

Authority NND 968106  
By JW NARA Date 6-3-99

RG 59 TGC  
NW 3-59-90-59  
Lot 62015 B-9

FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

SECURITY : ~~CONFIDENTIAL~~

PRIORITY: AIR POUCH

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REC'D  
JAN 23  
391

TO : Department of State

Enclosure - 1

FROM : HICOG, FRANKFURT 2336 January 17, 1951

200.6241-Gold/1-1751

RE: DEPT A-2009, January 3, 1951

SUBJECT : MONETARY GOLD.

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(1) As indicated in Mr. Caldecourt's letter of December 8, 1950 and confirmed by him since, UK element will deliver to TGC only such gold (including gold coins) as is specified in his letter to be monetary gold, i.e. bars usually of either 12 kg or 12.5 kg but in a few cases of smaller weight, provided they are bearing foundry marks as described and test certificates are attached.

(2) Attached hereto is HICOG list (including Czech bars) which formed the basis of our discussions with Fletcher during his visit here, it being understood at the time that UK element would apply similar criteria. It will be noticed that our list contains primarily gold in amounts of less than 1 kg and will thereby show the incongruity of applying the monetary gold definition reached at the Brussels conference. We, therefore, recommended in our despatch 1949, December 8, 1950 that British criteria be applied uniformly.

(3) In view of the above, request DEPT authorization to deliver to TGC in adaptation of British criteria, the following items as monetary gold (in modification of ourtel 5528, July 27, 1950 but subject to proviso in para 1. d. thereof):

- a. All gold bars weighing more than 12 kb, plus some instances of smaller weight, of 90% or more fineness
- b. Czech gold bars
- c. Deutsch-Ostasiatische Bank bars
- d. gold coins (on basis of detailed report to be forwarded).

(4) Please cable.

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY EC DATE 3/27/85

RDC  or XPS  EXT. DATE \_\_\_\_\_

REASON(S) \_\_\_\_\_

DISPOSE EXISTING MARKINGS

DECLASSIFIED  RELEASABLE

PA or FOI EXEMPTIONS \_\_\_\_\_

S. T. Castleman  
Deputy Chief  
Finance Division

Enclosure:

HICOG List of Bars and Bullion

E:FN: KADeKeyserling/kk  
Phone 8708

~~CONFIDENTIAL~~

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Authority NND 968106  
By JW NARA Date 6-3-99

IRG 59 TGC  
NK 3-59-90-59  
Lot 62015 Box 9

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Enclosure No. 1, HICOG Frankfurt

Despatch No. 2319, January 16, 1951  
(2336 ?)

BARS

No. Symbol	Serial	Description	Purity	Name and Address of: Owner (Nationality) Deliverer	Weight in Kilograms
065	01502	1 bar		Vermögensamt beim Deutschen Staatsministerium fuer Boehmen u. Maehren, Prag	1,204
		1 bar		the same	1,193
		1 bar		the same	1,182
		1 bar		the same	1,177
		1 bar		the same	1,200
		1 bar		the same	1,044
		1 bar		the same	1,215
		1 bar		the same	1,195
		1 bar		the same	1,170
		1 bar		the same	1,155
052	00452	1 bar		Zimmermann, Johanna Rote Kreuzstr. Neustadt a. d. Weinstrasse	0,448
054	00661	1 bar		Raff, Paul Pforzheim	0,541.40
006	07260	1 bar		Baumer, Maximilian address unknown	0,620
006	07382	6 bars		Elektrochemische Werke Muenchen A.G. Hoellriegels-Kreuth	3,930

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Enclosure No. 1 (page 2) HICOG FRANKFURT  
Despatch No. 2319, January 16, 1951

(2336 ?)

## BARS

No.	Serial	Description	Fine- ness	Name and Address of: Owner (Nationality) Deliverer in Kilograms	Weight
006	07384	2 bars		Oberfinanz- kasse des Oberfinanz- praesidenten Muenchen (Ruf, Wilhelmine Muenchen)	Reichsbank Muenchen 0,468
068	00001	5 bars		Reichsbank Augsburg	Reichsbank Augsburg 0,732.70
006	07380	bars		Deutsche Orient- bank Istanbul	Dresdner Bank Muenchen 280,693
523	00986	2 bars	1000 car.	Lutz, Dr. Oskar, Molken- kurweg, Haus Schlosspark Heidelberg	Dresdner Bank, Heidelberg 0,167
638	00366	3 bars		<u>Schweizer</u> <u>Regierung</u>	Rosenthal 3,008.50 Porzellan A.G. Marktreutwitz
534	00228	1 bar	1000 car.	<u>Pfalzer &amp; Co.,</u> <u>&amp; Grendel</u> <u>Luzern/Switzer-</u> <u>land</u>	H. Behner & Cie. 0,995 Lamysstrasse Pforzheim
061	01576	1 bar		Freyse, Albert inheritance, Hamburg	Kreispar- kasse Markt- heidenfeld 0,037
056	00045	12 bars	1000 car.	Duererwaechter, Dr. E. Pforzheim	Kerath, Adolf 6 Galgenberg- weg, Ulm 8,685
523	01866	2 bars		Wolf, August Reinhard 20 Ploeck, Heidelberg	Wolf, August 1,183 Reinhard 20 Ploeck Heidelberg

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Authority NND 968106  
 By JW NARA Date 6-3-99

IRG 59 TGC  
 NK 3-59-90-59  
 Lot 62015 Bar 9

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Enclosure No. 1 (page 3) HICOG FRANKFURT  
 Despatch No. 2319, January 16, 1951  
 (2336 ?)

BARS

No. Symbol	Serial	Description	Fines-ness	Name and Address of: Owner (Nationality)	Deliverer in Kilograms	Weight
534	00123	gold	750/000	Luetsenkirchen, Walter, Inh. der Firma Abel & Zimmermann 14 Habermahlstr. Pforzheim	Luetsenkirchen, Walter Inh. der Firma Abel & Zimmermann 14 Habermahlstr. Pforzheim	1,514
		"	585/000	the same	the same	0,574
004	07580	8 bars		Wiedemann, Fritz M., Cie. Camp No. 91, Darmstadt	Military Intelligence Service, USFET APO 757, Oberursel	1,091
004	07563	6 bars		Weisinger, Joseph Albert, PWE Camp No. 22 Regensburg	the same	0,480
439	00060	5 bars		W.C. Heraeus GmbH, Hanau	W.C. Heraeus GmbH, Hanau	63,562.50
633	01111	4 bars		Huhndorf, Paul 19 Lessingstr. Leipzig C.1	Bayerische Hypotheken- und Wechsel-Bank, Hof	0,166
647	00417	6 bars	1000	Gebrueder Weidner 2 Staedlerstr. Schwabach	Gebrueder Weidner, 2 Staedlerstr. Schwabach	0,329
064	00856	1 bar		I.S. Staedler, Mars Eleistift-fabrik, Rueckert-str., Nuernberg	Dresdner Bank Nuernberg	0,261.10
562	00093	1 bar		Deutsche Bank Schwaebisch Gmuend	Deutsche Bank Schwaebisch Gmuend	0,748.20

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Enclosure No. 1 (page 4) HICOG FRANKFURT  
Despatch No. 2317, January 16, 1951  
(2336 ?)

## BARS

No.	Serial	Description	Fine- ness	Name and Address of: Owner (Nationality) Deliverer	Weight in Kilograms
534	00168	1 bar		Hafner, C. 68 Oestl. Karl- Friedrichstr., Pforzheim	Hafner, C. 68 Oestl. Karl- Friedrichstr., Pforzheim 0,570.30
562	00083	(7 bars (3 gold sheets		Allgemeine Gold- und Silber- scheideanstalt, Pforzheim	Dr. Walter Schmitt 6 Franziskanerstr. Schwaebisch Gmuend 2,978.96
562	00084	1 bar		the same	the same 1,000
562	00094	2 bars		Deutsche Gold- und Silberschei- deanstalt, Pforzheim	Deutsche Bank Schwaebisch Gmuend 2,097.30
562	00101	1 bar		L. C. Koehler, Schw. Gmuend	L. C. Koehler, Schw. Gmuend 0,565.10
004	20040	4	906/000 998/000	Deutsche Gold- und Silberschei- deanstalt vorm. Roessler, Frankfurt/Main	Deutsche Gold- und Silber- scheideanstalt vorm. Roessler Frankfurt/Main 37,778
		35 bars		the same	the same 21,496
		5 bars	997.9/000	W. C. Heraeus, GmbH, Hanau	the same 63,210.50
638	00148	3 bars		Lauffer, Charlotte Magdalene 121 Schlossberg Thierstein	Lauffer, Charlotte Magdalene 121 Schlossberg Thierstein 0,500
006	11495	6 bars	1000	Property Con- troller District, APO 407	Stadtparkasse Weilheim/Obb. 0,366.80

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Enclosure No. 1 (page 5) HICOG FRANKFURT  
Despatch No. 2319, January 16, 1951  
(2336 ?)

BARS

Symbol	No. Serial	Description	Purity	Name and Address of Owner (Nationality)	Deliverer	Weight in Kilograms
006	11558	2 bars		Mueller, Elisabeth (Strafvoll- streckung)	Gerichts- kasse Muenchen Justizge- baude	0,071
534	00266	5 bars		Waldmann, Adolf Silberwarenfabrik Pforzheim Maximilianstr.	Waldmann, Adolf Silberwaren- fabrik, Pforzheim Maximilianstr.	0,240
439	00004	pure gold bars 1000		"Degussa"	LCB Hansa	1,911.35
065	01590	3 bars		Office of Mil. Gov. f. Bavaria Regensburg L. Sa. Nau	LCB Regens- burg	0,248
697	01708	1 bar		---	Hauptzoll- amt Rosenheim	0,223
052	01040	1 bar		Military Gov. Mannheim		0,069
053	10611	1 bar		Hildegard Hermes, Karlsruhe- Durlach, Fechtstr. 2		0,101
006	12416	1 bar		Walter Sengueler St. Gallen	Deutsche Puellhalter- Werke GmbH. Muenchen Hoffmannstr. 43	1,000
065	no number	2 bars		Mil. Gov. Summary Court Regensburg (John F. REY)	LCB Regensburg	0,213
053	10637	1 bar		Mil. Government Court, Karlsruhe		0,110.50
						\$16,719.21

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Enclosure No. 3 (page 6) HICOG FRANKFURT  
 Despatch No. 2/19, January 16, 1951  
 (2/16 ?)

ALLIYS AND OTHER BULLIONS

No. Symbol	Serial	Description	Fine-ness	Name and Address of Owner (Nationality)	Deliverer	WEIGHT in Kilograms
045	00895			Bruchl, Anton Dr. med. 10 Neuberg, Weisbaden	Reichsbank- nebenstelle, Amberg	0,012
061	01621	2 small pieces of gold coins		Bartsch, Hellmuth Am Exerzierplatz Kramm	Deutsche Bank Wuerzburg	—
647	00367	1 bullion		Marci, Fritz 11 Zoellnerstr. Schwabach	Marci, Fritz 11 Zoellnerstr. Schwabach	0,011.50
064	01070			Bayerische Metall- warenfabrik GmbH, 21 Steinstr., Wuerzburg	Bayerische Metallwaren- fabrik GmbH, Steinstr. 21 Wuerzburg	0.040
064	01120			Held, Leonhard 78 Witschelstr., Wuerzburg	Bayerische Vereinsbank, Wuerzburg	0,034
534	00264			David, Arnold 197 Reinsburgstr. Stuttgart	Ant fuer Ver- moegens-Kontrolle Pforzheim	0,290.43
062	00153		24 car.	Kohler, Klara 10 Burgweg, Iserlohn	Volkebank Kassel eGmbH, Kassel	0,086
		gold lot	14 car.	the same	the same	0,021
		gold lot	8 car.	the same	the same	0,040
005	05167			Roser, Alfred 6 Aspergerstr., Ludwigsburg	Kreissparkasse Ludwigsburg	0,005.30
065	00995	1 bullion		unknown	Reichsbank Egensburg	0,036

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Enclosure No. 1 (page 7) HICOG FRANKFURT  
Despatch No. 2319, January 16, 1951  
(2336 ?)

## ALLOYS AND OTHER BULLIONS

No. Symbol	Serial	Description	Fine-ness	Name and Address of Owner (Nationality)	Deliverer	Weight in Kilograms
068	06089			Seitz, Johann, 1 Schulstr., Wertingen	Kreispar- kasse Wertingen	0,008
064	00355	2 bullions	1000	Best, Walter car. 7 Stielerstr., Nuernberg	Dresdner Bank Nuernberg	0,078
563	00395	1 bullion		Brenner, Rudolf Kaufmann	Lang, Camill Dewangen Krs. Aalen	0,063.47
021	10677			Schmiedell, Elsa Neustadt a/Rbge., Postfach 55	Bremser Bank Filiale der Dresdner Bank Bremen	0,150.57
043	00155	2 bullions		Simon, I. Wilhelm 162 Leihgesterner Weg, Giessen	Amerikanische Militaerregio- nung, Giessen	0,078
006	07378	1 plate	1000	Schilling, Max 36 Pestalozzistr. Muenchen	Schilling, Max 36 Pestalozzistr. Muenchen	0,011
562	00094	9/16 goldsticks		Deutsche Gold- u. Silberscheide- anstalt, Pforzheim	Deutsche Bank Schwaebisch Gmuend	68,932
534	00150			Panitz, Franz, 30 Karolingerstr. Pforzheim	Panitz, Franz, 30 Karolingerstr. Pforzheim	0,065.50
534	00152			Knoll, Karl u. Walter 62 Friedenstr., Pforzheim	Knoll & Pre- gizer 16 Goethestr., Pforzheim	0,040
643	00474	1 gold plate		Holzhausen, Martin 33a Goethestr. Goerlitz	Berliner Handelsge- sellschaft, Erlangen	0,015.50

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Enclosure No. 1 (pages) HICOG FRANKFURT  
Despatch No. 2319, January 16, 1951  
(2336 ?)

## ALLOYS AND OTHER BULLIONS

No. Symbol	Serial	Description	Fine- ness	Name and Address of Owner (Nationality)	Deliverer	Weight in Kilograms
644	00233	raw gold		Dresdner Bank, Fuertth	Dresdner Bank, Fuertth	0,083.70
064	01574			A.W. Faber, Castell-Elei- stiftfabrik, Stein near Nuernberg	A.W. Faber, Castell-Elei- stiftfabrik, Stein near Nuernberg	0,050.20
562	00104	several pieces	(117/000 (585/000 (590/000	Menrad, Ferdinand Factory of Spectacles, 28 Koenigsturmstr. Schw. Gmuend	Menrad, Ferdi- nand, Factory of Spectacles, 28 Koenigs- turmstr. Schw. Gmuend	0,525.70 0,240.70 0,124.50
068	02428	3 gold plates  gold plates	1000	Geiger, Michael, 4 Ulmerstr., Krambach	Kreis- und Stadtparkasse Krambach	0,036 0,026
523	00531	refined gold	1000	Hamsch, Hermann, 59 Hauptstr., Heidelberg	Hamsch, Hermann, 59 Hauptstr., Heidelberg	0,120
534	00229	1 gold plate	1000	<u>A. Siegel, Biel</u> <u>Switzerland</u> <u>Plaankestr. 14</u>	Behner & Cie. 64 Lamsystr., Pforzheim	0,525
061	01610	stick gold		Wolde, Oskar inheritance 78 Muehlstr., Aub	Bayerische Hypotheken- u. Wechsel-Bank, Wuerzburg	0,019.80
061	01813	raw gold		Schmitt, Dr. Maximilian, Wiesentheid, Schloss	Bayerische Staatsbank, Wuerzburg	---
061	01880	falling-off- gold		Stegmaier, Alfons inheritance, 10 Franziskanerstr., Wuerzburg	Bayerische Hypotheken-u. Wechsel- Bank, Wuerzburg	0,019.50

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Authority NND 968106 1By JW NARA Date 6-3-99

RG 59 TGC

NW 3-59-96-59

Lot 620115

B-9

CONFIDENTIAL

Enclosure No. 1 (page 9) HICOG FRANKFURT  
Despatch No. 2919, January 16, 1951  
(2336 ?)

## ALLOYS AND OTHER BULLIONS

Symbol	No. Serial	Description	Pure- ness	Name and Address of: Owner (Nationality) Deliverer	Weight in Kilograms
056	00356	small gold plates		Wachsmayer, Dr., med. Deutsche Bank, Uln Robert, Rhoen- sanatorium, Bad Kissingen	
647	00370		1000/ 1000	Deutsche Gold- u. Silberscheideanstalt, Frankfurt/M.	Bayerische Hypotheken- u. Wechselbank, Roth nr Muerenberg 0,871,90
647	00340	1		Winter, Ferdinand Posamentenfabrik, Treuchtlingen	Winter, Ferdi- mand, Posamen- tenfabrik, Treuchtlingen 0,022,50
672	01079	2		Rexhausen, Karl 5/II Montgelassestr. Muenchen 27	Volksbank e. G. m. b. H., Landsau/Isar 0,054
647	00385			Deutsche Gold- u. Silberscheideanstalt, Frankfurt/M.	Bayerische Hypotheken- u. Wechselbank, Weis- senburg/Bay. 0,117,20
647	00380			the same	Bayerische Vereinsbank, Schwabach 0,450,20
644	00535	plate of gold		Conrad, Kaethe, 56 Koenigswarter Str., Fuerth	Bayerische Vereinsbank, Fuerth 0,023
644	00535	" " "		the same	the same 0,005
004	20015	" " "		Bauer, Wilhelmine Graefenbach/T.	Commerzbank, Frankfurt/M. 0,005,55
059	10535	unidentifiable 834 gold coins (burnt and melted)		LCB Karlsruhe	LCB Karlsruhe 4,802,70

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Enclosure No. 1 (page 10) HICOG FRANKFURT

Despatch No. 2319, January 16, 1951

(2336 ?)

## ALLOYS AND OTHER BULLIONS

No. Symbol	Serial	Description	Fine- ness	Name and Address of: Owner (Nationality) Deliverer	Weight in Kilograms	
006	11951	2 gold plates		Bekleidungshaus Ehrenberg Max Josephspl. Rosenheim	LCB Muenchen by Order Group A 7742 APO 205	0,010
006	11952	1 " "		Dt. Gold-u. Silber- scheideanstalt Muenchen Theatinerstr. 8	LCB Muenchen by Order Group A 7742 APO 205	0,052
006	07379	1 white-gold	590/000	Fa. Wandinger, goldsmith	Wandinger, Engelbert	0,069
		1	750/000	Adalbertstr. 70	Klenzestr. 51	0,203
		1	900/000	Muenchen	Muenchen	0,030
		1	1000/000			1,758
053	10535	16 bullions		LCB Karlsruhe	LCB Karlsruhe	4,450
061	01843	1 red-gold		Dr. Schmitt, Maximilian Schloss Wie- sentheid	Bayrische Staatsbank Wuerzburg Hofstr. 13	0,040.20
045	03313	10 pieces of scrap-gold		Office of Military Government Wiesbaden		0,094
563	00416	2 gold plates		Karl Hunnenwerder, Bad Mar- gentheim, Gaensmarkt 7		0,012.25
554	00752	7 gold plates 1 irregular piece		Laise Weiss, Esslingen Hindenburgstr. 36 I		0,059
					84,818.77	

Brussels Gold Files  
X-5073

## OFFICE OF THE UNITED STATES HIGH COMMISSIONER FOR GERMANY

Frankfurt am Main, Germany  
Headquarters Building  
Office of Economic Affairs  
Finance DivisionCONFIDENTIAL

December 11, 1951.

Dear Mr. Fox:

With reference to the department's telegram of November 13, 1951 (Frankfurt 2958, Brussels 681) and our interim reply of November 27, 1951 (sent Secstate 4022, repeated Brussels 36), I enclose herewith in duplicate a complete list of the gold from the U.S. Zone which has been centralized at the Bank deutscher Laender in Frankfurt am Main for shipment to the Federal Reserve Bank of New York for the account of the Tripartite Gold Commission.

In addition to the coins (see I. of the enclosure), there are some 500 individual pieces of various sizes and weights totalling 585.813862 kg. We do not have the personnel nor the facilities to ascertain the exact fine gold but except for the three items under II.D. of the enclosure it is a fair assumption that all other gold is 999 or 1000 fine.

I must further add that the weights are those indicated by the depositors and have not been checked by us.

We have ordered special boxes to be manufactured for the shipment. As soon as they are delivered, which should be by the end of next week, we shall furnish you with the markings of the boxes and their individual contents.

Sincerely yours,

K. A. de Keyserlingk  
Chief

External Claims Branch

Enclosure:

List of gold in duplicate.

Mr. Homer S. Fox,  
United States Commissioner,  
Tripartite Commission for the  
Restitution of Monetary Gold,  
155 Rue de la Loi,  
Bruxelles, Belgium.

211657

L I S T

of Gold to be delivered to the  
Tripartite Gold Commission from the U.S. Zone

I. Coins.

German mark	73,410.-
German ducat	1.-
U.S. \$	12,450.-
£ Sterling	1,728.-
French franc	8,240.-
Swiss franc	4,540.-
Belgian franc	660.-
Dutch guilder	1,525.-
Russian ruble	4,290.-
Austrian Krone	14,740.-
Austrian shilling	975.-
Austrian ducat	50.-
Hungarian franc	110.-
Turkish pound	87 3/4
Turkish piaster	35.-
Spanish peseta	70.-
Spanish reales	100.-
Italian lira	490.-
Danish Krone	50.-
Swedish Krona	125.-
Bulgarian lev	100.-
Greek drachma	20.-

- 2 -

II. Bars and Miscellaneous.A. Bars (of about 12.5 kg each)

5	63.21050	
5	<u>63.56250</u>	126.773 kg

B. Bars (of about 1 kg each)

234	280.693172	
1	1.204	
1	1.193	
1	1.182	
1	1.177	
1	1.200	
1	1.044	
1	1.215	
1	1.195	
1	1.170	
1	1.155	
1	1.010	
2	<u>2.09730</u>	295.535472 kg

C. Bars and Miscellaneous (of less than 1 kg each)

6	0.082
1	0.620
6	3.930
2	0.468
2	0.071
5	0.73270
4	0.15280
3	0.499
misc.	0.150
3	0.236
1	0.036
1	0.223
2	0.313
2	0.054
6	0.480

- 2 -

- 3 -

## C. (cont'd)

36	21.496	
2	0.078	
3	1.91135	
misc.	0.541	
1	0.06367	
2	0.165	
1	0.509	
2	0.012	
1	0.10133	
1	0.11050	
16	4.450	
misc.	0.6259	
	0.4263	
	0.9465	
	0.410	
	0.4292	
	0.155	
	0.3722	
1	0.0287	
1	0.3782	
6	2.136	
2	0.57030	
1	0.240	
5	3.5184	
1	0.74820	
5	2.94140	
94	68.932	
1	0.56510	120.908750 kg

D. Bars and Other Gold (of probably less than 999 fine)

4 bars	37.778	
unidentifiable coins (burnt)	4.80639	
2 gold coins (pressed and defaced)	0.01225	42.59664 kg

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Total of II.	585.813862 kg
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Authority NND968106

By JW NARA Date 6-3-99

RG 59 TGC  
LN 3-59-90-59  
Lot 62015 Box 9

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

*Law # 53*

367

155, Rue De La Loi  
BRUXELLES  
Telephone 34,98,00

C/FRB-1545

CONFIDENTIAL

Federal Reserve Bank of New York  
Federal Reserve P.O. Station,  
New York 45, N. Y.,  
U.S.A.

Gentlemen:

25 January 1952  
DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY EC DATE 3/27/65

RDS  or XDS  EXT. DATE \_\_\_\_\_  
 IS AUTH. \_\_\_\_\_ REASON(S) \_\_\_\_\_  
 ENDORSE EXISTING MARKINGS   
 DECLASSIFIED  RELEASABLE   
 RELEASE DENIED

The Tripartite Commission for the Restitution of Monetary Gold hereby authorises and requests you to accept 17 wooden boxes - marked B.B. 1. through B.B. 17. - measuring 13 1/2 x 8 1/2 x 7 1/2 inches - said to contain gold bars and coins, described as "Law 53 Gold collected in the American Zone in Germany" - which you will be receiving on instructions from the Finance Division, External Claims' Branch, office of the United States High Commissioner for Germany and after checking and, if necessary, converting the contents of the boxes into good delivery gold, in accordance with existing standing arrangements between the Bank and the Commission, to credit the net proceeds to the Commission's gold account.

The Commission hereby authorises you to debit its dollar account with the cost of the above mentioned operations.

A list of the coins said to be contained in boxes B.B. 1. and B.B. 2. is enclosed herewith together with a list of the bars and pieces said to be contained in the remaining 15 boxes and to weigh, as shipped, a total of 584.9457 kgs, are enclosed herewith.

All arrangements for the delivery are in the hands of the United States' Authorities.

A copy of this letter is being sent to Mr. K. A. de Keyserlingk, Chief, External Claims' Branch, Office of the United States High Commissioner for Germany.

Yours faithfully,

/s/ Homer S. Fox  
The Commissioner of the  
Government of the United  
States of America.

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

/s/ Rueff  
The Commissioner of the  
Government of the  
French Republic.

C  
O  
P  
Y

DECLASSIFIED

Authority NND968106

By JW NARA Date 6-3-99

RG 59 TGC

NO 3-59-96-59

Lot 620115

B-9

AIR POUCH

RESTRICTED

PRIORITY

(Security Classification)

FOREIGN SERVICE DESPATCH

DO NOT TYPE IN THIS SPACE

200.6241 Gold/1-2552

*077*

FROM:

HICOG BONIK

2112

DESP. NO.

TO:

THE DEPARTMENT OF STATE, WASHINGTON.

January 25, 1952

DATE

REF

1 For Dept. Use Only	ACTION	DEPT.
	E	REP DCR EUR GER OLI L
c	REC'D	OTHER
	FEB 2	TR OAP

SUBJECT: Shipment of Monetary Gold.

For your information we enclose herewith copy of letter de Keyserlingk to Fox of January 10, 1952.

Copy of the detailed list referred to therein is also attached.

*Weir M. Brown*  
Weir M. Brown  
Chief, Finance Division  
Office of Economic Affairs

Enclosures:

1. Copy of letter to Mr. Homer S. Fox
2. Copy of list of gold.

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY EC DATE 3/27/86

RDS  or XDS  EXT. DATE \_\_\_\_\_

TS AUTH. \_\_\_\_\_ REASON(S) \_\_\_\_\_

ENDORSE EXISTING MARKINGS

DECLASSIFIED  RELEASABLE

RELEASE DENIED

PA or FOI EXEMPTIONS \_\_\_\_\_

KAdKeyserlingk/kr

RESTRICTED

INFORMATION COPY

211662

Authority NND 968106  
 By JW NARA Date 6-3-99

RG 59 TGC  
 NU 3-59-96-59  
 LOT 62015 Box 9

**RESTRICTED**  
 (Classification)

Enclosure No. 1, HICOG  
 Despatch 2112, Jan 25, 1952

Finance Division  
 External Claims Branch  
 Headquarters Building  
 Frankfurt/Main, Germany

January 10, 1952.

Dear Mr. Fox:

Further to my letter of December 11, 1951, I enclose herewith a list of the monetary gold from the U.S. Zone as it has now been packed and made ready for shipment in 17 wooden boxes which are marked HB 1 through HB 17. These boxes are all of the same size measuring 13 1/4 x 8 1/4 x 7 1/4 inches.

The coins are contained in boxes HB 1 and HB 2. The following is a summary, by weight, of the contents of the other 15 boxes:

HB 3	63.21050 kg
HB 4	63.56250 kg
HB 5	37.778 kg
HB 6	23.84620 kg
HB 7	25.35850 kg
HB 8	33.478 kg
HB 9	41.369 kg
HB 10	38.057 kg
HB 11	41.001 kg
HB 12	33.458 kg
HB 13	42.003 kg
HB 14	32.8245 kg
HB 15	42.0005 kg
HB 16	34.999 kg
HB 17	30.000 kg
<b>Total</b>	<b>584.9457 kg</b>

The enclosed list is final and replaces the previous list which I sent you with my letter of December 11, 1951. The difference

Mr. Homer S. Fox,  
 United States Commissioner,  
 Tripartite Commission for the  
 Restitution of Monetary Gold,  
 155 Rue de la Loi,  
 Brussels, Belgium.

**RESTRICTED**

DECLASSIFIED

Authority NND968106

By JW NARA Date 6-3-99

IRG 59 TGC  
NN 3-59-96-59  
Lot 620115 Box 9

RESTRICTED

(Classification)

Enclosure No. 1, page 2,  
HICOG  
Despatch 2112, Jan 25, 1952

difference in total weight (584.9457 kg as against the original 585.813862 kg) resulted from the elimination of three items which were found not to constitute monetary gold, a few minor adjustments and the reweighing of the first item of II B of the original list which became necessary since these bars (251 instead of 234 as declared by the depositor) had to be separated and packed in a number of boxes.

I wish to point out that the weights indicated are subject to verification and adjustment by the Federal Reserve Bank of New York since appropriate facilities were not available to us for that purpose.

I would be obliged if you would furnish us with detailed instructions as to shipment and insurance. Since we intend to entrust the technical handling of this transaction to the Bank deutscher Laender, you should also make provision for reimbursement of any moneys which the bank will have to advance.

Sincerely yours,

K. A. de Keyserlingk  
Chief  
External Claims Branch

Enclosure:

List of gold.

Authority NND968106  
 By JW NARA Date 6-3-99

IRG 59 TGC  
 NU 3-59-96-59  
 Lot 620115 Box 9

REPRODUCED WITH THE NATIONAL ARCHIVES

RESTRICTED  
 (Classification)

Enclosure No. 2, HICOG  
 Despatch 2112, Jan 25, 195

Box No. BB 1

Gold Coins

German mark	73,410.-
German Ducat	1.-
French franc	8,240.-
Swiss franc	4,540.-
Belgian franc	660.-
Dutch guilder	1,325.-

Box No. BB 2

Gold Coins

U.S. \$	12,450.-
£ Sterling	1,728.-
Russian ruble	4,290.-
Austrian Krone	14,740.-
Austrian shilling	375.-
Austrian Ducat	50.-
Hungarian franc	110.-
Turkish pound	87 3/4
Turkish piaster	37.-
Spanish peseta	70.-
Spanish reales	100.-
Italian lira	490.-
Danish Krone	50.-
Swedish Krona	125.-
Bulgarian lev	100.-
Greek drachma	20.-

RESTRICTED

Authority NND968106

By JW NARA Date 6-3-99

IRG 59 TGC

UN 3-59-96-59

Lot 62015

Box 9

**RESTRICTED**

(Classification)

Enclosure No.2, page 2  
HICOG

Despatch 2112, Jan 25, 1952

NGAX(2) No.	Land Central Bank	Number of bars or pieces	Weight (as shipped)
-------------	-------------------	--------------------------	---------------------

Box No. BB 3

004/20040	Frankfurt/Main	5	kg 63.21050
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Box No. BB 4

439/00060	Hansu	5	63.56250
-----------	-------	---	----------

Box No. BB 5

004/20040	Frankfurt/Main	4	37.778
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Authority NND968106  
 By JW NARA Date 6-3-99

IRG 59 TGC  
 NN 3-59-96-59  
 Lot 620115 Box 9

RESTRICTED  
 (Classification)

Enclosure No. 2, page 3  
 HICOG  
 Despatch 2112, Jan 25, 1952

MGAX(2) No.	Land Central Bank	Number of bars or pieces	Weight (as shipped)
<u>Box No. BB 6</u>			
006/07260	Muenchen	1	kg 0.620
064/00217	Nuernberg	misc.	0.15071
697/01708	Rosenheim	1	0.223
647/00417	Schwabach	1	0.313
004/07563	Frankfurt/Main	2	0.480
043/00155	Giessen	6	0.078
439/00004	Hanau	2	1.91135
005/05382	Stuttgart	3	0.541
563/00395	Aalen	4	0.06367
523/00986	Heidelberg	1	0.165
054/00661	Heilbronn	2	0.509
054/01750	Heilbronn	1	0.012
053/10611	Karlsruhe	2	0.10133
053/10637	Karlsruhe	1	0.11050
053/10535	Karlsruhe	16	4.450
"	"	4	0.6259
"	"	10	0.426
"	"	4	0.9465
"	"	22	0.429
052/00452	Mannheim	1	0.0287
"	"	1	0.3782
534/00123	Pforzheim	6	2.136
534/00168	"	2	0.57030
534/00266	"	1	0.240
056/00045	Ulm	5	3.5184
053/10535	Karlsruhe	unidentifiable coins (burnt)	4.80639
563/00416	Aalen	2 gold coins (pressed and defaced)	0.01225

RESTRICTED

Authority NND 968106  
By JW NARA Date 6-3-99

RG 59 TGC  
NW 3-59-9G-59  
Lot 620115 Box 9

RESTRICTED  
(Classification)

Enclosure No. 2, page 4  
HICOG  
Despatch 2112, Jan 25, 1952

MGAX(2) No Land Central Bank Number of bars or pieces Weight (as shipped)

Box No. BB 7

MGAX(2) No	Land Central Bank	Number of bars or pieces	Weight (as shipped)
065/01502	Regensburg	1	kg 1.204
"	"	1	1.193
"	"	1	1.182
"	"	1	1.177
"	"	1	1.200
"	"	1	1.044
"	"	1	1.215
"	"	1	1.195
"	"	1	1.170
562/00084	Schwaebisch-Gmuend	1	1.155
562/00094	"	1	1.010
006/12517	Muenchen	2	2.09730
006/07382	"	6	0.082
006/07384	"	6	3.930
006/11558	"	2	0.468
068/00001	Augsburg	5	0.071
633/01111	Hof	5	0.73270
638/00148	Marktreidwitz	4	0.15280
065/01590	Regensburg	3	0.499
065/00995	"	3	0.236
672/01079	Straubing	2	0.036
562/00093	Schwaebisch-Gmuend	2	0.054
562/00083	"	5	0.74820
562/00101	"	5	2.94140
		1	0.56510

Box No. BB 8

004/20040	Frankfurt/Main	36	21.496
006/07380	Muenchen	1	11.982

Box No. BB 9

562/00094	Schwaebisch-Gmuend	60	43.369
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RESTRICTED

Authority NND 968106

By JW NARA Date 6-3-99

IRG 59 TGC

LN 3-59-90-59

Lot 620115 Box 9

**RESTRICTED**  
(Classification)

Enclosure No. 2, page 5  
HICOG  
Despatch 2112, Jan 25, 1952

MGAX(2) No.	Land Central Bank	Number of bars or pieces	weight (as shipped)
<u>Box No. BB 10</u>			
006/07380	Muenchen	1	kg 12.494
562/00094	Schwaebisch-Gmuend	34	25.563
<u>Box No. BB 11</u>			
006/07380	Muenchen	50	41.001
<u>Box No. BB 12</u>			
006/07380	Muenchen	22	21.0015
"	"	1	12.4565
<u>Box No. BB 13</u>			
006/07380	Muenchen	42	42.003
<u>Box No. BB 14</u>			
006/07380	Muenchen	21	21.000
"	"	1	11.8245
"	"	1	1.0005
<u>Box No. BB 15</u>			
006/07380	Muenchen	42	42.0005
<u>Box No. BB 16</u>			
006/07380	Muenchen	35	34.999
<u>Box No. BB 17</u>			
006/07380	Muenchen	35	30.000

**RESTRICTED**

DECLASSIFIED  
Authority NN 979014  
By 75 NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TIGC)  
Box 5

FEDERAL RESERVE BANK  
OF NEW YORK

ADVICE OF DEBIT

FOREIGN DEPARTMENT  
FOREIGN OPERATIONS DIVISION

No. 1311

DATE March 12, 1952

Tripartite Commission for the  
Restitution of Monetary Gold

\$4,348.90

WE DEBIT THE ABOVE ACCOUNT TODAY AS FOLLOWS:

Expenses incurred by us in New York in connection with the transportation of 17 boxes of gold from Frankfurt, Germany to the Federal Reserve Bank of New York, New York on February 26, 1952.

Air Freight

(Pan American World Airways, Inc.  
\$4.095 per kg. on 746 kgs.) \$3,054.87  
Clearance charges 1.43 \$3,056.30

Trucking in New York

\$.06 per \$1,000  
(Minimum charge \$50.00) 50.00

Insurance

\$.165 per \$100 covering  
air, war, and subrogation  
waived. (\$742,100) 1,224.47

Labor Costs in New York

\$.3357 per bar on equivalent of 54 bars 18.13  
\$4,348.90

Reference: Your letter dated January 25, 1952.

FEDERAL RESERVE BANK OF NEW YORK  
AS FISCAL AGENT OF THE UNITED STATES

PER PRO [Signature]  
(FOREIGN DEPARTMENT)

211670

DECLASSIFIED  
 Authority NN9979014  
 By TS NARA Date 6/23/89

RG 84 entry 2113M  
 IARA (TGC)  
 Box 5

STATEMENT COVERING VARIOUS GOLD BARS, COINS, AND  
 MISCELLANEOUS PIECES OF GOLD EARMARKED FOR ACCOUNT  
 TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY  
 GOLD ON FEBRUARY 26, 1952.

<u>Refiner</u>	<u>Description</u>	<u>Gross Troy Ounces</u>	<u>Indicated Fineness</u>
U.S. Assay	1 bar	385.19	997.5
U.S. Assay	1 "	380.15	997.6
Le Locle (Suisse)	2 bars	802.10	1000.
Preuss Stats (German)	9 "	3,655.25	999.
Preuss Stats (German)	1 bar	420.64	1000.
De Gussa (German)	376 and 1 piece	10,366.51	1000.
De Gussa (German)	3 1/2 finger bars		
Allgemeine Pforzheim Scheideanstalt	8 and 1 chip		
Unknown	1 finger bar		
Unknown	2 commercial bars	328.54	1000.
Unknown	4 bars	1,214.58	Unknown
		<u>17,552.96</u>	
De Gussa	7 finger bars		
Unknown	1 finger bar		
Allgemeine Pforzheim	6 finger bars and 3 ends of bars		
Unknown	5 finger bars and 1 chip		
Unknown	7 small flat bars		
Unknown	5 peanut bars	361.41	Unknown
Unknown	1 flat bar having appearance of silver or white gold	20.10	Unknown
	72 pieces, including small bars, very small bars, thick flat bars, bands, sheets, thin sticks, chunks, etc.	195.30	Unknown
	10 pipes, eight inches long, one inch wide	378.11	Unknown
	32 pieces, including plates, peanut bars, spikes, finger bars, bar ends, nuggets, buttons, chips, sheets, one commercial bar	109.35	Unknown
	Various burnt and fused together coins and clinkers	186.75	Unknown

211671

DECLASSIFIED  
 Authority NAV 979014  
 By TS NARA Date 6/23/89

RG 84 entry 2113M  
 1ARA (TGC)  
 Box 5

<u>No. of Pieces</u>	<u>Description</u>	<u>Gross Troy Ounces</u>	<u>Indicated Fineness</u>
33	20 Francs - Belgium	6.81	900.0
183	20 " - Swiss	37.94	900.0
88	10 " - "	9.12	900.0
6	5 Guilders - Dutch	.65	900.0
147	10 " - "	31.75	900.0
1	5 " (Mutilated) - Dutch)		
2	10 " " " " )	.54	900.0
1	Eagle " - U.S.A.)		
115	Eagles - " )	62.28	900.0
268	1/2 Eagles - " )	71.84	900.0
60	1/4 Eagles - " )	8.03	900.0
490	Double Eagles - " )	526.25	900.0
97	Piastre - Turkish		
	Various sizes - denominations		
	Unknown	20.30	916.6
367	5 Rubles - Russian	50.69	900.0
6	7 1/2 " - "	1.24	900.0
217	10 Rubles - "	60.04	900.0
15	15 " - "	6.21	900.0
1	5 " (odd) - "		900.0
1	10 " (mutilated) - Russian		900.0
1,713	Sovereigns - England )		916.6
1	" (mutilated) - England	439.25	916.6
26	1/2 " - England	3.32	916.6
1,166	10 Korona - Austrian )		
2	10 " (mutilated) - Austrian	126.91	900.0
127	20 " - Austrian )		
1	20 " (mutilated) - "	27.84	900.0
5	100 " - Austrian	5.44	
4	20 Francs - Hungarian		900.0
3	10 " - "		900.0
8	100 Shillings - Austrian		900.0
7	25 " - "		900.0
1	100 Leva - Bulgarian		900.0
2	25 Pesetas - Spanish		900.0
1	20 " - "		900.0
1	100 Reales - "		900.0
1	10 Lira - Italian		900.0
14	20 " - "		900.0
2	100 " - "		900.0
3	10 Kroner - Danish		900.0
1	20 " - "		900.0
3	20 Kronor - Swedish		900.0
4	10 " - "		900.0
5	5 " - "		900.0
1	20 Drachma - Greek		900.0
47	Ducat - Austrian (Coin reads 10 francs)		900.0
3	Ducat (Mutilated) - Austrian (coin reads 10 francs)	23.93	900.0
998	20 Marks - German		900.0
1	20 " (Mutilated) - German		900.0
1	20 Corone - Austrian	255.31	900.0
2,056	10 Marks - German		900.0
7	10 " (mutilated) - German	261.93	900.0

211672

DECLASSIFIED

Authority NN9979014  
By TS NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TGC)  
Box 5

<u>No. of Pieces</u>	<u>Description</u>	<u>Gross Troy Ounces</u>	<u>Indicated Fineness</u>
999	20 Marks - German		900.0
1	20 " - (mutilated) - German		900.0
1	Duksten - German	255.12	900.0
624	20 Marks - German		900.0
15	20 " (mutilated) - German		900.0
1	10 " - German	163.33	900.0
312	20 Francs - French	64.57	900.0
114	10 " - "	11.70	900.0
3	20 " - Tunisia )		
40	20 " (mutilated) - French )	8.90	900.0
		<u>21,345.22</u>	

FEDERAL RESERVE BANK OF ALBANY  
FOR THE OPERATIONS DIVISION  
MAR 13 1982

211673

DECLASSIFIED

Authority NN9979014  
By TS NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TGC)  
Box 5

X-G-13

MILITARY GOVERNMENT GERMANY

UNITED STATES ZONE

LAW No. 53

FOREIGN EXCHANGE CONTROL

Article I

Prohibited Transactions

1. Except as duly licensed by or on instructions of Military Government, any transaction involving or with respect to any of the following is prohibited :
  - (a) Any foreign exchange assets owned or controlled directly or indirectly, in whole or in part, by any person in GERMANY;
  - (b) Any property located in GERMANY owned or controlled directly or indirectly, in whole or in part, by any person outside GERMANY.
2. Any transaction with respect to or involving any of the following is also prohibited, except as duly licensed by or on instructions of Military Government :
  - (a) Property wherever situated if the transaction is between or involves any person in GERMANY and any person outside GERMANY;
  - (b) Any obligation of payment or performance, whether matured or not, due or owing to any person outside GERMANY by any person in GERMANY;
  - (c) The importing or otherwise bringing into GERMANY of any foreign exchange assets, German currency, or securities issued by persons in GERMANY and expressed or payable in German currency;
  - (d) The exporting, remitting, or other removal of any property from GERMANY.
3. All existing licenses and exemptions issued by any German Authority authorizing any of the aforesaid transactions are cancelled.

Article II

Declaration of Property and Obligations

4. (a) Within thirty (30) days of the effective date of this law, unless otherwise ordered, any person owning or controlling directly or indirectly, in whole or in part, any foreign exchange asset, or owing any obligation of payment or performance, whether matured or not, to a person outside GERMANY, shall file with the nearest branch of the Reichsbank, or other institution designated by Military Government, a written declaration of such asset or obligation in such form and manner as will be prescribed by Military Government.
- (b) When and as directed by Military Government, any person affected by this law shall file such other reports as may be required.

211674

- 2 -

## Article III

## Delivery of Property

5. Within fifteen (15) days of the effective date of this law, all of the following classes of property shall be delivered, against receipt therefor, by the owner, holder or other person in possession, custody or control thereof, to the nearest branch of the Reichsbank, or as otherwise directed:

- (a) Currency other than German currency;
- (b) Checks, drafts, bills of exchange and other instruments of payment drawn on or issued by persons outside GERMANY;
- (c) Securities and other evidences of ownership or indebtedness issued by :
  - (i) Persons outside GERMANY; or
  - (ii) Persons in GERMANY if expressed in a currency other than German currency;
- (d) Gold or silver coin; gold, silver or platinum bullion or alloys thereof in bullion form.

6. Any person owning or controlling directly or indirectly, in whole or in part, any other type of foreign exchange asset, shall, when ordered by Military Government, deliver, against receipt, the possession, custody or control of such asset to the nearest branch of the Reichsbank, or as otherwise directed.

7. Any property referred to in this Article which hereafter comes into the possession, ownership or control of any person subject to this law, shall, within 3 days thereof, be delivered by such person in the same manner as provided in this Article.

## Article IV

## Applications for Licenses

8. Applications for licenses to engage in transactions prohibited by this law, or any request in relation to the operation of this law, shall be submitted in accordance with such regulations as may be issued at a future date by Military Government.

## Article V

## Void Transactions

9. Any transfer effected in violation of this law and any agreement or arrangement made, whether before or after the effective date of this law, with intent to defeat or evade this law or the objects of Military Government, is null and void.

## Article VI

## Conflicting Law

10. In case of any inconsistency between this law or any order made under it and any German law, the former prevails.

211675

- 3 -

Article VII

Definitions

11. For the purposes of this law :

- (a) "Person" shall mean any natural person, collective persons and any juristic person under public or private law and any government including all political sub-divisions, public corporations, agencies and instrumentalities thereof;
- (b) "Transaction" shall mean acquiring, importing, borrowing or receiving with or without consideration, remitting, selling, leasing, transferring, removing, exporting, hypothecating, pledging or otherwise disposing of; paying, repaying, lending, guaranteeing or otherwise dealing in any property mentioned in this law;
- (c) "property" shall mean all movable and immovable property and all rights and interests in or claims to such property whether present or future, and shall include, but shall not be limited to, land and buildings, money, stocks, shares, patent rights or licenses thereunder, or other evidences of ownership, and bonds, bank balances, claims, obligations and other evidences of indebtedness, and works of art and other cultural materials;
- (d) "foreign exchange asset" shall be deemed to include :
  - (i) Any property located outside GERMANY.
  - (ii) Currency other than German currency; bank balances outside GERMANY; and checks, drafts, bills of exchange and other instruments of payment drawn on or issued by persons outside GERMANY;
  - (iii) Claims and any evidence thereof owned or held by :
    - a. Any person in GERMANY against a person outside GERMANY whether expressed in German or other currencies;
    - b. Any person in GERMANY against any other person in GERMANY if expressed in a currency other than German currency;
    - c. Any person outside GERMANY against another person outside GERMANY in which claim a person in GERMANY has any interest;
  - (iv) Any securities and other evidences of ownership of indebtedness issued by persons outside GERMANY, and securities issued by persons in GERMANY if expressed or payable in a currency other than German currency;
  - (v) Gold or silver coin, or gold, silver or platinum bullion or alloys thereof in bullion form, no matter where located;
  - (vi) Such other property as is determined by Military Government to be a foreign exchange asset;
- (e) A juristic person may, for the purpose of the enforcement of the provisions of this law, be deemed to be in any one or more of the following countries: (a) that country by, or under whose laws it is created, (b) that or those in which it has a principal place of business, or (c) that or those in which it carries on business.
- (f) Property shall be deemed to be "owned" or "controlled" by any person if such property is held in his name or for his account or benefit, or owed to him or to his nominee or agent, or if such person has a right or obligation to purchase, receive or acquire such property;
- (g) The term "GERMANY" shall mean the area constituting "Das Deutsche Reich" as it existed on 31 December 1937.

211676

DECLASSIFIED

Authority

NN979014

By

TS NARA Date 6/23/89

RG 84 ent 2113M

1ARA (I.G.C)

Box 5

- 4 -

Article VIII

Penalties

12. Any person violating the provisions of this law shall upon conviction by Military Government Court be liable to any lawful punishment other than death as the court may determine.

Article IX

Effective Date

13. This law shall become effective upon the date of its first promulgation.

BY ORDER OF MILITARY GOVERNMENT

211677

RG 59 TGC  
NM 3-59-96-59  
Lot 62015 B-9

OUTGOING TELEGRAM

CLASSIFICATION

INDICATE

Collect

Charge Department **X**

Department of State **451**

**SECRET**

Charge to

Washington

Classification approved:

AMEMBASSY

BRUSSELS

FOR DORR

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY EC DATE 3/27/88

RDS  or XDS  EXT. DATE \_\_\_\_\_

TS AUTH. \_\_\_\_\_ REASON(S) \_\_\_\_\_

ENDORSE EXISTING MARKINGS

DECLASSIFIED  RELEASABLE

RELEASE DENIED

EXEMPTIONS \_\_\_\_\_

Following cable being sent to CMOS (URTEL 137, Jan 21) by

ARMY DEPT:

QUOTE From CSCAD Reurad Dec 5, 1947 Par two.

(1) State, Treasury, Army awaiting promised explanation why gold deposited under Law 53 should not be included shipment Frankfurt balance. Supply figures on total monetary gold collected U.S. zone under Law 53 to Dec 31, 1947 also comparative figures Brit Fr zones if available.

(2) State, Treasury advise such gold having the form of monetary gold (bullion and coin) must be turned over to Gold Commission under Paris Repar Agreement, Part III; definition contained in Gold Commission's questionnaire is applicable only to claims submitted by victimized countries. Of course only the gold surrendered under Law 53 prior to some deadline to be set, say Dec 31, 1947, should be transferred to Commission. Any such transfer should coincide with corresponding action taken by Brit Fr military governments.

(3) After

**SECRET**

DISTRIBUTION DESIRED (OFFICES ONLY)

CR CLEARANCE

3957

Authority NND968106  
By JW NARA Date 6-3-99

RG 59 TGC  
NO 3-59-96-59  
Lot 62015 B-9

# OUTGOING TELEGRAM

*CAT-394*

CLASSIFICATION

CATE

Collect

Charge Department X

## Department of State

SECRET

Charge to

Washington

*Jan 29 1948*

-2-

(3) After receipt your report requested in Par one final decision will be made Washington and Brit Fr requested to instruct their zone commanders accordingly. However, meanwhile shipment Frankfurt gold should not be delayed.

(4) Gold Commission being informed of foregoing. UNQUOTE

*Marshall*

*D. F. F.*

DISTRIBUTION  
DESIRED  
(OFFICES ONLY)

FN:OFFletcher/ch/ag  
1/30/48

*JW*  
OED  
FEB  
10/78  
cleared with  
J. D. W. Lide

EUR  
A-S  
*WJG*

Treasury  
cleared with  
Fred Smith

SECRET

*3957*

DECLASSIFIED  
Authority NN9979014  
By TS NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TGC)  
Box 4

Reichsbankleitstelle

Hamburg 1, February 2nd, 1948  
Rathausmarkt 4

Tgb.No. 69/48 MR  
Hss/Kr.

Tel: 32 26 20

To  
Internal Finance Control Section Hamburg  
Internal Finance Branch Finance Division  
63 HQ C.C.G. (BE) B.A.O.R.

(24a) Hamburg 1

Subject: Monetary Gold

Ref: Your letter dated 27/1/1948 - Fin/Zon/21005/30 (IF)

1. The gold holdings delivered to the Reichsbank branches of the British Zone on the strength of Law No 53 mentioned in the letter of External Finance Branch, HQ, Finance Division, C.C.G. (BE), Berlin, dated 14/10/1947 - Fin/24317/1 (EF) - have all been concentrated with Reichsbankhauptstelle Hamburg in consequence of the instruction given in the above mentioned letter and are now kept by them.

2. Not all of the bars gold corresponds to the standard with respect to fineness and weight. Details may be seen from the enclosed lists.

3. After all holdings of monetary gold arrived in Hamburg, we have had weight and fineness examined once more by Reichsbankhauptstelle Hamburg by means of the available vouchers. On that occasion various differences resulted from the fineness originally indicated. Therefore, Reichsbankhauptstelle Hamburg prepared new definite lists regarding the monetary gold kept by them, which lists are herewith enclosed. In accordance therewith there existed as of 31/8/47

a) all bar gold	kg fine	350.2439
b) all coin collected from German State departments	kg fine	1755.7458
	kg fine	2105.9897.

To this must be added the monetary gold weighing

kg fine 0.8504 bar gold

booked as intake during the period from 1/9/47 until 31/12/47.

Enclosures

Schr/Kr

Reichsbankleitstelle  
(sgd)

211680

LIST

of the gold ingots delivered to Reichsbankhauptstelle Hamburg pursuant to Law No. 53 during the time from September 1st, until December 31st, 1947, and kept with Reichsbankhauptstelle Hamburg, of which the fineness is known.

characteristics	full weight kilos	fineness	fine weight kilos
without sign	0.6213	366	0.227405
" "	0.3435	203	0.069730
" "	0.6237	369	0.230155
" "	0.3357	179	0.060090
" "	0.564	295	0.166390
" "	0.4061	238	0.096660
	<u>2.8943</u>		<u>0.85043</u>

Hamburg, 30/1/1948

The indications concerning the fineness of the above ingots are made by the firm of Montblanc-Simplo GmbH, Hamburg, Schanzenstr. 75/77 subject to delivery.

Hamburg, January 31st, 1948.

Reichsbankhauptstelle

(sgd)

SRM.

211681

DECLASSIFIED  
 Authority NN9979014  
 By TS NARA Date 6/23/89

RG 84 entry 2113M  
 IARA (TGC)

List

of the gold ingots delivered to the Reichsbank branches of the British Zone pursuant to Law No. 53 kept with Reichsbankhauptstelle Hamburg of which the fineness is known. As at 31/8/1947 (5)

Characteristics	Fullweight kg	Fineness	Fine weight kg
without sign	1.07500	1.000	1.07500
" "	1.21650	1.000	1.21650
" "	1.00940	1.000	1.00940
" "	1.09500	1.000	1.09500
" "	1.13500	1.000	1.13500
" "	1.17900	1.000	1.17900
" "	0.7493	1.000	0.7493
168	12.3951	999.9	12.3938
132	12.4905	999.6	12.4855
133	12.4874	999.7	12.4836
11	12.5165	999.9	12.5152
176	12.5174	999.9	12.5161
178	11.5390	999.9	11.5378
84	12.5136	999.9	12.5123
85	12.4579	999.9	12.4567
81	12.4804	999.9	12.4791
82	12.5176	999.9	12.5163
143	8.9383	999.9	8.9374
135	12.5378	999.9	12.5365
136	12.5233	999.9	12.5220
137	12.5588	999.9	12.5575
139	12.5177	999.9	12.5164
140	12.5228	999.9	12.5215
169	12.5406	999.9	12.5393
172	12.5240	999.9	12.5227
161	12.5108	999.9	12.5095
173	12.4887	999.9	12.4874
2	12.5225	999.9	12.5212
167	12.3822	999.9	12.3810
175	12.5080	999.9	12.5067
83	4.01426	848.6	3.4065
84	3.52402	848.6	2.9904
85	2.45016	949.68	2.3269
86	4.10470	949.0	3.8982
87	5.02425	867	4.3731
88	4.67517	867	4.0547
89	3.98062	867	3.4523
98	2.77240	870	2.4142
75	4.71966	857	4.0466
79	3.95754	906	3.5887
76	2.90125	857	2.4875
78	3.69394	845	3.1225
82	3.76732	858	3.2339
77	3.10677	845	2.6262
80	3.49327	906	3.1677
81	2.70506	858	2.3220

see  
 note  
 (6)

to be carried forward:

341.92610

SRM.

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Authority

NN979014

By TS NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TGC)  
Box 4

- 2 -

Characteristics	Fullweight kilos	Fineness	Fine weight kilos
		Brought forward:	341.92610
SBA	0.50000	1000	0.50000
Goud			
996.8 UB	0.99900	996.8	0.995803
H.D.Z	0.59400	1000	0.59400
1992			
20. U.D.	1.000	1000	1.000
28 H.E.	1.000	1000	1.000
81 W.E.	2.000	1000	2.000
92 T.X.	1.000	1000	1.000
47 (3)	1.088	580	0.631040
45 (4)	1.0638	553	0.588281
(2)	0.0087	1000	0.0087
		(1)	<u>350.24392</u>

## Notes:

(1) In the gold holdings so far reported of kilos fine 361.2712

2 bars delivered in Hamburg by the DEGUSSA

No. 1026/6 full weight kilos 5.5560

" 1027/7 " " " 5.5003

kilos 11.0563

were listed with fineness of 1000 in consequence of dubious completion of the MGAX form by the deliverer.

Actually these bars concern so-called "Scheidegut" (separating material) from old gold delivered by the DEGUSSA before the capitulation, whose fineness is unknown. Therefore, the bars are now kept until ascertainment of their fineness under the item "Other gold, bars of unknown fineness".

(2) The item 0.0087 cannot be delivered at once, since it represents part of gold bar with a total fineness of kilos 0.694, whose other part is owned by a foreigner.

(3) This bar contains 580 ‰ gold, 154 ‰ silver and 266 of another metal.

(4) This bar contains 553 ‰, 165 ‰ silver and 282 ‰ of another metal.

(5) Furthermore, gold bars with a fine weight of kilos 68.7541 exist with the Reichsbank branches of the British Zone as at 31/8/47 which were delivered pursuant to Law No. 53 but apparently belong to foreigners.

(6) The following bars with a total weight of 58.90839 kilos (full weight) contain the silver quantities listed hereafter :

3/...

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No. of the bar	full weight kilos	fine weight gold kilos	fine weight silver kilos	other metal.
83	4.01426	3.4065	0.577	0.03076
84	3.52402	2.9904	0.507	0.02662
85	2.45016	2.3269	0.114	0.00926
86	4.10470	3.8982	0.192	0.01450
87	5.04225	4.3731	0.631	0.03815
88	4.67517	4.0547	0.585	0.03547
89	3.98062	3.4523	0.498	0.03032
98	2.77240	2.4142	0.334	0.02420
75	4.71966	4.0466	0.649	0.02406
79	3.95754	3.5887	0.339	0.02984
76	2.90125	2.4875	0.399	0.01475
78	3.69394	3.1225	0.551	0.02044
82	3.76732	3.2339	0.509	0.02442
77	3.10677	2.6262	0.464	0.01657
80	3.49327	3.1677	0.299	0.02657
81	2.70506	2.3220	0.366	0.01706
	58.90839	51.5114	7.014	0.383

The weights indicated in above bars of gold (fine), silver (fine) and other metal are based on exact investigations by the deliverer Bor, Kupferbergwerk und Hütten AG, Erzbergwerk, Goslar. The fineness indicated in ‰ are rounded -off figures.

Unobjectionable vouchers regarding the fineness of all listed bars are on hand, however, we point to note number 6.

Reichsbankhauptstelle

(sgd)

Hamburg, January 31st, 1948.

Schr/F.

DECLASSIFIED  
Authority NN9979014  
By TS NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TGC)  
Box 4

U.S.

8th March, 1948.

GOLD FOUND IN THE BRITISH ZONE.

The Commission has received from the Finance Division, British Zone, the following information:-

A. Letter dated July 10th, 1947, giving the first information available on gold held in the British Zone at that date:

This letter states:-

\*1. Monetary gold held by the Reichsbank under Law No. 53.

a) Bars	fine weight	422.769
b) Coins	fine weight	851.176

2. Information regarding the total volume of monetary gold held in the British Zone is obtained from declarations and deposits under Military Government Law 53, and a proportion may well be returnable to legitimate foreign owners in due course.

There were no German Bank gold reserves found in this Zone, at the time of occupation, as the Reichsbank holdings were deposited in Frankfurt.

3. We have figures of gold bars and coins of unknown standards, but the amount involved is comparatively small and has been excluded from the figures embodied in this letter -"

B. Letter dated 11th September, 1947, announcing, for a near future, "the complete figures of monetary gold held in the British Zone with full relevant particulars" and communicating the text of Article III of Military Government Law No. 53.

This text is as follows:

"ARTICLE III.

Delivery of Property.

5. Within fifteen (15) days of the effective date of this law, the owner, holder or other person in possession, custody or control of any of the following property shall deliver it, against receipt therefore, to the nearest branch of the Reichsbank, or as otherwise directed:

- (a) Currency other than German currency.
- (b) Checks, draft, bills of exchange and other instruments of payment drawn on or issued by persons outside Germany;
- (c) Securities and other evidence of ownership or indebtedness issued by:

211685

- i) Persons outside Germany, or
  - ii) Persons in Germany, if expressed in a currency other than German currency.
  - (d) Gold or Silver coin, gold, silver, or platinum bullion or alloys thereof in bullion form.
6. Any person owning or controlling directly or indirectly, in whole or in part, any other type of foreign exchange assets shall, when ordered by Military Government, deliver, against receipt, the possession, custody or control of such asset to the nearest branch of the Reichsbank, or as otherwise directed.
7. Any property referred to in this Article and subject to this law, which hereafter comes into the possession, ownership or control of any person shall, within three days thereof, be delivered by such person in the same manner as provided in this Article."
- C. Letter dated 29th December, 1947, which reads as follows:-
- "In accordance with the Final Act of Paris conference on Reparations, the following return is hereby made of the stocks of monetary gold held in the British Zone of Germany at this date:
- |   |                |
|---|----------------|
| 1. All bar gold                                     | 361.271 kgs    |
| 2. All coin collected from German State Departments | 1,755.799 kgs  |
|   | <hr/>          |
|   | 2,117.070 kgs. |
|   | <hr/>          |
- (Two thousand, one hundred and seventeen kilogrammes and seventy grammes)
- This return is made according to the following definition of monetary gold:
- "Gold bars and gold coins, except coins of numismatic or historical value which would have been eligible to form part of the gold reserve of a Central Bank or Central Monetary Authority."
- I am Sir...."
- D. The documents forwarded by the Finance Division, British Zone, to the Foreign Office, London, on February 5th, 1948, and which have been handed by the United Kingdom Commissioner to the Secretariat of the Commission on February 21st, 1948. These documents have been circulated to the Commissioners by letter INT,G/BRZ 289 of February 23rd, 1948.
- These documents are copies of:-
- a) A covering letter of 5th February, 1948, from Finance Division, British Zone to the Foreign Office.

- 3 -

- b) A letter of 2nd February from Reichsbankleistelle, Hamburg, to the Finance Division, British Zone.
- c) A list of the gold ingots delivered to Reichsbankhauptstelle, Hamburg, from September 1st until December 1947.
- d) A list of the gold ingots delivered to the Reichsbank branches of the British Zone as at 31.8.47 and kept with Reichsbankhauptstelle, Hamburg.
- e) A list of gold coins kept with Reichsbankhauptstelle, Hamburg, which have been taken over by Reichsbank, Lubeck.

After careful examination of these documents it is possible to make the following observations:-

1. All gold mentioned in these documents has been delivered to the Reichsbank branches on the strength of Law No. 53.

Before this gold could be made available for restitution, the three Governments should take a decision of principle that the gold collected pursuant to Law 53 must be included in the Pool of Monetary Gold established by Part III of the Paris Agreement.

It would be appropriate, if such decision is taken, to ensure that Law 53 is interpreted and applied in identical ways in each of the three western zones of Germany.

2. All gold mentioned in these documents has been concentrated with Reichsbankhauptstelle, Hamburg.

This would simplify an eventual transport of this gold if it was decided to put it at the disposal of the Commission.

3. It does not seem absolutely certain that this gold concentrated in Hamburg represents the total amount of gold collected in "all" the Reichsbank branches, pursuant to Law 53.

- a) The list of coins as of 31 August, 1947, is entitled "List of coins kept with Reichsbankhauptstelle, Hamburg, which have been taken over by Reichsbank, Lubeck."

Presumably further amounts in gold coins have been taken over by other branches of the Reichsbank, before August 31st, 1947, and possibly by all branches including Lubeck since that date.

- b) The list of ingots as of 31st August, 1947, covers all "gold ingots delivered to the Reichsbank branches of the British Zone" but the list of ingots booked as intake during the period 1.9.47 - 31.12.47 is entitled "Gold ingots delivered to Reichsbankhauptstelle, Hamburg .....and kept with Reichsbankhauptstelle, Hamburg"

Possibly other ingots have been collected during this period by other branches of the Reichsbank which have not forwarded them as yet to Hamburg.

211687

- 4 -

CONCLUSION.

It seems necessary to request the Finance Division, British Zone, either to confirm that the amounts of gold stated in the documents submitted are final and complete, or to submit a rectification statement covering all gold collected by the Reichsbank branches at least, as at 31st December, 1947.

Special observations on items listed.A. Coins: 1,755.7458 kgf.

The list of coins does not raise any question. The fineness stated corresponds to the standard for each type of coin. The weights seem to be correct.

B. Ingots: 351.0943 kgf.

a) The six ingots delivered to the Reichsbankhauptstelle, Hamburg, during the period September 1st - December 31st, 1947 are small ingots (gross weight between 0.3357 kg and 0.6237 kg) the fineness of which, between 179°/oo and 369°/oo, does not correspond to the standard of good delivery bars.

These ingots should be remelted and refined.

b) Eighteen small ingots between 1.0638 kg and 5.02425 kg gross weight contain silver in various proportions (from 45°/oo to 165°/oo).

These ingots should be remelted and the silver separated from the gold and returned to Germany, unless decision might be taken to allocate it to those claimant countries who lost gold containing silver.

c) Thirteen small ingots, between 0.500 kg and 2.0000 kg, are stated to have a fineness of 1.000°/oo.

It seems difficult to admit they are absolutely pure gold. It is strange also that the weight of some of them is exactly:

0.50000 kg (1 ingot)  
1.000 kg (3 ingots)  
2.000 kg (1 ingot)

These ingots should be reweighed and reassayed.

d) Twenty three ingots are of a weight (between 8.9374 kgf and 12.5575 kgf) and a fineness (999.6 for 1 ingot, 999.7 for 1 ingot, 999.9 for 21 ingots) which correspond to the standard of good delivery bars.

However, since the assay has been made by German firms, these ingots should be reassayed.

e) One item listed for 0.0087 kgf (fineness 1000) "cannot be delivered at once since it represents part of gold bar with a total fineness of kilos 0.694 whose other part is owned by a foreigner".

This is very difficult to understand. Presumably the word fineness means fine weight. The best solution, since it is a unique situation, perhaps, would be to have this item deducted from the total available for restitution which would

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Authority NN99790/4  
By TS NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TGC)  
Box 4

- 5 -

be reduced accordingly to 351.0856 kgf.

f) The Reichsbankhauptstelle, Hamburg, states that 2 bars, having a total gross weight of 11.0563 kgs, listed in previous reports as having a fineness of 1.000 are actually of unknown fineness. They are kept, until ascertainment of their fineness, under a separate item "Other gold bars of unknown fineness", and are not included in the lists submitted.

The British Authorities should be requested to ensure that steps have been taken to ascertain the fineness of these 2 bars and re-include them in the gold to be returned.

g) The Reichsbankhauptstelle, Hamburg, states that, apart from the gold listed in documents submitted, "gold bars with a fine weight of 68.7541 kgf, exist with the Reichsbank branches of the British Zone as at 31.8.47, which were delivered pursuant to Law 53, but apparently belong to foreigners".

It seems necessary to request the British Authorities to ensure that this gold actually belongs to foreigners and should not be included in the gold to be returned.

*M. Hirigoyen*

M. HIRIGOYEN,  
Deputy Adviser.

MH/SRM.

211689

Authority NND 968106  
By JW NARA Date 6-3-99

RG 59 TGC  
NK 3-59-96-59  
Lot 62015 Box 9

CLASSIFIED  
COMMUNICATIONS  
MESSAGE

SECRET

DEPARTMENT OF THE ARMY  
STAFF COMMUNICATIONS OFFICE

*Platinum*  
*glitcher*

SECRET  
PRIORITY

PARAPHRASE NOT REQUIRED

From: CMCUS Berlin Germany sgd Hays  
To: Dept of the Army for CSCAD  
Info: EUGOM  
Nr: CC 7091

11 Mar 49

Subj is Gold Deposited pursuant to MG Law 53.  
Reurads WX-82855 4 Jan 49, WX 97165 March 48, WX-97336.

2. March 48, WX-81216 May 48, WX 82735 May 48,  
and WX 90566 Nov 47 and ourads CC-1702 Sept 47, CC 2407 Dec  
47, CC 3450 Mar 48, CC 3894 April 48, CC 6849 Nov 48,  
CC 6862 Nov 48, CC 7016 Dec 48, and CC 7959.

Report of Foreign Exchange Depository expert  
on gold reurad CC 7959 indicates that of the 211 KG gold  
deposited pursuant to MG Law 53 we hold 126,773 KG gold  
which is monetary gold as defined by the TGC.

This gold consists of 10 Prussian State Mint bars  
of the type usually held as part of gold reserve of Central  
Bank. Gold records of the Reichsbank, Berlin, indicate  
that those bars originated from gold looted from Belgium,  
which gold was resmelted by the Prussian State Mint and  
inscribed with the year 1937.

Balance of gold deposited pursuant to MG Law 53  
is 103 KG gold in industrial form and 12 KG gold in crude  
bars said to have been smelted down from jewelry settings  
by a Prague jeweler under German authorization.

- NOTE:
- CC 1702 is CM-IN 4391 (24 Sep 48) CAD
  - CC 2497 is CM-IN 1058 (6 Dec 48) CAD
  - CC 3450 is CM-IN 1869 (10 Mar 48) CAD
  - CC 3894 is CM-IN 4081 (19 Apr 48) CAD
  - CC 6849 is CM-IN 5098 (26 Nov 48) CAD
  - CC 6862 is CM-IN 5097 (26 Nov 48) CAD
  - CC 7016 is CM-IN 7948 (9 Dec 48) CAD
  - CC 7959 is CM-IN 8639 (9 Mar 49) CAD

ACTION: CAD  
INFO: CAD(STATE), FO, OAS

CM-IN 9375 (12 Mar 49) DTG 111700Z svc/A 34

SECRET

COPY NO

211690

DECLASSIFIED

Authority NND 968106

By JW NARA Date 6-3-99

RG 59 TGC  
NM 3-59-96-59  
Lot 62015 Box 9

*Pls Return to FN; OIF Fletcher  
J Fletcher  
OFD*

DEPARTMENT OF THE ARMY  
STAFF MESSAGE CENTER  
OUTGOING CLASSIFIED MESSAGE

SECRET

PARAPHRASE NOT REQUIRED

Civil Affairs Division  
Lt Col Jorgenson Mr Hemmendinger  
(State) 75140

*ED file*

To: OMGUS  
Info: HQ EUCOM  
Nr: WARK 86221

26 Mar 49

From CSCAD cite ECON. Reurads Mar CC 7959, CC 7991.  
Monetary Gold Coins is subj.

1. Urad CC 7991 makes no mention gold coins. Request info re holdings monetary gold coins under Law 53. In op State Dept appropriate definition monetary gold coins is "all gold coins except those of numismatic value". Gold coins of numismatic value are coins for which an antique dealer would pay more than price of gold coin of same weight listed in the local free gold market. The fol coins are traded most frequently on European free gold markets and consequently are clearly monetary: 1. French Napoleon or Louis D' or; 2. Swiss Vrenili; 3. British sovereigns; 4. US eagles; 5. Dutch guilders; 6. Austrian schillings; 7. German marks.

2. Request you rpt either no of gold pieces broken down mentioned categories (countries of issue) or total weight, preferably both.

NOTE: CC 7959 is CM IN 8639 (9 Mar 49)  
CC 7991 is CM IN 9375 (12 Mar 49)

ORIGINATOR: CAD

DISTRIBUTION: CAD (STATE), PO

CM OUT 86221

(Mar 49)

DTG: 261759Z

dwn

SECRET

THIS DOCUMENT CONTAINS INFORMATION  
AFFECTING THE NATIONAL DEFENSE OF THE  
UNITED STATES WITHIN THE MEANING OF THE  
ESPIONAGE ACT, U.S.C. 50, 31 AND 32. THE  
TRANSMISSION OR THE REVELATION OF ITS CON-  
TENTS IN ANY MANNER TO AN UNAUTHORIZED  
PERSON IS PROHIBITED BY LAW.  
16-51736-1

COPY NO.

31

THE MAKING OF AN EXACT

211691

Authority NND 968106  
By JW NARA Date 6-3-99

RG 59 TGC  
NN 3-59-96-59  
Lot 62015 Box 9

SECRET

433

SECRET

From OMGUS Berlin Germany sgd Hays

To: Dept of Army for CSCAD

Info: HQ EUCOM

Nr: CC 8222

2 Apr 49

Reurad WX-86221 and ourad CC-7959 and CC 7991. Monetary gold coins is subject.

Gold coins deposited pursuant to military government law number 53 were delivered by individual owners US distinct from gold coins formerly held in the foreign exchange depository which originated largely from holdings of the former Reich and its agencies and were, to a large extent, looted from other countries. Generally speaking, individual deliveries made pursuant to military government law number 53 originate from holdings of persons in Germany which existed in contravention of ~~the~~ old German foreign exchange.

Gold coins were deposited by some 3000 individuals, the total weight of such coins being approximately 115 kilograms. The description of the coins available to us does not permit us to differentiate between monetary and numismatic coins, as defined in urad WX-86221, without further examination of the coins themselves in their various depositories.

We will immediately circularize the various depositories requesting the number of gold coins falling into the seven categories mentioned in para 1 of urad. Such report will require 6 to 8 weeks to complete.

NOTE: 7959 is CM IN 8639 Mar 9 CAD  
7991 is CM IN 9375 12 Mar CAD

CM IN 14137

3 April 1949

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY EC DATE 3/27/85

EDS  or XDS  EXT. DATE \_\_\_\_\_

TS AUTH. \_\_\_\_\_ REASON(S) \_\_\_\_\_

ENDORSE EXISTING MARKINGS

DECLASSIFIED  RELEASABLE

RELEASE DENIED

PA or FOI EXEMPTIONS \_\_\_\_\_

Authority NND 968106

By JW NARA Date 6-3-99

RG 59 TGC  
623-59-96-59  
Lot 620115 Box 9

C O P Y

- INCOMING TELEGRAM -

REVIEWED BY EC DATE 3/27/88  
 CONTROL: 12072  
 Recd. June 28, 1950  
 DECLASSIFIED  RELEASE 12:28 a.m.  
 PA or FOI EXEMPTIONS

FROM: Frankfort  
 TO: Secretary of State  
 NO: #5528, June 27, 9 p.m.

SENT DEPARTMENT 5528, REPEATED INFO BRUSSELS FOR FOX 163.

Reference DEPTTEL 1151, February 7, and our telegram 1883, March 3, subject Brussels gold conference and Czech gold bars.

After complete review whole issue monetary gold with Department's representative and after check relevant previous German laws and hearing BDL expert, we are prepared to apply the following principles as guidance for delivery to Tripartite Gold Commission of Law 53 gold:

1. a. All gold in form of bars or bullion (sticks) regardless of size and whether previously obtained by owner from Reichsbank under license;
  - B. All gold coins except those of numismatic value. If, however, in a coin collection not more than 10 percent are gold coins which in themselves cannot be designated as of numismatic character but are needed for completion of collection, such coins shall be exempt from delivery to TGC;
  - C. Dental gold, gold jewelry whole or broken, wires, sheets and dust are not to be delivered to gold pool and will be released to German economy. Appropriate principles and procedures will be established separately after tripartite negotiations here. No part of gold collected under Law 53 has been released to Germans or otherwise;
  - D. Gold belonging to non-Germans is not to be included in delivery to TGC and may be placed at disposal of non-German owner, subject, foreign exchange control regulations.
2. In accordance with above-listed principles we are prepared to delivery 10 so-called Czech bars to TGC on basis explanation Department representative. Department may wish to consider effect possible Czech reaction if and when they learn that this gold classified as monetary. We will await your decision.

211693

DECLASSIFIED

Authority NND968106

By JW NARA Date 6-3-99

IRG 59 TGC

UN3-59-90-59

Lot 620115 Box 9

COPY

-2- 5528, June 27, 9 p.m.

3. Portion of gold collected under Law 53 which in accordance above principles designated for delivery to TGC will be assembled forthwith and made ready for shipment. Shipment will be effectuated only upon instruction from Department possibly simultaneously with execution by British from UK zone.

Fletcher assisted drafting this cable and concurs in recommendations.

MCCLOY

TT:RFB

Copy:OPD:MN:OFFletcher:ib  
8/10/51

211694

Authority UND 168DEG  
By TJ NARA Date 7/9/99

RG 84 TARA File  
TGC 1046-50 Subj File  
Entry 2113N Box 3

Form FS-412  
(Feb. 1948)

**SECRET**

**TELEGRAM RECEIVED**

For Action to  
Action Taken

*Replied*

For Information to  
AMB.....  
Couns.....  
Pol.....  
16-37112-3 Adm. *gpo*.....  
ECA.....  
Econ.....  
USIS.....  
M.A.....  
A.A.....  
Treas.....  
Consul.....

FROM: HICOG Frankfurt

Date: June 27, 1950, 9 p.m.

No.: 163

Code: Secret

Received: June 28, 1950, 8 a.m.

Sent Department 5528, rptd info Brussels 163.

Brussels for Fox.

Reference Deptel 1151, February 7, and our telegram 1883, March 3, subject Brussels Gold Conference and Czech gold bars.

After complete review whole issue monetary gold with Department's representative and after check relevant previous German laws and hearing BHL expert, we are prepared to apply the following principles as guidance for delivery to tripartite Gold Commission of Law 53 gold:

1. A. All gold in form of bars or bullion (sticks) regardless of size and whether previously obtained by owner from Reichs Bank under license;
- B. All gold coins except those of numismatic value. If, however, in a coin collection not more than 10% are gold coins which in themselves cannot be designated as of numismatic character but are needed for completion of collection, such coins shall be exempt from delivery to TGC;
- C. Dental gold, gold jewelry whole or broken, wires, sheets and dust are not to be delivered to gold pool and will be released to German economy. Appropriate principles and procedures will be established separately after tripartite negotiations here. No part of gold collected under Law 53 has been released to Germans or otherwise.
- D. Gold belonging to non-Germans is not to be included in delivery to TGC and may be placed at disposal of non-German owner, subject foreign exchange control regulations.

2. In accordance with above-listed principles we are prepared to deliver ten so-called Czech bars to TGC on basis explanation Department representative. Department may wish to consider effect possible Czech reaction if and when they learn that this gold classified as monetary. We will await your decision.

3. Portion of gold collected under law 53 which in accordance above principles designated for delivery to TGC will be assembled forthwith and made ready for shipment. Shipment will be effectuated only upon instruction from Department possibly simultaneously with execution

**SECRET**

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

RG 84 IARA File  
TGC 1946-50 Subj. File  
Entry 2113N Box 3

**SECRET**

by British from UK Zone.

Fletcher assisted drafting this cable and concurs in recommendations.

McCLOY

hc/mad  
BT 452

Reparations

**SECRET**

*sample Law 53 gold*

COPY

CONFIDENTIAL

FIN/PSC/P(50)64

26th September, 1950

401

ALLIED HIGH COMMISSION

FINANCE COMMITTEE

PROPERTY SUB-COMMITTEE

(British Proposal)

SUBJECT:- Restitution of Monetary Gold - Excluded Categories

SITUATION

1. Under the terms of Military Government Law 53, and equivalent French Zone legislation, the deposit has been required of, inter alia, gold or silver coin, gold, silver or platinum bullion or alloys thereof in bullion form. In the British Zone, precious metals deposited under Law 53 are held by <sup>the</sup> respective Land Central Banks. In the British Zone, in addition, the Land Central Banks hold precious metals which have been confiscated by the Customs or Frontier Control Authorities, or confiscated by order of Control Commission (Finance Division Technical Instructions 92 & 110). It is presumed that similar circumstances exist also in the U.S. and French Zone.

INTERNATIONAL AGREEMENTS.

2. Under Part III of the Final Act of Paris, paragraph A "All the monetary gold found in Germany by the Allied Forces and that referred to in paragraph G below (including gold coins, except those of numismatic or historical value which shall be restored directly if identifiable) shall be pooled for distribution as restitution among the countries participating in the pool in proportion to their respective losses of gold through looting or by wrongful removal of Germany." (Para. G refers to gold recovered from third countries).

3. Conclusion I of the Tripartite Conference on Looted Monetary Gold Matters, held in Brussels in January 1950, (in full at Appendix 'A') recommended to the Governments that gold in the form of fine gold bars, or gold coins (except those of numismatic or historical value) should be made available to the Gold Pool. Administrative arrangements for the distribution of this gold by the Tripartite Gold Commission were proposed in Conclusion XII.

4. Conclusion II of the Conference (in full at Appendix 'B') recommended to the Governments that for reasons of administrative convenience their authorities in Germany be instructed to exclude from the Gold Pool, gold not in the form described above, even though it might be regarded under German law as monetary gold, unless a substantial quantity of such gold should prove to be in question.

5. His Majesty's Government has accepted the recommendations in Conclusions I and II of the Conference. It is understood that the attitude of the United States Government towards Conclusions I and II is also favourable. The British element would appreciate confirmation of this, and also of the attitude of the French Government towards these Conclusions.

-ACTION IN GERMANY REGARDING CONCLUSION II OF THE BRUSSELS CONFERENCE

CONFIDENTIAL

CONFIDENTIAL

- 2 -

6. On the assumption that Conclusions I and II are acceptable to the three Governments, it is necessary to decide the method of disposal of gold excluded from the Gold Pool by Conclusion II.

7. Coins of numismatic and historical interest have already been discussed, and an agreed paper has been sent to the Finance Committee (FIN/PSC/P(50)25 Final of 19th July, 1950).

8. Other gold excluded from the Pool under Conclusion II is believed to consist of:-

(a) Gold in form other than ingots and coins of which the fineness is known (mainly industrial gold in the form of powder, wire, sheets, etc.)

(b) Gold of which the fineness is not known, including a small quantity in ingots and coins.

Category (a) is believed to include the major amount to be disposed of. It is doubtful whether such gold was in fact properly subject to deposit under Law 53.

9. The British element is informed that German law permitted private persons or firms to hold gold only on licence and for a specific purpose. One method of disposal would therefore be to restore the gold to private owners where they are able to prove that they held a licence for the gold, and that it was not the property of the State. In order to ensure that the gold is used for the maximum benefit of the German economy, it may be desirable to impose the further limitation that the owner must be able to show a continuing need for the gold deposited by him. It is considered that imposition of such a limitation would require a prior examination of the legal position, to ascertain if a satisfactory legal basis would exist for withholding industrial gold from its legitimate owners. Gold excluded from the Pool, and not returned to private persons under the above, may be released to the ownership and control of the Federal Authorities. In any case, for the maximum benefit to the German economy, it would be desirable to associate the Federal German Government in the formulation of a policy for disposal. For practical reasons it would be desirable to make a German agency responsible for handling.

10. The considerations in 9 above lead the British element to suggest, as a first step, the despatch of a letter on the lines of Appendix 'C' to the Federal Minister of Finance.

11. In view of the terms of FIN/PSC/P(50)25 Final it should be considered whether coins of unknown fineness referred to in 8(b) above should be excluded from the Pool. Only 0.24 kg. rough are held in the British Zone, and if the quantities are equally small in other Zones, it may be considered more convenient to exclude them on the grounds that gold of unknown fineness is not monetary. The same applies to ingots under 8(b), of which only 3.7 kg. rough are held in the British Zone.

12. Special consideration should be given to the disposition of gold seized by Frontier Control, etc., and now held for account of the Occupation Authorities. The preliminary view of the British element is that this would be dealt with, according to its category, in the same way as Law 53 gold.

PRECIOUS METALS OTHER THAN GOLD

13. Disposal of these may be discussed separately. It is believed that no international agreement lays down special requirements in regard to them, and if this is confirmed disposition can be arranged as a purely internal German matter.

CONFIDENTIAL

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211699

CONFIDENTIALAPPENDIX 'A' TO:  
FIN/PSC/P(50)64.THE DEFINITION OF MONETARY GOLD AND ITS  
APPLICATION TO LAW NO. 53 GOLD

I.

The Meeting agreed to recommend to their Governments that for the purpose of the recovery of gold from Germany under Paragraph A of Art III. of the Paris Agreement on Reparations from Germany and the Restitution of Monetary Gold of January 1946, monetary gold should be held to include gold which under German Law and regulations was monetary gold. In accordance with this agreement gold which is in the form of fine gold bars, gold alloy bars, or gold coins (except those of numismatic or historical value), including gold in those forms which was surrendered or should have been surrendered under Military Government Law No. 53 in the U.S., British and French Zones of Occupation in Germany, should be made available to the Gold Pool.

As to the definition of monetary gold for re-distribution purposes the Meeting considered it to be consistent with the past practice of the Commission to take into account the law of the claimant country in making its decisions whether gold claimed as looted was monetary gold.

It was deemed that this latter practice of the Commission should help the Allied High Commission, if necessary, to justify the transfer of monetary gold collected under Law 53 into the Gold Pool if and when the propriety of such transfer should be questioned in Germany at any later time.

211699

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Authority NND 968106

By JW NARA Date 6-3-99

IRG 59 TGC

NU3-59-96-59

Lot 620115 Box 9

CONFIDENTIAL

26th

APPENDIX 'B' TO:  
FIN/PSC/P(50)64.

RELATED INSTRUCTIONS TO HIGH COMMISSIONERS IN GERMANY

II.

The Meeting agreed to recommend to their Governments that for reasons of administrative convenience their authorities in Germany be instructed to exclude from the Gold Pool gold other than that referred to in the second sentence of Paragraph 1 of the Record of Conclusions No. I of the Conference, even though treated under German Law as monetary gold, unless a substantial quantity of such gold should prove to be in question.

CONFIDENTIAL

211700

Authority NND 968106By JW NARA Date 6-3-99

IRG 59 TGC

NW 3-59-90-59

Lot 620115

B49

CONFIDENTIAL

26th September, 1950

DRAFTAPPENDIX 'C' to FIN/PSC/  
P(50)64Federal Minister of Finance,  
BONN

SUBJECT:- Disposal of Industrial etc., Gold deposition  
under US/UK Military Government Law 53  
(Revised) and Ordinance No. 127 of the French  
Commander in Chief

Sir:

As a result of the provisions of US/UK Military Government Law 53, and Law 53 (Revised), and of Ordinance No. 127 of the French Commander in Chief, certain quantities of gold of categories other than monetary have been deposited with the respective Land Central Banks. It is desired by the Allied High Commission to effect the release of this gold in such a way as to achieve the maximum benefit for the German economy.

In AGSEC950) dated , you have already been addressed on the subject of coins of numismatic and historical interest. It is now necessary to make appropriate arrangements for the disposal of

- (a) Gold of which the fineness is known, in forms other than ingots or coins (principally industrial gold in the form of powder, wire, sheets, etc.).
- (b) Gold of which the fineness is not known, [including a small quantity in ingots and coins].

The Allied High Commission is informed that under German law, private persons or firms were in the past permitted to hold gold only on licence, and for a specific purpose. It may therefore be desirable to restore the deposited gold in the above categories to private owners to the extent that they are able to prove that a licence was held for it, and that they still have a need for it.

The Allied High Commission would be interested to receive the views of the Federal Authorities on the general principles to be adopted for release of this gold and in particular their opinion on the following points:-

/(a).....

211701

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26th September, 1950

APPENDIX 'C' to FIN/PSC/P(50)64

- (a) what provisions of German law governed gold holdings of private individuals and firms;
- (b) whether a legal basis exists for release of the gold in the above categories to persons other than the original depositors, or to the Federal Authorities, where either:
  - (i) the depositor is unable to show that he was licenced to hold it; or
  - (ii) the depositor is unable to show that he still has a valid need for it;
- (c) what disposition should be made of gold which is not to be returned to an individual holder;
- (d) what German agency could most appropriately handle the arrangements for release.

Accept, Sir, the renewed assurance of my high esteem,

CONFIDENTIAL

211702

*True*

*X-G file - gold*

The German Gold "Position"

1. Estimated German gold acquisitions and disposals before and during the war: name of one of the German agencies listed in the

Germany's gold holdings at the outbreak of war:

From American and British experts, etc. (millions) the German gold proper held by American authorities \$100 (officially, estimated its value as \$223.2 million published as only \$30) as

From Czechoslovakia gold of the Hungarian National Bank

From Austria 14. The total of monetary gold available \$179

Acquired from other occupied countries 523

Peak holdings \$702

Sold to neutrals and others before 1943 monetary gold now in Germany \$171

Sold to neutrals and others during 1943 It is estimated that 120

Holdings at end of 1943 The \$223 million would thereby cost \$411

Disposed of to neutrals and others during remainder of war (assuming Germany continued to sell gold at same rate as during 1943) of total \$180

Gold held at end of war (millions) looted gold of \$231

2. Of the \$523 million estimated looted by Germany from occupied countries \$223.2 million represents Belgian gold handed over by the French. The following indicates the known disposition by Germany of the Belgian gold:

	(millions)	
Sold to Swiss National Bank	16	\$122.9
Sold to Rumanian National Bank	15	15 33.7
Sold to Central Bank of Turkey	12.2	15 3.4
Sold to Italy	11	15 0.1
Yugoslavia	10	10
Total sold abroad	64.8	7 160.1
Distributed to German agencies	2.5	1 12.0
Shipped to Merkers Mine for safekeeping	100.0	not included not included
Remaining in Berlin or Reichsbank branches	18	18
Coin mixed with other holdings that cannot be separately traced	12.1	12.1

If the U.S. concedes that Austria, Italy and Hungary shall be included in the total distribution of gold to the extent only of 1/2 their established gold losses, these countries will then receive only about 10, 14, and \$ 1/2 million dollars of gold respectively. This will permit

3. The following is an extract of a Reichsbank account sheet listing gold packed for shipment to Merkers Mine:

	(millions)
Italian gold	64.8
German 4-year plan gold reserve	43.6
German Trust Institute gold	43.5
Reichsbank gold	38.9
Gold of National Bank of Bohemia and Moravia	28.8
Deutsche Golddiskontbank	10.0
Gold of National Bank of Albania	2.6
Gold in name of other German agencies	6.6
Conclusions can easily be drawn regarding the results to be achieved under the British scheme with respect to restitution.	238.8

Presumably

PH: W. J. ...

-2-

Presumably Belgian gold in the amount of \$21 million is included in gold held in the name of one of the German agencies listed in the above table.

4. A team of American and British experts, after assaying the monetary gold hoard now held by American authorities in Frankfurt, reported its value at \$262.2 million. In addition there is at Frankfurt \$32.2 million of gold of the Hungarian National Bank brought from Austria. The total of monetary gold available for distribution amounts to about \$294 million.

5. This Government proposes that all monetary gold now in Germany be distributed pro rata in accordance with established losses including Hungary, Austria and Italy. It is estimated that the following distribution of the \$294 million would thereby ensue:

Countries having claim against gold in Germany	Gold looted by Germany (estimated) (millions)	Percentage of total looted gold	Pro rata distribution of \$292.2 millions
Belgium	230	32.8	97
Netherlands	168	24.0	70
Italy	64.8	9.2	27
France	53	7.5	22
Austria	46	6.5	19
Czechoslovakia	33	5.0	15
Hungary	32.2	4.5	13
Denmark	31	4.5	13
Yugoslavia	25	3.5	10
Poland and Danzig	16	2.2	7
Albania	2.6	0.3	1
Greece	<u>unknown</u>	<u>not included</u>	<u>not included</u>
Total (excluding Greece)	701.6	100.0	294

If the U.S. concedes that Austria, Italy and Hungary shall be included in the distribution of gold to the extent only of 1/2 their established gold losses, these countries will then receive only about 10, 14, and 6 1/2 million dollars of gold respectively. This will permit a further pro rata distribution of an additional \$28 dollars of gold among the other claimants.

As indicated in the table above, the lack of information concerning Greek claims results in a bias in the estimated distribution in favor of the other claimants.

6. The British view is that restitution be confined to identifiable gold and that the balance used for reparation. There has as yet been no examination of the gold with view to determining ownership thereof. If the table listed in Paragraph 3 is substantially correct, conclusions can easily be drawn regarding the results to be achieved under the British scheme with respect to restitution.

FN: WJStibravy

211704

X G

Mr. Paul McGuire

October 24, 1947

Mr. Russell H. Dorr

**Questions Concerning Further Distribution of the Gold Pot.**

Pursuant to our discussion with Mr. Hess today, I am outlining below what seem to me to be the more important questions on which the Department might find it advisable to seek a legal opinion.

Gold Belonging to Private Individuals Looted by Germany through the Agency of a Bank of Issue

Nearly all of the claims filed with the gold Commission include losses of gold, which at the time of the occupation of the claimant country by Germany was in the possession of private individuals. Such gold was taken from such individuals by the Germans by means of the device of requiring private gold holdings to be sold for local currencies to a bank of issue, the bank being compelled to deliver such gold to the German authorities. In each case a substantial part of the loss consisted of gold coins and bars.

While these claims are alike in the respects noted above, there are legal differences between each claim arising out of variations of the legislation of different countries in regard to the legality of private gold holdings prior to the German occupation. In Austria, for example, there were no legal private gold holdings prior to the Anschluss and the argument might be advanced that privately held gold was a part of the nation's gold reserve. In certain other countries gold was permitted to circulate as a medium of exchange and was not part of the bank of issue reserves.

There are also differences in the legal status of the banks which under the Nazis called in the private gold. In the Netherlands, the National Bank performed this action. In Austria the National Bank was also involved but Austria had been formally annexed by Germany and the bank was at the time in the process of liquidation and was obviously merely a tool. In Belgium the private gold was collected by a bank of issue set up by the occupying authorities. In Poland the gold was collected by the banks set up by the Germans in territories annexed to Germany.

Only a preliminary examination of this type of claim has been made. However, it appears that in many cases the gold lost will not meet the Gold Commission's definition of monetary gold which reads,

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

although the substance of the transactions is identical.

Enclosure # 1

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Authority

NN979014

By

TS NARA Date 6/23/89

RG 84 entry 2113M

IARA (TGC)

Box 4

-2-

The Commission's definition was adopted in anticipation of the danger that claims would be filed for small amounts of privately held gold looted by the Germans. It was feared that a broader definition would open the door to thousands of small claims, verification of which would be difficult and at best would require a large staff months if not years to complete. If privately owned gold bars and coins delivered to a bank could be claimed it was feared that it would be difficult to resist claims for similar gold taken directly by the Germans. Consideration of the latter type of claim would obviously be a slow and uncertain process.

The basic legal questions to be decided are:

1. Is the Commission justified under the Paris Agreement in excluding, on the grounds of administrative convenience, losses of gold coins or bars privately owned at the time of the Nazi occupation of the claimant country where the claimant is in a position to establish by detailed and verifiable data (the books of an established bank, for example) the weight and fineness of the gold lost?
2. Would the Commission be justified under the Paris Agreement in granting certain claims for loss of privately held monetary gold on the ground that they fall within the present definition, while denying other claims of a similar nature and supported by equally detailed and verifiable data on the ground that they were not carried on the books of a central bank or of a claimant government as a part of its monetary reserves?

#### Gold Received from Germany

During the course of the war certain countries from which Germany looted monetary gold, received back lesser quantities of such gold from Germany in return for goods and services. The question arises whether such gold having been delivered for value received should be disregarded in the consideration of that country's restitution claim, whether it should be treated as part of the gold pot or whether it should be treated as a recovery and should be regarded as tainted gold and consequently deducted from that country's gross gold loss. The question of whether the fact that the gold was received from another occupied country or from a satellite rather than from Germany has a bearing and should also be considered.

#### Liability to Attachment of Gold Held for Gold Commission by Central Bank

For a number of reasons it might be desirable to remove the balance of the gold now situated in Frankfurt to a central bank either in Belgium, the United Kingdom or United States for remelting, assay and custody. The question arises however, as to whether such gold might not be subject to attachment by a disappointed claimant against the gold pot, particularly if such claimant was not a signatory of the Paris Reparation Agreement. It is recommended that a study be made to determine to what extent the doctrine of sovereign immunity from suit would be a protection against seizure of gold held at the central bank of any of the named four countries for the account of the Gold Commission or of the United States, United Kingdom and France.

211706

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Authority NNJ 979014  
By 75 NARA Date 6/23/89

RG 84 entg 2113M  
IARA (TGC)  
Box 4

Bor Mines Gold

In a despatch forwarded to the Department sometime during June or July, 1947, the U.S. Commissioner raised a number of legal questions in regard to the claim of Yugoslavia for gold contained in copper ore extracted at the Bor Mines and shipped to Germany. These questions also need consideration.

You appreciate, I am sure, that the above is merely a list of important legal question and does not include all gold matters on which the United States Commissioner has requested instructions from the Department.

DECLASSIFIED

Authority

NN979014

By

TS NARA Date 6/23/89

RG 84 entry 2113M

IARA (TGC)

Box 14

14th November, 1947.

ADDENDUM No. 1 TO "PRELIMINARY ANALYSIS OF  
THE CLAIM OF POLAND"

Reference is made to the claim of Poland for 4,726 kgs of fine gold taken by the Germans from the Bank of Danzig "at the end of 1938". As stated in the original analysis, the Bank of Danzig was absorbed by the Reichsbank pursuant to a German decree of September 5, 1939. According to the published statement of the Bank as of August, 1939, the gold reserve of the Bank of Danzig was \$ 4.3 million, or 3,821.2851 kgs of fine gold.

A reply from the Finance Division, OACUS, to the Commission's question indicates that in September, 1939, the Bank of Danzig gold balance stood at 352 bars, but no information is available as to the gold content of such bars.

CONCLUSION.

It is recommended that the claim against the gold pool for the Danzig gold be allowed to the extent of 3,821.2851 kgs of fine gold. It, of course, rests with the Commission or the trustee Governments to determine in what manner such gold is to be set aside.

EDWARD W. O'NEHERTY.

211708

TRIPARTITE COMMISSION FOR THE  
RESTITUTION OF MONETARY GOLD.

317

40th Meeting

20th January, 1948 - 11:00 a.m.

Present:

- |                          |   |
|--------------------------|---|
| H.E. Mr. Russell DORR    | - Commissioner of the Government of the United States of America.                             |
| H.E. Sir Desmond MORTON  | - Commissioner of H.M. Government of the United Kingdom of Great Britain and Northern Ireland |
| M. Jacques RUEFF         | - Commissioner of the Government of the French Republic.                                      |
| Mr. Alex B. Daspit       | - Deputy Commissioner of the Government of the United States of America.                      |
| Mr. Edward W. O'Flaherty | - Special Assistant to the Commission   |
| M. Pol Gargam.           | - Special Assistant to the Commission   |

Secretariat

M. M. Hirigoyen  
Mrs. M. B. Allen

1. Purchases from Private Persons

The Commission considered the separate views of Mr. O'Flaherty and M. Gargam and noted the several important principles put forward in order to determine factually whether or not gold purchased from private persons by central banks or substitute institutions and subsequently looted by or wrongfully removed to Germany might possibly come within the definition of monetary gold.

It was decided:-

that Messrs. O'Flaherty and Gargam should study this question further and put forward their joint recommendation at the next Meeting of the Commission.

The Meeting adjourned at 1:15 p.m. and was resumed at 5:30 p.m.

The Commission noted the divergent opinions of the experts and

It was decided:-

that the French and United States Advisers should consider their own points of view and submit them to the Commission at a later date.

The Meeting adjourned at 6:15 p.m.



RG 59  
TGC  
Lot 6291709  
Box 5

34

TRIPARTITE COMMISSION FOR THE  
RESTITUTION OF MONETARY GOLD

43rd Meeting

29th January, 1948 - 4:00 p.m.

Present:

H.E. Mr. Russell H. Dorr	- Commissioner of the Government of the United States of America - Chairman
H.E. Sir Desmond Morton	- Commissioner of the Government of the United Kingdom of Great Britain and Northern Ireland
Monsieur Jacques Rueff	- Commissioner of the Government of the French Republic
Mr. Alex B. Daspit	- Deputy Commissioner of the Government of the United States of America
H.E. M. Henry Spitzmuller	- Deputy Commissioner of the Government of the French Republic
Mr. Edward W. O'Flaherty	- Special Assistant to the Commission

Secretariat

M. M. Hirigoyen  
Mrs. M. B. Allen

The draft Minutes of the 40th and 41st Meetings were amended and approved.

1. Claims - Purchases from Private Persons. (40th Meeting, Min. 1)

The Commission considered a draft analysis drawn up by Mr. O'Flaherty as regards the claims for gold purchased from private persons by central banks or other monetary authorities. He considered there were three questions to be answered affirmatively in order to resolve this group of claims:

- I. Was the institution on whose books the gold was carried:
  - i. A monetary authority?
  - ii. The Claimant country's monetary authority?
- II. Was it part of such institution's reserve?
  - i. Was compensation given to the private persons concerned?
  - ii. Was such compensation just?
- III. Was that gold looted by or wrongfully removed to Germany?
  - i. Was it removed to Germany?
  - ii. Was either compensation or blocked Reichsmark credits given in return?

In the light of the above, the Commission considered the relevant claims.

RG 59 211710  
TGC  
Lot 620115  
Box 5

TRIPARTITE COMMISSION FOR THE  
RESTRICTION OF MONETARY GOLD

a) Austria - 12,989,7678 kgs.

It was decided:-

43rd Meeting

that the whole of this claim was valid and should be placed in the "provisionally allowed" category, subject to any comments of adverse character from Monsieur Gargam

Present: (who was not able to be present at this Meeting) with respect to those quantities purchased abroad by Austrian banks:

H.E. Mr. Russell H. Dorr

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

b) Belgium - 6,434,2319 kgs.

H.E. Sir Desmond Morton

- Commissioner of the Government of the

In view of the special circumstances surrounding this claim, the Banque d'Emission having been indicated by the War Tribunal, and the possibility that countervalue had been received in "free" Reichsmarks, Monsieur Jacques Rueff

- Commissioner of the Government of the French Republic

It was decided:-

a) to instruct the Secretary to ascertain the exact character and status of these legal proceedings;

b) to request further information from the Belgian Government as regards the countervalue received, if any;

c) to defer action on this claim until the above information had been received.

2. Frankfurt Gold - Transport

The United Kingdom Commissioner accounced the Bank of England's willingness to accept the proposed deposit of gold at that bank, under one condition; i.e. that the three Governments or their Representatives, should address a letter to the Bank of England informing it that the Commission is authorised to hold gold pursuant to 5 e) of its terms of reference. The draft Minutes of the 40th and 41st Meetings were amended and approved.

The length of time required to count, bag, and list the 53 tons of coin involved was 12 working days (including Saturdays) after receipt.

The Commission considered a draft analysis drawn up by Mr. O'Leaherty as per the claim for purchases from private persons by central banks or other monetary authorities, amounting to 25 cents per \$1,000. were three questions to be answered affirmatively in order to resolve this group of claims.

As regards insurance by surface transport to the United Kingdom,

It was decided:-

I. Was the institution on whose books the gold was carried: a monetary authority?

to instruct the Secretary to draw up an exact schedule of costs for this transport as soon as possible.

II. Was it part of such institution's reserve?

The Meeting adjourned at 8:36 p.m.

III. Was compensation or damages to the private persons concerned?

i. Was such compensation just?

III. Was that gold looted by or wrongfully removed to Germany?

i. Was it removed to Germany?

ii. Was either compensation or blocked Reichsmark credits given in return?

In the light of the above, the Commission considered the relevant claims.

21171

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Authority NN9979014  
By TS NARA Date 6/23/89

RG 84 entry 2113M  
IARA (TGC)  
Box 5

UNITED STATES DEPARTMENT OF THE TREASURY  
21 MAY 1948  
IARA

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

166, RUE DE LA LOI  
BRUXELLES  
TELEPHONE 34.98.00

21 May, 1948.

INT 536 ✓  
A/PPP

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 documents listed hereunder:  
Les documents ci-dessous énumérés:

Copy of a letter, dated 10th May, 1948 received from Messrs.  
Polier, Rembar & Midonick, Attorneys at Law, claiming, on behalf  
of their client Mr. Albert Otten, a portion of the gold held by  
the Tripartite Commission.

Draft reply to the above letter.

Note:

The Secretary General does not feel justified in sending  
this reply without first receiving the formal approval of the  
Commissioners. There is no way of tracing from the Commission's  
records whether the bars referred to are or are not included in  
the gold at Frankfurt.

are forwarded for observations please  
sont transmis pour pour attribution.

JAW/JSL

J. A. WATSON,  
Secretary General,  
Tripartite Commission for the  
Restitution of Monetary Gold.

211712

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Authority NN9979014  
 By TS NARA Date 6/23/89

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 1ARA (TGC)  
 Box 5

COPY (JD)

SHAD FOLIER  
 CHARLES REMBAR  
 MILLARD L. MIDONICK

FOLIER, REMBAR & MIDONICK

Attorneys at Law  
 80 Broad Street,  
 NEW YORK 4, N.Y.

Telephone  
 Hanover 2-7770

May 10, 1948.

Tripartite Gold Commission  
 Brussels - Belgium

Department of State  
 United States of America  
 Washington, D.C.

Attention : Mr Fletcher.

Re : ALBERT OTTEN - Claim to a Portion of the Gold Held  
 by Tripartite Gold Commission.

Dear Sirs,

As attorneys for Albert Otten, an American citizen now residing at Scarsdale Manor South, Scarsdale, New York, United States of America, we wish to make certain inquiries of both addresses and to make request for restitution of certain property of said Albert Otten, and we wish further to protest the action by which it is proposed to distribute, without authorization of the private owner, certain property still belonging to said Albert Otten.

In 1933, as the State Department of the United States of America has previously been advised, Mr Otten was deprived by duress of fine gold valued at approximately \$500,000. while he was in Cologne, Germany. We are attempting to obtain full particulars to identify the gold thus unlawfully wrested from Mr Otten and acquired by the German Government. Mr Otten had for years lawfully owned this gold in the name of a wholly-owned Dutch holding company : "N.V. Amsterdamsche Groot-Handel", Amsterdam. The portion of the gold for which we have received the most identifying particulars up to the present time comprises eight (8) gold bars valued at approximately \$100,000., which were owned by the said Dutch corporation on deposit at Société de Banque Suisse Le Locle in 1933, when Mr Otten was forced by duress to cause that specific gold to be transferred to the Reichsbank. Société de Banque Suisse cabled us and confirmed in writing on October 24, 1945 that on April 25, 1933, that Bank

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turned over the said eight (8) gold bars for the account of N.V. Amsterdamsche Groot-Handel, Amsterdam, to Reichsbank, Cologne, and that those eight (8) bars were numbered 56186 to 56193 inclusive, weighing 97493 grammes, or 3134 ounces.

It is our belief that these specific, identifiable numbered gold bars were captured from the German Government in Germany by the American Army during the recent war and that these very bars are now a part of the huge quantity of gold which the United States so captured and later transferred into custody of the Tripartite Gold Commission.

We wish to inquire of you whether as a matter of fact you can confirm that these identified gold bars are now in the possession of the Tripartite Gold Commission in Brussels or elsewhere, or whether these identified gold bars have ever been in the possession of the Tripartite Gold Commission, or whether these identified gold bars have ever been in the possession of the American Army, the State Department, or any other agency of the Government of the United States of America. We further inquire whether any other gold transferred to the Reichsbank by N.V. Amsterdamsche Groot-Handel, Amsterdam, in 1933 is or has ever been in the possession of the above named organizations or agencies.

If it is determined that the numbers assigned to Mr Otten's gold by the Reichsbank differ in any way from the numbers used by Société de Banque Suisse, then we would also desire to know the corresponding Reichsbank numbers for Mr Otten's gold. We request the same information respecting gold transferred by N.V. Amsterdamsche Groot-Handel, Amsterdam, to the Reichsbank from banks in various other countries besides Switzerland.

We wish to protest, moreover, against the current plans to distribute any portion of the gold of Mr Otten to other persons or Governments. It is our claim that the legal title to gold taken by duress from a private person - gold which is identifiable and specific - remains the property of the legal owner who was deprived of this property by force. We request instead that each and every portion of such identifiable gold, title to which has remained in N.V. Amsterdamsche Groot-Handel (a holding company wholly owned by Mr Otten) since the forceful and unlawful taking of the gold in 1933, be returned to the owner.

Very truly yours,

FOLIER, REMBAR & MIDONICK.

Signed by : Millard L. Midonick.

Duplicate originals sent to :

Tripartite Gold Commission, Brussels, Belgium.  
and Department of State, Washington, D.C.

/JD

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Box 5

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

A/PPP

155, RUE DE LA LOI  
BRUXELLES  
TELEPHONE 34.88.00

May, 1948.

D R A F T

Messrs. Polier, Rembar & Midonick,  
Attorneys at Law,  
80, Broad Street,  
NEW YORK 4, N.Y.

Re : ALBERT OTTEN - Claim to a portion of  
the Gold held by the Tripartite Gold Commission.

Gentlemen,

Receipt is acknowledged of your letter dated 10th May, 1948,  
on the above subject.

The monetary gold captured by the Allied Armies in the recent  
war is held jointly by the Governments of the United States, United  
Kingdom and France.

Questions such as you raise do not fall within the province  
of the Tripartite Commission for the Restitution of Monetary Gold which  
regrets, therefore, that it is not in a position to assist you in this  
matter.

The approach you have made to the Department of State of the  
United States of America would appear to be the correct procedure to  
follow in the circumstances.

Yours faithfully,

J.A. WATSON,  
Secretary General.

JAW/JD

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Authority NN 979015  
By TS NARA Date 6/23/89

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IARA (TGC)  
Box 5

DRAFT

May 26, 1948

Messrs. Polier, Rembar & Midonick,  
Attorneys at Law,  
80, Broad Street,  
New York, 4, N.Y.

Re: ALBERT OTTEN - Claim to a portion of the  
gold held by the Tripartite Gold Commission.  
said to be

Gentlemen:

Receipt is acknowledged of your letter dated 10th May, 1948,  
on the above subject which is similar in tenor to communication  
addressed to the Commission on March 29, 1948 by Paul Weiden,  
61 Broadway, New York City, also representing himself to be attorney  
for Albert Otten.

While, as pointed out to Mr. Weiden, questions such as you raise  
do not fall within the province of the Tripartite Commission for  
the Restitution of Monetary Gold, I have as a matter of grace, and  
in order to save your client useless expense, looked into the  
matter and wish to inform you that the Commission does not hold  
any of the gold/referred to in your letter.

bars

I understand that procedures are under consideration by the  
three Western Zone Commanders of Germany for the compensation by  
Germany of victims of Nazi looting to whom restitution cannot be  
made in kind. You may wish to inquire of these Zone Commanders  
concerning such procedures.

Yours faithfully,

J. A. WATSON,  
Secretary General.

RHDorr/kar

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Authority NNS 979014  
By TS NARA Date 6/23/89

RG 84 entry 2113M  
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Box 5

*Gold  
July*

May 26, 1948

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

Dear Colonel Watson:

I enclose for your information and that of my colleagues of France and the United Kingdom a suggested redraft of a letter to be written by you to the new attorneys for Albert Otten.

Since the Commission does not now have custody of any of the Frankfurt gold and its present holdings consist solely of United States Mint bars from Switzerland and remelted Prussian mint bars from Rumania, I believe we can say as a matter of fact that the Commission does not hold any of the bars inquired about. It has occurred to me that while we would be perfectly justified in merely stating, as you suggest, that the matter is beyond our competence, Otten's attorneys might seek to use such a letter as an implied admission that the Commission does hold the gold in question. They might then apply to some U.S. court for permission to interrogate Federal Reserve Bank officials or myself and generally make themselves troublesome. On the other hand a flat statement by the Commission that it does not hold such gold would be likely to discourage further prosecution of a matter which is apparently being peddled from one attorney to another. At the very least it would make it impossible for attorneys to file affidavits asserting they had reason to believe that the gold was held by the Commission. Such a letter could also usefully be referred to by our Governments in rejecting any approaches made to them on this matter. Therefore, while I feel that from the Commission's point of view alone there are advantages in the letter as you drafted it, it might be well to consider whether we could not take some action which would assist our Governments to avoid further annoyance.

You will note that my draft puts all the burden upon you so that if further inquiries are addressed to us a letter could still be written by the Commission saying that this matter is none of its affair.

The last paragraph of the draft is based on information given to me by Mr. Pagon of the Secretariat. You might well wish to satisfy yourself as to the facts regarding the procedures referred to by telephoning him.

Faithfully yours,

Russell H. Dorr  
Chairman, Tripartite Commission  
for the Restitution of Monetary Gold

RHDorr/kar

211717

Source: Current Economic Developments

Issue No. 243  
February 27, 1950

CONFIDENTIAL

- 5 -

*on file* *Tripartite Conference* *25 Feb. 27, 50*

TRIPARTITE MEETING ON LOOTED MONETARY GOLD

British, French and US technical experts met in Brussels in January to study certain problems relating to the recovery of additional monetary gold looted by the Nazis from the occupied countries during the war, and to the final distribution of the gold pool. The gold at issue includes about \$60 million of identifiable looted monetary gold, recovery of which is still under negotiation, and \$100 million (out of some \$200 million of gold already recovered) which is being held by the Commission for final distribution pending decisions on the claims still before it. The Tripartite Gold Commission had been unable to reach decisions on these remaining claims and this meeting was held to facilitate completion of the Commission's work by helping to establish a consistent interpretation of the basic terms of the program. The meeting reached agreement on most of the issues involved and formulated recommendations for the approval of the three governments.

One of the major problems before the meeting was to secure agreement on an interpretation of the definition of monetary gold which, under the Paris Agreement on Reparations from Germany and on the Restitution of Monetary Gold of January 1946, is to be turned over to the Commission for distribution rather than restituted to the country of origin. The technicians agreed to recommend to their governments that, for the purpose of the recovery of gold from Germany, monetary gold should be held to include all gold defined as such under German law and regulations while, for redistribution purposes, it would be consistent with past practices of the Commission to take into account the laws of the claimant country. These principles are also related to the settlement of the problem of the Bor Mine gold seized in the British zone, the gold delivered to France by the US Occupation Authorities in Germany, and the gold coins found in German Embassies and Legations in neutral countries.

With respect to the settlement of pending claims for the distribution of looted gold, the meeting agreed on recommendations relating to underlying principles which should guide the Commission in deciding such cases as the Dollfus Meisgen (a French corporation) case and the Bank of Albania gold formerly in Italy.

The meeting agreed to recommend action to recover looted monetary gold from Turkey and additional gold from Sweden. Steps to be taken to recover gold from Portugal could not be discussed since the Department had not reached a position at that time. It was also recommended that the final distribution of looted monetary gold by the Commission should take place as soon as the remaining outstanding claims have been decided. It was hoped that the Commission would be ready for this final distribution, save for the distribution of accruals, by May 1.

\* \* \*  
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Authority **NND 962106**  
By **J. NARA** Date **5/26/99**

THE UNITED STATES OF AMERICA

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TO : Department of State - NY

2 enclosures 200.6241-Gold  
/6-1350

FROM : US COMMISSIONER, TGC, AMEMBASSY - Brussels - 113 - June 13, 1950.

REF : None

SUBJECT : French Memo concerning Banque d'Emission de Bruxelles.

I enclose herewith copies of the English translation of two Memoranda drawn up by the French Commissioner and sent to the Secretary General of the Tripartite Gold Commission with an accompanying letter dated May 15, 1950, a copy of which is also enclosed herewith.

My comments will be submitted to the Department as soon as the reaction of the British Commissioner and the real aim and the full meaning of the French motion are explored.

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

Enclosures:

1. English translation of memo re "Banque d'Emission" and of related memo re "Or devenu monetaire sous l'occupation allemande".
2. French Commissioner's letter to Secretary General.

OFFletcher: Set

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TGC  
Lot 620 113  
Box 5

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This quotation was not taken from a letter from the Commission but from the minutes of the 74th meeting, held on 17th January, 1949.

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 Authority NND 968 106  
 By TJ NARA Date 5/16/99
BANK OF ISSUE

On 14th June, 1948, on the strength of information received by the Commission from the Liquidator of the Bank of Issue, the Commission decided to reject the claim for 8,434 kgs of gold transferred to Germany, since the gold had never belonged to the monetary reserve of Belgium.

On 17th January, 1949, in a letter offering the Belgian Authorities the opportunity of a hearing, the Commission explained its point of view in the following words:

"The Commission finds that the gold did not, in fact, belong to Belgium as stipulated in paragraph C, Part III of the Paris Agreement, and more specifically, that it was not carried in the accounts of any monetary authority as part of Belgium's monetary reserve, as stipulated in the definition of monetary gold set forth in the questionnaire of February, 1947."

The United States and the United Kingdom Commissioners, after having heard the Belgian Delegate on 21st March, were inclined to think that the Bank of Issue, at the time of the illegal transfer, owned the gold in virtue of purchases made in good faith and against payment.

On 15th October, 1949, the French Commissioner raised certain objections, but in order to reduce the number of points on which he disagreed with his colleagues, he withdrew them and the Belgian claim was provisionally accepted as valid.

However, his attention has now been drawn to the manner in which the gold was entered in the accounts of the Bank of Issue. He considers that this represents a new aspect which might well cause the Commission to reverse its provisional decision of 15th October, 1949.

Contrary to the declarations of the Belgian Government, practically none, if indeed any, of the 8,434 kgs of gold was sold voluntarily.

On May, 1940, many Belgians fearing bombardment, deposited their valuables in bank safes. In the next few days, withdrawals were made, but lower in number than the deposits. On their arrival, the Germans froze the deposit accounts and the safes were opened in the presence of a representative of the Devisenschutzkommando who ordered the gold and certain other valuables to be transferred to "banques de devises". If the owners were absent, safes were opened by force.

The Bank of Issue was instructed to assemble this gold in preparation for its transfer to Germany. In payment, it received a credit in Marks which it in turn transferred, in Belgian francs, to accounts opened in the names of the owners of the gold, at the following rates:

53,077.00 frs.	for 1 kg.
189.60 frs.	" a 20 fr. piece of the Union Latine
49.18 frs.	" 1 gold dollar
239.20 frs.	" 61
11.70 frs.	" 1 Mark
197.80 frs.	" a ten florin piece.

This quotation was not taken from a letter from the Commission but from the minutes of the 74th Meeting, held on 17th January, 1949.

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 Box 5

Belgian nationals were allowed to dispose immediately of the sum credited to their account. Several of them refused to do this as they wished to maintain their right to restitution in kind.

Accounts belonging to enemies (French, English, etc. as well as Belgian living outside the territories under German control) were transferred to and blocked by the Hansa Bank, except those belonging to Jews; these were transferred to the "Société Française", Brussels. 450 accounts were thus opened, more than 200 of which have been identified as French. The French Commissioner has a list of some of these 200 accounts.

After the Liberation, the Hansa Bank was liquidated and the realization of its assets now enables the owners to receive 70% of their accounts, less taxes, administrative expenses etc. Until recently, the Belgian Government blocked a proportion amounting to 40% of the available funds under the compulsory loan for the purpose of restoring the monetary balance of the country.

Many owners have not yet been identified, others still refuse payment.

The sums transferred to the Hansa Bank are estimated at 55 million Belgian Francs. This represents approximately 1,800 kgs of gold for which looting by the Germans from the private owner is undeniable since it took place in his absence, against his will, and without the support of any Belgian law to cover either the seizure itself or the entry of the gold, in the accounts of the Bank of Issue.

To sum up, the Bank of Issue received the gold, not from the owner but from the Devisenwachtkommando. It could not have remained unaware of its origin. Furthermore, the legitimate owners, many of whom have not claimed the compensation placed at their disposal, still have rights over it.

**NOTE :** The French Commissioner has however, received information which, although less precise, leads him to think that the same procedure was followed with regard to the Nederlandsche Bank. Deposits were much larger in the Netherlands as its neutrality had been respected during the first world war.

GOLD WHICH BECAME MONETARY  
UNDER THE GERMAN OCCUPATION

On several occasions, and especially in connection with claims for gold "acquired from private persons", the Commission has had to examine cases involving amounts of gold which became monetary, in the sense of the Commission's definition, only as a result of measures ordered by the Germans or enforced by them through a national Government set up by them. The French Commissioner has always expressed the strongest reservations regarding the validity of these claims. On 10th May, 1948, in particular, he explained his point of view in the following manner:

"But his apprehension not having been shared by his colleagues, he would, insofar as the decisions which were about to be taken were concerned, vote in the same manner as the majority of the Commission, in order not to delay the Commission's operations."

His fears are now confirmed and justified by certain facts which have been brought to his notice regarding the manner in which 6,454 kgs. of gold were held by the Bank of Issue, Brussels, and 28,857 kgs by the Nederlandsche Bank. This information leads him to the conclusion that although some of the decisions taken by the Commission are in conformity with the letter of its definition of monetary gold or constitute only a very slight departure from its accounting provisions, they are in complete contradiction with the spirit of the Paris Agreement.

Authority **NND 968106**  
By **TJ NARA** Date **5/26/99**

of that Agreement dealt with the question of monetary gold, they clearly had in mind only the metal to which that quality had been conferred either through national legislative texts enacted by a Government free of all German influence, or because of its normal position from a legal or accounting point of view. The gold, that is, had to be monetary gold before the act of looting took place. It would therefore be very difficult to maintain that the looted gold could be given its monetary character, immediately or subsequently, as a direct or indirect result of looting and in virtue of measures enacted or enforced by the enemy.

Certain claims give rise to no ambiguity in this connection, whether they be clearly valid or, on the contrary, inadmissible. But in many cases, it is difficult to make a distinction and the Commission cannot come to a decision by keeping strictly to a text, the imperfections of which have already given rise to objections which were no doubt justified. As far as is possible, it must judge each case on the basis of equity.

Now, the Commission would be showing a complete disregard of this principle if, for example, it admitted that private gold had become monetary on the grounds that the German Military Authorities had, by measures of coercion or intimidation such as the violation of safes, enforced the transfer of this gold even against some kind of compensation to a monetary institution which was a national one only in name.

It is impossible to consider that the Hague Convention confers on the so-called administrative measures of the Occupying Powers the quality of national legislation or, alternatively this point of view must be adopted for all claims, in which case it would become necessary to review completely all the attributions so far made in the light of Article 46: "... private property cannot be confiscated" and Article 55: "the Army which occupies a country can only seize the currency, funds and claims which belong to the State".

A strict application of the letter of the Commission's definition of monetary gold would lead to the following absurdity:

1. In virtue of German orders, gold belonging to a private person is handed over to a monetary institution which pays some form of compensation for it. This institution is compelled to transfer the gold to Germany and receives a credit in Marks which is taken into account when determining the rights of the country in question to reparation. Nevertheless, the claim submitted by the free Government of that country for the gold is declared valid.
2. Gold belonging to a private person is seized by the Germans without compensation. The free Government compensates this person for what is considered war damage, but is not entitled to submit a claim to the Commission in respect of this gold, and its share based on its losses of truly monetary gold is reduced because claims of the kind described in the previous paragraph are admitted by the Commission.

The drafters of the Paris Agreement certainly did not imagine that its provisions would give rise to this inequity. The favour with which the Commission seems to be considering the Yugoslav claim for the loss of gold from the Bor Mines is far more justified. In this case at least, there exist legislative texts enacted before hostilities under which the ownership of the gold extracted from the mines was transferred to the Government.

In conclusion, it would seem completely contrary to the Paris Agreement to recognise as valid claims based on losses of gold which became monetary only because of measures taken by the Germans or under their direct influence, the act of looting from a strictly accounting point of view resulting only from the dispossession of the official institution. In reality and in equity, the real act of looting resided in the order compelling private persons to hand over their gold or causing the seizure of their gold.

It is to be noted that the claimant Governments generally make no mention of the unusual circumstances which caused monetary organisations such as the Bank of Issue of Brussels to become holders of the gold in question.

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By TJ NARA Date 7/1/99

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Entry 2113N. B5x3

Gold  
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Information received from  
the U.S. Government  
not to be quoted or given out in this form.

Secstate

22 June, 1948, 3 p.m.

951 MOST IMMEDIATE

Confidential

23 June, 11 a.m.

FOR DORR.

1. Not clear to Department whether remaining lots consisting sub-standard bars and scrap believed to about equal value of coins will remain London or will be sent on to New York. Depending upon solution above question it might be unnecessary ask US Military Government completion Yugo set aside at this time when balance gold transfer imminent or already underway (your telegram 1099, May 29).

2. In opinion Department Treasury set aside provisions your telegram 1099 May 29, London Protocol December 16, 1947, would be met by designation of a certain amount of particular gold for Yugo account. Thus, earmarking in New York Federal or establishment of gold custody account in favor Yugo at Bank of England would appear to satisfy obligation.

Therefore, re last sentence para 3 your reference telegram it is not questioned whether gold should be sent New York or London to meet Commission's obligation but depending upon whether it is sent New York or London, practices of particular institution would have to be observed and interested parties should thereafter be informed by letter.

For your information practice of earmarking at New York Federal which is considered by Federal to be the only genuine form of earmarking involves physical separation of gold in question under label of country in whose name earmarked; consequently sub-standard bars and coins would be acceptable for earmarking. As you may know, during war Bank of England abandoned orthodox earmarking system except with respect to coins and substituted gold custody account system under which a credit for a certain amount of gold is established on its books in favor of depositor while subject gold is physically merged with all other gold held in subject account for other foreign Governments and other bank customers; consequently, gold bars have to conform to certain standards established in Bank of England and if gold does not conform with such standards Bank of England would have bars refined in London at expense of depositor.

Department does....

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

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TGC 1946-50 Subj File  
Entry 2113N Box 3

Department does not particularly desire to have Yugo set aside deposited in New York for particular reasons. Of course, Federal Reserve New York prepared to receive any re-shipment of gold including gold coins either by Commission or by individual recipients of allocations having gold accounts at Federal Reserve.

3. Para 3 your reference telegram. While no specific commitments made to Italy re silver in alloy bars Department did invite Italy file restitution claim therefor in American Zone Germany; hence, any disposition materially reducing silver return to Italy undesirable. Suggestion Department's telegram 601, April 23, still considered most equitable particularly considering fact that gold contents of such bars practically windfall for gold pot.

MARSHALL

tak/mc

Reparations

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Authority 999100  
By MIS NARA Date 7-20-99

RG 59  
Entry 5382  
Box 2

C O N F I D E N T I A L R E P O R T  
SOLELY FOR THE USE OF THE GOVERNMENTS  
OF THE UNITED STATES OF AMERICA,  
OF THE UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
AND OF THE FRENCH REPUBLIC.

F O R E W O R D

The Tripartite Commission for the Restitution of Monetary Gold outlived the Inter-Allied Reparation Agency. For reasons which will become clear later in this report and which were beyond the control of the Commission and its Secretariat, the latter organization could not be wound up within the limits which would normally have been expected.

During the first half of 1969, the Commission reached the conclusion that economies additional to those which had been made throughout the years and, more recently, in the matter of accommodation in 1964 and on a major scale in 1967, should be effected as soon as this could conveniently be arranged.

It was decided, at the 179th Meeting of the Commission, held on June 4, 1969, that the Commission's Report, a most important document, as drafted by the Secretary General, should no longer be held up, although it was incomplete. It was agreed that, after a review by the Secretary General, those parts of the report which might be considered as complete would be prepared, submitted to the agreement of the three Commissioners, signed jointly by them, if approved, and despatched to their respective Governments.

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By MIS NARA Date 7-20-99

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TRIPARTITE COMMISSION FOR THE  
RESTITUTION OF MONETARY GOLD

REPORT TO THE GOVERNMENTS OF THE UNITED STATES OF AMERICA,  
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
AND FRANCE.

VOLUME I

Authority 999100  
By MIS NARA Date 7-20-99

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Box 2

CHAPTER I

BASIC TEXTS

The Tripartite Commission for the Restitution of Monetary Gold (hereafter described as "the Commission") has the honour to report as follows to the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and France (hereafter described as "the three Governments") which established it on September 27, 1946 :

1. The Commission's Terms of Reference.

The Commission deems it appropriate, in the first place, to quote the full text, which will be found below, of its Terms of Reference which were published on September 29, 1946 in the Department of State Bulletin and, on September 27, 1946, in the London Gazette and the "Journal Officiel de la République Française".

" TRIPARTITE COMMISSION FOR THE  
" RESTITUTION OF MONETARY GOLD.

"1. In order to implement Part III of the Agreement on Reparation<sup>(1)</sup> signed in Paris on January 12, 1946, the Government of the United States of America, His Majesty's Government of the United Kingdom of Great Britain and Northern Ireland and the Government of France have established, on September 27, 1946, a Commission known as the Tripartite Commission for the Restitution of Monetary Gold.

"2. Each of the three Governments will appoint as from September 27, 1946, a Commissioner as its representative on the Commission.

"3. The Tripartite Commission for the Restitution of Monetary Gold shall normally sit in Brussels but shall be independent of the Inter-Allied Reparation Agency already located there. The Commission is nevertheless empowered to communicate, on behalf of the three Governments concerned, with the Allied Governments, Members of the Inter-Allied Reparation Agency, through the Delegates accredited to the Agency by those Governments, with the Secretariat of the Agency and, when necessary, with other Governments, on questions arising out of Part III of the Paris Agreement on Reparation.

"4. The official languages of the Tripartite Commission for the Restitution of Monetary Gold shall be English and French.

"5. The functions of the Tripartite Commission for the Restitution of Monetary Gold shall be :

- " (a) To request the submission of and to receive from Governments
- " claiming the right to participate in the division of monetary
- " gold found in Germany or which may be recovered from a third
- " country to which it was transferred from Germany, claims for
- " restitution of gold looted by or wrongfully removed to Germany,
- " supported by detailed and verifiable data regarding such losses;

---

(1) The Agreement reached was known as the Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold (hereafter described as "the Paris Agreement on Reparation", which is the designation most commonly used). It came into force on January 24, 1946.

" (b) To scrutinize claims received and to determine the share  
" of each claimant Government in the pool of monetary gold to  
" be distributed by way of restitution in accordance with  
" Part III of the Paris Agreement on Reparation and any other  
" pertinent agreements;

" (c) In due course, to announce the total value of the pool of  
" monetary gold which will become available for distribution by  
" way of restitution;

" (d) When all claims for restitution have been received and  
" adjudicated upon, to announce the share in the pool of monetary  
" gold available for restitution to each country entitled to  
" participate in the pool;

" (e) In such other ways as shall be decided by the three  
" Governments establishing the Commission, to assist in the  
" distribution of the pool of monetary gold available for  
" restitution;

" (f) To perform such administrative acts as may be necessary  
" to carry out the functions referred to in sub-paragraph (a)  
" through (e) above, including, without limiting the generality  
" of the foregoing, the opening and maintaining of bank accounts,  
" and the making of contracts for the performance of necessary  
" services. Expenses of the Commission incident to the carrying  
" out of its functions shall be a first charge against the fund  
" of monetary gold to be distributed.

"6. Decisions of the Commission shall be by unanimous agreement of  
" its members.

"7. An official publication of the above text is being made in the  
" London Gazette, the Department of State Bulletin and in the "Journal  
" Officiel de la République Française".

2. The Paris Agreement on Reparation.

(a) Text of Part III.

Part III of the Paris Agreement on Reparation, referred to in  
paragraph 1 of the above-mentioned Terms of Reference, is quoted hereunder :

PART III

Restitution of Monetary Gold.

Single Article

"A. All the monetary gold found in Germany by the Allied Forces and  
" that referred to in paragraph G below (including gold coins, except those  
" of numismatic or historical value, which shall be restored directly if  
" identifiable) shall be pooled for distribution as restitution among the  
" countries participating in the pool in proportion to their respective  
" losses of gold through looting or by wrongful removal to Germany.

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

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

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

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

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

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

(b) The Paris Conference. Dates. Inviting Powers.

The provisions set forth in Part III above were adopted at the Paris Conference on Reparation held in Paris from November 9 to December 21, 1945. The inviting Powers were the three Governments, as the Powers occupying the Western Zones of Germany.

(c) The countries which took part.

The eighteen Governments which took part were Albania, the United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxemburg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia.

(d) Resolution No 2.

A certain number of resolutions were unanimously included in the Final Act. One of these, Resolution No 2, concerned gold transferred to neutral countries. It is quoted in full below since it directly affected the formation of the pool of monetary gold.

"The Conference unanimously resolves that, in conformity with the policy expressed by the United Nations Declaration Against Axis Acts of Dispossession of January 5, 1943 and the United Nations Declaration on Gold of February 22, 1944, the countries which remained neutral in the war against Germany be prevailed upon to make available for distribution in accordance with Part III of the foregoing Agreement all looted gold transferred into their territories from Germany".

The full texts of the two declarations referred to will be found at Annexes 1 and 2.

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(e) The reference to gold in Part I.

The only other reference to gold in the Paris Agreement on Reparation concerns non monetary gold and is to be found in Part I, Article 8, paragraphs A and F, the texts of which are quoted at Annex 3 as a matter of interest.

(f) Adhesions, total or partial, by other countries, subsequently to the signature of the Paris Agreement.

Subsequently to the secession of Pakistan and India, the Government of the newly established State of Pakistan adhered to the Agreement (in its entirety) by a Protocol dated March 15, 1948.

Austria, Italy and Poland adhered respectively by Protocols signed in London on November 4, 1947, December 16, 1947 and July 6, 1949, to the arrangement for the restitution of monetary gold set forth in Part III of the Agreement.

The full texts of these Protocols are appended hereto as Annexes 4, 5 and 6.

The Austrian Protocol was accompanied by a declaration in which the three Governments pointed out that the Commission might wish to consider whether gold discovered at Salzburg and turned over to the Austrian Government by the American Occupation Authorities should be taken into account in connection with any claim submitted by the Austrian Government.

3. The Bretton Woods Conference.

The question of looted gold and of the measures to be taken in connection therewith was, further, referred to in the recommendations embodied in Article VI of the Final Act of the United Nations Monetary and Financial Conference held, from July 1 to 22, 1944, at Bretton Woods, New Hampshire, U.S.A.

A copy of this Article will be found at Annex 7.

4. The Crimea Conference (Yalta).

Although German reparation was considered by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics at the Crimea Conference held at Yalta, early in 1945, while their troops were still fighting on all fronts, no specific decisions were made relating to restitution and, in particular, the question of the restitution of monetary gold did not arise.

5. The Potsdam Conference.

At the Conference held at Potsdam at the end of July 1945, after the capitulation of Germany, the Government of the Union of Soviet Socialist Republics formally renounced all claims to gold captured by the Allied troops in the Western zones of Germany, whence the question of the restitution of gold at that stage was left entirely in the hands of the Governments of the United States of America and of the United Kingdom of Great Britain and Northern Ireland.

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The relevant extract from the communiqué issued after the Conference reads as follows : "IV. Reparations From Germany .....  
"(10) The Soviet Government makes no claim to gold captured by the "Allied troops in Germany".

6. How the gold found in Germany passed into the hands of the three Governments.

The Commission understands that, owing to the decision on gold taken at the Potsdam Conference, neither the Allied Reparation Commission, which met at Moscow, nor the Quadripartite Authorities in Germany, had any jurisdiction over the restitution of monetary gold, though the Quadripartite body in Germany did formulate particular rules to govern the application of the principle of restitution. They did this, however, having in mind only identifiable objects such as works of art which had been looted by Germany.

The gold found in Germany passed into the hands of the three Governments through their Military Commanders in Germany and responsibility for deciding how it was to be disposed of rested, prior to the Paris Conference on Reparation, with them.

7. Law 53.

The Commission has had cognizance of the law (Law No 53), promulgated by the Allied Military Government of Germany, which governed, among other matters, the holding and surrender of gold in Western Germany. Relevant extracts therefrom are quoted at Annex 8, as a matter of interest.

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## CHAPTER II

THE COMMISSION'S ORGANIZATION1. The Commissioners and Deputy (or Alternate) Commissioners.(a) General considerations.

Article 1 of Part II of the Paris Agreement on Reparation established an Inter-Allied Reparation Agency (I.A.R.A., hereafter described as "the Agency") to deal with reparation from Germany. The same article stipulated that each (member) Government would appoint a Delegate and would also be entitled to appoint an alternate Delegate, to the Agency.

Article 12 of Part II stipulated (pursuant to an invitation of the Belgian Government) that the seat of the Agency would be in Brussels.

Thus, the whole of the international machinery for dealing with reparation from Germany came to be located in Brussels.

The three Governments, when they established the Commission to implement the obligation which they had assumed under Paragraph F of Part III of the Agreement, decided, as a natural corollary to the above described situation and laid down in the Commission's Terms of Reference, that the latter should sit in Brussels. They designated to represent them as members of the Commission their Delegates and Alternate Delegates to the Agency and they empowered the Commission to communicate, on their behalf, with the Secretariat of the Agency and with the Allied Governments, members of the Agency, through the Delegates accredited to the Agency by those Governments (some of which, however, elected to communicate direct with the Commission). These Delegates were all established in Brussels and the personal contacts which were made facilitated the Commission's work. The Commission was also empowered to and did, in fact, communicate with other Governments (i.e. the Italian, Austrian and Polish Governments, which were not members of the Agency) through their diplomatic representatives in Brussels.

The original arrangements described above remained in force for a number of years but a stage was eventually reached where the Agency's work was sufficiently advanced to justify a gradual run down of its staff while many of its member Governments began to withdraw their full time Delegates and Alternate Delegates and to appoint members of the staffs of their respective Embassies in Brussels to replace them.

As has already been mentioned, the American, British and French Delegates and Alternate Delegates to the Agency were, at the same time, Commissioners and Deputy Commissioners, respectively, for the restitution of monetary gold. The American and British Governments appointed Counsellors (1) of their Embassies in Brussels as Deputy Commissioners (and Alternate Delegates) on August 22, 1949 and July 24, 1958, respectively, while their full time Commissioners (and Delegates), who were only withdrawn on June 1, 1950 and October 31, 1958 respectively, were still in office. Thereafter, successive Counsellors and First Secretaries (1) of the two Embassies were appointed Commissioners (and Delegates) and Deputy Commissioners (and Alternate Delegates) respectively.

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(1) "Economic" in the case of the United States and "Commercial" in the case of the United Kingdom.

The French Government adopted a different procedure. Its original full time Commissioner (and Delegate), Monsieur Jacques Rueff, was withdrawn on April 28, 1953 and replaced by Monsieur Henry Spitzmuller, the Deputy Commissioner (and Alternate Delegate) who was a member of the French Diplomatic Service (but not in the French Embassy in Brussels). The latter's appointment came to an end, officially, on November 16, 1959 but he had, in fact, been appointed Ambassador of France to Turkey some time previously and his functions had been carried out by Monsieur Jacques Lanson, an Inspector of the Bank of France seconded from that Bank, who had been Deputy Commissioner (and Alternate Delegate) since April 28, 1953. The latter became a Commissioner (and Delegate) on November 16, 1959 and was recalled by the Bank of France on January 25, 1962 and replaced, as from that date, by Monsieur Roger Labry, a high official of the French Ministry for Foreign Affairs. No Deputy Commissioner was appointed.

As a matter of interest, mention must be made here of the fact that the closing session of the Agency, which had been accommodated in the Commission's premises and helped by the Commission's staff during the final stages of its existence, was held on November 20, 1959 and that the functions of the Delegates and Alternate Delegates came to an end at the same time but not, of course, those of the American, British and French Commissioners and Deputy Commissioners for the restitution of monetary gold.

(b) Names and dates of appointment.

The names of the Commissioners appointed by the three Governments, pursuant to Paragraph 2 of the Commission's Terms of Reference, and of the Deputy Commissioners who were appointed later, and the dates of the appointments and of their termination are given below :

UNITED STATES OF AMERICA

Commissioners

<u>Name</u>	<u>Duration of Appointment</u>	
	<u>From</u>	<u>To</u>
H.E. The Honourable Russell H. Dorr	September 29, 1946	October 8, 1948
Mr. Alex B. Daspit	October 8, 1948	May 31, 1950
Mr. Homer S. Fox	June 1, 1950	July 31, 1954
Mr. Charles W. Adair	August 1, 1954	January 7, 1957
Mr. Richard B. Freund	January 7, 1957	December 27, 1960
Mr. Don V. Catlett	December 27, 1960	July 8, 1964
Mr. Chris G. Petrow	July 8, 1964	September 3, 1969
Mr. Edwin D. Crowley	September 3, 1969	

Deputy Commissioners

Mr. Alex B. Daspit	April 13, 1947	October 8, 1948
Mr. Nat B. King	August 22, 1949	July 15, 1954
Mr. Samuel E. Perkins IV	January 7, 1957	September 25, 1959
Mr. Armistead M. Lee	April 25, 1960	July 8, 1964
Mr. William C. Harrop	July 8, 1964	October 11, 1966
Mr. C. Edward Dillery	October 11, 1966	March 4, 1968
Mr. Walter F.X. Collopy	March 4, 1968	October 22, 1968
Mr. Carroll H. Woods	October 22, 1968	

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UNITED KINGDOM OF GREAT BRITAIN  
 AND NORTHERN IRELAND

Commissioners

<u>Name</u>	<u>Duration of Appointment</u>	
	<u>From</u>	<u>To</u>
H.E. Sir Desmond Morton, K.C.B., C.M.G., M.C.	September 27, 1946	March 31, 1953
H.E. Sir Ronald Wingate, Bt., C.B., C.M.G., C.I.E., O.B.E.	March 31, 1953	October 31, 1958
Mr. J.R. Cotton, C.M.G., O.B.E.	November 1, 1958	September 20, 1962
Mr. J.R. Wraight, C.M.G.	September 20, 1962	June 1, 1968

Alternate Commissioners

Mrs George F. Hiller	June 1, 1968
Mr. Geoffrey R. Bide	July 1, 1968

Deputy Commissioners

H.E. Sir Ronald Wingate, Bt., C.B., C.M.G., C.I.E., O.B.E.	April 15, 1947	March 31, 1953
Mr. J.R. Cotton, C.M.G., O.B.E.	July 24, 1958	October 31, 1958
Mr. C.C. Clemens, M.C.	July 24, 1958	April 11, 1959
Mr. L.S. Ross	April 11, 1959	August 1, 1962
Mr. R.A. Hibbert	August 1, 1962	March 1, 1965
Mr. C.T. McGurk, M.B.E.	March 1, 1965	July 1, 1968

FRENCH REPUBLIC

Commissioners

<u>Name</u>	<u>Duration of Appointment</u>	
	<u>From</u>	<u>To</u>
Monsieur Jacques Rueff, de l'Académie Française, Sous-Gouverneur Honoraire de la Banque de France, Membre de l'Institut de France	September 27, 1946	April 28, 1953
H.E. Monsieur Henry Spitzmuller, Officier de la Légion d'Honneur, Médaille Militaire, Croix de Guerre Grand Officier de l'Ordre de Léopold II, Officier de l'Ordre de Léopold III, Officier de l'Ordre d'Orange-Nassau	April 28, 1953	November 16, 1959
Monsieur Jacques Lanson	November 16, 1959	January 25, 1962
Monsieur Roger Labry, Chevalier de la Légion d'Honneur	January 25, 1962	

Deputy Commissioners

H.E. Monsieur Henry Spitzmuller	September 27, 1946	April 28, 1953
Monsieur Jacques Lanson	April 28, 1953	November 16, 1959

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\* Monsieur Lanson was, in fact, considered by his Government as an Alternate Commissioner, authorized to act as Commissioner in the absence of Monsieur Spitzmuller. The latter was absent on June 9, 1958, when the adjudications were signed and Monsieur Lanson was, accordingly, described therein as Commissioner.

(c) The Chairmen of the Commission.

The Commissioners decided among themselves who should be their Chairman and the names of the Chairmen selected and the periods during which they carried out their functions are given below :

H.E. The Honourable Russell H. Dorr : from May 13, 1947 to October 10, 1948 (American)	:	"	October 10, 1948	"	May 31, 1949
Mr. Alex B. Daspit (American)	:	"	June 1, 1949	"	October 31, 1958
H.E. Sir Ronald Wingate, Bt., C.B., C.M.G., C.I.E., O.B.E. (British)	:	"	November 1, 1958	"	January 25, 1962
Monsieur Jacques Lanson (French)	:	"	January 25, 1962		
Monsieur Roger Labry (French)	:				

There was no Chairman from September 1946, when the original Commissioners were appointed, to May 13, 1947, when The Honourable Russell H. Dorr became the first Chairman. This was due to the fact that, in the initial stages, the original Commissioners were not in possession of sufficient data to enable them to determine how the Commission should be organized and what working methods should be adopted.

No French Chairman was selected until a comparatively late date, i.e. November 1, 1958. As will be seen later, France was entitled to receive from Belgium the major portion of the latter's share in the gold pool and it was felt that it would be proper to wait until a final decision had been reached on the Belgian claims before broaching the question of the appointment of a French Chairman.

2. The Commission's Secretariat.

Monsieur Jacques Lanson (French), Secretary of the French Delegation to the Agency, acted as Secretary of the Commission from September 1946 to March 1947, when the duties of the Secretary were taken over by Monsieur Michel Hirigoyen (French), Inspector of the Bank of France. Towards the end of 1947, it was realized that the Commission's task was going to be far more extensive and complicated than had, at first, been expected. Monsieur Hirigoyen was, on February 23, 1948, appointed Deputy Special Assistant to the Commission and a post of Secretary General was created which was filled, with effect from the same date, by Colonel J.A. Watson (British), O.B.E., Officer of the Legion of Merit, Chevalier de la Légion d'Honneur, Croix de Guerre, Licencié en Droit de la Faculté de Paris.

3. The Commission's status in Belgium.

The Commission did not come into being in the same way as most of the other international organizations, in that its existence did not proceed immediately from a single protocol but from three individual but identical announcements in the official organs of the three Governments. Moreover, although Belgium, a signatory of the Paris Agreement on Reparation, had extended a formal invitation to the Agency created under that Agreement to locate its seat in Brussels, it had not done so in the case of the Commission which had been established subsequently to the Agreement. It was considered proper, therefore, to obtain the formal agreement of the Belgian Government to the establishment of the Commission's seat in the Belgian capital and to ask that it should be afforded the usual immunities enjoyed by international organizations. Copies of the Commission's letter of March 26, 1947, addressed to the Belgian Minister for Foreign Affairs, and of the affirmative reply, dated May 20, 1947, received from the latter, are attached hereto as Annexes 9 and 10.

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In the view of the Belgian Government, however, a more concrete method than diplomatic usage was necessary to afford the Commission complete protection in Belgium and, in consequence, a law was promulgated which conferred upon the Commission a corporate existence and juridical personality and under which its members and its Secretary General were afforded immunities and privileges akin to those enjoyed in Belgium by the United Nations Organization, its members and its Secretary General, under the Belgian law of August 28, 1948, approving the general convention on the privileges and immunities of the United Nations adopted in London, on February 13, 1946, by the General Assembly of the United Nations. The law, which was retrospective to September 27, 1946, was dated August 1, 1952 and published in the "Moniteur Belge" of September 4, 1952. The text of this law is quoted in full below :

MONITEUR BELGE

" 122ème année - N° 248. Jeudi 4 septembre 1952.

" LOIS, ARRETES ROYAUX ET ACTES DU GOUVERNEMENT" Ministère des Affaires Etrangères et du Commerce Extérieur" 1er août 1952" Loi portant reconnaissance de la Commission Tripartite pour  
" la Restitution de l'Or Monétaire

" BAUDOUIN, Roi des Belges,

" A tous, présents et à venir, SALUT.

" Les Chambres ont adopté et Nous sanctionnons ce qui suit :

"Article 1er : La Commission Tripartite pour la Restitution de l'Or Monétaire jouit, sur le territoire du Royaume, de la capacité juridique, ainsi que des privilèges, immunités et facilités qui lui sont nécessaires pour accomplir sa mission et atteindre ses buts.

"Article 2 : Les Commissaires des Gouvernements des Etats-Unis d'Amérique, de la France et du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, membres effectifs ou suppléants de la Commission Tripartite pour la Restitution de l'Or Monétaire, de même que le Secrétaire Général de cette Commission et, le cas échéant, son suppléant, jouissent des privilèges et immunités qui leur sont nécessaires pour exercer en toute indépendance leurs fonctions en rapport avec la Commission.

"Article 3 : Les immunités et privilèges prévus aux articles 1er et 2 ci-dessus s'entendent dans le sens où les circonscrit la Convention générale sur les privilèges et immunités des Nations Unies, adoptée à Londres, le 13 février 1946, par l'Assemblée générale de l'Organisation des Nations Unies et approuvée par la loi du 28 août 1948.

"Article 4 : La présente loi sort ses effets le 27 septembre 1946.

" Promulguons la présente loi, ordonnons qu'elle soit revêtue du sceau de l'Etat et publiée par le "Moniteur Belge".

" Donné à Bruxelles, le 1er août 1952.

" Par le Roi : BAUDOUIN.

" Le Ministre des Affaires Etrangères : P. van Zeeland.

" Le Ministre des Finances : A.-E. Janssen.

" Le Ministre de la Justice : J. Pholien.

" Scellé du sceau de l'Etat,

" Le Ministre de la Justice : J. Pholien.

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This act of legislation gave a concrete form to the intentions of the three Governments that the Commission should be considered to be a juridical person, as implied in their identic announcements which empowered the Commission to open and maintain bank accounts and enter into contracts for the performance of necessary services, amongst other things.

The Heads of State concerned accredited representatives to the Commission on the occasions when there was business to bring before it.

Its task was one of some magnitude, involving, as it did, responsibility for determining the shares, if any, available for distribution to ten Sovereign States, in a mass of gold valued, at the imposed official rate of \$35 per fine Troy ounce, at some \$378,000,000.

#### 4. The Commission's functions.

The Commission's main functions were those which were set forth in Paragraph 5 (a), (b), (c) and (d) of its Terms of Reference, which have been quoted in full earlier in this report. The terms employed were broad and the document contained no detailed directions as to the manner in which the submission of claims was to be requested or as to the principles upon which the adjudications were to be based.

Paragraph 5 (e) of the Terms of Reference provided for the carrying out by the Commission of other functions in addition to the above, namely to assist, in such ways as would be decided by the three Governments, in the distribution of the pool of monetary gold.

The Commission was not concerned with the assembling of the gold pool but it did, however, become responsible for the distribution of the pool, once it had been formed, since the three Governments decided that it would be expedient that the assistance referred to in Paragraph 5 (e) should consist, among other things, in the performance by the Commission of all acts appertaining to the actual distribution of the gold content of the pool.

Appropriate authority to this effect, of a permanent nature, was given to the Commissioners by their respective Governments and the Commission acted thereafter in a dual capacity, first and foremost as a body performing duties of a quasi judicial nature and, in a secondary role, as a distributing agent for the three Governments. In this latter capacity, it operated the gold accounts, issued delivery orders and prepared and arranged for the signature of receipts and waivers (drafted in consultation with, and under the authority of, the three Governments) by successful claimant Governments. It must be mentioned here that, although the Commission was never, at any time, responsible for deciding what should or should not be included in the gold pool, since such responsibility rested exclusively with the three Governments, the latter did, on numerous occasions, once they had decided that a certain quantity of gold should be included in the pool, direct their respective Commissioners to arrange for it to be delivered to the pool. The reason for this was that, since the Commissioners operated the gold accounts jointly, as part of their duties under Paragraph 5 (e) of the Commission's Terms of Reference, it was found convenient, at times, that they should sign requests, jointly, to various authorities for the delivery of gold to the Central Banks in which the pool was assembled and to the Banks to accept such gold. In so doing, however,

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they acted as direct Representatives of their respective Governments and under special authority on each occasion. The Commission was authorized, under Paragraph 5 (f) of its Terms of Reference, to perform such administrative acts, among others, as might be necessary to carry out the functions referred to in Paragraph 5 (a) to (e) inclusive of its Terms of Reference. It, therefore, arranged for the payment of such expenses as were considered, by the three Governments or by the Commission, depending on circumstances, to be a proper charge against the gold pool in connection with these and other operations. These charges were outside the Commission's normal administrative expenditure also provided for under Paragraph 5 (f) of the Commission's Terms of Reference.

#### 5. The Secretariat's functions.

The functions of the Secretariat were :

- A. To co-ordinate and submit to the Commission all matters which called for decisions by the Commission. These decisions were taken, pursuant to Paragraph 6 of the Commission's Terms of Reference, by unanimous agreement of the members of the Commission;
- B. To keep the archives of the Commission and a record of all decisions taken;
- C. To keep all accounts of the Commission's administrative expenditure;
- D. To perform such other administrative functions as might be required; among these, was the keeping of the gold accounts.

The Secretary General acted both in an advisory and in an administrative capacity.

#### 6. Technical Advisers and Experts.

The Commission had recourse to the services of a certain number of experts who assisted it in an advisory capacity. These were :

- Two non-resident experts :

Monsieur Pol Gargam (French), Secretary General of the Bank of France, Principal Assistant to the Commission during the early years, and Mr. N.J. Raven (British), of the Firm of Messrs. Rothschild & Sons, London, Special Assistant who was, however, consulted only during the first few months.

- Two resident experts :

Mr. E.W.O'Flaherty (American), Official of the Federal Reserve Bank of New York, Foreign Department, Special Assistant to the Commission from May 1947 to March 1948, and /  
Monsieur Michel Hirigoyen (French), Inspector of the Bank of France, Deputy Special Assistant to the Commission from February 23, 1948 to July 22, 1949.

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Another expert was appointed for a limited period for special duties. This was :

Mr. Theodore H. Schierke (American), Official of the United States Mint, who acted as the Commission's Special Representative at Frankfurt during the assembly of the gold pool by the United States Military Authorities and the distribution from Frankfurt of a part of the gold pool.

The Commission wishes to place on record here its appreciation of, and thanks for, the valuable assistance rendered by these experts.

#### 7. Banking arrangements.

In the initial stages, the Commission had no funds of its own and its administrative expenditure was met from funds placed at its disposal by the Inter-Allied Reparation Agency. The first consignment of gold for the pool of monetary gold established pursuant to Paragraph A of Part III of the Paris Agreement was delivered at the Federal Reserve Bank of New York, where a gold account, which was operated jointly by the three Commissioners, was opened on June 6, 1947. A dollar account, operated in a similar manner and kept in funds by means of sales of small quantities of gold from the gold account, as and when necessary, was opened on November 20, 1947, at the same Bank and the Commission thereupon refunded the advances which it had received from the Agency. In order to reduce expenses as much as possible, it was agreed that the Agency's accountants, subject to the payment of a small fee, would keep the Commission's accounts and deal with the latter's administrative expenditure, upon receipt of appropriate authority and instructions in each case, using for this purpose funds which the Commission caused to be transferred from its dollar account to the Agency's account in Brussels. Later, on April 15, 1953, following upon a considerable reduction in the staff of the Agency, this arrangement was discontinued and an account was opened at the Guaranty Trust Company of New York (now the Morgan Guaranty Trust Company of New York), Brussels, in the name of the Commission, whose staff dealt with all accounting matters thereafter. The account was normally operated by the Secretary General of the Commission but the signature of any one of the Commissioners or Deputy Commissioners was equally valid for this purpose. Towards the end of 1954, it was considered appropriate that funds for the Commission's Brussels account should be drawn, in future, from the Bank of England, where a gold account, operated jointly by the three Commissioners, had been in existence for many years, and no longer from the Federal Reserve Bank of New York. Some gold from the above-mentioned account was sold, a pound account was opened on November 5, 1954 and funds for the Brussels account were drawn from the Bank of England thereafter.

#### 8. Expenditure, control and audits.

The expenses of the Commission, incident to the carrying out of its functions, were, under Paragraph 5 (f) of the Commission's Terms of Reference, a first charge against the fund of monetary gold to be distributed.

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Overall financial control was exercised by the Commission which laid down general rules governing expenditure and delegated certain permanent powers to the Secretary General and, on occasions, special powers to individual Commissioners. Routine matters were dealt with by the Secretary General, who required the Commission's authority, however, in respect of disbursements presenting special features. The Commission's administrative accounts, those connected with the administration of the gold pool, the dollar account at the Federal Reserve Bank of New York and the pound account at the Bank of England were all audited by the Brussels' branch of Messrs. Price Waterhouse & Co.

#### 9. The Commission's addresses.

The first Meeting of the Commission took place in Brussels, on December 8, 1946. This and a few of the subsequent Meetings were held in the offices of the Commissioners with the help of their staffs but it was not long before a permanent seat and a permanent Secretariat were selected for the Commission.

The Inter-Allied Reparation Agency was located in the Residence Palace, 155 Rue de la Loi, and it was found expedient to locate the Commission's Secretariat in the same building. One of the reasons underlying this choice was the fact that negotiations between the Commission and the Secretary General of the Agency, Mr. N.E.P. Sutton, now deceased, who proved most helpful at all times, had shown that considerable economy could be effected by locating the Commission in the same building as the Agency. The late Mr. N.E.P. Sutton having agreed to the part-time employment by the Commission of such specialized personnel of the Agency as the Assembly shorthand-typists, translators, interpreters, accountants, drivers, messengers, etc ... and to rendering of certain other services of an administrative nature by the Agency, the Commission was thus enabled to function with a comparatively small permanent staff. The Commission desires to place on record here its warm appreciation and thanks for the courtesy and assistance which it received from the late Mr. N.E.P. Sutton and his staff. It was able and glad, at a later date when the Agency's establishment fell below that of the Commission, to render assistance of a similar nature to the Agency.

In November 1953, the Commission and the Agency having been requested by the Belgian Ministry of Public Works to vacate the premises which they occupied 155 Rue de la Loi, the Commission transferred its seat to new premises, 50 Avenue des Arts, a small part of which it sub-let to the Agency. The latter address was the one which was given in the Commission's decisions and announcements and it was from this address that most of the deliveries were effected.

It is perhaps not unnecessary, at this stage, to stress that, although located in the same buildings and employing, for purely practical reasons, certain specialized personnel in common, the Commission and the Agency were two completely autonomous and independent bodies and that the composition, Terms of Reference, functions and powers of the Commission were entirely different from those of the Agency.

The Commission's landlord, 50 Avenue des Arts, terminated the Commission's lease on July 15, 1964 to make room for a group of foreign companies and the Commission took advantage of this discourteous gesture and of the fact that its staff had been considerably reduced to transfer its seat to cheaper premises at 9 Rue de la Science, where it is now functioning.

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CHAPTER III

FACTORS AND REASONING UPON WHICH THE COMMISSION'S  
ADJUDICATIONS WERE BASED.

1. The definition of monetary gold.

No definition of "monetary gold", for purposes of restitution was given in the Paris Agreement nor in the Commission's Terms of Reference. The Commission played no part in the collection of the pool of monetary gold and the interpretation which may have been given to the term for purposes of collection did not affect or bind it in any way.

At an early stage, the three Governments agreed among themselves on a definition of monetary gold, as follows, and this definition was notified to the Commission through the original Commissioners :

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

A definition of monetary gold was necessary from the outset since it was obvious that such a definition would have to be included in the questionnaire which the Commission had to send out, pursuant to Paragraph 5 (a) of its Terms of Reference.

The situation, however, was different insofar as the words "looting" and "wrongful removal" were concerned. It was decided that it would not be necessary to define these words in the Questionnaire and that it would be sufficient to indicate, in the covering letter forwarding it, that the concepts of loss through looting by, or wrongful removal to, Germany which would guide the Commission were those described in the Inter-Allied Declaration against Axis Acts of Dispossession of January 5, 1943, the Inter-Allied Declaration on Gold of February 22, 1944 and in Resolution VI of the Final Act of the United Nations Monetary and Financial Conference of July 22, 1944, (Annexes 1, 2 and 7).

2. The Commission's Questionnaire and covering letter of March 13, 1947.

The Commission's first task was to prepare a Questionnaire (Annex 11). Its object was to elicit, on a uniform basis, from the Governments which wished to submit claims, the detailed and verifiable data required under Part III of the Paris Agreement and the Commission's Terms of Reference and such other information of a general or technical nature as was necessary to enable the Commission to arrive at a decision and to adjudicate with full knowledge of the facts.

The questionnaire and the Commission's Terms of Reference, with a covering letter, were addressed on March 13, 1947 to the Delegates accredited to the Inter-Allied Reparation Agency in Brussels of all the Governments which had signed the Paris Agreement on Reparation.

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These documents were also addressed to two non-signatory countries whose eventual inclusion among the participants in the pool of monetary gold had been specifically provided for in Part III of the Paris Agreement, namely Austria and Italy.

It was, furthermore, decided to include another non-signatory country, namely Poland, among the addressees and similar action was, therefore, taken in regard to that country.

In view of its importance, the Commission's letter of March 13, 1947, is quoted textually below :

"Tripartite Commission for the  
"Restitution of Monetary Gold

Brussels, March 13, 1947.

"Sir,

" 1. As set forth in the official announcement made on September 27, 1946 in "the Department of State Bulletin, in the London Gazette and in the Journal Officiel de la République Française, a copy of which is attached to this "communication, the Governments of the United States, the United Kingdom and "France, in accordance with the responsibilities placed on them under Part III "of the Paris Agreement on Reparation and in order to carry out as rapidly as "possible the terms of that Agreement insofar as they concern the restitution "of monetary gold, looted by or wrongfully removed to Germany, have constituted "a Tripartite Commission for the Restitution of Monetary Gold. The Commissioners "appointed by and representing their respective Governments are :

- " For the Government of the  
" United States of America : Mr. Russell H. Dorr.
- " For His Majesty's Government  
" of the United Kingdom of  
" Great Britain and Northern  
" Ireland : Sir Desmond Morton, K.C.B., C.M.G., M.C.
- " For the Government of France : M. Jacques Rueff who, during his missions  
" away from the seat of the Commission, will  
" be replaced by M. Henry Spitzmuller, who will  
" exercise identical powers (Decree of the  
" French Government, November 9, 1946).

" 2. The Commission has been established, for the time being, in Brussels, "where its address until further notice will be :

" The Tripartite Commission for the  
" Restitution of Monetary Gold,  
" 24 a, Boulevard du Régent,  
" BRUSSELS, Belgium. (1)

"The Commission is in no way constitutionally connected with the Inter-Allied "Reparation Agency, which also has its seat in Brussels.

" 3. As will be noted from the official announcement, the Commission has been "authorized by the three Governments concerned to assemble the information "required to carry out Part III of the Paris Agreement and to determine the "share of each claimant Government in the pool of monetary gold to be distributed "by way of restitution. In this connection, the Commissioners beg to draw your "attention to Paragraph D of Part III of the Paris Agreement and to the Terms of "Reference of the Commission whence the question of the eventual participation "by Governments not signatories to the Paris Agreement in the pool of monetary "gold available for restitution is not one for the Commissioners to decide. "In consequence, the despatch of this letter to .../... non-signatory

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(1) This was the temporary address of the Inter-Allied Reparation Agency.

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5. The situation after receipt by the addressees of the Commission's letter of March 13, 1947 and enclosures.

The eighteen countries, parties to the Final Act of the Paris Conference, to which the Commission's letter of March 13, 1947, Terms of Reference and Questionnaire were addressed, were :

- |                |             |                |
|----------------|-------------|----------------|
| Albania        | Egypt       | New Zealand    |
| Australia      | France      | Norway         |
| Belgium        | Greece      | South Africa   |
| Canada         | India       | United Kingdom |
| Czechoslovakia | Luxemburg   | United States  |
| Denmark        | Netherlands | Yugoslavia.    |

The letter was also sent, as has already been explained, to Austria, Italy and Poland.

When the time-limit laid down for the submission of claims to the Commission finally expired and the number of claims in hand could be considered as complete, it was found that the following countries had submitted claims :

Albania, Austria, Belgium, Czechoslovakia, Greece, Italy, Luxemburg, Netherlands, Poland and Yugoslavia.

The following countries replied that they had no claims to submit : Australia, Canada, Denmark, Egypt, New Zealand, Norway, South Africa and France.

The United States and United Kingdom did not formulate any demands on the pool, neither did India.

The Government of Pakistan adhered, by a Protocol dated March 15, 1948, to the Paris Agreement. The latter's Delegate to the Agency, in answer to an enquiry from the Commission's Secretary General, who had pointed out that India in its undivided state had made it clear that it had no claims to submit, confirmed on April 12, 1951 that his Government was not interested in the Questionnaire on Gold.

6. The five conditions which had to be met before a claim could succeed.

Paragraph C of Part III of the Paris Agreement had laid down that :

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

Paragraph E stipulated that :

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

Five conditions, therefore, had to be met before gold could be distributed as restitution to a claimant Government under the Agreement.

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It was required :

1. that the gold claimed should have been monetary gold;
2. that it should have belonged to the claimant country;
3. that the amount involved should have been a definite amount;
4. that it should have been looted by Germany or wrongfully removed into German territory and
5. that detailed and verifiable data should have been supplied in respect of 1, 2, 3 and 4.

7. The fourteen main problems which came to light after the receipt of the answers to the Questionnaire.

Shortly after the despatch of the Questionnaire, there followed a period during which the Commission was actively engaged in correspondence with various countries concerning their replies to the Questionnaire and the documentation accompanying those replies. Although every effort had been made to simplify procedure, it was hardly to be expected that the numerous officials of claimant countries who were called upon to handle these questions would all produce, from the outset, documentation such as the Commission had in mind and required. Many replies were incomplete; detailed and verifiable evidence was lacking in many cases; in others, the documentation had not been furnished in the official languages of the Commission, which were French and English. Often, it was found that the number of copies forwarded was not in accordance with the rules laid down. The Commission, in the interest of the claimant countries concerned, had to suspend the examination of the claims affected until fully detailed and verifiable data, as called for in Part III of the Paris Agreement and the Commission's own Terms of Reference, had been furnished, and some delay ensued.

An examination of the vast mass of documentation submitted gradually brought to light the existence of a number of very complicated problems.

These concerned, among others and speaking in very general terms :

1. Gold collected from private persons by the Central Bank of one claimant country (the Netherlands) and by German inspired or German created substitutes for the Central Banks in three others (Austria, Belgium, Yugoslavia), after the invasion of those countries by the Germans and subsequently transferred to the Reichsbank or taken by other German authorities;
2. Gold collected after the German invasion from private persons in a claimant country by German institutions in the absence of a Central Bank and subsequently transferred to the Reichsbank (Poland);
3. Gold seized by the Germans from private persons but alleged to have been "registered" with the Central Bank of the claimant country before the German invasion and thus to have formed part of the Bank's gold reserves (Greece);

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4. Gold in the hands of an organization other than the Central Bank of the claimant country at the time of the German invasion but alleged to have been held under the control of the Central Bank and thus to have formed a decentralized part of the gold reserves of the Central Bank, transferred, through the intermediary of the Central Bank, acting under duress, to the Reichsbank (Greece, Czechoslovakia);
5. Gold looted by an ex-enemy claimant country, incorporated in the gold reserves of its Central Bank and subsequently looted from that country by the Germans (Italy);
6. Gold (eventually discovered to have been looted by the Germans) acquired from the Reichsbank before the German invasion, in the normal course of business, by a claimant country's Central Bank and subsequently looted by the Germans (Belgium);
7. Gold transferred to the Reichsbank claimed, simultaneously, by two different countries (Albania, Italy);
8. Gold which should, in the normal course of events, have been delivered to the Central Banks of claimant countries under the laws in force, prior to the German invasion, which made such delivery compulsory but which was seized by the Germans and transferred to the Reichsbank before this could be done (Greece, Yugoslavia);
9. Gold looted by the Germans from the Central Bank of a Free City (Danzig) which thereafter ceased to exist, claimed by a country (Poland) which was entrusted with the administration of the territory of the ex-Free City pending the final determination of that country's Western frontier;
10. Gold claimed by an ex-enemy claimant country (Italy) on the ground that this gold became part of its monetary reserve as a result of its delivery against a dollar credit in the U.S.A. to a monetary authority of the claimant country by the Germans who, at a later date, caused this same gold to be transferred to the Reichsbank;
11. Gold transferred to the Reichsbank, subsequently to the "Munich Agreement" in proportion to the Czech territory (known as the Sudetenland) yielded to Germany in October 1938;
12. Gold recovered from a ship sunk through German action, transferred to the Reichsbank pursuant to an order of appropriation of the German Prize Court at Hamburg (the Netherlands);
13. Consideration purporting to have been given by the Germans in respect of gold transferred by them from a claimant country's Central Bank to the Reichsbank and the question as to whether it should be taken into account in the Commission's adjudication (Czechoslovakia);
14. Gold recovered by claimant countries, after the liberation, from neutral countries, where it had accumulated, in different ways, during the occupation by Germany of the claimant countries, and the question as to whether it should be taken into account in the Commission's adjudication (Czechoslovakia, Yugoslavia).

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8. The Commission's interpretation of the basic texts.

(a) "Monetary gold", "belonging to it", "looting" or "wrongful removal": Interpretation.

As will be seen, the problems which arose, some of which are described briefly above, varied considerably and were most intricate in nature. The fact that five conditions had to be complied with, before a claim could be considered as established, has already been mentioned. It was obvious, however, that, before proceeding further, the Commission would have to reach definite conclusions regarding the meaning of certain terms which had been used in the basic documentation. There were no precedents to which it could refer. It devoted considerable time and attention to this essential task.

The three Governments had provided a definition of monetary gold. Although the latter was comprehensive, the Commission had to adapt it, having regard to the particular features of each individual claim and bearing in mind the necessity for avoiding any flaw, which might open the way for justified criticism on the part of claimant countries, in the reasoning upon which its adjudications, taken as a whole, were based.

In addition to what was meant by "monetary gold", a number of other questions were left unanswered in Part III: what, exactly, was meant by "belonging to it" (the country concerned) in paragraph C? what, exactly, constituted "looting" by Germany or "wrongful removal" to Germany?

The Minutes (possibly incomplete) of the Meetings of the Heads of Delegations to the Paris Conference on Reparation were obtained. Whilst giving a general idea of the intentions of the Delegates, they were not sufficiently detailed to be of much assistance to the Commission in reaching its conclusions.

It appeared that the Heads of Delegations and, later, the Conference itself considered that the existing problems and those which were bound to arise later, relating to the distribution of gold as restitution, were such as to render it impossible, at a Conference of this nature and within the time-limits imparted, to attempt to provide, in detail, for every eventuality and that the terms of Part III were deliberately left, as often happens in the case of international acts of this nature, as general as possible. The Delegate of the United States, Mr. James W. Angell, pointed out, for instance, in reply to a question from the Delegate of Yugoslavia, about gold taken from Yugoslav Mines by the Germans during the occupation, that a great number of similar questions would certainly arise and that it was preferable to formulate a general principle and to postpone until some later date the questions of application of this principle. The broad lines of the arrangement were laid down by the Conference and it was left to those charged with its execution to work out the details.

One of the main objects of reparation and of the restitution of monetary gold was the economic reconstruction of those European countries which had been occupied by the Germans and whose economy and monetary systems had been completely disorganized or destroyed. The part to be played by gold in this economic reconstruction was obviously in relation to reorganized or reconstituted monetary systems upon which depended the restoration of credit and the setting in motion of trade. It could be deduced from this that the general intentions of the parties were that the gold reserves upon which the monetary systems of the devastated countries were based before the war should be reinstated, insofar as was possible, in the position in which they were when the Germans looted them and that the gold in the pool should be used for this purpose on a pro rata basis.

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The Commission addressed itself to the first two questions : the interpretation of the definition of monetary gold and what was meant by "belonging to it" (the country concerned) ? It reached the general conclusion that the words "belonging to it", taken in conjunction with the words "monetary gold" which preceded them, were used in an economic, functional sense and did not imply ownership in the strictly legal sense of the term and that "monetary gold" was the gold (coins or bars) which had been used as a cover for the note issue which was the recognized legal tender in the claimant country and for other purposes of a similar nature, e.g. the gold backing of an exchange stabilization scheme. In other words, gold was monetary gold if a genuine relation existed between that gold and the claimant country's monetary system.

The Commission determined, in consequence, that it was the loss, through looting by, or wrongful removal to, Germany of the gold which had functioned in the above-mentioned capacity in the national economy of the claimant countries, which opened a right to distribution as restitution under Part III.

The Commission followed the same broad reasoning when deciding what was meant exactly by "looting" and "wrongful removal" as it had used when deciding the meaning of "monetary gold belonging to it" (a claimant country).

The definition of looting given in the Oxford Dictionary is "to carry off as booty". The drafters of the Paris Agreement cannot have used the word in this sense since they knew that their Governments had said, in particular in Article VI of the Final Act of the Conference held at Bretton Woods from July 1 to 22, 1944, that the Germans, in order to achieve their purposes in regard to monetary gold (and other assets) had had recourse to "subtle and complex devices, often operated through the agency of their puppet Governments, to give the cloak of legality" to their actions.

The answers to the Questionnaire showed that, in only one case, did the Germans actually carry off, without form or formality, gold (a small quantity of it) answering the description, given above by the Commission, of monetary gold. In nearly all the other cases, the Germans achieved their purposes by using methods which were obviously a part of a carefully conceived and pre-arranged plan. Receipts were signed for the gold which was taken, inventories were drawn up, entries were passed in the books of the claimant countries' Central Banks and of the Reichsbank, consideration was given in Reichsmarks (sometimes even in free Reichsmarks) and, in a general way, the rules of procedure peculiar to Central Banks were complied with. There was one major difference, however, which deprived these operations of one of the essential elements of a contract. The Germans were at the root of all that was done and the nationals of the various claimant countries who took part in the operations were not free agents and acted under duress. Furthermore, even when consideration was credited for the gold, it was either refused by the claimant countries or proved to be worthless or did not serve the purposes in the national economy of the countries concerned for which such consideration would normally be used.

The signatories of the Paris Agreement had said in their Declarations that they were determined to defeat the German methods of dispossession and that they would not recognize operations such as are described above.

The Commission concluded that the words "looting" and "wrongful removal" applied to such operations and that they were used in a broad sense.

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The Commission, when reaching these final conclusions regarding the meaning of "looting" and "wrongful removal" was fortunate in having at its disposal, in addition to the basic documentation, most of the answers to the Questionnaire, which gave a clear picture of the methods of dispossession practised by Germany.

It was not the Commission's intention, however, to prevent claimant Governments which considered that the circumstances of certain potential claims on their files were such as to bring these claims within the spirit of the definition, although they were, perhaps, not strictly in accordance with the letter, from submitting such claims. Claimant Governments were afforded every opportunity of submitting these claims and, when necessary, of developing arguments, verbally, in support of them, before the Commission which gave the most careful consideration to all these "border line" cases.

(b) A special study of the words "wrongful removal", used in conjunction with the date of March 12, 1938.

The words "wrongful removal" formed the subject of a special study by the Commission. They were used in conjunction with a date, that of March 12, 1938, as follows : "a proportional share of the gold shall be allocated to each country concerned ..... which can establish that a definite amount of monetary gold belonging to it was looted by Germany or, at any time after March 12, 1938, was wrongfully removed into German territory". The 12th of March, 1938 was the date on which the Germans entered Vienna. There was no fighting.

It appeared that the drafters of the Paris Agreement were of the opinion that the word "looting" introduced a notion of pilfering following upon war and conquest and that, as this did not apply to either Austria or Czechoslovakia which were annexed by Germany before World War II was fought, they introduced the phrase "at any time after March 12, 1938 was wrongfully removed into German territory" with the intention that these two countries should be afforded the same treatment as the countries which Germany conquered by force of arms.

In practice, however, the Commission found it impossible to follow this distinction since an examination of the Austrian claim showed that a large quantity of what was undoubtedly Austrian monetary gold, in the sense in which the Commission understands the term, was transferred under duress from the National Bank of Austria's account at the Bank of England to the account of the Reichsbank at the same Bank and probably disposed of outside Germany since no proof could be found that it was ever removed to that country.

The adoption of the distinction would, in these circumstances, have led to the rejection of the Austrian claim in respect of this gold since it would not have been possible to consider it as having been "looted" (as there was no act of war) and there was no proof that it was ever "removed into German territory".

Such a solution would have been undoubtedly contrary to the obvious intentions of the signatories of the Paris Agreement and, since the Commission's basic reasoning as given above covered "looting" as well as "wrongful removal", that is to say what happened in Austria and Czechoslovakia as well as what happened in all the other claimant countries, the idea of making a distinction in the adjudications was abandoned and the Commission used, in its adjudications, the complete phrase : "The claimant country has (or has not) established that X kilograms of monetary gold belonging to it were looted by Germany or wrongfully removed into German territory".

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(c) Further considerations.

The above were the main principles which governed the Commission's work. Other principles adopted by the Commission nearly all flowed from the above and can best be brought out in the analyses, which will be found later in this report, of certain cases presenting special features.

The Commission was interested to note that the eminent international Jurist who was designated by the President of the International Court of Justice, pursuant to a request of the three Governments, to arbitrate on certain claims to gold looted by the Germans from Rome in 1943, expressed, in his Arbitral Advice delivered in 1953, similar views to its own as to what constituted monetary gold and as to the meaning of the words "belonging to". He reached his conclusions quite independently of the Commission which had felt unable to comply with his request for information regarding its findings since the latter were sub judice at the time. The jurist was the late Professor Sauser-Hall, Professor of Law in the Universities of Geneva and Neuchâtel, Member of the Permanent Court of Arbitration, Member of the Institute of International Law.

This exposé would not be complete if the Commission did not mention here that, when studying the implications arising out of the use of the words "losses" and "wrongful removal", it had before it the IVth Hague Convention of 1907, article 53 of which reads as follows: "L'armée qui occupe un territoire ne pourra saisir que le numéraire, les fonds et les valeurs exigibles appartenant en propre à l'Etat ..." (1). The Commission did not consider, however, that it was incumbent upon it to examine whether this text affected its position in any way since the drafters of the Paris Agreement, of the Commission's Terms of Reference and of the definition of monetary gold, which constituted, together with the Commission's basic law, must have had cognizance of the IVth Hague Convention. The drafters of the Inter-Allied Declaration against Acts of Dispossession committed in territories under enemy occupation or control, of January 5, 1943, the Inter-Allied Declaration on Gold, of February 22, 1944 and of the Final Act of the United Nations Monetary Conference and Financial Conference, of July 22, 1944, which described the concepts of loss through looting by, or wrongful removal to, Germany, which were to guide the Commission, no doubt had cognizance of this same Convention.

The Commission did note, however, that the gold with which it was concerned could not be described as "appartenant en propre à l'Etat" since, generally speaking, it belonged to central banks, most, if not all, of which were companies enjoying special privileges. This fact did not escape the notice of the Germans since, in the Netherlands, one of the first countries which they invaded, they caused the gold which they seized to be transferred from the central bank to the State and thence to the Reichsbank. The Commission also noted that it appeared from the deliberations which preceded the Hague Convention that its provisions should be considered as so many restrictions of the de facto power of the occupant and consequently as obligations incumbent upon him but not as a right to be respected by the occupied country. The Belgian Delegate, Monsieur Rolin, said, for instance: "Il n'a jamais été question de reconnaître un droit à l'occupant mais de limiter les conséquences de fait de l'occupation" (2). The French Delegate, Monsieur Léon Bourgeois, spoke in a similar sense. The Peace Treaty at Versailles after World War I bore out this notion.

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(1) Official English translation: "An army of occupation can only take possession of cash, funds and realizable securities which are strictly the property of the State".

(2) Unofficial English translation: "There has never been any question of a recognition of rights to the occupant but to limit the de facto consequences of the occupation".

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9. A special study of the question of claims by private persons.

It was contended by certain countries that gold losses by private persons should open a right to distribution as restitution from the pool.

The Commission, in the early days, before it had reached the firm conclusions described earlier as to what exactly constituted monetary gold, had, in view of the intricate nature of some of the claims, given careful consideration to a number of the arguments put forward by these countries.

One argument submitted was that, since the gold pool contained some gold which had undoubtedly been taken at some time from private persons, claims from private persons could be considered.

The definition of monetary gold provided by the three Governments differed from that given in some works such as Littré's dictionary according to which this term may mean metal coins used for exchange, struck in gold by a sovereign authority and which bear the official stamp of that authority. Gold answering this description is commonly to be found in the hands of private persons and a great deal of it was undoubtedly looted directly from these private persons by the Germans, but this gold was not functioning in the national economies of the countries concerned, in the sense described earlier in the Commission's reasoning, at the time it was taken and it was clear that no such claims by, or on behalf of, private persons could be considered.

All the monetary gold found by the Allies in Germany (genuine monetary gold of Germany or looted monetary gold which Germany had incorporated in her reserves) was functioning, at the time it was taken, in the national economy of Germany but that which was taken by Germany from private persons in claimant countries was not functioning, at the time it was taken, in the national economy of those countries.

It is perhaps not unnecessary to mention here that a small quantity of gold held by German subjects in contravention of existing German laws or by virtue of special authorizations, surrendered under Law 53 (Annex 8), was transferred to the gold pool by the three Governments who, no doubt, considered it as potential monetary gold.

Apart from the fact that any consideration of claims from private persons would have been in contradiction with the final conclusions reached by the Commission and described earlier, regarding the principles which were to govern its work, there were a number of other reasons why such claims could not be entertained. The Commission feels that it should mention some of these reasons, for information.

The losses "arising out of the war" suffered by private persons in the countries which Germany occupied may be grouped under two main headings: "real estate" and "moveables". The latter term covers innumerable objects including gold. There was no reason for making a distinction, insofar as private persons were concerned, between gold and other moveables, some of which, such as diamonds, for instance, were far more valuable than gold. It was clearly stated in paragraph A of article 2 of Part I of the Agreement that the shares of reparation allocated to the various claimant countries covered not only all their claims but, also, all those of their nationals, arising out of the war (which were not otherwise provided for).

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The English and French texts of the Paris Agreement are equally authentic but the latter text is clearer than the English text inasmuch as it used the phrase "créances qui ne font pas expressément l'objet d'autres dispositions" as corresponding to the phrase in the English text "claims ..... which are not otherwise provided for". The inclusion of claims by private persons in respect of gold is undoubtedly not "expressément" provided for in the arrangement set forth in Part III.

The treatment meted out to private persons by the Germans varied considerably depending on whether the latter belonged to races or groups or were citizens of countries which the Germans wished to ingratiate themselves with or to crush. Some received what purported to be regular discharges for the goods or objects which were taken from them. In the case of others, no receipts were delivered. Those claimants, who had been the least badly treated, would have been in a much more favourable position from the point of view of basic documentation than those who had merely been dispossessed of their gold without form or formality.

It follows that the admission of claims in respect of gold losses by private persons would have favoured those countries which had been the least harshly treated to the detriment of those countries which had been the most harshly treated.

The words "settling an equitable procedure for the restitution of monetary gold" had been used in the Preamble to the Agreement.

Equality of treatment, which is an essential feature of an equitable procedure, in the sense in which the Commission understands the term, would have been impossible to achieve in these conditions.

There was also the fact that the Commission could only communicate with Governments. The production of detailed and verifiable data in respect of claims from private persons would have involved the Governments of the countries in which these private persons were domiciled in innumerable and endless formalities and obliged the Commission to intervene for purposes of investigation, questioning and verifications in the affairs of these Governments besides burdening the pool with considerable expense and holding up the work of distribution unduly, all to the detriment of the participants.

It is interesting to note that the only two countries which queried the Commission's interpretation as excluding gold losses by private persons were Greece and Poland which were in the favourable position of having recovered their central banks' pre-invasion gold reserves in their entirety.

10. The preliminary distribution. An unexpected problem which affected the Commission's proceedings and working arrangements.

The Commission was faced, from the outset, with some unexpected problems and obligations which affected its proceedings and working arrangements to an appreciable extent.

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The three Governments had decided that the economic situation of most, if not all, the countries entitled to participate in the gold pool was such, following upon systematic spoliation in their territories by Germany, as to render it imperative that an immediate distribution of gold, on account, should be made in respect of such claims as could be considered to be unquestionably valid.

The Commission, therefore, found itself in the position of having to take a number of decisions on the claims of certain countries without having had time to consider fully other claims from these same countries presenting special features of a controversial nature. When it came to examine these claims which had been left over for further consideration, its further findings had, of necessity, to be consistent with the decisions already taken. This constituted a departure from the provisions of the Commission's Terms of Reference, according to which the shares available for restitution were to be announced only after all claims had been adjudicated upon.

The preliminary distribution, details of which will be given later, was, in fact, effected as desired by the three Governments and terminated as early as October 14, 1948, with the exception of a delivery to the Netherlands which took place on January 10, 1950, and the delivery of a very small quantity of gold to Yugoslavia on January 4, 1951. In all, 206,000 kilograms of fine gold, in round figures, that is to say about two thirds of the pool, were distributed under this preliminary arrangement.

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CHAPTER IV

BRIEF DESCRIPTION OF THE COMMISSION'S FINDINGS IN RESPECT OF THE MAIN PROBLEMS WHICH AROSE OUT OF THE ANSWERS TO THE QUESTIONNAIRE.

A. Preliminary statement.

The Commission was faced with problems many of which were altogether novel and had never arisen before and, generally speaking, there were no specific laws or precedents to which it could refer. Its duties and functions had been laid down in comparatively broad terms and the circumstances were such that no attempt had been made to enter into details as to how these should be carried out.

The Commission's work and decisions were based upon a reasonable interpretation of Part III of the Paris Agreement and of the definition of monetary gold furnished by the three Governments and may be described, briefly, as having been governed by a judicious blending of justice, equity and common sense.

Every item of the mass of evidence submitted was carefully sorted, circulated and considered by the Commissioners, the Deputy Commissioners and their advisers. No effort was spared to obtain all possible information on each individual claim in order that the Commission should be in a position to consider these claims and to make its decisions with full and complete knowledge of the facts.

The Commission took the additional precaution of drawing the attention of claimant Governments to the weaknesses found in any claims of theirs which it was inclined to reject (although it did not, at that stage, inform them formally of its intention) and of inviting them to designate representatives to appear in person before the Commission, if so desired, to develop their arguments verbally.

The Commission's sources of information were the claimant countries themselves, the three Governments and third parties which the claimant countries were not in a position to question but from whom the Commission, by virtue of its status and position, was able to obtain information. Special mention must be made of the valuable assistance given by the Military Governor of the United States zone of occupation, Germany, who placed at the disposal of the Commission's representatives the accounts and registers of the Reichsbank, captured in his zone. Those relating to many of the movements of gold transferred to Germany were particularly valuable and enabled the Commission to compare the Reichsbank's entries with their counterparts in the books of the monetary institutions of many of the claimant countries.

The circumstances of each claim and the Commission's decisions thereon are set forth, in detail, in the Commission's adjudications, which are incorporated in the present report. The Commission has, in these adjudications, given in each case such reasons in support of its decisions as were necessary and directly concerned the claimant country.

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These reasons, however, were based upon a number of general considerations and principles which governed the Commission's work and which were not always disclosed in their entirety in the adjudications either because this was not necessary or because it would not have been appropriate or because it would not have been good policy.

The Commission, therefore, having regard to the nature of the present report, which is a confidential one intended for the three Governments, and to the fact that more information, regarding the reasons for some of the Commission's decisions, than appears in the texts of the adjudications may be required at a later date, has summed up, in the preceding chapter, the main principles which governed its work and devoted the immediately following section to an analysis of its findings in respect of the most important problems (14 in all) which arose and which are set forth in the above-mentioned chapter.

The Commission has in mind that, in any event, it may be found more convenient, in many cases, to refer, for information required, to the analyses that follow rather than to have recourse to a lengthy perusal of the adjudications themselves. Experience has shown that it is impracticable to summarize the contents of the adjudications.

Many of the fourteen problems selected for special mention were inter-related and the solutions adopted by the Commission often flowed one from the other. This fact and certain other considerations have determined the order in which the problems have been presented and this arrangement was also calculated to reduce repetition to a minimum and bring forth in logical sequence various aspects of the Commission's reasoning.

B. The 14 problems described in Section 7 of Chapter III and the solutions adopted.

Problem No 1.

Problem No 1 concerned gold collected from private persons by the original central bank of one claimant country (the Netherlands) and by German inspired or German created substitutes for the original central banks in three others (Austria, Belgium, Yugoslavia) after the German invasion of those countries and which was subsequently transferred to the Reichsbank or taken by other German authorities. This was one of the most important categories of claims involving, as it did, some 35,475 kilograms of gold in the first case, 12,989 kilograms in the second, 6,434 kilograms in the third and 112 kilograms in the fourth.

The four countries mentioned above did not query the definition of monetary gold and contend, as some countries did, that losses of gold by private persons opened a right to distribution as restitution from the gold pool. Their contention was, roughly speaking, that this was gold which became monetary gold belonging to them within the meaning of Part III of the Paris Agreement and the definition of monetary gold through having been carried in the accounts of the above-mentioned banks and which was subsequently transferred to the Reichsbank or taken by other German authorities in circumstances amounting to looting by Germany.

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It must be noted that these four claimants were the only ones who found themselves in a position, thanks to the handling of the situation in their countries by the Germans, to advance such a thesis. In the six other claimant countries, gold was, in the main, looted directly from private persons without form or formality, by the Germans.

A detailed account of the actions of the Germans in these four countries will be found in the Commission's adjudications quoted in full later in this report. Put very briefly and in general terms, what happened was this :

In the Netherlands, the powers previously vested in the Queen and Government were assumed, immediately after the invasion, by a Commissioner of the Reich, appointed by Hitler. The Commissioner delegated certain powers to the Dutch Secretaries General of the Dutch Ministries, whilst retaining what amounted, in effect, to complete control over their actions. Pursuant to these powers, five of the Dutch Secretaries General issued an ordinance, imposing the surrender of privately owned gold (held freely before the war) to the Nederlandsche Bank, which was controlled by a German Commissioner. The gold surrendered was entered in the books of the bank and, at the end of a few months, when some 19,427 kilograms of gold had been collected, the Germans ordered the bank to transfer this amount to the Reichsbank. Some 16,048 kilograms of gold collected thereafter were dealt with in the same manner.

With regard to Austria, the Germans decided, after the Anschluss, that the Reichsbank would take over the National Bank of Austria, dubbed "National Bank of Austria in liquidation" for a short period, during which time privately owned gold, controlled somewhat loosely prior to the occupation, was called in under existing legislation, rendered stricter to suit German purposes. The gold was entered in the books of the "National Bank of Austria in liquidation" and passed automatically into the hands of the Reichsbank, when the latter took official possession of the National Bank which had, in fact, been occupied by the Germans directly they entered Vienna.

In the case of Belgium, the Germans found, on invading the country, that the National Bank of Belgium, which was the central bank, had fled (it returned later). They, therefore, set up a creation of their own called the "Banque d'Emission", somewhat on the lines of the "Emissionsbank" which they had created in Poland some time previously (see the analysis of problem N° 2). The articles of association of the "Banque d'Emission", although drawn up by a Belgian notary, did not comply with Belgian company law and they did not provide for a gold backing for the notes to be issued by the bank. Orders were issued, practically simultaneously, by the Germans to the Belgian population to surrender privately owned gold to the bank and to the bank to transfer the gold to the Reichsbank. The "Banque d'Emission" entered the gold surrendered by the Belgian population in its books before transferring it to the Reichsbank and it took similar action in respect of gold confiscated by the Germans or collected by the Reichskreditkassen and delivered directly to the bank.

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In Yugoslavia, the Germans adopted methods somewhat similar to those which they had applied some two years previously in Czechoslovakia (see the analyses of problems N° 13 and 14). They divided the country, one part of which became the so-called "State of Serbia". On orders from the German Military Commander in Serbia, a "Serbian National Bank" was created and its articles of association, which made it clear that it was to function as the central bank in Serbia, authorized to issue notes, were published by "the German general authorized agent for Serbia". Twelve days later, the Germans issued an ordinance rendering the surrender of privately owned gold to the bank obligatory. Some 220 kilograms of gold were collected in this way and entered in the books of the bank. 112 kilograms of this gold were "bought" by German authorities and formed the subject of a Yugoslav claim before the Commission.

There were a number of points which could be described, roughly speaking, as being in common in the four cases. The gold was in the hands of private persons when the Germans entered the countries. Detailed and verifiable data showed that definite quantities of this gold were surrendered to the banks referred to, pursuant to orders, and entered in the books of these banks, in the manner described and that the gold subsequently passed into the hands of German authorities in circumstances amounting to looting.

It could be argued, therefore, that three of the elements of a successful claim were present. There were detailed and verifiable data, definite quantities of gold and circumstances amounting to looting by the Germans. There were two other requirements, however: that the gold looted should have been monetary gold and that it should have belonged to the claimant country, within the meaning of Part III of the Paris Agreement and of the definition of monetary gold; in other words, that there should have been a genuine relation between the gold collected and subsequently taken by the German authorities and the claimant countries' monetary systems.

The Commission could find no genuine relation. An essential element was lacking: the element of freedom. None of the nationals or institutions concerned in these operations was a free agent and it was difficult to believe that any of them can have ignored that the real destination of the gold was Germany. German action, direct or indirect, was, to a greater or lesser degree, at the origin of all that took place. The acts of these nationals or institutions were consequently invalid from the outset and the entering of the gold in the books of the banks cannot, whatever the terms employed, have produced any effects, whether in fact or in law, in the monetary systems of the countries concerned. A genuine relation between gold held by the central banks and the monetary systems of these countries existed only at the time that the Germans occupied the countries and, at that time, the gold subject of the present study was in the hands of private persons and was not functioning as "monetary gold" in the national economies of the countries in the sense in which this term was used in Part III of the Paris Agreement and the definition of monetary gold. The operations described amounted, in effect, to a looting of privately owned gold by the Germans through the intermediary of German controlled banks.

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The Commission consequently rejected the four claims. It was interested to note that an eminent French jurist, Professor M. Niboyet, Professor of International Law at the University of Paris, who was consulted, regarding one of these cases, by the French Commissioner, arrived at the same conclusions as itself in regard to these matters. Put very briefly, his opinion was that what the Germans did was to constitute a German monetary reserve through the intermediary of a bank of the claimant country, acting under duress.

Shortly after receiving notification of the Commission's adjudication, the Netherlands contested the Commission's finding in respect of this part of their claim. Put very briefly, they contended that the circumstances were such, prior to the German order of October 3, 1940, to the Nederlandsche Bank to transfer some 19,427 kilograms of gold, which it had collected up to that date, to the Reichsbank, that this amount of gold should be held to have become monetary gold of the Netherlands.

The three Governments referred the Netherlands to the Commission for a hearing and the latter, after careful consideration of all the arguments submitted by the Netherlands, maintained in its entirety its rejection of the Netherlands original claim which was in respect of some 35,475 kilograms of fine gold. There have been no reactions, on the part of the Netherlands, to this rejection at the time this report was written. Details of the case will be found in the last chapter dealing with contentious matters.

Austria contended, in its submissions prior to the notification of the Commission's adjudication, that since there was an exchange control law in force prior to the invasion, the gold collected subsequently to the invasion should be considered as having been a "dormant reserve" forming a part of its central bank's pre-invasion gold reserves. An examination of the documentation showed, however, that private persons were entitled to hold gold prior to the invasion and that this gold did not figure in any way, before the invasion, in the books or records of the bank, which had no control over it and did not know where it was located.

The Commission would mention, since this report is intended exclusively for the use of the three Governments constituting it, that the presentation of some parts of these claims was not, in the Commission's opinion, as clear as it might have been. The Commission noted, in particular, a certain amount of reticence on the part of Austria and, to a lesser degree, on the part of Belgium. The claim of the Netherlands was somewhat confused in parts but this was probably due to disorganization caused by the war. This obliged the Commission to delve much deeper into these claims than might otherwise have been necessary and to call for additional information which was given partly in writing and partly verbally, at hearings before the Commission, and did not always clarify the position entirely.

#### Problem No 2.

Problem No 2 concerned gold collected after the German invasion from private persons in a claimant country (Poland) by German institutions in the absence of a central bank and subsequently transferred to the Reichsbank.

As will be seen from the Commission's detailed adjudication, there were overwhelming grounds for rejecting the major portion, amounting to some 136,300 kilograms, of the Polish claim. Detailed and verifiable data were almost completely lacking and most, if not all, the gold claimed was not even in the form of bars or coins such as usually make up the gold reserves of central banks. It was taken directly from private persons and consisted, in the main, of gold objects such as trinkets, bangles, rings and even gold teeth taken from victims of concentration camps.

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Poland was the only country which actually submitted a claim in respect of gold answering the above description. Greece attempted to do so but, finally, withdrew, under protest. Eight countries out of ten, therefore, understood from the outset, and one (Greece) realized later, that gold losses of the above nature did not open a right to restitution under Part III of the Paris Agreement and the definition of monetary gold. The total claims of the nine latter countries, which did not include any losses of gold such as have been described above, amounted to some 587,000 kilograms as against the 136,300 kilograms of the Polish claim, entirely or almost entirely in respect of such gold losses. The two categories had no points in common and any other solution than that which was adopted by the Commission would have been incompatible with the Commission's interpretation of the basic texts governing its work and lacking both in equity and consistency.

Poland was one of the very few countries which were able to save the gold reserves of their central banks prior to the German invasion. The Commission's view, as has already been stated, was that the signatories of the Paris Agreement intended, broadly speaking, that the gold reserves of the devastated countries should be reinstated, insofar as the quantity of gold in the gold pool permitted, in the position in which they were when the Germans looted them. In the case of Poland, the Germans had been unable to loot these reserves which, having been recovered after the liberation, were intact, or practically so, in the hands of Poland when the latter submitted its claim.

The Commission, in accordance with its usual practice, disclosed its inclination (no more) to reject the Polish claim in a letter inviting Poland to designate a representative to appear before it to develop arguments verbally. Poland was most vehement in its protests against the policies adopted by the Commission and made numerous démarches both written and verbal, in which every conceivable argument was used, in an attempt to induce the Commission to treat Poland on a different basis from that which had been adopted in regard to the other claimant countries.

The Commission gave special consideration, particularly in the light of skilful argumentation put forward by Dr. Lachs, the Polish special Representative, at hearings before the Commission, to a small portion of the Polish claim involving some 2,400 kilograms of gold.

Put very briefly, the following are the main relevant facts, which were supported by sufficiently satisfactory detailed and verifiable data :

1. A decree of the President of the Polish Republic, issued on September 2, 1939, rendered compulsory the declaration and offer of gold to "institutions appointed by executive orders".
2. There was no national central bank since the Polish central bank had fled.
3. The Germans set up monetary institutions of their own in Poland. These were the Reichskreditkassen and branches of the Reichsbank which issued German notes and the Emissionsbank which issued zloty notes.
4. Gold was compulsorily surrendered by private persons, pursuant to German ordinances, to these institutions and was then transferred to the Reichsbank in Berlin.

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In short, the Polish contention was that the decree referred to at 1 had the effect of making all the gold in the hands of private persons monetary gold of Poland within the meaning of Part III of the Paris Agreement; that, since there was no Polish central bank, the German institutions referred to at 3 should be considered to have taken the place and inherited the rights of that bank; that, because of 1 (the Polish decree) and also because it figured on the books of the German institutions, the gold referred to at 4 became monetary gold belonging to Poland and, finally, that the transfer of this gold to the Reichsbank amounted to looting by, or wrongful removal to, Germany.

As in the case of many of the claims submitted by other claimant countries, there were additional arguments which might have been put forward but which were not used obviously because they might have weakened, cut across or nullified other arguments which had been used and which were considered stronger. The Commission, however, always endeavoured to examine claims from all angles.

In the case under consideration, it might have been argued, for instance, that the Germans, in setting up institutions of their own, in the absence of the Polish central bank, were merely carrying out the provisions of paragraph 43 of Section III of The Hague Convention, which reads as follows :

"L'autorité du pouvoir légal ayant passé de fait entre les mains de l'occupant, celui-ci prendra toutes mesures qui dépendent de lui en vue de rétablir et d'assurer, autant qu'il est possible, l'ordre et la vie publics, en respectant, (1) "sauf empêchement absolu, les lois en vigueur dans ce pays".

It might also have been argued that the gold collected became, through its transfer to the Reichsbank, a part of the gold backing for the notes which, it will be remembered, were mostly German, in circulation in Poland, which gold backing was never recovered by Poland.

Such were the broad lines of this Polish claim. There were other facts which had a bearing on the case but the Commission, in this series of analyses, has endeavoured to bring out the salient and strictly relevant features without entering into details which would have burdened and lengthened the report unduly and which, in any event, are to be found in the respective detailed adjudications.

An examination of the documentation showed, with regard to 1, that the decree referred to was issued on the day after the invasion of Poland. It produced no effects in the national economy of Poland since the country was immediately overrun by Germany and the "executive orders" in which the institutions to which gold had to be offered were to be "appointed" were never issued. No real value could, therefore, be attached to this argument which was one of the most important put forward by Poland since, if Poland had been able to prove that gold had been offered to, and placed on record by, the Polish central bank even though it had not been actually surrendered, the Commission might, perhaps, have found some justification, depending on circumstances, for admitting this claim among the "border line" claims which it was prepared to validate. The gold was, of course, transferred to the Reichsbank in circumstances which amounted to looting by Germany.

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(1) Official English translation : "The authority of the legitimate power having in fact passed into the hands of the occupant, the latter shall take all the measures in his power to restore and ensure, as far as possible, public order and safety, while respecting, unless absolutely prevented, the laws in force in the country".

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With regard to 3, the Commission found that the Reichskreditkassen, whose activities covered, in the initial stages, the whole of occupied Poland, with the exception of Silesia, and the branches of the Reichsbank, which replaced them in the Northern and Western territories of Poland when, on October 8, 1939, these territories were incorporated into the Reich, could not be considered, either in law or in fact, to have been the successors and the inheritors of the rights of the absent Polish central bank. They were purely German and their role was to further the interests of Germany in territories which were, almost immediately, considered by the Germans to form a part of Germany. They issued Reichskreditscheine or Reichsmarks which functioned in the national economy of Germany in relation to the monetary system of Germany, since the territory in which they circulated was, de facto, Germany. Reichskreditkassen functioned in most, if not all, of the occupied countries but none of the latter, with the exception of Poland (and, very indirectly, Belgium), has contended that losses such as took place in this Polish case opened a right to distribution from the gold pool.

The position of the Emissionsbank was somewhat different. It functioned, after the winding up of the Reichskreditkassen, on April 8, 1940, in the Polish territories which were not incorporated in the Reich and it issued zloty notes. Neither the Reichskreditkassen nor the Emissionsbank were authorized to hold gold under their respective articles. The Emissionsbank was created by an ordinance of the German Governor General "to maintain the normal functions of money circulation, gold turn-over and credit operations in the occupied territories of Poland", and all its senior officers were nominated by the Governor General. It was not a free agent and its role, colloquially speaking, was to "keep the country alive" in the interests of the Germans. It bore no relation to the former central bank of Poland. It was a mere creation of the invader. It will be recalled that a Belgian bank has been referred to in the analysis of problem N° 1. This was the Belgian "Banque d'Emission". The latter bank's articles of association, like those of the Emissionsbank created in Poland, were based upon German company law and the Belgian jurists found, naturally enough, after the liberation, that they bore none of the characteristics required under Belgian company law, even though they had been signed in a Belgian notary's office. The bank was considered to have been a mere instrument of the enemy. The two banks, the one that was created in Poland and the one that was created in Belgium, were set up by the Germans for a similar purpose, namely to replace the absent central bank of the country but, in the case of Belgium, the genuine central bank returned to the country almost immediately. In Poland, the central bank did not return. The Polish position is stronger in this respect than the Belgian position but the circumstances in which the Polish Emissionsbank functioned were such as to place this bank in the same category as the four banks regarding whose activities the Commission has already given its views in detail in the analysis of problem N° 1. These were that the banks, in the cases under consideration, acted as mere instruments of Germany, for the collection of gold from private persons.

With regard to 4, the Commission found that the gold was compulsorily surrendered, by private persons, pursuant to German ordinances, and transferred every ten days to the Reichsbank. It was earmarked from the outset for this purpose. The fact that it was entered in the books of German monetary institutions in Poland in the course of its journey from the hands of Polish nationals to the vaults of the Reichsbank in Berlin cannot possibly have made it monetary gold of Poland. It never functioned as such in the national economy of that country. The Commission concluded, on the basis of the above findings, that Poland had not established its claim.

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Problem N° 3.

Problem N° 3 concerned gold seized by the Germans from private persons but alleged to have been "registered" at the central bank of the claimant country (Greece) before the German invasion and thus to have formed part of the bank's gold reserves.

Greece originally submitted a claim in respect of some 12,600 kilograms of gold representing the total estimated losses of gold by private persons in the country but, on reconsidering the matter in the light of the definition of monetary gold, Greece endeavoured to demonstrate :

- A. that 7,358 kilograms of fine gold were "registered" as part of Greece's monetary reserve in the account of Greece's central bank;
- B. that all the gold in the country "belonged" to the Greek State under Greek law;
- C. that more than 7,358 kilograms of gold were looted in Greece by Germany and that it should, therefore, be held that a "definite amount of monetary gold" (covered by the definition of monetary gold), "belonging to" Greece, was "looted by Germany" and that an adjudication should be made for the above amount in favour of Greece.

The Commission made a careful examination of the documentation and facts, with a view to determining whether the circumstances were such as to justify the inclusion of this claim among the "border line" cases which the Commission was prepared to consider.

The only evidence submitted in support of the contention outlined at A was a single sheet of paper headed "Ministry of Finance, General Accounting Office, Monetary Section, List of Gold Coins and Gold registered by virtue of laws 33/1936, 257/1936 and 309/1936", with a covering letter from the Greek Minister of Finance explaining that the archives of the Greek Government had been destroyed prior to the German invasion and that this was the only statement which had been kept.

With regard to B, the Commission examined the three laws referred to above and found that they did not have the effect of making all the gold in the country monetary gold of the State. The Greek Delegate explained, at a hearing before the Commission, that the ultimate object of his Government was to achieve this result by means of a series of laws which were to be introduced by degrees in such a way as not to perturb the Greek population unduly and the Commission was inclined to agree with this description of the Greek Government's intentions. At the time of the German invasion of Greece, however, the laws in force only imposed the surrender of gold by professional dealers in gold such as gold brokers. The gold thus surrendered was incorporated in the pre-war gold reserves of Greece's central bank which, as has already been explained, were saved. Private persons were allowed to hold gold without any formality if it was not in a safe and on condition that they declared it to the Bank of Greece if it was in a safe.

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In both cases, they were not allowed to dispose of it except to the Bank of Greece. It did not "belong" to the Bank of Greece in the narrow sense nor did it "belong" to Greece in the sense in which the Commission has interpreted Part III of the Paris Agreement. It was not gold which was functioning, at the time it was looted, in the national economy of Greece in relation to that country's monetary system.

There was no necessity in any event to delve deeper into this particular question for the Commission found that there was no evidence whatever to prove that any part of the 7,358 kilograms which the Commission, despite the unsatisfactory nature of the evidence, was prepared to admit had been "registered" at the Bank of Greece, was, in fact, looted by the Germans. Statements on oath were produced, made by private persons, covering losses of gold amounting to 772 kilograms but these statements were unsatisfactory in nature and not one of them mentioned that the gold declared to have been lost was gold "registered" at the Bank of Greece, the inference being that this was not "registered gold". With regard to the remaining 6,586 kilograms, the main item of evidence produced was an estimation of the "coined gold in almonds and bracelets emanating from coined gold pieces detained by Jews" made by M. Nehama, a Greek historian, and this evidence did not constitute detailed and verifiable data and was totally unacceptable.

The evidence regarding the "registration" of the gold was weak.

The evidence regarding the looting of the 772 kilograms was, also, weak and there was no proof whatever that any of this gold ever formed part of the 7,358 kilograms alleged to have been "registered" at the Bank of Greece. With regard to the remaining 6,586 kilograms, the evidence was so unreliable that it should never have been submitted by Greece.

The Commission, consequently, rejected this Greek claim.

Greece was one of the two countries which were able to recover, after the liberation, the pre-war gold reserves of their central banks. Poland was the other.

#### Problem No 4.

Problem No 4 concerned gold in the hands of organizations other than the central banks of the claimant countries (Greece, Czechoslovakia), at the time of the German invasion, but alleged to have been under the control of the central bank and thus to have formed a decentralized part of the gold reserves of the central bank, transferred, through the intermediary of the central bank acting under duress, to the Reichsbank.

In this category, there was a claim of Greece in respect of 82.8147 kilograms of fine gold which were held by the former central bank of Greece (which became a private bank some time before World War II, when a new central bank was formed and replaced it). Under Greek law, the private bank should have surrendered the 82.8147 kilograms to the Central bank.

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It declined to do so because the central bank had not fulfilled all its obligations towards it under the arrangement transferring the central banking privileges from one bank to the other. The central bank then agreed, under a special arrangement, backed by a Greek law, that the private bank might use this gold, as a foreign exchange reserve, for certain specified purposes, but the central bank retained what amounted to an almost complete control over this gold which could, therefore, be considered to have been functioning, to all intents and purposes, in the national economy of Greece in relation to Greece's monetary system. Shortly before the invasion, the private bank handed the gold for safe keeping to the central bank, from which it was looted by the Germans. The Commission validated this claim. It applied its principles on a somewhat broad and generous basis, in this case, but it was satisfied that there were sufficient grounds to justify acceptance.

There was a second claim in this category, that of Czecho-slovakia in respect of 1,008.9146 kilograms of fine gold "administered" by the Skodaworks and Zbrojovka A.S.

The documentation furnished by the Czech Government showed that 81 bars of gold existed in the hands of the Skodaworks, as at August 1940, some eighteen months after the invasion of Czechoslovakia, that the fine gold content of these bars was 1,008.9146 kilograms, that they were called in by the National Bank of Bohemia and Moravia (which was the name given by the Germans to the National Bank of Czechoslovakia after they had occupied that Bank) and that the bars were subsequently transferred to the Reichsbank, Berlin.

The contention of the Government of Czechoslovakia was that the gold referred to "was, in effect, a decentralized part of the monetary reserve of the National Bank of Czechoslovakia" and that, if any doubts subsisted as to the validity of this contention, the bars should be held to have been "included among the assets of the National Bank of Czechoslovakia" because they were entered in the books of the National Bank of Bohemia and Moravia (which was another name for the National Bank of Czechoslovakia) prior to their transfer to the Reichsbank.

With regard to the second contention, the Commission found that the National Bank of Czechoslovakia (called by the Germans the National Bank of Bohemia and Moravia) was not a free agent. It was controlled by the Germans. It collected the gold as a result of a direct order of the Reichsbank's representative who had given instructions, long before the delivery, that the gold should be sent to the Reichsbank. The Commission also found that the procedure adopted by the Bank and the entries it passed were not such as were normally used by the Bank when, in the course of business, it acquired gold for the purpose of increasing its gold reserves. The Commission could not but conclude that this was merely an act of looting by Germany of gold in the hands of the Skodaworks, the German controlled National Bank of Bohemia and Moravia being used as an intermediary to give the operation a semblance of legality.

The Commission could not agree that any action which might have been taken by the German controlled National Bank of Bohemia and Moravia or by the German controlled Skodaworks, between March 15, 1939, date of the German invasion of Czechoslovakia, and August 1940, date of the collection and transfer of the gold to the Reichsbank, can have had the effect of making any gold which may have been in the hands of the Skodaworks a "decentralized part of the monetary reserve of the National Bank of Czechoslovakia".

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It became necessary, therefore, to examine the contention in relation to the situation as it stood on March 15, 1939, date of the invasion, bearing in mind the fact that, in order to succeed, a claimant country had to establish that "a definite amount of monetary gold belonging to it was looted by, or . . . . wrongfully removed to, Germany" and that monetary gold had been defined as "all gold which, at the time of its looting or wrongful removal, was carried as a part of the claimant country's monetary reserve, either in the accounts of the claimant Government itself or in the accounts of the claimant country's central bank or other monetary authority at home or abroad".

The Czech Government, which supplied abundant documentation in respect of all its other claims, did not furnish any copies of applications from the Skodaworks to the National Bank of Czechoslovakia for permission to purchase or hold gold or of correspondence from the bank granting such applications, nor did it supply any accounting or other documentation of the Skodaworks. Put very briefly, it was impossible to determine where and how gold came into the possession of the Skodaworks and the amounts could not be computed at any given date prior to August 1940. There was no proof that there was any gold, let alone a definite amount, in the hands of the Skodaworks, as at March 15, 1939, which is the only date that counted for the Commission's purposes.

The Commission held that Czechoslovakia had failed to prove, by means of "detailed and verifiable data" that there was a "definite amount" of gold in the hands of the Skodaworks as at March 15, 1939. The question of looting, therefore, did not arise.

Problem No 5.

Problem No 5 concerned gold looted by an ex-enemy country (Italy) incorporated in the gold reserves of its central bank and subsequently looted from that country by the Germans.

This case was unique. Italy, when it was one of the Axis Powers, took considerable quantities of gold from France and Yugoslavia and incorporated them in the gold reserves of the Banca d'Italia. These gold reserves, which had been transferred to Fortezza, were delivered to Germany by the so-called "Italian Social Republic" headed by Mussolini, after the signature of the Armistice between the legitimate Government of Italy and the Allied Powers.

Paragraph 8 of Article 75 of the Peace Treaty signed with Italy, on February 10, 1947, stipulated that Italy should "restore to the Government of the United Nation concerned all monetary gold looted by, or wrongfully removed to, Italy". This obligation was "recognized by the Italian Government to exist irrespective of any transfers or removals of gold from Italy to any other Axis Power or a neutral country".

The Protocol (Annex 5), which the three Governments signed with Italy on December 16, 1947 and which admitted Italy to participate in the pool of monetary gold, placed Italy under an obligation, which that country complied with, to retribute to France and Yugoslavia, in its entirety, the monetary gold which it had looted from them. It will be observed from the wording of the Peace Treaty that such restitution could not be made dependent upon recovery by Italy of the gold in question.

As has already been explained in the description of the basic principles which governed the Commission's work, the latter was satisfied that the intentions of all concerned in the Paris Agreement and subsequent decisions regarding the restitution of monetary gold were that these acts should be interpreted in a broad sense rather than in a narrow sense, which might have involved the application of strict principles of common law and brought the procedure for restitution to a standstill. None of the gold, for instance, which the Germans looted "belonged", in the strict legal sense, to a country and the word "country" itself is defined in the Oxford dictionary as "the territory of a nation".

The Italian Government's reply to the Questionnaire was furnished in July 1947 and the three Governments had received details of the Italian claim some five or six months before the signature of the Protocol admitting Italy to participate in the arrangements for the restitution of monetary gold.

There was nothing in this Protocol tending to indicate that Italy, provided it effected restitution in full to France and Yugoslavia, should be treated in any way differently from the other participants in the pool of monetary gold. The Commission was satisfied that, by the signature of the Protocol, it was the intention of the three Governments that Italy, subject to the above-mentioned restitutions, could claim a share in the pool in respect of such portions of the gold stocks of the Banca d'Italia as were held by the Bank at the date of the Armistice Convention of September 3, 1943 and were subsequently removed to Germany, regardless of the origin of these gold stocks. The total claims of France and Yugoslavia being settled in full by the restitution, it could be considered that Italy had cancelled out the lootings. The fact that Italy was fighting on the side of the Allies at the time its gold was looted strengthened the view that Italy should not be left to bear definitively a loss of a part of the gold looted by Germany.

The Commission adjudicated accordingly, in favour of Italy, in respect of this portion of its claim.

In fact, Italy restituted a total of 22,814.7619 kilograms of gold to France and Yugoslavia, as against a little over 9,000 kilograms received from the gold pool in respect of this part of its claim which concerned 14,961.3629 kilograms of gold, representing all that remained in its possession of the gold of French and Yugoslav origin at the time of the German looting after the Armistice.

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Problem No. 6.

Problem No. 6 concerned gold (eventually discovered to have been looted by the Germans) acquired from the Reichsbank before the German invasion, in the normal course of business, by the central bank of a claimant country (Belgium) and subsequently looted by the Germans.

The National Bank of Belgium purchased, between March 4 and May 9, 1940, 8,058.3306 kilograms of gold from the Reichsbank and this gold was deposited, with the rest of the bank's gold reserves, at the Bank of France for safe-keeping. It was later transferred from France to the Reichsbank.

In the course of its examination of the Belgian claim, the Commission discovered that, of the 8,058.3306 kilograms referred to above, 1,348.6 kilograms originated from the National Bank of Czechoslovakia and 5,423.5346 kilograms originated from the National Bank of Austria, from which two banks these amounts had been taken by Germany after the annexation of the Sudetenland and the Anschluss, respectively. These two quantities of gold were included in the claims which were submitted by Czechoslovakia and Austria to the Commission which found them valid.

The question which called for a decision by the Commission was whether the two latter quantities of gold could be considered to have become monetary gold belonging to Belgium within the meaning of Part III of the Paris Agreement. The fact that this gold was looted by the Germans after its transfer to the Bank of France was considered as established.

Some years after the events described above, the United Nations, which included Belgium, had issued their Declarations of January 5, 1943 and February 22, 1944 and, later still, in January 1946, the Paris Conference on Reparation had passed Unanimous Resolution No. 2 (Annexes 1, 2 and last paragraph, page 3 of this report).

The Commission was of the opinion that the United Nations' warnings, issued some years after the events, could not be considered to have applied in some retrospective form to the transaction described above which took place at a time when the annexation of the Sudetenland and the Anschluss were accepted, generally, as established facts. As for Unanimous Resolution No. 2, it applied only to neutral countries; Belgium was not a neutral country and there was no necessity, therefore, to study the position more closely in relation to the Resolution.

On the other hand, this was not a matter which could be dealt with solely in accordance with strict principles of common law. It is a fact that unrestricted compliance with such principles would, in certain circumstances, have led to results contrary to the obvious intentions of the signatories of the Paris Agreement. Many of these principles are applicable only in spheres other than those with which the Commission was concerned and there were other considerations to be taken into account.

Reasoning on a basis of equity and from a factual point of view, the Commission found that the National Bank of Belgium had acquired the two quantities of gold, in good faith, against genuine consideration in the normal course of business, at a date when Belgium was not at war with Germany and in accordance with the usual principles and procedures governing relations between central banks.

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Having regard to the spirit and to the letter of Part III of the Paris Agreement, the Commission decided that, in all the circumstances of the Belgian case, the two quantities of gold, subject of the present study, could be considered as having formed part of Belgium's genuine monetary reserves, looted by Germany. No reference was made, however, in the Commission's adjudication on the Belgian claims, to the discoveries described above or to the conclusions reached, since this would have lengthened the adjudication unduly without strengthening the Commission's reasoning in any way. The facts were such as to justify findings in favour of Czechoslovakia and Austria, on the one hand, and Belgium, on the other, in respect of the same quantities of gold, since there was ample proof that these quantities had, within the meaning of the Paris Agreement, been looted by Germany from the two former countries in the first place and, subsequently, from Belgium, to whom Germany had sold the gold.

Problem N° 7.

Problem N° 7 concerned gold transferred to the Reichsbank, claimed, simultaneously, by two different countries (Albania and Italy).

The gold referred to was the gold which constituted the gold reserves of the National Bank of Albania. The case was unique inasmuch as the National Bank of Albania was, at the time of the looting, located, not in Albania but in Rome and Italy claimed to be the owner of the gold. The Italian Government was debarred, under the terms of the definition of monetary gold and of the Commission's Questionnaire, from submitting a claim in respect of this gold but it did, in its reply to the Questionnaire, draw attention to the unusual circumstances of the case and claim that the matter should be given consideration.

Albania, in its reply to the Questionnaire which, as was discovered later, did not disclose all the facts of the case, claimed that the gold was monetary gold belonging to Albania within the meaning of Part III of the Paris Agreement.

The Commission, on the basis of the Albanian reply, found that the gold was the cover for the note issue which was the recognized legal tender in Albania and that a normal relation existed between this gold, at the time it was looted, and Albania's monetary system. It consequently considered the claim as valid.

The gold allocated to Albania in the preliminary distribution was not, however, delivered. About this time, Italy submitted a memorandum which was, in effect, a memorandum from the National Bank of Albania, in which it was contended that the gold belonged to the National Bank of Albania and should be returned to that Bank. The Commission, which had announced in its Questionnaire and covering letter that it could only entertain claims for losses of monetary gold owned by claimant Governments or their central banks and could not entertain claims submitted on behalf of a foreign country, declined to consider the memorandum. Italy, thereupon, entered a formal opposition to the delivery of the gold to Albania and contended that the gold was monetary gold of Italy because

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(i) an Italian group had furnished the gold in the first instance (ii) Italy had acquired a controlling interest in the Bank under Italian law (iii) the Italo-Albanian economic customs and monetary convention of April 20, 1939 had substituted the lira for the gold as a cover of the Albanian currency and (iv) the gold was, in any event, deposited in Italian institutions. The Commission, thereupon, consulted the three Governments since the decision as to whether the delivery to Albania should be effected, notwithstanding the Italian opposition, rested with them. The three Governments decided to suspend delivery pending consideration by the Commission of the questions raised in the Italian memorandum.

At this stage, the matter ceased to be in the hands of the Commission, for the very complete documentation submitted by Italy on this occasion, and additional information requested by the Commission, disclosed a fact which the Commission had not been made aware of up to then. This was that Albania had claimed the gold in question from Italy under the Peace Treaty with Italy and that Italy contended that the value of the gold was included in Italian reparation to Albania under the Treaty. The Commission decided that the claim by Albania against Italy was beyond its competence and that a decision on this point was an essential preliminary to the consideration by the Commission of the two claims, one by Italy and one by Albania, which were before it. The Commission, consequently, referred the matter, officially, to the three Governments in the form of a unanimous decision of the Commission.

The three Governments submitted the matter to an arbitrator who was requested to advise them as to whether Albania had established that the gold belonged to Albania or Italy had established that the gold belonged to Italy or neither Albania nor Italy had established that the gold belonged to either of them. It was laid down in the arbitrator's terms of reference that his advice, which the three Governments declared they would accept, should take Part III of the Paris Agreement into account and be consistent with decisions already made by the Commission.

In connection with the latter stipulation, the Commission would mention that the arbitrator requested communication of its decisions on other claims and that, since the various cases were still, so to speak, sub judice and the decisions which it had taken up to then could not be considered as final, the Commission explained to the arbitrator, who fully appreciated the position, that it was unable to comply with his request. The Commission, however, afforded the arbitrator all the assistance which it was in its power to give. It was decided, with the agreement of the Commission, and laid down in the arbitrator's rules of procedure, that the seat of the arbitration should be established in the Commission's premises in Brussels. The Secretary General of the Commission was responsible for making all the administrative arrangements, organizing the hearings before the arbitrator, providing the necessary specialized staff, interpreters and stenotypists, and serving documents on the parties concerned.

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Put very briefly, the arbitrator's advice, which was notified to the Commission in accordance with the rules of procedure which had been agreed upon, was (i) that the gold was the metallic cover for the Albanian note issue (ii) that the economic, monetary and customs Convention of April 20, 1939 did not affect this situation since it was declared null and void by the Italian Peace Treaty (iii) that a right to restitution did not depend upon the proof of the claimant State's ownership, which had been established neither in the case of Albania nor in the case of Italy (iv) that the claimant State needed only to establish that the looted gold was cover for its note issue on the date of the looting (v) that it was established that the gold was the property of the National Bank of Albania, invested with the exclusive privilege of issuing Albanian bank-notes and (vi) that the gold constituted the metallic cover for these notes. The arbitrator concluded that it had been established that the gold belonged to Albania within the meaning of Part III of the Paris Agreement.

The full text of the arbitral advice will be found, annexed or referred to, in the Commission's adjudications on the claims of both Italy and Albania, elsewhere in this report.

The arbitrator was Professor Sauser-Hall, Professor of Law in the Universities of Geneva and Neuchâtel, Member of the Permanent Court of Arbitration, Member of the Institute of International Law.

This account would be incomplete if it were not mentioned here that Italy, before the arbitrator, abandoned the thesis that the gold was monetary gold of Italy and contended that it was gold of the National Bank of Albania which should be turned over to Italy.

Such, in brief, is the history of this complicated case, insofar, at least, as the Commission was concerned.

The Commission, pursuant to the declaration of acceptance which had been made by the three Governments, found, in its adjudication on the Albanian claim, which figures later in this report, that Albania had established its claim amounting to 2,454.8745 kilograms of fine gold and that a share in the gold pool was attributable to Albania, pro rata to this established loss. Having regard, however, to the fact that this share was the subject of third party claims which were in the process of settlement, the Commission directed that it should remain in the custody of the three Governments, pending a decision regarding its delivery. The Commission's adjudication, in effect, created the share in respect of which litigation was taking place.

Information regarding the third party claims, including litigation before the International Court of Justice, will be found in the Section dealing with contentious matters at the end of this report, where it has been included as a matter of interest.

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Problem No. 8.

Problem No. 8 concerned gold which should, in the normal course of events, have been delivered to the central banks of claimant countries (Greece, Yugoslavia) under the laws in force, prior to the German invasion, but which was seized by the Germans and transferred to the Reichsbank before this could be done.

This problem arose in connection with the cases which have been described earlier as "border line" cases.

One such case concerned 0.9197 kilogram of gold held by the Greek "Caisse des Dépôts et Consignations" and taken from it by the Germans in circumstances which the Commission was satisfied amounted to looting by Germany. The "Caisse des Dépôts et Consignations" was a parastatal institution to which were delivered, among other items, assets whose rightful owners were unknown or in respect of which there was litigation before the Courts. Upon production of proof of ownership or of a court-order, the assets were released. The 0.9197 kg were made up of gold paid in by a hospital director, presumably after a decease at the hospital, and by a magistrate, presumably because it had been seized upon the person of a thief. Under the laws in force prior to the invasion in Greece, gold held by institutions in the category of the "Caisse des Dépôts et Consignations" had to be delivered to the central bank against payment in notes at current rates. The "Caisse des Dépôts et Consignations" explained that it was its custom, once title to gold held in the circumstances described above had been established, to deliver the gold to the central bank, in conformity with the law, and to pay the value of the gold in drachma notes to the title holder. The gold was not turned over to the central bank directly it was delivered to the "Caisse des Dépôts et Consignations" since it was obviously desirable that the final entries in the books of both institutions should be made in the name of a known person. There was no doubt that, under the laws in force, the gold could be given no other destination than the central bank. The Germans seized it before it could be sent there. Such are the facts of this case, which was of some importance despite the small quantity of gold involved.

The gold was not yet functioning in the national economy of Greece at the time it was looted but it was on the verge of doing so and it could not be said that no relation whatever existed between it and Greece's monetary system since the central bank had rights over this gold which amounted, to all intents and purposes, to a lien upon the gold.

The Commission, having regard to other claims of a similar nature, which it was prepared to admit, and to the necessity for consistency, decided that, in all the circumstances of the case, there was sufficient justification for considering this gold as being constructively monetary gold of Greece within the meaning of Part III of the Paris Agreement, as interpreted by the Commission, and it adjudicated in favour of Greece.

This was in accord with the somewhat liberal attitude which the Commission had adopted towards border-line cases from the start.

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A second case in this category concerned the so-called Bor Mine gold. The Government of Yugoslavia had submitted a claim in respect of 445.571 kilograms of gold in bars, which were located at the Bor Mines, of 282.9790 kilograms, also in bars, which were located in Paris, where the gold had been extracted from Bor blister copper, all of which bars were removed to Germany, and of 1,952.8302 kilograms of gold extracted from Bor blister copper in Germany and turned over in that country to various German organizations. The Yugoslavian contention was that, since all this gold should have been delivered to the central bank under agreements entered into before the war between the Yugoslav Government and the "Compagnie des Mines de Bor" and pursuant to pre-war Yugoslav law and since it had been diverted from its proper destination by German action, the gold should be considered as monetary gold of Yugoslavia looted by Germany within the meaning of Part III of the Paris Agreement.

This case presented a number of unusual features, some of which were unique.

In the first place, the main portion of the claim, as originally submitted, was in respect of 1,649.0260 kilograms of fine gold and it was only later, after the expiration of the limits fixed by the Commission for the submission of claims, that the Government of Yugoslavia sought to increase this amount to 1,952.8302 kilograms. Later still, Yugoslavia sought to include in its claim the 282.9790 kilograms referred to above, which did not figure in its original submission.

The Commission had to decide whether, having regard to the deadline for the submission of claims which it had fixed for September 15, 1947, it could accept to consider claims submitted after that date.

It was clear that Yugoslavia was in a particularly unfortunate position in respect of its archives, which had been thrown into great confusion as a result of the German occupation. Furthermore, the Commission was satisfied that Yugoslavia could not have been made aware of the existence of the additional quantities of gold referred to above until shortly before it sought to include them in its claim. Information from independent sources, at the disposal of the Commission, amply confirmed that the Yugoslav figures and reasons put forward for the delay in completing the claim were correct.

The Commission decided that the circumstances were such that it would be justified in considering the claim in respect of the additional quantities as an extension of the original claim, submitted before September 15, 1947, and it adjusted its records, and informed Yugoslavia, accordingly.

In connection with this claim, a question arose as to whether the fact that gold in respect of which restitution was claimed on the grounds that it had formed part of a claimant country's monetary reserve and had been looted by Germany, had not, or may not have been, paid for by the country's central bank, should be taken into account by the Commission. Having regard to the Commission's interpretation, which has been given earlier, of Part III of the Paris Agreement, to the fact that investigation of the question of payment was clearly impracticable, insofar as the Commission was concerned, and constituted, in the Commission's view, a domestic issue which fell to be dealt with in another forum, it was decided that, in principle, such questions should not be taken into account by the Commission. There was, generally speaking, no place in the equitable procedure carried out by the Commission, on a broad basis, such as has already been described, for considerations of this nature.

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If the Commission had taken such questions into account, it would rapidly have become involved in complications and difficulties which would have brought its work to a standstill, to the detriment of all concerned. It is perhaps not unnecessary to give here a further example of the difficulties which might have been encountered. The claimants before the Commission were all Governments since only Governments could claim. They were claiming in respect of gold which had functioned in their national economy in relation to their monetary systems. But this gold, in the vast majority of cases, belonged, in the strict legal sense, to their central banks. The latter were, for the most part, prior to the war, limited liability companies, endowed with central banking privileges. Many of them were nationalized after the war, some of them ceased to exist and were replaced by altogether new legal entities. Successful claimant Governments, upon being asked in whose name the Commission's delivery orders were to be drawn up, invariably designated their existing central banks. It is not out of the question that they might have designated the central bank of a third Government to which they were indebted. Such questions as to whether the share-holders of nationalized central banks or of central banks which had been suppressed had been properly compensated and had no claims outstanding, or as to whether an existing central bank had, in fact, inherited the rights of its predecessor from whom the gold was looted, or as to whether a successful claimant Government was entitled to dispose of gold delivered to it under Part III of the Paris Agreement otherwise than to its central bank, were not, in the Commission's view, matters with which it could be concerned or which could be allowed to affect its adjudications.

The history of the Bor Mines Company was a somewhat complicated one. Prior to the war, the Bor Mines were owned and worked by a French company, the "Compagnie française des Mines de Bor", which had its seat in Paris. When the Germans entered Paris, they "acquired", by means of methods such as were described in the United Nations' Declarations, the entire share capital of the French company and re-designated the company "de Bor Kupferbergwerke und Hütten A.G.". When they invaded Yugoslavia, they entered into possession of the Mines themselves. After the liberation, the French Courts reinstated the original share-holders, who had been dispossessed by the Germans, in their rights. About this time, however, Yugoslavia, taking unilateral action, nationalized the Bor Mines. An agreement was finally reached between the French Government and Yugoslavia on the question of compensation but doubts subsisted as to whether the agreement covered the 282.9790 kilograms in bars, which were located in Paris and removed from there to Germany. The Commission mentioned some of these facts and referred briefly to the Franco-Yugoslav agreement in its adjudication but the salient feature, with which the Commission was concerned, was the fact that, under pre-war agreements and Yugoslav law, gold extracted at home or abroad from Bor blister copper had to be delivered to the central bank of Yugoslavia and went to swell the genuine gold reserves of Yugoslavia. The gold could be given no other destination.

The case was further complicated by the fact that the major portion, amounting to 1,952.8302 kilograms, of the gold in respect of which restitution was claimed by Yugoslavia was a component of Bor blister copper when it was removed from Yugoslavia on German orders. The blister copper was delivered to refineries in Germany which, as and when the gold was extracted, delivered it, in the form of bars, to various German organizations. The transfers took place over a period of years.

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The original central bank of Yugoslavia, to which all this gold should legally have been delivered, was "liquidated" by the Germans who set up a central bank of their own, the so-called "National Bank of Serbia" in its place. The German administration of this bank claimed the benefit of the pre-war agreement and Yugoslav laws and requested that the gold be delivered to it, but the German administration of Serbia "dispensed" the German administered Bor Mines from their obligation to deliver the gold.

The information contained in the preceding paragraph is interesting inasmuch as it completes the history of this gold but, as has already been mentioned, the salient feature was the fact that all this gold should, under Yugoslav law and the agreement between Yugoslavia and the Bor Mines, have been delivered to the genuine central bank of Yugoslavia and that it was diverted from its proper destination by the Germans who did not even allow it to be delivered to the National Bank of Serbia which they had set up to replace the genuine central bank which they had liquidated. Had it not been for the German occupation and action, the genuine central bank would not have ceased to exist and its reserves would have been increased by 2,681.38020 kilograms of gold at the end of the period during which the Germans occupied Yugoslavia.

With regard to the major portion, amounting to 1,952.8302 kilograms, of the Yugoslav claim, viewed from a broad angle, the Germans dispossessed Yugoslavia of a gold reserve which was in its sub-soil and which would inevitably have gone to swell Yugoslavia's monetary reserve. From a legal point of view, Yugoslavia, when it was invaded, had absolute control over such gold amounting, in effect, to a lien since no other destination than the central bank could be given to this gold.

With regard to the 445.571 kilograms and 282.9790 kilograms of gold which completed Yugoslavia's claim in respect of Bor Mine gold, these two quantities were already in the form of bars and due for delivery to the central bank when the latter was "liquidated" and the bars were diverted by the Germans from their proper destination. Yugoslavia's position in regard to these two quantities of gold was stronger than it was in regard to the main portion commented upon above.

The Commission decided that, in all the circumstances of the case, the 2,681.38020 kilograms of gold could be considered to have been, constructively, monetary gold of Yugoslavia and it adjudicated accordingly in favour of Yugoslavia, since the fact of looting was evident.

Insofar as the 1,952.8302 kilograms were concerned, the Commission's ruling was consistent with, among others, a decision which the Commission had taken in regard to gold extracted from the Czech soil, purchased by Germany against an equivalent quantity of gold paid into the account of the National Bank of Slovakia, at the Swiss National Bank, and subsequently recovered by Czechoslovakia after the liberation. The Commission had decided that this was gold which, under the laws in force at the time of the invasion, could have been given no other destination than the vaults of the central bank. It was in the form of ore at the time of the invasion, it was true, but the Czech authorities had been fortunate enough to be able to extract it and set it aside and the Commission felt that, in all the circumstances of the case, the Czech Government should be given the benefit of this recovery.

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Problem No. 9.

Problem No. 9 concerned gold looted by the Germans from the central bank of a Free City (Danzig) which thereafter ceased to exist, claimed by a country (Poland) which was entrusted with the administration of the ex-Free City pending the final determination of that country's Western frontier.

The Germans invaded Poland and the Free City of Danzig on September 1, 1939. A German ordinance of September 5, 1939 caused the Bank of Danzig, which was, undoubtedly, the central bank of the Free City, to be liquidated for the account of the Reich and led to the replacement of this bank by a branch of the Reichsbank. The Commission was satisfied that the gold of the Bank of Danzig was removed by the Germans in circumstances which amounted to looting.

The Commission reached the conclusion that the amount looted was 3,858.8835 kilograms and not 4,726 kilograms, which was the amount mentioned in Poland's claim. The Commission's reasons for reducing the Polish figures are given in the detailed adjudication which will be found later in the present report and need not be quoted here.

The only point at issue, which, as will be seen, was an important one, was : whether Poland's contention that any fraction of the pool which might be allocated in respect of the loss of the Danzig gold should be delivered to Poland could be accepted.

The Polish contention was based upon the following general reasoning :

- 1° Under the Treaty of Versailles, Poland was exclusively responsible for the conduct of the foreign relations of the Free City.
- 2° The administration of the territory of the ex-Free City had been entrusted to Poland under the Potsdam Agreement.
- 3° The latter Agreement referred to the "former Free City of Danzig". This meant that the Free City had ceased to exist as a result of its incorporation in the Polish State.
- 4° Poland possessed 25 % of the shares of the Bank of Danzig.

With regard to 1°, the Commission held that, when conducting the foreign relations of the Free City, Poland acted on behalf of the Free City and not on its own behalf and that it did not derive any rights from the Treaty of Versailles at the time, or for the future, over the Bank of Danzig or its assets. Further, Poland's right to conduct the foreign relations of the Free City lapsed when the Free City ceased to exist.

With regard to 2°, it is exact that the administration of the territory of the ex-Free City was entrusted to Poland under the Potsdam Agreement.

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With regard to 3°, the Commission decided that the words "former Free City" of Danzig was merely descriptive and could not be construed as having the effect of making Danzig an integral part of Poland. It was evident that the decisive words used in Section IX (b) of the Potsdam Agreement were "pending the final determination of Poland's Western frontier" which governed the whole of the fourth paragraph dealing with the administration of the area of the former Free City by Poland and the sentence in the third paragraph where the three Governments reaffirmed "their opinion that the final determination of the Western frontier of Poland should await the peace settlement". There had been no peace settlement and Poland's Western frontier had not been determined. The Commission, therefore, could not accept Poland's contention that the territory of the former Free City had been incorporated in the Polish State.

With regard to 4°, the Commission could not agree that the holding by Poland of 25 % of the shares of the Bank of Danzig gave Poland more than certain voting rights, rights to dividends and the right to share in the proceeds of an eventual liquidation of the bank in relation to the said holding. Moreover, the Commission, as has already been explained, could not take considerations of this nature into account.

The situation with regard to Poland was somewhat embarrassing. It was the only claimant country whose claims the Commission had rejected in their entirety and, if a solution could have been found which would have enabled Poland to share in the gold pool in respect of the Danzig gold, this would have gone some way towards countering eventual Polish accusations of discrimination and complaints that Poland had gained nothing by the Protocol by which the three Governments admitted it to share in the arrangements for the restitution of monetary gold.

A share might, conceivably, have been allocated to Poland in respect of the Danzig gold pending the determination of Poland's Western frontier but, on examination, it was found that there were cogent reasons for not proceeding on these lines since the adoption of this solution might have affected the eventual negotiations for a peace settlement.

The next and last question which arose was a question of procedure. As will have been seen above, the Commission could not agree that Poland, in the absence of a peace settlement giving it the right to claim, was entitled to claim for itself a share, outright, in the pool of monetary gold in respect of the loss of the Danzig gold. Poland could not claim, either, on behalf of the Free City of Danzig since its right to represent the Free City of Danzig lapsed when that City ceased to exist. On the other hand, the Free City of Danzig, having ceased to exist, was not represented at the Paris Conference on Reparation and was not included among the States which were entitled to participate in the pool of monetary gold, nor had any reserve in regard to an eventual participation by a possible successor to the Free City been inserted in Part III of the Paris Agreement which had, however, specifically provided for an eventual participation by Austria and Italy.

It might, therefore, have been held that, since no Government had established its right to claim, there was no further action for the Commission to take but to reject the Polish claim on the sole ground that Poland had not established its right to claim.

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It was a fact, however, that gold of the Bank of Danzig had been looted by Germany and there were grounds for supposing that an eventual peace settlement might revive rights in this respect sufficiently strong to justify a claim. If the gold pool had, in the meantime, been distributed in its entirety, a difficult situation might have arisen involving the necessity for requesting successful claimant countries to return, on a pro rata basis, some of the gold which they had received.

The Commission, therefore, decided that a portion of the gold pool should be set aside pro rata to an established loss of 3,858.8835 kilograms for delivery on the final settlement referred to earlier, in the event that a Government should, thereupon, establish its right to receive this portion of the pool and, in the event that such a right should not be established, for delivery to all the successful claimant countries pro rata to their established losses.

Problem N° 10.

Problem N° 10 concerned gold claimed by an ex-enemy country (Italy) on the ground that this gold became part of its monetary reserve as a result of its delivery against a dollar credit in the United States of America to a monetary authority of the claimant country by the Germans who, at a later date, caused this same gold to be transferred to the Reichsbank.

The claim was withdrawn but, since the Commission had, prior to the withdrawal, devoted a considerable amount of time to an examination of this complicated case and reached the conclusion that the claim had not been established, the case has been left in the list of problems, as a matter of interest.

Very briefly, the history of this case is as follows :

According to the Italian Government, an agreement was reached in December 1940, between the Reichsbank and the "Istituto Nazionale per i Cambi con l'Estero" (hereafter described as the "Istcambi"), whereby sums of \$3,000,000 and \$4,000,000 would be placed, by the latter, at the disposal of the German Embassy at Washington. Amounts of \$3,000,000 and \$4,000,000 were delivered by the Italian Representative in Washington to the German Consul who, owing to the imminence of the American decree freezing German assets, was, apparently, unable to dispose of the full amount. \$3,021,120 remained unaccounted for and the "Istcambi" requested settlement of this amount in gold and in Swiss francs.

The Reichsbank admitted that it did not know what had happened to the dollar notes and proposed to the Italian Ministry of Finance that, in view of the difficulties which it would encounter, even in the most favourable conditions, in negotiating the dollar notes in the United States, there should be taken as a "starting point" for a suggested "bridging transaction", an amount of \$2,000,000. The counterpart of this amount in gold, at \$35 per fine ounce, i.e. 1,777.3418 kilograms of fine gold, was to be credited to a gold at sight account at the Bank of Italy, against an undertaking by that Institution to return the gold to the Reichsbank not later than December 31, 1942. The reason given for this was that this operation was an exception to the Reichsbank's regulations and that the Italian Ministry of Finance, itself, had said that this credit was only needed for a short period.

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If it was found possible to utilize the dollar notes, the Reichsbank would credit the Bank of Italy with the countervalue in fine gold, "thus reducing the obligation of returning the gold, assured by the Bank of Italy at the opening of the bridging credit".

The gold was duly delivered to the Bank of Italy and its fine gold content was found to be 1,777.33826 kilograms. The credit was renewed, from time to time, and the gold was still in the possession of the Bank of Italy when, pursuant to a decree promulgated by Mussolini, head of the so-called "Italian Social Republic", it was handed over to the Reichsbank, under an agreement known as the Rahn-Mazzolini agreement.

The Italian Government's contention was that the dollars were used for the benefit of Germany, that the gold became a part of Italy's monetary reserve, that is to say, gold belonging to Italy within the meaning of Part III of the Paris Agreement and that the circumstances in which it was handed over to Germany under the Rahn-Mazzolini agreement amounted to looting by, or wrongful removal to, Germany.

The Commission was unfavourably impressed by the fact that the basic document, namely the Reichsbank's proposals, could not be found and that none of the Italian Monetary Authorities' replies to the various letters had been furnished.

The letters and advices from the Reichsbank showed that the "Istcambi"'s account with the Reichsbank was a "commission account" and that the dollars were held "for Italian account and risk". There was no indication that they had been purchased outright by the Reichsbank or that the gold constituted a guarantee for the safe return of the dollars. Everything tended to indicate that the dollars were held by the Reichsbank on deposit, for the account of the "Istcambi", on the understanding that the Reichsbank would endeavour to utilize or dispose of as many of them as possible, depending on circumstances and the possibilities of the German authorities in the United States.

The gold was described in the Rahn-Mazzolini agreement as having been handed over "as reimbursement of the gold credit granted for the same amount". The Reichsbank would obviously not have caused this stipulation to be inserted unless it had considered, all along, that this particular amount of gold was on loan to the "Istcambi". The Commission, it is true, has considered the Rahn-Mazzolini agreement to have been illegal and the action of the Reichsbank in taking back this gold whilst it was still under contract was itself illegal, but the fact remained that this gold did not have the same status as the rest of the gold handed over under the Rahn-Mazzolini agreement. Officials of the Reichsbank have stated that the Bank was taking its own gold back, in this case, nothing more.

The Commission arrived at the conclusion that the gold was gold which was on loan to the "Istcambi" and returnable on a given date and that, in the absence of any evidence to the contrary, it must have been carried as such in the books of both the Reichsbank and the "Istcambi". It did not, therefore, form part of Italy's genuine monetary reserve and could not be considered to have been gold "belonging" to Italy within the meaning of the Paris Agreement.

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The Commission was, consequently, unable to find this claim valid and it advised the Government of Italy accordingly, through its Ambassador in Brussels, inviting it, at the same time, to send representatives before the Commission for a hearing.

By letter dated March 29, 1949, the Italian Ambassador informed the Commission that the \$3,021,120 had been found in Washington and he requested, on behalf of his Government, that the hearing be postponed.

The dollars had, in fact, been found by the American authorities and, pursuant to an order, dated February 24, 1956, of the Department of Justice (Office of Alien Property), had been returned to the Liquidator of the "Istcambi".

On May 8, 1956, the Italian Ambassador wrote, on behalf of his Government, withdrawing the claim before the Commission in respect of the 1,777.3383 kilograms of gold.

The Commission, in its adjudication, did not enter into details regarding this particular claim or refer to the conclusions which it had reached. It merely stated that the claim had been withdrawn.

Problem No 11.

Problem No 11 concerned gold transferred to the Reichsbank subsequently to the Munich Agreement in proportion to the Czech territory (known as the Sudetenland) yielded to Germany in October 1938.

In October 1938, after the so-called Munich Agreement, which was dated September 29, 1938, Germany annexed the frontier districts of Czechoslovakia, known as the "Sudetenland".

This annexation was followed by negotiations between the National Bank of Czechoslovakia and the Reichsbank which culminated, during the period from February 28 to March 4, 1939, in an agreement whereby Czech notes, which had been withdrawn by Germany from circulation in the Sudetenland and replaced by German notes, would be turned over to the National Bank of Czechoslovakia against delivery by that bank to the Reichsbank of 14,536.2010 kilograms of gold representing the proportion of the total Czech gold cover corresponding to these notes. The gold was, in fact, transferred on March 8, 1939.

After the Munich Agreement, Germany exercised continuous pressure on the Government of Czechoslovakia and this pressure culminated in the German invasion of Czechoslovakia on March 15, 1939 and the forcible liquidation of what remained of the Czech State after the Munich agreement.

The Government of Czechoslovakia, which had not been a party to the Munich Agreement, maintained that this agreement was invalid and not binding on Czechoslovakia.

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

The French National Committee, in an exchange of notes on September 29, 1942, with the Government of Czechoslovakia in exile, made a similar declaration.

The United States, after the German invasion of March 15, 1939, refused to recognize the German occupation of Czechoslovakia.

The Government of Czechoslovakia, in its reply to the Questionnaire addressed to it by the Commission, claimed, among other items, restitution from the gold pool in respect of the above-mentioned transfer of gold to Germany. It contended that the negotiations of February 28 to March 4, 1939 were the direct consequence of the Munich Agreement to which Czechoslovakia was not a party and that the Czech representatives could not do otherwise than give way to the pressure of the German Government and accept the conditions imposed by the representatives of that Government; that is to say, that the agreement regarding the redemption of the Czech banknotes was signed under duress. It further contended that, though the German Government turned over to the Government of Czechoslovakia the Czech notes in respect of which the gold served as cover, the Government of Czechoslovakia received, in fact, no real or computable compensation for this gold.

Part III of the Paris Agreement stipulated that a proportional share of the gold pool should be allocated to each country concerned which could establish that a definite quantity of gold belonging to it was looted by Germany or, at any time after March 12, 1938, was wrongfully removed into German territory.

The gold subject of the present study was transferred to the Reichsbank on March 8, 1939, very nearly a year later than the date mentioned in Part III. Czechoslovakia was, therefore, entitled to submit this claim and the Commission was competent to examine it.

The Commission found no difficulty in agreeing that three of the four conditions which had to be complied with before gold could be distributed as restitution to a claimant country had been complied with by Czechoslovakia. The National Bank of Czechoslovakia, which delivered the gold, was the central bank of Czechoslovakia, the gold was functioning, at the time it was delivered to Germany, in the national economy of Czechoslovakia in relation to Czechoslovakia's monetary system and, therefore, belonged to that country within the meaning of Part III of the Paris Agreement, as interpreted by the Commission, and there was a definite quantity of it, namely 14,536.2010 kilograms.

The only points at issue were whether Czechoslovakia's contention that the gold had been transferred in circumstances amounting to looting or wrongful removal by Germany could be upheld and whether Czechoslovakia received any genuine consideration for the gold.

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In this connection, there was a significant fact. The so-called agreement regarding the redemption of the Czech notes was concluded between February 28 and March 4, 1939, the gold was transferred to the Reichsbank on March 8, 1939 and Germany, eight days later, on March 15, 1939, invaded what remained of Czechoslovakia after the Munich Agreement.

The Commission considered that there were strong grounds for presuming, in view of the nearness of the dates to one another, and German pressure, which was unquestionable, since September 29, 1938, date of the Munich Agreement, that the transfer of the gold had been effected under duress. No country would part, voluntarily, in the circumstances described, with a considerable portion of its monetary reserves. But this was not all. Czechoslovakia was not a party to the Munich Agreement, which had led to this transfer, and its Government maintained that this agreement was invalid and not binding upon Czechoslovakia. Further, Great Britain and the French National Committee had declared that Germany had, by its action, destroyed the Munich Agreement and the United States had refused to recognize the German occupation of Czechoslovakia.

The Commission decided, having regard to the circumstances of the case, as described above :

- that the transfer had been effected, as contended by Czechoslovakia, in circumstances which amounted to looting or wrongful removal to Germany;
- that Czechoslovakia could not be considered to have been compensated for the loss of its gold by the surrender of the Czech notes and
- that the Czech economy could not be considered to have benefited to any appreciable extent, if at all, by the transaction.

German action deprived Czechoslovakia of this gold which was functioning, at the time it was transferred, in the Czech economy in relation to the Czech monetary system and it was clear that the Commission would be carrying out the intentions of the signatories of the Paris Agreement in reinstating this part of the Czech monetary reserves, insofar as was possible, in the position in which it was at the time of the German interference. The Commission adjudicated accordingly in favour of Czechoslovakia.

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Problem No 12.

Problem No 12 concerned gold of the Netherlands recovered from a ship, sunk through German action, transferred to the Reichsbank pursuant to an order of appropriation of the German Prize Court at Hamburg.

When the Germans invaded the Netherlands, the Bank of the Netherlands endeavoured to save those parts of its gold reserves which it was in a position to move. 937 bars of gold, which were at its Rotterdam branch, were placed on a ship bound for England but the ship struck a mine in the Nieuwe Waterweg and sank. 816 bars, containing 9,571 kilograms of fine gold, were subsequently salvaged from the wreck. They were transferred, on April 30, 1941, to the Reichsbank pursuant to a decision, dated March 1, 1941, of the German Prize Court at Hamburg. The Bank of the Netherlands appealed against this decision but its appeal was ignored.

This gold was, undoubtedly, monetary gold belonging to the Netherlands in the sense in which the Commission understands the term. The only point at issue was whether the circumstances in which the gold was transferred to the Reichsbank could be considered as amounting to looting or wrongful removal by Germany.

The case is mentioned among those presenting special features because, from the strict point of view of international law, the decision of the German Prize Court was not in itself an illegal act.

The Commission decided, however, that this case called for consideration from a general point of view, that is to say, from a broader angle.

The United Nations Declaration had made it clear that the United Nations would do their utmost to defeat the methods of dispossession practised by the Germans and that their warning applied whether transfers or dealings had taken the form of open looting or plunder or of transactions apparently legal in form, even when they purported to be voluntarily effected.

The general intentions of the signatories of the Paris Agreement were that the monetary reserves of the devastated countries should be reinstated in the position in which they were at the time they were seized by the Germans and that the gold in the gold pool should be used for this purpose. The Commission, as already explained, decided that the term "monetary gold belonging to (a country)" applied to gold which, at the time it was seized by the Germans, was functioning in the national economy of the country in relation to the country's monetary system and that the term "looting or wrongful removal" applied to any action of the Germans which had the effect of depriving the claimant countries of such gold.

The Commission held that the principles inherent in its basic texts should prevail over considerations arising out of individual German acts which, in any event, varied according to circumstances or according to whether they wished to crush, or to ingratiate themselves with, the conquered peoples they were dealing with. The Commission's attitude in this respect was further strengthened by the necessity for consistency and the fact that the Commission was responsible for carrying out an equitable procedure.

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The Germans, in the Netherlands, one of the first countries which they invaded, were at pains to give a semblance of legality to their actions. They caused a considerable portion of the gold which they took to be transferred from the account of the central bank to the account of the State before it was conveyed to the Reichsbank because they thought that this would strengthen their position. In the case of the sunken ship, they adopted the obvious and most convenient solution, which was to have the gold condemned in prize, in order to achieve their object. They were less scrupulous in the countries which they conquered later.

Whatever the methods employed, it is a fact that, had it not been for German action, the Netherlands would not have lost the 9,571 kilograms of gold belonging to them, subject of the present study.

The Commission decided that, in all the circumstances of the case, it would be justified in accepting this claim and it adjudicated accordingly.

#### Problem N° 13.

Problem N° 13 concerned consideration purporting to have been given by the Germans in respect of gold transferred by them from the central bank of a claimant country (Czechoslovakia) to the Reichsbank and the question as to whether it should be taken into account in the Commission's adjudication.

The Commission was not put under any specific obligation, in the texts of Part III of the Paris Agreement and of its Terms of Reference, to take consideration received for gold into account. This was obviously one of the "questions of application" which were left to the judgment of those charged with the implementation of Part III.

The reasons given by the Germans for causing gold to be transferred to the Reichsbank and the action taken by them, following upon these transfers, vis-à-vis the countries from which the gold had been taken, varied considerably.

In the case of the Netherlands, for instance, most of the gold was taken either as a "war levy" or as a "contribution to the war in the East".

In the case of Italy, a part of the gold was considered as a reimbursement of expenses incurred by Germany for Italian Diplomatic missions abroad, another part was considered as a "contribution to the common war effort" and the rest was taken for return to Yugoslavia (to which it was never, in fact, returned by Germany).

In other cases, the central bank of the country concerned, or the clearing account, was credited, in Reichsmarks, with the value of the gold taken. There were two main categories of Reichsmarks, those which were credited to an "Inlandskonto" and could only be used within Germany and free Reichsmarks, which could be used outside Germany.

Some central banks, the National Bank of Belgium for instance, categorically refused to accept the credit in Reichsmarks. The Reichsbank "took charge" of the Belgian gold which was deposited for safe-keeping at the Bank of France. Both the Belgian and French central banks refused to recognize the validity of this action on the part of the Reichsbank. A little later, the gold was "requisitioned" in favour of the Reichsmarshal, Delegate of the Four Year Plan, and the Belgian and French central banks were offered a corresponding credit in Reichsmarks, which they refused. The Reichsmarks were finally paid, by the Germans, into Court at Berlin.

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Other central banks, none of which was a free agent, used the Reichsmarks which were credited to their accounts.

No useful purpose would be served by entering into further details here. It will be clear, from what is said above, that German action, in this particular sphere, varied so considerably that no hard and fast rule could be applied by the Commission when dealing with these matters. It was obvious that, in the vast majority of the cases, consideration given by the Germans in respect of gold taken by them from occupied countries could not be considered to have constituted real compensation for the gold taken and that such consideration as was received did not function in the national economy of the countries concerned in the manner in which it would normally have functioned, had it not been for the action of the Germans. The consideration was given by the latter mainly for purposes of exploitation of the occupied countries for Germany's own ends.

The possibility cannot be ruled out, however, that the war time or post-war economy of some of the claimant countries may have derived some benefit from those operations forced upon them by the Germans but such benefits could not be computed and must be considered as negligible in relation to the general picture. Any attempt to assess such benefits, in terms of gold, or to compare the situation of one country with that of another, in this respect, or to compute, in terms of gold, the general damages resulting from the absence of proper consideration, was bound to fail and, having regard to its basic texts, to the United Nations' Declarations and to the necessity for carrying out an equitable procedure and for consistency, the Commission decided that it could not take into account undetermined and undeterminable advantages, if any, which the claimant countries may have derived from consideration given by Germany.

The Commission's most searching enquiry was made into the situation which arose in Czechoslovakia. The Germans divided that country into two parts: the so-called Independent State of Slovakia and the so-called Protectorate of Bohemia and Moravia. The branch of the former Central Bank of Czechoslovakia, the National Bank of Czechoslovakia, which was located in the latter part of Czechoslovakia, continued to function under the name of Bank of Bohemia and Moravia. It was this bank which came into possession of the pre-war gold reserves of the genuine central bank. These were transferred, in different ways, to the Reichsbank which credited the Bank of Bohemia with free Reichsmarks for some of the gold and retained the rest in the name of the latter bank. In the so-called Independent State of Slovakia, the functions of the genuine central bank were abolished and a new bank, the National Bank of Slovakia, was set up which did not, in the first instance, come into possession of any gold. This bank, however, received favourable treatment from the Germans and derived free Reichsmarks from its transactions with Germany and gold which accumulated, during the period of its existence, in its account at the Swiss National Bank. This gold was recovered by Czechoslovakia after the liberation and forms the subject of the immediately following analysis.

Czechoslovakia, frankly and properly, admitted, in reply to the Commission's enquiries, that it may have derived some economic advantage from consideration received from the Germans, consisting of free Reichsmarks, which could be used outside Germany. But it asserted that it was impossible to compute this advantage, if indeed there was one, and the Commission is convinced that this assertion was based on fact, the Commission itself having failed to discover any method whereby this could have been done.

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Czechoslovakia was, therefore, given the benefit of the doubt and the fact that there may possibly have been some genuine consideration in its case was not taken into account. But, as will be seen in the analysis which follows, the Commission did take into account a recovery by Czechoslovakia, after the liberation, of gold which had, as a result of operations between the Reichsbank and the so-called National Bank of Slovakia, accumulated to the credit of the latter bank's account at the Swiss National Bank.

Problem No 14.

Problem No 14 concerned gold recovered by claimant countries (Czechoslovakia, Yugoslavia), after the liberation, from neutral countries where it had accumulated, in different ways, during the occupation by Germany of the claimant countries, and the question as to whether it should be taken into account in the Commission's adjudications.

The main recovery was by Czechoslovakia.

The situation which arose in that country has already been described and no useful purpose would be served by giving here a detailed account, which will, in any event, be found in the Commission's adjudication, later in this report, of the somewhat complicated operations whereby the National Bank of Slovakia, which is the Bank with which the Commission is concerned in the present analysis, came to be credited at the Swiss National Bank with a considerable amount of gold.

The amount, subject of the Commission's study, was 7,107.4418 kilograms of fine gold and it represented, in great part, the counter-part of exports from Slovakia which, it will be recalled, was a puppet state of Germany, to Switzerland and to Germany. The National Bank of Slovakia had no gold when it started functioning and this gold accumulated to its account as a result of its trade and other transactions with or under the control of Germany. The gold was delivered, after the liberation, to the reconstituted National Bank of Czechoslovakia by the Swiss National Bank.

It might conceivably have been argued that, since this gold accumulated in Switzerland as a result of German action, it should have been put into the gold pool. However, the assembling of the pool was not a matter which the Commission was competent to deal with and the gold was not put into the pool, nor was the Commission directed to examine this aspect of the situation.

There were no specific stipulations regarding gold recoveries in the basic texts governing the Commission's work but the declaration, annexed to the Protocol which the three Governments signed with Austria (Annex 4), set what might be considered as a precedent inasmuch as it warned Austria that the Commission might have to take a recovery, which Austria had made, into account in connection with Austria's claim and the preamble to Part III of the Paris Agreement made it quite clear that the Commission's procedure had to be an equitable one.

It would hardly have been equitable, particularly having regard to the fact that no other claimant country was able to recover gold in circumstances such as have been described above, to allocate gold to Czechoslovakia from the pool in respect of losses of gold through German action without making a close examination of the situation which arose as a result of its recovery, after the liberation, of gold which accumulated to the credit of Czechoslovakia as a result of German action, direct or indirect.

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The above-mentioned amount of 7,107.4418 kilograms of fine gold, recovered in the circumstances described above, can be reduced to 5,708.6660 kilograms for the purposes of the present study, by a deduction of 1,398.7758 kilograms of fine gold which was placed at the disposal of the National Bank of Slovakia by the Reichsbank in exchange for gold of local extraction. Under the laws in force, at the time of the invasion of Czechoslovakia, the latter gold could be given no other destination than the vaults of the central bank and the Commission felt that, in all the circumstances of the case, Czechoslovakia should be given the benefit of this recovery (see the last paragraph of the analysis of Problem N° 8).

No useful purpose would be served by describing here the numerous and complicated transactions whereby the remaining amount of 5,708.6660 kilograms of fine gold accumulated at the Swiss National Bank. The essential details are to be found in the Commission's adjudication, later in this report. A careful study by the Commission showed that the exportation of goods to Germany by the so-called Slovak State enabled the German controlled National Bank of Slovakia to acquire, with funds of German origin, 3,710.0148 of the above-mentioned 5,708.6660 kilograms of fine gold. The balance, namely 1,998.6512 kilograms, was purchased with funds which were not of German origin. The Germans do not appear to have placed any restrictions on exports from Slovakia, which they had formed into a so-called "Independent State", to neutral countries and the funds were mainly of Swiss origin.

The Commission decided to divide the recovery, for the purposes of its adjudication, into two categories :

1° gold purchased with funds of German origin : 3,710.0148 kg.  
2° gold purchased with funds which were not of German origin : 1,998.6512 kg.

With regard to the gold in category 1, namely 3,710.0148 kilograms, the Commission was of the opinion that this gold should be taken into account. Put very briefly, this opinion was based on the following reasoning : in answer to a question, which arose in connection with an important part of the Czech claim, as to whether the Czech economy benefited or did not benefit by free Reichsmarks derived from the sale by the "National Bank of Bohemia and Moravia" of 12,768.9601 kilograms of gold to the Reichsbank, the Commission had given Czechoslovakia the benefit of the doubt, mainly on the grounds that the benefit to the Czech economy could not be computed. The process was reversed in the case of the "National Bank of Slovakia", which purchased a definite amount of gold, viz. 3,710.0148 kilograms, with free Reichsmarks derived from the Reichsbank, in respect of exports from Slovakia to Germany. It was only fair, in the circumstances, that this gold should be taken into account. Otherwise, Czechoslovakia would have received a share of the pool, pro rata to the totality (less the "Skodaworks gold" 1,008.9146 kilograms) of the loss which it claimed it had suffered through German action, whilst retaining 3,710.0148 kilograms which it has recovered and which came into being, broadly speaking, as a result of German action. It would thus have been afforded an undoubted advantage to the detriment of all the other claimant countries. There were other reasons, as well, which are set forth in the Commission's adjudication, which is included in the present report. Some doubt arose, however, as to whether it was within the Commission's powers to decide whether this gold should be taken into account and treated as a delivery on account of the Czech share in the pool. It appeared that a final decision in this matter lay with the three Governments, responsible for assembling the pool and for taking such action as might be called for under Paragraph G of Part III of the Paris Agreement. The Commission, therefore, consulted the three Governments and it was finally decided that it should be made clear in the adjudication that the decision reached, to the effect that the gold recovered in the circumstances described above should be treated as a delivery on account of Czechoslovakia's share in the gold pool, had been taken by the three Governments.

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With regard to the gold in category 2 (gold purchased with funds which were not of German origin), this gold came into being because the Germans allowed some measure of freedom to Slovakia in its trade with neutral countries. Germany derived no benefit from the exports in question and German action was not sufficiently direct or all-embracing to justify the Commission in taking this gold into account. It was more in the nature of a monetary reserve which accrued to the credit of Czechoslovakia at the Swiss National Bank after the invasion and which Czechoslovakia took over, after the liberation, much in the same way as other countries recovered, after their liberation, the gold reserves which they had sent abroad for safe custody under the threat of invasion. Czechoslovakia, of course, lodged no claim to this gold. In all the circumstances of the case, the Commission felt that Czechoslovakia should be given the benefit of this recovery.

The above decision may be open to some criticism on strict legal grounds and it might, conceivably, be argued that the Commission was not competent to take recoveries into account but the Commission has already explained, at some length, the principles on which it worked and the way in which it interpreted the intentions of the Paris Agreement. Moreover, the wording of the Commission's letter of March 13, 1947, left the way open for action on the above lines and the Commission is confident that the solution which it has adopted was the best that could be reached in the circumstances.

There was another case in which gold in the vaults of the central bank of a puppet State set up by Germany found its way to the Swiss National Bank and was recovered, after the liberation, by the claimant country.

The country was Yugoslavia, the bank was the so-called Croatian State Bank and the gold amounted to 980.45443 kilograms.

The circumstances were, however, quite different from those which have been described in the Czech case, for this gold was gold which had formed part of Yugoslavia's genuine pre-war monetary reserves and which had been seized by officials of the puppet State of Croatia from the Sarajevo branch of the National Bank of the Kingdom of Yugoslavia (which was the central bank of Yugoslavia at the time of the German invasion) and put into the vaults of the so-called Croatian State Bank. Patriotic officials of the latter bank caused the gold to be transferred, at some later date, to the Swiss National Bank which returned it, after the war, to the present day Central Bank of Yugoslavia, the National Bank of Yugoslavia.

What happened in this case was akin to what happened in the case of, say, Greece, which was able to transfer its pre-war monetary reserves to a place of safety abroad prior to the German invasion and recovered them after the war.

Greece did not, of course, claim in respect of this gold, neither did Yugoslavia in respect of the 980.45443 kilograms, and the Commission, having regard to the texts governing its work and to the interpretation which it has given to these texts, decided not to take this particular recovery of pre-war monetary gold into account.

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But, before proceeding further, the Commission must mention that its findings in respect of some of the problems analysed above were queried on various grounds (some of which necessitated careful consideration) by the Netherlands (Problem N° 1), Poland (Problems N° 2 and 9) and Albania (also, indirectly, Italy) (Problem N° 7).

Furthermore, possible Czech reactions to the Commission's findings on that country's claims (Problems N° 4 and 14) were not known, since the Commission's adjudication had not yet been notified to Czechoslovakia.

A stage was reached where the Commission had to decide whether it should suspend the preparation of its report pending decisions on the important questions in suspense or whether it should continue, leaving aside contentious matters which would include not only those referred to above but, also, a brief description of certain proceedings before an Italo-Dutch Conciliation Commission in Rome, for analysis in a special section at the end of the report.

The three Governments had made it clear, at the Inter-Governmental Conference of January 1950, in particular, that they desire that such portions of the Commission's report as could be completed should be available on demand. Furthermore, it did not seem likely that future developments of a contentious nature, which might last for years, would affect to any great extent the basic principles upon which the Commission's findings, as outlined above, had been based. The Commission, therefore, decided to adopt the second of the two solutions referred to above and to continue the preparation of the report.

As has been made clear in the foreword to the report, the latter is still incomplete but it has been decided that it shall be signed by the three Commissioners, jointly, in its present form, now considered as definitive, (including considerable details on contentious matters) and submitted by them to their respective Governments. It will be completed by addenda, as and when possible.

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CHAPTER V

THE COMMISSION'S ADJUDICATIONS

1. Preliminary statement.

As has already been mentioned, the Commission's main function, which was laid down in Paragraph 5 (b) of its Terms of Reference, was to :

"scrutinize claims received and to determine the share of each claimant Government in the pool of monetary gold to be distributed by way of restitution in accordance with Part III of the Paris Agreement on Reparation and any other pertinent agreements."

During the first two years after its establishment, banking and financial experts were attached to the Commission's staff and it was possible to come to some firm and some tentative conclusions on the very complex claims which had been advanced. In many cases, further evidence was later submitted in response to queries by the Commission and long hearings of representatives of certain claimant countries to clarify details of their claims had to be arranged. By October 1950, the Commission had formed an opinion on almost all of the claims which had been advanced but it was not till the beginning of 1952 that it felt able to entrust the Secretary General with the task of drafting, in consultation with the Chairman, the adjudications on all the claims submitted, in the light of the decisions which had been reached in detail on the many points arising in each case.

Paragraph 5 (b), quoted above, did not indicate explicitly the form in which the Commission's findings were to be presented.

The words "when all claims ..... have been adjudicated upon" had been used, however, in Paragraph 5 (d) of the Terms of Reference and the Commission, after studying and approving a suggested framework for adjudication submitted at its 99th Meeting by the Secretary General and approving, at its 100th Meeting, the first adjudication, which was on the Belgian claims, prepared by the Secretary General, in consultation with the Chairman, in the light of various comments made at the 99th Meeting, decided, with the approval of the three Governments constituting it, to adopt this form of adjudication in all future cases.

About this time, pressure was brought to bear on the Commission, from American sources in particular, to proceed faster and, in order to gain time, the Chairman (Sir Ronald Wingate) undertook some of the drafting himself, with the help of a personal assistant, whilst the Secretary General completed the rest and touched up where necessary. The draft adjudications were further revised after comments by the French and American Commissioners and agreed in their final form in 1954 by the Commission which, for various reasons which will become clear later, was unable to proceed further until 1958, when ten of the eleven adjudications were signed by all three Commissioners. The American Commissioner was not authorized by his Government to sign the remaining adjudication, which was on the claims of Czechoslovakia. The adjudication, still unsigned, was subsequently reviewed and modified, early in 1962, to show that a decision to take into account a recovery by Czechoslovakia from Switzerland when calculating Czechoslovakia's share in the gold pool had been taken by the three Governments and not by the Commission. After the review had been done, the British and French Commissioners declared that they were authorized by their respective Governments to sign the adjudication, provided that it would be signed simultaneously by the other two Commissioners.

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It must be mentioned here that the work of the Commission was inevitably slowed up to a certain extent as a result of changes in the representation of the three Governments on the Commission.

2. A recapitulatory table of the amounts involved in the Commission's adjudications.

The adjudications take up a great many pages and, in view of their bulk, they have been grouped in a separate volume (Volume II).

The amounts, in kilograms of fine gold, of the claims found established in the adjudications are given below in the form of a recapitulatory schedule and the totals of the claims received as well as the amounts of the claims withdrawn and the claims rejected are also given, in kilograms of fine gold, as a matter of interest.

<u>Countries</u>	<u>Total amounts of the claims submitted</u>	<u>Amounts of the claims withdrawn in the course of the proceedings</u>	<u>Total amounts of the rejected claims</u>	<u>Total amounts of the claims found established</u>
Albania	2,579.9023	125.0278	-	2,454.8745
Austria	91,256.9156	-	12,989.7678	78,267.1478
Belgium	204,868.0736	-	6,434.2319	198,433.8417
Czechoslovakia	45,008.2784	-	1,008.9146	43,999.3638
Greece	12,718.6654	5,276.9310	7,358.0014	83.7330
Italy	73,438.8292	1,777.3383	2,340.8200	69,320.6709
Luxemburg	4,317.2028	-	93.4988	4,223.7040
Netherlands	145,650.4978	-	35,475.8682	110,174.6296
Poland	138,718.5309	-	138,718.5309	-
Danzig	4,726.0000	-	867.1165	3,858.8835
Yugoslavia	12,264.9241	8,857.4800	164.0019	3,243.4422
<b>Total</b>	<b>735,547.8201</b>	<b>16,036.7771</b>	<b>205,450.7520</b>	<b>514,060.2910</b>

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3. The units of weight used in the Commission's relations with claimant countries and the banks where gold accounts were opened.

It will be observed that the above table is drawn up in kilograms of fine gold. The Commission, however, deems it necessary to point out, at this stage, that it had to use two different units of weight in respect of gold for its purposes.

The standard unit in all continental countries is one kilogram. The Commission and its experts, when drawing up the Questionnaire, considered, therefore, that replies should be elicited in kilograms and all claims received and adjudications made were in respect of kilograms of fine gold.

As will be seen later in the chapters and sections dealing with the gold accounts and deliveries, only one of the three banks in which gold for the pool was deposited, namely the Bank of France, kept its accounts in kilograms and the amount concerned was small (2,348.0457 kilograms deposited on October 17, 1951 and delivered to France, via Belgium, on July 4, 1958).

By far the major portion of the gold pool was held by the Bank of England and the Federal Reserve Bank of New York. These two banks keep their gold accounts in Troy ounces of fine gold and the Commission naturally had to adopt this unit when accounting for the gold pool.

As will be seen later, the delivery orders issued were drawn up both in kilograms and Troy ounces but the resulting debits being in Troy ounces, the latter unit alone figures in all the recapitulatory schedules that follow.

4. The re-definition of the metric equivalence of the pound.

A problem with which the Commission will have to cope in all further deliveries arises out of the fact that the Weights and Measures Act, 1963, which came into force on January 31, 1964, re-defined the United Kingdom metric equivalent of the pound as 0.45359237 kilogram exactly. From this, it was calculated that 1 kilogram = 32.1507465 fine ounces and not 32.1507425 which was the factor previously used. The former factor is also used in the United States of America. It follows that all the figures given in the present report, as at October 1969, the date on which that part of the report which had been completed was considered as definitive, are based on the old factor whereas all future movements of gold will have to take into account the new factor.

The figures given as at October 1969 will eventually have to be revised in two cases, that of Czechoslovakia, where it has not yet been possible to notify the Commission's adjudication, and that of the Netherlands, which have not yet taken over the amount allocated to them in the quasi final distribution. The differences will be infinitesimal but they will, nevertheless, present an accounting problem.

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C O N T E N T S O F

V O L U M E I

Foreword

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TRIPARTITE COMMISSION  
FOR THE RESTITUTION OF MONETARY GOLD

MINUTES

of the First Meeting held at Brussels,  
on 8 December, 1946, at 6 p.m.

Present : H.E. Mr. Russell Dorr,  
Commissioner for the Government  
of the United States of America.

H.E. M. Henry Spitzmuller,  
Commissioner for the Government  
of the French Republic.

Sir Desmond Morton, K.C.B., C.M.G., M.C.,  
Commissioner for the Government of the United Kingdom  
of Great Britain and Northern Ireland.

1. Constitution of the Commission.

The Commission having constituted itself in conformity with Part III of the Paris Agreement on Reparations of 14 January 1946, took cognisance of the provisions concerning it laid down by the declaration published on 27 September 1946 by the Governments of France, the United Kingdom and the United States.

2. Credentials of the Commissioners.

The credentials of the Commissioners were verified. M. Spitzmuller informed the Commission that he would communicate the text of the Decree of 9 November, 1946, empowering him, in case of absence, to replace M. Rueff.

3. Secretariat.

It was decided to establish a Secretariat and to request the Secretary General of the Inter Allied Reparation Agency to authorize an advance of funds to enable the Commission to function and, if it should be necessary, to assist the Secretariat

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of the Commission in the material execution of important work.

4. Letter to the Control Council.

The Commission decided to inform the Control Council of its constitution.

5. Letter to the Governments of France, the United Kingdom and the United States of America and to the Western Zone Commanders.

It was decided that the Commissioners would request their respective Governments to inform them in regard to the amount of the stocks of monetary gold discovered in Germany and to suggest to them that it might be advisable to remove this gold outside German territory, should they consider that the costs of such removals were justified by the value of the gold removed, at the same time requesting their Governments to give the necessary instructions to the Western Zone Commanders so as to enable the Commission to obtain from the latter, should it appear necessary, direct information in regard to certain questions concerning monetary gold.

It was also decided that the Commission would directly notify the Commanders-in-Chief of its constitution and inform them of its desiderata.

6. Definition of Monetary Gold.

The Commission decided as being liable to restitution "any gold which at the time it was looted or wrongfully removed was considered as constituting a part of the monetary reserve of the claimant country, whether it appeared as such on the books of the claimant Government itself, on those of the central bank of that country or on those of any other officially recognised financial institution, either within or outside its own territory".

7. Questionnaire on Losses of Gold.

The Commission decided, in conformity with para D. of Part III of the Paris Agreement, to send questionnaires to all Signatory Governments in regard to their respective losses of gold through looting or by wrongful removal to Germany. It was decided that, pending formal instructions from their respective Governments, the Commissioners would send no questionnaire to any other countries.

8. Press Communique.

It was decided that no press communique would be issued

before the Commission had finished its work.

The meeting adjourned at 7.15 p.m.

TRIPARTITE COMMISSION  
FOR THE RESTITUTION OF MONETARY GOLD

## MINUTES

of the Second Meeting held at Brussels,  
on 3 March, 1947, at 6 p.m.

Present : H.E. Mr. Russell H. DORR,  
Commissioner for the United States Government,

M. Jacques RUEFF,  
Commissioner for the Government of the French  
Republic.

Sir Desmond MORTON, K.C.B., C.M.G., M.C.  
Commissioner for the Government of the United Kingdom  
of Great Britain and Northern Ireland.

1. Appointment of the Secretariat.

M. RUEFF introduced M. HIRIGOYEN whom he proposed should act as permanent Secretary to the Commission.

On approval of M. HIRIGOYEN by the Commissioners for the United States and United Kingdom Governments, it was decided that he should take up his duties on 1st April 1947 in accordance with the conditions stated in the letter CROM/4 of 7 March, 1947. He was to submit proposals to the Commission for the appointment of the Secretariat, remuneration of experts, etc.

2. Letter to the Control Council.

Contrary to the decision taken at the first meeting on 8 December (CROM/Min.1, paragraph 4), it was decided not to send a letter to the President of the Control Council informing him of the establishment of the Commission.

3. Letter to the Commanders of the Western Zones of Germany.

The Commissioners were to confirm that their respective Governments had duly issued the necessary instructions to the Commander-in-Chief of their national zone of occupation to enable the Commission to establish direct contact with him.

In addition, the letter provided for in the minutes of the first meeting (second sub-paragraph of paragraph 3) was to be sent as soon as possible to the three Commanders-in-Chief of the Western Zones.

4. Despatch of questionnaire on gold losses.

Note was taken of the agreement by the three Governments to despatch the questionnaire on gold to the Austrian, Italian and Polish Governments. The questionnaire would, in consequence, be forwarded to them as soon as possible, at the same time as to the Governments members of the Inter Allied Reparation Agency. The covering letter containing a reservation on the admission of Governments non-Signatories of the Paris Agreement was to be identical with that addressed to Governments members of the Inter Allied Reparation Agency.

5. Deposit of Commissioners' Signatures.

The Commissioners were to transmit their attested signatures to the various banks which were holding, or would hold, the amounts of gold which it was the Commission's task to distribute.