoming delivery.

If you have no objections, we will authorize our Commissioner to sign the letters and decisions.

OFD:FN: ^{ju}Cllobenstine:meh
5/5/58

Clearances:

^{WAT}
OFD - Mr. Turnage
L/FE (for L/E) - Mr. Maurer (in
L/E - Mr. Metzger ^{ju} draft) ^{FE}
(in draft)

CONFIDENTIAL

209054

CONFIDENTIAL

April 28, 1958

TGC - GOLD POOL

	<u>Kg</u>	<u>\$</u>
Total gold collected (incl. Czech recovery)	331,665.4773	\$373,215,202
Less: Amount already delivered	<u>269,920.2205</u>	<u>303,734,746</u>
Amount Left	61,745.2568	\$ 69,480,456
Less: Reserve	<u>1,990.3877</u>	<u>2,239,736</u>
Amount available for distribution	59,754.8691	\$ 67,240,720
Less: Shares of Czechoslovakia, Albania, Danzig (being withheld at this time)	<u>22,482.5875</u>	<u>25,299,116</u>
Balance available	37,272.2816	\$ 41,941,604
Less: Next distribution (amounts due rounded to nearest 50 kilograms)	<u>37,150.0000</u>	<u>41,804,003</u>
Amount not distributed, to be added to next distribution	122.2816	\$ 137,601

CONFIDENTIAL

209055

CONFIDENTIAL

May 1, 1958

TGC - ALLOCATION OF GOLD POOL TO CLAIMANT COUNTRIES

(All figures in kilograms to four decimal places)

<u>Country</u>	<u>64.1316% of Recognized Claims^{a/}</u>	<u>Amounts Already Delivered^{b/}</u>	<u>Balance Not Yet Distributed</u>	<u>Amount of Next Dis- tribution</u>
Albania	1,574.3503	— ^{c/}	1,574.3503	— ^{c/}
Austria ^{d/}	50,193.9742	44,031.8249	6,162.1493	6,150.
Belgium	127,258.7976	115,650.9277	11,607.8699	11,600 ^{a/}
Czechoslovakia ^{a/}	(28,217,4960) ^{a/}	9,784.0225 ^{e/}	(18,433.4735)	— ^{e/}
Danzig	2,474.7637	— ^{f/}	2,474.7637	— ^{e/}
Greece	53.6993	—	53.6993	50.
Italy	44,456.4554	31,667.5131	12,788.9423	12,750.
Luxembourg ^{d/}	2,708.7289	1,929.4999	779.2290	750.
Netherlands	70,656.7528	66,539.0068	4,117.7460	4,100.
Poland ^{e/}	—	—	—	—
Yugoslavia	2,080.0714 ^{e/}	317.4256	1,762.6458	1,750.
	<u>329,675.0896</u>	<u>269,920.2205</u>	<u>59,754.8691</u>	<u>37,150.</u>
Reserve	<u>1,990.3877</u>			
Total of Gold Pool	331,665.4773 ^{b/}			

NOTES:

- ^{a/} The U. S. has not agreed to the award to Czechoslovakia.
- ^{b/} Total and "Amounts Already Delivered" include a direct recovery by Czechoslovakia of 3,710.0148 kilograms.
- ^{c/} There are British and Italian claims to the same gold.
- ^{d/} It appears that following the war France reimbursed Belgium and Luxembourg for their claims to looted gold, and in turn received an assignment of their claims against the TGC. France will therefore receive any future deliveries of TGC gold to either country.
- ^{e/} Gold of the Bank of Danzig is withheld pending a German Peace Treaty. The TGC decision is being sent to the Polish Government for information. Poland's own claim is being denied in its entirety.
- ^{f/} An earlier proposed delivery to Greece was never completed.

209056

DRAFT

Orig Blue (111) 11

CONFIDENTIAL

E - Mr. Mann

April 24, 1958

FH - John Parks Young

Forthcoming Gold Distribution by Tripartite Commission

Within the next two weeks or so the Tripartite Gold Commission, with headquarters in Brussels, will be ready to make a quasi-final distribution from the Gold Pool.

There has been recovered and put in the Gold Pool

The Commission was established under the terms of Part III of the Paris Reparation Agreement of 1946 to recover and distribute equitably monetary gold looted by Nazi Germany. The three members are the U.S., the U.K. and France. Since its establishment, it has recovered a total of 331.7 metric tons of gold with a value of \$373 million. It has thus far made interim distributions totalling about \$304 million. The forthcoming quasi-final distribution will be of approximately 37 metric tons of gold valued at about \$42 million.

The Commission the making of an award and a

The Commission is not yet in a position to make a final distribution, primarily because of U.S. refusal to permit a distribution to Czechoslovakia, pending Czech agreement on U.S. claims. It is also hoped that 12 years of negotiations with Portugal will soon result in an agreement yielding an additional 4 metric tons of monetary gold to the Gold Pool. Nevertheless, since the forthcoming distribution will be the last major one, the three governments have long been in agreement that the formal decisions by the Commission on the claims to looted gold by the various claimant governments should be completed at this time. A reserve is being maintained sufficient to cover the balance of the Czech share (approximately \$21 million), and the small claims of Albania (against which there are third party claims) and the Bank of Danzig (being withheld pending a German peace treaty), certain possible contingencies, and the Commission's expenses.

share to which Czechoslovakia might ultimately be entitled if an award were agreed upon

The forthcoming distribution has been held up for several years by differences between the British, French, and U.S. Governments. The British had, with French support, refused to permit a further distribution excluding Czechoslovakia. We thought the next distribution was the best time to seek a new, improved waiver of claims from recipient Governments. There were also differences on the extent of information to be made available to other governments, pending the final report of the Commission, which may be several years off. Compromise positions satisfactory to all three governments have now been reached on all issues.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

The three governments expect to receive from the three Commissioners in Brussels within about two weeks a report that all necessary steps have been taken to prepare for the forthcoming distribution. The Commissioners will then request authority of their governments to sign the decisions, which have previously been agreed upon by the three Governments, and to sign the letters of notification of the forthcoming delivery.

If you have no objections, we will authorize our Commissioner to sign the letters and decisions.

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part
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OFD:FN:JClobenstine:mjc
4-28-58

Clearances: CFB - Mr. Turnage
L/FE (for L/E) - Mr. Maurer
L/E - Mr. Metzger

CONFIDENTIAL

AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

ONLY EN 20016241-Gold/5-258
970a
APR 2 1958
D-1
A-3
NAR

FROM : **Ambassy BRUSSELS**
TO : **THE DEPARTMENT OF STATE, WASHINGTON.**

REF : **Department Telegram No. 1590, April 18, 1958.**

For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
	E-4	RMIR-2 IRC-8 EUR-5 L-2 W-1 NEA-4
	5/6	CIA-12

SUBJECT: **Tripartite Gold Commission**

The U.S. Commissioner has discussed the proposed letter from the Secretary General to the Bank of England (INF-3217 of April 11, 1958) on the basis of the guidance contained in the telegram under reference. As the result of that discussion and in view of the previous approval of the draft letter by both the British and French Commissioners, certain changes were agreed. The letter in final form, INF-3256 of April 30, 1958, (a copy is enclosed) has been dispatched by the Secretary General.

The agreed changes involved a) adding the word "strictly" before the words "confidential" and "confidentially", where they occurred in the original draft, and b) modification of the reference to the Czechoslovak duats. In the latter case, it was found that a complete inventory of the bags of coins was not intended, as it would be too costly, and that it would therefore not be possible to avoid mention of the Czech duats in that manner. It was possible, however, to relate the request for their segregation to a letter of 1948, and in that way to avoid suggesting that the request for segregation relates to any current problem or plan.

Richard B. Freund

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

Enclosure:

No. 1 - INF-3256 of April 30, 1958.

~~RB Freund/asm/414~~

CONFIDENTIAL

INFORMATION COPY
Retain in file (ston) files or destroy in accordance with security regulations.

INT- 3256
C/EE-

30 April 1958.

CONFIDENTIAL

From : The Secretary General

To : The Commissioner of the Government of the
United States of America ✓

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

The Commissioner of the Government of the
French Republic.

I have agreed with the American Commissioner a text for the
third paragraph from the end of my proposed letter to the Bank of
England (my INT-3217, dated 11 April 1958) and I have despatched
the letter, as amended, to-day.

I enclose a copy herewith.

(Sgd) J. A. WATSON,
J.A. WATSON,
Secretary General.

O/HS-3403

STRICTLY CONFIDENTIAL

30 April 1958.

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON, E.C.2.

Sir,

I should be most grateful for the advice of the competent Services of the Bank regarding the following matter :

I would mention, strictly confidentially, that the Commission expects to receive, within the next few weeks, instructions from the three Governments constituting it to proceed to deliver monetary gold from the accounts open at the Bank in the name of the three Governments as follows :

<u>Delivery</u>	<u>Total amount in Troy ounces to be delivered.</u>	<u>In bars</u>	<u>In coins</u>
No.1	201,004.969	195,268.637	5,736.332
No.2	24,113.056	16,391.361	7,721.695
No.3	409,921.960	409,921.960	-
No.4	78,102.511	4,390.724	73,711.787
No.5	56,263.798	31,613.609	24,650.189
No.6	197,727.063	197,727.063	-
No.7	1,607.537	971.165	636.372

Having regard to the wording of the letters which will be addressed to the recipients and of the receipts and other documents to be signed by them, it is desirable that the amounts delivered should be, as near as possible, those mentioned in the delivery orders, specimens of which, as used in the past, are enclosed herewith.

It is appreciated that this may raise some difficult technical and administrative problems since, on the one hand, specific bars were set aside, as from 1 December 1955, for the bar gold holdings in the name of the three Governments and transactions in bar gold for this account have to be made in complete bars and, on the other hand, there is no inventory of the gold coins held for the account of the three Governments but only bags said to contain a certain quantity of fine gold.

2/.....

209062

In the two cases where bars only have to be delivered, it may be found difficult to make up a satisfactory amount from the complete bars now held in the account and it may be found necessary to make up differences from the £ account open in the name of the three Governments, unless, of course, the Bank could see its way, if this is possible and permissible, to exchanging existing bars in the three Governments' account for smaller bars from the Bank's own reserves, against payment of appropriate charges.

The same problem will arise in the five cases where both bars and coins have to be delivered, but probably less acutely since it will be possible to word the delivery order "as near as possible to X Troy ounces in bars and the balance in coins". But, since the average weight of the existing bars is about 405 Troy ounces, the differences above or below the actual weight of bars mentioned in the order may be comparatively important and this would not be very satisfactory.

Furthermore, it would seem that, in the latter five cases, some bags of coins, at least, will have to be opened and their contents inventoried, against payment of appropriate charges, in order to make up the exact amounts to be delivered in the form of coins.

As stated above, I should be most grateful for the advice of your Services as to the procedure to be adopted and as to the wording of the delivery orders to be issued.

I would mention two other matters in connection with the above operations.

In the light of the request made in 1948 by the Czechoslovakian Government concerning possible future deliveries of gold in the form of ducats, it is desired that the bags containing Czechoslovakian ducats, subject of the Commission's letter CC/CE-477 of 30 June 1948 and of the Bank's letter P.E.13.25 of 6 July 1948, should, if they have been segregated, as would appear to have been the case, remain segregated pending further advice.

It is further desired that the 51 bars subject of the Commission's letter G/Bu-1621, of 12 March 1952, on which, by verbal agreement between the Bank and the Commission, no action was taken by the Bank, should be included in the delivery described above as delivery No.1.

I will, of course, when the time comes, send you confirmation of the above, over the signatures of the three Commissioners. I am only mentioning these two matters now, since they affect, to a certain extent, the problems raised above.

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

(sgd) J. A. WATSON.

J.A. WATSON,
Secretary General.

DEPARTMENT OF STATE INSTRUCTION

REPRODUCED AT THE NATIONAL ARCHIVE



79

CONFIDENTIAL

91
Joc

82 old No. A - 215, May 1, 1958

ORIGIN:

SUBJECT: Tripartite Gold Commission

INFO
DCL
REP
EUR
FE
IRC
L

TO: American Embassy, Brussels

FOR U.S. COMMISSIONER

974
R

CIA
FRB
TR

The Department's positions on the various questions raised in recent letters from the Secretary General and from you follow, with appropriate references:

1. New French Draft of Letter to Belgium. INT-3224, DEPTTEL 1667, INT-3241. Department approved, and has some preference for, the Secretary-General's original draft to the French modification, and agrees in general with his comments on the proposed changes. We would not object, if the French feel strongly about this, to modifying the language on Belgian confirmation that the allocation should go to France, and moving the phrase, as Lanson desires, from the beginning of paragraph 7 to the end of paragraph 6. The changes proposed in paragraphs 8 and 9 are relatively innocuous. However, any language the Commissioners and the Secretary-General can agree on is satisfactory to us.

2. Letter to Luxembourg. INT-3225, DEPTTEL 1667, INT-3242. The Secretary-General's arguments in favor of his draft are persuasive, but we would not object to minor modifications if the French insist. Again, any language the Commissioners and the Secretary General can agree on is satisfactory to us.

3. Czechoslovak Inquiry. INT-3246. Agree with (1) and (2). On (3), we can see no reason why Czechoslovakia should be given information on direct deliveries which has not been generally given to governments by the Commission.

4. Proposed Letter to Bank of England. EMBTEL 1418, INT-3217, DEPTTEL 1590. We note from INT-3223 and 3226 that the U.K. and French Commissioners have approved the draft letter to the Bank of England. We would appreciate your raising with your colleagues the question raised in the first paragraph of DEPTTEL 1590. Should the Commissioners

CONFIDENTIAL

DRAFTED BY:

CFD:FN:JCLobenstine 5/1/58

APPROVED BY:

CFD:FN:JCLobenstine

CLEARANCES:

~~Mr. L. E. Murrer~~
L/FE (for L/E) - Mr. Murrer (in draft)
Mr. L. E. Murrer (in draft)

209064

No. _____

PAGE _____

CONFIDENTIAL

(Security Classification)

agree with the Secretary General, and decide it is, in fact, necessary to segregate the Czech Ducats, the Department has no objections to the draft letter.

5. Gold Bars in Federal Reserve Bank. INT-3218, DEPTTEL 1620. Since sending the telegram, INT 3228 and INT-3237 have been received. The division proposed by the U.K. Commissioner is more in line with what we had in mind, but we have no real objections to the proportional division proposed by the French Commissioner.

6. Copies of Decisions. INT-3236. Watson comments that the photocopies are expensive. Will other copies of the decisions be available? If so, the Department would appreciate receiving one set of photocopies for the official record, and another set of carbon, or other, copies for working files. In any event, we assume that you should have a complete set in your files, and that the other Commissioners would also want sets for their files in addition to those reposing in their Government's archives. If other copies are not to be available, the U.S. will require two sets of photocopies, one for the Embassy and one for the Department.

7. Statement of Account. DEPTTEL 1450, INT-3221. At the next meeting, please ask the U.K. Commissioner informally whether the Netherlands did not also address HMG for information on the Commission's expenses, and explain to him that this was one major reason for our inquiry. We would propose to give the Dutch the three lines of total figures, for the Commission, Gold Pool, and General Total, perhaps with a breakdown under the first between personnel (total of lines 1, 2, 3, perhaps 9, and 11), and a total for the balance lines 4 through 8, and 10). The note would also quote the sentence at the bottom of the page.

8. Designation of French Commissioner. INT-3243. This would appear to be a matter to be determined by the French Government exclusively.

9. Sale of Bars in London. INT-3238. No objection.

DILES

CONFIDENTIAL

(Security Classification)

209065

See also
INT-3232
4/19/48
revised letter 3/11/48

41

TGC

6/58

209066

FORM 53-4 Rev. 10-8-54		DEPARTMENT OF STATE -TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL	
TO Department of State			DATE June 13, 1958		
FOR Mr. J. Lobenstine		FROM Amembassy, Brussels			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT			
<input type="checkbox"/> Post Information ONLY <input type="checkbox"/> Inform Foreign Office <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input checked="" type="checkbox"/> Dept. Information ONLY <input type="checkbox"/> CBRP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request			
<input type="checkbox"/> Transmit to or <input type="checkbox"/> Inform U. S. Agency:					
REFERENCE INT-3303					
ITEMS/REMARKS Copy of SYG's letter date June 12, 1958, enclosing a letter to the Bank of England.					
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE					
FILE NO.		SIGNATURE <i>Richard B. Freund</i> Richard B. Freund			
CLASSIFICATION CONFIDENTIAL		OFFICE U. S. Commissioner, TGC			

997
R

12 June 1958

Secretary General
 Ambassador of the Government
 United States of America ✓
 Ambassador of the Government
 United Kingdom of Great Britain
 Northern Ireland
 Ambassador of the Government
 French Republic
 letter which I have sent
 of the Bank of England.

AW

Secretary General

JAN/58

997
R

INT-3303
C/BE

12 June 1958.

From : The Secretary General

To : The Commissioner of the Government
of the United States of America ✓

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

The Commissioner of the Government
of the French Republic.

CONFIDENTIAL

I enclose, herewith, a copy of a letter which I have sent
to-day, as agreed, to the Chief Cashier of the Bank of England.

J.A.W
J.A. WATSON,
Secretary General.

enc.

JAW/ans

C/EE-3435

12 June 1958.

The Chief Cashier,
Bank of England,
Three Old Broad Street,
LONDON, E.C.2.

PRIVATE & CONFIDENTIAL

Sir,

I write, with reference to the last paragraph, page 1, of the Commission's letter C/EE-3423, of 3rd June 1958, to give you the names of the beneficiaries of delivery orders 1 to 7, amounts of which were mentioned in paragraph 2 of my letter C/EE-3403, of 30th April 1958 :

Delivery No.1.	-	France
"	No.2.	- France
"	No.3.	- Italy
"	No.4.	- The Netherlands
"	No.5.	- Yugoslavia
"	No.6.	- Austria
"	No.7.	- Greece.

I will send you, in accordance with our usual practice, a signed duplicate of each order, as and when it is handed to the Representative of the beneficiary country.

I am, Sir,

Your obedient servant,

J.A.W.

J.A. WATSON,
Secretary General.

209069

FORM DS-4 Rev. 10-8-54		DEPARTMENT OF STATE TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL	
TO Department of State			DATE June 10, 1958		
FOR Mr. J. Lobenstine, TO THE FOREIGN SERVICE		FROM Amembassy, Brussels TO THE DEPARTMENT			
<input type="checkbox"/> Post Information ONLY <input type="checkbox"/> Inform Foreign Office <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual <input type="checkbox"/> Transmit to or <input type="checkbox"/> Inform U.S. Agency:		<input checked="" type="checkbox"/> Dept. Information ONLY <input type="checkbox"/> CBRP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request			
REFERENCE INT-3294					
ITEMS/REMARKS Copy of letter from SYG dated June 9, 1958, transmitting a copy of a letter from the Bank of England.					
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE					
FILE NO.		SIGNATURE <i>Richard B. Freund</i> Richard B. Freund			
CLASSIFICATION CONFIDENTIAL		OFFICE U.S. Commissioner, TGC			

23 Dec 54 05848 B M Pd

91C

100#

BANK OF ENGLAND,
LONDON



9 June 1958.

Secretary General

Commissioner of the Government
 of the United States of America
 of which have been noted
 Commissioner of the Government
 of the United Kingdom of Great Britain
 Northern Ireland
 107 gold
 bars for 106 gold bars which
 Commissioner of the Government
 of the French Republic
 gold, has
 London market fixing price of
 namely, £1,029: 8: 3,
 Treasury on account of
 1958, 1 enclosed copy
 France,
 dated 6 June 1958,

The total bar gold held by
 through the Commission's
 the United Kingdom and France
 to 890,406.695, say, Eight
 and six decimal six nine

1) J. A. WATSON.

J. A. WATSON,
 Secretary General.

Bank of England to
 the Gold Commission 107 bars containing 42,658,309 fine ounces
 difference purchased by Bank of England 82,500 fine ounces

ENCLOSURE
 2,029.695 = £1,029: 8: 3
 Enclosures
 2 Weight list to accompany.

100# 91C
R

INT- 3294
C/BS

9 June 1958.

From : The Secretary General

To : The Commissioner of the Government
of the United States of America ✓

CONFIDENTIAL

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

The Commissioner of the Government
of the French Republic

Further to my INT-3291, dated 3 June 1958, I enclose copy
of a letter reference (D.A.A.) FN.1).25/DA.4, dated 6 June 1958,
from the Bank of England.

The necessary entries have been passed through the Commission's
books.

(sgd) J. A. WATSON.

J. A. WATSON,
Secretary General.

enc.

JAW/enc.

PRIVATE & CONFIDENTIAL

Telegraphic Address:
Ingotism, London.

Please address reply to
The Chief Cashier (D. & A.)
and quote the reference

FE.13.25/DA.4

BANK OF ENGLAND,
LONDON, E.C. 2.

6th June 1972



Tripartite Commission for the
Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.

Gentlemen,

I write to acknowledge the receipt of your letter (C/BE - 3423) of the 3rd June, the contents of which have been noted.

In accordance with the instructions contained in paragraph 2 of your letter, the Bank of England have to-day transferred 107 gold bars to the Commission's account in exchange for 106 gold bars which have been withdrawn from the Commission's account. The difference in fine weight of the bars, namely, 82.506 fine ounces of gold, has been purchased by the Bank at to-day's London market fixing price of 249s.6½d. per fine ounce and the proceeds, namely, £1,029: 8: 8, credited to-day to the account of Her Majesty's Treasury on account of the Governments of the United States, the United Kingdom and France, as shown in detail below.

As a result of this transaction the total bar gold held by the Bank of England for account of Her Majesty's Treasury on account of the Governments of the United States, the United Kingdom and France at the close of business to-day amounted to 890,406.695, say, Eight hundred and ninety thousand four hundred and six decimal six nine five, fine ounces.

I am, Gentlemen,
Your obedient Servant,

[Handwritten Signature]
for Chief Cashier.

Tripartite Commission to	
Bank of England	106 bars containing 42,741.315 fine ounces
Bank of England to	
Tripartite Commission	107 bars containing <u>42,658.809</u> fine ounces
Difference purchased by Bank of England	<u>82.506</u> fine ounces

@ 249s.6½d. = £1,029: 8: 8

Enclosures

1 Weight List in triplicate.

[Handwritten Signature]

91 TGC

7/58 - 9/58

209073

Estimate of Gold in Pool as of
9/30/58

Albania	1,574.3503	kg
Zech	18,433.4735	1014
Danish	2,474.7637	
Greece	53.6993	D
Neth.	4,117.7460	E-1
Yugo.	1,762.6458	A-3
Reserve	1,990.3877	
<hr/>		
	30,407.0663	kg

Above figure given to
Mrs. Ross - Treasury
184-2057

11/20/58
LW

Sold holdings of TGC -

Bank of England	16,977.2761	(?)	as of 8/30/58
Fed. Res. Bank	13,465.5487	(?)	as of 8/15/58
	<u>30,442.8248</u>	kgp	

City Tr. Co. of N.Y. Brussels -0-

Yugoslavia, Netherlands + Greece had
not taken delivery of their shares
in the second, quasi final distribution.

Outstanding figure
at end of quarter

Sept 30 - requested
by Treasury - Mrs. Ross 11/19

She was given figure previously
as of 6/30/58 by Miss Cross

49,395.2568 KG

\$55.6 million

(Excluded Belgium +
Luxembourg distributions)

DEPARTMENT OF STATE A/CDC/MR
 Office Memorandum *Ec* DATE 3/27/85
 REVIEWED BY _____ UNITED STATES GOVERNMENT

TO : FN - Mr. RDS or KDS EXT. DATE _____
 IS AUTH. _____ REASON(S) _____ DATE: August 19, 1958

FROM : FN - James C. Lobenstein
 ENDORSE EXISTING MARKINGS
 RELEASE DENIED UNCLASSIFIED RELEASABLE
 PA or FOI EXEMPTIONS _____

SUBJECT: Tripartite Gold Commission

1027
R

1. Files. All TGC files in FN are contained in a single file cabinet presently in 4224. There is one additional drawer of historical material which should not be destroyed as it is possibly the only set of the Reichsbank and other records available in Washington.

Current files are contained in the top drawer, all numbered 91 as follows:

- 91 TGC (general files, 1946 to date, all filed chronologically)
- 91A - Terms of Reference
- 91B - Basic Documents (Paris Agreement on Reparation from Germany, Part III of which established TGC, Terms of Reference, Waiver)
- 91C - TGC Accounts with FRB of New York, Banks of England and France
- 91D - TGC Decisions (by country, all decisions final except Czechoslovakia)
- 91M - Minutes of Meetings
- 91S - Statistics

Older files, to which reference must be made from time to time, are in the second drawer (file list enclosed). The bottom two drawers contain the submissions and data submitted by claimant countries in support of their claims, filed alphabetically by country.

At the back of the second drawer is a complete set of photostatic copies of the Commission's decisions in both French and English. These were an enclosure to Brussels despatch 1405, and are in addition to the set of English texts filed under 91D. These were kept in FN at the request of Mr. Maurer until such time as it became clear whether FN or L would have to prepare briefs for new hearings or possible cases brought before the ICJ. They should be returned to RM/R by about September 30 unless by that time FN or L has a clear need to refer to the French text of the decisions.

2. Basic and Background Data. Basic documents on the establishment of the TGC are contained in 91A and 91B, as well as in a large gray folder in the second drawer. A recent circular instruction (CA-1564, August 15, 1958) to our missions in all gold pool countries gives a brief summary of the current status of TGC affairs.

The three Governments have been trying to "wind up" the TGC for quite a number of years. A whole series of inter-governmental differences and negotiating problems delayed any effective action until the early part of 1957. The three Commissioners submitted a basic report and recommendation for future action to the three Governments on March 30, 1957. This report was the subject of extensive tripartite discussions for almost a year. Following this the British and French agreed to a further interim distribution excluding Czechoslovakia; the U.S. agreed to a further interim, in fact quasi-final, distribution without at the

same

CONFIDENTIAL

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CONFIDENTIAL

- 2 -

same time demanding from claimant countries a new and more adequate waiver. The basic instruction under which the Commission is now operating is A-180, March 20, 1958, with paragraph 14 as modified by A-228, May 9, 1958.

Correspondence. Most substantive instructions are given to the U.S. Commissioner, Richard B. Freund (Economic Counselor, American Embassy, Brussels) and to his deputy, Samuel E. Perkins, by instruction or telegram. All outgoing instructions or telegrams to Freund should be labeled "FOR TGC COMMISSIONER", and should be cleared by FN-Mr. Young, L/FE (for L/E) Mr. Maurer (or in his absence L/E-Mr. Metzger), and by WE-Mr. Walsh.

Most reporting by Freund is in the form of:

- a. Telegrams
- b. Despatches
- c. Transmittal slips forwarding documents received from TGC Secretary General

These usually bear the designation INT _____, but some, on special subjects, individual country claims, or accounts or communications with Federal Reserve Bank of New York, the Bank of England and the Bank of France bear other designations. These transmittal slips have been addressed to me. Mr. Freund is being informed that they should be addressed to you in the future.

The action officer in FN has customarily also had official-informal correspondence with the U.S. Commissioner on both the substantive and procedural questions. Letters to Freund, except those of the most routine questions, should also be cleared by Messrs. Young, Maurer and Walsh.

3. Pending Problems

Netherlands. See memorandum dated August 15, 1958. A reply to the Netherlands request for a hearing must be made in the immediate future. Earlier the British and we were in agreement on a brief, relatively formal negative reply. French concurrence was not obtained, however, and the French Commissioner submitted to his colleagues a letter and proposed reply going into considerably more detail. The French Commissioner's arguments for a substantive reply to the Dutch questions (INT-3332, June 30, 1958, and INT-3355, July 29, 1958) are far more persuasive than any previously presented to the British and us by the French. If agreement is reached within the Department along the lines of my recommendation in the August 15 memorandum, I think the British will, however reluctantly, go along. (In the absence of both Metzger and Maurer, L/E - Mr. Czyzak, will give or secure any necessary L clearances. On a reply to the Netherlands, WE clearance will also be necessary, probably from Mr. Cromwell, in Mr. Walsh's absence.) See also INT-3317, June 16, INT-3320, June 19, Freund memorandum, June 20, Brussels despatch 1466, June 27, and my memorandum of August 19.

Poland.

CONFIDENTIAL

209078

CONFIDENTIAL

- 3 -

✓ Poland. The Department has informal information that we may expect a Polish note of protest, along the lines of those already presented to the Commission and to the French Government, within a few days. I would recommend a Departmental reply along the lines of that which it has been agreed the Secretary General should send - DEPTTEL 242, August 8, 1958.

✓ See also INT-3364 and INT-3366, August 12 and 13, just received. The French Commissioner proposes that no further reply be made to the Polish Ambassador by the Commission. In view of Wingate's absence from Brussels and the difficulties of tripartite coordination on such a matter even under more favorable circumstances, I suspect that, unless the Secretary General or we press for a further reply (DEPTTEL 242) no reply will, in fact, be made.

Czechoslovakia. You are thoroughly acquainted with this problem, and have most of the recent correspondence on it. The three Governments have anticipated a formal Czech protest, either to the Commission or to the three Governments individually, or both, at such time as the Czechs discover that a further interim distribution of gold has been made. Thus far we have not yet received one. A protest directed to the Commission will probably create rather knotty problems of tripartite agreement. If the protests are directed to the three Governments individually I think we can safely assume that the British will not seek our concurrence in a reply (although they may inform us of it) and that their reply will place the blame for nondelivery of gold to Czechoslovakia squarely on our shoulders.

Portugal. GEA recently sent to Lisbon "final" instructions on the allied Portuguese negotiation of a termination protocol. The new three-power Portuguese agreement would replace any rights and obligations either side has under the Safehaven agreement of the 1940's. In addition, the agreement, if signed, ratified and implemented, would result in making available to the Gold Pool an additional 3,999 tons of gold. Correspondence on these negotiations is filed under Germany 4D. GEA has action responsibility in the Department for the negotiations. We, of course, are interested in the gold which may be made available to the Gold Pool.

4. Final Report. There has never been any tripartite agreement on the nature of the final report to be prepared by the Commission. There is some correspondence in the file over the last three months on this subject. The Secretary General is bringing up to date and revising, at least in part, a draft report prepared some time ago. (Portions of the report now under preparation may be completely new.) The draft report is being submitted to the Commissioners chapter by chapter as completed. A single copy is being forwarded to the Department for review. The Secretary General is proceeding on the assumption that he is preparing a "confidential final report" from the Commission to the three Governments. This is not in accordance with our view, but we have not yet protested, and it may not be worthwhile to do so at this stage. Before any such report can be made public it will in any event be necessary for the three Governments to agree on wording of sensitive passages and on how much information can be made public prior to a complete termination of the Commission's functions.

Except

CONFIDENTIAL

209079

CONFIDENTIAL

- 4 -

Except on Czechoslovakia, we favor the maximum feasible amount of publicity. The question of Czechoslovakia, however, colors the entire British approach to TGC questions. They are unlikely to agree to any public report to the TGC until we have agreed to release gold to Czechoslovakia.

The three sections of the final report thus far received are in a separate folder (91F). These and future sections should be reviewed in FN, and also by L/FE-Mr. Maurer. Some comments should be sent to Mr. Freund when we have received another section or two.

5. Contacts: British Embassy (Hobart 2-1340) Mr. N. Jordan-Moss. French Embassy (National 8-5400) Mr. Bruneau, or in his absence, his boss, Mr. Jean Cottier.

Enclosure:

TGC File List

- cc: FN - Mr. Young
- FN - Mr. Jones
- L/FE - Mr. Maurer

OFD:FN:JCLobenstine:meh 8/19/58

CONFIDENTIAL

TRIPARTITE GOLD COMMISSION - FILES

APR 12 1958

1037

Current Files

- 91 TGC (General files, 1946 to date, all filed chronologically)
- 91A - Terms of Reference
- 91B - Basic Documents (Paris Agreement on Reparation from Germany, Part III of which established TGC, Terms of Reference, Waiver)
- 91C - TGC Accounts with FRB of New York, Banks of England and France
- 91D - TGC Decisions (by Country, all decisions final except Czechoslovakia)
- 91M - Minutes of Meetings
- 91S - Statistics

Old Files

- TGC Questionnaire
- Letters from Homer Fox
- Washington 1953 Conference
- Brussels 1950 Meeting
- Letters - TGC Intermediate Award - Drafts
- Law 53 Gold (Finnish nonmonetary; Gunther Wagner)
- Hungarian monetary gold
- German external assets (by country)
- Dolfuss-Mieg Claim - Private claims (Sperber; Deutsch-McCormack)
- Gold Finds (possible accruals to Gold Pool)
- Gold Pool - Polish, Italian, Austrian participation in pool
- Country Claims (alphabetically)
- German gold holdings (old files)

[Faint, mostly illegible text from the reverse side of the page, including phrases like "The gold pool...", "The TGC...", and "The Commission..."]

Department of State FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL
		DATE August 11, 1958
TO Dept of State		For the Attention of Mr. James C. Lobenstine
FROM Ambassy BRUSSELS		
TO THE FOREIGN SERVICE		TO THE DEPARTMENT
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post		<input type="checkbox"/> Dept. Information Only
<input type="checkbox"/> Post Information Only		<input type="checkbox"/> CERP Publications
<input type="checkbox"/> Transmit to Foreign Office		<input type="checkbox"/> Enclosure to Previous Despatch
<input type="checkbox"/> Submit Report		<input type="checkbox"/> Reply to Dept. Request
<input type="checkbox"/> Reply to the Individual		
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)
REFERENCE INT-3363		
ITEMS/REMARKS Copy of letter from the Secretary General dated August 11, 1958 enclosing photocopy of advice of debit dated August 7, received from the Bank of England.		
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE		
FILE NO.	SIGNATURE  Richard B. Freund	
CLASSIFICATION CONFIDENTIAL	OFFICE U.S. Commissioner, TGC	

Sept
 1632
 91C

August 1958.

D
 B-1
 A-3

Secretary General

Commissioner of the Government
 United States of America

Commissioner of the Government
 United Kingdom of Great Britain
 Northern Ireland

Commissioner of the Government
 French Republic.

Permanent Commissioner of the Government
 United Kingdom of Great Britain and Northern

July 1958, I enclose a photocopy
 of August 1958, received from the

Bank of Austria was
 around seven hundred and
 not a total amount of
 around seven hundred
 located and mentioned in the

(sgd) J. A. WATSON.

J. A. WATSON,
 Secretary General

LC32 91C
D
B-1
A-3

INT- 5363
CC/AUS-

11 August 1958.

CONFIDENTIAL

From : The Secretary General,

To : The Commissioner of the Government
of the United States of America ✓

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

The Commissioner of the Government
of the French Republic.

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

With reference to my Int-3358, of 29 July 1958, I enclose a photocopy
of the advice of debit No. 13.35/14.4, dated 7 August 1958, received from the
Bank of England.

The total of the delivery to the National Bank of Austria was
197,725.753 (One hundred and ninety seven thousand seven hundred and
twenty-five, 753) fine ounces of gold as against a total amount of
197,727.063 (One hundred and ninety seven thousand seven hundred
and twenty-seven, 063) fine ounces of gold allocated and mentioned in the
delivery order.

(sgd) J. A. WATSON.

J. A. WATSON,
Secretary General.

REPRODUCED AT THE NATIONAL ARCHIVE

PRIVATE & CONFIDENTIAL

Telegraphic Address:
Ingotism, London.

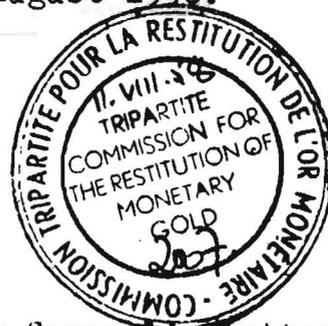
Please address reply to
The Chief Cashier (D. & A.)
and quote the reference

FE.13.25/DA.4

BANK OF ENGLAND,
LONDON, E.C. 2.

7th August 1958.

The Tripartite Commission for the
Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.



Gentlemen,

I am directed to refer to the Secretary-General's letter (C/BE - 3477) of the 29th July and the signed order attached thereto to inform you that 490 bars, as enumerated below, containing 197,725.755 fine ounces gold have to-day been withdrawn from the bar gold held for account of H.M. Treasury o/a the Governments of the United States, the United Kingdom and France and have been set aside for the account of Direktorium der Oesterreichischen Nationalbank, Wien.

As a result of the above-mentioned transaction the total bar gold held for account of H.M. Treasury o/a the Governments of the United States, the United Kingdom and France as at the close of business to-day amounted to 71,100.945, say, Seventy one thousand one hundred decimal nine four five, fine ounces gold.

I am, Gentlemen,
Your obedient Servant,


for Chief Cashier.

Bar Numbers

A 29471/957

E 19591/593

209084

DEPARTMENT OF STATE INSTRUCTION

643
CONFIDENTIAL

JUL 91

11034

D
B-15
A-1583
ORIGIN NO. A - 34, August 7, 1958INFO SUBJECT: Relationship of Country Claims to Monetary Gold to Total
DCL Claims and the Claims Recognized by TGCREF
RUR
IRC TO: American Embassy BRUSSELSL
FOR TGC COMMISSIONER

CIA

With reference to the Department's Instruction A-32 of August 4, 1958, the enclosed table has been prepared in the Department. In addition to listing the total claims registered with the TGC by claimant governments, the claims recognized by the TGC, and 61.1316 per cent of the recognized claims, the table includes the percentage that each country's claim bears to total registered claims and the proportion of each country's entitlement to a share in the Gold Pool on the basis of the claims recognized by the Tripartite Gold Commission.

If there were to be a revision of the Commission's decisions to take into account claims to nonmonetary gold, as requested by the Netherlands delegate, all countries except Poland and Greece would receive a smaller share of the (fixed) amount in the Gold Pool.

The Commissioner may make any appropriate use of these figures in formal or informal discussions with Netherlands representatives or representatives from other countries, except Poland and Greece. It may also be desirable to give copies of the enclosed table to the Secretary General and to British and French Commissioners. If this is done, the Department would appreciate the Secretariat checking the figures in the table against the official records of the TGC. If any discrepancies are found, please inform the Department promptly.

HERTER (ACTING)

Enclosure:

Table of Claims

CONFIDENTIAL

DRAFTED BY:
OFD:FN:JCLobenstine:meh 8/6/58APPROVED BY:
OFD:FN - John Parke YoungCLEARANCES:
L/E - Mr. Metzger (in substance)
WE - Mr. Walsh (in substance)

209085

CONFIDENTIAL
(Security Classification)

TGC - COUNTRY CLAIMS TO LOOTED MONETARY GOLD

(Figures in kilograms of fine gold)

<u>Country</u>	<u>Total Claim Presented*</u>	<u>Claim Recognized by TGC</u>	<u>64,1316 of Recognized Claim</u>	<u>Percentage of Total Claims</u>	<u>Percentage of Recognized Claims</u>
Albania	2,454.8745	2,454.8745	1,574.3508	0.31%	0.48%
Austria	91,256.9156	78,267.1178	50,193.9742	12.65%	15.23%
Belgium	204,868.0736	198,433.8417	127,258.7976	28.40%	38.60%
Czechoslovakia	45,008.2784	43,999.3638	28,217.4960	6.24%	8.56%
Danzig	4,726.0000	3,858.8835	2,474.7637	0.66%	0.75%
Greece	7,441.7344	83.7330	53.6993	1.03%	0.02%
Italy	73,438.8292	69,320.6709	44,456.4554	10.18%	13.48%
Luxembourg	4,317.2028	4,223.7040	2,708.7289	0.60%	0.82%
Netherlands	145,650.0000	110,174.6296	70,656.7528	20.19%	21.43%
Poland	138,718.5309	—	—	19.23%	—
Yugoslavia	3,407.4442	3,243.4422	2,080.0714	0.47%	0.63%
	<u>721,287.8836</u>	<u>514,060.2910</u>	<u>329,675.0896</u>		

*As revised (i.e., after deduction of claims presented but subsequently withdrawn by Albania, Greece and Yugoslavia).

CONFIDENTIAL
(Security Classification)

3-4 Rev. -53 (places FORM PS-442)		DEPARTMENT OF STATE TRANSMITTAL SLIP	CLASSIFICATION CONFIDENTIAL
TO Department of State		DATE July 8, 1958	
FOR Mr. James C. Lobenstine			
FROM Amembassy BRUSSELS			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> Post Information Only		<input type="checkbox"/> Department Information Only	
<input type="checkbox"/> Transmit to Foreign Office		<input type="checkbox"/> CERP Publications	
<input type="checkbox"/> Inform		<input type="checkbox"/> Enclosure to Previous Despatch	
<input type="checkbox"/> Submit Report		<input type="checkbox"/> Reply to Department Request	
<input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Reply to Department Request	
<input type="checkbox"/> Transmit to or <input type="checkbox"/> Inform U. S. Agency:			
REFERENCE INT-3337			
ITEMS/REMARKS Copy of letter dated July 7, 1958 from Secretary General enclosing photocopy of advice of debit received from Federal Reserve Bank of New York.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.	SIGNATURE <i>Richard B. Freund</i> Richard B. Freund		
CLASSIFICATION CONFIDENTIAL	OFFICE U.S. Commissioner, TGC		

1048

R

7 July 1958.

Secretary General

Commissioner of the Government
 United States of America ✓

Commissioner of the Government
 United Kingdom of Great Britain
 Northern Ireland

Commissioner of the Government
 French Republic

7 June 1958, I enclosed
 and from the Federal

1,906 (Ninety six thousand
 six of gold as against a
 amount four hundred and
 six and mentioned in the

) J. A. WATSON.

Secretary General.

ENC

JAW/al.

1048

R

INT-
C/PRB

3337

7 July 1958.

From : The Secretary General

To : The Commissioner of the Government
of the United States of America ✓

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

The Commissioner of the Government
of the French Republic

With reference to my INT-3326, of 27 June 1958, I enclose
a photocopy of the advice of debit received from the Federal
Reserve Bank of New York.

The total of the delivery was 96,451,906 (Ninety six thousand
four hundred and fifty-one,906) fine ounces of gold as against a
total amount of 96,452,226 (Ninety six thousand four hundred and
fifty-two,226) fine ounces of gold allocated and mentioned in the
delivery order.

(sgd) J. A. WATSON.

J. A. WATSON,
Secretary General.

~~INT-~~

J/ /al.

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

AIR MAIL

July 2, 1958.

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



Reference: Your letter C/FRB-3451 dated June 27, 1958.

Gentlemen:

On June 30, 1958, we released the following described gold bars from your earmarked gold account and placed them at the disposal of Banque de France, Paris:

<u>No. of Bars</u>	<u>Containing Troy Ounces of Fine Gold</u>	<u>Said to Contain Troy Ounces of Fine Gold</u>
110	44,490.387	
129		51,961.519

Our statements covering the gold bars released are enclosed.

Very truly yours,

per pro. *[Signature]*

E. W. Carroll, Foreign Department.

Enclosures

FORM DS-4 Rev. 12-23-53 (Replaces FORM FS-442)		DEPARTMENT OF STATE TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL	
TO Department of State		DATE July 8, 1958			
FOR Mr. James C. Lobenstine					
FROM Amembassy BRUSSELS					
TO THE FOREIGN SERVICE			TO THE DEPARTMENT		
Post Information Only			Department Information Only		
Transmit to			CERP Publications		
Inform Foreign Office			Enclosure to Previous Despatch		
Submit Report			Reply to Department Request		
Reply to the Individual			Reply to Department Request		
<input type="checkbox"/> Transmit to or <input type="checkbox"/> Inform U. S. Agency:					
REFERENCE INT-3335					
ITEMS/REMARKS Copy of letter dated July 7, 1958 from the Secretary General enclosing photocopy of advice of debit received from Bank of England.					
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE					
FILE NO.		SIGNATURE <i>Richard B. Freund</i> Richard B. Freund			
CLASSIFICATION CONFIDENTIAL		OFFICE U.S. Commissioner, TGC			

O 27 Aug 54 00718 100 M

1049

D
B-1
A-3

7 July 1958

Secretary General

Commissioner of the Government
of the United States of America

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

Commissioner of the Government
of the French Republic

27 June 1958, I enclose a
letter from the Bank of England.

1754 "Mieg" bars have been
minted in France.

25,117,996 (two hundred and
eighteen,996) fine ounces of
B. 025 (two hundred and twenty
25) fine ounces of gold allocated

sgd) J. A. WATSON

J. A. WATSON,
SECRETARY GENERAL.

Richard B. Freund

1649

INT-3335
5/15

7 July 1950

D
B-1
A-3

From : The Secretary General

To : The Commissioner of the Government
of the United States of America ✓

2 APR 1951

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

The Commissioner of the Government
of the French Republic

With reference to my INT-3320, of 27 June 1950, I enclose a
photocopy of the advice of debit received from the Bank of England.

It will be observed that the "Gold and Silver" have been
included in this delivery to the Bank of France.

The total of the deliveries was 22,117,336 (two hundred and
twenty-five thousand one hundred and seventeen,336) fine ounces of
gold as against a total amount of 22,118,000 (two hundred and twenty
five thousand one hundred and eighteen,000) fine ounces of gold allocated
and mentioned in the delivery orders.

(sgd) J. A. WATSON.

J. A. WATSON,
Secretary General.

2090

209040

 Chief Cashier.

PRIVATE & CONFIDENTIAL

BANK OF ENGLAND, LONDON, E.C. 2.

TELEGRAPHIC ADDRESS:
"INGOTISM. LONDON"
ANY REPLY TO BE ADDRESSED TO
"THE CHIEF CASHIER" (D. & A.)
AND TO BEAR THE REFERENCE

2nd July 1958.

FE.13.25/DA.4

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



Gentlemen,

I am directed to refer to the Secretary General's letters (C/BE - 3454 - CC/BEL and C/BE - 3453 CC/LUX) of the 27th June and to inform you that, in accordance with the instructions contained in the signed orders attached thereto, amounts of 195,267.856 fine ounces bar gold and 5,737.095 fine ounces sundry gold coin and 16,391.292 fine ounces bar gold and 7,721.753 fine ounces sundry gold coin, respectively, have to-day been withdrawn from the gold held for account of H.M.Treasury o/a the Governments of the United States, the United Kingdom and France and have been placed at the disposal of the Bank of France, Paris.

In accordance with your letter (C/BE - 3423) of the 3rd June the 51 gold bars, which formed the subject of your letter (C/BE - 1621) of the 12th March 1952, are included in the 195,267.856 fine ounces bar gold referred to above.

As a result of the above-mentioned withdrawals, the total gold held for account of H.M.Treasury o/a the Governments of the United States, the United Kingdom and France, as at the close of business to-day amounted to 678,747.547, say, Six hundred and seventy eight thousand seven hundred and forty seven decimal five four seven fine ounces bar gold and sundry gold coin having a calculated content of 474,730.437, say, Four hundred and seventy four thousand seven hundred and thirty decimal four three seven fine ounces gold.

I am, Gentlemen,
Your obedient Servant,

Bar Numbers

A.29001/431, A.29433,
E.19665/92, G.26202,
K.19629/679, M.26946,
M.26965, Z.25515/526.

A handwritten signature in dark ink, appearing to be "E. H. ...".

for Chief Cashier.

209092

117 700 1857

209093

AIR POUCH
PRIORITY

CONFIDENTIAL

DO NOT TYPE IN THIS SPACE

(Security Classification)

FOREIGN SERVICE DESPATCH

FROM : **Amembassy BRUSSELS**

360

DESP. NO.

October 16, 1959

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : (A) Department Telegram 405, October 9, 1959; (B) Department Telegram 403, October 8, 1959; (C) Department's CA-2838, September 29, 1959; (D) Letter of September 4, 1959 from U.S. Commissioner to Mr. Carra of the Department

50 For Dept. Use Only	ACTION	DEPT.
	E-7	RM/R-2 EUR-5 IRC-8 L-2 REF-108
	REC'D	IN F OTHER
	10-19	0 CIA-10

SUBJECT: **Tripartite Gold Commission Meeting of October 12, 1959**

The 155th Meeting of the Tripartite Gold Commission for the Restitution of Monetary Gold (TGC) was held on the afternoon of October 12, 1959. The agenda for the meeting was the one submitted to the Department under a transmittal data September 17, 1959. The agenda provided for discussion of three items related to the draft report of the Commission and the item "Any Other Business". The subjects actually taken up under the latter heading were:

1. The excess of gold coins in the hands of Austria;
2. Future contacts with IARA delegates;
3. The possibility of having an outside audit of the Commission's accounts;
4. INT 3531 (Suggested breakdown of holdings in Bank of England and Federal Reserve Bank of New York of bar gold and gold coins);
5. Security of TGC documents;
6. Payment of expenses of former Commissioner Sir Ronald WINGATE.

The Chairman, the French Commissioner, opened the subject of the Commission's report by first describing it as a remarkable one and extremely thorough. He then made the following suggestions:

1. While the report as drafted by the Secretary General shows to some degree the objectivity with which the TGC had done its work, this aspect of the report should be further developed to make fully clear the equal treatment received by all of the claimant governments;
2. Since the adjudications which are annexed to the draft report are so lengthy, the report itself should contain a brief summary of each one;
3. The basis for each of the amounts allotted in the first distribution ought to be explained;

RBF:svh

REPORTER

CONFIDENTIAL

INFORMATION COPY

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

THE ABOVE INSTRUCTION APPLIES TO THE DEPARTMENT ONLY.

CONFIDENTIAL

(Classification)

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Encl. No. 360
Desp. No. 360
From Brussels

4. The report should be supplemented by including the history of negotiations concerning German external assets that were not dealt with in the Final Report of IARA, e.g., the second agreement with Sweden;
5. The TGC is obliged to render a full accounting to the members of the pool of the way in which the pool was assembled (in accordance with Unanimous Resolution No. 2 of the Paris Conference on Reparations).

There was anything but clarity about the suggestions made by the French Commissioner, and a somewhat disorderly discussion ensued. In order not to carry over into this despatch the full confusion of that discussion, the results are listed below as accurately as is possible in the circumstances:

1. The three Commissioners agreed that while the Secretary General had carried out his mandate in excellent fashion and deserved great credit for all of his endeavors, the report should be condensed substantially to include, in as brief and as simple a form as possible, only the facts that the three busy Governments might wish and be able to read. The former British Commissioner, Sir Ronald Wingate, who was acting as an advisor to Mr. COTTON, the present British Commissioner, suggested that a covering letter to the three Governments be drafted, briefly explaining how the Commission had gone about preparing the report, the principles it had adopted in doing so and the categories of supplementary information which would be available in the archives of the Commission if needed. Whether or not this suggestion was agreed to is unclear, although it appeared to have general support. Basing his remarks on Reference (A), the United States Commissioner, while reserving his entire position for future thorough study of the draft report, recommended and obtained agreement (or thinks he did) the following areas for substantial reduction in length by the Secretary General:

- a. The history and related annexes (A-K) covering TGC appointments;
- b. Detailed arrangements for opening bank accounts (pages 96-105);
- c. Transportation and other arrangements for assembling pool (pages 106-142);
- d. "Stage Directions" and other details of the handing over of delivery orders (pages 149-165).

2. After much discussion, it appears to have been agreed that factors relating to a possible report by the three Governments to the members of the gold pool are, at present, beyond the competence of the Commission, being up to the three Governments to decide, and that, therefore, suggestions 2, possibly 3, 4 and 5 of the French Commissioner would not be gone into at the present time. They might, however, be briefly mentioned in the proposed covering letter from the Commission to the three Governments. The French Commissioner nevertheless cited various occasions on which he believes the TGC has committed itself to a report to the pool members.

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(Classification)

Page 3 of

Encl. No. _____

Desp. No. 360

From Brussels

3. It appears to have been agreed, on the suggestion of the United States Commissioner (Reference (A)), that the definition of monetary gold (pages 17-33) ought to be tightened up. In that connection, he suggested that the Secretary General might draw on the replies of the three Governments to the Dutch note of October, 1958. The United States Commissioner was strongly supported by Sir Ronald Wingate in presenting the view that the heart of the report, aside from a factual description of actions taken by the TGC, should be to show how the final adjudication of each claim was consistent with the tightened-up definition of monetary gold. It was at this point that the British and United States Commissioners strongly differed with the French Commissioner regarding his notion of adding to the report an explanation of precisely how the amounts in the first distribution were arrived at. Sir Ronald Wingate gave a very blunt and revealing expose of the vacillations of the Commission in the matter of the definition and of the arbitrary way in which it was finally decided. His expose reinforced the view of the British and United States Commissioners that the report should deal with the final adjudications and not, at least in detail, with the interim steps taken by the Commission. The French Commissioner finally offered to draft for the Secretary General a table which would show how the first distribution was determined, a concept that was not understandable to any of the others present. Nevertheless, it was agreed that the Commission would look at such a table when it had been prepared.

4. On the suggestion of the United States Commissioner, there appears to have been an agreement to Points 3, 4 and 5 of Reference (A), i.e., the drafting by the Secretary General of the last section on Accounts to the furthest point he could carry it, preparation by him of a table of contents, chapter divisions and paragraph numbers, and, by simple reorganization, the creation of a separate chapter on special claims problems. It is unlikely, however, that the Secretary General will begin this work until after he has completed the re-drafting of the portions of the report identified in paragraph (1) above.

5. As to the future procedure, it was agreed that the Secretary General would first undertake the condensations as in paragraph (1) above and that only when the new drafts were received by the Commissioners would a date for circulation of their comments be established, as was suggested in paragraph 6 of Reference (A). It is a fair supposition that that date will not be earlier than the end of December and more probably, that it will fall in January. During the time that the Commissioners will be reviewing the re-drafts, the Secretary General may be expected to be working on such matters as those covered in paragraph (4) above. It was also agreed that the Commission would continue to work solely on the English text, postponing until after agreement on it, preparation of a French translation (paragraph 7 of Reference (A)).

CONFIDENTIAL

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CONFIDENTIAL
(Classification)

Page ~~3~~ 4 of
Encl. No. _____
Desp. No. 360
From Brussels

Decisions taken under the heading "Any Other Business" were as follows:

1. The Chairman briefly stated the French Government view of the problem of excess gold coins in the hands of Austria (INT 3528 and related documents). He said that the matter is unimportant to the Bank of France, which is interested in only gold Napoleons, that the situation is probably the same for the others and that if the situation must be justified later, it should not be difficult to do so. The British Commissioner stated that his Government did not think the matter worth proceeding with, that it is the gold content and not form that counts and that it would be unreasonable to ask the Austrian Government to make an adjustment. The United States Commissioner then furnished the Commission with the factual information contained in Reference (B) as to types and quantities of bars at the Federal Reserve Bank of New York and the estimated cost of shipment of 1,707 kilograms of coins. He concurred with the French Commissioner as to the difficulty of ascertaining the benefit of the coins to Austria or any other central bank, depending as it does upon the nature of the coins and the market. He also stated that the United States Government recognizes no premiums on coins in international financial transactions. However, he expressed the Department's view that there may still be a risk to the three Governments in allowing the excess of coins to remain in Austrian hands, and voiced willingness informally to sound out the Austrians on the question, while pointing out the risk that could arise from Austrian refusal. The ensuing discussion resulted in an agreement that it would be best to "let sleeping coins lie" and that the Commission would so recommend to the three Governments.

2. The Secretary General inquired as to whether or not it would be wise to have the Commission accounts audited by an outside auditor, such as Price, Waterhouse. The consensus of opinion was that no true audit is possible, because of the inability of an auditor to assess the physical aspect of the problem, i.e., the weights and values of the gold disposed of by or in the hands of the three banks. It was decided, however, that the question would remain open for the next meeting of the TGC, at which time it would be hoped that the Commissioners would have more definite views. The Department's instructions would be appreciated.

3. The Secretary General raised the question of that part of the terms of reference of the TGC that provides that it may make contact with the members of the gold pool through the IARA delegates of the governments concerned. As he pointed out, there will be no more IARA delegates after the dissolution of IARA, which is hoped for by the end of this year. It was generally agreed that since most of the IARA delegates are the ambassadors in Brussels, contact would continue to be made with them simply in their capacities as ambassadors. The matter would be raised again at the next TGC meeting, if any of the three Governments wish to have the TGC employ a different solution to the problem.

4. The Secretary General raised the matter of INT 3531, suggested breakdown of holdings in Bank of England and Federal Reserve Bank of New York of bar gold and gold coins, but found that Commissioners were not prepared to speak on the subject. Each of them is to obtain his government's views, if any, in time for the next TGC meeting.

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CONFIDENTIAL

(Classification)

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Desp. No. 360
From Brussels

5. Stating that he was doing so off-the-record and without seeking a decision at that time, the United States Commissioner brought up the subject of security of TGC documents, which he had learned were being sent by ordinary mail from London to the former British Commissioner Sir Ronald Wingate at his country home at Wilton, Wiltshire and stored there. The United States Commissioner had already learned that an extra copy of each TGC document was being sent by the Secretary General to the British Foreign Office via pouch from the British Embassy in Brussels and then forwarded to Sir Ronald. (He had left the meeting by that time.) The British Commissioner first attempted to describe the matter as an internal one for the British Government, but after some discussion, agreed that it concerned all three Governments. He expressed doubt that any solution could be found to this problem, particularly since the Foreign Office continues to depend so heavily on the advice of Sir Ronald on all TGC questions. This matter will be brought up again at the next meeting.

6. In accordance with the instructions in Reference (C), the United States Commissioner raised with the Commission the question of payment to Sir Ronald Wingate for his attendance at that meeting. (This was also after the departure of Sir Ronald.) The British Commissioner showed great surprise and said that he had not been aware that Sir Ronald was to be recompensed by the Commission. The lateness of the hour prevented definitive discussion, although the Chairman said he thought he could recall parallel precedents. Further discussion of this matter may be expected at the next meeting.

It was agreed that the next meeting of the TGC would be on the day after the conclusion of the Final Assembly of IARA which will begin on November 17 and probably last no more than two days. The Chairman, despite efforts of the two other Commissioners to influence him to do so, failed to summarize any of the agreements reached or to make really clear the instructions under which the Secretary General should operate until the next meeting. It is to be hoped that the process of agreeing on the minutes of the meeting will clarify the situation.

With regard to References (C) and (D), the suggestion by the United States Commissioner in the latter reference that the public report be prepared by the Tripartite Group in London was not made properly clear. The intention was and is to avoid having the public report to the members of the gold pool prepared in Brussels, because it is doubted that agreement by the Commission, particularly the French Commissioner and the Secretary General, could be achieved in anything like a reasonable period of time. Moreover, there is an unfortunate misunderstanding reflected in the first sentence of Part 3, Reference(C). The intention of the United States Commissioner in Reference (D) was to convey the thought that agreement on all details of the classified report would probably be a very time-consuming matter in the TGC itself, but that if the Commissioners could agree to deal with "corrections of only the truly major changes required by the Department" (and the other two Governments), fairly prompt agreement to transmit the report from the Commission to the three Governments might be possible. If the classified report were then to be returned to the Commission for drafting of the public report, it would, in the United States Commissioner's view, be a very

CONFIDENTIAL

209093

CONFIDENTIAL

(Classification)

Page 6 of

Encl. No. _____

Desp. No. 360From Brussels

long time indeed before that report could be completed. The United States Commissioner meant to recommend that the latter report be prepared in some other Tripartite Group than the one in Brussels, in the interest of bringing an early end to the TGC. Granting that the Tripartite Group in London would not, as the Department has said, be a suitable working group for this purpose, it is suggested that another one be formed in either Washington or Paris.

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

cc: London
Paris

*Discussed with L/E-Mauer. Agreed we would
await receipt of TGC minutes of meeting 10/12/59-
EMC.*

CONFIDENTIAL

209099

TT
ee
TCC file

INT- 3515
G/BE/ea-

18 August 1959.

1099
R

Copy to : The Accountants.

Copies of letters Ref. FA.13.25/BA.4 (D. & A.) and CCO/495.27, both dated 17 August 1959, received from the Bank of England, showing that the instructions given in the Commission's letters Ref. G/BE/ea-3739 and G/BE/ea-3740, both dated 12 August 1959 (vide the Secretariat's INT-3513 of 12 August 1959) have been carried out.

Exts : 37,466.634 fine ounces = 1,165,3463 fine kilograms.

(sgd) J. A. WATSON.

Information.
Information.

COPY (JD) ✓

(D. & A.)

FE.13.25/DA.4

BANK OF ENGLAND,

LONDON, E.C.2.

17th August, 1959.

The Tripartite Commission for the
Restitution of Monetary Gold,
90, Avenue des Arts,
Brussels.

Gentlemen,

With reference to the Bank's letter (FE.132.25/DA.4) of the 13th August, I write to confirm that the account of Her Majesty's Treasury on account of the Governments of the United States, United Kingdom and France has to-day been credited with the sum of £10,048: 3:10 in respect of the sale of two bars (bars numbered J28691 and J28692) containing 304.425 fine ounces of gold.

As a result of this transaction, the total bar gold held by the Bank of England for account of Her Majesty's Treasury on account of the Governments of the United States, United Kingdom and France as at the close of business to-day amounted to 37,466.634, say Thirty seven thousand four hundred and sixty six decimal six eight four, fine ounces.

I am, Gentlemen,

Your obedient Servant,

Signed : Illegible,
for Chief Cashier.

209102

REPRODUCED AT THE NATIONAL ARCHIVE

COPY (JD)

BANK OF ENGLAND,

LONDON, E.C.2.

600/493.27

17th August, 1959.

**Tripartite Commission for the
Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.**

Gentlemen,

In accordance with the instructions contained in your letter (C/BE/aa-3740) of the 12th August, I write to inform you that the sum of £9,000 was transferred to-day from the account here of Her Majesty's Treasury o/a the Governments of the United States, the United Kingdom and France to the Morgan Guaranty Trust Company of New York, London, for the credit of the account of the Tripartite Commission for the Restitution of Monetary Gold at the Morgan Guaranty Trust Company of New York, Brussels.

I am,

Gentlemen,

Your obedient Servant,

Signed : Illegible,
For Chief Cashier.

2091031

CLASSIFICATION LIMITED OFFICIAL USE

of State
FORM DS-4
1-3-55
TRANSMITTAL SLIP

DATE
Aug. 17, 1959

TO Department of State For the Attention of
Chester Carré, Esq.

FROM
Amembassy BRUSSELS

TO THE FOREIGN SERVICE	TO THE DEPARTMENT
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post-Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual	<input checked="" type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request

Transmit to: (U.S. Agency)
 Inform:

REFERENCE
INT- 3514
C/BE/ca- 14 Aug. 1959

ITEMS/REMARKS
Transmitting copy of letter from Bank of England, concerning sale of two gold bars.

Copy sent to L/FE - E. Maurer 8/31/59

IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE
FILE NO. SIGNATURE
Richard B. Freund
Richard B. Freund
OFFICE
U.S. Commissioner, TGC

1100

TGC file

14 August 1959.

... dated 13 August 1959, concerning the sale of two gold bars...

(sgd) J. A. WATSON.

information
information

1100

TGC file

INT-3514
C/DE/ea-

14 August 1959.

Copy of a letter ref. FB.132.25/DA.4, dated 13 August 1959,
received from the Bank of England, concerning the sale of two gold
bars.

(sgd) J. A. WATSON.

information
information

COPI (JD)

PRIVATE & CONFIDENTIAL

FE.132.25/DA:4

BANK OF ENGLAND,
London, E.C.2.

13th August, 1959.

The Tripartite Commission for the
Restitution of Monetary Gold,
90, Avenue des Arts, Brussels.

Gentlemen,

I have to refer to your letter (C/EE/ea-3739) of the
12th August and to inform you that, in accordance with your
instructions, the Bank have sold to-day on your behalf for
settlement on the 17th August two bars containing 804.425 fine
ounces gold.

The proceeds of this sale, namely £10,048: 3:10, will
be credited under advice to the account of Her Majesty's Treasury
o/a The Governments of the United States, the United Kingdom and
France, as shown in detail below.

I am, Gentlemen,

Your obedient Servant,

Signed : Illegible,
for Chief Cashier.

2 bars containing 804.425 fine ounces
gold at 249s.10½d. per fine ounce

£10,049: 8:11

Less 1/8% commission

1/5: 1

£10,048: 3:10

407-780470

1102
R

Department of State FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION LIMITED OFFICIAL USE	
		DATE August 3, 1959	
TO Department of State		For the Attention of Chester Carré, Esq.	
FROM Amembassy BRUSSELS			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)	
REFERENCE INT- 3510 C/BE/ca-			
ITEMS/REMARKS Enclosed for information is copy of referenced memo from the SYG, dated July 31, 1959, transmitting attached copies of instructions to Bank of England.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.		SIGNATURE <i>Richard B. Freund</i> Richard B. Freund	
CLASSIFICATION LIMITED OFFICIAL USE		OFFICE U.S. Commissioner, TGC	

July 1959.

Secretary General

Minister of the Government of the States of America

Minister of the Government of the Kingdom of Great Britain and Ireland

Minister of the Government of the Republic

on the Bank of England to the trust fund company of New York, and funds are pending law in

of appropriate instructions to bank and transfer \$2,000.-

originals for signature by the American and French Ambassadors, on 10 August 1959.

J. A. WATSON

J. A. WATSON, Secretary General.

31/81

REPRODUCED AT THE NATIONAL ARCHIVE
INT- 3510
C/BI/cn-

45-73040
1102
R

31 July 1946.

From: The Secretary General

To : The Commissioner of the Government of the
United States of America

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

The Commissioner of the Government of the
French Republic.

The last transfer of funds from the Bank of England to the
Commission's account at the Morgan Guaranty Trust Company of New York,
Brussels, dates back to January 1946 and funds are pending law in
the latter account.

I accordingly enclose copies of appropriate instructions
to the Bank of England to sell two gold bars and transfer £5,000.-
to the Commission's account.

I shall venture to submit the originals for signature by
the British Alternate Commissioner and the American and French
Commissioners, when the latter comes to Brussels, on 18 August 1946.

(sgc) J. A. WATSON:

J. A. WATSON,
Secretary General.

Jis/bl

209108

C/SW/aa-3739

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON, E.C.2.

12 August 1945.

Sir,

We hereby request and authorize you to sell, at current London market rates, two gold bars to be selected by your servants, at their discretion, from the bar gold account open, at your Bank, in the name of Her Majesty's Treasury a/s of the Governments of the United States, the United Kingdom and France, and to credit the proceeds to the current account bearing that title.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America

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

Alternate Commissioner
of the Government
of the French Republic.

G/H/cn-3740.

12 August 1946.

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON, E.C.2.

Sir,

We hereby request and authorise you to transfer, as soon as the sale of gold subject of our letter G/H/cn- of to-day's date has been effected, the sum of £9,000.- (nine thousand pounds) from the current account open, at your Bank, in the name of Her Majesty's Treasury a/s of the Governments of the United States, the United Kingdom and France, to the Morgan Guaranty Trust Company of New York, London, for the credit of the account open in the name of "The Tripartite Commission for the Institution of Monetary Gold" at the Morgan Guaranty Trust Company of New York, Brussels.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America

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

Alternate Commissioner
of the Government
of the French Republic

Copy to : The Morgan Guaranty Trust Company of
New York,
17, avenue des arts, Brussels.

~~CMC~~
~~WF~~
TGC file

1115
RC

16 January 1950.

INT- 7456
G/DR/ea

CONFIDENTIAL

Copy of letter ref. (D. & A.) FR.13.25/1A.4, dated
15 January 1950, received from the Bank of England, concerning the
sale of one gold bar.

(sgd) J. A. WATSON

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209111

COPY (bb)

PRIVATE & CONFIDENTIAL

(D. & A.)

BANK OF ENGLAND
LONDON, E. C. 2.

FR. 13. 25/DA. 4

13th January 1960.

Tripartite Commission for the Restitution of Monetary Gold,
50, Avenue des Arts,
BRUSSELS.

Gentlemen,

I have to refer to your letter (C/BE/oa-3891) of the 12th January and to inform you that, in accordance with your instructions, the Bank have sold to-day on your behalf for settlement on the 13th January one bar containing 400.731 fine ounces of gold.

The proceeds of this sale, namely, £5,006: 8: 6, will be credited under advice to the account of Her Majesty's Treasury o/a the Governments of the United States, the United Kingdom and France as shown in detail below.

I am, Gentlemen,
Your obedient servant,

(sgd) illegible
for Chief Cashier

one bar containing 400.731 fine ounces of gold	
at 249s. 10 ³ / ₄ d. per fine ounce	£5,007: 11 -
<u>less 1/8% commission</u>	14: 6
	<hr/>
	£5,006: 8: 6

ONE Dept T.C. file

FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION OFFICIAL USE ONLY D. Jan. 8, 1959
TO Department of State		For the Attention of Mr. Chester Carré
FROM Amembassy, BRUSSELS		
TO THE FOREIGN SERVICE		TO THE DEPARTMENT
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:	(U.S. Agency)	
REFERENCE INT- 3448 7 January 1959		
ITEMS/REMARKS Memo from the Secretary General enclosing instructions to the Bank of England to sell one gold bar. <i>Enclosure read to L-Manner</i>		
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE		
FILE NO.	SIGNATURE <i>Richard B. Freund</i> Richard B. Freund	
CLASSIFICATION OFFICIAL USE ONLY	OFFICE U.S. Commissioner, TGC	

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ary General

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tes of America ✓

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gdom of Great Britain and Northern

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is from the Bank of England to the
Trust Company of New York, Brussels,
re running low in the latter account.

opies of appropriate instructions
old bar and transfer £9,000.- to

atters are in the envelope addressed
y sign them, if approved, and return
have them submitted to the American
signatures, if approved.

1) J. A. WATSON.

J.A. WATSON,
Secretary General.

JA/bb

~~CHC~~ ~~WP~~ Dept T.C. file

11/19
R

INT- 1448
C/BE/ca

7 January 1958.

From : The Secretary General

To : The Commissioner of the Government of the United States of America ✓

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

The Commissioner of the Government of the French Republic.

The last transfer of funds from the Bank of England to the Commission's account at the Guaranty Trust Company of New York, Brussels, dates back to April 1958 and funds are running low in the latter account.

I, accordingly, enclose copies of appropriate instructions to the Bank of England to sell one gold bar and transfer £9,000.- to the Commission's account.

The originals of these letters are in the envelope addressed to the Chairman and if he will kindly sign them, if approved, and return them to the Secretariat, I will then have them submitted to the American and British Commissioners, for their signatures, if approved.

(sgd) J. A. WATSON.

J. A. WATSON,
Secretary General.

JAW/bh

C/MI/oa-3591

12 January 1959

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON, E.C.2.

Sir,

We hereby request and authorise you to sell, at current London market rates, one gold bar to be selected by your services, at their discretion, from the bar gold account open, at your Bank, in the name of Her Majesty's Treasury o/a of the Governments of the United States, the United Kingdom and France, and to credit the proceeds to the current account bearing that title.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America.

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

Alternate Commissioner
of the Government
of the French Republic.

on

C/BE/ca-3592

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON, E.C.2.

12 January 1959

Sir,

We hereby request and authorize you to transfer, as soon as the sale of gold subject of our letter C/BE/ca- of to-day's date has been effected, the sum of £9,000.- (nine thousand pounds) from the current account open, at your Bank, in the name of Her Majesty's Treasury o/a of the Governments of the United States, the United Kingdom and France, to the Guaranty Trust Company of New York, London, for the credit of the account open in the name of "The Tripartite Commission for the Restitution of Monetary Gold" at the Guaranty Trust Company of New York, Brussels.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America.

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

Alternate Commissioner
of the Government
of the French Republic.

Copy to : The Guaranty Trust Company of New York,
27, avenue des Arts, Brussels.

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Department State FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION OFFICIAL USE ONLY	
		DATE 1/13/61	
TO Dept of State		For the Attention of Chester Carre, Esq.	
FROM Amembassy BRUSSELS			
- TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)	
REFERENCE INT-3605 dtd Dec. 23, 1960 transmitting instructions to Bank of England to see two gold bars & transfer LS 10,000 to Commission's account.			
ITEMS/REMARKS For your information.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.	SIGNATURE Don V. Catlett		
CLASSIFICATION OFFICIAL USE ONLY	OFFICE U.S. TGC Commissioner		

7026
12

23 December 1960.

Secretary General

Commissioner of the Government of the States of America

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

Commissioner of the Government of the Republic of France

to be selected by your services, old account open, at your bank, by 1/2 of the Governments of the United Kingdom, and to credit the Bank of England and Guaranty Trust Company April 1960 and funds are

of appropriate instructions 1 bars and transfer £10,000.-

are in the envelope addressed sign them, if approved, and then have them submitted to the the appointment of the new officially notified) and to the area, if approved.

Secretary General of the Government of the United States of America.

(sgc) J.A. WATSON
Secretary General.

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

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- INT- 3605
 C/BE/ea

25 December 1960.

From : The Secretary General

**To : The Commissioner of the Government of the
 United States of America**

**The Commissioner of the Government of the
 United Kingdom of Great Britain and
 Northern Ireland**

**The Commissioner of the Government of the
 French Republic.**

The last transfer of funds from the Bank of England to the Commission's account at the Morgan Guaranty Trust Company of New York, Brussels, dated back to April 1960 and funds are running low in the latter account.

I accordingly enclose copies of appropriate instructions to the Bank of England to sell two gold bars and transfer £10,000,- to the Commission's account.

The originals of these letters are in the envelope addressed to the Chairman and if he will kindly sign them, if approved, and return them to the Secretariat, I will then have them submitted to the Alternate American Commissioner (since the appointment of the new American Commissioner has not yet been officially notified) and to the British Commissioner, for their signatures, if approved.

(sgd) J. A. WATSON

**J. A. WATSON,
 Secretary General.**

G/EE/ca-4007

28 December 1960

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON E.C.2.

Sir,

We hereby request and authorize you to sell, at current London Market rates, two gold bars to be selected by your services, at their discretion, from the bar gold account open, at your Bank, in the name of Her Majesty's Treasury c/a of the Governments of the United States, the United Kingdom and France, and to credit the proceeds to the current account bearing that title.

We have the honour to be,

Sir,

Alternate 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.

209120

G/BE/ca- 4608.

28 December 1960

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON E.C.3.

Sir,

We hereby request and authorize you to transfer, as soon as the sale of gold subject of our letter G/BE/ca- of to-day's date has been effected, the sum of £10,000.- (ten thousand pounds) from the current account open, at your Bank, in the name of Her Majesty's Treasury a/a of the Governments of the United States, the United Kingdom and France, to the Morgan Guaranty Trust Company of New York, London, for the credit of the account open in the name of "The Tripartite Commission for the Restitution of Monetary Gold" at the Morgan Guaranty Trust Company of New York, Brussels.

We have the honour to be,
Sir,

Alternate 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.

Copy to : The Morgan Guaranty Trust Company
of New York,
27, avenue des Arts, Brussels.

of State FORM DS-4 1-3-55		TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL	
		DATE May 3, 1960			
TO Dept of State		For the Attention of Chester Carre, Esquire			
FROM Amembassy BRUSSELS					
TO THE FOREIGN SERVICE			TO THE DEPARTMENT		
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post		<input type="checkbox"/> Dept. Information Only			
<input type="checkbox"/> Post Information Only		<input type="checkbox"/> CERP Publications			
<input type="checkbox"/> Transmit to Foreign Office		<input type="checkbox"/> Enclosure to Previous Despatch			
<input type="checkbox"/> Submit Report		<input type="checkbox"/> Reply to Dept. Request			
<input type="checkbox"/> Reply to the Individual					
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)			
REFERENCE INT-3573 dtd April 29, 1960 transmitting letter from Bank of England re sale of two bars.					
ITEMS/REMARKS For your information.					
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE					
FILE NO.		SIGNATURE <i>Richard B. Freund</i> Richard B. Freund			
CLASSIFICATION CONFIDENTIAL		OFFICE U.S. TGC Commissioner			

Dept *WF* *enc*

1143
April 1960

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minutes.

2.2 (D. & A.) and 600/400.17, re Bank of England, showing Jan's letters Ref. 21 April 1960 (vide the one been carried out.

3 fine telegram.

(sgd) J. A. WATSON.

information information.

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Sept
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INT-3575
G/BE/ea

1143
27 April 1960

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Copy to : The Accountants.

Copies of letters Ref. FR.13.25/DA.4 (D. & A.) and GCG/201.27, both dated 27 April 1960, received from the Bank of England, showing that the instructions given in the Commission's letters Ref. G/BE/ea-3080 and G/BE/ea-3071, both dated 21 April 1960 (via the Secretariat's INT-3571 of 21 April 1960) have been carried out.

Ints : 122,167.225 fine cases = 5,137,1915 fine Migrants.

(sgd) J. A. WATSON.

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REPRODUCED AT THE NATIONAL ARCHIVE

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PRIVATE & CONFIDENTIAL

Telegraphic Address:
Ingotism, London.

Please address reply to
The Chief Cashier (D.& A.)
and quote the reference
FE.13.25/DA.4

BANK OF ENGLAND,
LONDON, E.C.2

27th April 1960.

Tripartite Commission for the
Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.

Gentlemen,

With reference to the Bank's letter (FE.13.25/DA.4) of 25th April, I write to confirm that the account of Her Majesty's Treasury on account of the Governments of the United States, United Kingdom and France has to-day been credited with the sum of £10,058:12:6 in respect of the sale of two bars (bars numbered J28652 and J28653) containing 805.059 fine ounces of gold.

As a result of this transaction the total bar gold held by the Bank of England for account of Her Majesty's Treasury on account of the Governments of the United States, United Kingdom and France as at the close of business to-day amounted to 165,162.263, say, One hundred and sixty five thousand one hundred and sixty two decimal two six three, fine ounces.

I am, Gentlemen,
Your obedient Servant,



for Chief Cashier.

Telegraphic Address:
London, London.
Please address reply to
The Chief Cashier
and quote the reference

BANK OF ENGLAND,
LONDON, E.C. 2

27th April 1960.

CCO/493.27

Dept ^{4/27} ~~4/27~~

The Tripartite Commission for
the Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.

3

AND,

Gentlemen,

Account: H.M. Treasury o/a The
Governments of the United States,
the United Kingdom and France

I write to acknowledge your
letter (C/BE/ca-3881) of the 21st April
and to inform you that, as requested, the
sum of £10,000 has to-day been transferred
from the above-mentioned Account here to
the Mergan Guaranty Trust Company of
New York, London, for account of the
Tripartite Commission for the
Restitution of Monetary Gold at their
Brussels Office.

I am, Gentlemen,
Your obedient Servant,

R. A. Law
for Chief Cashier.

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(sgd) J. A. WATSON ^{sixty two}

I am, Gentlemen,
Your obedient Servant,

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Law
for Chief Cashier.

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FORM DS-4 1-3-55		CLASSIFICATION OFFICIAL USE ONLY	
TRANSMITTAL SLIP		DATE April 27, 1960	
TO Dept of State		For the Attention of Chester Carre, Esquire	
FROM Ambassy BRUSSELS			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)	
REFERENCE INT-3572 dtd April 26, 1960- transmitting copy of letter from Bank of England concerning sale of two gold bars.			
ITEMS/REMARKS For your information.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.	SIGNATURE <i>Richard B. Freund</i> Richard B. Freund		
CLASSIFICATION OFFICIAL USE ONLY	OFFICE U.S. TGC Commissioner		

25 April 1960

1144
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WIA.6, dated 25 April 1960, covering the sale of two

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(sgd) J. A. WATSON.

SS72
02/00

28 April 1950

1144
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Copy of a letter ref. F1.15.10/1A.4, dated 28 April 1950,
received from the Bank of England, concerning the sale of two
gold bars.

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information.

eng.

(EGG) J. A. [unclear]

bl

PRIVATE & CONFIDENTIAL

Telegraphic Address:
Ingotism, London.

Please address reply to
The Chief Cashier (D. & A)
and quote the reference

BANK OF ENGLAND,
LONDON, E.C. 2.

FE.13.25/DA.4

25th April 1960.

Tripartite Commission for the Restitution
of Monetary Gold,
50, Avenue des Arts,
Brussels.



Gentlemen,

I have to refer to your letter (C/BE/ca.3880) of the 21st April and to inform you that, in accordance with your instructions, the Bank have sold to-day on your behalf, for settlement on the 27th April, two bars containing 805.059 fine ounces gold.

The proceeds of this sale, namely £10,058:12: 6, will be credited under advice to the account of H.M. Treasury o/a the Governments of the United States, the United Kingdom and France, as shown in detail below.

I am, Gentlemen,
Your obedient Servant,

for Chief Cashier.

2 bars containing 805.059 fine
ounces of gold @ 249s.11d. per
fine ounce

£10,059:17: 8

Less 1/8 per mille commission

1: 5: 2

£10,058:12: 6

of State FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION OFFICIAL USE ONLY
		DATE April 13, 1960
TO Dept of State		For the Attention of Chester Carra, Esq.
FROM Ambassy BRUSSELS		
TO THE FOREIGN SERVICE		TO THE DEPARTMENT
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post-Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)
REFERENCE <p>INT-3570 dtd. April 13, 1960 - transmitting instructions to Bank of England to sell 2 gold bars and transfer £10,000 to Commission's account.</p>		
ITEMS/REMARKS <p>For your information.</p> <p><i>Discussed with L/E - Mauer 4/20/60 - Cuz</i></p>		
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE		
FILE NO.	SIGNATURE <i>Richard B. Freund</i> Richard B. Freund	
CLASSIFICATION OFFICIAL USE ONLY	OFFICE U.S. TGC Commissioner	

Dept

1146

cc

13 April 1960.

Secretary General

Commissioner of the Government of the States of America,

Commissioner of the Government of the Kingdom of Great Britain and Ireland,

Commissioner of the Government of the Republic.

... to sell, at current price... collection by your... of the Governments of the... From the Bank of England... August 1959 and funds are

of appropriate instructions to sell 2 gold bars and transfer £10,000.-

are in the envelope addressed sign them, if approved, and then have them submitted to the or their signature, if approved.

of the Government of the United States of America.

The Minister of the Government of the United Kingdom

Secretary General of the Government of the French Republic.

(BGC) J. A. WATSON,

J.A. WATSON,

Secretary General.

ENT-3570.
C/EE/ea

1146
13 April 1960.

From : The Secretary General

To : The Commissioner of the Government of the
United States of America,

The Commissioner of the Government of the
United Kingdom of Great Britain and
Northern Ireland,

The Commissioner of the Government of the
French Republic.

The last transfer of funds from the Bank of England to the Commission's account at the Morgan Guaranty Trust Company of New York, Brussels, dates back to August 1959 and funds are running low in the latter account.

I accordingly enclose copies of appropriate instructions to the Bank of England to sell two gold bars and transfer £10,000.- to the Commission's account.

The originals of these letters are in the envelope addressed to the Chairman and if he will kindly sign them, if approved, and return them to the Secretariat, I will then have them submitted to the American and British Commissioners, for their signature, if approved.

(sgd) J. A. WATSON.

J.A. WATSON,
Secretary General.

C/BE/ea-3880

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON E.C.2.

21 April 1960.

Sir,

We hereby request and authorise you to sell, at current London Market rates, two gold bars to be selected by your services, at their discretion, from the bar gold account open, at your Bank, in the name of Her Majesty's Treasury c/a of the Governments of the United States, the United Kingdom and France, and to credit the proceeds to the current account bearing that title.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America.

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

Alternate Commissioner
of the Government
of the French Republic.

G/BE/ca-3881

The Chief Cashier,
The Bank of England,
Threadneedle Street,
LONDON E.C.2.

21 April 1960.

Sir,

We hereby request and authorize you to transfer, as soon as the sale of gold subject of our letter G/BE/ca- of to-day's date has been effected, the sum of £10,000.- (ten thousand pounds) from the current account open, at your Bank, in the name of Her Majesty's Treasury c/a of the Governments of the United States, the United Kingdom and France, to the Morgan Guaranty Trust Company of New York, London, for the credit of the account open in the name of "The Tripartite Commission for the Restitution of Monetary Gold" at the Morgan Guaranty Trust Company of New York, Brussels.

We have the honour to be,
Sir,

Commissioner
of the Government
of the United States of America.

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

Alternate Commissioner
of the Government
of the French Republic.

Copy to : The Morgan Guaranty Trust Company
of New York,
27, avenue des Arts, Brussels.

91 TGC 1961

209133

Department of State FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION OFFICIAL USE ONLY	
		DATE October 13, 1961	
TO Department of State, H. A. Weismann, Esq., Asst. Chief, Internat'l. Finance		For the Attention of	
FROM Amembassy BRUSSELS		Service	
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)	
REFERENCE INT. INT. 3665 dtd October 9, 1961 and INT. 3666 dtd October 10, 1961.			
ITEMS/REMARKS FYI.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.	SIGNATURE Don V. Catlett US TGC Commissioner		
CLASSIFICATION OFFICIAL USE ONLY	OFFICE ECOUNS		

1156 JA
 R ~~OBAM~~
 @ file ? MH
 9 October 1961.

Reserve Bank of New York,
 account, showing a balance
 1961, of \$2,370.29.

Correct by the

letter and despatched it
 Reserve Bank of New York.

(sgd) J.A. WATSON

Information
 Information.

302.

12

1156 JP
R
~~OBAM~~
D File 114

IMP- 3665
G/FEB

XXXXXXXXXXXX
XXXXXXXXXXXX

5 October 1961.

Photocopy of letter from the Federal Reserve Bank of New York, enclosing statement of the Commission's dollar account, showing a balance due, as at the close of business 29 September 1961, of \$1,370.29.

Enc: The figure has been checked and found correct by the Commission's accountant.

I have signed the confirmation of the letter and despatched it to-day, as requested by the Federal Reserve Bank of New York.

(sgd) J.A. WATSON

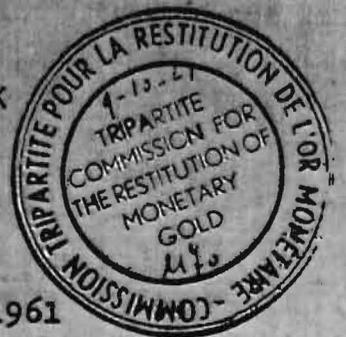
Information
information.

END

11

FEDERAL RESERVE BANK OF NEW YORK
NEW YORK 45, N.Y.

RECTOR 2-5700



October 5, 1961

**Tripartite Commission for the
Restitution of Monetary Gold
Brussels, Belgium.**

Dear Sirs:

Attached is a statement of your account with this Bank. Will you please confirm the correctness of the balance shown thereon by signing and returning this form in the enclosed specially addressed envelope.

GENERAL AUDITOR
FEDERAL RESERVE BANK OF NEW YORK

CONFIRMATION

The statement of our account as of the close of business

September 29, 1961 has been received and the balance of \$1,370.29

is correct.

Drafts paid during the period, if any, have been received and found to be genuine.

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

50, AVENUE DES ARTS
BRUXELLES
TELEPHONE : 12.35.29

LIT- 466
CO-113

10 October, 1961.

From : The Secretary General

(With reference to our telephone conversation of this morning) To : The Commissioner of the Government of the United States of America

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

The Commissioner of the Government of the French Republic.

I have been authorized by the American Commissioner to state, in connection with the proceedings now pending before the Conciliation Commission at Rome, that Italy having queried the validity of certain evidence, based on O.M.F.U.S. reports, submitted to the Conciliation Commission by the Netherlands, the latter have asked the American Government if it can provide them with photostatic copies of the original documents upon which the O.M.F.U.S. reports were based and that the American Government is now studying this question.



J.A. WATSON,
Secretary General.

FORM DS-4 TRANSMITTAL SLIP 1-3-55		CLASSIFICATION OFFICIAL USE ONLY
		DATE September 27, 1961
TO Department of State, H. A. Weismann, Esq., Asst. Chief, Internat'l. Finance Service		For the Attention of
FROM Ambassy BRUSSELS		
TO THE FOREIGN SERVICE		TO THE DEPARTMENT
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)
REFERENCE INT. 3662 dtd September 26, 1961		
ITEMS/REMARKS FYI WF Note: Copies attached sent for info to WE - Mr. Maurer WE - Mr. Beaudry 10/10/61		
IN REPLY REFER TO FILE NUMBER AND DRAFTING		
FILE NO.	SIGNATURE Don V. Cat US TGC Comm	
CLASSIFICATION OFFICIAL USE ONLY	OFFICE	

llc
 1157
 28 September 1961
 D
 B-1
 A-3

12.24/21.4 (21 & 22)
 1961, received from the
 office given in the
 12.24/21.4, both
 serials 21-428 of
 28 Sep 1961.

(sgd) J. A. WATSON

Information
 Information

REF- 3662
G/HS/ea

SECRET
SECRET

1157

25 September 1961.

D
B-1
A-1

Copy to : The Accountants.

Receipts of letters ref. HS 15.25/24.4 (D. & A.) and G/HS/ea.27, both dated 20 September 1961, received from the Bank of England, showing that the instructions given in the Commission's letters ref. G/HS/ea-1151 and G/HS/ea-1152, both dated 20 September 1961 (via the Secretariat's INT-3662 of 20 September 1961) have been carried out.

Total : 100,000,000 plus amount = 5,000,000,000 plus nil plus.

(sgd) J. A. WATSON

Information
Information

22

22

PRIVATE & CONFIDENTIAL

Telegraphic Address:
Ingotism, London.

Please address reply to
The Chief Cashier (D. & A.)
and quote the reference

FE.13.25/DA.4

BANK OF ENGLAND,
LONDON, E.C. 2.

25th September 1961.

The Tripartite Commission for the
Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.

Gentlemen,

With reference to the Bank's letter (FE.13.25/DA.4) of the 21st September, I write to confirm that the account of Her Majesty's Treasury on account of the Governments of the United States, United Kingdom and France has to-day been credited with the sum of £10,058:17: 4 in respect of the sale of two bars (bars numbered J 28656 and J 28657) containing 804.207 fine ounces of gold.

As a result of this transaction the total of bar gold held by the Bank of England for account of Her Majesty's Treasury on account of the Governments of the United States, United Kingdom and France as at the close of business to-day amounted to 163,549.784, say, One hundred and sixty three thousand five hundred and forty nine decimal seven eight four, fine ounces.

I am, Gentlemen,
Your obedient Servant,



J Chief Cashier.

DL

Telegraphic Address:
Ingotiam, London.

Please address reply to
The Chief Cashier
and quote the reference

CCO/493.27

BANK OF ENGLAND,

LONDON, E.C.2.

25th September 1961.

The Tripartite Commission for the
Restitution of Monetary Gold,
50, Avenue des Arts,
Brussels.

Gentlemen,

Account: H.M. Treasury o/a The
Governments of the United States, the
United Kingdom & France

I write to acknowledge your letter
(C/BE/ca-4152) of the 19th September and to
say that, in accordance with your
instructions, the sum of £10,000 has to-day
been transferred from the above-mentioned
Account to the Morgan Guaranty Trust
Company of New York, London, for account
of The Tripartite Commission for the
Restitution of Monetary Gold, at their
Brussels Office.

I am, Gentlemen,
Your obedient Servant,

[Handwritten Signature]
Chief Cashier.

Information
Information

(sgd) J. A. WATSON

209141

file
115
D
B-1
A-3

25 September 1961.

BANK OF ENGLAND,
LONDON, E.C.2.

25 September 1961.

1.25/21.4 (D. & A.)
01, received from the
line given in the
C/BE/ca-4152, both
let's interest of

the telegram.

Department of State FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION OFFICIAL USE ONLY	
		DATE September 26, 1961	
TO Department of State, H. A. Weismann, Esq., Asst. Chief, Internat'l. Finance		For the Attention of Service	
FROM Ambassy BRUSSELS			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Despatch <input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)	
REFERENCE INT# 3661 dtd September 25, 1961			
ITEMS/REMARKS FYI FYI <p style="text-align: center;"> <i>Note: Copies of attached sent for info to L/E - Mr. Maurer W/E - Mr. Beaudry 10/10/61 wo</i> </p>			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.	SIGNATURE Don V. Catlett US TGC Commissioner		
CLASSIFICATION OFFICIAL USE ONLY	OFFICE		

TGC file
WF
1158
R

25 September 1961.

in (14592-1151) of the
 in accordance with your
 on 10/10/61 for settlement
 and 10/10/61 for funds in
 per ref. 36 .13.35/DI.4. will be
 from the Bank of England,
 Mrs. Treasury via the
 direct line to, and France, etc.

(sgd) J. A. WATSON

Information
Information.

210,058:17

tee file
1158
WF
R

100- 4661
6/23/61

XXXXXXXXXXXX
XXXXXXXXXXXX

25 September 1961.

**Photocopy of a letter ref. FE 413.25/D1.4,
dated 21 September 1961, received from the Bank of England,
concerning the sale of two gold bars.**

(sgd) J. A. WATSON

Information
Information.

22

CLASSIFICATION

PRIVATE & CONFIDENTIAL

Telegraphic Address
Ingotism, London.

Please address reply to
The Chief Cashier (D. & A.)
and quote the reference
FE.13.25/DA.4

BANK OF ENGLAND,
LONDON, E.C.2
21st September 1901.

Tripartite Commission for the Restitution
of Monetary Gold,
50, Avenue des Arts,
Brussels, 4.

Gentlemen,

I have to refer to your letter (C/BE/ca-4151) of the 19th September and to inform you that in accordance with your instructions the Bank have sold to-day on your behalf, for settlement on the 25th September, two bars containing 804.207 fine ounces of gold.

The proceeds of this sale, namely, £10,058:17: 4, will be credited under advice to the account of H.M. Treasury o/a the Governments of the United States, the United Kingdom, and France, as shown in detail below.

I am, Gentlemen,
Your obedient Servant,

W. D. A. S.
Chief Cashier.

2 bars containing 804.207 fine ounces of
gold at 250s.2½d. per fine ounce

Less 1/8 per mille commission

£10,060: 2: 6

1: 5: 2

£10,058:17: 4

of State FORM DS-4 1-3-55		CLASSIFICATION OFFICIAL USE ONLY	
TRANSMITTAL SLIP		DATE August 17, 1961	
TO For the Attention of Department of State - H. A. Weisman, Esq.			
FROM Amembassy BRUSSELS			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post		<input type="checkbox"/> Dept. Information Only	
<input type="checkbox"/> Post Information Only		<input type="checkbox"/> CERP Publications	
<input type="checkbox"/> Transmit to Foreign Office		<input type="checkbox"/> Enclosure to Previous Despatch	
<input type="checkbox"/> Submit Report		<input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Reply to the Individual			
<input type="checkbox"/> Transmit to:		(U.S. Agency)	
<input type="checkbox"/> Inform:			
REFERENCE INT-3654 dtd August 7, 1961			
ITEMS/REMARKS For your info. Note: Copies of attached sent for info to L/E - Mr. Mann WE Mr. Beaudry 10/10/61 WS			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.	SIGNATURE Don V. Catlett		
CLASSIFICATION OFFICIAL USE ONLY	OFFICE US TGC Commissioner		

1164
R

7 August 1961.

in Federal Reserve Bank of
 Commissioner's dollar account,
 as of business 31 July 1961,
 and found correct by the
 item of the letter and
 requested by the Federal

(sgc) J.A. WATSON

information.
 information.

1164

1164
R

NY- 3654
C/TB

XXXXXXXXXXXX
XXXXXXXXXXXX

7 August 1961.

Photocopy of letter from the Federal Reserve Bank of New York, enclosing statement of the Commission's dollar account, showing a balance due, as at the close of business 31 July 1961, of \$1,570.29.

Note : The figure has been checked and found correct by the Commission's accountant.

I have signed the confirmation of the letter and despatched it to-day, as requested by the Federal Reserve Bank of New York.

(Sd) J. A. W. TSON

information.
information.

END.

185

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 48, N.Y.

RECTOR 2-8700

August 4, 1961

~~Tripartite Committee for the
Restoration of Monetary Gold
Brussels, Belgium.~~

Dear Sirs:

Attached is a statement of your account with this Bank. Will you please confirm the correctness of the balance shown thereon by signing and returning this form in the enclosed specially addressed envelope.

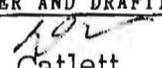
GENERAL AUDITOR
FEDERAL RESERVE BANK OF NEW YORK

CONFIRMATION

The statement of our account as of the close of business
July 31, 1961 has been received and the balance of \$1,370.29
is correct.

Drafts paid during the period, if any, have been received and found to be
genuine.

209147

Department of State FORM DS-4 1-3-55 TRANSMITTAL SLIP		CLASSIFICATION OFFICIAL USE ONLY	
TO Dept of State		DATE July 20, 1961	
FROM Amembassy Brussels		For the Attention of H. A. Weismann, Esq.	
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post		<input type="checkbox"/> Dept. Information Only	
<input type="checkbox"/> Post Information Only		<input type="checkbox"/> CERP Publications	
<input type="checkbox"/> Transmit to Foreign Office		<input type="checkbox"/> Enclosure to Previous Despatch	
<input type="checkbox"/> Submit Report		<input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Reply to the Individual			
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)	
REFERENCE INT-3650 dtd July 13, 1961			
ITEMS/REMARKS For your info.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.	SIGNATURE  Don V. Catlett		
CLASSIFICATION OFFICIAL USE ONLY	OFFICE US TGC Commissioner		

1170

D
 13 July 1961. B-1
 A-3

Secretary General

Minister of the Government of the United States

Minister of the Government of the Kingdom of Great Britain and Ireland

Minister of the Government of the Republic of France

The Secretary General drew the Commission's attention to the fact that the above-mentioned draft did not include a paragraph pointing out to Dr. Heime that some of the information he required was more likely to be found in the German archives than in those of the three Governments and giving the reasons why. He understood that both the British and French Commissioners were of the opinion that this should be pointed out.

The Commission's decision should be included in the report, for easy reference, as a preamble to that part of the report which would contain the Commission's adjustments in volume and that he had undertaken to do this.

It was decided that the Secretary General would circulate, for comment or approval, a new draft based on his original draft "A", but taking into account the point he had just made.

(sgd) J. A. WATSON

J. A. WATSON,
 Secretary General.

1170

D
B-1
A-3

INT- 3650
O/INT/257-

13 July 1961.

CONFIDENTIAL

From : The Secretary General

To : The Commissioner of the Government of the United States of America

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

The Commissioner of the Government of the French Republic.

(Your letter N° 11.070, of 12 July 1961)

On 20 June 1961, I circulated, in draft form, the Minutes of the 157th meeting.

Since then, both the British and American Commissioners have approved the draft.

I now enclose a copy of a letter N° 11.070, dated 12 July 1961, which I have received from the French Commissioner.

In view of the latter's statement, the Minutes can now be circulated as final and I enclose copies, accordingly.

(sgd) J.A. WATSON

J.A. WATSON,
Secretary General.

11.070

12 juillet 1961.

Monsieur le Secrétaire Général,
Commission de l'Or,
50, Avenue des Arts,
Bruxelles.

Monsieur le Secrétaire Général,

En raison du fait que le Gouvernement néerlandais a répondu le 15 juin 1961 au mémorandum conjoint des trois Gouvernements en date du 10 novembre 1960, j'ai l'honneur de vous informer que le projet de procès-verbal de la 1578^{ème} réunion de la Commission, tenu le 15 juin 1961, que vous avez bien voulu me communiquer le 20 juin 1961 sous le N° INT-5639, n'appelle pas d'observations de ma part.

Si cette réponse n'était pas intervenue, j'aurais demandé la notification du premier alinéa du paragraphe 1 (b) de votre projet. J'ai, en effet, exprimé d'abord l'espoir qu'il n'était pas souhaitable de provoquer la réponse d'un Gouvernement qui était en position de demandeur. Je me suis ensuite rallié à la proposition de mes collègues qui venaient, à faire hâter cette réponse, à l'avantage de faire progresser les travaux de la Commission.

Veuillez agréer, Monsieur le Secrétaire Général, les assurances de ma haute considération.

J. LANSCH.

CONFIDENTIALFINAL MINUTESTRIPARTITE COMMISSION FOR THE
RESOLUTION OF HONEYMAY GOLD.157th Meeting15 June 1961, at 3 p.m.PRESENT :

Monsieur Jacques LAROCHE

- Commissioner of the Government of the French Republic, Chairman.

Don V. CATLETT, Esquire

- Commissioner of the Government of the United States of America.

Armistead M. Lee, Esquire

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

J.R. COTTON, Esq.

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

Secretariat

Colonel J.A. WATSON

- Secretary General.

The Chairman, in the name of the Commission and on his own behalf, welcomed the new American Commissioner, Mr. Don V. Catlett, who was attending a Meeting of the Commission for the first time. He (the Chairman) then asked Mr. Catlett to transmit the Commission's best wishes to his predecessor, Mr. Richard B. Freund, and its warmest thanks for the valuable services he had rendered during his term as Commissioner.

The Chairman added that, since he was addressing his American colleague, he would like to take this opportunity of drawing his attention, on a purely personal and amicable basis, to a problem (which he mentioned), the solution of which was dependent upon a decision of the Government of the United States, and to say that anything that his colleague could do to bring about such a solution would be welcome, since it would greatly facilitate the completion of the Commission's work.

1. Review of current affairs.(A) Decision regarding the reply to be given to Dr. Heine, of the Ministry for Economic Affairs of the German Federal Republic.

The Chairman said that both the British Commissioner and himself had already made known their views. He asked his American colleague if he was in a position to comment. The latter replied that something on the lines of the Secretary General's suggested draft "A", circulated on 10 October 1960, would, in his opinion, meet the case and that he was prepared to accept it.

The Secretary General drew the Commission's attention to the fact that the above-mentioned draft did not include a paragraph pointing out to Dr. Heine that some of the information he required was more likely to be found in the German archives than in those of the three Governments and giving the reasons why. He understood that both the British and French Commissioners were of the opinion that this should be pointed out.

Decision :

It was decided that the Secretary General would circulate, for comments or approval, a new draft based on his original draft "A", but taking into account the point he had just made.

2/.....

209151

(b) Decision regarding the action, if any, to be taken in the absence of any approach from the Netherlands, following upon the despatch of the three Governments' Note to that country.

The Chairman said that it seemed hardly possible to leave this question in suspense indefinitely. The British and American Commissioners shared this view.

Various possibilities were examined. The idea of taking some form of official action was abandoned, for the time being.

The Secretary General suggested that he might perhaps approach the Dutch Commercial Councillor, informally, and ask him if he had heard anything from his Government on this subject.

Decision :

The Secretary General's suggestion was agreed.

Note : Subsequently to the Meeting, it was decided that the Secretary General would suspend action, until further notice.

(a) Review of the position in regard to the Commission's Report.

The Chairman said that the Secretary General had dealt, in detail, with such parts of the Report as could be completed. The "aide-memoire", which he had prepared and circulated with the agenda of this Meeting, had shown that certain questions were in suspense. It seemed difficult to develop the Report further until some, at least, of these questions had been settled. Mr. Richard B. Freund, the present American Commissioner's predecessor, had suggested, at the end of 1959, that an attempt should be made to shorten those parts of the Report which had been completed and the Secretary General had reviewed the Report, chapter by chapter, and communicated his conclusions and the reasons for them, in writing, to the Commissioners. These conclusions were that, with one or two exceptions, there seemed to be very little more that he could do at this stage. The Secretary General had also expressed the opinion that a truncated Report, even though it covered some 80% of the Commission's activities, would not be found very satisfactory. For instance, the Commission was not in a position, as things stood, to report accurately and completely on the two main tasks with which it had been entrusted under its Terms of Reference. These were to announce the total value of the pool of monetary gold and the share of each claimant in the pool. The whole question had been examined at the 156th Meeting, where it had been generally agreed that no great progress could be made until the Netherlands' case had been disposed of and decided that the Commission would think these matters over.

The British Commissioner reminded his colleagues that the British view was that this Report was a matter to be dealt with exclusively within the Commission. His Government did not wish to see any of the drafts or re-drafts or suggested amendments. What it wanted was a Report, from the Commission, in due course, as complete as possible, having regard to the circumstances. It would, then, be able to draw, from the Report, such information as it might require and arrive there-after at such conclusion, regarding future action, as it might consider appropriate.

The American Commissioner said that, insofar as the drafting of the Report was concerned, his views coincided with those of the British Commissioner. It was purely internal question.

The British Commissioner then enquired whether it was certain that the Report was completely up to date and as short as it could be made, in other words he was anxious to know whether there was anything more that could or should be done to it.

The Chairman mentioned that, at a previous Meeting, he had suggested that brief summaries of all the Commission's decisions should be included in the Report for easy reference, as a preamble to that part of the Report which would contain the Commission's adjudications in extenso and that he had undertaken to do this work. He had not yet completed these summaries. He also mentioned a point which he said had, perhaps, been lost sight of. This was that, for obvious reasons, all decisions regarding the quantitation of gold to be put into the pool had been taken

on a governmental level and that all the negotiations with neutral countries which had led to the delivery of gold to the pool had been conducted by the three Governments. The Commission knew very little about these questions, which did not concern it and which had not been included in its Report. They would presumably be dealt with, separately, by the three Governments. Arrangements for the actual deliveries to the pool had, however, been made, on most occasions, by the Commission and its activities in this respect had been described in the Report.

The Secretary General said that, subject to what the Chairman had just said, it was quite certain that the Report, with the exception of a last Section dealing with the gold and administrative accounts which, for obvious reasons, could only be prepared at the very last moment, was complete, up to date. With regard to its length, he (the Secretary General) suggested that what should be included in the Report or excluded or shortened was a matter of opinion. He had, originally, been instructed to draw up as complete a Report as possible of the Commission's activities, on the understanding that it was exclusively for the use of the three Governments, who would extract from it such information as they might require for future action. He had done so. It had been thought that it would be easier to delete from than to add to the Report before submitting it. Later, he had been instructed to try and shorten the Report and his conclusions had been those which had just been described by the Chairman. The condensing of information, regarding deliveries to claimants, for instance, into tables, seemed an attractive idea but, on examination, the task appeared to be virtually impossible, mainly owing to the fact that many cases differed considerably one from the other. This also applied in the case of deliveries to the pool. If it were considered that, in some cases, no details or only a very few were necessary, some condensation might possibly be effected but he (the Secretary General) said that he would find it difficult to determine, on his own initiative, which parts of the Report should be dealt with in this way and that he would be glad to receive some guidance from the Commissioners on this subject.

Decision :

It was decided that the Commission would wait until it had seen the summaries of decisions which the Chairman was drafting before pursuing the matter further.

Note : Subsequently to the Meeting, the Secretary General made certain enquiries regarding the number of ordinary printed pages which had been or would be necessary for the publication of I.A.R.A. or Commission Reports.

The number of printed pages used for I.A.R.A. Reports had been, for 1946 : 75, for 1947 : 79, for 1948 : 105, for 1949 : 153, for 1951 : 79; in all : 491, to which would have to be added about 48 pages for the Final Report, a total of, roughly, 539 pages. The Commission's Report, as at present drafted, including the numerous annexes, would take up, roughly, 270 pages in print.

(4) Examination of the position with regard to the proceedings pending before the Anglo-Dutch Conciliation Commission sitting in Rome.

A general exchange of views showed that none of the Commissioners had any information regarding what was happening in Rome. The British view had been made known on 11 March 1960. Briefly, it was that, in the opinion of Her Majesty's Government, the Dutch case which had been referred to the Tripartite Commission should be settled before anything was done about the case pending in Rome.

The Secretary General reminded the Commission that, in reply to a formal enquiry, it had referred the Conciliation Commission to the Netherlands and Italian Governments, which had received the Commission's adjudications on their respective cases, for any information which it might require. It was the Secretary General's opinion that the Conciliation Commission, if it had, in fact, applied to the Governments in question for communication of the Tripartite Commission's adjudications and received them, would not find in their answers to more than 3 out of the 5 questions it had put to the Tripartite Commission.

4/.....

(e) Review of the deliveries in suspense, listed below :

(i) Albania	: 1,574.3503 kgs, rounded off to 1,550 kgs.
(ii) Danzig	: 2,474.7637 kgs, rounded off to 2,450 kgs.
(iii) Netherlands	: 4,117.7460 kgs, rounded off to 4,100 kgs.
(iv) Czechoslovakia	: 18,433.4735 kgs, rounded off to 18,400 kgs.

With regard to (i) (Albania), the Chairman said that the possibility of offering Albania the share corresponding to the 116.1180 kgs of gold looted by the Germans at Tirana, which had formed the subject of an Albanian claim which the Commission had validated, might be worth considering. This amount had not been included in the arbitration which had taken place before Professor Sauser-Hall, pursuant to the Washington Agreement of 25 April 1951, nor had it been included in the subsequent proceedings before the International Court of Justice, provided for in the said Agreement.

A short exchange of explanations ensued.

Decision :

It was decided that the Chairman would send a Note on this subject to the Secretary General, for circulation to his colleagues.

With regard to (ii) (Danzig), the Chairman recalled that this delivery was dependent upon the settlement of a question of frontiers, which was outside the Commission's competence.

With regard to (iii) (Netherlands), the Chairman referred his colleagues to what had been said at (b) above.

With regard to (iv) (Czechoslovakia), no change in the previous position was apparent.

The Meeting adjourned at 5.30 p.m.

FORM DS-11 4-1-55 DEPARTMENT OF STATE REFERENCE SLIP			DATE July 20, 1961			
TO:	NAME OR TITLE	ORGAN. SYMBOL	ROOM NO.	BLDG.	INITIALS	DATE
1.	Mr. Maurer	I/E	6420			
2.						
3.						
4.						
5.						
APPROVAL		NOTE AND FORWARD				
<input checked="" type="checkbox"/> AS REQUESTED		NOTE AND RETURN				
COMMENT		PER CONVERSATION				
<input checked="" type="checkbox"/> FOR YOUR INFORMATION		PREPARE REPLY				
INITIAL FOR CLEARANCE		SEE ME				
NECESSARY ACTION		SIGNATURE				
REMARKS OR ADDITIONAL ROUTING						
<p>Transmitted for your information are photo copies of the following documents from the U. S. TGC Commissioner:</p> <p>1. Transmittal slip from Amembassy Brussels dated July 7, 1961 with respect to INT No. 3643 dated June 26, 1961 together with its attachment:</p> <p>(a) Letter from the Federal Reserve Bank of New York dated June 23, 1961 to the Tripartite Commission in Brussels.</p>						
FROM (NAME AND ORGANIZATION)			ROOM NO. AND BLDG.			
William Frohlich - OFD/FN			4820			
SIGNATURE			PHONE NO.			
			2273			

TGC file FN-HAW

1173

26 June 1961.

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journal 23 to the

(sgd) J. A. WATSON

Information
Information

R. V. Keihner,
Chief, Auditing Division.

Enclosures

TRANSMITTAL SLIP

CLASSIFICATION OFFICIAL USE ONLY

DATE July 7, 1961

Department of State For the Attention of Chester Carre, Esq.

Amembassy Brussels

TO THE FOREIGN SERVICE

TO THE DEPARTMENT

- For Transmittal to Addressee at the Discretion of Post
- Post Information Only
- Transmit to Foreign Office
- Submit Report
- Reply to the Individual

- Dept. Information Only
- CERP Publications
- Enclosure to Previous Despatch
- Reply to Dept. Request

Transmit to: (U.S. Agency) Inform:

REFERENCE

INT-3643 dated June 26, 1961

ITEMS/REMARKS

For your information.

IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE

FILE NO.	SIGNATURE <i>Don V. Catlett</i>
CLASSIFICATION OFFICIAL USE ONLY	OFFICE U.S. TGC Commissioner

TGC for FX-Haw

1173

26 June 1961.

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(sgd) J. A. WATSON

Information
Information

R. V. Keihner,
Chief, Auditing Division.

Enclosures

TGC file ~~FN-NAU5~~

1173

26 June 1961.

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B-1
A3

Copy of letter from the Federal Reserve Bank of New York, dated 23 June 1961, enclosing statement of the Commission's gold and dollar accounts as at the close of business 24 June 1961.

372,537.556	tray ounces	=	11,537.3533	kilograms
55,718.200	"	"	1,670.7843	"
6,023.611	"	"	187.6663	"
612.639	"	"	18.0890	"

I have signed the certification referred to in the last paragraph of the Bank's letter and returned it to the Auditing Department.

(sgd) J. A. WATSON

information
information

enc.

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

AIR MAIL

June 23, 1961

Tripartite Commission for the
Restitution of Monetary Gold,
No. 50, Avenue des Arts,
(2nd Floor),
Brussels, Belgium.



Dear Sirs:

An audit of the records of this Bank, as of the close of business June 16, 1961, indicates the following accounts and custodies carried in the name of the "Tripartite Commission for the Restitution of Monetary Gold", with respect to which the Federal Reserve Bank of New York is acting as fiscal agent of the United States:

Deposit balance (statement attached): \$1,370.29

Gold held under earmark:

- 925 bars of various refiners said to contain 372,557.595 troy ounces of fine gold,
- 134 United States Government-stamped bars containing 53,716.309 troy ounces of fine gold,
- 62 bags of gold coin said to contain 6,033.611 troy ounces of fine gold and,
- 5 bags of United States gold coin containing 613,629 troy ounces of fine gold.

If this information agrees with your records, please return the attached copy of this letter in the enclosed envelope after officially signing the certification at the bottom of the page. If there are any differences, please furnish us with complete details.

Very truly yours,

R. V. Keihner,
Chief, Auditing Division.

Enclosures

209158

Department of State FORM 05-55 TRANSMITTAL SLIP		CLASSIFICATION OFFICIAL USE ONLY	
		DATE July 7, 1961	
TO Department of State		For the Attention of Chester Carre, Esq.	
FROM Amembassy Brussels			
TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post		<input type="checkbox"/> Dept. Information Only	
<input type="checkbox"/> Post Information Only		<input type="checkbox"/> CRP Publications	
<input type="checkbox"/> Transmit to Foreign Office		<input type="checkbox"/> Enclosure to Previous Despatch	
<input type="checkbox"/> Submit Report		<input type="checkbox"/> Reply to Dept. Request	
<input type="checkbox"/> Reply to the Individual			
<input type="checkbox"/> Transmit to: <input type="checkbox"/> Inform:		(U.S. Agency)	
REFERENCE IN: -3643 dated June 16, 1961			
ITEMS/REMARKS For your information.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.		SIGNATURE <i>Don V. Catlett</i> Don V. Catlett	
CLASSIFICATION OFFICIAL USE ONLY		OFFICE U. S. TGC Commissioner	

R. V. Keihner

R. V. Keihner,
 Chief, Auditing Division.

Enclosures

WF

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

20 June 1961.

Copy of letter from the Federal Reserve Bank of New York, dated 13 June 1961, enclosing statement of the Commission's gold and dollar accounts as at the close of business 10 June 1961.

172,487,400	very ounces	=	11,487,000	kilograms
25,718,300	"	"	1,870,700	"
8,003,611	"	"	127,000	"
612,000	"	"	19,000	"

I have signed the certification referred to in the last paragraph of the Bank's letter and returned it to the Auditing Department.

(sgd) J. A. WATSON

Information
Information

Very truly yours,

R. V. Keihner,
Chief, Auditing Division.

Enclosures

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 25, N.Y.

SECTION 20 10

June 23, 1961

Tripartite Commission for the
Restitution of Monetary Gold,
No. 50, Avenue des Arts,
(2nd Floor),
Brussels, Belgium.



Dear Sirs:

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Very truly yours,

R. V. Keihner,
Chief, Auditing Division.

WF
TGC file
June 2, 1961
1183Tripartite Gold

(Briefing by Chester M. Carré)

The Tripartite Gold Commission (TGC) originated under Part III of the Paris Reparations Agreement of 1946 which indicated that the Governments of the UK/US/France would assemble monetary gold illegally acquired by Germany during the war. This included gold physically located or held in accounts in neutral countries. Over a period of time various neutrals holding gold or gold accounts were persuaded to turn over such assets to the TGC.

The Commission is located in Brussels and its Secretary General is U. K. Representative Wasson who has served constantly with the Commission since its inception. The Commission has taken delivery of gold from all sources and deposited same in a gold pool at the Federal Reserve Bank of New York, the Banque de France and the Bank of England--the Banque de France account no longer exists. The Commission has adjudicated claims from governments applying for restitution and all adjudications have been completed^{except} for the following:

1. Czechoslovakia. Britain and France have approved adjudication whereas the United States has refrained from signing. The Czech claims amount to approximately \$20 million in gold and the U. S. has unsettled claims, for such things as nationalized U. S. property, which go back for 15 years. Negotiations of U. S. claims have been going on for considerable time and Mr. Carré believes that the Czechs do not wish to reach a settlement. Britain has been constantly pressing the U. S. to adjudicate as they have

- 2 -

a claim of about 20 million pounds against Czechoslovakia which they wish to settle and also, possibly because of a potential Czech claim against the British arising from the "Munich settlement".

2. ^A/Danzig gold claim has been adjudicated but no delivery order has been issued since the rightful owner has not made application. The Polish Government has applied but TGC has not been able to define its status as the rightful owner.

3. A similar situation exists with respect to Albania with Italy claiming as the owners of the bank previously holding the gold and the U. K. claiming because of damages arising from the "Corfu" incident. This question was placed before the World Court which decided that it did not have jurisdiction. The status is undecided.

4. Netherlands. The adjudication was effected and the delivery order issued, but the Netherlands was dissatisfied and protested the distribution first to the TGC before receiving a reply from the interested governments. TGC refrained from replying after which the matter was placed before the governments, and this matter continues to be unsettled.

OFD:FN:HAWeismann:meh
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