1. In order to implement Part III of the Agreement on Reparation, signed in Paris on January 14th, 1946, the Government of the United States of America, His Majesty's Government of the United Kingdom and Northern Ireland, and the Government of France have established, on September 27th, 1946, a Commission known as the Tripartite Commission for the Restitution of Monetary Gold.

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

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

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

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

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

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

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

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

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

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

6. Decisions of the Commission shall be by unanimous agreement of its members.
7. An official publication of the above text is being made in the London Gazette, the Department of State Bulletin and in the Journal Officiel de la République Française.

27th September, 1946.

Sir Desmond Morton, K.C.B., C.M.G., M.C., has been appointed the United Kingdom Commissioner on the Tripartite Commission for the Restitution of Monetary Gold.
draft

April 1948

H.E. The Marquis Pasquale Diana,
Extraordinary and Plenipotentiary
Ambassador of Italy,
43 Avenue Legrand,
Brussels, Belgium.

Your Excellency:

By a Protocol dated the 16th day of December 1947 between the Government of Italy and the Governments of the United States, United Kingdom and France, Italy has been granted the right, under the terms and conditions stated in such Protocol, to participate in the arrangement for the restitution of monetary gold looted by or wrongfully removed to Germany established under Part III of the Paris Agreement on Reparations.

The Tripartite Commission for the Restitution of Monetary Gold has, by a letter dated 16 October 1947, already had the honor to inform your Government that, acting under the provisions of Part III of the said Paris Agreement, has set aside 3,855,182 kilograms of fine gold for Italy on account of a portion of claims filed by it with the Commission.

The Commission now wishes to inform your Government that, acting under the above mentioned Protocol and Agreement, it has determined that the validity of a further portion of Italy's claim for the restitution of monetary gold has been established, and that it has allowed to Italy on account of such further portion an allocation of 27,862,2013 kilograms of fine gold.

The total amount allowed to date in favor of your Government is, therefore, 31,667,5195 kilograms of fine gold.

We have the honor to be,

SIRs

US

UK

FRANCE

212598
MEMORANDUM TO AUSTRIAN GOVERNMENT RE SALZBURG GOLD

Reference is made to the Protocol which has been signed today between the Governments of the UK, US and France on the one hand, and the Austrian Government on the other, regarding the participation of Austria in the gold distribution pursuant to Part III of the Paris Agreement of January 14, 1946. The three Governments wish to point out to the Austrian Government that the Tripartite Gold Commission at Brussels, which is charged with the execution of these arrangements, may wish to consider whether the gold discovered at Salzburg and turned over to the Austrian Government by the American occupation authorities in Austria should be taken into account in connection with any claim submitted by the Austrian Government for a share in the gold distributed pursuant to the Paris Agreement.

Reference cables:
Moscow's No. 16 of April 15, 1947
Moscow's No. 19 of April 19, 1947
London's No. 112 of October 31, 1947

212599
Following is text Austrian Protocol.

Re London Telegram 101 - October 9, 1947

The governments of the US of America, the UK of Great Britain and Northern Ireland, and France hereinafter referred to as "the allied governments concerned" on the one hand and the government of Austria on the other have through the undersigned duly empowered reps, agreed as follows:

1. The allied governments concerned agree that Austria should receive a proportional share of the gold distributed pursuant to part III of the agreement on reparation from Germany on the establishment of an inter-allied reparations agency and on the restitution of monetary gold signed at Paris on January 14, 1946 on the same basis as the countries signatory to the said agreement to the extent that Austria can establish that a definite amount of monetary gold belonging to it was looted by Germany, or at any time after 12th March, 1938 was wrongfully removed into German territory.

2. Austria adheres to the arrangement for the restitution of monetary gold set forth in part III of the aforementioned agreement and declares that the portion of the monetary gold accruing to it under the agreement is accepted in full satisfaction of all Austrian claims against Germany for restitution of monetary gold.

3. Austria accepts the arrangements which have been or will be made by the allied governments concerned for the implementation of the aforesaid arrangement.

4. The present protocols shall come into force on the day of coming into force of the treaty for the re-establishment of an independent and Democratic Austria.

Done in London this day of 47, in the English and French languages of which both texts are authentic.
American Embassy, London

March 12, 1948.

Dear Mr. Dorr:

The Governments of the United States, the United Kingdom and France have decided that for purposes of facilitating the distribution of the pool of monetary gold established by Part III of the Paris Agreement on Reparation, that portion of the pool presently held by their several representatives in Germany should be removed to the Bank of England, London, England, and to the Federal Reserve Bank, New York, New York, U.S.A.

These three Governments have decided to entrust to the Tripartite Commission for the Restitution of Monetary Gold the responsibility for determining which elements in the pool of monetary gold presently held by their representatives in Germany should be transferred to each of the designated repositories and for making the arrangements necessary to effect the transfers.

You are, therefore, authorized, in concert with the representatives of the United Kingdom and of France to issue delivery orders to the custodians of the gold in the several Zones of Occupation, to execute receipt forms in the name of the Commission and to enter into other arrangements appropriate to the purposes indicated.

Yours sincerely,

W. J. Gallman

The Honorable Russell H. Dorr,
Minister Delegate,
Inter-Allied Reparations Agency,
American Embassy,
Brussels, Belgium.
American Embassy, London

February 25, 1948.

Dear Mr. Dorr:

The three Governments of the United States, United Kingdom and France have decided that in order to facilitate the distribution of monetary gold and in accordance with Part III of the Paris Agreement on Reparation of January 14, 1946, some of the gold available for distribution shall be deposited in the Bank of England in London. This gold will be held in a British Treasury account in the name of "Governments of United States, United Kingdom and France".

You as United States Commissioner on the Tripartite Commission for the Restitution of Monetary Gold, and Mr. Alexander B. Daspit as Deputy Commissioner are hereby authorized to act as representatives of the United States Government, and in conjunction with the representatives of the United Kingdom and France to operate this account as may be required by the Gold Commission. All instructions to the Bank of England must be authorized by either you or by Mr. Daspit and by a representative of the United Kingdom and a representative of France. The first communication sent by the three representatives should be sent through the British Treasury, which will introduce the representatives to the Bank of England.

Ever faithfully,

The Honorable Russell H. Dorr,
Minister Delegate,
Inter-Allied Reparations Agency,
American Embassy,
Brussels, Belgium.

Copies sent to Col. Watson.
Sir,

I am directed by the Lords Commissioners of His Majesty's Treasury to inform you that in accordance with Paragraph 4 of the Protocol signed on the 16th December, 1947, between the Governments of the United States, the United Kingdom and France and the Government of Italy, the Governments of the United States, the United Kingdom and France must retain out of Italy's allocations by the Tripartite Commission for the Restitution of Monetary Gold sufficient gold to cover Italy's gold debts to France and to Yugoslavia, amounting to 23,279 kilograms, until Italy has made arrangements to pay these debts.

I am to inform you that the three Governments have decided to ask the Tripartite Gold Commission to act as their agents and to hold this gold on their behalf.

I am therefore directed to request you to arrange with the representatives of the United States and of France to set aside out of Italy's allocations sufficient gold to cover Italy's above-mentioned gold debts and to retain this gold in one of the accounts to be operated by you in the name of the three Governments until you are given further instructions for its disposal.

I am further directed to instruct you that gold allocated to Italy in excess of 23,279 kilograms may be delivered to Italy through the normal procedure of the Tripartite Gold Commission.

I am, Sir,
Your obedient Servant,

(Sgd.) D.H.P. Rickett

Sir Desmond Morton, K.C.B., C.M.G., M.C.,
His Majesty's Commissioner on the Tripartite Commission for the Restitution of Monetary Gold,
225, avenue Louise,
Brussels.
Sir,

I am directed by the Lords Commissioners of His Majesty's Treasury to inform you that the Governments of the United States, the United Kingdom and France have decided that in order to facilitate the distribution of the pool of monetary gold established in Part III of the Paris Agreement on Reparation, that portion of the pool at present held by their Occupation Authorities in Germany should be removed to the Bank of England in London and to the Federal Reserve Bank in New York.

I am further to inform you that the above-named three Governments have agreed that the Tripartite Commission for the Restitution of Monetary Gold should act as their agent to arrange the transfer of this gold from Germany and to decide its distribution between the Bank of England and the Federal Reserve Bank.

I am directed to authorise you as representative of His Majesty's Government on the Tripartite Gold Commission, together with the representatives of the Governments of the United States and of France, to take all the necessary measures to effect the transfer of the gold from Germany to London and to New York. My Lords consider that such measures would include the issue of delivery orders to the Occupation Authorities concerned and the signature of the requisite receipt documents.

I am, Sir,
Your obedient Servant,

(Sgd.) D.H.F. RICKETT

sir Desmond Morton, K.C.B., C.M.G., M.C.,
His Majesty's Commissioner on the Tripartite Commission for the Restitution of Monetary Gold,
225, avenue Louise,
Brussels.
I enclose, for your information, copies of three official letters which I have received to-day from London, and which appear to me to be satisfactory. They cover, insofar as the United Kingdom is concerned, the holding by the Gold Commission on behalf of the three Governments of any gold allocated by the Commission up to 23,279 kilograms. More important still, they give authority to the Commission to move any part of the gold pool which is now in any part of Germany.

I am sending a copy of this letter and its attachments to Monsieur Spitzmuller and I am sending the originals of the three letters I have received from London to the Secretary General of the Gold Commission, first for safe-keeping, and secondly in case the originals are required to be shown to the United States, British or French Military Authorities in Germany.

Yours sincerely,

Mr. Alex B. Despit,
United States Delegation to Inter-AI+, Shell Building, 427-433,
Brussels.

sir Desmond Morton, K.C.B., C.M.G., K.C.,
His Majesty's Commissioner on the Tripartite Commission for the Restitution of Monetary Gold,
225, avenue Louise,
Brussels.
NOTES ON THE ORGANIZATION OF THE IARA SECRETARIAT

The IARA Secretariat may be charged with the following functions:

A. The preparation of allocation programs for:
   1. Industrial capital equipment (to be allocated in kind)
   2. Transportation equipment (to be allocated in kind)
   3. External assets (to be allocated in terms of foreign exchange, after liquidation by a tri-partite commission)
   4. Current output (basis of allocation — in kind or in foreign exchange — as yet undetermined)
      a. Russian reciprocal deliveries
      b. Other current output, if any

B. Some form of peripheral jurisdiction, yet to be determined, over:
   1. Restitution
   2. Labor reparation

C. Subsidiary functions essential to the performance of the above:
   1. Accounting for reparation claims and deliveries
   2. Analysis of relative needs of member governments
   3. Analysis of valuation problems
   4. Administration
      a. Housekeeping for the Agency
      b. Arrangements on behalf of member Governments in regard to inspection of assets, transportation, etc.
   5. Liaison with ACC and other appropriate bodies.

The Secretariat could be organised in a variety of ways to carry out these functions; and the actual form of the organization chart will depend partly on the number of Deputy Secretaries General which are finally agreed upon. It is proposed here merely to discuss briefly the content of these functions, and to make a few tentative guesses concerning the types and numbers of people that might be required. Logic requires some variation from the order presented above.

1. Analysis of Relative Needs of Member Governments

Allocation programs must be drawn up on the basis of (a) the assets available, (b) the specific claims against them, (c) the agreed shares in reparation, and (d) the relative needs of the claimants. The last two criteria will be set out in general terms in the final act of the Conference, but in being applied will require a considerable amount of detailed interpretation.

The possible size of a unit for the analysis of the relative economic needs of 17 different countries is limited only by the available budget. It would be my view, however, (a) that the burden of justifying their claims in considerable detail should be placed upon the member Governments; and (b) that the great excess of "needs" over supply in most cases will mean that hard bargaining will be a much more important determinant of allocations than economic analysis.
iv. Restitution

The Agency is required to take account of unsatisfied restitution claims in preparing allocation programs. This requirement is so vague, and the probable relative influence of this criterion as compared with that of relative needs and agreed shares so small, that it would be unwise to allocate such personnel to its investigation. Yet it is plain that a thorough analysis of unsatisfied restitution claims might absorb a large number of people, scattered about half a dozen different countries. I think that the solution might be to rely, as has been done at the Conference, on the uncriticized claims of the Number Governments, together with such supporting evidence as can be easily gathered by the AGC or Zone Commanders. Such a solution shouldn't require more than one or two low-powered statisticians, and a clerk or two.

IAEA may also be charged with arbitrating disputed claims to restitutible items. The staff required for this will depend on the number of disputes referred, a statistic on which I am not prepared to make a guess.

v. Labor Reparation

At the moment the Agency's functions in the field of labor reparation seem unlikely to be more than mere record-keeping. This would hardly provide a full-time job for even one person.

vi. Accounting

The size of the necessary accounting staff depends on the degree of responsibility assumed by AGC, and on the detail in which the assets are handled. I am prepared to make a prediction on neither point.

For the next three or four months, however, the same considerations as applied to the preparation of allocation programs apply also to accounting; no large staff will be needed. The immediate need is for one or two highly competent men who can set up the necessary systems in conjunction with AGC and the Zone Commanders, and for one or two moves to record the current expenses of the Agency and the limited flow of deliveries over the next few months.

vii. Reconstruction

No comment. Up to H. Frederix.

212607
Floor Plan of
German Embassy

Primero Piso

Rough sketch, not drawn to scale.
EMBASSY OF THE UNITED STATES OF AMERICA

LONDON September 25, 1945

UNRESTRICTED

Despatch No. 25648

Subject: Submitting Article, "Austria's Future", from The Economist

Sir:

I have the honor to enclose copies of an article, "Austria's Future", from The Economist of September 22, 1945.

The article criticizes the division of Austria into four zones of occupation and the "massive official and unofficial requisitioning" which is taking place in the Russian zone. It urges that a central government be established and that the supply position be reviewed.

Respectfully yours,
For the Ambassador;

Richard A. Johnson
Third Secretary of Embassy

Enclosure:

1. Article, "Austria's Future", from The Economist, September 22, 1945. 3 copies.
Austria's Future

But what should Allied policy be? The objectives stated by the Allied Council are unexceptionable—to administer the country satisfactorily, to set up a Central Government, to prepare for free elections, to complete the separation of Austria from Germany. This last is obviously a long-term issue, not simply one of chasing Nazis from public life. The other points are questions of immediate policy and should not be delayed. To administer the country properly requires in the first place an end of exclusive zoning. At once, the transport of Austria must be unified, and agricultural deliveries made, transport conditions of wages, prices and currency established. It is questionable whether this first step can be achieved so long as different armies occupy four different zones. But why should they continue to do so? Austria is officially a liberated country and in any case Germany is defeated. The unhappy truth is that Austria, standing on the line dividing Dr Ben-occupied Europe from the rest of the continent, is occupied by each Power mainly to ensure that no encroachments are made by the other. It is this fear that keeps the Ruhr zone closed. This fear will wreck any attempt at rational administration. The only solution is therefore general withdrawal at the earliest possible moment.

Satisfactory administration also demands a complete review of the supply position. Vienna is now to operate in Austria and possibly the securing of a rather more generous diet can be left to its responsibility. But the Austrians need fuel and transport almost as urgently. Coal they could perhaps get from Czechoslovakia; but this again depends upon the restoration of communications and on the disposition of Austrian oil, over which the Provisional Government has at the moment no control. Fuel, food and transport could carry Austria over this first winter. Its later needs are for wholesale industrial re-equipment. The problem of a Central Government for Vienna is surely not a difficult one. Dr Renner is a respected figure and, with the extraordinarily limited resources at his disposal, has worked well for Austria since he came to office. The British objections to his Government have not been clearly laid down. There has been some talk of considering other administrators to include men from the other provinces. Provided these men did not include Schuschnigg, or other leaders compromised by the pre-war period, the British could agree. The difficulty appears to be that the British have not yet made any precise recommendations. They should do so without delay. They could then say what representation of Communists in the Renner Cabinet, Russian brutality and requisitioning have lost the Communists their mass support and at recent elections at works councils in the Russian zone they only obtained ten per cent of the votes, in spite of
every encouragement and assistance the Russian authorities could give them. Austria is solidly Social-Democrat in the towns; the countryside probably still adheres in the main to the old Christian-Socialist Party (or the Austrian People’s Party, as it is now called). There is every evidence to show that a broadly representative government could be set up with very few modifications and, provided the armies of occupation were removed, could be trusted to hold free elections. The tradition of democracy is stronger in Austria than in many neighbouring countries, and a thorough revulsion from Nazism has confirmed the trend towards freedom.

The fundamental difficulty in settling even the short-term problems of Austria is the fact that several Great Powers are involved, and beyond the negative point of determining to prevent any re-incorporation of Austria in Germany, they have no agreed policy for Austria and, in the case of Britain and America, appear to have no policy at all. What are the alternatives? Austria cannot exist without some larger framework. If the country is left to struggle its crippled way along, the attraction of a Greater Germany, however repulsive now—and it is repulsive—will one day begin to work again. The wider framework is the concern of the Great Powers. Russian policy is obscure, but the proposal to take over 50 per cent of Austria’s oil interests—made unilaterally to an unrecognised Government—suggests that the policy the Russians are pursuing in Rumania, which amounts practically to economic incorporation, would, if the occasion were to present itself, be repeated in Austria. The economic advantage to Austria in the long run of being part of a larger unit may be hard to destroy; but in the short run, it would mean misery and destitution.

But has Britain or the United States anything better to offer? In the short run, any plan can only take into consideration the ravages of Russian requisitioning and build up again Austria’s industrial capacity. This relief, however, would only take the form of credits and would later raise the problem of repayment. Some of the charges could undoubtedly be met by a great expansion of the tourist industry—an asset Austria would lose if visitors had to satisfy the Russian passport authorities before they could enter. But pre-war experience suggests that markets for goods are as important to Austria as tourists or loans, and the United States would not provide them.

Before 1938, 80 per cent of Austria’s vital foreign trade was with Europe, and a large percentage of this with south-east Europe. We do not yet know what economic policy will develop there, but it may well exclude nations that do not adhere to the Russian economic system. Austria’s dependence upon markets in central or western Europe would be all the greater, especially if the German market were to take long to recover. But will the Austrians find markets in Czechoslovakia, in Italy and in Western Europe? Is there to be a unified, expanding and liberal economy in the West into which Austrian industry and agriculture, Austrian hospitality and culture and music could find a place? If there were such a system, there can be no doubt that every Austrian interest—political freedom, economic stability and prosperity—would be satisfied by it. But there is not much evidence so far that anything of the sort enjoys any priority in French or British foreign policy.

Austria’s problem is not soluble within the framework of Austria alone. Its present unhappy divisions simply reflect the tangled state of the relations between the Great Powers. The Austrians themselves, as Dr Renner has declared, want to depend neither on the East nor on the West. They wish to have a free place in a broader framework of freedom.

Unhappily no such framework exists; nor does it seem that enough confidence exists to create it. But if Europe is to remain divided it must somehow be made to fit large national groups and not across national frontiers. The Austrians can ultimately find a place in an Eastern system. They can struggle along in an unintegrated state or prosper in an association. But one thing is certain. They cannot long suffer the agony of being divided between both.

A High Trade Area

LITTLE has been revealed about the progress of the financial negotiations in Washington. But some indication of the British position was given last week in a press conference addressed by Lord Halifax and Lord Keynes. The line was very much in accordance with the views that have often been expressed in these columns. There were, said Lord Keynes, two alternatives to be faced. The first was for the United Kingdom to do the best possible with the resources still at its command and with the defensive mechanisms erected during the war. The second was to work with American aid towards increased freedom and liberality in commercial and tariff policies. The second, he said, was by far to be preferred, but many British people lent to the first—although, in his opinion, they underestimated its disadvantages and difficulties and the degree of austerity that it would impose.

The emphasis in this statement of Lord Keynes’s is exactly right. The alternative course may be a possible one, but it is a second best and it presents great technical difficulties. It is worthy of dwelling for a moment both on its less eligibility and on its difficulty, if only to demonstrate once again that this is not a course that the majority of informed British opinion is eager to embrace so long as there is a chance of getting something better. Indeed, a table of preference of the various conceivable systems of international trade, as seen by British eyes, might be drawn up something as follows:—

First Choice. A successfully functioning universal, multilateral, non-discriminating, free-exchange, stable-rate system, as desired by the Americans. The conditions for successful functioning are that the major nations (and the minor nations, too, for that matter) should bring their accounts into approximate balance by normal trade and normal capital transactions, and that they should avoid severe internal depressions.

Second Choice. A successfully functioning system of consciously planned high trade, guaranteed against slump in bad years, open to all countries which will join. The conditions of success are discussed below.

Third Choice. An unsuccessful attempt at the first choice, in which the unwillingness of creditor countries to do their duty imposes a permanent strain on the exchanges, thus forcing deflation on the debitors—or in which “non-discriminating free-exchange” theory proves a device by which countries are compelled to import unemployment from each other. This leads inevitably to


No place in this scale of values, it will be noted, has been assigned to the theory of a British Empire self-sufficiency which Lord Beaverbrook, with his usual exquisite sense of tactful timing, has chosen this moment to revive. There is not the slightest probability of Britain’s economy becoming a reality in that scale.

Lord Keynes’s exposition of the alternative courses, and his insistence that it was not Britain but America that has come to the parting of the ways, appears to have come as a surprise to American opinion. It is a new thought that there is actually
1. GENERAL SUMMARY

a. Allied Control Commission for Austria

The first meeting of the Allied Control Commission for Austria took place in Vienna on 11 September. Several important administrative decisions were made, one creating an Executive Committee composed of the deputy commanders of the respective occupying forces; the other setting up an Inter-Allied Kommandatur for the city of Vienna composed of the respective local military commanders. The Commission agreed upon the possibility of speedy restoration of free communication throughout Austria and re-establishment of free political activity among the democratic parties. It was also agreed that the food ration for the city of Vienna would be increased as of 23 September. Heavy workers will receive 3,000 calories; other workers, excluding clerks, 2,500; clerks 1,750; children under 12, 1,350, and normal consumers 1,550. The Commission will henceforth meet on the 10th, 20th, and 30th of each month, unless special sessions are required.

b. US Zone

Of reports for the period 2-9 September mention one instance of labor sabotage and one of signal communication in the mountains, the latter attributed to SS personnel. The sabotage incident resulted in the arrest of a ringleader. The security situation remains otherwise normal, with a total of 300 arrests reported for the period. No important changes have been noted in the general trends of public opinion. Interest in political activity continues to be restricted generally to the politicians, the people being far more occupied with the problems of basic existence....The number of DPs still in the US Zone as of 1 September totalled approximately 325,147. They continue to tax the resources and the patience of the communities in which they are distributed, but the situation should be eased by agreements reached with pertinent authorities for the return of Yugoslav, Hungarian, Russian, and Bulgarian DPs.

c. French Zone

A ceremony attended upon the departure of the 4th Moroccan Division was held in Innsbruck on 7 September, General Bethouart reviewing the troops. Acting on the complaint of the Bavarian government that Bavarian residents in Tirol were being poorly treated in the matter of resident permits, the Tirol Landesregierung has decreed that Bavarian subjects will be preferred to Austrians and other Germans in that regard. The civilian population is reported chiefly preoccupied with the diversion of food stocks into military channels and the relief of the Moroccans. In regard to the former, the French policy has been to take only such foods as are absolutely necessary for the supply of the troops. In a few instances, critical supplies, such as flour, have been brought from France and turned over to civilians. Small occupational detachments, however, have, on occasion, requisitioned more than their authorized amounts, and this has created fear among the population of further requisitioning of this nature. A shortage of civilian labor is reported. The repatriation of Austrian soldiers from Italy has not compensated for the departure of large numbers of Germans and other foreigners. If the process of returning the 35,000 odd Austrians still held as prisoners of war in France is accelerated, the labor shortage will be eased considerably.

1
2. US Point

a. Counterintelligence

(1) Arrests

Arrests for the period 2-8 September totaled 300. Of these, 96 were NSDAP members, including state administrative officials; 126 were members of paramilitary organizations, and 20 were associated with the G15, among the more interesting personalities were Gyula Kohay, Oberbergamtmistr of Budapest during the latter part of 1944 and president of the Disciplinary Court for members of the Arrow Cross; Walter Spahn, Government Inspector in the German Military Administration of the Interior and a Superintendent in last EF of the SBHE; Dr. Erwin Dubb, prominent in the steel industry; and Ernst Gross, head of the Censorship Section in Vienna and later in Salzburg.

(2) Sabotage

A six-man action committee, headed by a former labor leader, was investigated by Maj. Ichihl CIC, and the leader arrested on a charge of labor sabotage. The leader, Karl Schiltlheis, former head of the electric vacuum stove division of the Schoeller Werk AG in Hallstadt, had organized six associates, also former employees of the Schoeller Werk. German workers of the factory were told by Schiltlheis not to work, because (1) the entire factory will soon be moved to Germany, or (2) the factory will be taken over by the Austrians, resulting in the dismissal of German workers. Schiltlheis was found by CIC to be a close associate of the Schoeller brothers, Arthur and Walter, industrialists, SS party members, and SS personalities, who have already been arrested for their SD and Gestapo activities. A third Schoeller, Dietter, is reliably reported working for the Allied Military Government's industrial section in Frankfurt, Germany, site of a Schoeller factory.

(3) Resistance Movements

A signal system is reported operating through the mountain passes separating the Gastein Valley (American) and the Mallnitz Valley (British). It is said that semaphore signals are used during the day and a light blinker system at night. The signals are attributed to SS men who have not surrendered, and are ostensibly being used to give weather data and warnings to armistice persons hiding in the mountains or "committing" through the passes to avoid capture.

(4) Captured Documents

Romanian documents of CI interest and more than 3,400,000 Romanian Lei (paper currency) have been found near Altusaa by local police and turned over to CIC. The documents can be divided into three groups:

(c) Original documents and government decrees of the Romanian National Government organized in Germany under the leadership of Horia Sima, Chief of the Iron Guard.

(b) Personality lists compiled by members of the Iron Guard naming persons considered "trustworthy" or "dangerous."

(c) Miscellaneous literature concerning the Romanian "Legionaire," Fascist organizations supported by the Nazis, and official correspondence and secret correspondence between Nazi officials such as Ribbentrop and Goebbels and Horia Sima and his government.

Documents and money have been forwarded to Lima CIC for disposition.

A notebook found by Gmunden CIC agents in the Villa Castiglione, Gmunden, has disclosed the exact location of various boxes reported to contain
documents of the "Adolf Hitler Library" and the archives of the "Maeurnus" in Munich. From these documents it will be possible to reconstruct the general activity of the highest party members. This information is being exploited by Shumsky OIC.

b. De-Nazification

The de-Nazification of local civil administrations in the northwestern part of Austria is reported to be virtually complete, and investigation of the ownership of various small manufacturing concerns in the district are now under way. Progress in other parts of the Land is generally considered satisfactory. Complaints that measures taken have been too severe are reported from both Namwey and Dilligen. In Namwey, crippling of local government is alleged (at the same time it is said that de-Nazification is not proceeding as rapidly as the population expected); in Dilligen, exception has been taken against the arrest of certain Burgermeister, who, although serving under the Nazi regime, are said to have devoted themselves to the welfare of the townpeople.

c. Public Opinion

There have been no pronounced changes in the general trends of public opinion during the period, but some local developments may be noted.

The arrest of former Landeshauptmann Eigel and his assistant, Dr. Austäger, appears to have been interpreted by the politically minded in Upper Austria as a blow to the People's Party. From the Socialists' point of view, pleasure and advantage in the disarmament of their political opponents is intensified, however, by the fact that Eigel was originally endorsed by the Socialist Dr. Koren.

The Socialists in Upper Austria are reported still not content with the progress of de-Nazification; they are said to be preparing their own card indexes for later employment by the labor unions following official sanction of the party. A poster has been prepared, reading: "Tens of thousands of Austrian soldiers are still abroad; tens of thousands of Austrian Nazis are still at home. Away with all grave diggers of our Socialist state!"

From Kalten, however, come reports of a sharp increase in the number of persons bringing information to GUS as a result of the arrest of the Burgermeister. The mass arrests seem to have been accepted as evidence of the Allies' good faith in the eventual complete de-Nazification of Austria.

De's continue to be an object of complaint, both for their depredations and for their idleness. The situation is partly reflected in a report from Weil in connection with the DPs alienation to work: "The excuse of the De's and the prayer of the natives is that the former are going home soon."

Rumors appear to be on the decrease, possibly a natural outgrowth of the more stable occupational situation. It is interesting to note, however, that both 26th and 36th Infantry Divisions report the rumor that the British will occupy Austria. The version picked up in the 26th Infantry Division area, however, gives the eventual occupation to "either the British or the Russians." A rumor is reported current in Obernberg to the effect that the Americans will occupy Hungary.

d. Displaced Persons

The total number of uncovered displaced persons remaining in the US Zone as of 1 September was:

- United Nations DPs 76,734
- Ex-enemy DPs 157,035
- Austrian Refugees 118,375

An agreement has been reached with the Russian Zone representatives for the repatriation of DPs at the rate of 3,000 per day. Repatriation

212615
1. ALLIED ECONOMIC RELATIONS WITH SWITZERLAND

The last chapter in the history of economic warfare in SWITZERLAND appears to have been brought to a close by the Agreement reached between the Swiss Government and an ANGLO-AMERICAN-FRENCH Delegation headed by Mr. DINGLE FOOT, Parliamentary Secretary to the Ministry of Economic Warfare, at BERNE on 8 March, 1945. The contents of this Agreement can be summarised as follows:

(i) carriage of coal, iron, scrap iron and steel from GERMANY to ITALY will be prohibited. Other traffic will be limited to monthly total of 8,200 tons southbound and 5,900 tons northbound. This compares with monthly average in the first half of 1944 of 404,000 tons southbound and 56,000 northbound.

(ii) Total Swiss exports to GERMANY will not exceed 21 million francs for each of the next three months and 1,000,000 francs thereafter. This compares with average monthly output of 54,600,000 in 1942 and 24,513,000 in 1944. All important items such as precision instruments have been wholly or virtually eliminated.

(iii) The Swiss will take all practicable steps to cut off supply of electricity to GERMANY and have agreed in principle to supply electricity to FRANCE.

(iv) The Swiss Government will prevent Swiss territory from being used for the disposal, concealment or reception of assets which may have been taken illegally or under duress during the war. The Swiss decree blocking German funds will continue in force. A census will be taken of all German assets situated in or held through SWITZERLAND, whether they be administered by the German owners themselves or by others on their behalf.

(v) The Swiss will purchase no more gold from GERMANY except the quantity needed for diplomatic expenses, including expenditure incurred as Protecting Power.

(vi) All dealings in foreign currency will be prohibited in SWITZERLAND.

(vii) The Swiss will co-operate in the rehabilitation and relief of EUROPE.

(viii) The Swiss will co-operate with the allied Supply authorities in making purchases abroad.

(ix) As there is no longer any blockade reason to withhold supplies from SWITZERLAND, the Swiss have been told that the Allies will no longer impose any limits on their imports, except in the case of goods in short supply.

It is undeniable that Swiss economic policy during the war has been frankly opportunist, in spite of the fact that a vast majority of the population have always been in favour of the Allies and have not concealed their feelings. The Swiss Government have shown neither desire nor readiness to assist in economic warfare against the enemy and prolonged bargaining and pressure have been required in order to extract concessions. The contrast is striking between the readiness of the Swiss to undertake every kind of humanitarian service on behalf of the Allies and their reluctance and delay in taking economic action to the disadvantage of the Axis, or their own millionaires. It is difficult to see what they gained thereby, since in no case did the Allies impose the counterconcessions which they offered originally, nor
did the Germans retaliate when at last the crisis yielded to pressure. It is a fact, however, that the collapse of FRANCE and the entry of ITALY into the war placed the Swiss in a position of exceptional difficulty. SWITZERLAND was completely cut off from access either to Allied or neutral countries. Her internal economy was completely at the mercy of the Germans, who could easily have brought the whole machine to a standstill. The Swiss thus realized that they could not and carefully remained from making demands to which the position of SWITZERLAND rendered agreement impossible. Looking back over the past five years, the Ministry of Economic Warfare has no reason to regard with much satisfaction or gratitude the course adopted by the Swiss Government (Source: Economic Advisory Branch).

2. SUPPLIES FOR THE NAZI REDOUT

Considerable evidence is accumulating of the movement of supplies and equipment towards SOUTHERN GERMANY and into the area intended for the Nazi Redoubt. Railway employees have reported that on 1 March, HUGLER gave orders to all German railways that from that date all transport of armaments, weapons, ammunition, and food with a destination in SOUTHERN GERMANY was to be considered 1-A priority, and that 15,000 freight cars were to be made available. Until then only the Army had 1-A priority on the German railways.

Other sources have reported that Redoubt preparations began last autumn when intensive activity started in the VORARLBERG region. The first task was the tunnelling and construction of depots in the sides of mountains and hills, which were to be used for the storing of provisions and munitions as well as for the transfer of factories to assure them from air attack. This intensive activity was accompanied by the influx of a large number of workers. One source states that recently some twenty thousand OSS workers arrived in the DOWRING-DÜNNBERG region to work on underground depots and fortifications. These workers were quartered in newly-built barracks (reported at LÜBURG, DÖNBERG, WEBERNS, ZOFING and FREDERICH) and fed at requisitioned hotels and restaurants. They were guarded by supernumerary FELDHEERDET detachments but enjoyed considerable freedom, and could roam at will of an evening until 2100, much to the apprehension of the local population.

The movements of evacuees into the interior of the VORARLBERG was stopped when the Redoubt activities began, with the exception of those in transit.

Machines and power-plant equipment usually earmarked for the interior of GERMANY were reported to have been sent instead to the VORARLBERG and the Tyrol in November and VORARLBERG power plants were ordered to retain a reserve supply of machines and tools in addition to their normal stock.

ZUGENBERG and ZÖCHGERAL are also reported to be intended for development as important industrial centres, mainly for the production of so-called secret weapons. One source states that a definite removal of factories can be noticed, although all movements are surrounded with the greatest secrecy. The OKW is reported to have organized an extra department for secrecy ("Gesamthaltung At"), which has the job of seeing that all transports connected with such removals take place absolutely secretly and in an apparently harmless form.

3. THE HOME FRONT

Food

The food situation continues to deteriorate, and there are indications of a system of general communal feeding with simplified menus. It has been suggested that such a system is intended to keep the population dependent upon the Nazi party for its means of subsistence.

Great efforts are still being made to obtain the surrender of bread grain from the peasants and farmers in order to safeguard the bread supply to
CONFIDENTIAL
HEADQUARTERS
THIRD UNITED STATES ARMY
Interrogation Center (Provisional)
APO 403
26 September 1945

SPOT INTERROGATION REPORT

1. The following information was received from Gustav NAGEL, AIC 1889. NAGEL was born on 25 December 1918 at DILLINGEN, Saar. He is a baker by profession. He was drafted into the Wehrmacht in 1938. Late in April 1945 he was stationed at COMO, Italy, with V/Luftnachrichten Regiment 200. He had attained the rank of Stabsgefreiter and was in charge of equipment. On 25 April 1945 his unit began to retreat northward. On 26 April 1945 it was joined by MUSSOLINI, who was escorted by a group of about 35 SS men. He witnessed the capture of MUSSOLINI by Italian partisans and on this occasion observed the incident described below. NAGEL is fairly intelligent but somewhat slow. He is very cooperative and the information obtained can be considered reliable. He claims never to have been a member of the Party or any of its subsidiaries.

2. On 26 April 1945, while retreating northward from COMO, V/Luftnachrichten Regiment 200 was joined by MUSSOLINI who was escorted by some of his ministers and a group of SS men. At the small town of PIANELLO, Lake Como, the column was stopped by Italian partisans. While negotiations went on concerning the surrender of MUSSOLINI and his entourage to the partisans, the SS men succeeded in throwing approximately six to eight metal strongboxes and cases into Lake COMO. NAGEL is unable to pinpoint the location. Owing to the general confusion they were observed by only a few people, among them NAGEL. NAGEL believes that the following men either witnessed or know about the hiding of the cases and strongboxes: Stabsarzt Dr SCHOTT, Feldwebel von SCHUCH, Feldwebel Willy SCHMIDT (home address TONNERKHIDE, near RAHDEN, Westfalen), Leutnant KERSTAN. All these men were members of V/Luftnachrichten Regiment 200 and were at BAD AIBLING as late as the middle of August 1945. NAGEL claims that Dr SCHOTT and von SCHUCH received jewels and other valuables from MUSSOLINI in renumeration for services rendered.

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212618
3. After MUSSOLINI's arrest by the Partisans, NAGEL's unit, as well as the group of SS men which had formed the Duce's escort, crossed into SWITZERLAND. They were disarmed and evacuated by the Swiss into German territory in the vicinity of the RESCHEN PASS, Oetztaler Alpen. The SS men left NAGEL's regiment immediately upon crossing into German territory and NAGEL claims that they openly discussed their plans of hiding in the mountains in the vicinity of the RESCHEN PASS.

GERHARD A LIEBESL
1st Lieutenant, SC
Commanding
Restitution committee completed final report today. Agreement was reached on all positions set forth ISGG D-1/17 January 31, as amended by subsequent instructions, with two exceptions:

1. General Claims Law. French agree with US position in reference position paper. UK position as follows: FEDREP should be advised that occupying powers continue desire uniform compensation for persecution throughout Federal territory on basis no less favorable than that under legislation in laender of US Zone. FEDREP may prefer meet requirements by improvement in laender-legislation rather than by Federal legislation. There would, however, remain categories of victims for whom compensation could most readily be provided by FEDREP and before reserved power on restitution is terminated FEDREP should have provided for compensation those persons e.g. nonresidents and refugees. As condition to termination of power undertaking should be obtained that benefits of existing compensation legislation, whether provided by laender or by FEDREP, will not be later withdrawn.

2. UK-French recommend no (repeat no) undertaking re transfer properties to IRO. Both feel it unlikely more boards of eligible property will be uncovered and hence needless impose this unpalatable undertaking on FEDREP. US reserved position.

UK-French proposed minor amendment to recommendations on cultural property to provide that claimant government shall submit formal declaration that no (repeat no) previous claim has been rejected as invalid by Allied restitution authorities. US representative considered this proposal reasonable and agreed.

Report will be considered by STR committee March 14. USDEL will hold to position on general claims but believe we should not (repeat not) press for undertaking re IRO.
DRAFT CABLE TO USPA

Arrangements for supervision Austrian foreign exchange transactions proposed in URAD P-7467 April 30 appear satisfactory. Steps to amend JCS 1369/1, Para 56, in accordance your request, being taken.

URAD P-1591 24 Jan Para 2. No monetary gold or securities should be turned over to Austrian National Bank pending further instructions.

For your info consideration now being given to inclusion in gold pot of monetary gold uncovered in Austria under RG Decree No 4. Securities development should be held in custody pending/restitution policy and procedures, now under way.

GAWASalantzaeh 5-14-46
FS: WStibravry

FILED
JUN 7/46

212621
Arrangements for supervision Austrian foreign exchange transactions proposed in URAD P7467 April 30 appear satisfactory. Steps to amend JCS 1369/1 Para 56 in accordance with your request being taken.

URAD P 1591 24 Jan Para 2, no monetary gold or securities should be turned over to Austrian National Bank pending further instructions. For your info problem dividing gold uncovered in Austria by US troops and by MG law No. 4 between gold pot and use of Austrian National Bank remains unresolved. Believed necessary to negotiate in treaty with Austria Division.

(a) By cutoff date, after which gold acquired under MG law No. 4 goes to Austrian government, or

(b) By distinction such as between gold of German banks and Austria, Nazi caches for gold pot and lesser gold holdings of which of Austrian nationals available for Austrian use.

Securities should be held in custody pending development restitution policy and procedures, now under way.
CONFIDENTIAL

PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 511 AND 60A (4), AR 380-5

FROM: OMMUS Berlin sgd Hays
TO: Chief of Staff Dept of Army Wash 25 DC for GSCAD For Lynch Executive Officer
IMPO: HQ EUCOM

Re: C 5534 14 August 1948

Recourse: July CC5364 and CC5456, disposition of securities and currencies.

1. Proposed operations under phase 3 will result in the recognition of established title to securities deposited under Military Government Law 53 which are not subject to external or internal restriction and in which no person subject to Control Council Law 5 has any interest. It is proposed that securities with regard to which title has thus been recognized will be released for removal outside of Germany in cases where the recognized owner is not a resident of Germany.

2. In this connection there is below the draft of a joint press release which has been agreed upon with the British and French. Since our CC 5456 proposed treatment of 53 currencies owned by persons not subject to Control Council Law 5 similar to that proposed for securities under phase 3, proposed press release discusses currencies as well.

"1. Pursuant to an agreement between the United States, UK and French Military Governments, all persons not subject to Control Council Law number 5 who own non-German currencies or who own securities expressed in other than German currency which are presently held by the Military Governments pursuant to Military Government Law number 53,"

CH IN 3003 (15 Aug 48)

"THIS DOCUMENT CONTAINS INFORMATION CONFIDENTIAL AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT, U.S.C., CHAP. 37 AND 38. THE TRANSMISSION OR REVELATION OF THIS CONFIDENTIAL INFORMATION TO ANY PERSON IS PROHIBITED BY LAW."
DEPARTMENT OF THE ARMY
STAFF MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

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PRIORITY

are invited to submit applications for the recognition of their title to such currency or securities. All German financial institutions carrying accounts of such securities for such persons are requested to notify the account owners accordingly.

13. It is pointed out that among others, there are subject to Control Council Law number 5 all German nationals in Germany who have been residents of Germany or any other territory since 1 September 1930, which at the time of their residence was under the control of the German Reich and who enjoyed full rights of the German citizenship at any time since 1 September 1930.

13. Persons desiring recognition of title to currency or securities will be required to submit evidence to demonstrate their exclusive ownership of the currency and securities involved and their exemption from external and internal restitution claims.

14. External restitution claims are those filed by governments eligible for restitution to recover property removed from such countries during their occupation by Germany. Exception to external restitution may be shown by submission of proof that the property has been owned exclusively since 1 September 1939 and was not removed from a country occupied by the Germans during the German occupation. Internal restitution claims are those filed by persons for recovery of property taken from them under duress in Germany for racial, religious and political reasons at any time after 30 January 1933. Exception from internal restitution may be shown by submission of proof that the property or securities have been owned exclusively since 30 January 1933.

5. The three Military Governments have further

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COPY NO.

212624
INCOMING CLASSIFIED MESSAGE

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PRIORITY

ACTION: CAD

INFO: CAD(STATE), OUS, PO, OAS

CH. IN: 5709 (28 Jul 48) DTG: 271112Z esg

Your comments by 3 August 48 are requested.
Agreement on Reparation from Germany, on the Establishment of an Inter-Allied Reparation Agency and on the Restitution of Monetary Gold

Paris, 14th January, 1946

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

LONDON
HIS MAJESTY'S STATIONERY OFFICE

Cmd. 7173

212626
AGREEMENT ON REPARATION FROM GERMANY, ON THE ESTABLISHMENT OF AN INTER-ALLIED REPARATION AGENCY AND ON THE RESTITUTION OF MONETARY GOLD

Paris, 14th January, 1946

The Governments of Albania, the United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czecho-Slovakia, the Union of South Africa and Yugoslavia, in order to obtain an equitable distribution among themselves of the total assets which, in accordance with the provisions of this Agreement and the provisions agreed upon at Potsdam on 1st August, 1945, between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, are or may be declared to be available as reparation from Germany (hereinafter referred to as "German reparation"), in order to establish an Inter-Allied Reparation Agency, and to settle an equitable procedure for the restitution of monetary gold.

Have agreed as follows:

Part I.—German reparation

ARTICLE 1

Shares in Reparation

A. German reparation (exclusive of the funds to be allocated under Article 8 of Part I of this Agreement) shall be divided into the following categories:

1. Category A, which shall include all forms of German reparation except those included in Category B;
2. Category B, which shall include industrial and other capital equipment removed from Germany, and merchant ships and inland water transport.

B. Each Signatory Government shall be entitled to the percentage share of the total value of Category A and the percentage share of the total value of Category B set out for that Government in the Table of Shares set forth below:

<table>
<thead>
<tr>
<th>Country</th>
<th>Category A</th>
<th>Category B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>United States of America</td>
<td>28.00</td>
<td>11.00</td>
</tr>
<tr>
<td>Australia</td>
<td>0.70</td>
<td>0.05</td>
</tr>
<tr>
<td>Belgium</td>
<td>2.70</td>
<td>4.50</td>
</tr>
<tr>
<td>Canada</td>
<td>5.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.25</td>
<td>0.35</td>
</tr>
<tr>
<td>Egypt</td>
<td>0.05</td>
<td>0.35</td>
</tr>
<tr>
<td>France</td>
<td>22.00</td>
<td>3.50</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>27.00</td>
<td>4.50</td>
</tr>
<tr>
<td>Greece</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>India</td>
<td>1.00</td>
<td>0.10</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Norway</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5.50</td>
<td>5.50</td>
</tr>
<tr>
<td>Carried forward</td>
<td>80.70</td>
<td>80.00</td>
</tr>
</tbody>
</table>

ACCORD CONCERNANT LES REPARATIONS A RECEVOIR DE L'ALLEMAGNE, L'INSTITUTION D'UNE AGENCE INTER-ALLIEE DES REPARATIONS ET LA RESTITUTION DE L'OR MONETAIRE

Paris, le 14 janvier 1946


Sont convenus de ce qui suit:

Partie I.—Réparations allemandes

ARTICLE 1er

Quotités-pièces de réparations

A. Les réparations allemandes (à l’exception des fonds qui doivent être alloués aux terrains de l’article 8 de la Partie I du présent Accord) sont divisées en catégories de la façon suivante:

1. Catégorie A, comprenant toutes les formes de réparations allemandes à l’exception de celles comprises dans la catégorie B;
2. Catégorie B, comprenant tout l’outillage industriel et autres biens d’équipement en capital enlevés d’Allemagne, ainsi que les navires marchands et les bateaux de navigation intérieurs.

B. Chaque Gouvernement signataire a droit, sur la valeur totale des biens de la catégorie A, ainsi que sur la valeur totale des biens de la catégorie B, aux pourcentages indiqués pour chacune de ces catégories dans les colonnes correspondantes du tableau ci-après:

<table>
<thead>
<tr>
<th>Pays</th>
<th>Catégorie A</th>
<th>Catégorie B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albanie</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>États-Unis d’Amérique</td>
<td>28.00</td>
<td>11.00</td>
</tr>
<tr>
<td>Australie</td>
<td>0.70</td>
<td>0.05</td>
</tr>
<tr>
<td>Belgique</td>
<td>2.70</td>
<td>4.50</td>
</tr>
<tr>
<td>Canada</td>
<td>5.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Danemark</td>
<td>0.25</td>
<td>0.35</td>
</tr>
<tr>
<td>Égypte</td>
<td>0.05</td>
<td>0.35</td>
</tr>
<tr>
<td>France</td>
<td>22.00</td>
<td>3.50</td>
</tr>
<tr>
<td>Grèce</td>
<td>27.00</td>
<td>4.50</td>
</tr>
<tr>
<td>Inde</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1.00</td>
<td>0.10</td>
</tr>
<tr>
<td>Norvège</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Nouvelle-Zélande</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Pays-Bas</td>
<td>5.50</td>
<td>5.50</td>
</tr>
<tr>
<td>A reporter</td>
<td>89.70</td>
<td>89.00</td>
</tr>
</tbody>
</table>
C. Subject to the provisions of paragraph D below, each Signatory Government shall be entitled to receive its share of merchant ships determined in accordance with Article 5 of Part I of this Agreement, provided that its receipts of merchant ships do not exceed in value its share in Category B as a whole.

Subject to the provisions of paragraph D below, each Signatory Government assets in countries which remained neutral in the war against Germany.

The distribution among the Signatory Governments of forms of German reparation other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany shall be guided by the principles set forth in Article 4 of Part I of this Agreement.

D. If a Signatory Government receives more than its percentage share of certain types of assets in either Category A or Category B, its receipts of other types of assets in that Category shall be reduced so that it shall not receive more than its share in that Category as a whole.

E. No Signatory Government shall receive more than its percentage share of assets in either Category A or Category B as a whole by surrendering any to German enemy assets within its own jurisdiction, or such Signatory Government's Category A percentage share of total German enemy assets within the jurisdiction of the Signatory Governments either to its receipts in Category A or to its receipts in Category B or in part to each Category.

F. The Inter-Allied Reparation Agency, to be established in accordance with Part II of this Agreement, shall charge the reparation account of each Signatory Government for the German assets within that Government's jurisdiction into force of this Agreement as of the date of entry of such assets (as defined in Article 6 of Part I of this Agreement) as 25 per cent. of the balance as then estimated, at the beginning of the second year thereafter not less than year not less than 33% per cent. of the balance as then estimated, at the

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The provisions of a Signatory Government whose share in Category B is less than its share in Category A:

(i) Receipts of merchant ships by any such Government shall not reduce its percentage share in other types of assets in Category B, except that Government's Category A percentage is applied to the value of merchant ships.

(ii) Any excess of German assets within the jurisdiction of such Government over its Category A percentage share of the total of German assets within the jurisdiction of Signatory Governments shall be charged first to the additional share of matured German reparations as a whole that Government would have been entitled to if its share in Category B were determined by applying its Category A percentage to the forms of German reparation in Category B.

If any Signatory Government renounces its shares or part of its withdrawal from the Inter-Allied Reparation Agency at a time when all or part thereof has been renounced or remaining shall be distributed ratably among the other Signatory Governments.

**ARTICLE 2**

**Settlement of Claims against Germany**

A. The Signatory Governments agree among themselves that their respective shares of reparation, as determined by the present Agreement, shall be regarded by each of them as covering all its claims and those of governmental or private nature, arising out of the war (which are not otherwise occupied on clearing accounts and claims against the Reichskreditkassen.

B. The provisions of paragraph A above are without prejudice to—

(i) the determination at the proper time of the forms, duration or total amount of reparation to be made by Germany;

(ii) the right which each Signatory Government may have with respect to any political, territorial or other demands which any Signatory Government may put forward with respect to the peace settlement.

H. If a Signatory Government renounces its shares or part of its withdrawal from the Inter-Allied Reparation Agency at a time when all or part thereof has been renounced or remaining shall be distributed ratably among the other Signatory Governments.
C. Notwithstanding anything in the provisions of paragraph A above, the present Agreement shall not be considered as affecting—

(i) the obligation of the appropriate authorities in Germany to secure at a future date the discharge of claims against Germany and German nationals arising out of contracts and other obligations entered into before the existence of a state of war between Germany and the Signatory Government concerned or before the occupation of its territory by Germany, which ever was earlier;

(ii) the claims of Social Insurance Agencies of the Signatory Governments or the claims of their nationals against the Social Insurance Agencies of the former German Government; and

(iii) banknotes of the Reichsbank and the Rentenbank, it being understood that their realisation shall not have the effect of reducing improperly the amounts of reparation and shall not be effected without the approval of the Control Council for Germany.

D. Notwithstanding the provisions of paragraph A of this Article, the Signatory Governments agree that, so far as they are concerned, the Czechoslovak Government will be entitled to draw upon the Giro account of the National Bank of Czechoslovakia at the Reichsbank, should such action be decided upon by the Czechoslovak Government and approved by the Control Council for Germany, in connection with the movement from Czechoslovakia to Germany of former Czechoslovak nationals.

ARTICLE 3
Waiver of Claims regarding Property Allocated as Reparation

Each of the Signatory Governments agrees that it will not assert, initiate actions in international tribunals in respect of, or give diplomatic support to claims on behalf of itself or those persons entitled to its protection against any other Signatory Government or its nationals in respect of property received by that Government as reparation with the approval of the Control Council for Germany.

ARTICLE 4
General Principles for the Allocation of Industrial and other Capital Equipment

A. No Signatory Government shall request the allocation to it as reparation of any industrial or other capital equipment removed from Germany except for use in its own territory or for use by its own nationals outside its own territory.

B. In submitting requests to the Inter-Allied Reparation Agency, the Signatory Governments should endeavour to submit comprehensive programmes of requests for related groups of items, rather than requests for isolated items or small groups of items. It is recognised that the work of the Secretariat of the Agency will be more effective, the more comprehensive the programmes which Signatory Governments submit to it.

C. In the allocation by the Inter-Allied Reparation Agency of items declared available for reparation (other than merchant ships, inland water transportation), the Secretariat of the Agency will be more effective, the more the programmes which Signatory Governments submit to it.

D. Notwithstanding the provisions of paragraph A of this Article, the present Agreement shall not be considered as affecting—

(i) the obligation which incombs on the Authorities of the Government of the Allemagne and of its reconstitutants, resulting from contracts and other obligations which were in effect before the occupation of the Allemagne by the Government signataire interested or on the occupation of the Allemagne by the Allemagne interested, so long as that occupation is not considered as the event of 1945;

(ii) the créances of institutions of assurances of the Governments signataires ou de leurs ressortissants sur les institutions d’assurances sociales de l’ancien Government Allemagne;

(iii) les billets de banke de la Reichsbank and de la Rentenbank, étant entendu que leur réalisation ne peut avoir pour conséquence de diminuer indûment la masse des réparations et ne pourra s’effectuer qu’avec l’accord du Conseil de Contrôle en Allemagne.

E. Notwithstanding the provisions of paragraph A of this Article, the Signatory Governments agree that they will not assert, initiate, or support actions in international tribunals in respect of, or give diplomatic support to, claims on behalf of itself or those persons entitled to its protection against any other Signatory Government or its nationals in respect of property received by that Government as reparation with the approval of the Control Council for Germany.

ARTICLE 5
Principes généraux pour la Répartition de l’Outillage industriel ou d’autres Biens d’Equipement en Capital

A. Aucun Government signataire ne devra demander l’attribution, dans sa part de réparations, d’outillage industriel ou d’autres biens d’équipement en capital enlevé d’Allemagne si ce n’est aux fins d’utilisation sur son propre territoire, ou, en dehors de son territoire, par ses propres nationaux.

B. En soumettant leurs demandes à l’Agence Internationale des Réparations, les Gouvernements signataires s’efforceront de présenter des programmes d’ensemble comprenant des groupes de biens connexes plutôt que des demandes isolées ou de petits groupes de biens. Il est reconnu que l’activité du Secrétariat de l’Agence sera d’autant plus efficace que les programmes que lui présenteront les Gouvernements signataires auront davantage le caractère de programmes d’ensemble.

C. Pour l’attribution des biens déclarés disponibles pour les réparations, autres que les navires marchands, les bateaux de navigation intérieure et les
transport and German assets in countries which remained neutral in the war against Germany), the following general principles shall serve as guides:

(i) Any item or related group of items in which a claimant country has a substantial pre-war financial interest shall be allocated to that country if so desired. Where two or more claimants have such substantial interests in a particular item or group of items, the criteria stated below shall guide the allocation:

(ii) If the allocation between competing claimants is not determined by paragraph (i), attention shall be given, among other relevant factors, to the following considerations:

(a) the urgency of each claimant country's needs for the item or items to rehabilitate, reconstruct or restore to full activity the claimant country's economy;

(b) the extent to which the item or items would replace property which was destroyed, damaged or looted in the war, or requires replacement because of excessive wear in war production, and which is important to the claimant country's economy;

(e) the claimant country's pre-war economic pattern and to programmes for its post-war economic adjustment or development;

(f) the requirements of countries whose reparations shares are small but which are in need of certain specific items or categories of items.

(iii) In making allocations a reasonable balance shall be maintained among the rates at which the reparations shares of the several claimant Governments are satisfied, subject to such temporary exceptions as are justified by the considerations under paragraph (ii), above.

**ARTICLE 5**

**General Principles for the Allocation of Merchant Ships and Inland Water Transport**

A.-(i) German merchant ships available for distribution as reparation among the Signatory Governments shall be distributed among them in proportion to the respective over-all losses of merchant shipping, on a gross tonnage basis, of the Signatory Governments and their nationals through acts of war. It is recognised that transfers of merchant ships by the United Kingdom and United States Governments to other Governments are subject to such final approvals by the powers concerned as the United Kingdom and United States of America may require.

(ii) A special committee, composed of representatives of the Signatory Governments, shall be appointed by the assembly of the Inter-Allied Reparation Agency to make recommendations concerning the determination of such losses and the allocation of German merchant ships available for distribution.

(iii) The value of German merchant ships for reparation accounting purposes shall be the value determined by the Tripartite Merchant Marine

avoir alliés dans les pays qui sont devenus neutres au cours de la guerre contre l'Allemagne, l'Agence Interalliée des Réparations s'inspirera des principes généraux suivants:

(i) Tout bien ou groupe de biens connexes, dans lesquels un pays demandeur possède des intérêts financiers substantiels antérieurs à la guerre, doit être attribué à ce pays, si l'il le désire. Dans le cas où deux ou plusieurs pays possèdent des intérêts substantiels de cette nature, dans un bien ou un groupe de biens définis, l'attribution doit se faire en tenant compte des critères énumérés ci-après:

(ii) Dans le cas de demandes concurrentes, si l'attribution n'est pas déterminée par les dispositions du paragraphe (i), il sera fait état, entre autres facteurs pertinents, des considérations suivantes:

(a) le degré d'urgence du besoin qu'a chaque pays demandeur de disposer du bien ou des biens disponibles pour remettre en état, reconstruire ou d'une manière générale restaurer son économie nationale dans sa pleine activité;

(b) la mesure dans laquelle le bien, ou les biens remplaceraient les biens détruits, endommagés ou ayant fait l'objet d'opérations pendant la guerre, ou qui doivent être remplacés à la suite d'usure anormale due à la production et au temps de guerre, et qui sont susceptibles de jouer un rôle important dans l'économie du pays demandeur;

(c) le rôle du bien ou des biens dont il s'agit dans le cadre général de l'économie d'avant-guerre du pays demandeur et dans les programmes établis en vue de l'ajustement et du développement de son économie d'après-guerre;

(d) les demandes des pays dont les quotas de réparations sont faibles, mais qui ont besoin de certains biens ou catégories de biens nettement déterminées.

(iii) Les programmes d'attribution devront conserver un équilibre raisonnable entre les différents ayants droit en ce qui concerne la fraction déjà satisfaite de leurs quotas-parts respectives, sous réserve des exceptions temporaires qui peuvent se justifier par les considérations du paragraphe (ii), (a) ci-dessus.

**ARTICLE 5**

**Principes généraux pour la Répartition des Navires Marchands et des Bateaux de Navigation Intérieure**

A.-(i) Les navires de commerce allemands disponibles pour répartition au titre des réparations entre les Gouvernements signataires seront répartis entre ceux-ci au prorata des pertes globales respectives de navires marchands, calculées en prenant comme base le tonnage brut, que les Gouvernements signataires et leurs ressortissants ont subies sous suite de faute de guerre. Il est reconnu que la cession de navires de commerce par les Gouvernements des Etats-Unis d'Amérique et du Royaume-Uni à d'autres Gouvernements est effective sous réserve de telle approbation déterminative par les organes législatifs de ces deux pays qui pourrait être nécessaire.

(ii) Un Comité spécial, composé de représentants des Gouvernements signataires, sera constitution par l'Assemblée de l'Agence Interalliée des Réparations pour présenter des recommandations au sujet de la détermination de ces pertes et de l'attribution des navires de commerce allemands disponibles pour répartition.

(iii) Le valeur des navires de commerce allemands portés dans les comptes de réparations sera la valeur fixée par la Commission tripartite de la Marine...
Article 6

German External Assets

A. Each Signatory Government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in such a manner as to prevent their return to German ownership or control. These procedures must be in accordance with the authority of France, the United Kingdom and the United States of America, drawn up to arrange for the repayment of such assets to their lawful owners.

B. The Signatory Governments shall give to the Inter-Allied Reparation Agency all information for which it asks as to the value of such assets and the amounts realized from time to time by their liquidation.

C. German assets in those countries which remained neutral in the war may be removed from German ownership or control and United Kingdom and the United States of America, pro rata to amounts of compensation, be distributed to neutrals by the agencies of the Reparation Agency for distribution on reparation account.

D. In applying the provisions of paragraph A above, assets which were the property of a country which is a member of the United Nations or its annexation by Germany at the time of the occupation shall be charged against its reparation account. It is understood that this provision in no way prejudices any questions which may be pending in the courts of the latter country or the entity into which it entered.

E. The German enemy assets to be charged against reparation shares shall include assets which are in reality German enemy assets, despite the fact that the nominal owner of such assets is not a German enemy.

Each Signatory Government shall enact legislation or take other appropriate steps, if it has not already done so, to render null and void all transfers made, after the occupation of its territory or its entry into war, for the fraudulent purpose of cloaking German enemy interests, and thus saving them harmless from the effect of control measures regarding German enemy interests.

Article 6

Avoir allemands à l’Etranger

A. Chaque des Gouvernements signataires, par les méthodes de son choix, retiendra les avoirs allemands ennemis se trouvant dans les territoires soumis à sa juridiction, ou en disposera, de telle manière que le ne soit pas possible de restituer propriété allemande, ou imputer sur sa quote-part de réparations les avoirs dont il s’agit (nets d’impôts arriérés, privilèges et frais de gestion, et libres de toutes autres charges et d’un coefficient de dépréciation législatif à l’égard des anciens propriétaires allemands de ces avoirs).

B. Les Gouvernements signataires communiqueront à l’Agence Interalliée des Réparations toutes les informations que celle-ci demandera sur les avoirs de ces pays et sur les produits périodiquement réalisés par la liquidation desdits avoirs.

C. La propriété ou le contrôle des avoirs allemands se trouvant dans les pays restés neutres pendant la guerre contre l’Allemagne sera retiré à l’Allemagne. Ces avoirs seront liquidés ou il en sera disposé, conformément aux décisions que peuvent prendre les Etats-Unis d’Amérique, la France et le Royaume-Uni, en exécution d’accords que ces Puissances signataires avec les pays neutres; le produit net de la liquidation ou des actes de disposition de ces avoirs sera mis à la disposition de l’Agence Interalliée des Réparations pour être réparti au titre des réparations.

D. Dans l’application des dispositions du paragraphe A ci-dessus, les avoirs qui étaient la propriété d’un pays membre des Nations Unies ou d’une personne ressortissant de ce pays et non de l’Allemagne au moment de l’annexion ou de l’occupation de ce pays à l’Allemagne ou de son entrée en guerre, ne seront pas imputés à son compte de réparations, étant entendu que la solution qui prévaut ne préjudice aucune des questions qui pourraient se poser au sujet d’avoirs qui n’étaient pas la propriété ou le contrôle du pays en question au moment de l’annexion ou de l’occupation de cet avoir par l’Allemagne ou de son entrée en guerre.

E. Les avoirs allemands de caractère ennemi à imputer sur les quoteparts de réparations devront inclure les avoirs qui sont en réalité des avoirs allemands de caractère ennemi, même si le propriétaire apparent de tels avoirs n’est pas un Allemand de caractère ennemi.

Chaque Gouvernement signataire, si ce n’est déjà fait, devra promulguer des textes réglementaires et prendre toutes autres mesures appropriées pour annuler tous les transferts effectués après l’occupation de son territoire ou son entrée en guerre, dans l’intention frauduleuse de dissimuler des intérêts allemands de caractère ennemi et de les soustraire aux effets des mesures de contrôle sur les intérêts allemands de caractère ennemi.
F. The Assembly of the Inter-Allied Reparation Agency shall set up a Committee of Experts in matters of enemy property custodianship in order to overcome practical difficulties of law and interpretation which may arise. The Committee should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

**Article 7**

**Captured Supplies**

The value of supplies and other materials susceptible of civilian use captured from the German Armed Forces in areas outside Germany and delivered to Signatory Governments shall be charged against their reparation shares in so far as such supplies and materials have not been or are not, in the future either paid for or delivered under arrangements precluding any charge. It is recognised that transfers of such supplies and materials by the United Kingdom and United States Governments to other Governments are agreed to be subject to such final approval by the legislature of the United Kingdom or the United States of America as may be required.

**Article 8**

**Allocation of a Reparation Share to Non-Repatriable Victims of German Action**

In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any Government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

A. A share of reparation consisting of all the non-monetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German action.

B. The sum of 25 million dollars shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of 25 million dollars) assets in such countries of victims of Nazi action who have since died and left no heirs.

D. The persons eligible for aid under the plan in question shall be restricted to persons who have suffered cruelly at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any Government receiving reparation from Germany.

(i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions of war.

(ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable to grounds of the future either paid for or delivered under arrangements precluding any charge.

**Article 7**

**Appropriations captured**

The value of the appropriations and other materials susceptible of serving as usages civils, paid to forces armed allemandes hors d'Allemagne and to refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions of war. The persons eligible for aid under the plan in question shall be restricted to persons who have suffered cruelly at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any Government receiving reparation from Germany.

**Article 8**

**Attribution d'une Part des Réparations aux Victimes non repatriables de l'Action allemande**

Étant donné qu’un grand nombre de personnes ont souffert cruellement du fait des nazis et ont actuellement un besoin impérieux d’être aidées pour leur "réhabilitation", mais ne peuvent demander l’assistance d’un quelconque Gouvernement recevant des réparations de l’Allemagne, les Gouvernements des États-Unis d’Amérique, de la France, du Royaume-Uni, de la Tchécoslovaquie et de la Yougoslavie, en consultation avec le Comité Inter-gouvernemental des Réfugiés, établiront d’urgence un plan, agréé d’un commun accord, et ce sur les bases générales suivantes:

A. Une part des réparations, constituée par l’ensemble de l’or non monétaire trouvé en Allemagne par les forces armées alliées et par une somme complémentaire n’excédant pas 25 millions de dollars, sera affectée à la "réhabilitation" et à l’établissement des victimes non repatriables de l’action allemande.

B. Cette somme de 25 millions de dollars sera prélevée sur le produit de la liquidation des avoirs allemands se trouvant dans les pays neutres et disponibles pour les réparations.

C. Les Gouvernements des pays neutres seront priés de rendre disponibles à cette fin (en sus de la somme de 25 millions de dollars), les avoirs dans ledits pays appartenant à des victimes d’actes des nazis qui seront morts déshérités sans laisser d’héritiers.

D. Seules seront susceptibles d’être admises à bénéficier de l’assistance prévue par le plan dont il s’agit les personnes, ainsi que leur famille et les personnes à leur charge—qui ont été réellement victimes des persécutions nazies et qui appartiennent aux catégories suivantes:

(i) Réfugiés de l’Allemagne ou de l’Autriche national-socialistes qui ont besoin d’assistance et ne peuvent pas être renvoyés dans leur pays d’origine en raison des conditions existant.

(ii) Ressortissants allemands et autrichiens résidant actuellement en Allemagne ou en Autriche, dans les cas exceptionnels où il est
Part II.—Inter-Allied Reparation Agency

ARTICLE 1

Establishment of the Agency

The Governments Signatory to the present Agreement hereby establish an Inter-Allied Reparation Agency (hereinafter referred to as "the Agency"). Each Government shall be entitled to appoint an Alternate who, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate.

ARTICLE 2

Functions of the Agency

A. The Agency shall allocate German reparation among the Signatory Governments in accordance with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments to carry out the purposes of the fund through appropriate public and private field organisations.

B. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

C. Nothing in this Article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraph A and C above.

Raisonnable, pour des considérations d'humanité, de les aider à émigrer et pourvu qu'ils émigrent effectivement dans un délai raisonnable.

D. The non-monetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

E. The sums made available under paragraphs A and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations Agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this Article under a programme of administration to be formulated by the five Governments named above.

F. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organisations.

G. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

I. Nothing in this Article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraph A and C above.

PART II.—Agence Interalliée des Réparations

ARTICLE 1

Constitution de l'Agence

Les Gouvernements signataires du présent Accord établissent une Agence Interalliée des Réparations (ci-après appelée "l'Agence"). Chacun d'eux nomme un délégué à l'Agence et peut également nommer un délégué suppléant, lequel, en l'absence du délégué, a les fonctions et pouvoirs de celui-ci.

ARTICLE 2

Fonctions de l'Agence

A. L'Agence répartit entre les Gouvernements signataires les réparations allemandes conformément aux dispositions du présent Accord et de tous autres accords qui sont ou seront en vigueur entre les Gouvernements
Governments. For this purpose, the Agency shall be the medium through which the Signatory Governments receive information, and express their wishes in regard to, items available as reparation.

B. The Agency shall deal with all questions relating to the restitution to a Signatory Government of property situated in one of the Western Zones of Germany which may be referred to it by the Commandant of that Zone (acting on behalf of his Government), in agreement with the claimant Signatory Government or Governments, without prejudice, however, to the settlement of such questions by the Signatory Governments concerned either by agreement or arbitration.

**Article 6**

Internal Organization of the Agency

A. The organs of the Agency shall be the Assembly and the Secretariat.

B. The Assembly shall consist of the Delegates, and shall be presided over by the President of the Agency. The President of the Agency shall be the Delegate of the Government of France.

C. The Secretariat shall be under the direction of a Secretary-General, assisted by two Deputy Secretaries-General. The Secretary-General and the two Deputy Secretaries-General shall be appointed by the Governments of France, the United States of America and the United Kingdom. The Secretariat shall be international in character. It shall act for the Agency and not for the individual Signatory Governments.

**Article 4**

Functions of the Secretariat

The Secretariat shall have the following functions:

A. To prepare and submit to the Assembly programmes for the allocation of German reparation.

B. To maintain detailed accounts of assets available for, and of assets distributed as, German reparation.

C. To prepare and submit to the Assembly the budget of the Agency.

D. To perform such other administrative functions as may be required.

**Article 5**

Functions of the Assembly

Subject to the provisions of Articles 4 and 7 of Part II of this Agreement, the Assembly shall allocate German reparation among the Signatory Governments in conformity with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. It shall also approve the budget of the Agency and shall perform such other functions as are consistent with the provisions of this Agreement.

**Article 6**

Voting in the Assembly

Except as otherwise provided in this Agreement, each Delegate shall have one vote. Decisions in the Assembly shall be taken by a majority of the votes cast.
ARTICLE 7
Appeal from Decisions of the Assembly

A. When the Assembly has not agreed to a claim presented by a Delegate that an item should be allocated to his Government, the Assembly shall, at the request of that Delegate and within the time limit prescribed by the Assembly, refer the question to arbitration. Each reference shall suspend the effect of the decision of the Assembly on that item.

B. The Delegates of the Government claiming an item referred to arbitration under paragraph A above shall elect an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the United States Delegate shall either act as Arbitrator or appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government.

ARTICLE 8
Powers of the Arbitrator

When the question of the allocation of any item is referred to arbitration under Article 7 of Part II of this Agreement, the Arbitrator shall have authority to make final allocation of the item among the claimant Governments. The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

ARTICLE 9
Expenses

A. The salaries and expenses of the Delegates and of their staffs shall be paid by their own Governments.

B. The common expenses of the Agency shall be met from the funds of the Agency. For the first two years from the date of the establishment of the Agency, these funds shall be contributed in proportion to the percentage shares of the Signatory Governments in Category B and thereafter in proportion to their percentage in Category A.

C. Each Signatory Government shall contribute its share in the budget of the Agency for each budgetary period (as determined by the Assembly) at the beginning of that period; provided that each Government shall, when this Agreement is signed on its behalf, contribute a sum equivalent to not less than its Category B percentage share of £50,000 and shall, within three months thereafter, contribute the balance of its share in the budget of the Agency for the budgetary period in which this Agreement is signed on its behalf.

D. All contributions by the Signatory Governments shall be made in Belgian francs or such other currency or currencies as the Agency may require.
PART II

5. Voting of the Budget

In considering the budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget for that period payable by his Government.

ARTICLE 11

Official Languages

The official languages of the Agency shall be English and French.

ARTICLE 12

Offices of the Agency

The seat of the Agency shall be in Brussels. The Agency shall maintain liaison offices in such other places as the Assembly, after obtaining the necessary consents, may decide.

ARTICLE 13

Withdraw

Any Signatory Government, other than a Government which is responsible for the control of a part of German territory, may withdraw from the Agency after written notice to the Secretariat.

ARTICLE 14

Amendments and Termination

Part II of the Agreement can be amended or the Agency terminated by a decision in the Assembly of the majority of the Delegates voting, provided that the Delegates forming the majority represent Governments whose shares constitute collectively not less than 80 per cent. of the aggregate of the percentage shares in Category A.

ARTICLE 15

Legal Capacity—Immunities and Privileges

The Agency shall enjoy in the territory of each Signatory Government such legal capacity and such privileges, immunities and facilities, as may be necessary for the exercise of its functions and the fulfilment of its purpose. The representatives of the Signatory Governments and the officials of the Agency shall enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connexion with the Agency.

PART III—Restitution of Monetary Gold

SINGLE ARTICLE

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

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

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

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

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

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

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

Part IV—Entry into Force and Signature

ARTICLE 1

Entry into Force

This Agreement shall be open for signature on behalf of any Government represented at the Paris Conference on Reparation. As soon as it has been signed on behalf of Governments collectively entitled to not less than 80 per cent. of the aggregate of shares in Category A of German reparation, it shall come into force among such Signatory Governments. (*)

The Agreement shall thereafter be in force among such Governments and those Governments on whose behalf it is subsequently signed.

(*) The Agreement came into force on 24th January, 1946.

will be deposited immediately if they are identifiable) shall be reunified in a common mass for purposes of distribution among the signatory states to Germany for reparations, among the signatory states, and any proceeds of spoliation by Germany or transportation of gold by Germany.

B. Without prejudice to claims for reparations by any party, the amount of gold belonging to it was looted by Germany or transferred to Germany at any time after 12th March, 1938, shall be represented at the Paris Conference on Reparation, of German reparations it shall come into force among such Signatory Governments. (*)

C. The Governments concerned to implement distribution in accordance with the foregoing provisions.

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

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

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

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

Part IV—Entrée en Vigueur et Signature

ARTICLE 1er

Entrée en Vigueur

Le présent Accord pourra être signé par tout Gouvernement représenté à la Conférence de Paris sur les Réparations. Dès qu’il aura été signé par des Gouvernements ayant droit collectivement à au moins 80 pour cent des parts prévues pour les Gouvernements signataires dans la catégorie A des réparations allemandes, il entrera en vigueur entre lesdits Gouvernements. L’Accord sera ensuite en vigueur entre lesdits Gouvernements et tel Gouvernement qui le signera ultérieurement.
ARTICLE 2
Signature

The signature of each contracting Government shall be deemed to mean that the effect of the present Agreement extends to the colonies and overseas territories of such Government, and to territories under its protection or suzerainty or over which it at present exercises a mandate.

In witness whereof, the undersigned, duly authorised by their respective Governments, have signed in Paris the present Agreement in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, a certified copy thereof being furnished by that Government to each signatory Government.

ARTICLE 2
Signature

La signature par chaque Gouvernement contractant sera considérée comme impliquant que l'effet du présent Accord s'étend à ses colonies, territoires d'outre-mer et territoires sous sa protection, ou sa suzeraineté, ou sur lesquels il exerce actuellement un mandat.

En foi de quoi, les sousignés, dûment habilités par leurs Gouvernements respectifs, ont signé à Paris le présent Accord, en langues anglaise et française, les deux textes faisant également foi, en un seul exemplaire qui sera déposé dans les archives du Gouvernement de la République française, lequel Gouvernement remettra copie conforme de ce texte à chacun des Gouvernements signataires.
These signatures are appended in agreement with His Britannic Majesty's representative for the exercise of the functions of the Crown in its relation with the Indian States.
CLASSIFIED MESSAGE CENT

OUTGOING CLASSIFIED MESSAGE

SECRET

CRYPTOGRAPHIC SECURITY DOES NOT APPLY. HANDLE AS SECRET
CORRESPONDENCE PER PARAS 44g and 53a, AR 380-5

Joint Chiefs of Staff 77500
Col C R Peck

29 November 1945

CG US Forces of Occupation Austria Vienna Austria
CG USFET Main Frankfurt Germany

Number: WARX 85965

Book message to Clark and McNarney for action from the Joint Chiefs of Staff.

1. This directive, received from the State, War and Navy Departments, is issued to you as Commander in Chief, U. S. Zone of Occupation, Austria (Germany) and U. S. Member of the Allied Council, Austria (Germany).

You will seek to obtain agreement in the Control Council to the application in the other zones of occupation of the policies laid down in this directive. If, in your judgment, it appears impossible to obtain quadripartite agreement, you will explore the possibilities of a tripartite agreement applicable to the three western zones and make appropriate recommendations to the Joint Chiefs of Staff.

You will proceed with the application of this directive in your own zone even prior to agreement, provided, however, that restitution of property defined in Paragraphs 2 C and 2 D will be effected only when the return of such property is certified by the appropriate representative of the claimant country to be urgently required for the rehabilitation and reconstruction of his country. The restitution shall not be delayed on the ground that items subject to restitution are needed to meet the military or civilian requirements in any zone of occupation provided that in the case of transportation equipment restitution may be so phased as not to reduce available transportation below that required for military deployment and for purposes of the occupation, in-

CM-OUT-85965 (Nov 45)

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212641
excluding the removal of industrial plant and equipment for reparation.

Items Subject to Restitution.

2. Without prejudice to the formulation of a definitive restitution program, the following categories of property shall, as an interim measure, be subject to restitution in accordance with the provisions of this directive:

A. All currencies of the United Nations occupied by Germany;

B. Works of art and cultural works of either religious, artistic, documentary, scholastic of historic value including, as well as recognized works of art, such objects as rare musical instruments, books and manuscripts, scientific documents of an historic or cultural nature and all objects usually found in museums, collections, libraries, and historic archives, identified as having been looted or acquired in any way through commercial transactions or otherwise by Germans from United Nations countries during German occupation;

C. Heavy and power-driven industrial and agricultural machinery and equipment, rolling stock, locomotives, barges and other transportation equipment (other than sea-going vessels) and communication and power equipment identified as having been looted or acquired in any way by Germans from United Nations during German occupation;

D. Other goods, valuables (excluding gold, securities, and foreign currencies other than those mentioned in Paragraph 2 A), materials, equipment, livestock and other property found in storage or otherwise in bulk form and identified as having been looted or acquired in any way by Germans from United Nations during German occupation.

CM-OUT-85965 (Nov 45)

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EXACT COPY
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Nations during German occupation;

E. In the case of property mentioned in C and D above which was produced during the period of occupation, restitution shall be made only if the claimant government submits adequate proof that the property in question was acquired by Germany through an act of force.

Procedures For Restitution

3. Your government will transmit to you from the governments of the USSR, France, Belgium, Luxembourg, Netherlands, Norway, Denmark, Poland, Czechoslovakia, Yugoslavia and Greece lists of property claimed to have been taken from their countries during the period of German invasion or occupation. Such lists will include wherever possible all relevant information which will aid in the identification and location of such property.

4. After examination of these lists you will indicate to your government which of these countries should be invited to send missions into your zone for the purpose of (A) substantiating claims for the restitution of property mentioned in paragraphs 2 A and D, (B) receiving information regarding the location of property which has been the subject of restitution claims by their government (C) identifying and receiving any such property to be restored or distributed in accordance with the provisions of this directive. You will recommend appropriate time and the size of the mission. After approval, details can be arranged by the respective governments direct with you as commander in chief of the United States Zone. You will furnish such missions facilities necessary to the proper discharge of their functions in your zone.

5. You will take steps to deliver all paper currency of United Nation countries invaded or occupied by Germany, now in your zone, to the government of the country of issue.

CM-OUT-85965 (Nov 45)
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without the necessity of proof that it was looted or otherwise acquired from that country during the period of German invasion or occupation.

6. You will take steps in your zone to uncover and secure possession of property covered by paragraphs 2 B, 2 C and 2 D, mentioned in lists submitted by claimant governments, and to restore such property to the government of the country from which it was taken.

General Provisions

7. You will require the claimant governments to give receipts for items received by them in accordance with the provisions of the directive. These receipts shall contain a brief description of the item received and its condition, and a waiver of any further claim as reparation or otherwise based upon the removal of the item concerned by the Germans or the exaction of funds used by the Germans to pay for it.

8. You will keep a complete record of items returned or distributed in accordance with the provisions of this directive; and you will submit to the Control Council and your government monthly reports on the progress of the restitution program.

9. The cost of administering this program of restitution shall be counted as part of the costs of occupation.

10. Any property subject to restitution uncovered in Austria and subsequently removed to Germany shall be regarded as uncovered in Germany.

11. After final determination of the amount and character of reparations removals, to be made by 2 February 1946, there should be no restitution on any items of equipment of key importance to plants retained in Germany as essential to minimum peacetime economy.
SECRET

Number: WARX 85965

Page 5

29 November 1945

ORIGINATOR: JC/S

INFORMATION: Adm Leahy, CG AAF, OPD, G-2, CAd, Adm King, Mr. Lovett, C of S.

CW-OUT-85965 (Nov 45) DTG: 300014Z cp

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End

CM-OUT-85965 (Nov 45)

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EXACT COPY
Dear Mr. Dinkel,

I am really sorry that the enclosed records didn't reach you sooner but I was delayed in Frankfurt by bad weather until November 25.

The records concern gold-transfers effected on March 8, 1939 from the accounts of the National Bank of Czechoslovakia to the account of the Reichsbank. The Reichsbank claimed this quantity of gold as part of the gold reserve of the National Bank of Czechoslovakia for Czechoslovak banknotes which Germany had replaced by marks in the so-called Sudeten-area/Munich Agreement, September 1938/. The following statement will give you a true picture of the German procedure.

In the so-called Sudeten-area the Reichsbank replaced Czechoslovak banknotes by marks. The amount had to be put in favor of a Reichsbank account with the Nationalbank of Czechoslovakia. The Germans claimed part of the gold reserve corresponding to this amount, but nevertheless used this amount for payments in the remaining territory of Czechoslovakia.

Value of the respective gold reserve / 24,536,2015 kg/ 65,800,000,-

Value of the respective foreign exchange reserve 15,200,000,-

Transfer to the clearing accounts 383,700,000,-

Transfer to other accounts 317,700,000,-

Germany was a debtor towards Czechoslovakia. These debts were settled with Czechoslovak currency gained in a territory torn off from Czechoslovakia.

Purchase of shares of Czechoslovak firms 36,100,000,-

Different payments / buildings etc/ 21,500,000,-

The gold transfer which had to be executed in this connection consists of three items:
1. Transfer from the account of the National Bank of Czechoslovakia with the Bank for International Settlements
   a/ 1000 Brussels . . . . . . . . . . . 47 bars  579,83230 kg f.w.
   b/ 1000 Bern . . . . . . . . . . . . . . 125 bars  1,468,35784 kg f.w.

2. Transfer from the account of the National Bank of Czechoslovakia with the Swiss National Bank
   1000 Bern . . . . . . . . . . . . . . 1,013 bars  12,488,01091 kg f.w.
   --------------------------
   1,185 bars  14,536,20105 kg f.w.

I hope the records and this statement will facilitate your investigations.

Yours very truly

(signed) Kroo
INCOMING TELEGRAM

CONFIDENTIAL

Central 2889

Decd February 13, 1947
11:50 a.m.

FROM: Berlin

TO: Secretary of State

(Re 563, February 15, 4 p.m.

HEINZEL. 263. (401 to Paris, 26 Lisbon, 131 Bern, 142 Brussels, 664 London) Feb 5. External US Assets Branch GHB/N has made following comments.

"Cable states that only half of negligence can be laid to Dutch for failure to furnish information on looted gold and to French who failed to follow-up lead obtained from Reichsbank records and that information just came to attention US and UK when reviewing French records. We feel it advisable to point out that such representations to France or Dutch may have embarrassing repercussions in view of following facts. Dutch furnished complete and detailed schedules of gold removed by Germany which schedules were available in Frankfurt prior to Swiss negotiations, together with records of Reichsbank sufficient to establish that major portion of Dutch gold was sent to Switzerland.

US personnel assigned to study of looted gold under Division of Investigation of Curtiss and External Assets returned to US about Dec 1946 at time of abolition of BISCA. It was assumed that they had completed reports based upon records in their possession and their failure to prepare report on Dutch gold came to attention of Finance Division only after Swiss accord was signed. It is noted that Curtiss number of gold studies team attended meeting of committee on gold on 26 May 1946 at which meeting notes were informed that according to information found in Germany there possibility that all of gold received by Switzerland from Germany was looted and that minimum of $300,000,000 was involved, and estimate amounts and about $70,000,000 all Belgian gold sent to Switzerland. In as much as Heilicke was also present at this time"

cc: Dickson, Robt. Schwartz, McColl and Curtis
CONFIDENTIAL

3- 9385, February 13, 4 p.m., from Berlin

at this and other meetings French may contend not only that US was advised of other than Belgian gold sent to Switzerland but also information available only to US was withheld. Records of Prussian mint recently obtained from Soviet sons served only to verify and supplement records held in Frankfurt since 1945.

Renewed Dutch interest anticipated following publicity recently given to matter in press and instructions are therefore sought as to attitude to be taken with respect to any Dutch request for information.9

Repealed Paris 54, Lisbon 4, Bern 21, Brussels for表现 10 and London 70.

MUCIO

MUCIO

DU FUS

CONFIDENTIAL
MEMORANDUM FOR THE FILES

September 30, 1946

Subject: Tripartite Commission for the Restitution of Monetary Gold

Background: The Tripartite Commission for the Restitution of Monetary Gold, composed of the Governments of the United States, United Kingdom, and France, was formed in September 1946 by these countries for the purpose of handling their responsibilities under Part III of the Paris Reparations Act. Part III provides for the pooling of all monetary gold found in Germany, or recovered from a third country to which it was transferred from Germany, and its distribution to claimant governments proportionally to the amount of gold established by these governments as lost after March 12, 1938, through looting. Principal features of the pooling plan are: (a) the three above-mentioned governments, as the occupying powers in Germany, are to receive the claims for the restitution of gold from countries participating in the pool; (b) these governments are to take the steps necessary to the implementation of the agreement within their respective zones of occupation; (c) the amount allotted to each government as restitution shall be accepted in full-satisfaction of claims against Germany for restitution of monetary gold, without prejudice to claims by way of reparations; (d) the question of the eventual participation of countries not represented at the Conference (other than Germany but including Austria and Italy) in the above-mentioned distribution, shall be reserved, and the equivalent of the total shares which these countries would receive, if they were eventually admitted to participate, shall be set aside to be disposed of at a later date in such manner as may be decided by the Allied Governments concerned.

Terms: The terms of the Tripartite Commission, announced on September 27 in the Department of State Bulletin, are, inter alia: (a) the Commission, although seated at Brussels, shall be independent of IAIA but empowered to communicate with that Agency, its member delegates, and whatever other governments may be concerned; (b) it shall receive, scrutinize, and adjudicate all claims, allocating the share of each claimant government in the pool of monetary gold secured for restitution; (c) it may, amongst other administrative acts, open and maintain bank accounts and make contracts incidental to its purpose.

The basis for the role of the three powers as administrators of the gold pot is apparently the fact that, as the occupying powers of Germany, they have the sole power of disposition of the monetary gold found there. With respect to gold found in third countries (which may or may not be held in the name of the German Government), the delegation of administrative power to the three countries is
probably a matter of administrative convenience as well as a confirmation of the powers delegated to these countries by IARA with respect to our Saefehaven programs in the neutrals. In actuality, Part III of the Paris Reparations Act at no point specifically states that the three powers have sole responsibility for the adjudication of the claims, but the assumption of this power is implicit in the terms of the Tripartite Commission, accorded by the statement that the Commission shall be independent of IARA. It is evident therefore that the adjudication of claims to monetary gold made by the three powers in not subject to the final approval of IARA.

Russia, the fourth occupying power of Germany, is not concerned with the question of the restitution of monetary gold owing to her renunciation at Potsdam of all claims to monetary gold captured by Allied troops in Germany. Although this renunciation is limited to gold found in Germany, it is assumed that in practice the principle will be applicable to all forms of gold which may constitute the gold pot.

The following problems with respect to the gold pot have arisen:

1. Participation of governments not signatory to the IARA agreement in the restitution of monetary gold — e.g. Austria, Italy, Poland, and France.

The participation of Austria and Italy, as well as other non-IARA countries, in the pot for the restitution of monetary gold is reserved in Part III of the Paris Reparations Act, as quoted in (d) above under "background", which provides that there must be set aside for later disposition "in such manner as may be decided by the Allied Governments concerned," the total shares to be allocated to these countries, "if they were eventually admitted to participate." This provision fails to make clear the groups actually responsible for determining the admission of non-IARA signatories, since the reference to "Allied Governments concerned", as pointed out in Telegram No. 1107 of August 31, 1946, from Dorr, could refer either to the tripartite powers, to the IARA signatories, or possibly to the signatories of the peace treaties. In this same communication Dorr advocates support of the former thesis, and subsequent communications concerning the participation of Austria and Italy make it clear that the State Department also considers this a tripartite problem. Developments to date on this question are as follows: (a) State has urged that the Tripartite Commission agree to the early admission of Austria and Italy to participation in the gold pot for emergency economic reasons; (b) Dorr and the United Kingdom representative, with the support of the French and British delegates handling the peace treaties with these countries, have expressed the view that the tripartite delegates
handling the peace treaties, not the Commission, are the proper forum for this problem; (c) Dorr and the British and French all agree that, in line with the intention of the Separations Act, questionnaires should be sent at this time to Austria and Italy for the purpose of determining their gold claims.

A sub-question to this problem has arisen in connection with certain claims which Albania and Yugoslavia have pressed against certain gold found in La Fortezza, Italy, which had been removed from the Bank of Milan. (See Mr. Franklin’s memo of September 24, 1946.) Mr. Fletcher of the State Department has informed me that the draft treaty with Italy provides that the Italian Government, prior to participating in the gold pot, must satisfy other gold claims against it. State anticipates that the $36,000,000 gold found in La Fortezza will be approximately equal to the gold claims against Italy and can be used for the purpose of meeting such claims. It may be noted that a substantial part of the gold in question in this instance is known to have been looted by Italian occupation forces in Albania and Yugoslavia (there is also a possible French claim against the gold), and the case is thereby removed from the jurisdiction of the Separations Act.

There is one further limitation to the participation of Italy and Austria in the gold pot. (It is assumed that Austria will be treated, with respect to gold claims against it, in the same manner as Italy): Neither Austria nor Italy will be permitted to participate in the division of gold to be turned over by the Swiss Government in satisfaction of the claims against it for looted gold. This limitation arose from a dispute between the French representative and the Swiss during the Swiss Safeguard negotiations as to the amount of gold to be surrendered by the Swiss. The agreement of the French to the compromise figure of 250,000,000 Sw. Francs in gold was reached only after it was agreed to eliminate Austria and Italy from participating — thereby lessening their share and, in proportion, increasing the French and other Allied shares in the gold pot. The Swiss accord, by removing further claims for monetary gold on behalf only of the IARA governments, in effect reserves the right of Austria and Italy, if they should so desire, to press further claims on Switzerland for looted gold in the future.

According to Mr. Fletcher, no decision has been reached as to the inclusion of Poland and Danzig in the gold pot, although the Tripartite Commission in these instances, too, has indicated that it is not the proper forum for securing their admission. No recent expression of opinion on this subject has been found, but a draft telegram in the files of Monetary Research prepared by the Department
of State for Angell in November of 1945 recommends the participation of Poland and Danzig in the gold pot and emphasizes the following ruling points: (a) the Potsdam provision, by which Russia assumes the reparations claims for Poland and Danzig, covers reparation, not restitution; (b) Russia's waiver of claims to monetary gold does not affect Poland or Danzig.

Dorr has raised the further question of forwarding questionnaires related to gold claims to other non-IABA countries, Bulgaria, Hungary, Rumania, and Finland despite the fact that none of these countries, according to available intelligence, suffered loss of gold through looting (with the exception of certain national-bank gold of Hungary.) This gold has been returned as an emergency economic measure with the stipulation that gold pot provisions would apply to any of it subsequendy found to be looted. It is suggested by Dorr that such questionnaires would be valuable at least in obtaining information as to looted gold held by these countries. Rumania, in particular, is reported to be a substantial recipient of looted gold. Mr. Fletcher informs me that the Tripartite Commission has been instructed to issue modified questionnaires to these countries.

2. Question as to whether IABA signatory countries are required under Reparations Act to turn over looted gold found therein to gold pot for restitution.

With respect to the source of gold which is to constitute the gold pot, the Reparations Act refers only to: (a) all monetary gold found in Germany and (b) any monetary gold which may be recovered from a third country to which it was transferred from Germany. I accordingly asked Mr. Fletcher of State whether the IABA signatory countries were deliberately excluded as sources of gold for restitution. Mr. Fletcher informed me that a recent problem along these lines has arisen in which case the French are claiming certain gold coins, apparently looted, which were found in Algiers and are now held by the Allied Forces. Mr. Fletcher stated that the French claim exemption of IABA signatory countries from the restitution principle on the grounds that, according to customary legal and diplomatic practice, the reference to "third" countries eliminates the signatories. In the course of my conversation, however, Mr. Fletcher spoke over the phone with a representative of the French Embassy and agreed to cancel previous instructions to Algiers to forward the gold coins (which are of insignificant value) to Frankfurt and to hold the coins in Algiers without prejudice to their ultimate disposition. Mr. Fletcher asked my opinion on this question and I told him, as a matter of justice and to carry out in full the basic principle of pooling the gold, I felt that IABA signatories should also be required to turn over looted gold to the gold pot. In any instance, it seemed to me that such gold should count against the signatories' reparations shares. Mr. Fletcher (at least at that point) was of the same opinion. Nevertheless, it appears
probable that the reference in the Reparations Act to "third countries" was deliberate, and I suggested to Mr. Fletcher that the minutes of the Paris meeting should be studied to confirm this point. If this is not the case, it would seem to me that a further agreement on this question by IARA should be reached.

On this same point there is now pending a question concerning the disposition of $5,000,000 gold found in Austria which was evidently originally owned by the Austrian National Bank, acquired by the Reichsbank, and left by the latter in Vienna to the credit of the German Foreign Office for political operations in the Balkans. In T-1247 of September 24, 1946, from Brussels it is stated that American officials in Austria are arguing that gold recovered within the borders of IARA countries are not included in the gold pot.

According to T-1076 of September 25, 1946, from the State Department to Brussels, the gold pot presently consists of $263,000,000 worth of monetary gold found in Germany and about $66,000,000 promised by Switzerland and Sweden. (It may be noted that this is the first telegram in which DDR is informed of the current dispute with the Swiss over the rate according to which their gold contribution is to be converted)

cc: Messrs. Glasgow - McNell, Locker - Alk - Fasch - Volkman
Misses Daff and Steinberg
Memorandum for: Mr. Orvis A. Schmidt
Foreign Funds Control
Treasury Department

Subject: Shipments of German Gold from Switzerland to Spain and Portugal

Reference: Our memorandum to you, L4-10,231, dated 26 February, 1946.

1. You will find attached additional information concerning shipments of German gold from Switzerland to Spain and Portugal.

Jason Paige, Jr.,
Liaison Officer
6 March 1946

SUBJECT: Shipments of German Gold From Switzerland to Spain and Portugal

1. The following additional information has been received concerning shipments of gold from Switzerland to Spain and Portugal. This information is a translation of a photostat copy of a document prepared from French Custom records in Bellegarde.

2. The translation is as written, and some items are incomplete, illegible or not clear to us as to their meaning. The value is believed to be given in French francs.

3. It is noted that contrary to previous information, the gold was shipped in the form of bars, ingots, coins and bulk.

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<th>Description</th>
<th>Quantity</th>
<th>Net Value</th>
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<td>Ingots</td>
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<td>8/42</td>
<td>do.</td>
<td>1,166 kg</td>
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1 attachment
<table>
<thead>
<tr>
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<th>Nature (of shipment)</th>
<th>Weight</th>
<th>Value</th>
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<td>1.0 05&quot; 9.29 50,009.00</td>
</tr>
<tr>
<td>285</td>
<td>28/4/42</td>
<td>do.</td>
<td>Net.</td>
<td>1.2 37&quot; 1.02 62,068.00</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>Silver Ingots</td>
<td>Net.</td>
<td>4 10&quot; 5.53 528.44</td>
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<tr>
<td>304</td>
<td>4/5/42</td>
<td>Gold Ingots</td>
<td>Net.</td>
<td>1.0 07&quot; 44.32 50,250.00</td>
</tr>
<tr>
<td>315</td>
<td>11/5/42</td>
<td>do.</td>
<td>Gross</td>
<td>1.3 81&quot; 5.15 63,748.00</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>Gold Coin</td>
<td>Gross</td>
<td>31&quot; 7.28 1.025.00</td>
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<tr>
<td>333</td>
<td>18/5/42</td>
<td>Gold in Bars</td>
<td>Net.</td>
<td>9 99&quot; 7.92 49,980.00</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>&quot;</td>
<td>Net.</td>
<td>42&quot; 63.75 2,150.00</td>
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<tr>
<td>353</td>
<td>26/5/42</td>
<td>&quot;</td>
<td>Gross</td>
<td>1.1 20&quot; 0.00 51,520.00</td>
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<tr>
<td>354</td>
<td>26/5/42</td>
<td>&quot;</td>
<td>Gross</td>
<td>4 22&quot; 3.10 19,810.00</td>
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<td>368</td>
<td>1/6/42</td>
<td>&quot;</td>
<td>Gross</td>
<td>1.65&quot; 0.10 7,894.00</td>
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<tr>
<td>--</td>
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<td>&quot;</td>
<td>Net.</td>
<td>1.008&quot; 04.97 50,250.00</td>
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<td>385</td>
<td>8/6/42</td>
<td>&quot;</td>
<td>Net.</td>
<td>94&quot; 9.70 4,813.00</td>
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<tr>
<td>--</td>
<td>--</td>
<td>&quot;</td>
<td>Gross</td>
<td>1.1 91&quot; 9.50 54,004.00</td>
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<tr>
<td>387</td>
<td>9/6/42</td>
<td>&quot;</td>
<td>Gross</td>
<td>4 70&quot; 2.74 22,237.00</td>
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<td>390</td>
<td>11/6/42</td>
<td>&quot;</td>
<td>Gross</td>
<td>9 36&quot; 6.17 46,740.00</td>
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<td>397</td>
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<td>Gross</td>
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<td>410</td>
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<td>Gross</td>
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<td>414</td>
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<td>Gross</td>
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<td>Net.</td>
<td>1.166&quot; 3.92 59,200.00</td>
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<td>Transporter (Name of Company)</td>
<td>Trademark (or Make) of truck and No.</td>
<td>Shipper</td>
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<tr>
<td>Bertolo 127</td>
<td>Wiesenschutz, Ernst Bernhard v.d.-Belo</td>
<td>(illegible)</td>
<td>Banque</td>
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<td></td>
<td></td>
<td>(illegible)</td>
<td>do.</td>
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<td>do.</td>
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<td>Bertolo 285</td>
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<td>do.</td>
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<tr>
<td>Pothier 139</td>
<td>Voegtlins Meyer Brugg</td>
<td>Bazo Saurer AG 7302 20362/76</td>
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<td></td>
<td>do.</td>
<td>do.</td>
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<tr>
<td>Pothier 189</td>
<td>Otto Junker Oberammergarten</td>
<td>BS 21313 20362/55</td>
<td>do.</td>
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<td>do.</td>
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<td>do.</td>
<td>do.</td>
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<tr>
<td>Pothier 219</td>
<td>Haber Rudolf AG, Bale</td>
<td>F.B.N. BS 3244</td>
<td>do.</td>
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<tr>
<td>Bertolo 663</td>
<td>Lastag Bale</td>
<td>Berna C.H.R.S. 32 (?)</td>
<td>do.</td>
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<tr>
<td>Pothier 260</td>
<td>Warti Ernst Ballmer</td>
<td>Saurer B E 3447</td>
<td>do.</td>
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<td></td>
<td></td>
<td>do.</td>
<td>do.</td>
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<tr>
<td>Bertolo 754</td>
<td>Lastag Bale</td>
<td>Berna B S 3447 (illegible)</td>
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<td>Pothier 304</td>
<td></td>
<td>do.</td>
<td>do.</td>
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<td></td>
<td>Otto Junker Oberammergarten</td>
<td>Berna (illegible)</td>
<td>do.</td>
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<td>Berna B (illegible)</td>
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<td>Pothier 328</td>
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<td>Saurer (illegible) AG</td>
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<td>Berna C.A. AG 7093</td>
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<td>do.</td>
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<td>Otto Junker Oberammergarten</td>
<td>Berna BS 21313</td>
<td>do.</td>
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<td>Saurer 709</td>
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<td>Berna AG 7092 ? (Not clear)</td>
<td>do.</td>
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<td>Saurer J 309 AG</td>
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<td>Bank of Republic of Andorra, Andorra</td>
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<td>Instituto Español de Moneda Extranjera, Madrid</td>
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<td>Bo. National, Madrid</td>
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SECRET 212662
STAFF MESSAGE CENTER
OUTGOING CLASSIFIED MESSAGE

SECRET
PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE
PER PARAGRAPHS 511 AND 60A (4) AR 380-5

Civil Affairs Division
Lt Col Jorgenson 5013
(Mr Hemmendinger)

9 April 1948

OMGUS Berlin Germany

INFORMATION:

HQ EUCOM Frankfurt Germany

Number: WARX 99351

From CSCAD cite Econ. Received Mar CC 3529. Delivery of monetary gold coin to Tripartite Commission is subj.

Meeting with representatives State, Treasury resulted fol conclusions:

1. OMGUS has responsibility to deliver to Commission such gold as was recd by OMGUS for safekeeping. For this purpose items listed so-called Howard Inventory should form basis for receipt. OMGUS responsibility should include willingness to certify that specified items listed in Howard Inventory are being delivered.

2. OMGUS has no responsibility for accuracy of weights listed in Howard Inventory and in event Bank of England finds discrepancy OMGUS not responsible therefor and any loss shall be for acct of Tripartite Commission. Incidentally, fact that Howard Inventory performed by foremost US mint experts and that recheck of weights at time of assembly of first preliminary distribution revealed inventory weights to be amazingly accurate, indicates likelihood that little discrepancy will be found in total weights.

3. On basis foregoing, full text of receipt is suggested,

CM OUT 99351

(Apr 48)

SECRET

*THIS DOCUMENT CONTAINS INFORMATION

AFFECTING THE NATIONAL DEFENSE OF THE
UNITED STATES WITHIN THE MEANING OF THE
SPA MAI.2 ACT. 56 0. CO. 31 AND 32. THE
REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED
PERSON IS PROHIBITED BY LAW.

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

COPY NO.

212663
subj to such minor modifications as you and Commission may agree upon:

"The Tripartite Commission for the Restitution of Monetary Gold herewith acknowledges receipt of blank blank sealed boxes said to contain blank blank blank bags of gold coin. The bags of gold coin herewith received for are listed and described in the Howard Inventory as follows: (include here listing contained in Howard Inventory) and according to said inventory are said to contain blank blank blank ounces of fine gold. This receipt is delivered by the Tripartite Commission upon the basis of a certification by OMGUS that the sealed boxes contain the above-listed items received by it for safekeeping.

"In consideration of the delivery of such sealed boxes containing such bags of gold coin the Tripartite Commission for the Restitution of Monetary Gold herewith releases OMGUS from any responsibility for such differences in the contents of the sealed bags from the description of the contents contained in the Howard Inventory as may be found but will hold OMGUS responsible for the failure to deliver any of the aforementioned items which it purports to be delivering."

4. In similar manner text receipt concerning boxes containing share assembled and set aside for Austria could be worded by referring to total number of specified sealed boxes containing Austrian share as assembled under specifically described circumstances.

5. Please advise results of discussions with Gold Commission on foregoing.

End

NOTE: CC 3524 is CM IN 3489 (17 Mar 48)

ORIGINATOR: CAD

DISTRIBUTION: CAD (STATE), PO, OAS

CM OUT 99351 (Apr 48) DTG 100112Z ss

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THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

212664
CONFIDENTIAL

TELEGRAM

FROM: Brussels
TO: Secretary of State
NO: 1064 July 3, 5 pm

FOR GA AND LEE FROM DOOR

Further REDOTEL 906, June 27.

(1) At gold commission meeting yesterday all agreed earliest possible preliminary distribution advisable. To accomplish this it was further agreed:
   (A) commission would seek expeditious receipt Netherlands-Albanian claims which
       not yet filed, also Czechoslovak and Italian, which not submitted in English or
       French and to secure formal statements from India, US, UK, France of their lack
       of claims.
   (B) Greece would be requested furnish immediately total amount claimed over
       that covered by commission definition and state to what extent this could be
       substantiated by "detailed and justifiable data." Commission, however, insisting
       adherence its definition and making request for this data without prejudice.
   (C) Gold experts would meet July 7 to determine what claims not subject question.

(2) US, UK, France would be requested to supply official statements amount gold
    found in Germany and recoveries from third countries.

(3) Department may wish consider form of receipt which commission should demand
    from recipient countries particularly in light of neutral accord.

(4) For Department's information connection any further gold discussions with
    Poles, including signing protocol, would point out that preliminary examination
    Polish claim submitted commission indicates virtually entire claim not allowable
    under commission definition and that 132,000 KG of total claim of 154,000 appears
    based pure speculation. Commission therefore felt it unwise to attempt any
    answer to Poles pending close study of claim by experts.

(5) French again raised question of moving Frankfurt gold suggesting no army
    a fit gold custodian. US, UK, however, stressed undesirability incurring expense
    of transfer and other custody. Agreed request US authorities make test assay of
    remelted bars to confirm gold content and to describe security measures.

Sent Department 1064, repeated Paris 74, London 70.

Kirk

7-8-47 00 00
August 1, 1947

Mr. Schmidt

Mr. Schwartz and all four subordinates have been advised by Mr. Adams' memorandum and cable that also could be covered by Mr. Schwartz's memorandum of July 29, 1947.

Mr. Howard's memorandum of July 29, 1947, referred to Despatch No. 4229 dated March 11, 1947, from London. Despatch No. 4229 refers to a February 10, 1947 meeting in London of the United Kingdom, France, and the United States on the gold pool and transmits a copy of a memo of March 7, 1947 from the French (British concurred) on "technical problems relating to restitution of monetary gold." This French memo was the result of the meeting in February in London and it is concerned with: (1) verification of the quantities of gold which will constitute the monetary gold pool, (2) monetary gold to be recovered from third countries in accordance with paragraph 9 of the sole article of Part III of the Paris Accord.

The Despatch No. 4229 forwards the French request that the text of their memorandum be reviewed by experts of the United States for examination and an expression of views thereon. Our files do not carry any one complete answer from State to this despatch although incoming cables from Brussels continued to explore points with which the French memorandum is concerned. Some outgoing despatches from State deal with points considered in the French memorandum.

Mr. Howard points out either of two proposals for the handling of Frankfurt gold would be satisfactory: (1) that the Frankfurt gold be shipped to France and Great Britain for recasting into bars, the cost of which would be borne by the gold pool. This process, he feels, would be the most satisfactory if the United States would not have to bear the cost, (2) ship the majority of the gold on the basis of its present inventory to those countries that are to receive the gold.

The draft telegram prepared by me on July 15, 1947 relates to the same points of the earlier French memorandum transmitted to us. However, it may be pointed out that the original French memorandum was never answered and our draft cable was an answer to a Brussels telegram 1066 dated July 3, 1947. This latter Brussels telegram, if it presents the correct view, does require an answer and is assumed to supersede that of the March 11, 1947 despatch.

Mr. Howard's memorandum refers to the fact that the French proposed in their memorandum that gold coins at Frankfurt be distributed as such. A "real review" inventory of the balance of the gold coins would be a tedious and costly job. The decision still has to be made as to either the distributing of the gold coins in proper proportions to recipient countries as against melting the coins before distribution. Mr. Howard points out that it may be desirable to question the distribution of United States gold coins among the Frankfurt gold since our government has melted its domestic holdings of gold coin.

FILE COPY

212666
I have reviewed all the despatches that were attached to Mr. Howard's memorandum and think that the problem he raises can be briefly settled by a meeting to which a representative of this Office, the General Counsel's office, Mr. Howard and Dr. Fletcher are present. The problem is two-fold: (1) to reach a decision on the United States position toward the inventory and disposition of Frankfurt gold with due consideration to London Despatch No. 4229 and Brussels 1065, (2) to see that Mr. Howard in future promptly receives copies of all gold despatches so that he may add his technical knowledge toward solving the gold question, (3) to see that Dr. Fletcher refers gold problems of a technical nature such as assaying, melting, etc. to Mr. Howard rather than the New York Federal Reserve Bank.

Recommended Actions:

1. Make my gold files available to Mr. Howard.
Treasury Department
Division of Moneta.

Date: 1/31/47

To: Mr. Leland Howard

From: Mr. Robert Schwartz

For your approval and initials (file copy)
Dr. Otte F. Mather, ES Division, State
Premier Apts., Room 209, 716-18th St., N.W.
Mr. Robert J. Schwartz, Treasury

Re telegram 1064, July 3, 1947

You will recall that in a telephone conversation earlier this week you agreed to hold the telegram which is based on my memo to you of July 15. The proposed telegram was an answer to paragraph (4) of Brussels telegram 1064 dated July 3. After further discussion with Mr. Howard, Bureau of the Mint, we decided that the telegram should not be sent to Brussels. Therefore, would you please note same on my memo of July 15. In the near future I would like to arrange a meeting with you to discuss some of the problems related to the Frankfurt gold.

cc: Schmidt, McNeil

EJSims: 7/31/47  AGS

FILE COPY

212669
Treasury Department  
Division of Monetary Research  

Date: 7/30 194...

To: Mr. Schmidt

From: Mr. Howard send a carbon copy of the attached memorandum to Mr. Schwartz. Mr. Schwartz today asked me for the enclosures which came with the attached so that he could review the whole matter and have it ready to present to you on your return. I turned the enclosures over to him this afternoon.

M. Dodd

Document came in marked "Secret"
TO Mr. Schmidt

FROM Mr. Howard

Referring to my memorandum of July 11th and yours of July 18th, I want to bring to your attention the confusion which now exists relative to the gold held in Frankfurt.

I wrote my memorandum of July 11th because I by chance saw the incoming communication concerning the testing of gold and wondered whether or not the Mint would be called upon to make such test. You gave my memorandum to Mr. Schwartz and he communicated with me and we worked out a cablegram to Brussels, a copy of which you sent me with your memorandum of July 18th. The essence of this cable was that we felt that the majority of the gold stored at Frankfurt had been inventoried in such a manner that it could be shipped elsewhere without test assaying or further inventorying. I pointed out to Mr. Schwartz that if a drill or chip sample was taken for an assay, all the bars would have to be reweighed and scheduled thus putting the United States Government to a lot of expense. This cable was prepared by Mr. Schwartz after consulting with me and appeared to me to be adequate in view of information that we had.

At the time I prepared my memorandum of July 11th, I requested the Mint file room to secure additional information, if possible, on the gold stored at Frankfurt, that is, other cables if they were available. As a result, I received several incoming and outgoing airgrams relating to the matter. Practically all of the outgoing airgrams had been prepared by Mr. O. F. Fletcher in the State Department. From the content of the airgrams, he apparently has been carrying on considerable discussion with the Federal Reserve Bank of New York. He mentions in many of the airgrams that the Treasury will be consulted. Whether or not he consulted anyone in your Division I do not know, but from the language in some of these airgrams it appears that he did not consult anyone in the Treasury. I might state that the Federal Reserve Bank of New York is not equipped to express an opinion on gold other than the storage of gold bars. It does not melt, assay, cast bars or refine gold and depends upon the Mint for advice relative to such matters. There have been times when I have been in a meeting and have had reported verbatim information which had been secured by officials of the Federal Reserve Bank from me. As a rule, when persons in your office, or in the State Department, call the Federal relative to gold matters, the Federal either gets the information from the New York Assay Office or this office.
The cable that was prepared by Mr. Schwartz, after conferring with me, makes me look ridiculous in view of a document dated London, March 11, 1943 (marked SECUT) which I received on July 22nd. This document transmits a note concerning the technical problems relative to the restitution of monetary gold in which it is suggested that the gold be shipped to France and Great Britain for recasting into bars. In other words, the note suggests what I have contended and that is, only one melting should be made in connection with the inventorying of the bars. Under this procedure the gold would be taken out of Frankfurt on the basis of the present inventory and remelted and cast into good delivery bars. It is assumed from this document that the cost will be borne by the gold pool and not by the U. S. Government. I state again that I am of the opinion that the majority of the gold in the Reichbank at Frankfurt can be shipped on the present inventory and that the resulting bars will approximate the inventory as it now stands. The gold can be taken out in lots and a check kept on the present inventory when the actual weight is established by remelting and assaying.

I venture to guess from looking over the outgoing airgrams that the officials in Europe working on the gold problem are thoroughly confused and wonder what it is all about. I personally would feel much worse if I did not know that the head of the Bullion Department in the Bank of England, Mr. Coulton, knows that we know better.

You are familiar with the gold inventory. You know how it was taken and its limitations. You will recall that we went over the report together prior to my departure from Frankfurt. Also, you know that an exact inventory of gold cannot be made unless the gold is melted, a dip sample taken of the molten metal, and the gold cast into bars, weighed, scheduled and net gold content calculated on the basis of weight and assay. That is why the U. S. Mint Service melts the gold bars that come to it instead of basing the value on drill or chip samples. I state that the majority of the gold in Frankfurt is inventoried well enough to distribute it on the basis of such inventory. It is pointed out that the Germans faked the dates on the bars and that this cast doubt on the gold content. There is a chance that the Germans did fake assays. We know, however, that they recast the bars and put fake dates on them because they intended to ship them to Switzerland and convince the Swiss that they had been in Germany prior to the war. I don't think they would have tried to fool the Swiss on the gold content. Certainly, they would not have faked their books in order to fool us because they did not intend for the gold to be captured by us. I have held out on the United States spending any more money to get this gold in good delivery bars for the governments that will receive it. If we are going to do that, let's ship it to the New York Assay Office. With inexperienced help, I think the assaying of the bars from drill or chip samples would lead to errors. Once you have drilled or chipped a bar you must reweigh it and reschedule it. This is a job for experts and unless you send a trained crew to Germany to do the work, at great expense, many errors could creep in. Many bars would still have to be melted in order to have good delivery bars in the World market. The bars, if melted, would lose their present identity and may hinder tracing the origin of the gold.
My first proposal has been to ship the majority of the gold on the basis of its present inventory to those countries that are to receive the gold. If we can trust them, we can rely upon their findings of the fine gold content. Enough gold could be held back to make up differences which, no doubt, will occur but will be, in my opinion, small. The second alternative is the one proposed in the note attached to the dispatch of March 11th. That is, have all the gold recast into good delivery bars by the French or British, or both. If the expense of recasting these bars does not have to be met by the United States, then I would favor this as my first choice because everybody would be satisfied with the inventory resulting from this process. There is some gold in Frankfurt which must be melted in order to determine the gold content. You will recall that we did not inventory some of it because we would not venture an estimate on its value. Some of it must be refined and I assume the pool will pay for this or an adjustment will be made.

One thing I want to point out to you is that in the report from London dated March 11th it is proposed that the gold coins in Frankfurt be distributed as such because of the premium value obtainable for gold coins. You will recall that a large number of these coins are U. S. We have melted our coins. Do we have any argument to have these melted? One argument that could be put forth now that the Fund has come out against premium prices on gold is that such coins should not pass at a premium. No one seems to question our inventory of the coins. Of course, we merely weighed them and calculated the net gold content by using the fineness of the particular type coin. If the coins are mixed, and we used only one fineness, our inventory could be off some. For example, if United States and British coins were mixed and we used either 900 or 916 2/3 fineness, it would make a difference. May be we should argue that they be melted to make certain that there is a correct inventory. This is a problem to which I think you should give some attention.

In summary, I suggest that a search be made in all the files here and in the State Department to find out what has been received and what has gone on this gold problem. I think Mr. Fletcher in the State Department has been very busy on this matter. Once we have all the material before us for review, I believe you and I, or anyone that you designate, can go over this material and settle this whole problem in about 15 minutes. There is nothing difficult about it. We have a complete list of all the material in the Reichsbank with the exception of some of the junk in the form of jewelry, etc., that we did not inventory. We can decide just how the values stored there shall be distributed once it has been decided who shall receive it. If the French and British want to melt the gold and cast it into good delivery bars I think it should be done if it doesn't cost us anything. If it is to cost the United States money to do this then I think we should insist that the

3 - Mr. Schmidt - July 29, 1947
4 - Mr. Schmidt - July 29, 1947

gold be distributed on the basis of the present inventory with the understanding that enough will be held back in a pool to make a final adjustment. I point out that a real inventory of coins held in Frankfurt would entail a review of each coin for classification and segregation. This would be a tedious task that only experts could do.

I attach the documents that I received in my round-up of material on this matter. I know that there is a lot more material that I have not seen and I do not believe your people have seen it either. One thing I refer to is a copy of the minutes of the first three meetings of the gold commission which was supposed to be an enclosure to a dispatch from the Tri-partite Commission for the restitution of monetary gold, dated Brussels, June 2, 1947.
July 18, 1947

From Brussels.

Of which date July 11, part refers
ur memorandum of July 11 to me
s to State Department.

At the present stage the
Army is not a good custodian
the gold from Frankfurt now would
or are being made to effect a
on as possible. It is recognised
of claims will still take some time
in any moving of the gold from

Prepared here for dispatch by
a proposed test assay of remelted

Attachment.

Before surrender of this office, Room 5325, extension 2029,
has been doing work on the looted gold problems. He will be glad
to discuss questions which arise from these telegrams or other
sources. It will be helpful if you continue to call our attention
to any situation that you feel warrants action.

Orvis A. Schmidt

Confidential memorandum
from Mr. Howard to Mr. Schmidt,
7/11/47 - re gold stored in
Frankfurt. Telegram from
Brussels att.

To: Mr. Robt. Schwartz

From: OAS

Have we received any request
from State on this matter?

Date 7/14 1944

Later attached: 7/11/47

Treasury Department
Division of Monetar: bank

7/11/47

Mr. Robt. Schwartz

Mr. Howard to Mr. Schmidt,
7/11/47 - re gold stored in
Frankfurt; Telegram from
Brussels att.

Orvis A. Schmidt

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Attachment.

FILE COPY

212675
Robert Schwartz of this office, Room 5325, extension 2029 has been doing work on the looted gold problems. He will be glad to discuss questions which arise from these telegrams or other sources. It will be helpful if you continue to call our attention to any situation that you feel warrants action.
TREASURY DEPARTMENT

July 11, 1947.

Reference to para (k) ur. 106, dated July 3. Dept agrees undesirable transfer gold Frankfurt for other custody. Treasury requests further information on proposed test assay of resmelting bars to confirm gold content. What extent do the French propose for test assay? Is plan to use U.S. Mint assayers for this purpose? If so, Treasury must be advised as much as possible in advance of date of test. Alternative proposal to request for U.S. assayers would be to distribute sample of gold to recipient countries for their testing under supervision. U.S. Mint feels that majority gold stored at Frankfurt will approximate inventory figures and therefore additional expense on our part should not be incurred to re-inventory metal other than where estimates are indicated.

I agree that the assay is not a good solution for this, and I have stated previously, besides the constant change in standards. Also, the vendors in the Baselact in Frankfurt do not wish to sell such production. However, as the long term test in charge for over two years, this is a bad time to act up the question of a change.

Take of the opinion that a lot of the way our estimate of the gold in the Baselact as a whole has to be made by country that is provided it not to. Yet they can be revised. I am certain that the gold is from Baselact will closely approximate the value given at it by the manufacturers. Of course, there are some gold there of value of which the estimate. This sort of necessity be treated prior to final determination.

When these values are received in the Mint we do not know what action we are supposed to take. I assume changes in this Treasury is responsible for the gold in Frankfurt and we will be notified if and when our services are needed.

CONFIDENTIAL

RJS:MLW 7/18/47

FILE COPY
TO: Mr. Orvis Schmidt.

FROM: Mr. Howard.

In reference to the attached telegram from Brussels concerning gold stored in Frankfurt, I wish to call attention to paragraph four, concerning a test assay of remelted bars. If Mint assayers are to be used for this purpose we should appreciate receiving the request well in advance of the date they are to report for work.

I agree that the Army is not a good custodian for gold, as I have stated previously, because of the constant change in personnel. Also, the vaults in the Reichbank at Frankfurt do not afford too much protection. However, as the Army has been in charge for over two years, this is a bad time to bring up the question of a change.

I am of the opinion that a lot of work can be wasted on the gold in the Reichbank as a great deal of it is ready for shipment to any country that is equipped to melt it. If they can be trusted, I am certain that the gold resulting from melting will closely approximate the value given to it by our committee. Of course, there was some gold there the value of which was estimated. This must of necessity be treated prior to final determination.

When these cables are received in the Mint we do not know what action we are supposed to take. I assume someone in the Treasury is responsible for the gold in Frankfurt and we will be notified if and when our services are needed.
INCOMING TELEGRAM  
CONFIDENTIAL  

FROM: Frankfurt

TO: Secretary of State

RE: 1945 March 5, 9 p.m.

Reference DEPT 1161, February 7, 1950

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 (CUR367, December 12, 1949). HICOG questions advisability decision not deliver this gold to US. Decision deliver to US 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 US.

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

Decision reached 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 Reichsbanker Fuer Edelmetalle (Office Control of Precious Metals). We further understand that procedure used in Germany previously was along following lines: Reichsbanken bought gold of all types, forms and weights. Gold was then sent to refineries and melted and refined into standard (12.5 kg) gold bars. Reichsbanken released gold this form to Reichsbanker 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 59, regardless of forms, fineness, etc., would go to gold pool.

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

Hamlo

5-15-50

pol

212679
Proposed Note from the Governments of France, the United Kingdom and the United States to the B.I.S. concerning the basis for a settlement for looted gold acquired by the B.I.S.

1. The Governments of France, the United Kingdom and the United States, desiring to avoid any conflict in the settlement of the gold which has been seized, and to provide for a speedy settlement of the claims of the B.I.S., as represented to them by the Director of the B.I.S., for the excess above the amounts agreed on by the B.I.S. in the settlement, are of the opinion that a settlement on the following lines would be desirable.

2. The B.I.S. to make immediate restitution of the 728 gold bars containing approximately 3708.38016 fine kilograms (or the equivalent thereof in gold) representing gold taken by Germany from France and the Netherlands and subsequently acquired by the B.I.S. The three Governments are prepared to present sufficient data to identify the aforementioned 728 gold bars which, it is understood, have been the subject of conversations between officials of the B.I.S. on the one hand, and of the Bank of France and the Netherlands Bank on the other hand.

3. An undertaking by the B.I.S. to make restitution of any additional amounts of looted monetary gold which the three Governments, on the basis of the examination of the above-mentioned records and any other information available to them, are able to establish was acquired by the B.I.S. Any claims for additional amounts of gold not presented by the three Governments within one year after the date of the agreement shall be considered barred.

4. Acceptance by the B.I.S., for the purpose of determining the additional amounts of gold which it undertakes to restitute in accordance with paragraph 3 above, of the principle that any monetary gold taken by Germany from a country during the period of military occupation thereof shall be considered to be looted gold regardless of the legal forms or devices used in effecting the transfer thereof.
5. Relinquishment by the B.I.S. of any claim to an amount of 1525 kilograms of gold recovered by the Allies from the Constance branch of the Deutsche Reichsbank where, according to the information in the possession of the three Governments, it had been deposited in the last days of the war to the credit of the B.I.S. and an agreement that the informaent gold should, under the terms of the Paris Agreement on Reparations of January 15, 1946, be covered into the pool of monetary gold for distribution by the Tripartite Commission for the Restoration of Monetary Gold in accordance with the provisions of the Paris Agreement and the Terms of Reference of the Commission.

The conclusion of an agreement by the B.I.S. along the lines indicated above will be considered by the three Governments as satisfying the provisions of the Declaration on Gold Purchases of February 27, 1944, and therefore the movement of monetary gold for the account of the B.I.S. will no longer be subject to restrictions by the three Governments on the grounds of its having been located.

The conclusion of an agreement by the B.I.S. in the sense of the provisions of the Declaration on Gold Purchases of February 27, 1944, will be considered by the three Governments as satisfying the provisions of the Declaration on Gold Purchases of February 27, 1944, and therefore the movement of monetary gold for the account of the B.I.S. will no longer be subject to restrictions by the three Governments on the grounds of its having been located.

The B.I.S. will make available for consideration by representatives of the three Governments the question of its gold holdings at the end of January 1, 1946, for the purpose of determining the amount of gold available for transfer to other Governments. The question of the availability of the United Kingdom’s net holdings in gold and other assets will be discussed by representatives of the three Governments in the course of the negotiations.

The B.I.S. will be responsible for the transfer of its gold holdings to the United Kingdom. The three Governments will be responsible for the transfer of their gold holdings to the United Kingdom. The question of the availability of the United Kingdom’s net holdings in gold and other assets will be discussed by representatives of the United Kingdom and the United States in the course of the negotiations.

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LOOTED PROPERTY

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## B. BRETTON WOODS DECLARATION

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A-146

DEPARTMENT OF STATE

SEP 4 1944

From the Department, Treasury and FD.

I. To consider the early adoption, by the Government to which you are accredited, of the following gold policy to be of greatest importance:

On their own behalf the Government of ______ will not acquire any interest in or receive for deposit gold in which any Government, entity or person in occupied territories or Axis countries and associated countries has an interest and will prohibit the receipt or acquisition of such gold by entities or persons within its jurisdiction. Moreover, the ______ Government will not permit the hoard for defence, any of for storage in bond of gold in which any Government, entity or person in occupied territories or Axis countries and associated countries has an interest, nor will they permit their currency or other currencies to be made available for or to take hold already held in ______ for or on behalf of any such Government, entity or person.

S. Yol

212684
You are authorized to convey negotiations with the government to which you are accredited looking toward the immediate acceptance by the government of the above policy or to represent that London is ready to act in the interest of the British. It is to instruct your British colleague accordingly, unless you receive instructions to the contrary from C.E., you should wait until you have been advised by the American Embassy in London that instructions have been received from the British government before proceeding with this matter. For your information, a new review by all major instructions to the Nordic mission is in progress.

If you would like to proceed in your negotiations the United States will not be ready until tomorrow. The American situation is as follows: the German government is ready to act in the interests of C.E. The British government, on the other hand, is not ready to act until they receive instructions from the United States, unless the British government can act in the immediate interest of C.E. If C.E. can give the British government an assurance that the Anderson offer will be accepted, the United States will be ready to act in the interest of C.E. The British government would like to act immediately, but the United States is not ready until tomorrow.
property to its rightful owners. Furthermore, any acquisition of, or transfer of title to, Axis-tainted gold will not be recognized by the nations who have subscribed to the Gold Declaration of February 22, 1944. Dealing in such gold will result in being prevented from selling to any country which has joined in the Gold Declaration not only that gold but also other gold held by it which is located outside the territorial limits of the country to which the gold is tendered for sale. Consequently, the immediate adoption of the gold policy suggested above would be clearly beneficial to the long-run economic interests of .

"There should be no difficulty in obtaining a firm assurance in the desired gold policy in view of her break with Germany. Immediate action on the part of Turkey to refuse to buy Axis-tainted gold from the European neutral countries (it is assumed that Turkey will not now..."
and A-146

knowingly buy gold from Germany) would be a substantial contribution toward making more difficult Germany's efforts to obtain needed foreign exchange by the sale of gold. Moreover, gold imported before the break in relations might be in the process of transfer within Reich borders.

A similar approach is being made to the other European neutrals.
From: Mr. Taylor

March 18, 1944

Re: Mr. Minskoff

Heykjavik

March 18, 1944

Read March 21, 3p

The Department of the Treasury, in accord with its circular of March 15, has issued by note dated March 15, has substance of the Department's circular object of Axis loot gold as follows:

...all maintain the policy not to buy transfer of any currency for gold purchase of the present European possession has already taken necessary measures in accordance with this policy there is, consequently, no possibility that any such gold to which reference is made in the aforesaid declaration, of the Treasury of the United States will be purchased for importation into Iceland."

Morris

EM: wgg

eh: copy

3/23/44
The Minister for Foreign Affairs by note dated March 15, has informed me with reference to the substance of the Department's circular telegram of February 23, on the subject of Axis looted gold as follows:

"...the Ministry of Finance will maintain the policy not to buy any gold or give consent to the transfer of any currency for gold purchases in the near future or until cessation of the present European hostilities. The Ministry of Finance has already taken necessary measures to this effect.

In accordance with this policy there is, consequently, no possibility that any such gold to which reference is made in the aforesaid declaration, of the Treasury of the United States will be purchased for importation into Iceland."

MORRIS

Handwritten notes:

RE: wgg
March 21, 1944

Copy
U. S. Joins Britain and Russia
To Outlaw Axis-Tainted Gold
Neutrals Notified by Morgenthau Their Titles to Metal Won't Be Recognized

BY THE ASSOCIATED PRESS

The Allies tossed a new economic booby around the necks of Germany, Japan and their satellites today, decreeing that they would not hereafter accept Axis-tainted gold from neutral countries.

The Treasury, acting in concert with England and Russia, announced it would refuse to take such gold from any nation, and Secretary Morgenthau said: "The governments would refuse to recognize sales of any gold "looted" by the Axis..."

Morgenthau's Statement

Mr. Morgenthau said: "It will be the 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, 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."

By the Treasury announcement, Mr. Luxford said: "The gold decree complements an announcement earlier this year serving notice that the United Nations would not recognize title to property sequestrated by the Axis..."
TREASURY DEPARTMENT

DECLARATION ON GOLD PURCHASES

On January 5, 1943 the United States and certain others of the United Nations issued a warning to all concerned, and in particular to persons in neutral countries, that they intend to do their utmost to defeat the methods of dispossession practiced 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 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.

One of the particular methods of dispossession practiced 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 invaded 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.

In view of the foregoing facts and considerations, the United States Government formally declares that it 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. It further declares that it will be the 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, 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.

SECRETARY OF THE TREASURY

Feb. 22, 1944.
BRITISH FINANCIAL CENSORSHIP SUMMARY ON GERMAN GOLD TRANSACTIONS AND HOLDINGS
DATED MARCH 20, 1943:

The gold is sold direct by the Reichsbank to the Bank of Portugal agains Escudos and is deposited in Switzerland to account at the Swiss National Bank. The Escudos no doubt are used to pay for German purchases of goods and services.

(a) Germany/Portugal

The Reichsbank, Berlin places the gold at the disposal of the Swiss National Bank, Berne. This covers dues for German troops and material sent across Sweden to Norway and Finland.

(c) Germany/Switzerland

In this case the metal (about 3 tons) accompanied by Reichsbank officials is reported to have passed through Basle on 1st December, presumably to be sold to the Swiss National Bank.

(d) Germany/Roumania

It is reported that the German Government have shipped 30 tons of gold (approximate value $6,000,000) to the Roumanian National Bank in order to enable Roumanian exporters of goods to Germany to be

cc: 4/3/43 Messrs. Pehle, Schmidt, Fox, Richard, E.M. Bernstein, Delman (Control), Bray, White, Luxford
paid. This is tantamount to saying that Germany is paying for its imports from Romania in gold, which should suit her very well. It relieves the strain on production and she is believed to have plenty of gold. If Germany cannot or is unwilling to supply goods, then gold presumably 'appeals' to Romania more than the blocked market.

The gold is believed to be 'effectively' of German origin. The total for 1942 is estimated at 37,000,000 marks. The following table represents the gold purchased by Germany during the year 1942:

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (in millions of marks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>37,000,000</td>
</tr>
<tr>
<td>Switzerland</td>
<td>21,000,000</td>
</tr>
<tr>
<td>Spain</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Portugal</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Sweden</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Norway</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Finland</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

The gold was sold by Switzerland to Spain and Portugal for acceptance at the Swiss National Bank. The Swiss gold is believed to pay for German purchases of goods and other materials.

In this case the metal (about 1 tonne) accompanied the banks' officials in return for German goods and materials sent across borders to Germany and Finland.

In the end, it is reported that the actual amount sent was 1,800,000 marks, representing a very small portion of the estimated total of 37,000,000 marks to Germany in order to enable Romanian exporters of goods to Germany to be paid.
August 26, 1944

Dear Mr. White:

I refer to Hoffman's letter of August 16 concerning activity in London on the matter of looted property. The final paragraph on page 2 of this letter inquires about a cable which was believed to have been sent from this Embassy to Washington concerning certain British action on the matter of looted property. We have now found a copy of this cable which was No. 5763 of July 29, 1944 to the State Department. The cable in question quoted a press report to the effect that the Minister of Economic Warfare had informed the heads of all neutral Treasuries and banks that Nazi fortunes deposited with them would be regarded as legitimate contraband for confiscation by United Nations after the war. However, this report is deprived of all significance by the subsequent categorical denial by Lord Selborne that the Minister of Economic Warfare had ever issued such a statement. This appears in a subsequent exchange of telegrams between State and FIA and their representatives in London which we have also seen. I attach copies of these two telegrams which were in clear. The first of these telegrams was from State Department to Gross and Stern FIA for Kiesler and Rabbins, and the reply was from the Embassy to State and FIA.

In connection with the matter of looted property and hidden enemy assets, we have received Harold Glasser's letter of August 16 concerning the mission of Mr. Samuel Klaus and containing the text of Treasury's letter to Crowley relating thereto. We have spoken to Mr. Klaus concerning this matter and have imparted to him the contents of Harold Glasser's letter of August 16. Mr. Klaus was aware of Treasury's plans to have Saxon accompany him, but said that he had received no instructions from FIA indicating that this was to take place. He indicated that his mission was to be purely fact finding and that in view of the nature thereof Saxon could serve no useful purpose in accompanying him and might in fact make it more difficult for him to operate. He was fully aware of the desirability of obtaining the assistance of Treasury representatives now stationed in neutral areas and said that he planned to consult them and seek their assistance because he thought they would have something to contribute in the way of factual information. Mr. Klaus objected strongly to the characterization in Treasury's letter of August 16 of his trip as a "mission". He reiterated that it was purely investigatory in nature and that it was a one-man job. We renewed assurances previously made to Mr. Klaus that we would be glad to cooperate with him in London to any extent which he desired.

Very truly yours,

/9/ L. C. Aaron, U. S. Treasury Representative

Mr. Harry D. White,
Assistant to the Secretary
Treasury Department, D. C.

Enclosures

* * *

copied of 9/2/44.
August 16, 1944

AIR FORCE

No. 54

Dear Mr. White:

With reference to Glasser's letter of August 5, 1944 concerning the present status of action in London on looted property and hidden enemy asset questions we have the following to report:

The Inter-Allied Commission, which we have from time to time been advised is dealing with the question of looted property, is in fact a "Commission" consisting of the Foreign Ministers of about fourteen of the United Nations which met in January, 1942 and issued the United Nations Declaration of January 5, 1942 with which Treasury is very familiar. This Commission never met again. A sub-committee, however, exists whose function is to implement the Declaration of January 5, 1942. This sub-committee consists of officials of U.S., U.K., French National Committee, Belgium, Netherlands, Norway, Poland, Russia, China, Australia, Czechoslovakia, Greece, Luxembourg, and Yugoslavia. This sub-committee met a few times and prepared some reports of which we are obtaining copies. It has, however, not met since early 1944 because of the fact that the Polish government insisted on bringing up for discussion the question of treatment of Polish property by the Russians, while the Russians refused to permit this subject to be discussed by the Committee. Inasmuch as neither the Poles nor the Russians have receded from their respective positions the Committee has not met since this dispute arose. Any progress which has been made in coordinating the activities of the various Refugee Governments has been done on the side. Our representative on this Commission was Harold Spiegel. His place has been taken by a Mr. Robbins, concerning whose personality and general attributes Bill Taylor can give you an adequate account, but the Committee has not met since Spiegel left London.

A few days ago I attended a meeting which was called at our request to try to find out what was going on in London with respect to the problems referred to in the Bretton Woods Resolution No. 6. The meeting was in Robbins' office and was attended by Robbins, Becker of FIA (who has been in Spain and Portugal and is now in London and seems to be very much concerned with a lot of economic warfare problems which were important about two years ago), two junior people from Robbins' office who were not identified and myself. I read aloud the Bretton Woods Resolution, which was new to the group, and spent some time asking questions and discussing the problems of looted enemy property and hidden enemy assets.

The upshot of this meeting was that nothing effective is being done in the Embassy or anywhere else about implementing either the United Nations Declaration of January 5, 1942 or the Bretton Woods Resolution No. 6. Another consequence was that Robbins agreed to pass
all communications relating to these problems through this office. The people at the meeting were not aware of the French plans to deal with various property transfers or the ideas which the Dutch held on the matter and had done no concrete thinking about the possibilities of getting at the problem through information which will become available in Germany itself or through steps which might be taken by the Allied authorities in Germany with respect to German property in neutral countries. It was thought that there had been some talks between the various Refugee Governments outside of the above mentioned Committee, but no one in the meeting seemed to know what these Governments were doing.

With respect to the British position, I remember seeing a cable shortly before my departure from Washington which, if my recollection is accurate, stated that the British Government had issued some instructions to its missions in neutral countries with respect to looted assets. Among other things this British instruction was said to have advised the neutral countries that such looted property would be regarded by the British Government as legitimate contraband. In seeking to investigate the sources of this information and the British position generally I tried, as a first step, to locate this cable in the Embassy. In spite of an elaborate search I find no record of such a cable and no one who remembers having originated such a cable, although it seemed to be a routine matter.

We would appreciate it, if such a cable does in fact exist, if you could give us a reference number or send us a copy or paraphrase of the cable.

In searching for the above mentioned cable I did, however, come across cable No. 6472 of August 11 from the Embassy to the State Department transmitting the preliminary British reaction to Resolution No. 6 of the Bretton Woods conference. I did not have an opportunity to copy this cable but it stated that Ronald of the Foreign Office had advised the Embassy that the British were reluctant to take any measures to implement the Resolution which could not be enforced without continuing censorship, blockade, and similar measures. Ronald inquired what the State Department (sic) proposes to do and said that although he felt that his objections to the Resolution, which had been presented at Bretton Woods, were still valid the Foreign Office would do its best to cooperate with the State Department. Robbins did not mention this telegram to me at our recent meeting.
We propose to continue to make inquiries concerning these matters and to try to find out what the various Refugee Governments are doing in order that we may report more fully thereon. We would appreciate any suggestions from the Treasury as to the manner in which we might best further the objectives of Bretton Woods Resolution No. 6 from this end.

Very truly yours,

Michael L. Hoffman
U.S. Treasury Representative

Mr. Harry D. White
Assistant to the Secretary
Treasury Department
Washington, D.C.
Resolution No. 6

Whereas, in anticipation of their impending defeat, enemy leaders, enemy nationals and their collaborators are transferring assets to and through neutral countries in order to conceal them and to perpetuate their influence, power, and ability to plan future aggression and world domination, thus jeopardizing the efforts of the United Nations to establish and permanently maintain peaceful international relations;

Whereas, enemy countries and their nationals have taken the property of occupied countries and their nationals by open looting and plunder, by forcing transfers under duress, as well as by subtle and complex devices, often operated through the agency of their puppet governments, to give the cloak of legality to their robbery and to secure ownership and control of enterprises in the post-war period;

Whereas, enemy countries and their nationals have also, through sales and other methods of transfer, run the chain of their ownership and control through occupied and neutral countries, thus making the problem of disclosure and disentanglement one of international character;

Whereas, the United Nations have declared their intention to do their utmost to defeat the methods of dispossession practiced by the enemy, have reserved their right to declare invalid any transfers of property belonging to persons within occupied territory, and have taken measures to protect and safeguard property, within their respective jurisdictions, owned by occupied countries and their nationals, as well as to prevent the disposal of looted property in United Nations markets; therefore

The United Nations Monetary and Financial Conference

1. Takes note of and fully supports steps taken by the United Nations for the purpose of:

   (a) uncovering, segregating, controlling, and making appropriate disposition of enemy assets;

   (b) preventing the liquidation of property looted by the enemy, locating and tracing ownership and control of such looted property, and taking appropriate measures with a view to restoration to its lawful owners;
2. RECOMMENDS:

That all Governments of countries represented at this Conference take action consistent with their relations with the countries at war to call upon the Governments of neutral countries

(a) to take immediate measures to prevent any disposition or transfer within territories subject to their jurisdiction of any

(1) assets belonging to the Government or any individuals or institutions within those United Nations occupied by the enemy; and

(2) looted gold, currency, art objects, securities, other evidences of ownership in financial or business enterprises, and of other assets looted by the enemy;

as well as to uncover, segregate and hold at the disposition of the post-liberation authorities in the appropriate country any such assets within territory subject to their jurisdiction.

(b) to take immediate measures to prevent the concealment by fraudulent means or otherwise within countries subject to their jurisdiction of any

(1) assets belonging to, or alleged to belong to, the Government of and individuals or institutions within enemy countries;

(2) assets belonging to, or alleged to belong to, enemy leaders, their associates and collaborators; and

to facilitate their ultimate delivery to the post-armistice authorities.

BRETTON WOODS, NEW HAMPSHIRE

July 1 to July 22, 1944
CONFIDENTIAL

From: SECNAV

To: CHIEF, USACA

1. The attached cable has been referred to this office by the C/S with the following comment:

"Each Staff Section must constantly follow up and keep a continuing watch to make certain that allegations such as these are not permitted at any time to apply to United States Forces in Austria."

2. For your guidance.

C. G. BORG
Colonel, ASF
Director, USACA
FROM: BAR FROM USA ROYAL
TO: CINCPAC
INFO: USPA (MULTI-ADDRESS)

REF NO: WZ-92396

Recent allegations, as yet unsubstantiated, have been made charges of misconduct and malfeasance in EUCOM. These allegations in general are:

1. Personnel bringing into US loot and goods including objects of art frequently obtained in black market.

2. Black market activities including:
   (A) American personnel using items from Post Exchanges and commissary for trade, Post Exchange personnel particularly involved;
   (B) Some traffic in narcotics;
   (C) Inadequate punishment of natives involved;
   (D) Army doing little in cases of violations of regulations and when punish is noted out, there is indication of discrimination between the treatment of officers and their dependents and other personnel;
   (E) Bribes being accepted by Army personnel;
   (F) CID evidence being quashed and their agents being bought off.

3. Scandalous conduct with mistresses by American personnel.

4. Public display of lavishness by Army officers and their dependents. Allegations of this type always adversely affect public esteem for Army even if later proven to be unwarranted. For this reason nature of allegations is furnished you for such action as you deem appropriate to insure that no foundation will exist for similar charges in your theater.

In connection with these charges, information already received does indicate a laxity in the inspection of personal and household effects being shipped back to the US and also that certificates are sometimes signed in blank without the required inspection. It is desired that all Commanders take such actions as deemed necessary to correct this practice.
July 3, 1954

Dear Mr. Secretary:

The Department of Defense has informally requested the views of this Department on the question of redeploying the TRUST forces to Austria, in view of the possibility that we may be approaching a solution to the Trieste problem. I have reviewed the matter and have concluded, after weighing the various political factors involved, that there is no objection to the transfer of the major part of the United States forces now in Trieste to the U.S. Zone of Austria at such time as it becomes possible to withdraw them from Trieste.

It is my understanding that approximately 3,000 military personnel are involved, that the troops in question have few dependents, and that no significant housing problem such as was mentioned in my letter of October 24, 1953, would be created by their transfer to Austria. It would also help to minimize the political reactions of the augmentation of our forces in Austria if the troops could, after their departure from Trieste, be phased into Austria gradually and ostensibly as replacements. Also, if it were found possible to send at least a token number of troops to some station in Europe other than Austria, our position would be enhanced, I believe, by thus being able to state that only part of the U.S. troops from Trieste had been transferred to Austria.

If you should decide in favor of redeployment to Austria, I should appreciate being informed sufficiently in advance, in order that we may inform the appropriate foreign governments in regard thereto before the actual transfer of troops to Austria takes place.

I understand that it is the opinion of General Gruenther and the Joint Chiefs of Staff that these TRUST forces should not be brought back to the United States but should be continued in Europe as part of our NATO commitment. In view of what I understand to be the military judgment, I do not comment upon the possible return of the troops to the United States.

Sincerely yours,

/s/ John Foster Dulles

The Honorable
Charles E. Wilson,
Secretary of Defense.
Dear Charlie:

It has taken considerable time to produce something for a reply to your two letters querying me regarding the leader grant program for FY 1955. I am not at all sure that the more encouraging information I now have is not already known to you.

In any event, we have learned from IES that a budget error discovered in Vienna will permit the number of leaders to be expanded to eight in this year, instead of the three expected. The increase, of course, is on the assumption that Congress will not reduce the requested GIA appropriation, which these days is a pretty shaky assumption.

I testified at the House Appropriations Committee yesterday on the million dollar request for Vienna housing. I received the impression that the Committee was fairly well disposed toward the idea, particularly since the dollars go to the Treasury, and rather think that we will have some money to work on. The Austrian Embassy is delighted with the idea but immediately saw the possible connection between the heirless property negotiations and the housing appropriations without even mentioning it. We, too, are at a loss to explain the latest Austrian reversal in the Jewish Claims negotiations.

I have a long and highly exasperated letter from Syl Rubin with which I sympathize completely. I wonder if anything might be gained by somehow conveying to Raab the thought that his reception here next fall might be warmer if he could dispose of the claims issue before coming.

I am not sure that a copy of the letter the Secretary finally sent to Secretary Wilson, concerning the TRUST forces, has been sent to Vienna. In any event, I enclose a copy, with the explanation that it was originally drafted as a firm statement favoring transfer to Austria and retention in Europe. Both the Secretary and General Smith see little objection to bringing the troops home. The last paragraph

The Honorable Charles W. Yost,
U.S. Acting High Commissioner,
American Embassy,
Vienna.
paragraph of the letter was added by the Secretary personally and may cause me some embarrassment since I had put it in the covering memo to the Secretary on the basis of very informal information.

Best regards to you and Dick.

Sincerely,

Dick

Richard B. Freund

Attachment:

Copy of ltr from Secretary to Secretary Wilson.
COMBINED CIVIL AFFAIRS COMMITTEE

DIRECTIVE FOR MILITARY GOVERNMENT IN GERMANY
PRIOR TO DEFEAT OR SURRENDER

Note by the Secretaries

At its 31st Meeting, held 18 May 1944, the Combined Civil Affairs Committee approved C.C.A.C. 69/6, "Economic and Relief Guide for Germany," and subsequently by informal action approved C.C.A.C. 69/7, "Financial Guide for Germany." On 23 May 1944, the enclosures to C.C.A.C. 69/6 and 69/7 were transmitted to the Combined Chiefs of Staff with a recommendation that they be approved as Appendices "D" and "C", respectively, to the basic directive already approved and transmitted to General Eisenhower on 28 April 1944 (C.C.A.C. 69/5).

By informal action the Combined Chiefs of Staff approved the above recommendation of the Combined Civil Affairs Committee, and transmitted Appendices "C" and "D" to General Eisenhower on 31 May 1944 by special air courier.

These appendices, together with the directive already dispatched (which included only the political guides for Germany and Austria), completes the basic directive to General Eisenhower on the above subject.

T. E. H. BIRLEY,
W. M. CAMERON,
Combined Secretariat.
COMBINED CHIEFS OF STAFF

DIRECTIVE FOR MILITARY GOVERNMENT IN GERMANY
PRIOR TO DEFEAT OR SURRENDER

Note by the Secretaries

By informal action the Combined Chiefs of Staff have approved the recommendations of the Combined Civil Affairs Committee contained in paragraph 3 of C.C.S. 551/2.

H. REDMAN,
A. J. McFARLAND,
Combined Secretariat.
B 54607

30 May 1944.

TO: COMMANDER FOR THE SUPREME COMMANDER, ALLIED EXPEDITIONARY FORCE

SUBJECT: Directive for military government in Germany prior to defeat or surrender.

REFERENCES: (a) Memo from Combined Secretariat, CCS, to SCAFP, dated 28 April 1944.
(b) G.C.S. 551.

ENCLOSURE: G.C.S. 551/2 (Copy No. 73).

1. By reference (a), you were furnished a copy of G.C.S. 551 which contained the directive to the Supreme Commander, Allied Expeditionary Force, for military government in Germany prior to defeat or surrender.


3. Pursuant to this statement G.C.S. 551/2, containing the financial guide for Germany and the economic and relief guides for Germany referred to in paragraph 2 above, is enclosed. It will be noted that as Appendix "E" will be forthcoming, as the economic and relief guides for Germany have been consolidated as shown in Appendix "D" to G.C.S. 551/2.

H. HEDMAN,

A. J. McFarland,

Combined Secretariat.

Copies to:
A.G.S., OPD
Aide to Cominch
Secretary, DJM

SECRET
MEMORANDUM FOR: Admiral Leahy
General Marshall
Admiral King
General Arnold

Subject: Directive for Military Government in Germany Prior to Defeat or Surrender.

References: (a) C.C.S. 551.
(b) C.C.S. 551/1.
(c) C.C.S. 551/2.

With the view of informal clearance by the Combined Chiefs of Staff, C.C.S. 551/2 is submitted for consideration of the recommendations of the Combined Civil Affairs Committee contained in paragraph 3 of the cover page thereof.

The Representatives of the British Chiefs of Staff have undertaken to consider this paper informally.

Approved

McFarland
DIRECTIVE FOR MILITARY GOVERNMENT IN GERMANY PRIOR TO DEFEAT OR SURRENDER

By informal action on 30 May 1944, the Combined Chiefs of Staff approved the recommendation contained in paragraph 3 of the cover page of CCS.551/2. (Memorandum dispatched by special air courier to the Supreme Commander, Allied Expeditionary Force under date of 30 May. Decision circulated as CCS.551/3.)
31 May 1944

MEMORANDUM FOR THE ASSISTANT CHIEF OF STAFF, OPERATIONS, WAR DEPARTMENT GENERAL STAFF:

Subject: Directive for military government in Germany prior to defeat or surrender.

Enclosure: Memorandum for the Supreme Commander, Allied Expeditionary Force, from the Combined Chiefs of Staff, dated 30 May 1944, same subject as above.

It is requested that the enclosed memorandum, together with Copy No. 73 of C.C.S. 551/2, be forwarded to the Supreme Commander, Allied Expeditionary Force, by special air courier.

C. R. PECK,
Colonel, GSC,
Executive Secretary.
DIRECTIVE FOR MILITARY GOVERNMENT IN GERMANY
PRIOR TO DEFEAT OR SURRENDER
References: a. C.C.S. 551
            b. C.C.S. 551/1

Report by the Combined Civil Affairs Committee

1. The Combined Chiefs of Staff, by informal action, approved
   the basic and political directive for Germany contained in
   C.C.S. 551, and transmitted it to the Supreme Commander, Allied
   Expeditionary Force, on 28 April 1944. The directive transmitted
   included only the political guides for Germany and Austria.

2. In paragraph 7 of C.C.S. 551 the Supreme Commander was
   advised that he would be furnished guidance on financial,
   economic, and relief matters.

3. The Combined Civil Affairs Committee submits the enclosures,
   designated as Appendices "C" and "D" to C.C.S. 551, and recommends
   that they be approved by the Combined Chiefs of Staff and trans­
   mitted to General Eisenhower.

4. These appendices, together with the directive already
   dispatched, complete the basic directive to General Eisenhower
   on the above subject.
APPENDIX "C"

FINANCIAL GUIDE FOR GERMANY

1. United States, British and other Allied forces will use Allied Military marks and Reichsmark currency or coins in their possession. Allied Military marks and Reichsmark currency and coin now in circulation in Germany will be legal tender without distinction and will be interchangeable at a rate of _____ Allied Military mark for _____ Reichsmark. Records will be kept of the amounts of the German marks used by the forces of each nation. Reichskreditkassenscheine and other German Military currency will not be legal tender in Germany.

2. In the event, however, that for any reason adequate supplies of Allied Military marks and/or Reichsmarks are not available, the United States forces will use yellow seal dollars and regular United States coins and the British forces will use British Military Authority (BMA) notes and regular British coins. Records will be kept of the amounts of currencies used by the United States and British forces.

3. If it is found necessary to use U.S. yellow seal dollars and BMA notes, the following provisions will apply to such use:

a. The rate of exchange between the U.S. yellow seal dollar and the BMA note will be _____ dollars to one pound, and the two currencies will be interchangeable at that rate. The United States Treasury will make the necessary arrangements with the British Treasury.

b. You will issue a proclamation, if necessary, requiring all persons to accept U.S. yellow seal dollars and BMA notes at the decreed rates. Transactions at any other rates will be prohibited.

c. The issuance of yellow seal dollars and BMA notes will cease as soon as Allied Military mark and/or Reichsmark currency are available.
1. U.S. yellow seal dollars and BMA notes will be withdrawn from circulation as soon as such withdrawal can be satisfactorily accomplished.

2. Records will be kept of the amounts of such currencies used by the United States, British and other Allied forces.

4. The rate of exchange to be decreed on your entry into the area will be ______ marks to the dollar and ______ marks to the pound sterling. Transactions at any other rates will be prohibited. Holders of mark currency or deposits will not be entitled to purchase foreign exchange without special permission. They will obtain dollars or pounds, or any other foreign currency or foreign exchange credits, only in accordance with exchange regulations issued by you.

5. The Financial Division of the Civil Affairs Section for Germany will include in its functions the control of all funds to be used by the Allied Military forces within the area, except yellow seal dollars and BMA notes which will be under the control of U.S. and British forces respectively. It will maintain all the accounts and records necessary to indicate the supply, control, and movement of these currencies including yellow seal dollars and BMA notes, and other funds, as well as financial data required for the determination of expenditures arising out of operations or activities involving participation of Allied Military forces.

2. Insofar as operations relate to the provisions of currencies for the pay and other cash requirements of military components of the Allied forces, the Financial Division will supply Allied Military marks from currency on hand and will record the debit against the military force concerned.

2. Insofar as operations relate to the provision of currencies for civil administration, the Financial Division will supply Allied Military marks from currency on hand and will
g. If found practicable and desirable, you will designate, under direct military control and supervision, the Reichsbank, or any branch thereof, or any other bank satisfactory to you, as agent for the Financial Division of Civil Affairs Sections. When satisfied that the Reichsbank, or any branch thereof, or other designated bank, is under adequate military control and supervision, you may use that bank for official business, and, if necessary, by making credits available, place such bank or banks in a position to finance other banks and branches thereof, for the conduct of their business as approved by the Allied Military authorities.

d. The records of the Financial Division of the Civil Affairs Section for Germany will indicate in all cases in what currency receipts were obtained or disbursements made by the Financial Division.

3. Upon occupying the area, you will take the following steps:

g. Close all banks and financial institutions and place them under military custody or under such custody as you deem appropriate.

h. When effective banking facilities are not available, you may make such loans as you deem necessary. These will be restricted to mark loans.

b. Declare a general moratorium.

d. Pending determination of future disposition, and in accordance with paragraph 7 below, you will impound or block all deposits, accounts, credits, valuable papers and all similar assets held in financial institutions.

e. Seal all vaults and safety deposit boxes.

f. Obtain an inventory of the assets and liabilities of the banks as quickly as practicable.

• g. Close all Stock Exchanges and similar institutions.

h. Close all insurance companies pending establishment of satisfactory controls and determination of the conditions under which they may operate.
7. Banks should be reopened as soon as you deem such action practicable and desirable. Before banks are reopened, it should be made possible for them to arrange loans from banks or agencies which you will designate. The lending bank or agency may require as collateral any or all of the assets of the borrowing bank or of the directors thereof, and may accept, as collateral, obligations of the national government or of its subdivisions. No bank, or branch thereof, will be permitted to reopen, except under the following conditions:

a. Appropriate measures will be taken to insure that the bank is satisfactorily under the control of the Allied Military Authorities.

b. All deposits and accounts with banks and financial institutions will remain blocked subject to your control except that provision will be made for limited withdrawals for necessary living expenses to avoid personal hardship and to permit essential business enterprises to carry on authorized operations. You may make such further exceptions with respect to deposits and accounts created after the banks are reopened as you deem desirable, and as are not inconsistent with any measure adopted by you in paragraph 10 below.

c. Pending determination of future disposition, all gold, foreign currencies, foreign securities, accounts in financial institutions, credits, valuable papers and all similar assets held by or on behalf of the following, will be specially impounded or blocked and will be used or otherwise dealt with only as permitted under licenses or other instructions which you may issue:

(1) German national, state, provincial, and local governments, and agencies and instrumentalities thereof.

(2) Other enemy governments, the agencies and instrumentalities thereof, and their nationals.

(3) Absentee owners and holders, including Neutral and United Nations Governments.
(4) Nazi party organizations, including the party formations, affiliates, and supervised associations, and the officials, leading members, and leading supporters thereof.

(5) Persons under detention or other types of custody by Allied Military Authorities.

d. Access to safe deposit boxes or vaults will be allowed only after a proper system of supervision has been instituted. Gold, foreign securities and foreign currencies will be withheld from the owner against accredited receipt. Other valuable items may be similarly treated.

c. No governmental or private bank or agency will be authorized to issue banknotes or currency except that, if found practicable and desirable, you may so authorize the Reichsbank and the Rentenbank when they are under adequate military control and supervision.

3. All foreign financial and foreign trade transactions of any kind, including all exports and imports of currency, will be prohibited except as permitted under such regulations as you may issue relative thereto. Except as you may otherwise authorize, local banks will be permitted to open and operate only mark accounts, but if yellow seal dollars and BMA notes are legal tender, they may be accepted at the decreed rate of exchange and will be turned in as directed by you in exchange for mark currency at the decreed rate of exchange.

9. Non-yellow seal U.S. dollar notes and regular British pound notes will not be legal tender. No person, agency or bank engaged in the exchange of money will acquire or otherwise deal in these notes except as you may so authorize. U.S. Army and Navy Finance officers and British paymasters will, however, be authorized to accept non-yellow seal U.S. dollar notes and regular British pound notes from United States and British military or authorized personnel for conversion into Allied Military mark or Reichsmark currency at the decreed rate of ex-
(4) Nazi party organizations, including the party formations, affiliates, and supervised associations, and the officials, leading members, and leading supporters thereof.

(5) Persons under detention or other types of custody by Allied Military Authorities.

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h. No governmental or private bank or agency will be authorized to issue banknotes or currency except that, if found practicable and desirable, you may so authorize the Reichsbank and the Rentenbank when they are under adequate military control and supervision.

3. All foreign financial and foreign trade transactions of any kind, including all exports and imports of currency, will be prohibited except as permitted under such regulations as you may issue relative thereto. Except as you may otherwise authorize, local banks will be permitted to open and operate only mark accounts, but if yellow seal dollars and BMA notes are legal tender, they may be accepted at the decreed rate of exchange and will be turned in as directed by you in exchange for mark currency at the decreed rate of exchange.

9. Non-yellow seal U.S. dollar notes and regular British pound notes will not be legal tender. No person, agency or bank engaged in the exchange of money will acquire or otherwise deal in these notes except as you may so authorize. U.S. Army and Navy Finance officers and British paymasters will, however, be authorized to accept non-yellow seal U.S. dollar notes and regular British pound notes from United States and British military or authorized personnel for conversion into Allied Military mark or Reichsmark currency at the decreed rate of exchange, after satisfying themselves as to the source of the notes.
As soon as you deem available banking facilities to be adequate, you will issue a proclamation requiring all holders of non-yellow seal U.S. dollar notes and regular British pound notes to deposit their holdings of such notes with designated banking institutions or agencies against accredited receipts, the subsequent disposition of such deposits to be a matter for later policy determination. If it is found desirable and practicable you may take similar measures with respect to other foreign currencies.

10. If you deem it necessary as a measure of inflation control, you may issue a proclamation requiring all holders of outstanding Reichsmark notes of high denomination to deposit such notes within a designated period with authorized banking institutions. Such deposits will be subject to such regulations as you may prescribe.

11. All bona fide government pensions, allowances, and social security payments, will continue to be paid, but steps will be taken as soon as practicable for a study of pensioners' records with a view to nullifying all unnecessary and undesirable pensions and bonuses of Nazi inception.

12. Postal Savings Deposits will be treated on equal basis with ordinary deposits in private banks.

13. The railways, postal, telegraph and telephone service, radio and all government monopolies will be placed under your control and their revenues made available to the military government.

14. You will, consistent with international custom and usage, maintain existing tax laws, except that discriminatory taxes introduced under the Nazi regime will be abolished. Prompt action should be taken to maintain the inflow of revenue at the highest possible level. Taxes or other revenues will not be used for the payment of principal or interest on government obligations without prior approval of the Combined Chiefs of Staff.
APPENDIX "D"

ECONOMIC AND RELIEF GUIDE FOR GERMANY

The following directive relates to the period before the surrender of Germany. In areas where there are no military operations in progress, when practicable and consistent with military necessity you should:

(a) see that the systems of production, control, collection and distribution of food and agricultural produce are maintained, that food processing factories continue in operation and that the necessary labor and transport are provided to insure maximum production. German food and other supplies will be utilized for the German population to the minimum extent required to prevent disease and unrest. You will report any surpluses that may be available as regards which separate instructions will be issued to you;

(b) instruct the German authorities to restore the various utilities to full working order, and to maintain coal mines in working condition and in full operation so far as transport will permit. Except insofar as their production is needed to meet your requirements, or as you may be instructed in subsequent directives, munitions factories will be closed pending further instructions. You will be responsible for procuring such goods and materials for export as you may from time to time be directed to obtain for the use of the United Nations. You will take steps to insure that no sabotage or destruction is carried out by the Germans of any industrial plant, equipment or stocks, or of any books or records relating thereto. Pending the issue of further directives you will take such steps as you think desirable to preserve intact all such plant, equipment, books and records, paying particular attention to research and experimental establishment;
(c) exercise control over German shipping, inland transport and communications primarily in the interests of the Allied military effort and see that they are maintained in a full state of efficiency;

(d) establish a system of control over export and import trade. In determining what exports shall be permitted, paramount consideration shall be granted to your military needs. Records will be kept of all import and export transactions;

(e) instruct the German authorities to maintain the limits on prices and wages in force under the most recent German regulations. The rationing system for important staple commodities shall be retained or re-established. Black market activities and hoarding will be severely punished. Generally you will take all possible steps to prevent inflation;

(f) where possible, work through the existing German administrative and economic machinery in carrying out the above program, bearing in mind the principles as regards removal of Nazi personnel contained in paragraph 6 of the political guide at Appendix "A";

(g) permit the formation of a democratic trade union movement and other forms of free economic association.