

PARAPHRASE OF TELEGRAM No. 11

FROM: American Embassy, London
 TO: Secretary of State, Washington
 DATED: February 18, 1944
 NO.: 1411

SECRET

To Secretary Morgenthau from the Ambassador.

Reference Department's 11th, February 1st, midnight.

At the last moment the British Treasury was contacted and with Cassiday's help, succeeded in stopping issuance of proposed gold declaration.

We have now received a letter on this subject from the British Treasury official and I am submitting substance of this letter for Secretary Morgenthau, as follows:

By taking energetic action, as you are already aware, I was able to stop the issuance in time. Before the form of any revised declaration is decided upon, it is hoped that we shall be given an opportunity to see and consider the notifications proposed by Moscow. It is to be hoped that your Treasury will not set too early a date for the issuance of any revised declaration as I am sure you will appreciate that it will be necessary for us to consult a number of people here.

Certain difficulties are created by these simultaneous announcements. Possibly we ought not to attempt complete synchronization next time, but instead, as soon as possible after Washington has given us the final word that they are going ahead, arrange to make our announcement. If I can be of any further help, please let me hear from you.

Yours
 WINSTON
 C. ROOSEVELT

Distributed to: Secretary (Mr. E.M.Bernstein); Mr. D. Hull (Mr. D. M. Darragh); Mr. Paull; Mr. White (Mr. E.M.Bernstein); Mr. Luxford; Mr. E.M.Bernstein; Mr. Gasser; Mr. Taylor; Mr. Ness.

From Mrs. E. Fontaine - Rm. 225

Auth'd By *Winston Churchill*
 By *B. A. Ward* Date *6/10*

12(43) W/41

RC 34

167A-1804

Part 4a, Gold Declaration thru 14

DECLASSIFIED

222090

Gen. Secretary IFC-Gold Program
John T. Clegg

TELGRAPH SENT

MJB

PLAIN

DEPARTMENT OF STATE
FEBRUARY 17, 1944
2

AMBASSY,

INFOGRAPH

TELEGRAM
FROM SECRETARY OF THE TREASURY TO WINANT FOR CASALAY.

Russia is preparing to issue on February 22 a gold declaration similar in objective to our own and that of U. K. We have handed U. K. Treasury representative here

a copy of translation of Russian declaration. We are advising Russian Ambassador that our declaration will be issued at 12 noon eastern war time on February 22 and are asking Russians to issue theirs simultaneously, i.e.,

7 o'clock Moscow time. Please advise U. K. Treasury accordingly and request simultaneous issuance of British declaration. Also advise U. K. Treasury that we are adding to our announcement our understanding that similar declarations are being issued simultaneously by the U. K. Treasury and by the U. S. S. R.

For your information the Russian declaration is quoted herewith. The Russian Ambassador informs us this is a very liberal translation. We have suggested to Russian Ambassador certain changes which would make Soviet declaration more like our own but are not insisting that these changes be made.

RC Sp
67A-1804
Part 4A, Order Declaration from U.S.
1643, 1144

BY AUTHORITY OF THE DEPARTMENT OF STATE RECORDED IN THE REGISTRY MARCH 19 1944
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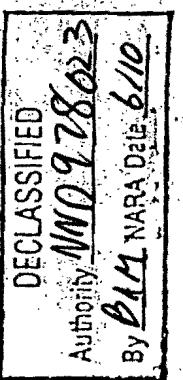
-2-#1132, seventeenth, to London

-2-

"On January 5, 1943 the Government of the U.S.S.R. together with the governments of certain countries of the United Nations made public the declaration in which they warned all interested parties and especially the citizens of neutral countries that they intend to do everything possible for the liquidation or methods of deprival of property practised by the governments with which they are in a state of war, in respect to the countries and peoples which were subject to unprovoked attack and plunder.

"In accordance with this the above-named governments have reserved for themselves the right to proclaim invalid any transfer or any transaction in regard to the property rights and interest of any character which are or were on the territories, either occupied or subjected to control - direct or indirect - of the governments with which they are in a state of war, and belong or have belonged to persons, including jurisdictional agents, which were on such territories.

"Taking into consideration that the policy of systematic looting of all kinds of property is applied by the countries which are in a state of war with the U.S.S.R. also in regard to gold, belonging to the



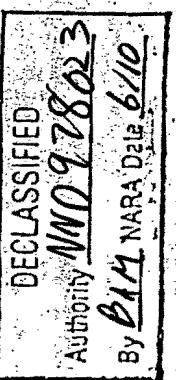
-3-#1192, seventeenth, to London

-3-

Governments of the occupied countries, their citizens and judicial agents, and that the above-mentioned declaration of the Government of the U.S.S.R. applies, consequently, likewise to all kinds of transactions with gold, the People's Commissariat of Finance of the U.S.S.R. declares that it will not allow buying gold which at present is outside the borders of the U.S.S.R. from any country not belonging to the United Nations, until the People's Commissariat of Finance of the U.S.S.R. is convinced that this gold is not the gold acquired directly or indirectly from the countries which are in a state of war with the U.S.S.R., or, that it is not the gold which any country not belonging to the United Nations might have or may place on the market as a result of acquiring it one way or other from the countries which are in a state of war with the U.S.S.R., and also that it is not the gold acquired directly or indirectly as a result of military actions."

STETTINIUS
(Acting)
(JSH)

FMA:JSH:TEC ECI EUR
2/16/44



222093

MEMORANDUM FOR THE FILES

February 17, 1944

Paul Staton
Re: Gold Declaration

In Mr. White's office this morning Messrs. White, Luxford, Taylor and Aarons discussed the request of the Russians that there be an exchange of diplomatic notes pursuant to which the Russians would be flatly exempted from the last paragraph of the gold declaration. The Russian Ambassador had stated that his government was not satisfied merely with a letter from the Treasury Department to the effect that Russia would be regarded as a country which had broken relations with the Axis. It was decided, after some discussion, that since the purposes of the gold declaration were mainly economic warfare and since the provisions of the last paragraph relating to gold purchases from countries which had broken relations with the Axis were not aimed at our big Allies but rather at small countries which might serve as fences for the sale of looted gold, we ought to give the Russians the flat assurance which they requested.

At 11 a.m. a conference was held in Mr. Bell's office attended by Messrs. Bell, White, Luxford and Aarons of Treasury and Messrs. Bohlen, Livesey and Hooker of State Department, and by the Russian Ambassador. The attention of the Russian Ambassador was called to the significant difference between the proposed Russian statement and the language agreed upon between the British and ourselves. It was carefully explained to him that under our declaration we would not buy gold from an allied country if that country had bought looted gold from the Axis. It was stated that this provision was not intended to apply against our major allies, i.e. Russia and England, but was intended to apply as a sanction against smaller countries which might not otherwise have the strength to resist purchasing Axis-looted gold through Switzerland, Spain, etc. It was suggested that the Russian Ambassador communicate to his government the fact that we would prefer that the Russians insert a similar provision in their declaration, but that we were not insisting upon such action.

Before agreeing to the foregoing the Ambassador asked what our disposition was in connection with the proposed exchange of notes. Mr. Bell showed the Ambassador a draft of a letter reading as follows:

"I refer to recent conversations relative to the declaration on gold purchases which the Treasury Department contemplates on February 19, 1944. I am glad to confirm that the provisions of the last paragraph of this declaration will not be applicable to the Union of Soviet Socialist Republics."

Mr. Bell explained that if the Treasury sent this letter to the Ambassador, the Ambassador would refer to it in a note to the State Department and the State Department would reply that after conferring with Treasury the understanding of the Russians was confirmed. The Ambassador agreed to this procedure, whereupon Mr. Bell signed the letter and handed it to him. A copy was initialed by the State Department representatives as well as the Treasury representatives.

Re: S4

(67A-1854)

Box 49, Gold Declaration, Item 44
143-14401/19/1944 BY *E. J. B. O'NEILL*

AMERICAN EDITION

DECLASSIFIED

222094

The Ambassador then agreed to send a telegram to his government expressing our wishes with regard to inserting the provision in the declaration concerning gold purchases from countries other than those having broken relations with the Axis.

In view of the foregoing it was decided that the issuance of the declaration would be postponed until February 22, at 12 o'clock noon, Washington time, 5 p.m. London time, and 7 p.m. Moscow time.

The State Department had not yet sent out the telegram to Cassiday and, therefore, will modify the draft of the telegram accordingly and send it out today. They agreed also, after the Ambassador had left, to send a cable to the United States Ambassador in Moscow, advising him of the postponement in the date and the fact that we were suggesting to the Russians the insertion of the additional provision above mentioned, but were not insisting on the point. Mr. White stated that he would inform Mr. Grant, United Kingdom Treasury representative here, of what had transpired. It was generally understood that if the British desired assurances such as we gave the Russians, we would regard favorably a mutual exchange with the British of such assurances.

L.C.A.

Copies to: Messrs. Bell, White, Taylor, Luxford, Glasser, E.M. Bernstein,
and O.A. Schmidt.

222095
Approved *Wm. D. Murphy*
By *SA MARSHAL* *W.D.M.*
DECLASSIFIED

LCA:gm 2-17-44

as above page 81
page eight less 1A up
Soviet Ambassador to

PARAPHRASE OF TELEGRAM SENT

FCC-GRC Program

FROM: Secretary of State, Washington
TO: American Embassy, Moscow
DATED: February 17, 1944
NUMBER: 323

CONFIDENTIAL

Reference is made herewith to your telegram of February 14, 1944, no. 508.

A cable is being sent by the Soviet Ambassador to his Government stating that the British and United States Treasuries are postponing the issuance of the gold declaration to twelve noon Eastern War Time, Tuesday, February 22 and the Soviet Ambassador is requesting his Government to issue its declaration at 7 p.m. Moscow time, February 22. Preparations have been made for issuance of the declaration on February 19 and it is urgent to assure postponement to the twenty-second of February.

While the declarations are similar they are not identical. The Soviet Ambassador has been advised by the Treasury of the United States that it would like the Soviet text better if an additional phrase were included but that it is not insistent on this point which is being submitted to the U.S.S.R. Government by the Soviet Ambassador. Also a proposed procedure for a clarifying exchange of notes covering non-applicability to U.S.S.R. or certain

RHS
LTA-1804
Book 49, Gold Declaration Form 144

1043-1144
By E14 NARA Date 6/10

DECLASSIFIED
Authority NWD 978023

DECLASSIFIED
Authority NWD 978023
By B14 NARA Date 6/10

160222

SECRETARIO

stranded at the present.
at the same time on the long-distance of railway as
expedited by motor or boat despatches may be issued
We hope that action on these details can be
met.

During summer by the Soviet Ambassador to the Government
of certain passage in the inland States between 18

-6-

February 16, 1944

MEMORANDUM FOR THE FILES:

Re: Gold Declaration

Mr. White called me this afternoon and stated that Mr. Ball had signed the letter to the Russian Ambassador regarding the non-application of the declaration to purchases of Gold from Russia. He stated, however, that Mr. Ball was troubled about the letter, particularly the reference that we would treat Russia as though she had broken with the Axis for the purpose of administering the Gold declaration, and had suggested that we be certain that State Department agreed with that position. Mr. White suggested that I call Mr. Linsley and suggest that he clear the letter with Mr. Acheson.

I called Mr. Linsley and indicated to him the substance of Mr. Ball's position and he stated that he would raise the matter with Acheson. Shortly thereafter he called me back stating that he had taken the matter up with Donald Rice, who is Acheson's Executive Assistant and knew for surename out the problems to be raised with Acheson. After examining the matter, Rice had stated that he saw no reason for raising the matter with Acheson and that the letter was O.K. in its present form so far as they were concerned.

I called Mr. White's office and in his absence advised Mrs. Sorenson of my conversation with Mr. Linsley.

(Initialed) A.F.L.

Copies to: Mr. Dulles

Mr. White

Mr. Acheson

Mr. Taylor

Mr. Schmitz

Mr. Glaser

AM-Lard - 2/16/44

RG Sdg
LIA-1804

Book 49, Gold Declaration thru 44
- 14B - 1144 -

Autonomy WWD 9 28623
by AL NARAD page 610

Hold statement

MEMORANDUM FOR THE PLS.

February 16, 1944.

A meeting was held at 3 p.m. in Mr. White's office, attended by Messrs. White, Luxford, Schmidt and Aarons of the Treasury, and Messrs. Liverer and Hooker of State Department.

Mr. White showed the State Department representatives the translation of the declaration on gold which the Russians propose to issue on February 17. The State Department representatives agreed that it would not be necessary or desirable to suggest any changes to the Russians.

Mr. White then showed the State Department representatives the proposed letter from the Acting Secretary of the Treasury to the Russian Ambassador, confirming that for purposes of the gold declaration the USSR would be regarded as a country which has "broken relations with the Axis." They concurred in the letter and agreed that it should be transmitted by Treasury to the Russian Ambassador.

Mr. White then handed to the State Department people a draft of a cable to be sent to Casablanca in London, a copy of which is attached. Mr. White requested that the translation of this cable be delayed until February 17 in order that he might have an opportunity to talk in the meantime to Mr. Gram of the U.S. Treasury and to hand him a copy of the Russian declaration, and also in order that Mr. Bell might have an opportunity to sign the letter to the Russian Ambassador. The State Department representatives agreed to the foregoing.

Mr. White agreed to furnish to the State Department a copy of the letter to the Russian Ambassador, when it is signed, and also stated that a copy of such letter will be furnished to the British Treasury representatives for their information.

After the State Department representatives departed, it was agreed that we would send our press release by mailing the final sentence thereof read as follows:

"It is understood that a similar declaration is being issued simultaneously by the United Kingdom Treasury and by the Union of Soviet Socialist Republics."

Copies to Messrs. Harry White, Luxford, Schmidt, Taylor, E.M.Bernstein.
2/18/44 - LS requested Mr. Aarons' office to send copy to Mr. Bell.
Locate 2/16 AM

RC 54

67A-1804

Box 49, File 26 Jan 44
1643-1144

EX-74 MAR 6 1944

CLASSIFIED

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C
O
P
Y

Mr. Livesey

(Handed to Livesey by Mr. White February 16)

Mr. White

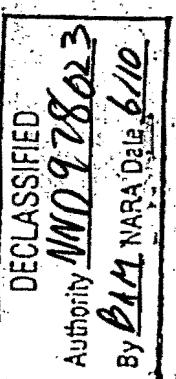
Please transmit the following cable (URGENT) from the Secretary of the Treasury to Winant for Casonay, c/o American Embassy, London, England:

Russia has now informed us that on February 19 it will issue gold declaration similar in objective to our own and that of U.K. We have handed U.K. Treasury representative here a copy of translation of Russian declaration. We are advising Russian Ambassador that our declaration will be issued at 12 noon eastern war time on February 19 and are asking Russians to issue theirs simultaneously i.e. 7 o'clock Moscow time. Please advise U.K. Treasury accordingly and request simultaneous issuance of British declaration. Also advise U.K. Treasury that we are adding to our announcement our understanding that similar declarations are being issued simultaneously by the U.K. Treasury and by the U.S.S.R.

For your information the Russian declaration is quoted herewith. The Russian Ambassador advises us that this is a very liberal translation.

[Declaration begins.]

Declaration ends.]



Treasury Depa.
it
Division of Monetary Research

Date: February 16, 1944 19

To: Mr. D. W. Bell

We phoned Mr. Livesey and told him the Under Secretary wanted to make certain about this matter and suggested he might want to clear with Mr. Acheson. Mr. Livesey called back, at 4:35, and said he had raised the matter with Mr. Hiss, who is Mr. Acheson's Executive Assistant. Mr. Hiss felt there was no reason at all to be troubled about the statement, that it was all right.

H.D.W.

The letter was forwarded to the Ambassador by special messenger.

2/17/44 - Or. to Mr. Bell with cc of letter.
CC to Mr. Luxford

MR. WHITE
Branch 2058 - Room 214½

PB 54
67A-1804
Box 49, Gold Declaration
Item 44
1643-1144

BY EBA 2/17/44
APPROV MWD 2/17/44

DECLASSIFIED

222101

FEB 16 1944

Dear Mr. Ambassador:

I refer to recent conversations relative to the declaration on gold purchases which the Treasury Department communicated to you on February 10, 1944. I am glad to confirm that, for purposes of this declaration, the Union of Soviet Socialist Republics will be regarded as a country which has broken relations with the Axis.

Very truly yours,

(SIGNED) D. W. BELL

Acting Secretary of the Treasury.

His Excellency
The Ambassador of the Union of
Soviet Socialist Republics,
Washington, D. C.

2/16/44 - Original copy sent to Ambassador
by special messenger (5:05 p.m.)

CC to Mr. Bell, Mr. Luxford

LCM:ec 2/15/44

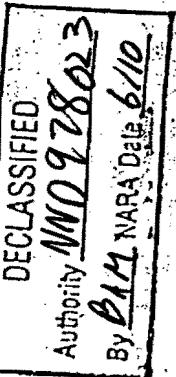
John M. Clark
John M. Clark
Acting Secretary of the Treasury

Re: SIC

67A-1804

Part 4A, Gold Declaration thru 44

6743-164



222102

Hand On Back
X. Soviet Ambassador
to Russia, July 4
1944

DECLARATION

On January 5, 1943 the Government of the U.S.S.R. together with the governments of certain countries of the United Nations made public the declaration in which they warned all interested parties and especially

the citizens of neutral countries that they intend to do everything possible for the liquidation of methods of deprival of property practised by the governments with which they are in a state of war, in respect to the countries and peoples which were subject to unprovoked attack and plunder.

In accordance with this the above-named Governments have reserved for themselves the right to proclaim invalid any transfer or any transaction in regard to the property rights and interest of any character which are or were on the territories, either occupied or subjected to control - direct or indirect - of the governments with which they are in a state of war, and belong or have belonged to persons, including juridicial agents, which were on such territories.

Taking into consideration that the policy of systematic looting of all kinds of property is applied by the countries which are in a state of war with the U.S.S.R. also in regard to gold, belonging to the governments of the occupied countries, their citizens and juridicial agents,

RE: DR
67A-1804

Re: 49 Gold Declaration
Jan 44

Glass - 44

2026
Approved by
E. S. GOMBERG
2026
DECLASSIFIED

222103

and that the above-mentioned declaration of the government of the U.S.S.R. applies, consequently, likewise to all kinds of transactions with gold, the

People's Commissariat of Finance of the U.S.S.R. declares that it will not

allow buying gold which at present is outside the borders of the U.S.S.R.

from any country not belonging to the United Nations, until the People's

Commissariat of Finance of the U.S.S.R. is convinced that this gold is not the

gold acquired directly or indirectly from the countries which are in a

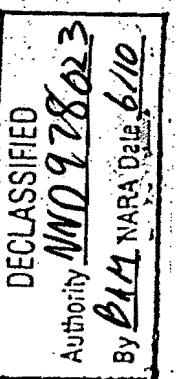
state of war with the U.S.S.R., or, that it is not the gold which any coun-

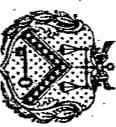
try not belonging to the United Nations might have or may place on the

market as a result of acquiring it one way or other from the countries

which are in a state of war with the U.S.S.R., and also that it is not

the gold acquired directly or indirectly as a result of military actions."





THE UNDER SECRETARY OF THE TREASURY

WASHINGTON

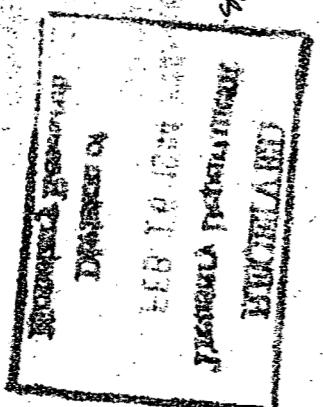
February 16, 1944

TO MR. WHITE:

I have put on my copy of the proposed press release of the gold declaration the following notation covering my conversation with Allan Sproul of the Federal Reserve Bank of New York. I thought you would like to have it for your files.

"Read to Allan Sproul over phone. He said he assumes we realize it will be difficult to strictly enforce and that we will have to use good judgment in some cases. I said yes we appreciated that. He said he thought it was a good thing and in line with our policy of economic warfare."

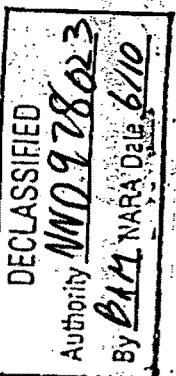
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RG 54

67A-1804

Rec'd. Gold Declaration from 44
1/14/44



222105

F

TO: American Embassy, Moscow
RE: Secretary of State, Washington
DRAFTED: February 14, 1944
REC'D: 508

CONFIDENTIAL

I was asked late this evening by Mr. Holter to telegraph an urgent request that Secretary Morgenthau postpone for 3 or 4 days the issuance of a public statement scheduled for February 19 by the United States and British Governments, in which the Soviet Government has been called to participate concerning gold which has been seized by the Axis powers. It is Mr. Holter's desire that Mr. Morgenthau be advised that Ambassador Gouache has been instructed by us urgent telegram sent today that the Soviet Government for reasons of expediency in principle to take part in the joint statement, but it does not alter certain negotiations concerning notifications in the text. In order to insure that Mr. Morgenthau receives Mr. Holter's request before the statement is issued, in addition to telephoning the Soviet Ambassador in Washington, we have asked that I telegraph this message to Washington.

AMERICAN
EMBASSY
MOSCOW

Distributed to: Secretary (Mr. E. M. Bernstein); Mr. V. Goll (Mr. Petrich); Mr. Paul; Mr. White (Mr. H. H. Goldstein-Drigs); Mr. Linsford; Mr. Pabst; Mr. Schleser; Mr. Shultz; Mr. Tolson; Mr. Tracy.

From Mrs. E. Fontaine - Room 223

RCA SLO

67A-1804

10143-1144

Jan 14

Authority AMDO 97823
By BMA NARA Date 6/10

222106

FROM: Secretary of State, Washington.
 To: American Embassy, London
 DATE: February 14, 1944
 NO. 1 114
 CONFIDENTIAL

R

The following cable for the immediate attention of the Ambassador.

See Moscow's telegram of February 14, No. 308, to the Department.
 At the request of Ambassador, the issuance of statement regarding looted
 gold is being postponed by the Secretary of the Treasury for several
 days to permit the modification in text which is being transmitted
 by Moscow. As soon as we hear from Moscow, we will communicate the
 final text to you. Please request the British Treasury likewise to
 hold up statement for several days. Since the British Treasury's
 announcement is scheduled for noon on the 15th, please inform them
 immediately.

The above message repeated to Moscow for their information.

CONFIDENTIAL
 (Mating)

3-24-44

Distributed to: Secretary (Mr. H.M.Bernstein); Mr. D.W.Bell (Mr. Dietrich); Mr. Paul;
 Mr. White (Mr. E.H.Bernstein-Ortg); Mr. Luford; Mr. H.M.Bernstein; Mr. Glasser;
 Mr. Taylor; Mr. Neus.

From Mrs. E. Fontaine - Rm. 225

Re SP

67A-1804

Per 4a, Add Declaration thru 44

1043-11144

DECLASSIFIED
 AUTHORITY: NMW/DO/9782623
 BY 67A/NARA DATE 1/9/10

222107

State Department
Treasury Department ~~and~~ Bureau of
Division of Monetary Research ~~and~~ since
~~since~~

Date...February 11, 1946....19

To: The Files

From: Mr. White

I telephoned the Russian Ambassador, Mr. Gromyko, this morning and inquired whether he had received a response from his government on the matter of issuing a statement similar to the one the British and United States Treasuries were going to issue on the purchase of gold looted by the Axis. The Ambassador replied that he had not received any reply. I told him that we felt we couldn't postpone it any longer and that on February 15 both the British and United States Treasuries were going to issue a proclamation, a copy of which had already been sent to him. He said the moment he heard from his government he would call me up.

White

Auth'd By *White* MAR 12 1946
DECASFILED *White* MAR 12 1946

REG 9
LETA-1804
Box 49, Gold Declaration Rm-44
le[43-1114

222108

Stalman, Inc.
Treasury Department ~~Division of Monetary Research~~ *Secy*
Division of Monetary Research *Secy*

Date February 11, 1944.....19

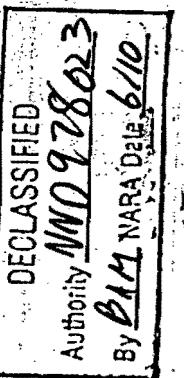
To: For Our Files
From: Mr. White

I telephoned Mr. D. Bell on Friday, February 11, 1944, and informed him that we had heard from the British about the publication of the statement with respect to the purchase policy to be adopted for gold looted by the Axis countries. I told him that the statement was to be issued on February 15 simultaneously with the British Treasury. I told him that the Secretary had said that he did not believe it necessary to inform the President prior to the issuance and that he did not intend to bother the President about it.

I asked Mr. Bell if he, as Acting Secretary, would want to take it up with the President and he said definitely not, that the Secretary had said it was not necessary, that the Secretary was the Cabinet member and not him.

I asked Mr. Bell to make a note on his calendar to inform the Federal Reserve Board whenever he thought it was appropriate to do so prior to the release of the statement. He said that he would.

Re: S.Y.
67A-1804
Box 49, Gold Decision thru 44
643-1144



222109

Statement On
Presentation of
Platinum by
United States

February 11, 1944

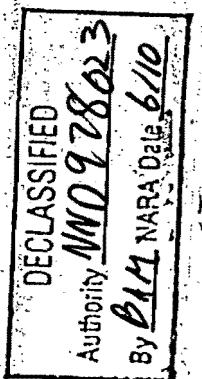
The Files

Mr. White

On January 10, 1944 Mr. Munford and I presented to the Secretary the proposed declaration by the Treasury Department referring to the purchase of gold looted by the Axis countries. In presenting it to the Secretary,

I explained that Mr. Bell had stated that he felt the Secretary ought to inform the President of the proposed action before the action was taken. The Secretary replied that he didn't think it was necessary and didn't intend to bother the President with it. The Secretary signed the declaration and we informed him that it would be issued shortly and simultaneously with the British Treasury.

1/11/44
H.W.H.



RCG/Se

67A-1804

Rec'd. Gold Declaration thru 44

0711222

Re: Gold Program
FFC - Gold Program

TELEGRAM SENT

PLAIN

February 11, 1944

AMEMBASSY,

LONDON.

1076, Eleventh

URGENT

FEB 14 1944
R.

FROM THE SECRETARY OF THE TREASURY TO WINANT FOR

CASSADAY

Reference your 1136 of February 9. Please inform British Treasury:

- (1) We appreciate their cooperation in making a simultaneous announcement of gold declaration;
- (2) In our press release announcing issuance of gold declaration we are stating our understanding that a similar declaration is being issued simultaneously by the United Kingdom Treasury;
- (3) To date Russia is the only other country we have invited to make a similar declaration and Russia has not informed us of her decision;
- (4) We shall cable promptly if we get word from Russia on this matter;
- (5) Simultaneous with the announcement of the declaration our State Department is instructing our

RG:JW
LMA-1804
Post 49, Gold Declaration
Form 44

Approved
E 82 OM 9 DECLASSIFIED

222111

-2-

missions in other United Nations countries to invite such countries to take parallel action;

(6) Our State Department will at the same time instruct our missions in countries not members of the United Nations to bring the declaration to the attention of the appropriate officials of the governments to which they are accredited.

STETTINIUS
Acting
(ECC)

FMA:JSF:HG

2/11/44

ECA

By AUTHORITY OF THE UNITED STATES
DECLASSIFIED AUTHORITY MUN 978023
DATE 6/10/2010

222112

FFC-Gold Program

Treasury Department
Division of Monetary Research

Date..... 1943

To:

From:

TO THE FILES

On Jan. 31, 1944, following a meeting with Mr. White at which Luxford, Glasser & Taylor were present, it was decided to request UK Treasury to hold up for a few days announcement of Gold Declaration in order to allow Russians more time for review if possible. Talking of parallel action. A cable was accordingly drafted & dispatched to Casaday. At Mr. Taylor's request, Mr. Grant of the UK Treasury came to the Treasury and was given the attached paraphrase of the cable to Casaday. Mr. Grant was asked to contact JK Treasury directly as we did not desire a slip-up in joint action here & in London.

Mr. Grant said he would get off a priority message immediately and that it would arrive in London the evening of Jan. 31 marked for attention of Howe-Dutton.

CABLE TO CASADAY IN LONDON

RECEIVED FROM RUSSIA WHETHER
WE RECEIVED OUR DECLARATION, WE ARE, ACCORDINGLY,
NOT TO DELAY UNTIL WE SEND YOU

MANHATTAN

Handed to
Grant
1/31/44

Approved	By	WMA	Serial No.	6102
DECLASSIFIED				

R.G.S.
67A-1804
Box 49, Gold Declaration Plan 44
1/14/43-1/14/44

222113

FFC-Gold Program

January 23, 1964

PARTITION OF OPERATING COSTS TO CANADA IN FUTURE

As no classification word has been received from Australia whether
the intends to issue a parallel classification, we enclose, accordingly,
recommendatory delineating the issuance of our classification. Please do
note the British position tends to delay until we receive your
further announcement of this classification.

Handed to
Gret
1/21/64

DECLASSIFIED
Authority 1100928023
By DIA NARA Date 6/10

222114

Mr. Bernstein
by phone
FFC - Gold Program

GM

PLAIN

London

Dated January 28, 1944

Record 2:47 p.m.

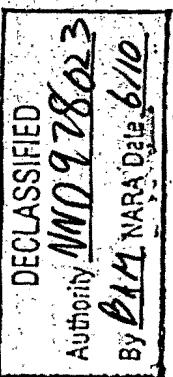
Secretary of State, DEPARTMENT OF STATE
Washington. DIVISION OF

U.S. URGENT JAN 28 1944
771, twentyeighth. COMMUNICATIONS
FOR SECRETARY OF THE TREASURY FROM CASADAY
AND REC'DS

Embassy's 730 twentyseventh and previous although
containing essentially the same information as forwarded
yesterday in Embassy's 730 (which information I transmit
herewith for purposes of record the British Treasury's
confirmatory letter received today).

"My dear Casaday: I can now respond to your letter
of 18th January concerning the United States proposal
to issue a proclamation on the purchase of gold. In
view of the further explanations obtained in your letter,
we are prepared to issue a similar proclamation on 1st
February for release at 5:00 PM our time. We shall
of course have to modify a few of the phrases used in
the declaration which you sent me on the 30th December,
to fit British conditions, but the sense will be the

wd: 1-31-44 - Schmidt (4), Aarons, Tomlinson same.



222115

-2-#771, Twentyeighth, from London.

same.

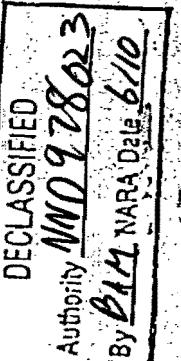
I also propose to include at the end of the declaration 'a similar declaration is being issued by the United States Treasury'.

I asked you last night whether the United States Government was making a similar suggestion to any of the other United Nations. We should of course see no objection to any of the other United Nations, including of course Russia and China in particular, being invited to make such a declaration, and I should be glad to know what view the United States Treasury have and whether it would be appropriate to make any reference to it in the declaration.

Yours sincerely, E. Rowe-Dutton".

WTNANT

RR



FPC
Gold
Program

HL

PLAIN

London

Dated January 27, 1944

Rec'd 5:30 p.m.



FOR SECRETARY OF THE TREASURY FROM CASADAY.

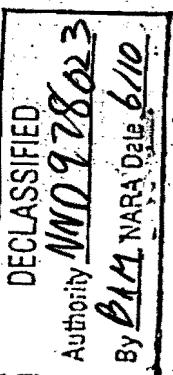
Department's 8207, December 29, Embassy's 101,

January 5 and Department's 438, January 17.

I understand informally that British Treasury is planning to issue as of 12 noon Eastern War Time February 1 a declaration on gold purchases similar to the one proposed by the United States Treasury in Department's 8207. Pending the delivery of a confirmatory letter to me tomorrow Treasury officials offer the following observations and invite any comment the United States Treasury cares to make prior to the agreed announcement date:

1. It is assumed that the declarations are to be closely similar but not identical in some details of wording. For example in the second sentence of the last paragraph of the proposed declaration the British will wish

Re 54
LGA-1804
Post 49, Gold Declaration thru 44
6/43, "144



222117

-2- #730, Twenty-seventh, from London

wish to use the expression "outside the sterling area" rather than "outside the territorial limits of the United Kingdom".

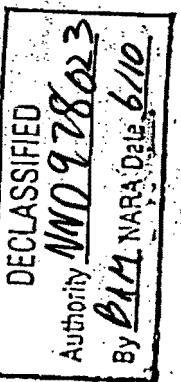
2. It is suggested that each country issuing the declaration add a final sentence noting that it is understood that a similar declaration is being issued simultaneously by the other.

3. The British wonder whether the United States Treasury has invited any other countries to issue such a declaration. If so British Treasury would like to have the names of such countries and suggest mentioning the names of the countries that may have agreed to participate as suggested in point 2 above.

Treasury officials wish it made clear informally that they have no objection to the participation of other countries in the event that the United States Treasury has invited such participation.

WINANT

JRL



222118

Jan 10, 1947
FC - Gold Program

Mr. Livengood

Mr. White

Please forward the following cable from the Secretary of the Treasury

to Mr. L. V. Cawley, c/o American Embassy, London, England

Message received: Your 100 of January 5, 1947. As we understand the memorandum submitted by the British Treasury, their submissions and regard to the proposed declaration are based upon a view that the following consequences and circumstances may result:

"1. That it will be difficult to satisfy ourselves that any gold purchased for sale by a neutral is not gold which was obtained directly or indirectly from Axis powers, or is not gold which such country has been able to release as a result of the acquisition of gold directly or indirectly from the Axis powers and the parties to the declaration will be forced to close from purchasing any gold from neutrals.

"2. The conditions included in the proposed statement are sufficiently broad to foreclose the purchase by the parties to the declaration until the status of gold held by the lists has been clarified, or until the neutral country has given the parties thereto an assurance understanding which might include the following:

"a. Information as to the total amount of gold acquired by it directly or indirectly from the Axis since September 1939 and the manner in which all such gold is presently held or was disposed of;

"b. Agreement by the neutral country that it will return to the United States funds held under such terms and conditions as may be satisfactory to the United States prior to its being released by the declaration, or otherwise, authority to have been lost by the neutral country due to the conduct of the neutral government during the war and that such authority will not be exercised prior to such an agreement as provided in the first paragraph;

"c. Agreement by the neutral country that it will not transact any business with the neutral countries mentioned in the declaration, be forced to clarify in the immediate postwar world, the position of gold with the neutral countries held acquire from the Axis during the war and that such a task may raise embarrassing problems.

The United Nations are already in a position which requires them, in the postwar period, to face the problem involved in clarifying the

Re: Sec
67A-1804
Part 49. Gold Declaration
10/13-11/44

AMERICAN MND 6/10
BY B14 MARSHAL 6/10

return of looted property, including gold, captured by the United
countries from the Axis during the war; this follows not only from the
declaration of January 5, 1943, but from our obligation to all our Allies
in obtaining the return of war property wherever possible. In this
connection it is to be noted that the proposed declaration, by deterring
further transfers to looted gold and Axis gold, will facilitate the
return to the innocent power period of gold which has been looted
by the Axis and is either still held in Axis territory or has to date
been sold to neutral countries.

"In the opinion of this Government a measure such as the proposed
declaration, which will deter the neutrals from purchasing gold from the
Axis and thus deprive the enemy of the value of gold now in its possession,
is an important economic warfare weapon. We do not see how a palliative
like the suggested alternative of doing nothing until we are confronted
with a 'particular situation', and then acting to fit the declaration had
been issued can seriously be considered as an acceptable substitute.

"You may inform the British Treasury accordingly and advise them
that this Government, after carefully considering the problems involved,
has decided to issue the declaration, as of 12 o'clock noon, Boston
time, on February 1, 1943. We hope that the British Government
will also act to take parallel action.

Draft discussed in T.D.W.'s office, Jan 10/43
Suggested changes to be made by OAS
Print: Dr P. AFL, LCA, JED, H.G., OAS

CONFIDENTIAL COPY

By DIA WMA Date 6/10/62
Author WMA 978622
DECLASSIFIED

222120

John F. C. - Jan 5, 1944
FEC-9023 Proprietary

ML

PLAIN

London

Dated January 5, 1944

Rec'd 10:35 p.m.

Secretary of State,

Washington.

101, Fifth

FOR SECRETARY OF THE TREASURY FROM CASADAY

Department's 8207, December 29th.

British Treasury officials, although they say they speak hesitantly in view of the fact that they are not at the moment engaged in buying much gold, are reluctant to participate in the proposed declaration transmitted in 8207.

THERE is quoted below a memorandum received from Treasury today setting forth the reasons for the position taken: "In June 1943 the British Embassy in Washington raised with the State Department the question of issuing an official warning to neutrals about receiving Axis-owned gold.

It was at that time pointed out that difficulties of identifying such gold would be considerable. If therefore Allied Governments -- the parties principally concerned -- were to ask our help in recovering looted gold, direct action might be impossible, and we could

Ref ID: A67A-1804
Box 49, Gold Declaration
Date 4/4
4/43-144

01/9/44 BY ERIC R. HANSON
E 7082 b DM
APPROVED
DECLASSIFIED

222121

-2- #101, Fifth from London

WE could not consider seizing other gold owned by neutrals which might lie within our jurisdiction.

In spite of this, we felt it desirable to raise doubts in neutral minds about taking German gold, and suggested a propaganda campaign, possibly reinforced by critical examination of markings on any gold offered by neutrals.

After some hesitation, the State Department agreed to our starting a propaganda campaign of this sort, but clearly without enthusiasm, and they did not wish to participate.

The present proposals go very much further, and the British Treasury, while entirely in sympathy with the objects aimed at, feel bound to offer certain comments. Under the suggested formula, the immediate difficulty of identifying Axis gold might be surmounted, although it seems very difficult to apply in practice the criterion that a neutral has been, or is, enabled to release a given packet of gold as a result of the acquisition of gold directly or indirectly from the Axis. Is this intended to imply that each country must keep a minimum reserve of untainted gold, and if so, how is that minimum fixed?

A more fundamental objection arises from consideration of the post-war position. Obviously, if such a declaration

ON DRAWN BY
E 982 b OM
DEEISSATI

222122

42 #101, Fifth from London

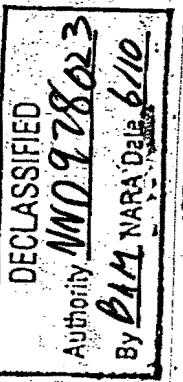
a statement in the terms suggested".

Treasury officials repeated verbally their entire sympathy with the objects of the declaration and indicated willingness to participate in its issuance if, after fully considering the comments above, the United States authorities still feel that the advantages of such a declaration would outweigh the possible difficulties and embarrassments. As a possible alternative, it was informally suggested that in meeting any particular situation the United States might act in all respects as though the declaration had in fact been made and that this procedure might be just as effective as a declaration without entailing the same disadvantages.

LMS

WINANT

DO NOT DISTRIBUTE



222123

DECLASSIFIED

Authority NND 9 28023
By B1M NARA Date 6/10/06

222124

11/14 - 11/15

Re: Mr. Gold Standard from 44
167A-1804
Re: Mr. Gold Standard from 44

Re: Mr. Gold Standard from 44

HWW: estb
12/10/03

December 30, 1949

MEMORANDUM FOR THE FILE

Telephone Conversation with Mr. Livsey of the
State Department, December 29, 1949.

I telephoned Fred Livsey this morning inquiring whether the Government's cable to Moscow requesting him to submit a draft of our proposal on gold purchases had been sent. Livsey replied that it had already gone forward. I then told Livsey that the Secretary thought it would be helpful if the Russian Government could issue a similar statement and that he had wanted me to check with the State Department before submitting the draft proposal to the Russians for their comments.

We, therefore, will do this on our side and will, in addition, advise private persons in the State Department and let us know their views.

R. D. Morris



TREASURY DEPARTMENT

WASHINGTON

Revised Major
Sent to State for transmission
Dec 24/43

TO: Mr. Livesey

8207

FROM: Mr. White

[Signature]

Will you please transmit the following message from the Secretary of the Treasury for Casaday, London:

"There is quoted below a declaration which Treasury Department proposes to issue as soon as possible. Treasury would like to receive British Treasury reaction before doing so and also would like to have a similar statement issued by British Treasury simultaneously. You are requested to take this matter up with the British Treasury immediately and obtain their views. This matter is regarded as urgent and Treasury would appreciate an answer within a week.

"Declaration begins:

[Signature]

"Declaration ends."

RCG:Sp
67A-1804
Rec'd. Cold Declaration from 44

61H3-1144

By	Auth'd	Wm. C. Mohr
Declassified		

222125

PROPOSED DECLARATION TO BE ISSUED
BY THE UNITED STATES GOVERNMENT

On January 5, 1942 the United States and certain others of the
United Nations issued a warning to all countries, and in particular
to neutrals in neutral countries, that they intend to do their utmost to
defeat the methods of dismemberment practised by the governments with
which they are at war against the countries and peoples who have been
so wantonly assaulted and despoiled. Furthermore, it has been announced
very lately that one of the purposes of the financial and property
control of the United States Government is to prevent the liquidation
in the United States of assets looted by the Axis through direct and
indirect channels.

One of the particular methods of dismemberment practised by the
Axis powers has been the illegal seizure of large amounts of gold
belonging to the nations they have occupied and plundered. The Axis
powers have purported to sell such looted gold to various countries
which continue to maintain diplomatic and commercial relations with the
Axis, such gold thereby providing an important source of foreign
exchange to the Axis and enabling the Axis to obtain much-needed imports
from these countries.

The United States Treasury has already taken measures designed to
protect the assets of the neutral countries and to prevent the Axis
from disposing of looted currencies, securities, and other looted assets
on the world market. Similarly, the United States Government cannot
in any way condone the policy of systematic plundering adopted by the
Axis or participate in any way directly or indirectly in the unlawful
disposition of looted gold.

PLA 574

67A-1804

Box 45, G-2 Declaration file 44

WHS - 1144

By B11 MARADIE 6/10

DECLASSIFIED

222122

In view of the foregoing facts and considerations, the United

States Government formally requests that it does not and will not

receive the transmission of title to the listed gold while the same
is in my possession or has stepped off the market. It further
desires that it will be the policy of the United States Treasury not
to buy any gold presently located outside of the continental limits
of the United States from any country which has not taken
steps which will insure that such gold is to be held with some
firmly established bank and until the United States Treasury is
convinced that the bank can be relied upon to hold such gold
as distinctly from the other banks of the country which has not taken
such steps. In view of the above, the United States Treasury
desires that the transmission of title to the listed gold while the same

is in my possession or has stepped off the market.

DECLASSIFIED
Authority NWD 9 28 023
By 611 NARA Date 6/10

222127

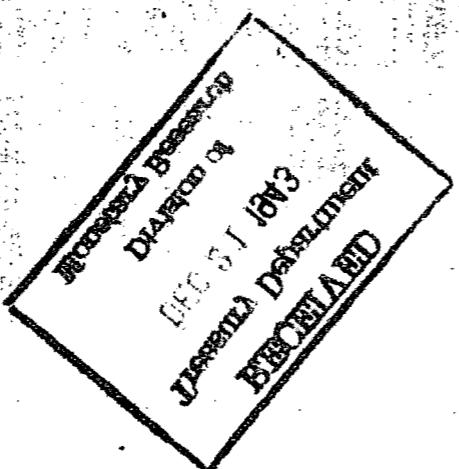
MEMORANDUM FOR THE FILE

December 18, 1943

He said the matter had been cleared through the State Department and that it was now on Hull's desk; that the State Department was not raising any fundamental objections to the statement, but was suggesting that an attempt be made to get the British to go along and also some changes in form. I took it from Livesey's remarks that the changes in form were aimed largely at the Rhodes clauses. Livesey said that as soon as he had obtained Hull's approval, which he expected momentarily, he would get in touch with us.

Livesey also mentioned that a memorandum had been received from the British with regard to a proposal of the Swiss Government to take over some of the Hungarian gold now in Romania. Livesey is sending this note to the Treasury for its consideration.

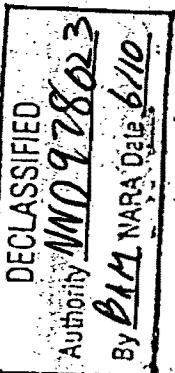
(Signed) J. P. Peble



OCT Nease, White, L.M.Bernstein, Taylor, Luxford, Dubois, Fox, Schmidt,
Miss Hotel.

JWPeble:rg 12-18-43

2654
674-1804
Re: 49. Gold Declaration thru 44
6|43 - 11|44



222128

*Statement on
Withdrawal of
United Gold*

MEMORANDUM FOR THE FILE

December 8, 1943

I called Mr. Livesey today to follow up on the gold statement. He said that he had received the comments of the various interested divisions in the State Department and that he was preparing a summary on the matter which would be sent to Mr. Faurosky and to Dean Acheson.

Livesey said that the principal point made in the various comments received was that we ought to get the British to take parallel action. I told Livesey that I thought it would be a good idea if the British would take such action but that the Treasury probably would prefer to go ahead and issue our statement and ask the British to join later.

Livesey said that several minor points were raised with regard to the statement, as follows:

(1) The statement refers to the United Nations Declaration. Livesey said that the Declaration in question was not issued by the United Nations but only by some of such Nations and was referred to by the State Department as the "Declaration on Dispossessions".

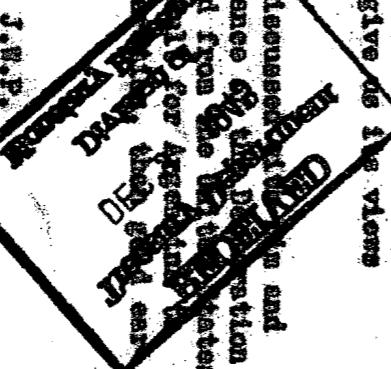
(2) The statement refers to countries which have not broken relations with the Axis. Livesey said that since Russia had not broken relations with Japan the question was raised as to whether this language would encompass Russia.

(3) Livesey said that the Declaration not only proscribed purchases of gold from countries which have not broken relations with the Axis but also from countries which, after the date of the announcement, acquire gold from countries which have not broken relations with the Axis. This "secondary boycott", as Livesey called it, would also affect fellow members of the United Nations and since the United Nations stand for solidarity in such matters the question arises as to whether a unilateral statement by the United States Government is politically sound.

Livesey said that he hoped that State could give us its views shortly.

I reported the above to Mr. White and also discussed it with Mr. Dubois making the argument that the issuance of the Declaration might tend to stop Argentina from withdrawing gold from the United States since the gold withdrawal would be much more difficult for Argentina to freely dispose of, after the issuance of the Declaration than it would be unbanked in the United States.

J.P.P.



cc: Meader, White, Luxford, Dubois, F.H. Bernstein, Taylor, Fox, Schlesat.
J.W. Pebley 12-8-43

RGS:dr

67A-1804

Part 49 Gold Declaration thru 44
16143-1144

BY AUTOMATIC MAIL DEPT 610
DECLASSIFIED

Treasury Department
Division of Military Research

Date December 1, 1943 19

To: Secretary Morgenthau

From: Mr. White

The appended letter is designed to get some action from the State Department on this matter. We feel we are getting a little bit the run around on it. However, in your consideration whether or not to sign it I want to call your attention to the following:

(1) The proposed statement is a very important one.

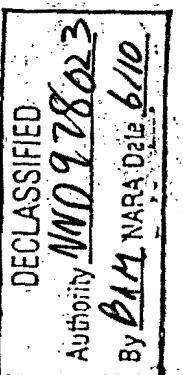
(2) When I obtained your permission to present it to the State Department I did so with your understanding that we discuss it with the State Department. This letter indicates that you are ready to issue the statement if the State Department clears it.

I want to make sure this is understood as you may want to take another look at the statement before making a decision to sign the letter.

12/1/43 - Or. to Mr. White
12/2/43 Yellow memo and letter initialed by Mr. White;
to Miss Chauncey (ISA advised Paul's office)

RG SR
67A-1804
Box 49, Gold Dedication File 44

Le/43 - 1144



In reply please
refer to Gold

My dear Carroll:

I intended to a proposed statement which I would like to issue as soon as possible announcing that the United States Government does not recognize the right title to Gold acquired through duress and conquest and will not purchase any such gold. A copy of this statement was informally sent on November 1, 1943, to the State Department for information. Although unfortunately we were not present during which we were addressed informally via the State Department, we have not received the view of the State Department with respect to this matter.

Robert financial, military and political authority would increase the importance of our propaganda; I am therefore calling this matter to your personal attention. In the hope that you may expedite its clearance.

Always,

The Honorable

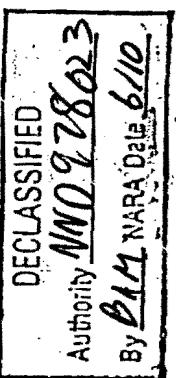
The Secretary of State

Enclosure.

RG:SP
11/14/43

12/1/43 R. In. by Mr. White; ready to file when dictated.

Rose Powers (Paul's office)



Statement on Gold Standard
by President and Gold
Chairman

November 17, 1943

MEMORANDUM FOR THE FILES:

I called Mr. Livesey of the State Department today and told him I was sending over to him the proposed statement which the Treasury Department was prepared to make on gold acquired by countries who have not severed relations with the Axis. I told him that I felt the matter was a very timely one and that we should not delay issuing the statement. Livesey said he would take the matter up within the Department and try to get it cleared.


J. W. Pehle

CC to:
Messrs. Luxford
Dubois
E. M. Bernstein
Taylor
Fox
Schmidt

Received this
Furnished up with
written on Nov 22
Frieden Nov 29


RC Ste
LATA-1804
Box 4A, Gold Declaration Form 44
6143-1144

6143-A
Autonomy
610/282802

DECLASSIFIED

222132

Statement on the Subject of
Gold Sales

September 10 43

Secretary Morgenthau

Appended is a proposed statement to be issued by you announcing that the United States Government will not purchase or recognize transfer of titles to looted gold. The key phrases are indicated in red crayon.

We have discussed this at length within the Treasury and there is now agreement among the Legal Division, Foreign Funds Division and my division to recommend such a statement for your consideration.

If we would like to discuss the matter with you at your early convenience. If you think there is sufficient merit with the idea we would like to take it up with the State Department for their views.

H. B. White

The above has been approved by the Secretary.

November 16, 1943.

HDW:kma 9/10/43

9/10 - do not & prepare statement & show Mr. Myer

RG:JL

67A-1804

Bkt 45. Gold Declaration Nov 44

b143 - "144

BY EMA 1943
Approved *John M. White*

DECLASSIFIED

222133

Proposed Release on Gold

In response to an inquiry, Secretary Morgenthau stated today that the Treasury regarded the declaration of the United Nations on the disposition of property looted by the Axis in occupied areas as fully applicable to gold.

We know the Axis has seized millions of dollars worth of gold in the nations that they have occupied and plundered, the Secretary said. "As far as the Treasury is concerned we do not intend to be a fence for the disposal of such looted gold."

Secretary Morgenthau pointed out that the Treasury has already taken similar measures designed to protect the assets of invaded countries. The blocking of assets in this country belonging to the nationals of occupied countries prevented their looting by Germany, Italy and Japan. The Treasury has also taken steps to prevent the disposal of surrendered, securities and other looted assets held by the enemy in the occupied countries.

The Axis has been disposing of looted gold to obtain much-needed imports from the neutral countries, Secretary Morgenthau pointed out. "Concertive that continue to maintain diplomatic and commercial relations with the Axis and acquire gold in this manner do not acquire a clear title", the Secretary said. "The Treasury does not and will not recognize the transference of title to the looted gold which the Axis has disposed of or will dispose of in the world markets".

Secretary Morgenthau pointed out that it will be the policy of the United States Treasury not to buy any gold from any country which has directly or indirectly acquired gold looted by the Axis.

MB112 9/4/43

Re: See

b7A-1804

Part 4a, Gold Declaration thru 14

b7C43-1144

222134
By AUTHORITY OF THE NATIONAL ARCHIVES
DECLASSIFIED

2/14/43

PROPOSED STATEMENT TO BE ISSUED BY THE UNITED STATES GOVERNMENT.

WHEREAS on January 5, 1943 the United Nations Declaration was issued as a warning to all concerned, and in particular to persons in neutral countries, that the United Nations intend to do their utmost to defeat the methods of dispossession practised by the governments with which they are at war against the countries and peoples who have been so wantonly assaulted and despoiled;

WHEREAS it has been announced many times that one of the purposes of the financial and property controls of the United States Government is to prevent the liquidation in the United States of assets looted by the Axis through duress and conquest;

WHEREAS the Axis powers have seized illegally large amounts of gold belonging to the nations they have occupied and plundered;

WHEREAS the Axis powers have purported to sell such looted gold to various countries which continue to maintain diplomatic and commercial relations with the Axis, such gold thereby providing an important source of foreign exchange to the Axis and enabling the Axis to obtain much needed imports from these countries;

WHEREAS the United States Government cannot in any way countenance the policy of systematic plundering adopted by the Axis or participate in any way directly or indirectly in the unlawful disposition of such gold;

WHEREAS the United States Treasury has already taken measures designed to protect the assets of the invaded countries and to prevent the Axis from disposing of looted currencies, securities, and other looted assets on the world market;

THEREFORE, the United States Government does not and will not recognize the transference of title to the looted gold which the Axis at any time holds or has disposed of in world markets;

AND, THEREFORE, it will be the policy of the United States Treasury not to buy any gold presently located outside of the territorial limits of

RC-Sle
67A-804
Rev 49, Gold Declaration
le 43 - " 144

BY AUTHORITY OF THE TREASURER

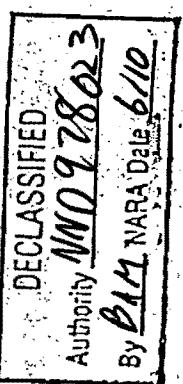
CLASSIFIED

222135

the United States from any country which has not broken relations with the Axis, or from any country which after the date of this announcement acquires gold from any country which has not broken relations with the Axis, unless and until the United States Treasury is fully satisfied that such gold is not gold which was acquired directly or indirectly from the Axis powers or is not gold which any such country has been or is enabled to release as a result of the acquisition of gold directly or indirectly from the Axis powers.

JED/DR/MS/scr

8/16/43



222136

MEMORANDUM

RECORDED IN TELETYPE
BY TELETYPE CENTER
AT 11:44 AM ON JUNE 7, 1943
TO THE GOLD HOLDINGS & ACQUISITIONS
DIVISION OF MONETARY RESEARCH
DEPARTMENT OF THE TREASURY
WASHINGON D. C.

Treasury Department
Division of Monetary Research

Date June 7, 1943...19

To: Mr. [Signature]

From: Mr. Taylor

Subject: Neutral Gold Holdings & Acquisitions

British Treasury considers it undesirable to officially warn neutrals about receiving Axis-owned gold. British propose to "raise doubts in minds of neutrals" thru propaganda channels about acceptability of gold from Axis, and may even state United Nations will "look critically" at gold bars bearing German or occupied area markings.

Comment: Such a farcical program seems to be worse than nothing for it says in effect we propose to do nothing about such gold. We are now working on a program whereby future gold acquisitions from Axis by neutrals will be discouraged. Program is still in formative stages and will be brought to your attention soon.

RG SP
67A-1804
Part 4a. Gold Declaration

6/43 - 11/44

814 MARSHAL 6/10
AUGUST 1943
DECLASSIFIED

222137

PROPOSED STATEMENT TO BE ISSUED BY THE UNITED STATES
TREASURY DEPARTMENT

WHEREAS the Axis powers have seized illegally large amounts of gold belonging to the nations they have occupied and plundered;

WHEREAS the Axis powers have purported to sell such looted gold to various countries which continue to maintain diplomatic and commercial relations with the Axis, such gold thereby providing an important source of foreign exchange to the Axis and enabling the Axis to obtain much needed imports from these countries;

WHEREAS the United States Government cannot in any way condone the policy of systematic plundering adopted by the Axis or participate in any way directly or indirectly in the unlawful disposition of such gold;

WHEREAS the United States Treasury has already taken measures designed to protect the assets of the invaded countries and to prevent the Axis from disposing of looted currencies, securities, and other looted assets on the world market;

WHEREFORE, the United States Government does not and will not recognize the transference of title to the looted gold which the Axis at any time holds or has disposed of in world markets;

AND, THEREFORE, it will be the firm policy of the United States Treasury not to buy any gold presently located outside of the territorial limits of the United States from any country which has not broken relations with the Axis unless and until the United States Treasury is fully satisfied that such gold was not acquired by any of such countries directly or indirectly from the Axis powers or is not gold which such countries have been enabled to release as a result of the acquisition of gold from the Axis directly or indirectly.

June 14/43

Drafted by TED/o.s/WHT/ISF.

Re Sq

67A-1804

Box 49, Gold Declaration No 4

b1 b3 - 1144

6/19/43
EPA/OMW

DECLASSIFIED

222138

MEMORANDUM

The following message has been received from the Ministry of Economic Warfare:-

- After discussion with Treasury we have reached conclusion that it would be undesirable for His Majesty's Government to issue an official warning to neutrals about receiving Axis-owned gold.
2. We are assured that difficulties of identifying bar gold would be considerable. If therefore allied governments (who are primarily interested) were to ask our help in recovering looted gold we should probably be unable to do so directly and of course should we be prepared to settle for their banks' other neutral gold of equivalent value within our jurisdiction.
 3. On the other hand our belief is that existing German gold reserves have been looted from various European countries and Germany is certainly using gold as a means of payment to neutral countries. Examples are gold payments to Sweden on account of military transit to Switzerland for purpose of acquiring escudos and pesetas and recently direct sales to Bank of Portugal. If therefore no one raises doubts in mind of neutrals as to any gold they may accept from Axis this would be valuable.
 4. To therefore contemplate putting over to neutrals through propaganda channels lies that gold is one of the assets referred to in inter-allied Declaration of January 5th and that any gold Germany now has at her disposal may be regarded as looted. This might be reinforced by a warning that United Nations will look critically at bars coming from neutrals if the gold bears German markings or markings of monetary authorities of occupied territories and will not be prepared to purchase them either now or in the future except after exhaustive inquiries. By this means we would hope to make neutrals at least shy of recovering gold from Germany though we cannot expect that it will effectively immobilise German stocks altogether. Some at least of neutrals could if they felt so inclined retain some gold bars.
 5. We should like to start this campaign as soon as possible. Please discuss with United States authorities and telegraph their views.
 6. Please also inform them that we contemplate publishing unofficially our estimates of Germany's present gold reserves and their sources.

British Embassy
Washington, D. C.
2nd June, 1943.

Re See
67A-1804

Re: Gold Declaration Annex 44

6/43 - 11/44

DECLASSIFIED

2 BY EAH-NARA D-610

222139

Whisterton - 1881 June
label & date mostly off paper

6th Aug 1881

1081 Aug 9th 1881

1881 Soc. of Geologists

SECRET

REF ID: A

TO: Bureau Berlin Germany subject Reps
RE: AGREE FOR WOSOA

RE: 00 1702 23 September 1947

23 September 1947

No part 3 of Paris Reparations Agreement of 24th January 1946, "Final report on the Paris Conference on reparations" by June 7, 1947, and "Report on Gold" (November 1946), or even (April 1947), definition of "monetary Gold" is subject.

1. British, German, have requested us definition monetary gold for purpose of report to Tripartite Committee for redistribution of monetary gold. Several questions have now arisen as result of which we are not completely clear as to answer and believe more exact definition necessary.

2. Angell's report on Paris Reparations Agreement indicates term "monetary gold" refers to "gold bullion and gold coins" and includes that "in sum form as to be a nation of currency" as distinguished from that "in such form as to permit its use for dental, scientific and academic purposes".

3. To date have attempted to follow closely our understanding of Angell's statement, are using following working definition namely, that monetary gold consists of gold coins (including numismatic coins) plus gold in such form as to permit its use for dental, scientific and academic purposes or a central bank, specifically including any gold that can be identified as having been so held.

4. At present have 6 small, 18 carat gold bars and 15 bars containing gold, silver and platinum, without recognised mint markings, all contained in lead chipboards and of unknown national origin and all apparently derived from melting down of various gold objects such as rings, teeth, etc.

5. At present have a specific case/no disposition of which we are not clear. It involves bars like those turned over to Form agrees that national origin or bars as known. The Czechoslovak Institution Mincovna has filed a claim for gold bars of approximately 11,000 grams, total weight. Bars do not have registered mint markings. Allegedly this gold was obtained by German Farmers' Union in Prague from melting down of rings, bracelets, etc., confiscated from concentration camp inmates and others and was removed from Czechoslovakia to Germany in March, 1945. Czechoslovak representative states that their government intends to satisfy with proceeds of this gold the claims of surviving victims or heirs.

10-3-47 cc to: Glancy, Bell, Pollack, Miller, Wood, Kastorow S. Roberts S.
May, Hickam, Miss. Gaskins, Williamson and McLean.

per

RG 56 Sec 1mas

64-1039

Bx 162 1442 - Lined Red -
Restitution and Claims Vol. 1

Sep. 46 - Sep. 47

222140

65-172 NARA file 2/2

Autonomy WOSOA 27821

DECLASSIFIED

- 2 - CG 1701 8/28/47 from Berlin Germany closed May.

6. With regard to Czech claim to restitution of these gold bars it is noted that para 17A of new occupation directive superseding JGS 1067 reiterates policy stated your IX AGOIS of excluding gold from items subject to restitution.

7. Would appreciate your advice as to whether bars claimed by Czechs should be: A. Considered as "monetary gold" with Czech claim being added to claim for participation in the gold pot. B. Considered as "non-monetary gold" (thus apparently excluded by fact that national origin of bars is known UN-Korea). C. Substituted (unless excluded - para 6, above). D. Handled in some other manner.

8. Would also appreciate your advising us as to disposition to be made of (A) identifiable mnemonic gold coins and of (B) other gold surrendered under military government ~~law~~ but not destined for gold pot or PMC. As to (B), recommend that it be repatriated to render in German economy for industrial purposes unless determined subject to restitution in accordance with present concepts.

REB.

CM IN 4397 (24 Sep 47)

By TD - NARA Date 6/12
Authority NWD 978021

DECLASSIFIED

222141

Cleared for dispatch with State over phone. This memo to remain in our file. /e/ R.Schwarts 10/19/47

Mr. Hens

Mr. Dunn

Please read the following urgent advice from State and
forward to business line direct.

Mobile JAR Sept 12 and JAR Sept 17, both of which exceed
the maximum of previous gold price to maintain distribution.
Action regarding distribution can be made now because following
current rates to follow listed your JAR par 2:

- (A) Although current inventory will vary slightly according,
report indicates that most is substantially account. Dept and
Sales officials will report as basis for preliminary distribution.
- (B) Not necessary to move gold to accounts which have been
customers only now. In my opinion, no time has any bearing
on this situation.
- (C) No necessity for weighing weights of found
gold and reduction on U.S. Army orders carried by U.S. Army
to weight U.S. Gold. Use same your previous procedure
and do not add extra paper and stamp to indicate an
adjustment.
- (D) Location, date and description of amounts will stand
until collection or sale effected for distribution distribution
by department. If necessary, recompute. It is recommended
that a note be written and included with each
order to advise customer of such action.
- (E) Distribution from business books can commence
when new business and distribution consider may require
additional expenses. Accordingly, do not believe better would
affect distribution distribution.

objection and position stated in your JAR, para 2, do I am
of and your best estimate date and time when these amounts of gold
and therefore before preliminary distribution would result in an
essential delay which is not warranted by business sense.

PCG 546
66 A-1039
Box 621 ARA Looked Gold
Restoration and Claims Vol. 1
9/46 - 9/47

DECLASSIFIED

Authority NND 978021

By TB NARA Date 6/12

222143

CONFIDENTIAL 9/19/42

Report to come for answer.

After preliminary distribution rep't would be prepared to approve the amount of doubtful value from Frankfurt for other remaining or early delivery imports immediately. Last sentence per 8 total 1603 will be also contained in draft. Post and Treas agrees present bills should be held for later disposition.

We agree that preliminary distribution should be under title from Gold held at Federal Reserve and Gold coin and clearly marked bills at Frankfurt. If no gold balance of position and bank and other central bank would not exceed required reserve.

INCOMING TELEGRAM
DEPARTMENT OF STATE

CONFIDENTIAL

FROM: Brussels

TO: Secretary of State

NO: 1403, September 19, 5 p.m.

OL/TT FROM DODH.

One. Question of where gold from Sweden should be deposited not yet discussed in commission. (Refer to paragraph 3 Dept's 1293 September 16). Consider discussion should be avoided until decision reached as to whether Frankfurt gold should be removed to Central Bank.

Two. REARME 1403 September 13. If decided remove Frankfurt gold to Brussels might be desirable deposit Swedish gold in Paris as solution to French. Otherwise personally insisted favor deposit Swedish gold in Brussels.

Three. Has Dept information as to date Swedish gold will probably become available?

WTS:JRW

KHE

cc: 9/23/47 Nease, Glasser, Kalsbury, Willis, West,
Masterson (J), McDonald (J), Mint, P. Devlin,
McMill, Nichols, Miller, Stetson, May

PLS#
66 A-1039
Bortle 2 1A24 Listed Gold.
Refrigerator + Cleaners Vol. 1

9/40 - 9/47

DECLASSIFIED

Authority NAD 97-2021

By TBS NARA Date 6/12

SIGHTED

RECORDED

TO: Department of State
RE: Washington, Brussels
D.O.: 1200 September 19, 1947 4 pm
U. S. UNION. FOR THEM.

MARK

1. Dept and Press opposed to movement of Frankfurt gold prior to preliminary distribution (rescinds 1408, Sept. 18 and 1419 Sept 19). Before preliminary distribution can be made from Frankfurt.

2. Following comments relate to factors listed para 3, until 1408:

- Although Howard inventory made under difficult conditions, report concludes that work is substantially accurate. Dept and Press satisfied with Report as basis for preliminary distribution.

(B) Not necessary to move gold to determine which bars lack authentic assay result. In my view, we assume no many bars in this category.

(C) No necessity for verifying weights of Faure Report. All gold was weighed on US Assay Office scales by US Mint expert who weighed US gold. Not clear how reference confirming records. Estimates of gold coin were prepared and should be available in Frankfurt.

(D) Location chart and schedules of Frankfurt gold should permit selection of gold desired for preliminary distribution by non-export personnel. If temporary assignment to committee on requirements made of US Mint trained man familiar with Frankfurt Gold would expedite handling and prompt distribution please advise and Dept and Press will consider appropriate such man.

(E) Distribution from Frankfurt involves one shipment. Movement from Frankfurt and distribution thereafter may require additional shipments. Accordingly, do not believe latter will impede preliminary distribution.

3. Para 3, 4, 5 and 6 vital 1408 and 1419 confirm Dept and Press view that movement of gold from Frankfurt before preliminary distribution would result in substantial delay which is not warranted by benefits gained.

4. We agree preliminary distribution should be made first from gold held at Federal New York and gold coin and clearly valid bars at Frankfurt. It is our understanding amount of Franklin gold bars and other doubtful bars would not exceed required resources. Dept and Press agrees Franklin bars should be held for later distribution. Present pro rata distribution of each type of coin by weight. Risk of damage or counterfeiting does not appear grave enough to warrant export examination of all coins before distribution.

9-20-47 cc to: Glaser, Tolson, Keay, Miller, Patterson, J. Roberts, S. May, Nichols, McCormick, P. Morris, Russell and Hunt.

yds.

2650

66 A-1037

Box 62 1A2A - Looted Gold -

Restitution & Claims Vol. 1

9-20-47 147

By T.D. - WPA Date 9/21/47

DECLASSIFIED

DECLASSIFIED

Authority NND 979021

By TB NARA Date 6/12

222146

- 2 - WIRE TO BRUSSELS (FOR DIA) 6/13/44 4 PM

REASON FOR DELAYING THIS WIRE IS THAT I AM GOING TO APPROVE THE
TRANSMISSION OF INFORMATION FROM BRUSSELS TO YOU ON A
SUITABLE INSTITUTION.

5. After satisfactory distribution DIA will be required to improve the
information of interest you from Brussels to you by consulting with
an appropriate institution.
6. Your information will be transmitted as available.
7. Your earlier wire regarding the DIA factor should be acknowledged.
8. This has been done telegraphically and will be required until you,
DIA, 13.

AUGUSTA

LAWRENCE

—7—

DECLASSIFIED

Authority NND 978021

By TB NARA Date 6/12

222.14

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200

SECRET

FROM: *[Signature]*

To: *[Signature]*

Re: Secretary of State

247 September 16, 7 pm

On the same date

One. In accordance paragraph five RHEM 1400 of September 15, I recently visited National Bank of Belgium on basis acquaintance with officials that bank known at New York general. Many other banks visited and vaults. Consider National Bank vaults approximately one billion francs held gold. Vaults now contain relatively small amount gold. Belgian National Bank and several converted deposit of foreign central banks including France, Belis and Argentina. Satisfied that National Bank has adequate physical space for custody of all Treasury gold.

Two. National Bank's weighting balance limited to one set, which at the moment, would permit weighing only about 100 bars per hour or equivalent to National Bank work schedule days bars per week. Estimate variation in weight of present coins would range at least equal amount of time. National Bank officials stated after keeping facilities clean and secure highly desirable. Probably National Bank has reliable balances those houses who may be asked demands to expedite weighing operations. However, in view present status of matter no direct inquiries made in this respect.

Three. National Bank has no facilities for assaying gold. This operation performed in Belgium by Royal Mint, Brussels and Royal Metalurgique de Luxembourg near Antwerp. No information yet re accepting equality these institutions.

Four. Security practices national bank not comparable to those of New York Federal. However, considered adequate for protection present holdings and could be tightened up and suggested should it be demanded on condition proceeds to submit to gold custody National Bank. Probably not inferior to security measures taken by central banks. An continuing meeting of Belgian Paris ostensibly for discussion gold claims provides opportunity surveying Bank of France facilities and security practices purpose comparison.

Five. Urgency next prompt decision as to whether Belgian deposit to be moved to Brussels undertaken by amount also required to weigh Treasury gold at National Bank and compile reliable bar and coin lists. Should requirement approve transfer present gold Brussels certain considerable time-consuming paper work will be involved in pure government or New York Federal Reserve Bank if deposit to be held in such fashion. Imparative earliest action be taken in these matters and arrangements made to prepare documents.

KLM

9-16-47 cc to: Glasser, Mortenson, J. Nichols, J. Russell, Raby, Pittman,
Maloney, Stevens, Wm. P. Gandy, H. A. Pollak, Willis,
and Wood.

Per

RSM

66A-1039

Part 62 1 ARA - Looted Gold
Restitution + Claims VSL-1
9/14/47 - 9/14/47

45 - NARA Date 6/12

DECLASSIFIED

DECLASSIFIED
BY TIA MARA DATE 6/12

1000

DEPARTMENT OF STATE

RECEIVING SECTION
DEPARTMENT OF STATE

24 1943. September 13, 1 p.m.

UN WIRELESS

POLICE WIRE

WIRING, 1943. September 9.

1. Will make every effort to see that Commission needs time to evaluate suggested by Reporters and believe will have full support of our commissioners. Realize while there is fighting chance to meet suggested deadline there is real possibility that technical difficulties and unavoidable delay may prevent. Hop that present committee should not be encouraged to base calculations upon possible date for meeting. Go with satisfaction however, inasmuch as it can not properly be a major request for instructions.

2. Upon further consideration more than ever impressed that technical experts favor transfer Frankfurt gold to competent central bank. Such factor upon which all the Commission's experts including O'Riordan agree are: (a) necessity for making new investigation of Frankfurt gold since the only existing was very driven by commission of Reporters under chairmanship of Island Report is described by Reporters as open to considerable doubt and applying equally to our own recent report made by us. Obviously such a transfer would require major changes in present financial situation of Germany. It is also necessary to consider the effect of such a transfer on the balance of payments of Germany. Since debt helds re-colonialization of Germany cannot be weighed off in any way against rewards for substantial quantities reluctantly come. For commission to rely especially on these balances in preparing charges for payment to claimants would appear to invite criticism objections to clearing receipts and could result in claims

cc: Nease, Glaser, Rutherford (3), Meeks (3), P. Miller,
Hill, Wood, Katz, Hartman, Farber, Daniels,
McMillan, P. Morris

PLA 576
WA A-1039
Box 62 LARA - Books & Gold -
Restitution & Claims Vol. 1

9/14/43 - 9/14/47

for corrections) (B) and for personnel skilled in handling gold in order to minimize charges according to directions from Gold Commission. These functions in judgment of Commission experts cannot be performed satisfactorily under conditions prevailing and with personnel available in Frankfurt. (C) If held in vaults of central bank, transfer of charter can be effected by compact while transfers from Frankfurt would entail physical shipment individual chartered prospect sailing October 15 resulting enhanced therefore if all Frankfurt gold moved initially to a central bank.

3. Appears practical objections to moving gold from Frankfurt as follows: (A) Probable French insistence to be moved to Paris (B) loss by US of control of gold and thus of final power of decision and of effective means of ensuring signatures or proper receipts and prompt fair distribution (C) possibility of legal action by distressed claimant to attach gold.

4. In view possible disagreement regarding handling Frankfurt gold, Dept may wish consider awaiting delay by taking position custody this gold US responsibility until distributed or turned over to Gold Commission. US could then have gold moved to Belgian Bank Brussels and held there subject to US orders. Retention of gold for account US would in considerable measure avoid problem raised paragraph three (B) above and slight resultant minimize risk of attachment by distressed claimants. Problem would remain of securing commission agreement to payment of transportation, insurance and handling charges during distribution of 100,000 oz to Gold Commission. British Delegation has informally stated custody of gold not a factor for Gold Commission but for gold held elsewhere. This unrealistic in view interrelation of custody and distribution problems but acceptance such view by Commission would be useful if Dept wished move Frankfurt gold to Brussels on its responsibility. It does not favor unilateral action regarding movement. Frankfurt gold believe strong case could be made for selection Brussels by Commission in view low transportation charges and obvious convenience of custody of commission.

5. Usable seg definitely but all prior instructions are *Brussels* that gold could be handled Brussels.ჩჩ
Inquiries to establish adequacy of facilities.

Brussels
handling?

either to
with
same gold
no different so
one more when
way.

C. ?

5. T-6 NARA Date 6/16/21
Authority NMN 978021

CLASSIFIED

222150

6. In deciding whether to move Frankfurt gold, feel immediate consideration necessary of legal question whether sovereign immunity doctrine would protect against attachment of gold by dispossessed claimant if (A) in name of Commission to Federal Reserve Bank; (B) in name of Commission to Belgian National Bank, Bank of France, Bank of Holland; (C) in name of US in above central banks.

In considering above legal points the following considerations should be noted: First, Federal Reserve Gold and possibly that in Federal Reserve Bank contains bars which might be specifically identified as property of certain claimants; second, bars of France and Holland have been nationalized; third, one dispossessed claimant listed is not a signatory of Paris-Yalta agreements; fourth, and asserting adverse claim or title would be against central bank not directly against Commission or US fifth, fact that central bank holds as fiscal agent for either government or Commission.

Question of attachment not merely theoretical since after exhaustion clearly invalid claims only 1/2 of remainder fall in clearly valid category. These amounts which must be retained for some months after preliminary distribution announced will be substantial.

7. Assuming Belgian bank facilities adequate and legal risk assessment or not excessive, instead of recovered ~~proceeds~~ should be removed to National Bank ~~and distributed among~~ held for account of.

8. Note presented December 1, 1950, paragraph 10, now being considered and will be copied soonest. Have probably now received all claims though will not know until 15th whether claimants particularly rich. Assess will be ^{10%} plus ^{10%} of value. Please advise already filed. Total 119915 \$ of which 11000 or 20% considered invalid; 28907 or 24% considered valid and 28097 or 23% considered possibly valid. Being allowing for some small first claim of my value to valid category before preliminary distribution on 15th I suppose that reserves for at least 10% will have to be retained to meet possibly valid claims. Inclusion of Prussian mint bars would reduce total of Frankfurt gold from 235,000 to approximately 165,000 kg or by less than 25%. Apparent therefore that preliminary distribution can be made from coins and fully audited treated bars.

① 2 P.M. to much
not if 40% want
be held

Authority NWD 97-8021

By TBS NARA Date 6/12

DECLASSIFIED

222151

- b -

Identification and determination finess as doubtful were
can then proceed simultaneously with consideration dead-
fall claims. Distribution to intermediate countries will
raise political problem concerning Yugoslav who only
substantial clearly valid claim is for oil leased by Italy
and Poland which has no clearly valid claim.

Reh to beginning of
para 7

9. View urgency and extreme tightness schedule here
request of assistance of Department in direction form of
representative which Commission would point to receiving countries
to size. Suggest to certain Interim-type water de-
signed paragraph 3, DRAFT, 997, July 16. Commission
should also be protected regarding deliveries to intermediate
countries as provided in paragraph DRAFT, 1879.
Feel that at time of initial delivery receiving countries
should be required to ratify action of experts to severe
in negotiating oil contracts with third countries.

10. Request immediate instructions all above points esp
last.

11. Hold Conclusion meeting 15th.

Reported London 93.

KOHLER

ZEBULON

EATON

DECLASSIFIED

Authority NND 979021
By TB NARA Date 6/12

222152

NEW YORK 60-
47523 September 6
1947

DIVISION OF
COMMUNICATIONS AND RECORDSCONFIDENTIAL
DEPARTMENT OF STATE

Control 1783

INFORMATION
COPY

7 Origin: OFD U.S. URGENT

Info:

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BRUSSELS

1259

FOR DORR

OUTGOING TELEGRAM

September 9, 1947

6:00 p.m.

immediate preliminary distribution largest possible percentage of gold is imperative (URTEL 1227 Aug 8). You are instructed to urge or earlier date if possible deadline of Oct 15/for preliminary distribution from whatever gold determined clearly available by October 1 on claims agreed clearly valid by Oct. 1. Formula outlined your TWO is approved except Dept feels 85% figure in TWO (D) unnecessarily conservative, and suggests raising to 95%. Dept believes unnecessary maintain reserve against claims commission consider clearly invalid. Claims concerning which there is reasonable doubt on Oct 1 should be classified as possibly valid in applying formula. To cover possibility referred to last sentence your TWO, recipients of gold should sign agreement that if any claims validated by International Court or UN cannot be met from gold remaining in pot at that time, they will return required amounts of gold on pro-rata basis.

2. REUR TWO (E) Dept feels claims like Polish concentration camp victims and Luxembourg corporation losses not (repeat not) covered by Com's monetary gold definition and should be considered invalid.
3. REUR THREE unless Dutch, Czech and Yugo claims can be agreed clearly valid by Oct 1, they should be classified as possibly valid

4.

CONFIDENTIAL

PL 56

66A-1037

Box 62 IARA - Losted Gold -
Restitution & Claims Jol. 1

9/4/47 - 9/47

67174 MARA DATE 6/16/47

REUR THREE UNDERTAKING

DECLASSIFIED

222153

CONFIDENTIAL

CONFIDENTIAL

-2- #1259, September 9, 6 p.m., to Brussels

after instructions given in this cable

4. REUR FOUR do not know what further decisions or info required / to allow immediate preliminary distribution but will act upon request from you. Any such request should be made without delay.

5. REUR FIVE (A), on advice of TREAS that reassay will necessarily be difficult and time consuming. Dept suggests that doubtful bars be allocated to reserve so as not to delay preliminary distribution. The 6,000 bars bearing fake dates and possessing assay certificates of Prussian Mint constitute too large a portion of total gold in pool to hold as reserve. No (repeat no) question raised here as to assay certificates of these bars. Dept recommends these bars be considered eligible for immediate distribution.

6. REUR FIVE (B), (C), and (D) If ~~xxx~~ re additional gold for pot not received by Oct 1 proceed on basis gold including gold/ paid by Switzerland to account with NY Fed Reserve. Since law 53 problem concerns additional gold it should not delay distribution presently held gold. Will discuss (C) with Brit and French Wash. Agree your position first para your (D). Tripartite countries will prepare report on recoveries from third countries as soon as feasible, but preliminary distribution should proceed regardless.

7. REUR SIX, Dept favors return of gold to intermediate countries in line with general restitution arrangements. If other members Comm strongly desire delivery directly to country of ultimate destination

CONFIDENTIAL

27/9 1940 WASH 21
REUR FIVE (B)
CONFIDENTIAL

222154

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-3- #1259, September 9, 6 p.m., to Brussels

destination, Dept. willing accept this arrangement xxxxxxxxx with preferably consent of country which had custody xx at time of looting.

8. Question still unsettled whether Italy and Austria should participate on equal terms or be excluded from Swiss contribution as French maintain. If not (repeat not) settled before Oct 1,

appropriate adjustments should be made for purposes preliminary distribution so as to provide for future distribution Ital and Austrian shares on full participation basis including Swiss contribution

9. Satisfactory understanding on waiver (DEPTEL 997 Jul 16) should be obtained before preliminary xxxxxxxx distribution.

10. Please cable earliest country by country estimate amounts distributable on foregoing basis. xxxx following xxxxxxxxxx on basis present knowledge, and cable any revisions as they develop concerning:

A. Amount of each country's claim

- (1) Considered valid
- (2) Possibly valid
- (3) Invalid

B. Quantity of gold available

11. Repeat to Paris and to London for Gunter and Friedman.

MARSHALL

FN:ORFletcher
FN:PMcGuire:be
9/8/47

OE EUR A-T U-E Treas

27/9 1947 MARSHALL
Autocopy WWD 9/8/47
DECLASSED

222155

MEMORANDUM FOR THE SECRETARY

Re: Preliminary Distribution of Gold by the Executive
Commission for the Settlement of German Gold.

A preliminary distribution in the immediate future of the more than \$200 million of gold held by the Gold Commission would help to relieve the dollar shortage of France and other European countries. The Gold Commission is already thinking in terms of a preliminary distribution within the next six or eight weeks. However, they have encountered a number of technical difficulties which in the view of the Commission will require some time to work out and it is possible that if nature takes its course distribution may be postponed beyond the contemplated six or eight week period.

Most of these technical difficulties relate to the exact determination of the amount of gold available for immediate distribution and the claims of particular countries. But none of the proposed difficulties would appear to prevent distribution in the near future of the amounts of gold already available for distribution after retention of a reserve for doubtful claims. Accordingly, it would appear extremely desirable for you and Under Secretary Clayton, during your stay in London, to urge strongly upon appropriate officials of the United Kingdom and France and upon the Gold Commission the need to make a prompt preliminary distribution of gold to the claimant countries. It should be urged that even though some technical difficulties have not been solved, there should be an immediate preliminary distribution upon the basis of the known value of gold presently held by the Commission, after the setting aside of an appropriate reserve for doubtful cases.

The following steps would be required for such a distribution:

1. The Commission would ascertain the share of their known gold holdings which could be distributed pro rata to each of the clearly valid and, possibly, valid claims filed with them.
2. The Commission would then immediately pay 80% of such prorated shares to each of the clearly valid claims.

Although the Treasury does not have complete information, it appears that this procedure could permit the immediate payment of something in excess of \$100 million to France and leave an uncommitted reserve for errors and adjustments of about \$50 million plus all future demands of gold to the Commission. This proposal would therefore result in minimal assistance to France and other European countries and at the same time permit the Commission to maintain an adequate reserve against possible claims.

RG SP

b6A - 1039

Box 62 1A2A - Looted Gold -
Restitution & Claims Vol. 1

9/46 - 9/47

27/9 1946 - NARA 2021

DECLASSIFIED

222156

DECLASSIFIED

Authority NND 978021

By TIB NARA Date 6/12

451227

W/e/s ds Informational

united States
to make an immediate parallelization of field in the manner
possible, it is understood that the said Commission should be informed
accordingly. As far as possible and practicable, and promptly, information

Pursuant to
the authority of the
President of the
United States
to negotiate
and conclude
treaties and
agreements
with foreign
nations,
and by virtue of
the power vested
in me by the
Senate of the
United States
in accordance
with law, and
of my being
designated
and appointed
as the
representative
of the
United States
in such
negotiations,
I do hereby
make the
following
agreement:

PURCHASE OF GOLDEN RESERVES

TO WHOM IT MAY CONCERN:
RE: SECRETARY OF STATE, WASHINGTON
DATED: September 2, 1946
NUMBER: 2229

CONFIDENTIAL

In connection with the following subject, please refer to Department's cable of September 3, Number 1819, which was repeated as Number 912 to Brussels for citation of Distr.

These comments on the Department's proposed definition of non-monetary gold which are contained in cable of August 22, Number 912, are being discussed with Office Military Government, US (the economists, finance, money control, and legal divisions thereof). It is expected that reply in detail will be cabled in a few days to the War Department.

With regard to the question of British Gold, the Office of Military Government US is of the opinion that UNA is not the proper agency for determining whether this gold should go to non-reparables fund or not. In this fund, those titles and jurisdiction are outside UNA, specifically UNRRA.

British Gold disposition is dependent upon a number of factors with regard to its actual form and history and upon how it fits in with Law 53's interpretation by UNRA.

In the case of British Gold, Law 53 is interpreted as stated below:

(a) These gold products whose value contains at least 25% processing and labor costs will not become a part of non-monetary gold — they are commercial gold. (That gold which, although it is of commercial origin, contains less than 25% processing and labor value will become a part of this fund and will be considered non-monetary gold.)

(b) As above defined, commercial gold will not be so under Law 53 but can be returned to the companies or to the persons depositing such gold and upon payment and receipt of export license, can be exported.

cc: 9/30/46 Resars, Glaser, Taylor, Miss Kastorius (3), Adams (3),
Ullman, Willin, E. Neiburg, Kitterman, Curtis

cc

RGA Sp.

WPA - 1039

Rever 62 WPA - Listed Gold -

Restitution + Claims Jsl. 1

a | 46 - 9 | 47

By TE - NARA Date 4/2/1982

DECLASSIFIED

222158

- 2 -

(c) If they can be identified, gold products sent to Germany for distribution or export will be released from Law 33 and can be restituted to the British owner or otherwise returned to him.

None of the gold which resides in foreign exchange depository in Frankfurt can be identified as being of British origin; presumably, the British gold in question has, under Law 33, been called to from concurren holding it and deposited in local Reichsbanks pursuant to this law.

The following constitutes the British claims which has been presented to the Finance Division of OCSU:

(one) At Ingolstadt, Frankfurt, 141.70 o pure gold.

(two) At Ingolstadt, Frankfurt, 147.13 o gold.

(three) At W. Gusswerk, Ingolstadt, 141.62 o pure gold.

(four) At Deutsche Bank and Company, Ingolstadt, 100.00 o pure gold.

(five) 1 bar of 1259.00 o with 21 carat 26 gold, 105 silver 9/100; 1 bar of 546.45 o with 21 carat 26 gold, 175 silver 9/100; 1 bar of 546.50 o with 21 carat 25 gold, 100 silver 9/100; 1 bar of 307.00 o with 21 carat 62 gold, 290 silver 9/100, equal to 200 93.96 fine gold, and 100 silver 819.70.

(six) At Westend Goldsmid, Ingolstadt, 57.70 o pure gold.

(seven) At F. Schmidlechner, Ingolstadt, 140.00 pure gold or 141.62 o fine gold.

(eight) At H. Schmidlechner, Ingolstadt, 56.00 pure gold or 57.70 o fine gold.

(nine) At Ingolstadt, specifically Ingolstadt, now according to Frankfurt/ Main state coin manufacturers, 127 defective gold pess.

(ten) At Ingolstadt, Frankfurt, 141.62 o pure gold and 141.62 o silver.

Above claimant to the Department has been sent as Number 103 to Brussels for attention of Darr.

Ref/1100/1945 9-27-45
(Indicated) LHM

205 - Son &or Tosteson
Proctol 66 1/2

For the

Teeth - 2nd molar - Gold. Restoration of Chewing - Vol. I

Stainless Steel - Sept 1911

INCOMING TELEGRAM

Department of State

TELEGRAPH BRANCH

4

Action

E

Date

FROM: Frankfort

SECRET

Control: 12544

Rec'd: October 25, 1951

6:51 a.m.

To:

Secretary of State

No:

3431, October 25, 11 a.m.

L
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CIA
ARMY
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DCR

PRIORITY

Received Air Force intelligence info that Ger source, salvage engineer reliable in past, has offered to produce gold bars apparently hidden in Bavarian lake. Estimated value several million dollars. Story sounds fantastic but Air Force assures that source so far never let them down. Complete absence reichsbank gold western zones seems to lend some credence. Feel we should pursue matter in cooperation. Air Force which presupposes however firm assurance reward. Contacted TAC who advised that decision on reward our responsibility since TAC mere recipient agency.

Informant has not (pt) mentioned amount or percentage reward he expects; however, in order to permit us negotiate request Dept authorization to promise at our discretion appropriate amount out of gold actually recovered. Since salvage operations dependent on weather, would appreciate immediate reply.

MCCLOY

TT:VH

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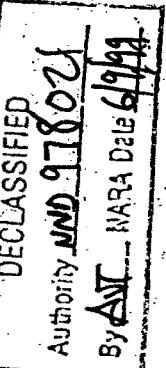
PLATE

66A-1039

Box 621 AEA - Lost Gold

Rest + Claims V.A. II

47-51



222160

**CODING
TELEGRAM**

Department of State

INDICATE: COLLECT
 CHARGE TO

CONFIDENTIAL

COLLECT

8/11/6

SENT TO: Embassy, Brussels. 388

For Fax

[P-22-51]

18
Origin: EUR
In: GRR
Outline IMA Final Report. View this amendment, no objection publication
FE
E
DC
OLI
CIA
of Report.

URGES 235 Sept 6. Situation with respect to assets available from
several countries and Japan has not changed materially from that previously
reported. However, summary respecting each country now as follows:

(1) ~~Saudi - NEGRIS still not concluded but, no date of settlement can now be~~
forecast. Previous report re AMT assets expected by IMA has not changed.

(2) ~~Iraq - Differences between NEGRIS Powers and PDR still not reconciled~~
despite continuing effort arbitration gold dispute. AMT still expected by

IMA is same as previously reported, i.e., cascades valued at approx \$2 million.

(3) ~~Iraq - Same time ago the Madrid Retained IMA that IMA still not expect~~
more than approx 100 million additional pesetas. Recently 65 million have been
declared IMA. Dept has not been notified when additional pesetas may be
expected.

(4) ~~Jama - As explained previously, estimates of OIL assets in Japan placed~~
at approx \$10 million (dollar value) and other currencies expected by NEGRIS.
Since deductions appropriate claims and other costs have not been made, amount

AMT be turned over IMA will not be known until AMT or claims has been determined.
Dept

Dated on: 9/2/61

Classification:

**Final Draft: L/E - Mr. Manner
MA - Mrs. Ellis**

CONFIDENTIAL

Geographic transmission and
classification approved by:

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64 A-1039
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Past + Class Vol. 11

47-51

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Dept. regrets that uncertain status of UNR prevents implementation of above
contingency plan. However, Dept. is continuing do all in its power to stand-up UNR unless validation is obtained
from allied countries and will report important developments periodically to
appropriate transmission IARA.

REFB

DECLASSIFIED
Authority NND 978025
By AAT MAR 9 Date 6/1/91

OUTGOING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

33
ORIGIN, DF

LITPO

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DCR

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TR

RESTRICTED

20-6

AMERBOSC

MARSH

2070

A-40, Aug 15, 1951

The Inter-American Reparations Agency at Brasilia, Brazil has allocated \$100,000 as the United States share of German reparations which will be transferred to the UNDO at Mexico in the near future. Upon receipt of this local currency, the following action shall be taken by the UNDO:

1. The funds shall be received on behalf of the U.S. Government and recorded on Form 334 as a receipt from UND Reparations without dollar equivalent.
2. Prepare Form 201 (formerly Form 1) detailing the local currency into the J. C. Nash account of the Treasurer of the United States at the Bank of Brazil in South America, Florida for credit to "Model Aircraft Repairing Account" 193521 Reparations, Marja Mar II, proceeds from reparations property, Germany. Forward two copies of the Form 201 to the Department. For the attention of Dr./O.
3. Form 201 shall be recorded on Form 334 as a transfer to the Treasury Department, leaving the balance due the U. S. on Form 334 at zero.
4. Increase the Reparation by current value (market and monetary) of the items deposited in made into the receiver's account.

RECEIVED (ACTING)

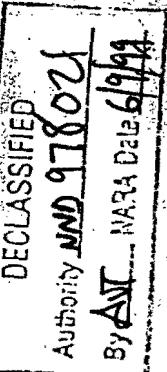
CHIEF U. S. REPARATIONS
8/15/51

RECEIVED

CHIEF U. S. REPARATIONS
8/15/51

Re Se
Wa A-1039
Port 62 142A - Listed below
Post + Claims Vol. 11

47-51



OUTGOING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

82
ORIGIN: DR

INFO

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UNA

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OBF

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AMERICAN LEGATION

BELGIUM

A-667 AUG 15, 1971

2053

The Inter-American Reparations Agency at Brussels, Belgium has allocated funds dated 27-1-71 as the United States share of certain reparation which will be transmitted to the USIC at Bern in due near future. Upon receipt of this local currency the following action shall be taken by the USIC:

1. The funds shall be received on behalf of the U. S. Government and recorded on form 34 as a receipt from IARA Brussels without dollar equivalent in a Agent Account in favor of the United States Treasury Department.
2. Forward the payment on the date of receipt, or air mail, for the attention of DE/Q.
3. This funds shall provide instructions on the use thereof received from the Department.

WHTG - (ACTING)

SD-4, Regular, Treasury

- RE, Director, TPA

REF ID: A678021

RESTRICTED

Autodat 978021

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RCN 26

Blk A-1039

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Rest + Claims Jol. 11

47-51

OUTGOING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

RESTRICTED

82
ORIGIN: DFR
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DCR

AMERAD

2051

4-50, Aug 15, 1951
The American-Belgian Relations Agency at Brussels, Belgium has
disbursed U.S. \$12,819.60 of the United States share of
German reparations which will be remitted to the USDO at Ankara
as we near June. Note you are to advise local currency the follow-
ing amount will be used by us: 1950.

1. The funds shall be received on behalf of the United States
Government in U.S. dollars or form 234 as a deposit from TNA,
Brussels, various dollar equivalent.

2. Payment form 201 (form 201, 1) denoting the local con-
version into Belgian francs. The amount of the transfer of the
United States at Bank of America Central de Turquie to Ankara,
Turkey, 2nd credit to TNA, Brussels account, 1952.
Reception, No 14, Vazif, proceeds "Underwriting Reparations
Company". Retained two copies of the form 201 in the Repar-
ation for the avoidance of D/F/Q.

3. Form 201 shall be recorded on form 234 as a transfer to the
Treasury Department leaving the balance due the U. S. on
form 234, No. Ankara.

4. Advise the Department by air mail "Treasury Department and Payment"
of the date deposit is made into the requester's account.

5. The Department will subsequently purchase the local currency
from the Treasury Department and transfer to the USDO to pay
local currency obligations in Turkey.

WIRE (CODE)

ASST. SECRETARY, TURKEY

MR. GLOVER, TUR

DET. & CLAIMS VOL. II

8/15/51

RECORDED

PL56

166A-1039

Box 62 TARA - Looted Gold -

Rec'd. + claims Vol. II

47-51

BY AIR MAIL DATE 8/15/51
Authority NO 978021

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222165
C9T222

**OUTGOING
TELEGRAM**

INDICATE: collect
 charge to:

SECRET

2031

NYC-5-51

**AIR-11
6 P.M.**

CONFIDENTIAL

SENT TO: AMBASSY KINSHASA 176

Re: FOX

REDD INFO MSG. FRANKFURT 932

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No (RPT w) objection shipment 2,320 kgs of gold collected ERZ Zone to Bank of RA. However, quantity about \$1.5 million gold collected AMER Zone will be shipped Federal Reserve, N.Y., for reasons given letter August 2 unless technical requirements by Raag (such as spot weight) place serious obstacles shipments New York. Please contact FIM Advisor US Raag Banknote and cable result.

AMERICAN

Draft
Distr
Desired
(Office)
Only

Drafted by:
OED:ML:OFF:Letter:1b 8/6/51

Telegraphic transmission and
classification approved by: O. Fletcher

Cleared by:

L/R - Mr. Hauser
GKA - Mr. Clifford

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PLA Sd
160A-1039
Part 62 VPA - Listed Gold.
Rest + Claims Vol. II

47-51

Authority #44-978021
By ADT - WPA Date 6/9/51

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222166

FOREIGN SERVICE OF THE UNITED STATES AMERICA

D. A. R. S.
Encl
25

SECURITY : SECRET

CONFIDENTIAL

PRIORITY: AIR POUCH

200-6241 Gold/7-351

For Dept.
use only.

TO : Department of State - NM

FROM : US COMMISSIONER, TGC, AMBASSY - BRUSSELS - 271 - July 5, 1951

REF :

SUBJECT : Tripartite Commission for the Restitution of Monetary Gold - Tabulation of Provisional Decisions.

Transmitted herewith in duplicate are three tables relating to provisional decisions of the Tripartite Gold Commission. Table I summarizes the decisions in respect to each country claim or claims. Table II summarizes the statistical position of the gold pool and of the distribution of gold in relation to claims validated. Table III is similar to Table II but is included for the purpose of showing the statistical position in the event that certain provisional decisions might be reversed or modified before the Commission's decisions are finalized.

These tables have been prepared by the Chairman on authorization by the Commission and in accordance with the situation described in the following resolution extracted from the Draft Minutes of the 109th Meeting of the Commission.

"The Commission took note of the Tables which had been submitted to them by the Chairman and resolved that each Commissioner, individually, would forward these tables to his Government, after they had been corrected and simplified by the Secretary General. It was further resolved that each Commissioner would indicate in his covering letter to his Government, that these Tables were being sent pursuant to what had been agreed in Washington in March 1951 and owing to the fact that letters (copies of which would be enclosed) requesting deliveries had been received by the Commission from the Delegates of Czechoslovakia and Yugoslavia and, on the subject of deliveries, from the French Commissioner (acting on behalf of his Government). It was further resolved that the Commission made no recommendations regarding a further distribution but that each Commissioner would indicate in his covering letter that it appeared to the Commission that a distribution of 1 ton of gold to Yugoslavia, 7 tons of gold to Czechoslovakia and 15 tons of gold to Belgium would be well within the safety limits."

The following additional comments are submitted for the information of the Department.

As noted in the resolution quoted above, these summary tabulations were prepared in accordance with an agreement reached in March, 1951 in Washington by the representatives of the three Governments, participated in by the Chairman of the Commission. It will be particularly noted that there are still a number of cases pending

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S. Mack & Mink

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WASH. - NM - 1951

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Rest & Claims Vol. 11

47-51

before the Commission on which a provisional decision has not yet been taken or in respect to which a provisional decision already taken is under reconsideration. It seemed desirable, nevertheless, that particularly in view of specific requests for further interim deliveries of gold received from France, Czechoslovakia, and Yugoslavia, the three Governments be given an opportunity to make a preliminary review of the Commission's provisional decisions as early as possible for their information and guidance in connection with the question of a possible further interim distribution.

For the same reasons, no attempt has been made to revise the tabulations in respect to certain factual inaccuracies or to put the actual phrasology in final form. The Department's attention is invited, however, to one factual inaccuracy which occurs in the first paragraph of this section states that "The Commission has, therefore, been unable to find that Belgium is entitled to claim for 6,700 kgs. of gold, etc." The actual provisional decision of the Commission is to allow the Belgian claim including this amount. Since this decision was made, however, certain additional facts regarding this gold have come to light on the basis of which it has been proposed that the decision be reconsidered in respect to the 6,700 kgs. This, of course, alters the statistical summaries including paragraph A of Table III. However, the consequential modification is immaterial from the standpoint of the tabulations or statistics as a whole and the principal reason for inviting attention to this inaccuracy either is to point up the provisional nature not only of the decisions as recorded in Table I, but of the tabulations themselves based thereon. The formal position is that the United States Commissioner has approved the sending of these tabulations to the three Governments but does not necessarily approve in full the substance of the tabulations. It is understood that the French Commissioner has made a similar reservation.

In addition to the tabulations there are enclosed copies of letters from the French, Czechoslovakian, and Yugoslavian representatives, referred to above, requesting a further interim distribution.

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

Enclosure:

As stated above.

HSFox: Set

REF ID: A42876
5479320-A
RECORDED IN THE INTERNAL SECURITY
DEPARTMENT
222168

POSITION OF GOLD

ORIGIN	PLACE WHERE GOLD DEPOSITED	GENERAL RESERVE BANK
OF GOLD		
Sept. 1947 Germany	GERMANY	
March 29, 1948 Austria		
February 29, 1949 Spain	BARS	
April 22, 1948 Romania	CORE	
December 9, 1948 Sweden	DEPOSITS	
June 6, 1949 Switzerland		299,042.063
July 29, 1949 (B.I.S.)		1,659,121.321
July 29, 1949 (B.I.S.)		
	TOTAL	
Transfers from Germany	3,764,698.083	3,769,207.751
-	2,005,894.380	- 2,146,022.912
Recoil of Oein		
1400 Bars		
	GOLD TOTAL	
	1,758,803.703	1,623,104.832
		1,639,170.386
	Amount of Daily	
	Varies:	
to Austria		Feb. 2, 1949 152,620.87
		July 29, 1949 24,221.408
to France (Adjustment)	Nov. 29, 1947 1,671,150.323	Dec. 1947 169,704.282
(Losses in Melting)	- 27,846	- 59,673.628
		June 29, 1948
to Italy		
to Holland (Adjustment)	Nov. 29, 1947 491,206.970	Nov. 29, 1947 453,477.943
	- 48.001	- 17,361
		Nov. 29, 1947 209,201.669
to Czechoslovakia		
to Yugoslavia		
Miscellaneous		
- Sales of gold	369,333	
- Safe custody and handling charges:		
- Melting charges		
- Losses in Melting	27.846	
- Purchases of coins		
- for coin		
- Transport and other costs		
	TOTAL	1,758,803.703
BALANCE at 6/1/50		1,623,104.832
GENERAL TOTAL	6/1/50	1,623,104.832
		1,639,170.386
		2,

Sept. 23, 1949

N. G.P. GOLD POOL APR 1948 JUNE 1950

POSITIONED

		WEIGHT IN OUNCES		Total in Ounces	Total in Kilograms (1)
BARS	CORDED	Ounces	Ounces		
89,555.896	2,903.063	7,533,905.824	234,330.690		
2,903.063	61.042	2,962.905	82.218		
5,267.271		3,267.271	101.623		
578,700.153		578,700.153	17,999.589		
		230,069.065	7,155.387		
		1,659,121.241	51,660.440		
89,555.896	2,903.063	120,845.777	3,710.000		
705,114.264	61.042	10,128,252.326	315.5		
2,005,824.260	2,15,022.912				
4,366.812	- 4,366.812				
2,715,359.456	2,167,727.362	10,128,252.326	315.5		
Aug. 17, 1948 250 A.M. 098	Aug. 17, 1948 250 A.M. 098	1,276,522.382	39,717.042		
4,123,190,700,716					
JUNE 29, 1948 463,644.243					
Oct. 8, 1948 14,917.944	Oct. 8, 1948 14,917.944	3,020,192.786	107,002.021		
		204,628.640	6,052.241		
JAN. 6, 1950 450,110.463	JAN. 6, 1950 310,132.656	2,159,255.574	66,537.667		
Sept. 23, 1948 6,919.692	Sept. 23, 1948 6,919.692	195,222.954	6,072.007		
843,690		276,760.751	8,068.223		
173,380					
521,254					
1,000					
		12,274.067	381.782		
1,296,090.864	1,296,331.260	7,653,280.854	237,172.648	248.9	
1,419,264.592	1,770,406.662	2,929,523.472	77,650.552		
2,715,355.456	2,147,727.363	10,128,252.363	315.5		

A. HILL,
Deputy Director of Finance,

T.A.R.A.

REF ID: A14490
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222170

SECRET

L A B L E I

Proportionate Distribution of the Gold Commissions.

Total amount
claimed, totaling
Austro-Hungarian claims
withdrawn in Rep.
(rounded off to the
nearest thousand).

Amount of claim
settled in Kgs.
(rounded off to
the nearest hundred).

2,500
2,500

The Commission has agreed that the Germans looted 2,400 Kgs. from Rome and 100 Kgs. from Trieste, in each case from the possession of the National Bank of Austria. Italy has, however, claimed that the gold in Rome, at the time of looting, formed part of her monetary reserve and since these competing claims involve a decision in the first instance as to the claim of Austria against Italy under the Italian Peace Treaty, which is outside the competence of the Gold Commission, before the Commission can decide as to the proper adjustment for a share in the gold pool in respect of this gold, the matter has been referred to the three governments who have, in their turn, referred the matter to arbitration. The amount in dispute and also the gold looted from Trieste is therefore placed in reserve.

191,700
2,500
74,000

The Commission has found that 78,300 Kgs. of gold were either held in the vaults of the Austrian National Bank in Vienna, or with the Bank for International Settlements at the Bank of England on the 17th March, 1938 and that such gold was Austria's monetary reserve and was looted by the Germans. The Commission has, however, found that 13,000 Kgs. claimed by Austria and purchased by the Austrian National Bank in liquidation from private persons between the 18th March and the 25th April, 1938, that is to say, subsequent to the Anschluss and the assumption of complete German control of Austria and its incorporation in the Reich, represents gold purchased by German order on German behalf and which, even though it appeared in the accounts of the National Bank in liquidation, cannot in any circumstances be held to be held over which the National Bank had free disposal and which belonged to Austria, or at any time formed part of Austria's monetary reserves. The Commission has, therefore, allowed this portion of the claim.

Further, the Commission has been informed by the three governments that they should take into account (vide the Austrian Protocol of 4th November, 1947) that 6,700 Kgs. of gold have been delivered to Austria direct and the Commission has, therefore, deducted this amount from that portion of the claim which they have held to be valid.

The Commission has found that 190,400 Kgs. were deposited by the National Bank of Belgium with the Bank of France and were looted by the Germans and that this gold was part of Belgium's monetary reserve and belonged to Belgium. The Commission has, however, found that of this amount 1,500 Kgs. was gold looted by the Germans from Czechoslovakia and 5,400 Kgs. gold looted by the Germans from Austria, which the National Bank of Belgium purchased from the Reihabank in April 1940. Claims in respect of this gold have been admitted by the Commission on behalf of Austria and Czechoslovakia. The Commission has, therefore, been unable to find that Belgium is entitled to claim for 6,700 Kgs. of gold and the claim in respect of the gold reserve of the National Bank of Belgium has only been admitted to the extent of 191,700 Kgs.

Belgium also claimed in respect of 6,400 Kgs. of gold purchased by the Burgo d'Andurain from private persons in Belgium during the occupation and transferred to Germany under German instructions. The Commission has found that the Burgo d'Andurain, though set up by Belgian law under the occupation, was under the control of the Germans and that the purchase of gold were made on German account, that the Burgo d'Andurain was not authorized to hold a gold reserve, and, therefore, that no gold so purchased could not, in any circumstances, be held to have at any time belonged to Belgium or to have formed part of its monetary reserve. This portion of the Belgian claim has, therefore, been disallowed.

The gold was claimed under four headings:

191,700

(1) 6,400 Kgs. of gold coins held by the National Bank of Czechoslovakia taken over by the "National Bank of Bohemia and Moravia," a bank set up by the Germans; following the events of the 15th March, 1939 and on 12th June, 1940, transformed to the Reihabank;

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20916 GEN 1946
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7,500

100

The Commission has found that 69,300 Rgs. of gold held by the Bank of Italy were looted by the Germans. This gold, however, included 8,400 Rgs. looted by Italy from Yugoslavia and 6,600 Rgs. looted by Italy from France. The Commission has also found that Italy owned claim for 15,000 Rgs. of the gold looted from the Bank of Italy and has held that Italy's claim on account of the gold held by the Bank of Italy is valid to the extent of 54,300 Rgs.

Italy has claimed 1,800 Rgs. of gold delivered in February, 1943, to the Bank of Italy by the Reichsbank, for the account of the Intercom, as an advance payment, by the Reichsbank of the gold equivalent of \$2,000,000 on account of the credit opened by the Intercom in favour of the Reichsbank during Oct., 1940. This gold was included in the gold allegedly transferred to Germany in February, 1944.

This claim is in three parts:

- (1) One allegation disputed at the "Triage des Dépôts et Comptes" pending arbitration to be arrived at regarding the ownership of the gold.
- (2) 100 Rgs. retained by the National Bank of Greece by agreement with the Bank of Greece, (the State Bank) and deposited by the former with the Heraklion branch of the Bank of Greece.
- (3) 7,600 Rgs. remaining in the hands of private persons but claimed by the Greek Government as "registered on behalf of the State" and so, as belonging to the State.

With regard to (1) the Commission has held that this gold had been surrendered to the State by private persons on terms pursuant to a law of the State imposing such a surrender and was looted by the Germans. The Commission has held the claim to be valid.

With regard to (3) this gold was in the possession of private persons when looted, and had not been transferred to the State. Further, the law of Greece allowed the government to hold gold, and no proof has been forthcoming that the national gold claimed was looted. This claim has been disallowed.

It is to be noted that Greece was able to place in safety all the gold reserves of the State with the Bank of Greece before the German invasion.

The Commission has found that 69,300 Rgs. of gold held by the Bank of Italy were looted by the Germans. This gold, however, included 8,400 Rgs. looted by Italy from Yugoslavia and 6,600 Rgs. looted by Italy from France. The Commission has also found that Italy owned claim for 15,000 Rgs. of the gold looted from the Bank of Italy and has held that Italy's claim on account of the gold held by the Bank of Italy is valid to the extent of 54,300 Rgs.

Italy has claimed 1,800 Rgs. of gold delivered in February, 1943, to the Bank of Italy by the Reichsbank, for the account of the Intercom, as an advance payment, by the Reichsbank of the gold equivalent of \$2,000,000 on account of the credit opened by the Intercom in favour of the Reichsbank during Oct., 1940. This gold was included in the gold allegedly transferred to Germany in February, 1944.

(2) 83,100 Rgs. belonging to the National Bank of Czechoslovakia and held in London, by the Bank of England, under deposit, in the name of the Bank for International Settlements and, at various events of the period November, 1939, transferred to the account of the Reichsbank in London.

(3) 14,500 Rgs. being gold part of the gold reserve of the National Bank of Czechoslovakia, handed over to the Germans on 10th March, 1939, together with 15.2 million Czech crowns in denizens on German demand, as representing the cover for the Czech crown never the Germans had collected in the Substitution area.

(4) 1,000 Rgs. being gold held by the Slovaks and subsequently transferred to the Reichsbank.

With regard to the first three claims, the Commission holds that all the gold claimed belonged to Czechoslovakia and formed part of the monetary reserve, and was looted by the Germans. The Commission has, however, noted the subsequent recovery by the National Bank of Czechoslovakia of 7,100 Rgs. from the Swiss National Bank, where this quantity of gold had accumulated subsequent to the events of the 15th March, 1939, to the credit of the National Bank of Slovakia. The Commission holds that this sum, as a proportion of it, must be deducted from the claim.

With regard to the fourth claim, the Commission holds that this gold could not, at any time, be held to have belonged to Czechoslovakia or be held to have been part of Czechoslovakia's monetary reserve, and that it was transferred to Germany under direct German orders.

The Commission has, therefore, held that the claim of Czechoslovakia must be reduced by some 8,100 Rgs. (subject to detailed verification) and is admitted to the extent of 36,900 Rgs. provisionally.

100

1,800 the proportionate share in the gold pool representing this amount to be placed in reserve.

A. Purchases made by the Reichsbankbranches and the Bankdeutschlandbank	1,700
B. Transfers made by the Deutschebank, Frankfurt.....	
C. Purchases made by the Landesbanken, Berlin.....	400
D. Purchases made by the Reichsbank, Berlin.....	300
E. Purchases made by the other branches of the Reichsbank (estimation)	3,500
F. Balances effected in the safe of the Postal Savings Bank.....	300
G. Balances effected in the safe of a Polish citizen in Amsterdam.....	100
H. Losses of gold declared by the Polish people.....	4,900
I. Estimation of other losses from declaration of value.....	27,500
J. Estimation of the weight of the gold taken from the victims of concentration camps.....	100,000
	158,900

and to a claim for 1,700 Tgs. representing gold of the former Bank of Danzig.

With regard to claim "A", proof had been produced regarding the transfer to the Reichsbank of all the gold referred to under "H". The documentation produced led to the inevitable conclusion that the Reichsbankbranches and Bankdeutschlandbank were monetary authorities set up by the occupying power and subject to a strict control by it, that they were not authorised to retain the gold among their own assets as cover for the note issue, that, in fact, the gold purchased by them was purchased on Reichsbank account, and they were no more than intermediaries for concentrating in Berlin the gold assets of private persons.

Poland could not be said to have established that a definite amount of monetary gold belonging to it had been looted by or wrongfully removed to Germany.

With regard to claim "B", the quantities of gold referred to were transferred directly to the Reichsbank by the two "exhibit banks" concerned. These banks were private German banks. There was no proof that they acquired gold from Polish citizens. The transfer to the Reichsbank of gold assets of German banks could not justify a claim by the Polish Government. The latter could not establish that it suffered or that a monetary authority of the country had suffered a loss of gold on the grounds, nor even that the gold transferred had ever belonged to Polish citizens. It was not and never had been monetary gold of Poland within the meaning of Part III of the Act of Paris. Detailed and verifiable evidence was lacking and Poland could not be said to have established that a definite amount of monetary gold belonging to it had been looted by or wrongfully removed to Germany.

With regard to claim "C", the Commission held evidence regarding the purchase of a small portion of this gold by the Reichsbank. No evidence was forthcoming regarding the major purchases. The branches of the former Reichsbank set up in Poland were not autonomous. They were merely branches of the former Reichsbank. They were authorised to purchase and sell gold. The gold purchased was included among the assets of the Reichsbank, as cover for the notes issued by the Reichsbank. German bankers dated 7th October, 1939 and 17th November, 1939, imposed upon Polish citizens an obligation to offer gold for purchase to these branches. The branches of the Reichsbank in Poland could in no way be regarded as monetary authorities of Poland. They were only branches of the Bank of Poland of the Polish. The gold acquired from Polish Nationalists, i.e. from the German authorities who had seized it (in particular the Gestapo) was immediately transferred to the reserves of the Reichsbank without passing through any intermediary.

With regard to claim "D", the seizure of this gold by the Germans was proved, but in each of the two cases included under "D", the gold was taken by the Germans from Polish Nationals without the intervention of any banking institution. It was not, and had not been at any time, monetary gold of Poland within the meaning of Part III of the Act of Paris. Poland could not be said to have established that a definite quantity of monetary gold belonging to it was looted by or wrongfully removed to Germany.

With regard to claims "E" and "F", these were obviously in respect of gold looted by the Germans and transfer to Germany had not been proved. The point deservedly could not possibly be resolved in any way as monetary gold.

The Commission observed that, in addition to the fluctuations in the gold stocks of the Bank of Poland, the answer to Question III of the Questionnaire indicated, viz. the Polish monetary reserve, an acquisition was noted as follows:

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Mr. Churchill will see the fact is presented to him that on these claims \$12,000,000 has been received from the British Bankers Association and to the members of the Gold Council, British Commercial or Warley Brothers the two firms which have claimed the claim for the amount of \$10,000,000. This representation shows that the gold pool in which all the claims have been placed is enormous.

4-200

Gold held by the Central Bank of Luxembourg", as follows:

1,200,000 francs for the U.S. Government.

400 francs for the account of the United States.

900 francs for the account of the J.P. Morgan Foundation.

Gold held was listed as the same denominations as the Belgians held, and the Belgians have held these the largest sum being approximately \$100,000,000. This gold is held by Germany, but this with respect to the total sum, the total 10,000,000 was an deposit in account of a private organization and does not correspond to the total of the monetary reserves of Luxembourg. The other has, however, been reduced by this amount.

The figures given by the Netherlands Government and their documentation are in some cases different. The Netherlands Government has granted to record title, but for the moment U.S. Figures stand, especially by the total claim allowed, until the negotiations are completed fully.

It is to be noted that the Netherlands Government stated at the time of the German invasion approximately 60% of the gold reserves had been placed in Germany, and this is the figure for days another 70,000 francs were sent to us, so that 10 to 12,000 francs were deposited in Germany.

The Netherlands claim was presented to the form of amounts of 200 francs and gold from Holland to Germany as follows during the negotiations, but is given generally to two types of gold owned by Germany:

(1) that was left of the gold reserves of the Netherlands Bank in Holland at the time of the invasion, which is inadmissibly part of the gold reserves of Holland, and which the Germans took.

(2) Gold which was acquired during the occupation by the Netherlands Bank, acting under direct German orders, from private citizens, which 200 francs subsequently transferred to Germany, and the Central bank was forced by Germany.

The figures in (1) are about 10,000 francs, and in (2) about 35,000 francs.

The Central bank held that gold in category (2) was acquired by the Netherlands Bank by German orders, no German amount from private individuals, but previous to the Germans occupied the there was no law requiring the surrender of 10,000 francs, and which was taken by the Netherlands Bank, such a decree issued immediately by the German occupation authorities, and that the Netherlands Bank never had the free disposal of this gold and that, therefore, such gold cannot be held at any time or have belonged to the Netherlands Government, or been part of the monetary reserves. The portion of the claim has, however, been eliminated. It is, however, probable that a small part of this claim, probably 2 to 3 francs, may well be have been gold belonging to the State for certain technical reasons, this may be being argued up.

1,20,000 francs were divided under the following heading and date act. Refer to Gold Council, the Gold Reserve of the Central Bank (the Federal Reserve Bank), which the Central Government was able to place in the Reserve before the military government of France, and which was ultimately returned to France, but to Gold Council in warlike years from Luxembourg or surrendered to Germany from Germany during the German occupation of the country:

4-200

3,900 francs

Gold of the Bank of France owned by Poland, but to be placed in reserve pending a decision as to the independence of the Free State of Poland, in which the gold belonged.

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"Acquisitions from residents in the country", or gold nationalized by the "Decree Law of the President of the Republic" of 2nd September, 1939, the subsequent realization of which was paralyzed by the German invasion and, in fact, carried out by the occupying power.

The figure of 109,910 Kgs., given under this heading, was exactly the sum as the total amount of all the Polish claims.

This amounted, in fact, to saying that the Decree of 2nd September, 1939, which, in any event, was never applied, would have provided for the immobilization in the monetary gold reserve of the country of "valuables, coins and 'mark', taken into consideration in estimating, after very rough calculations, the most important Polish losses (12,000 Kgs., taken from victims of concentration camps), 27,500 Kgs., representing the "value in gold of precious objects stated to have been lost by Polish citizens".

This leads to the following conclusion:

1. Like Poland, and contrary to all the other claimant countries, Poland suffered no loss by German action of "gold held captive" among the assets of its Central Bank.
2. All the gold removed from Poland by the Germans belonged to Polish citizens who lost it as a result of seizure by the Germans or forced sale to banking institutions.
3. The Polish Government referred to a Decree (of 2nd September, 1939) which imposed on individuals and corporations an obligation to declare and to submit for purchase to institutions indicated by the Government their gold in coin and in bar".
4. The Decree of 2nd September, 1939, was never put into force since, as the Polish Government itself said then, the war prevented it from promulgating the text which would have laid down methods of implementation. In these circumstances the Polish Government could not claim that this imperative decree resulted in increasing the monetary reserves of the country.

It was, also, incapable of estimating the accumulation of gold which would have resulted from the Decree, had it been applied. Nothing authorized it to indicate, as it did under unrealized acquisitions, the total of the quantities of gold which it "estimated" as having been lost by its nation as a result of the purchases or seizure not only of coin and bars, but also of securities objects of all kinds, including the "seeds of victims of concentration camps".

The Commission has held that Poland has not established, in respect of any of these claims, that a definite amount of gold belonging to it has been looted by Germany or illegally removed into German territory, within the meaning of Part III of the Paris Agreement. All these claims have, accordingly, been rejected.

With regard to the claim of gold of the Bank of Danzig, the Commission has held that it is established that 3,920 Kgs. of fine gold belonging to the former Free State of Danzig were looted by Germany or illegally removed into German territory, but that the successor of the Free State of Danzig has not, as yet, been established, and that a proportionate share of the old pool must, therefore, be placed in reserve.

3,400

These claims have been presented under the following headings:

2,900

- (1) 500 Kgs. being part of the gold reserve amounting to 9,600 Kgs. of the National Bank of Yugoslavia held in the vaults of the latter branch which, in ten boxes, was looted by the Germans from the monastery of Strobl;
- (2) 100 Kgs. belonging to the "National Bank of Serbia", a bank set up by the private individuals during the occupation and subsequently removed to Germany;
- (3) 2,710 Kgs. being gold extracted from the Hitler copper to the Duk lines, either in Yugoslavia or in Germany;
- (4) 100 Kgs. belonging to the State Bank of Croatia, a bank set up by the Germans in occupied territory, which had taken over this gold on the occupation of Yugoslavia by the Germans, from the National Bank of Yugoslavia and which was looted by the Nazis in 1945 and subsequently alleged to have been removed to Germany.

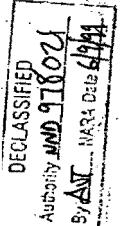
With regard to the first claim, the Commission has held that this gold formed part of the Gold Reserve of the National Bank of Yugoslavia and belonged to Yugoslavia, and that it was looted by the Germans. This claim is held to be valid.

With regard to the third claim for the 305 kilos gold, the Commission has held that Yugoslav law compelled the declaration to make the purchase by the Yugoslav National Bank of such gold, and that such declaration and purchase would have been made had it not been for German interference; that this interest amount amounted to diverse and looting of what was, in fact, in possession of the National Bank of Yugoslavia's monetary reserve which belonged to Yugoslavia. The claim has been held to be valid with the exception of that portion of the claim dealing with 23 bars weighing 100 kgs., which is still under the consideration of the Commission.

With regard to the second and fourth claims, these are still being reviewed by the Commission and, for the purpose of this schedule, may be provisionally regarded as disallowed.

The Yugoslav claim has been, therefore, accepted provisionally only to the extent of 2,900 kgs.

Under the instructions of the three Governments, an amount of approximately 50 kgs. of gold, representing 16 bars of 3kg gold delivered to the Yugoslav direct by the Allied Occupation Authorities in Germany, is to be deducted from the share of the Gold pool for Yugoslavia determined by the Commission.



222176

INCOMING TELEGRAM

Department of State J. P. R. H.

26

TELEGRAPH BRANCH

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Control:

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Rec'd: August 2, 1951

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From: Brussels
To: Secretary of State
No: 163, August 2, 4 p.m.

MN FOR FLETCHER FROM FOX.

Comm has been informed by fin adviser to Brit High Comm that 2,350 kgs of gold proposed to be shipped to Bank of France represents a quantity collected in Brit Zone under law 53. It is not (rpt not) certain here whether it is proposed to include in shipment ore to Bank of France quantity \$1.5 million gold collected in Amer Zone under law 53 but there is possibility that may be done. If Dept has objection, instrs are requested accordingly soonest.

JRM:RCC

MURPHY

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MESSAGE IS PROHIBITED

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Barker VACA - Lost Gold -
Recd. + Classed Vol. II

47-51

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REF ID: A644021

APRIL 6, 1951

No return to Dux

WORKING PAPER ON REPARATIONS PROBLEMS

STATUS OF SAFFHAVEN PROGRAMS IN COUNTRIES NOT MEMBERS OF IARA

The attached paper was drafted by Mr. Dux, OER, and Mr. McIntosh, RA, and is circulated for information and consideration by the interested officers in OER and other areas of the State Department. Any questions or comments should be referred to Mr. Dux, extension 4870.

This subject will be considered by the Intergovernmental Study Group in London during the talks on reparations beginning Monday, April 9, 1951.

E.P.C.
O. E. Conger
Staff Assistant

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Re: S.A.
Letter - 10371 IARA
Former Hosted Countries
Re: Rest. & Claims U.S. II

47-51

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April 5, 1951

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April 5, 1951

STATUS OF SAFEHAVEN PROGRAMS IN COUNTRIES NOT MEMBERS OF IARA

Portugal

A draft agreement on the liquidation of German assets was initiated by the United Kingdom, France, the United States and Portugal on February 21, 1947 but to date has not been signed because of the looted gold impasse. The Allies have a claim for 38.33 tons of looted gold and the Portuguese have only replied by making an offer of settlement of 3.9 tons. Moreover, the Portuguese have passed legislation requiring payment for the 3.9 tons of the exchange value in escudos, declaring themselves to be willing that the total amount be taken from the proceeds of the liquidation of German assets in Portugal. The Portuguese proposal has been unacceptable to the Allies.

In February 1949, a quadruplicate agreement was made for the Portuguese to start liquidating the German assets and deposit the proceeds in blocked joint account pending a settlement of the whole program. By a decree law of April 1949 conditions were laid down for the liquidation of assets in Portuguese territory which is the property of Germans domiciled in Germany or residing there. Another decree law of August 1949 extended these provisions to Portuguese overseas territories, and finally, by a decree of November 1949, the "Special Tribunal" and the "Liquidation Committee" were set up, as contemplated in the agreement.

It has been estimated that there are approximately 400 million escudos worth of German assets in Portugal. Nearly half of this amount consists of 187.5 million escudos which previously belonged to four German shipping companies. These companies have appealed their case to a Portuguese court. The settlement of this case has slowed up the liquidation procedure, and therefore not much has been liquidated to date. Another dispute exists between Portugal and the Allies in regard to what percent of 42 German companies is owned by Germans. Under the Portuguese system of serving citations on German owners before liquidating, it will probably permit the German owners of these companies to appeal to the Portuguese Courts in a similar manner which has been done by the shipping companies. Under these conditions, it appears that only a small percentage, perhaps a third, of the German assets will finally be liquidated. Most of the assets which have so far been liquidated is German state property which is discussed below.

The turning over of any of the share of German assets to IARA seems to hinge on a settlement with the Portuguese on the problem of the looted gold. Since the Portuguese Government so far has not answered the Allies' latest note (of last year) offering to submit the problem to arbitration, the entire question of how to proceed on the gold and external asset problems appears to need reexamination by the Allied Governments.

Spain

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Spain

An agreement on German assets in Spain was concluded in May 1948 and it was estimated that the value of these assets was approximately 550 million pesetas. It was agreed that the Spanish Government would be permitted to retain a portion of these assets (figured on a graduated scale) for the payment of Spanish creditors. On this basis it was estimated that approximately 525 million pesetas would be turned over to IARA with the remainder going to the Spanish Government. The Accord further specified that the funds to be allocated to the IARA countries would have to be utilized by the recipient Government in Spain. So far, 335 million pesetas have been turned over to IARA for distribution. Approximately a year ago the Embassy at Madrid estimated that only approximately 400 million pesetas would be turned over to IARA. This leaves an approximate amount of 65 million pesetas which should be made available to IARA within the next few months.

Sweden

An Accord was signed with Sweden in July 1946 by the Governments of the United States, France and the United Kingdom on the liquidation and disposal of German external assets in Sweden. The value of such assets was estimated to be approximately 375 million kroner. Of this amount 150 million was to be used by the Occupying Powers of Western Germany for purchases of Swedish goods for export to Germany to prevent disuse and unrest. An additional amount of 75,000,000 has been distributed between nine other IARA countries (France also included) with the funds, in all but one case, being used as part repayment on existing trade debts, or for the partial amortization of credits previously granted to them by Sweden. In addition, the Government of Sweden has made available 50 million kroner to the IRO for use in rehabilitation and resettlement of non-repatriable victims of German action. Any amounts left over after the above distributions were to be retained by Sweden to satisfy its claims against Germany. The Allies, however, have reserved their position regarding the residual amount of assets remaining after the satisfying of Swedish claims against Germany.

Liquidation of the assets in Sweden has been completed, and the only problems remaining are those concerning compensation to German owners, recognition of the Accord by Germany, and the disposition of state property. These problems are being discussed separately.

Switzerland

The agreement with Switzerland on the liquidation of German assets was signed in May 1946. It was estimated that these assets may total approximately 500 million Swiss francs. The Accord provided that one-half of the proceeds of the liquidation of German assets in Switzerland was to be plied at the disposal of the Allies with the remainder to be retained by Switzerland. Out of the Swiss francs to be given to the Allies, approximately 37 million will be turned over to the IRO for the rehabilitation and resettlement of non-repatriable victims of German action with the remainder

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of the Allied share to be turned over to IARA for distribution. So far 20 million of the IRO share has been paid, leaving a balance of 17 million yet to be paid.

Implementation of the Swiss Accord has been delayed pending resolution of disagreements on a number of issues, foremost of which is the question of compensation. A conference is now in session at Bern for the purpose of resolving these differences.

Turkey

The Missions of the United Kingdom, France and the United States located in Turkey have attempted unsuccessfully since 1940 to persuade the Government of Turkey to enter into negotiations for the restitution of looted gold and the liquidation of German external assets located in Turkey. Recently, the United Kingdom, France and the United States have agreed to try once more to induce Turkey to settle these problems. The three Allied Missions in Turkey have been instructed to send a note to the Government of Turkey offering to accept a flat \$1,000,000 in gold for the satisfaction of the Allied claim for approximately 3.8 million dollars of looted gold which it is known that Turkey now holds. If this overture fails, the Missions are to make an added inducement in offering to waive claims on German external assets if the Turkish Government will accept the offer for the settlement of both matters for \$1,000,000 in gold. The sum of gold, if received, is to be turned over to the Tripartite Gold Commission. The waiver of claims on German external assets located in Turkey was to be stated in a way that we expect the Turkish Government to liquidate German assets and to use the proceeds from such liquidation to satisfy to the fullest extent possible claims which the Turkish Government has against Germany and deliver any excess balance to IARA.

Afghanistan

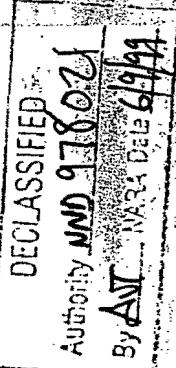
German assets in Afghanistan were very small since Siemens, AEG, and Stalunion closed before 1941, left no bank balances in the country and only a limited amount of personal property with the German Legation. The total amount of private assets was approximately \$10,000 as compared to approximately \$290,000 in claims which the Afghans had against Germany, thus leaving none to the Allies.

Ireland

A sum of £ 1399.3.10 was turned over to IARA for distribution which was obtained from the sale of German Legation furniture in Ireland. It is not known what disposition took place with respect to the other German assets in Ireland, but the Department has considered these de minimis.

Italy

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Italy

As provided in Article 77 of the Treaty of Peace with Italy, the Governments of the United States, France and the United Kingdom together with the Government of Italy have been carrying out the liquidation of German assets in Italy. It is estimated that these assets will total approximately 10 billion Italian lire. The Allies have agreed that 25 percent of these assets should be turned over to IARA and 75 percent given to the Italians if they carry out satisfactorily their obligations in the settlement of certain claims as required by Article 78 of the Peace Treaty. So far, 2,250,000,000 Italian lire have been turned over to IARA for distribution. By prior arrangement with the United Kingdom and France, the United States turned 500 million lire from its share over to the IRO. It is generally felt that no more lire will be turned over to IARA but that the remainder will eventually be placed at the disposal of the Italian Government. It is now contemplated that the Allies will also permit the Italians to continue with the liquidation of German property on their own by dissolving the present Quadrupartite Committee on the Liquidation of German Assets in Italy.

Trieste

The disposal of German assets is not covered by any international agreement except the Potsdam Agreement which merely makes it clear that the Soviets are not entitled to seek reparation from this source. Resolution 5 contained in the Annex of the Paris Reparation Agreement recommends that the assets be taken into custody by the military occupation authorities in Venezia Giulia (which includes what is now the territory of Trieste) and that they be liquidated by the countries whose sovereignty over the disputed territories has been recognized. The assets are now in the custody of the US-UK Military Government. It has been suggested that MG liquidate the assets and deposit the proceeds to account of a future government of Trieste. There is, however, a legal question whether MG has sufficient authority to liquidate or whether the assets must be preserved for liquidation by a future sovereign government.

International Zone of Tangier

A total of 603,798 pesetas and 901,339 French francs were turned over to IARA for distribution from the liquidation of German assets in Tangier.

Japan

German assets in Japan are being liquidated by SCAP under principles developed by the U.S., U.K. and France. The Allies plan to turn over the total net proceeds of these assets to IARA which has been estimated not to exceed 410 million in gross value. The liquidation of these assets is proceeding satisfactorily, and so far, an amount of 100 million yen (approximately \$300,000) has been turned over to IARA for distribution. In addition, a quantity of looted gold has been turned over to the Tripartite Gold Commission.

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Iraq, Iran, Lebanon, Syria, Saudi Arabia, Iceland, Liberia

In July 1948 the three Allied Missions in these countries presented notes to the governments urging that German assets be liquidated and suggesting that any balance remaining after the satisfaction of claims against Germany out of the proceeds of liquidation be made available to IARA. It was not expected that any sums would thus become available to IARA and none have been offered. With the presentation of the notes mentioned above the Allies terminated their interest in German assets in the named countries and it is not known what steps, if any, have been taken by those countries toward the liquidation of German assets.

Ethiopia

A note of similar content as those given to Iran, Iraq, etc. was given to the Ethiopian Government in October 1950. With the exception of the German Legation building, the value of German assets in Ethiopia is virtually nil.

Thailand

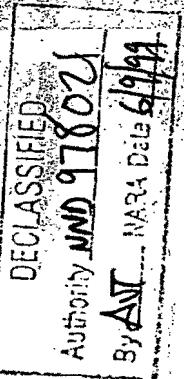
German assets in Thailand consist mainly of liquid assets and minor amounts of real estate valued at approximately \$10 million. Some of these assets are in the custody of the Thai enemy property custodian, others in British embassy custody, and still others in joint British-U.S. custody. An additional \$750,000 is held by the Reconstruction Finance Corporation. This sum represents the price of German-owned tin in Thailand which was bought by the RFC. Payment for the tin has been delayed by a Dutch claim that some of the tin bought by the RFC was looted (by the Japanese) from Dutch-owned mines, but it is expected that payment will shortly be made to an account in the Federal Reserve Bank, New York, in the name of the British and American Ambassadors to Thailand. The U.S. position has been that German assets in Thailand should be turned over to the Thai Government. This position is based on the premise that, notwithstanding the declaration of war on the U.S. by the Jap-controlled Thai Government (which was ignored by the U.S.), the people of Thailand remained friendly to the U.S. during the war and actually resisted the Allied cause through guerrilla action. It is further, and perhaps more importantly, based on the U.S. desire to bolster the Thai economy and promote Thai friendship toward the U.S. and the Anti-Soviet sphere. While the British recognize the merit of the latter objective, they continue to have difficulty in reconciling their world war II enemy status vis-a-vis Thailand with any present-day largesse. This disagreement remains unresolved despite repeated attempts by the Department to achieve a solution.

China

Representatives of the U.S., U.K. and France meeting at Paris in April 1948 recommended that the three governments let German assets in China "slide" and to make no representations to the Chinese Government. This recommendation still seems to have considerable merit.

Latin America

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Latin America

The Other American Republics, chiefly at the urging of the U.S. Government, carried out in varying degrees programs for the liquidation of German assets. According to Resolutions 18 and 19 of the Inter-American Conference at Mexico City (February-March 1945) the rights of the American Republics in property vested, seized or intervened "shall remain, with respect to the final disposition of such properties or of their respective proceeds, in status quo, until the American Governments individually reach final decisions regarding such disposition, or enter into international agreements in this respect, insofar as they consider it in their respective interests."

In May 1947 the Department attempted to formulate an international agreement providing for the pooling of the assets or proceeds thereof, the satisfaction of certain specified claims from the assets, and the turning over of any remaining balance to IARA. The Other American Republics indicated a preference for dealing with the matter individually, and the Department shortly afterwards disassociated itself from their external assets programs.

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STATE PROPERTY

The question of the disposition of property of the former German State has raised no problems in most of the countries mentioned above, and such property has been or is being treated in nearly the same manner as private German assets. The exceptions are Sweden and Switzerland.

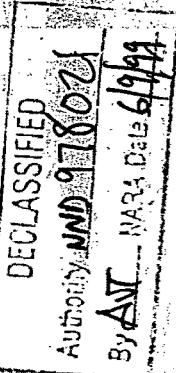
Sweden

The Swedish Government did not admit the right claimed by the Allies to dispose of German state property in Sweden and regards itself as holding such property in trust for a future German Government. In the Swedish Accord, the Allies merely stated that they reserved their claim and the Swedish Government took note of this reservation. Recently, the Swedes leased the German legation building in Stockholm to the German Consul General. The terms of the lease call for payment of rental and imply no intent to permit recovery of the property by the Germans. The United States Embassy has been instructed to make an approach to the Swedes in concert with the British and French, regarding dissatisfaction over the Swedish failure to consult the Allies before leasing the building, and reasserting Allied claim.

It is highly unlikely that the Swedes will ever recognize the Allied claim and it will probably be necessary to state in a final tripartite report to IARA that it has not been possible to dispose of these properties.

Switzerland

Like the Swedes, the Swiss have rejected the Allied claim with regard to the right to dispose of German official property, and the Accord expressly excludes such property. The United States Delegation to the Swiss Accord Conference now meeting in Bern was instructed to waive (with British and French concurrence) the claim to state property, provided such waiver could be used to obtain Swiss concessions on other issues. The waiver would not apply to a quantity of gold which was in the possession of the German Legation and which may be subject to claim by the Tripartite Gold Commission.

CONFIDENTIAL

~~SECRET~~T A B L E II

(All figures rounded off to the nearest hundred except in the case of Greece where they are rounded off to the nearest fifty)

The gold pool available for distribution, deducting amount spent of 300 kgs on gold transport, insurance, safe custody charges, etc. and 150 kgs on administrative expenses and a reserve of 2,000 kgs, and assuming a further 2,300 kgs at least will be transferred from Germany to the pool, can be regarded as approximately 315,000 kgs. On a basis of total accepted claims of 485,100 kgs, this gives an approximate share to each Government of 64.93% of its accepted claims.

Column 2 shows the claims validated.

Column 3 shows the amounts due to each Government on the 64.93% basis.

Column 4 shows the amount already paid out in each case.

Column 5 shows the net amount due in the final distribution.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Albania	2,500	1,600			1,600
Austria	74,000	48,000	39,700	8,300	#
Belgium	191,700	124,500	90,600	33,900	
Czechoslovakia	36,900	24,000	6,100	17,900	
Greece	100	50	50	50	
Italy (Istcambi)	54,000	35,100	31,700	3,400	
Luxembourg	1,800	1,200		1,200	#
Netherlands	4,200	2,700	1,900	800	
Poland - Danzig	113,100	73,450	66,500	6,950	
Yugoslavia	3,900	2,500	300	2,500	
	2,900	1,900		1,600	
	485,100	315,000	236,800	78,200	

Held in reserve.

~~SECRET~~

REF ID: A1234567890

Approved at the initial review	By
20816 MIA	Autocopy
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222187

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TABLE III

POSSIBLE VARIATIONS OF TABLES I & II

(All figures rounded off to the nearest hundred, except in the case of Greece where they are rounded off to the nearest fifty).

It will be necessary for the Commission to hear six countries: Austria, Belgium, Czechoslovakia, Italy, Luxembourg and the Netherlands, before the decisions are finalized, and the hearings will begin shortly.

The possible variations in the decisions come under three headings:

A. Belgium 6,700 kgs representing gold bought by the National Bank of Belgium from Germany before the German invasion, and Italy 15,000 kgs: gold looted by Italy from France and Yugoslavia. Should these claims be validated, the total claims validated would increase by 21,700 kgs and the shares of Belgium and Italy would increase and of all other countries diminish.

B. Austria 13,000 kgs, Netherlands 32,500 kgs, Poland 6,000 kgs, representing purchases by German controlled Banks or German Banks from private persons during the Occupation. Validation of all these cases would increase the validated claims by 51,500 kgs.

C. Possible variations in the calculations as to the amount to be deducted from the claims or the share in the pool in the case of Austria (4,300 kgs "Salzburg gold") and Czechoslovakia (7,100 kgs from Switzerland).

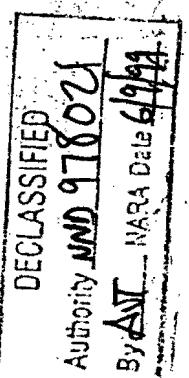
The latter category may be ignored for the moment.

Taking the worst possible case, i.e. A + B, this would increase the validated claims by 73,200 kgs and bring the total validated claims up to 557,000 kgs, and the proportionate share in the gold pool of each country would be reduced from 64.93% to about 56.42%.

Table II would then read as follows (approximately) :

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Albania	2,500	1,400		1,400	#
Austria	87,000	49,100	39,700	9,400	
Belgium	198,400	111,950	90,600	21,350	
Czechoslovakia	36,900	20,800	6,100	14,700	
Greece	100	50		50	
Italy	69,000	38,900	31,700	7,200	
Italy (Istcambi)	1,800	1,000	1,900	1,000	#
Luxembourg	4,200	2,400		500	
Netherlands	145,600	82,200	66,500	15,700	
Poland	6,000	3,400		3,400	
Poland - Danzig	3,900	2,200		2,200	#
Yugoslavia	2,900	1,600	300	1,300	
	<u>358,300</u>	<u>315,000</u>	<u>236,800</u>	<u>78,200</u>	

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DIVISION OF
COMMUNICATIONS AND RECORDS
DEPARTMENT OF STATE

TELEGRAPH BRANCH

X

OUTGOING TELEGRAM

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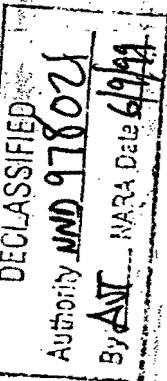
TO: Secretary D. A. R. INFORMATION
COPY
10188
OCT 31 1950

RE: Your belief of that (1) pending Turk legis necessary for settlement Ger assets problem but not looted gold problem and (2) possibility IALA receiving any proceeds from liquidation Ger assets in Turkey very ltd, UK has proposed high level approach to Turks urging settlement looted gold problem at about 25% of claim. As added settlement document suggests waiving claim on Ger external assets in Turkey.

Wld welcome Lab views on (2) above and any estimate it can give on present day value these assets. Does Lab believe Turks wld be willing settle two problems on basis outlined para 1 above. Is there any likelihood Turks agreeing settlement looted gold problem on 25% basis (US wld insist on full restitution monetary gold belonging to Ger lab and handed to Turk Govt by Miss Leg) without reference to Ger assets problem, which could be settled separately fol passage legis. Problem somewhat complicated by fact IALA countries which are not identical with gold pool countries might criticize US, UK and France/ for waiving claim on Ger assets unless little likelihood of recovery. While previous efforts three times have induced Turks negotiate settlement, two problems unavailing, Dept helpful Turks might consider favorably offer as outlined para 1.

N.Y.:OTI:Calbore:ELJ L/E AGHESON R.R.
10-31-50 CONFIDENTIAL

Pls S/P
WPA-1039
Box 62 IARA - Lotted Box
Recd. & Claims Vol. II
47-51



222189

ENCLOSURE VARIATION

CONFIDENTIAL

To: Brussels

Secretary of State

Re: EMO October 10, 8 a.m.

MU FOR IUGOSLAVIA AND TURKEY FROM ROK

YUGO Commission, 96th meeting October 9, tentative agreement reached that determination ownership gold in Albania-Italian case beyond competence commission and question to be referred to these governments for appropriate action with suitable notification to adjacent governments.

French Commission suggested modification tentative decision reached at 97th meeting in Czech case which would, if adopted, increase slightly amount of claim tentatively accepted. Consideration this suggestion deferred minutes of 97th meeting amended accordingly and approved as those adopted.

Still awaiting variation statement by Polish representative at 98th meeting which has been sent to Warsaw for checking. Details of above by mail. Next meeting scheduled WED, October 23.

MUNICH

Note: (e) As received.

10-19-50 cc to: WILLIS, Arnold, Maloney, Polish, Schwartz,
Wade, Patterson, V. Smith, McNeill, and
White.

PM

Note: ⑧ Oct 23 - Offered to find Smith
who will name function with State Dept. and
to draw for discussion of various points. Then
we agreed at 1st meeting. ROK

PL 58

100A-10391

Book 102 IACA - Voted Gold -

Recd. & Claims Vol. II

47-51

REF ID: A647474
Authority AND 978024
Date 6/9/74

INCUMING TELEGRAM*J. A. P. A.*
Department of State

TELEGRAPH BRANCH

SECRET

Control: 12095

Rec'd: July 27, 1950
9:51 p.m.

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FROM: Brussels
TO: Secretary of State
NO: 128, July 27, 6 p.m.
FOR MCDIARMID FROM FOX AND FLETCHER

1. Re Law 53 gold delivery to TGC your telegram 96, July 20.

Article 8, paragraph (A) and (F) speak of "non-monetary gold". Past practice HICOG only non-monetary gold given to IRO. Brussels conference recommendation Article I, already tripartitely accepted, clearly defines 10 Czech gold bars as monetary gold; possible origin does not matter, besides analysis documentary background (available at HICOG) re origin subject bars do not prove conclusively concentration camp origin. Consequently, HICOG-Fletcher recommendations had to include subject bars for delivery to TGC.

Basis Article I Brussels conference, British reversed their HICOG decision re similar bars of Yugoslav origin by turning them over to TGC instead giving them to Yugoslavia to whom they were already promised. If we defy arrangement which we proposed our position vis-a-vis British could become very embarrassing. British-Yugoslav bars value much greater than value subject bars amounting only to \$11,000. IRO much more interested in quick settlement Portuguese gold settlement in order unblock external assets proceeds or other liquidation IEO share therein. Stern and IRO representatives aware of this. Consequently, recommend outright approval of HICOG recommendations (Frankfort's 5528) soonest and inquiry of our Embassy Lisbon outcome Tripartite gold note demarche.

2. Re Polish claims, also your telegram 116, July 25. As reported my telegram 84, July 19, all Polish claims rejected as not concerning monetary gold. Poles being so informed by letter and afforded customary hearing at some meeting end of August. Danzig award fixed yesterday's meeting and set aside until Danzig's ultimate fate decided. (Somewhat similar solution - mutatis mutandis - re Bank of Albania under discussion; suggested text pertinent decision submitted yesterday's meeting being airmailed).

Re Czech

SECRET

REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

Re: S^ce
1039
Book 62 IARA - Looted Gold
Pest. + Claims Vol. II
47-51

7/27/50
12095
BY AIR MAIL
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-2- #128, July 27, 6 p.m., from Brussels.

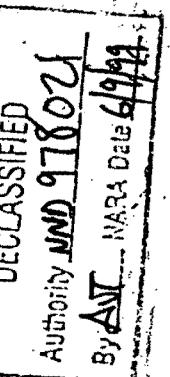
Re Czech claims as reported REFTEL: Partly rejected; remaining 12,768 KG claims still under discussion and decision postponed according cable request. British, French commissioners reluctant complete rejection. Next meeting August 21.

TT:PAN

MURPHY

NOTE: DEPTEL 96 drafted by OFD:MN:OJMcDiarmid

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222192

Problems to be discussed relate to claims by the following countries:

Belgium

Czechoslovakia

Albania

Italy

Yugoslavia

Greece

Poland

Under Law 53 approximately 400 million in gold collected in the U.S. zone; 1 1/2 million in the U.K.; and nothing in the French. Recoveries in the Embassies of neutral countries were as follows:

Berne	1 1/2 million
Portugal	1/2 million
Ankara	—
Stockholm	1 million

Danzig \$4.5 million claim recognized but not to be delivered until the status of Danzig is determined.

RJS:jlw 7/27/50

Pls Sk

60A-1039, Berlin

1400 - Wotted note -

Rest. + claims Vol. II

47-51

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July 27, 1950
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DEPARTMENT OF STATE
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BRUSSELS

116

FOR FOX AND FLETCHER

Re urtel 84 July 19 request if at all feasible
decision re Czech claims ur para 2 be postponed pending
results Dept consideration possibilities withholding
this gold from Czech by delaying adjudication or transfer.

Dept decision expected soonest.

ACMESON

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222194

INCORPORATING CANADA'S

SUMMARY

J. A. R. A.

CR

FROM: Brussels

TO: Secretary of State

ID: 04, July 19, Noon

RE: INCORPORATING POLAND PLANS.

In commission's last two meetings July 11, 12 and July 18 following decisions were made: (all decisions are "tentative" becoming final and public only after completion of work of commission):

1. Polish claims: All Polish claims rejected as not concerning monetary gold in meaning or definition.
2. Remaining Czech claims: (A) 1000 kg (producers) claim rejected as not monetary; (B) 3307 kg (out of 21007 kg originally held via BIS with Bank of England) rejected and considered as representing recovery to be deducted from 21007 kg claim. (C) 13760 kg (out of above 21007 kg) considered matching contribution but totally or partly cancelled by counter-value received (in form of), decision postponed until next meeting (July 28).
3. Albanian claim: In arguments regarding doubts of Albania's clear title basically accepted; decision postponed until next meeting for agreement about working decision. Probable text will read: Commission allows Albania's claim but will deliver gold to Albania only if she can establish clear title by obtaining an authoritative judicial decision or irrevocable settlement with bank e.g. majority shareholders (that is Italy). lacking such establishment gold will revert to pool. Reward, thus conditioned, will be made only against waiver.
4. Belgian Banque d'Industrie claim for 6424 kg claim rejected reverting decision of meeting and restoring previous decision of June 14, 1948 gold claim not matching requirements definition.

MURRAY

7-21-60 cc: Mills, Arnold, Maloney, Pollack, Schwartz, Tracy.

"Balt. News" and Miss Parsons.

per

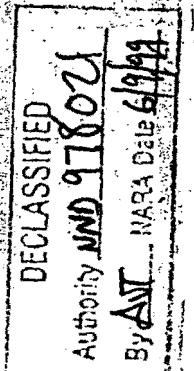
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Bkt 62 IARA - Vol. 2 -

Part + Claims Vol. II

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OUTGOING TELEGRAM

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JULY 7, 1950

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J. A. R. A.

To: [REDACTED] [REDACTED]

They are to Alenje case (UNTEL, Jun 22) is in substantial order.
Very Fletcher memorandum. Suggested US position that Commissioner act
as a court make determination that title in specified assets was in fact
located in Italy. Italian colonists located in Italy and should
be delivered to claimant now entitled to assets of Inv. of Iberia
but not owing legal difficulties of determining present title.

Commissioner would decide final disposition of old. Commission should
then put old over to a trustee for safeguarding with instructions to
deliver old property determined to be entitled to same in accordance
with arbitration by International Court of Justice or by judicial arbitration
decided as may be agreed between Italy and Iberia. Prior to adjudication
title to assets should endeavor obtain delivery both parties, but in
any event, prior final delivery waiver must be secured from country
and should be made in accordance normal Commission procedure.

Believe

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R.C.S.
64A-1039
Parlez IAPA - Westel Italia
Post. & Claims Dept
47-51

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CONFIDENTIAL

- 2 -

- 2 - 329 to Brussels, July 7, 1950.

believe recent reorganized above would now commence to discharge its responsibilities without involving any political leadership. I also feel that ~~General~~ should probably be given command of the 1950 fall campaign. In view of the political question we cannot say at present how or when to begin our first major offensive against the Communists. In the matter of disengaged areas Britain and France will follow our lead as indicated above.

ACHIESEON

2

Gulf of Tonkin, South China Sea

July 7, 1950, 1000 hrs.

Reconnaissance - Geological and Hydrographic
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Intelligence
(Intelligence and Counterintelligence)

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Gulf of Tonkin, South China Sea

July 7, 1950, 1000 hrs.

Geological and Hydrographic
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Intelligence
(Intelligence and Counterintelligence)

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Gulf of Tonkin, South China Sea

July 7, 1950, 1000 hrs.

Geological and Hydrographic
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Intelligence
(Intelligence and Counterintelligence)

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Gulf of Tonkin, South China Sea

July 7, 1950, 1000 hrs.

Geological and Hydrographic
Intelligence
Intelligence
(Intelligence and Counterintelligence)

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Gulf of Tonkin, South China Sea

July 7, 1950, 1000 hrs.

ACHIESEON

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Authority NWD 978021

By ANT NARA Date 6/19/91

22229161222

DEPARTMENT OF STATE

SECRET

FROM: Transmittal

TO: Secretary of State

ID.: 5523, June 27, 9 a.m.

J. P. R. A.

SEND REPARTITION 523, REPARTITION INTO BRUSSELS FOR FOX 163.

Reference memorandum 1151, February 7, and our telegram 183, March 3, subject Brussels Gold conference and Czech Gold bars.

After complete review whole issue monetary gold with Department's representatives and after check relevant previous German laws and hearing DMI 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 (eticks) regardless of source 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 FCC;
- 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 FCC and may be placed at disposal of non-German owner, subject to certain exchange control regulations.

cc: 6/30/50 Weisner, Willis, Arnold, Pollack, Abramson, Schwartz, Eddy, Schwartzman, McNeill, Sommerfield, West, Rest, + Clowns, J.S.C.

Pls Stp
b6A-1039
bx 62 1ARA - Listed Gold
Rest, + Clowns, J.S.C.
47-51

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AUTOMATICALLY UNCLASSIFIED	

2. In accordance with above-listed principles we are prepared to deliver 10 cb.-cubic cases here to PRC on basis application Department representative. Department may wish to consider effect positive USSR reaction to and when they learn that this could classified as non-treaty. We will await your decision.

3. Portions of data collected under new SJ which is accorded above principles delineated for delivery to PRC will be assembled forthwith and made ready for shipment. Shipment will be effectuated only upon instruction from Department positively simultaneously with cessation by British from UK zone.

Picturer assisted drafting this cable and concurs in recommendations.

MINISTRY
DEFENSE

SOURCE

REF ID: A678021

CONFIDENTIAL

INFORMAL TABLE CONTAINING INFORMATION REQUESTED
IN LETTER MN, DATED APRIL 13, 1950, FROM MR. OTTO
F. FLETCHER, OF THE DEPARTMENT OF STATE.

- (a) Gold holdings of the Tripartite Commission for the Restitution of Monetary Gold as of December 31, 1949 354,385,000 \$
- (b) Accruals to the Commission's holdings during 1949, broken down by sources from which such accruals originated

Spain	114,000)
Sweden	8,052,000	\$
		8,166,000 \$

- (c) Deliveries from the Commission's gold holdings during 1949, broken down by individual deliveries (recipients)

France (reimbursement of loss incurred in melting of Prussian Mint bars)	5,000 \$
Delivery to the Netherlands	34,485,000 \$
Gold delivered to the gold pool by the United States Military Authorities in Austria	104,000 \$

- (e) Total deliveries to claimant countries, country by country, since the establishment of the Commission

Austria	44,692,000	\$
France	120,407,000	\$
Italy	9,962,000	\$
Netherlands	74,873,000	\$
Czechoslovakia	6,835,000	\$
Yugoslavia	9,686,000	\$

(1)

(i) of which 16,229,000 \$ were delivered on behalf of Italy

2,171,000 \$	"	"	"	Luxembourg
102,007,000 \$	"	"	"	Belgium

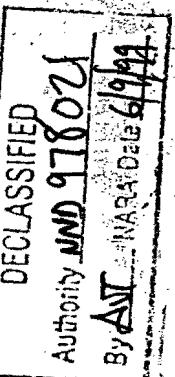
(ii) of which 9,444,000 \$ were delivered on behalf of Italy

Note - The information contained in this table only takes into account deliveries effected to Governments. Operations connected with the administration of the gold pool have not been included.

LAW/JD

Receiving a. m. see
4/6/50

Rn54
teleA 1039
Book 2 IARA - Looked Gold
Rest & Claims Vol. II
47-51



22200

~~CONFIDENTIAL~~

Mr. Curtis

R. J. Scharts

May 22, 1950

Replies and documents to you by the Supreme Courtship.

This is a preliminary account to accompany with your request of yesterday. I think the figures are substantially correct and may be used in your Senate. However, you can look at any file which may be available in the auto department, in an effort to verify.

Amount recovered in money and delivered to the
Comptroller's office.

Interest

On amount recovered - \$1,100 million

Interest - 1% per month

47-51

RECORDED 5/20/50

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Bank 62 IARA - Looted Gold
Rest. + Claims U.S.A.

It is estimated that this figure is about \$1 million less than the Comptroller reported a balance as of December 1948 of \$1 million less than or this billion as shown, due probably to a definite redistribution of the central inventory figure of \$160 million.

Reserve balance - \$92 million

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OUTGOING TELEGRAM

AMEMBASSY

BRUSSELS 494

FOR DASPIT AND KING

DKP

1. Not clear whether chairman's inquiry re possible removal gold from London means include all Commission's gold holdings with Bank of England or remaining 61 Delfus bars only. (Your telegram 552, April 4 Rept. Paris 132). Please clarify. Department's tentative position is against removal at present. You should also be aware all future pertinent actions not prejudice Commission's future position re possible indemnification claim against Bank of England in case final loss Delfus bars due to Bank of England negligence.
2. Bars delivered by Sweden are Rand Limited (South African) bars with fineness stamped thereon and alak, therefore good delivery in Europe, also transferable at Rep. Res., N. Y. without melting. Accordingly no necessity for melting or assaying at present. Department feels if melting or assaying necessary in future, expense should be borne by gold pool.

3. US representation to Commission under consideration! Dept's. views on para 3 ureftel and Paris 1687 April 15, rept. Brussels 76 from Daspit which has just been received will follow.

AGNEW

CONFIDENTIAL

cc: 4/18/50 Messrs. Willis, Arnold, Maloney, Conway, Schwartz,
Eddy, Bitterman, F. Smith, McNeill, Mint

Ron Sh
Date - 1039
Rept 62 IARA - Looked up
Rept + Claims Vol. II

47-51

BY AIR MAIL - AIR MAIL DEPT 1077
Authorization 978021

222202

Treasury Department
Office of International Finance

Date January 18, 1950 194

To: Mr. Willis
From: Robert J. Schwartz

You may be interested in seeing the results of the conference in Brussels. I have discussed in some detail with Fred Smith the proposals and agree generally with the positions taken.

Please return if you have no further use for it.

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Authority WAD 97802
By AMT NARA Date 6/9/99

222203

INCOMING TELEGRAM

CONFIDENTIAL

CB

FROM: Frankfort
TO: Secretary of State
ID: 1883 March 3, 9 p.m.

Reference DEPTEL 1151, February 7, 1960

Believe it not necessary advise Czechoslovakian Government again our ruling re ten gold bars as we informed them clearly our decision letter 13 December 1949 (OUMEL 4820, December 13, 1949). HICOG questions advisability decision not deliver this gold to IRO. Decision deliver to IRO reached because of non-monetary gold nature these bars. Czechs were so advised. To deliver these bars to gold pool, in which Czechs participate, will later be embarrassing to US, since we held earlier these gold bars definitely on non-monetary nature subject to delivery to IRO.

New subject: Report Brussels gold conference. HICOG received copy report "tripartite conference in Brussels on looted monetary gold matter" from US delegates and would like to offer following comments conclusions one and two thereof:

Decision reaches provides that "monetary gold should be held to include gold which under German law and regulations was monetary gold". We examined this definition in light foreign exchange control law of 1938 and find that this law uses no term which could be compared with or is related to "monetary gold". From discussion with American delegate, we understand reason for use of this definition. However, we feel that definition itself will not produce results desired. We will forward for Department information extract of provisions on gold in foreign exchange control law of 1938 and pertinent regulation issued by Reichstelle Fuer Edelmetalle (Office Control of Precious Metals). We further understand that procedure used in Germany previously was along following lines: Reichsbank bought gold of all types, forms and weights. Gold was then sent to refineries and melted and refined into standard (13.5 kg) gold bars. Reichsbank released gold this form to Reichstelle Fuer Edelmetalle for industrial purposes. It then became function of latter office ensure that gold used for proper purposes as generally regulated by order No. 17 which being forwarded. To adopt Brussels' definition would mean that all gold now held under law 83, regardless of forms, fineness, etc., would go to gold pool.

Request early Department decision. HICOG receiving numerous requests for release of gold to German economy for essential requirements, which must be met by imports until gold disposition problem finally resolved.

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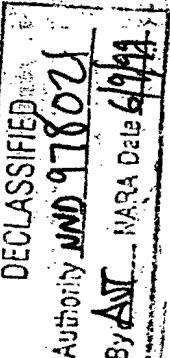
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Porter IAPR - listed gold -

Best & Claws

47-51



222204

CONFIDENTIAL

TRIPARTITE CONFERENCE IN BRUSSELS ON LOOTED

MONETARY GOLD MATTERS

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

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

French Delegation

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

Mme. Tricou, Secretary Interpreter,

Secretariat

French Embassy, London.

British Delegation

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

American Delegation

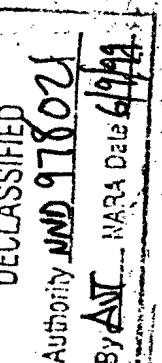
Mr. Otto F. Fletcher, State Dept.
Mr. Ely Maurer, State Dept., Legal
Mr. Fred B. Smith, Treasury
Department, Legal.

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

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

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

- VIII. Istcambi Gold.
- IX. Gold Coins found in German Embassies and Legations in Neutral Countries.
- X. Looted Gold in Turkey.
- XI. Additional Claims to Looted Gold in Sweden.
- XII. Completion of Work of Tripartite Gold Commission.
- XIII. Waiver Documents.
- XIV. Press Communiqué.

Appendix

Waiver Documents:

- A. Letter to Claimant Countries.
- B. Announcement to Claimant Countries.
- C. Waiver to be signed by Claimant Countries.

There was an exchange of information and views as to Portuguese gold. The Czech, Polish and Greek claims were mentioned but it was agreed not to discuss these matters since these claims did not raise any other problems than those within the exclusive competence of the Commission to decide.

These documents were drawn up in Brussels on January 10, 1950, in the French and English languages, the two texts being equally authentic.

United Kingdom Delegate

United States Delegate

French Delegate

J.E. Abbott

Otto F. Fletcher

de la Grandiere

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REPRODUCED AT THE NEUTRAL AGENCY
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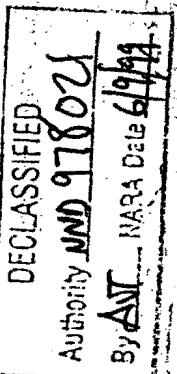
THE DEFINITION OF MONETARY GOLD AND ITS APPLICATION TO LAW NO. 53 GOLD

I

The Meeting agreed to recommend to their Governments that for the purpose of the recovery of gold from Germany under paragraph 4 of Part 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 redistribution 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.

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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.

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Audited Gold Pool
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BOR MINE GOLD IN BRITISH ZONE

III

The United Kingdom Delegation agreed to recommend to their Government that they should instruct the United Kingdom High Commissioner in Germany to treat in accordance with the Record of Conclusions No. I on the definition of monetary gold any gold from the Bor Mines identified in the British Zone. This would mean that no further direct restitution to Yugoslavia would be made and the gold would be turned over to the Gold Pool.

The Meeting agreed to recommend to their Governments that the amount of gold already restituted to Yugoslavia should be set off against the share of Yugoslavia in the Gold Pool.

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REF ID: A64847
2009 MARCH 1947
Bor Gold Mine
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GOLD DELIVERED TO THE FRENCH GOVERNMENT BY THE
AMERICAN OCCUPATION AUTHORITIES IN GERMANY

IV

The Meeting agreed that the gold delivered to the French Government by the American Occupation Authorities in Germany should be considered as monetary gold in the terms of the definition of monetary gold as clarified in the Record of Conclusions No. I. Accordingly, the French Delegation agreed to recommend to its Government to put the gold in question at the disposition of the Tripartite Commission for the Restitution of Monetary Gold at Brussels.

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DOLLFUS MIEG CASE

V

The United States and French Delegations expressed their views on the request made to their Governments by His Majesty's Government that the three Governments should give to the Bank of England an indemnity against a possible successful action against the Bank for damages for conversion of the bars of gold claimed by Dollfus Mieg as their property.

The United States and French Delegations were unable to understand the possibility of a successful action for damages and their Delegations could not, as at present advised, agree to such an indemnity.

The United Kingdom Delegation took note of the views of the Delegations of the United States and France and undertook to bring them to the notice of His Majesty's Government.

The United States and United Kingdom Delegations took note of the statement by the French Delegation that although its Government is not desirous of receiving the bars in question, nevertheless the French Government has no intention of refusing to accept them in the event that when distribution is made those bars should be included in the gold delivered.

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REF ID: A654074

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SERIALIZED	FILED
NOV 10 1945	
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SEARCHED	
SERIALIZED	
FILED	
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BANK OF ALBANIA GOLD FORMERLY IN ITALY

VI

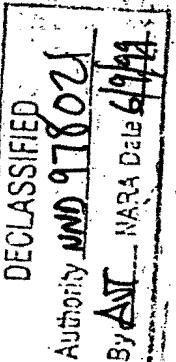
The Meeting took note that the Gold Commission had under consideration certain information which might be relevant to the claim of the Albanian Government to a share in the Gold Pool on account of the loss of monetary gold through looting suffered by the National Bank of Albania.

The United Kingdom Delegation stated that His Majesty's Government proposed to undertake discussions immediately with the Albanian Government in connection with the implementation by it of a recent judgment of the Hague Court in favour of His Majesty's Government. Pending the Gold

Commission's announcement of the result of its consideration of the Albanian case, His Majesty's Government would not, in these discussions, make any explicit reference to any question of gold being received by Albania from the Gold Pool. Should the Albanian Government itself raise this question His Majesty's Government would state that they could not discuss any question of an Albanian share in the Gold Pool until the Gold Commission had announced the result of their current consideration of the Albanian case.

Without wishing to examine the considerations put forward by the British Delegation and without prejudging the merits of the Albanian or Italian claims, which are within the competence of the Tripartite Commission, the French and United States Delegations agreed with the British Delegation to recommend to their Governments that instructions

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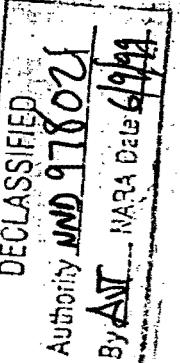
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VI (Continued)

be sent to their representatives on the Gold Commission to expedite their consideration of the Albanian case and, in the event of the allotment of gold to the Albanian Government being made by the Gold Commission that notification of the Commission's decision could be made to the Albanian Government but that the share of gold should not be delivered for a limited period of time.

The United Kingdom Delegation took note of the wish of the French and United States Delegations that the United Kingdom Government should consider any claims that the Italian Government or its nationals may have put forward occasioned by the rescission of the Bank of Albania concession and that they should take account of these claims in the matter of a settlement of the Hague Court Judgment with the Albanian Government. While being unaware of any basis upon which an Italian claim might be erected, the United Kingdom Delegation undertook to recommend to their Government that the above points be considered.

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DANZIG GOLD

VII

The Meeting agreed to recommend to their Governments that the present position whereby the Gold Commission had set aside an amount of gold equivalent to the share in the Gold Pool which would accrue to the ultimate successor to the Free City of Danzig should be maintained until the status of Danzig had been finally decided.

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ISTCambi Gold

VIII

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

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

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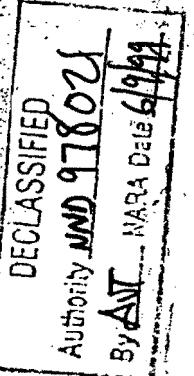
**GOLD COINS FOUND IN GERMAN EMBASSIES AND LEGATIONS IN
NEUTRAL COUNTRIES**

IX.

The French and United States Delegations expressed the view that these coins should be regarded as monetary gold falling within either paragraph A or G of Part III of the Paris Reparations Agreement in accordance with the wording and spirit of the Paris Agreement, and should accordingly go to the Gold Pool.

The British Delegation maintained the view that these coins were part of German State Property in neutral countries and should be disposed of as such. This would mean that (in accordance with the principle already put into practice with regard to bank notes of allied issue found in the German Embassy in Lisbon) the coins issued by I.A.R.A. countries should be repatriated to them. The balance of non-I.A.R.A. issue should be sold and the proceeds accrue to the appropriate German external asset fund. In deference, however, to the opinions of the French and U.S. Delegations, and with particular reference to the spirit of Part III of the Paris Agreement, the British Delegation agreed to recommend further consideration of the matter by their Government.

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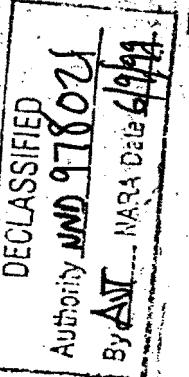
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LOOTED GOLD IN TURKEY

X

The Meeting agreed to recommend to their Governments that, after the passage of pending legislation empowering the Turkish executive branch to negotiate a settlement, inter alia, for looted gold, a Note should be addressed by the United States, French and United Kingdom Governments through their Embassies in Ankara to the Turkish Government. Such Note would inform the Turkish Government of the readiness of representatives of the three Governments to discuss the question of the restitution of looted monetary gold in Turkey and would formally reiterate the request previously made that gold looted by Germany and held by Turkey be turned over to the three Governments.

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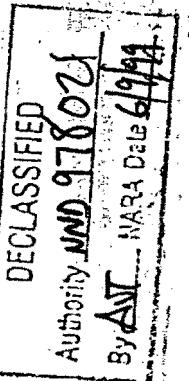
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ADDITIONAL CLAIM TO LOOTED GOLD IN SWEDEN

XI

The Meeting agreed to recommend to their Governments that a Note should be addressed by the United States, French and United Kingdom Governments to the Swedish Government, asking for a reply to the Note presented to the Swedish Charge d'Affaires in Washington in 1947, which requested the Swedish Government to restitute an additional nine tons of looted monetary gold, the existence of which in Sweden came to the notice of the three Governments after the signing of the Swedish Safe-haven Accord. The United States and French Delegations considered that the request might possibly include the gold found in the German Legation. The timing of and content of the Note should be discussed through the diplomatic channel. The United States Government, which had so far acted as spokesman for the three negotiating powers in negotiations with Swedes, would prepare a draft Note and circulate it for discussion through the French and British Embassies in Washington.

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COMPLETION OF WORK OF THE TRIPARTITE GOLD COMMISSION

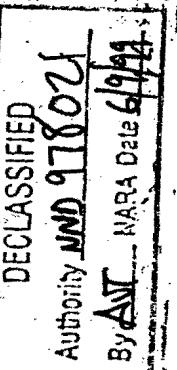
XII

The Meeting agreed to recommend to their Governments that the "final distribution", for purposes of receipt and waiver, should take place as soon as the remaining claims outstanding have been decided, and the Commission has completed formal hearings on those claims which it proposes to disallow.

It was the consensus of the Meeting

- a) that although it is impossible to forecast the timing of the remaining actions with certainty because of a number of factors beyond the Commission's control, it was to be hoped that the Commission would find it possible to effect the "final distribution" by about May first.
- b) That a brief statement of the reasons for the Commission's action upon each claim should be available at the time of the "final distribution". As a minimum, it was felt that at such time each country should be given a brief reasoned opinion for the action of the Commission in disallowing any of its claims.
- c) That it would be desirable for the Commission to prepare a report giving a complete account of the activities of the Commission including the documented decisions of all cases considered by the Commission and that this report should be submitted to the three Governments at a later date.

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XII (Continued)

- d) That following the "final distribution", and the completion of the Report to the three Governments, the remaining tasks involved in the implementation of Part III of the Paris Agreement would consist mainly of the incorporation into the gold pool of possible additional accruals, and the pro rata distribution of such additions and the reserve to recipients on the basis of percentage shares already established. These remaining tasks could conveniently be carried out by the Governments themselves. There would, therefore, appear to be no necessity to maintain the Commission in existence after the "final distribution" and submission of the report to the three Governments.

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WAIVER DOCUMENTS

XIII

The Meeting agreed to recommend to their Governments that the following documents included in Appendix hereto be approved by them for use by the Tripartite Gold Commission:

- (a) Letter to Claimant Countries.
- (b) Announcement to Claimant Countries.
- (c) Waiver to be signed by Claimant Countries.

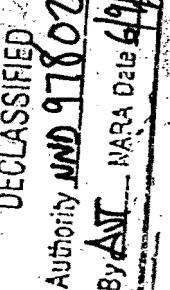
The Meeting further recommends that there should be further examination of that portion of the waiver which concerns a waiver of claims against Germany in the light of paragraph B of Part III of the Paris Agreement and of the fact that waivers already given by recipients on interim distribution of gold contained the clause in the terms of the draft.

The Meeting understands that the documents above are for use in the case of claimant countries which are to receive a distribution.

It is understood that the Tripartite Gold Commission will transmit such of these documents as may be appropriate, with suitable modifications, to other claimant countries.

It is understood that the announcement to claimant countries will be made public as soon as the claimant countries have received separate notification of the announcement.

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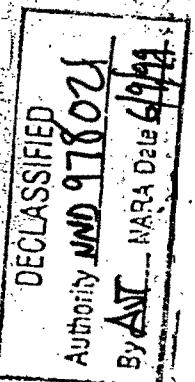
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PRESS COMMUNIQUE

TRIPARTITE CONFERENCE ON LOOTED MONETARY
GOLD MATTERS

XIV

In pursuance of Part III of the Paris Reparations Agreement of January, 1946, representatives of the Governments of France, the United Kingdom and the United States have been meeting in Brussels to consider means of expediting the programme concerned with monetary gold looted by the Nazis from the occupied countries during the war. Officials of the three Governments have been giving special attention to technical matters relating to the recovery of looted gold from third countries which acquired it from the Nazis.



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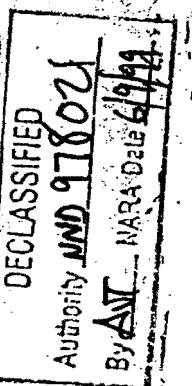
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Appendix A 1

Letter to be addressed by the Tripartite Commission for the Restitution of Monetary Gold to each claimant country individually - enclosing the announcement.

Sir,

1. The Tripartite Commission for the Restitution of Monetary Gold has the honour to enclose herewith, pursuant to its terms of reference, its announcement of the total amount of the Pool of Monetary Gold available as at for distribution by way of restitution, and of the share of the Pool of Monetary Gold available for restitution to each country entitled to participate in the Pool.
2. The total of the claims submitted by your Government amounted in kilograms of fine gold, to kgs
3. The Commission's adjudications upon these claims have resulted in the admission in favour of your Government as stated in the enclosed announcement of a total amount in kilograms of fine gold of kgs
4. The share of your Government in the Pool of Monetary Gold as at amounts, in accordance with the enclosed announcement, to
of fine gold kgs
or Troy Ounces of fine gold.
5. You have received to date deliveries on account of the share mentioned at paragraph 4 above amounting to
of fine gold kgs
or Troy ounces of fine gold



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Appendix A 2

6. Consequently, the balance of your Government's share remaining to be delivered as at is lbs of fine gold

or
Troy ounces of fine gold

7. The Commission has been entrusted by the Governments of the United States, the United Kingdom and France, pursuant to Paragraph 5(c) of its terms of reference, with the task of distributing by the issuance of delivery orders, subject to the accomplishment of the formality mentioned

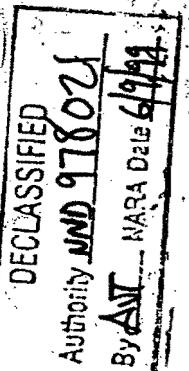
in Paragraph 8 below, for the balance of the shares of the countries entitled to participate in the Pool of Monetary Gold.

8. The Commission will, therefore, be pleased to hand to the duly accredited Representative of your Government in Brussels, as soon as can conveniently be arranged, an order for the delivery of the balance of gold mentioned at paragraph 6 above, against signature of a combined waiver and quittance in the form enclosed herewith.

9. The Commission would appreciate receiving communication of a copy of the powers which will be delivered to your Government's representative in Brussels to execute on its behalf the combined waiver and quittance and to accept the above-mentioned delivery order.

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APPENDIX B

ANNOUNCEMENT BY THE TRIPARTITE COMMISSION FOR THE
RESTITUTION OF MONETARY GOLD TO CLAIMANT COUNTRIES

1. The Tripartite Commission for the Restitution of Monetary Gold has the honour to announce, pursuant to paragraph 5(c) of its terms of reference, that the total amount of the pool of monetary gold which has been made available, in terms of fine gold, as at for distribution by way of restitution, amounts, after deduction of authorized expenses including safe custody, assay, melting and refining charges, and the setting aside of a reserve of kilograms of fine gold, to fine Troy ounces, or kilograms of fine gold.
- The amount of the unused balance of the reserve, with the addition of any accruals to the pool subsequent to, such as may be determined by the Governments of the United States, the United Kingdom and France to be available for distribution by way of restitution, will be announced as soon as circumstances permit.
2. The Tripartite Commission for the Restitution of Monetary Gold further has the honour to announce, pursuant to paragraph 5(d) of its terms of reference, that it has determined the share of monetary gold available for restitution to each country entitled to participate in the pool as follows:

Claimant Country	Total, in kg's of fine gold, of the claims admitted	Percentage of the pool of monetary gold entitled	Share of the pool available as announced at paragraph 1 above
TOTAL		100%	

Commissioner

Commissioner

Commissioner

100% available
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APPENDIX C 1

WAIVER

ON BEHALF of the Government of
His Excellency
.....
the duly accredited Representative of that Government, having full and
sufficient powers for the purpose,

HEREBY DECLARIES that,

IN CONSIDERATION OF receiving from the Tripartite Commission for the
Restitution of Monetary Gold an Order upon for

..... fine Troy
ounces,
or
..... fine
kilograms

of monetary gold, representing the balance, as at of the

share of the Government of, as described in the announcement
of, and the Tripartite Commission for the Restitution of

Monetary Gold's letter No. of, copies of which are annexed
hereto and hereby made part hereof, in the distribution of the Pool of

Monetary Gold, established pursuant to the Paris Agreement on Reparation
of January 14, 1946, and administered by the Governments of the United States,
the United Kingdom and France,

OF WHICH ORDER he hereby acknowledges receipt.

The Government of here and now:

Agrees that receipt by it of the allocation of kilograms of
gold specified in the Commission's letter of together with any
prior allocations received and receipt by it of the announcement of the

Commission that the Government is entitled to percentage share
of the pool of monetary gold including future accruals to the pool and of

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100% 100% 100% 100% 100% 100% 100% 100% 100% 100%

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APPENDIX C 2

reserves therefrom, constitutes receipt by the Government of of its full and final share of the pool.

FURTHERMORE

The Government of on the understanding that its share in any accruals to the pool of monetary gold and in any reserves released therefrom, such as shall be determined by the Governments of the United States, the United Kingdom and France subsequently to the signature of this document, shall be delivered to it as and when such share shall become available for distribution;

HEREBY WAIVES

1. Any and all claims for the restitution of monetary gold looted by or wrongfully removed to Germany, or for compensation therefor in the form of damages or otherwise:
 - a) against Germany,
 - b) against any third countries which receive a distribution of gold from the Tripartite Gold Commission, or the Governments of the United States, United Kingdom and France, and sign a waiver and quitances similar to the present one,
 - c) against any third countries which may have acquired such monetary gold from Germany, or to which such monetary

gold may have been transferred from Germany, but only to the extent that the Tripartite Commission for the Restitution of Monetary Gold or other Governments of the United States, the United Kingdom and France, acting on behalf of the Allied Governments signatories to the Paris Agreement of January 14, 1946, or on behalf of other countries shall have finally waived such claims.

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APPENDIX C 3

2. Any and all claims for the restitution of monetary gold or for compensation in the form of damages or otherwise against the Tripartite Commission for the Restitution of Monetary Gold, or its several members, or the Governments of the United States, the United Kingdom and France, arising out of their execution of the mandate set forth in Part III of the Paris Agreement on Reparation of January 14, 1946, and in Unanimous Resolution No. 2, entitled "Gold transferred to the Neutral Countries", included by the Paris Conference on Reparation, November 9 - December 21, 1945, in its Final Act, or otherwise; including, but not by way of limitation, any and all claims for the restitution of monetary gold or for compensation in the form of damages or otherwise:
- a) with respect to agreements made with third countries concerning the restitution of looted gold acquired by, or transferred to, such countries from Germany; and
 - b) for any and all acts in connection with the determination of the validity of the claims of the participating countries or the custody, distribution, or administration, of the Pool of Monetary Gold.

FURTHERMORE

The Government of

HEREBY DECLARES its willingness upon notice from the Tripartite

Commission for the Restitution of Monetary Gold or from the Governments of the United States, the United Kingdom and France to deliver to the

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Appendix C.4

Commission or to the said Governments such proportion to its share as set forth in the announcement of for the execution of any decision of a competent tribunal, if any, in the event that the amount of gold available at such time for distribution is insufficient to satisfy such decision.

The Government of

~~ALSO AFFIRMS~~ its understanding that the present waiver cancels and ~~supersedes~~ all other waivers signed in the past on behalf of the Government of in respect of any preliminary distribution of the Pool of Monetary Gold herefore made.

DONE at Brussels, this day of nineteen hundred and and signed by His Excellency

Representative of the Government of

IN WITNESS WHEREOF

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

have hereunder affixed their respective signatures.

Commissioner

Commissioner

Commissioner

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84-A	May 1947
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Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Arnold

FROM : Robert J. Schwartz

SUBJECT:

DATE: January 11, 1950

For your information.

This is a news item from the late city edition of the New York Times for January 11, 1950.

Please return.

Portuguese Gold Loot

Special to the New York Times
BRUSSELS, Belgium, Jan. 10—

The United States, Britain and France are considering a new approach to the Portuguese Government to recover \$55,000,000 worth of gold acquired by the Portuguese from Nazi Germany during the war.

The three governments constitute the Tripartite Gold Commission that was charged after the war with the recovery and relocation of gold looted by the Nazis. The commission ended a five-day meeting here today and a communiqué stated only that it had considered the means of removing obstacles to the completion of its work.

The major obstacle is Portugal's refusal to negotiate over the fifty tons of gold that the Portuguese assert represents legitimate payment by the Germans for goods supplied during the war. The commission has already recovered \$100,000,000 worth of gold from Switzerland, Sweden, Spain, Rumania and the Bank for International Settlements.

The only other gold outstanding is held by Turkey. The Turkish Government, it was learned, has agreed to enter negotiations

Negotiations with the commission showed on Friday afternoon about \$4,500,000 worth received from the Germans.

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Box 62 IARA - Looted Gold -
Rec. + Claims Vol. 4

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Reffed 1/11/50
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Auth'd by **MARLBOROUGH**
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November 9, 1949

Mr. P. Ireland Howard,
Bureau of the Mint,
Robert J. Schwartz
International Statistics Division, O.I.B.
Restitution of Monetary Gold

Your memorandum dated November 8, 1949 to Mr. Eddy has been referred to this Division for reply.

According to confidential cablegram No. 623, dated April 12, 1949, sent from Brussels to the Secretary of State, the following amounts of gold were delivered by the Tripartite Commission for the Restitution of Monetary Gold during 1948 to the 14 countries enumerated below:

	In fine ounces	In dollars
Austria	1,276,932.32	\$14,692,624
France	431,664.32	16,223,252
Italy	234,402.60	9,962,002
Czechoslovakia	195,283.84	6,824,935
Yugoslavia	216,760.72	—
Total	2,407,269.90	\$57,440,460

As of December 11, 1948, there remained undistributed 3,256,269.197 fine ounces of gold valued at \$123,969,422.

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cc: Mr. Eddy

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Bart 142 - Listed Gold

Rest + claims JSD 11

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**URGENT
PRIORITY**

PARAPHRASE AND REPHRASE

**Office of Under Secy (OUSA)
LA Col leve/71239**

To: **CONCERNED (TOWARD)**

Br: **WAB 95939**

27 Oct 49

From same cite OUSA. Using Cap p 3660 para 3 and
curses 6X 94193. \$98,000 worth of gold is subj

1. You are asked to transfer to Tripartite Gold Commission, Brussels, under Paris Reparations Act, part III, gold bullion worth \$98,357 brought to Austria by German forces in base named German legation, Paris, and presently held by you.
2. US Harbor Tripartite Gold Commission, Brussels, is being requested by State to inform you via AMIS Vienna where to deposit subj gold and suitable means of transfer.

CU OUT 95939 (081 49) WFO 272159Z 08
RECORDED

cc: 12/24/49 **Murphy, Willis, Arnold, Taylor, Admire, Schwartz,
Maj. Pollard, Peterson, Hilt, Miss Tolson, Remond,**
Connerfield

DECLASSIFIED	By ADT - WABA Date 6/9/99
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INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

Action: OFF

Info: 6873

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Control 6873

Rec'd October 18, 1949
12:37 p.m.

FROM: Paris

TO: Secretary of State

NO: 4346, October 18, 4 p.m.

FOR FN, LE/E FROM DASPIIT

1. Gold Commission met Paris October 15. Agreed make effort reach provisional decisions as rapidly as possible on all outstanding cases. No decision will be considered final until consideration of entire group completed. Hopeful this may be possible by January, but outlook uncertain because of number of factors over which commission has no control.

2. Following provisional decisions reached:

- (A). Approved Belgian claim 6,434 kg Banque d' Emission.
- (B). Disallowed Yugoslav claim 117 kg gold seized by Ustachi.
- (C). Approved Yugoslav claim 445 kg bor mines.
- (D). Approved Czechoslovak claim 114,536 kg Sudeten.
- (E). Agreed disposition Czechoslovak claim 12,768 kg sold against 3 reichsmarks on basis principles proposed my memo July 25, 1949. Decision quantity allowable awaits receipt further information from Czechoslovaks.

3. Decision on following cases continues await receipt further information requested from claimant countries:

A. Greece

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Recd. + Claims Vol. II

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SECRET

-2- #4346, October 18, 4 p.m., from Paris.

- A. Greece .9198 kg held by Caisse De Consignation and 7,358 kg registered in name of state.
- B. Yugoslav claim 1,649 kg estimated extracted from blister copper.

C. Poland.

Commissioners agreed each would draw attention of his government to problem mentioned paragraph 5 my 1273 from Brussels, September 20, 1949, and to request action of nature outlined there.

Sent Department; repeated Brussels 119 for King.

BRUCE

EB:EJF

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Approved -	10/19/49
Authorizing Officer	ROBERT M. KING
DECLASSIFIED	

DEPARTMENT OF STATE

FOR THE PRESS OCTOBER 5, 1949
NO. 766

There follows the text of a directive which was issued on October 3, 1949 by the United States Government on the subject of Gold in Japan earmarked for France and Thailand, together with a statement on this subject made by the United States Representative in the Far Eastern Commission on September 15, 1949:

RELEASE OF EARMARKED GOLD IN JAPANDirective to the Supreme Commander for the Allied Powers

Whereas in international law and monetary practice in the absence of clear proof of a contrary intent the earmarking of gold transfers the title to such gold and the right to the possession thereof to the person in whose name the gold is earmarked with the same force and effect as transfer of title accompanied by physical transfer;

Whereas there is held under your control in Japan a quantity of gold bullion earmarked by Japanese authorities before the surrender of Japan for the Government of France and the Government of Thailand, their agents or nationals;

Whereas France and Thailand are members of the United Nations; and

Whereas it is your responsibility pursuant to Part II, Paragraph 3 of the Basic Post-Surrender Policy for Japan, Directive Serial No. 82 to protect the interests, assets and rights of all Members of the United Nations and their nationals,

You should release to the duly accredited representatives of the Governments of France and Thailand gold held in Japan earmarked before the surrender of Japan for them, their agents or nationals and permit the assignment or removal of such gold in accordance with international monetary practice, except for any portion of the gold to which you determine that the Government of Japan or its agents did not have good title at the time of earmarking, and any portion which was transferred by Japan in compensation for property which has subsequently been restituted in accordance with policy directives transmitted to you pursuant to the terms of Reference of the Far Eastern Commission. The determination of the portion mentioned in the last clause in the immediately preceding sentence, if any, should be the subject of direct negotiations by you with the claimant government.

United

PLS4
W&A 1039
Box 62 WRA - Listed below
Rec'd + Claims J.S.H.

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United States Statement in FEC of September 15, 1949

Upon the instructions of my Government I desire to make the following statement concerning the problem of the gold in Japan earmarked for France and Thailand and the announced intention of the United States to issue a directive to the Supreme Commander to release the gold to those countries.

The decision of my Government that the gold should be released was made after extended study of the legal rights of the parties and after thorough consideration of all the factors involved. My Government concluded, first, that France and Thailand undoubtedly became the owners of the gold both under international monetary practice and the ordinary law governing commercial transactions. The earmarking of gold is an accepted method of transferring title thereto, and in the opinion of the financial authorities of this Government, should be treated in good faith as an accepted method of international payment. In the present cases these earmarkings were not only registered in the books of the Japanese Banks but specific gold bars were physically marked and segregated and acknowledgments of custody for the Bank of Indo China and Bank of Thailand respectively were executed.

My Government has concluded that there are no considerations to justify disregarding the property rights of France and Thailand. As a matter of law the gold is clearly not Japanese. It is true that much of the gold was transferred during a period when the countries concerned were at war with certain of the members of the FEC or were under enemy occupation. There is nothing in international law, however, which makes compensation for goods and services illegal, whether made to a neutral, a co-belligerent, or an occupied-enemy power. There is nothing, moreover, in the practice of the Allied Powers in the postwar gold settlements in Europe which could justify disregarding the present transfers. No efforts were made in those settlements to set aside transfers of gold by the enemy powers except in the case of gold which had been looted. Since the present case involves the ownership of physical property, title to which was lawfully transferred, it is entirely distinct from monetary claims which these and other countries may have in consequence of commercial and financial transactions during the war. My Government agrees entirely that the availability of Japanese assets and foreign exchange resources to pay monetary claims must be considered in the light of competing claims arising out of the war and the occupation.

Lastly,

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Lastly, my Government concluded that notwithstanding the values involved this matter does not present a policy question which is appropriate for consideration by the Far Eastern Commission, but rather the implementation by the Supreme Commander, under a supplementary directive issued by the United States in accordance with Section 1 of Paragraph III of the terms of reference of the FEC, of the general decision of the Far Eastern Commission with respect to the assets of members of the United Nations and their nationals. The directive which my Government proposes to issue thus is of an administrative nature and does not determine any policy questions which fall within the province of this Commission.

In response to the specific request of the Australian member my Government has prepared and will circulate to the members here a memorandum giving certain factual information about the transactions involved. As indicated previously my Government intends shortly to issue the proposed directive, which will be filed with the Commission.

Replies to Queries at 163rd FEC Meeting

1. The total value of the gold earmarked for France and Thailand is approximately \$81,000,000 of which \$37,300,000 (approximately 33,000,000 grams) is earmarked for the Bank of Indochina and \$43,700,000 (approximately 38,800,000 grams) for the Bank of Thailand.

2. a. 20,777,000 grams of gold were earmarked for the Bank of Indochina pursuant to a commercial agreement made on May 6, 1941. Under this agreement yen acruing to the credit of Indochina were converted from time to time into gold. The commodities supplied by Indochina consisted principally of rubber and rice. The last earmarking under this arrangement was in May, 1943. Under a further agreement, for the use of French ships by the Japanese, one-third of the yen paid to Indochina were converted by earmarking gold. Under this agreement 439,000 grams of gold were earmarked for the Bank of Indochina in May, 1943. The balance, 11,840,000 grams of gold, was earmarked in payment for supplies purchased by the occupation forces in Indochina, one-third of the yen acruing to Indochina being subject to conversion. The last earmarking under this arrangement was in September, 1942.

b. Gold was earmarked for Thailand under a series of arrangements whereby yen credits were established by the Japanese in payment for baht credits given by Thailand to Japan, a portion of the yen to be converted into gold. The first such agreements, in 1941, involved the granting of credits to finance trade between the two countries. The later advances of baht were made as a result of demands by the Japanese military. In both cases the primary commodity purchased by the Japanese was rice; other important commodities were tin and rubber. The goods and services were supplied by Thailand from early 1941 until the middle of 1945.

3. a. Gold was earmarked for the Bank of Indochina in 1941, 1942, and 1943. Approximately one-third of the gold was earmarked before December 7, 1941.

b. Gold was earmarked for Thailand between August 28, 1941, and July 5, 1945, inclusive.

4. In

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4. In all cases, specific bars were physically marked and segregated, and acknowledgments of custody for the Bank of Indochina or the Bank of Thailand, as the case may be, were executed. The Thai Government under the agreements was permitted to inspect the gold in the Bank of Japan and is in possession of full documentation indicating the specific bars owned by and set aside for it. Some gold, not included in the amount now under earmark, was physically transferred to Thailand.

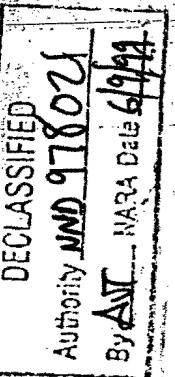
5. The total amount of gold held by Japan at the time of surrender was approximately 182,000,000 grams (including gold under earmark).

6. The following amounts of gold found in Japan are under earmark in addition to that earmarked for Thailand and France:

a. Gold bars aggregating 213,927.2 grams are earmarked for the Bank of Italy. This earmarking was made in 1942 pursuant to a transaction whereby the Yokohama Specie Bank purchased United States dollars from the Italian Government for Japanese diplomatic purposes in Argentina and Chile, undertaking to make repayment in Japan, 40 percent in yen and 60 percent in gold bullion. No action has yet been taken with respect to the release of this gold.

b. There are 607,268.9 grams of gold under earmark for the Federal Reserve Bank of China, an agent of the Japanese puppet regime in China. These ingots were produced from gold mined in occupied China and sent to Japan for refining. The Federal Reserve Bank of China purchased the gold from the mining company, but the gold remained in the custody of the Bank of Japan. The Supreme Commander has indicated that he is treating this gold as looted and is submitting the question of its disposition to the Restitution Advisory Committee in Tokyo for a recommendation whether restitution should be made to China under Far Eastern Commission directives.

* * *



OUTGOING TELEGRAM

SECRET

SEP 16 1949

JHR

AMBASSY

PARIS

3479

FOR DAPPI

Summary ten matters listed UNRER 3725 SEP 10 correctly states
agreement reached save following points:

- (One) your para numbered one (interpretation definition monetary gold)
(a) word QUOTE government UNQUOTE should be substituted for word QUOTE
country UNQUOTE. (b) Broadened interpretation definition as intended
UNRER para one should be applied to cases listed UNRER only if
you are convinced that no additional claims could have been submitted
to commission if text of definition printed in questionnaire had
read as broadened now.

(Two) In view YUGO 445 kg claim should interpretation broadened
definition not include notion such as QUOTE on monetary gold which
would by law have become property of a claimant govt or its monetary
authority were it not for unlawful interposition by Germans UNQUOTE.

Dept desires for its over-all survey before next distribution
commissions proposed opinions re claims already admitted or rejected.

Acheson

L/R:Maurer
9/16/49

SINCE

cc: 9/20/49 Neurs, Willis, Arnold, Curtis, Pollack, Schwartz, May,
Bittermann, Neffell, F. Smith-Alan

Rm 5e
blk A - 1039
Box 62 IARA - Looted Gold -
Rest & Claims Vol. II

47-5

BY AIR	WPA Dec 6/9/49
Authority WWD 978021	

DECLASSIFIED
Authority NND 978021

By ADT NARA Date 6/9/99

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R-100-110-1
R-100-110-1

R-100-110-1

cc: 9/17/49 Rabinowitz, Miller, Schlesinger, Pollack, Schwartzman,
Kaufman, Rosen, Seiden, Kestenbaum, Sternman,

Acosta, Ziff, Allard, Altmeyer, Kestenbaum,

Acosta, Ziff, Allard, Altmeyer, Kestenbaum,

1. "Agreement to amend the contract between
the Federal Bureau of Investigation and
the American Telephone and Telegraph Company
for the provision of telephone facilities for
the Bureau, dated April 19, 1949, is hereby
extended, effective from the date of this
agreement to January 1, 1950.

2. The Bureau shall pay to the American
Telephone and Telegraph Company the sum
of \$100,000 for each month of the period
of extension, plus interest at the rate of
one percent per month.

3. The Bureau shall pay to the American
Telephone and Telegraph Company the sum
of \$100,000 for each month of the period
of extension, plus interest at the rate of
one percent per month.

4. The Bureau shall pay to the American
Telephone and Telegraph Company the sum
of \$100,000 for each month of the period
of extension, plus interest at the rate of
one percent per month.

To the American Telephone and Telegraph Company:

Dated: September 10, 1949.

Important
Information

Information contained
herein is unclassified

On: 100-110-1 agrees to reprocess

On: 100-110-1, September 10, 1949.

On: 100-110-1, September 10, 1949.

5. Greek claim 7,354 KG settled from private individuals. Request from Greeks documentation their assertion the ruling of higher committee for financial defense and Law 857 of 1936 conferred upon state title to all privately held gold. In absence satisfactory documentation this point, claim should be disallowed.

6. Italian 1890M. Postpone action pending a report from Department of Justice. Understand that efforts will be made to secure ruling from Justice Department so drafted as to enable Commission to dispose of case on same basis.

7. Balkan National Bank. Commission's decision on this case to stand; matter of delivery left to three governments.

8. Czechoslovak claim for 80,124 surrendered in exchange for Czechoslovak notes given Poland. Claim should be approved.

9. Czechoslovak claim for 670,000 kron against free Reichsmarks. Case should be entitled as "Basic theory developed by an expert on January 29, 1940. Before dealing with specific documents pertaining Czechoslovak claim, necessary secure further information concerning properties of civilian currency. Careful search should be made to determine that decision on basis indicated entirely consistent with Commission's position on other claims.

10. Yugoslav claim for gold taken by Ustashi. Invalid.

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Authority MND 978021
By ADT MARA Date 6/9/99