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Office Memorandum • UNITED STATES GOVERNMENT

TO : A-T - Mr. Willard Thorp

DATE: November 5, 1947

FROM : OFD - Norman T. Ness *NT*

SUBJECT: Resolution of Outstanding Problems Relating to the Restitution of Looted Gold.

This Government, in conjunction with the British and French Governments, is committed to the execution of a program aimed at the restitution of gold looted by Germany and transferred to third countries. We have not yet obtained possession of the following known amounts of looted gold:

Romania (acknowledged)	\$ 20,000,000.00	
Portugal (acknowledged)	\$ 43,000,000.00	
Sweden (additional claims)	11,000,000.00	15739
Switzerland (additional claim)	130,000,000.00	
Bank of International Settlements	3,000,000.00	UE - Mr. Clayton
Turkey	3,000,000.00	Secretary for Economic Affairs
Spain (amount not yet established)		
TOTAL	\$189,000,000.00	

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DEPARTMENT OF STATE

A summary of the current situation is attached hereto.

It is desirable that the program be accomplished as effectively and speedily as possible in order to relieve the Department and Treasury of a costly and time consuming administrative burden, and to promote the economic recovery of those European countries which will share in the distribution of the gold. To that end, it is recommended that there be established, in conjunction with the British and French Governments, a "gold team" which would be sent abroad with the assignment to attempt to settle within four months through the intervention of their respective missions all of the outstanding problems mentioned above, and to submit a report to their governments and to the Tripartite Gold Commission at Brussels.

This proposal would have the advantage of coordinating the efforts of our three Governments and thus speed conclusion of the program. It is believed that the British and French Governments would find it attractive. Each of those Governments has for some time had a gold expert assigned to this problem and available for work abroad whenever and wherever needed.

I recommend that Mr. Herman Kasper, a staff officer now assigned to the American Embassy at Lisbon, be designated by the Department as our representative on the "gold team". I also recommend that we accept the request of the Treasury Department to designate Mr. Robert Schwartz as its representative. It would be understood, of course, that the members of the "gold team" would serve in a technical advisory capacity to their respective embassies; that negotiations of a policy nature would be conducted by the Ambassadors or their designees; and that basic policy decisions, so far as this Government is concerned, will continue to be made in Washington.

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RE 59 Office of
- Financial Operations
- Records Relating to the
Tripartite Commission for the
Restitution of Monetary Gold,
1942-1968
- Tripartite Gold Commission 1946-1953
LOT 620115 BOX 1, 91 TFC 1947

MEMORANDUM

Subject: Resolution of outstanding problems relating to the restitution of looted gold.

I. Background.

During the war the United Nations Governments in several declarations adopted a program designed to prevent neutral countries from buying looted gold from the Axis and indicated their intention to restore looted gold to the true owners. The most important of such declarations is the gold declaration of February 22, 1944, in which the United States Government declares (1) that it does not recognize the transfer of title to looted gold and (2) that the United States Treasury will not buy gold located outside of the United States from any country which had not broken relations with the Axis or which continued to buy gold from countries maintaining relations with the Axis until the United States Treasury is satisfied that it is not buying looted gold, or gold which the country is enabled to release as a result of acquisitions of looted gold. In implementing this declaration, the United States has not bought gold (other than gold earmarked in the United States since February 22, 1944 or acquired from the United States after that date and held in earmark in the United States) from countries to which the declaration applies until settlement of the looted gold problem with that country has been effected.

As a result of work done in Germany we have succeeded in tracing the disposition of substantial amounts of gold looted by the Germans in occupied territory. Negotiations with Sweden and Switzerland have resulted in agreements by those two countries to return approximately \$70 million worth of gold. Roumania has placed about \$20 million in gold in a United States account in Switzerland in settlement of Allied claims against it for looted gold obtained from Germany. Negotiations with Turkey, Spain and Portugal are still under way.

These negotiations have been handled by a Joint Delegation consisting of representatives of France, the United Kingdom and the United States. Any gold obtained as the result of the negotiations is turned over to the gold commission sitting in Brussels which is responsible for distributing all gold in the "Gold Pot".

It is clear that the Gold Commission in Brussels will not be able to complete its work of distributing the "gold pot" until the work on restitution of looted gold has been completed.

II. The work yet to be done in connection with restitution consists of the following:

(a) Portugal. Discussions with the Portuguese have indicated that the Portuguese Government acquired approximately \$43 million worth of looted gold from Germany--about \$23 million consisting of Belgian gold taken by Germany from the Bank of France, and the balance mostly Dutch. It is now proposed that discussions be resumed in Portugal at the top level.

(b) Sweden. In the Swedish Accord, Sweden agreed to restore approximately \$8 million of gold purchased from Germany and proved by us to be Belgian gold looted by the Germans in France. The Swedish Accord provided that any additional looted gold acquired by Sweden would be restored provided that claims for its return were filed with them by June 30, 1947. On the basis of additional information obtained by us after the Swedish Accord was negotiated, claims for approximately \$11 million of looted Dutch gold were filed with Sweden prior to June 30, 1947. The return of this additional gold will require additional discussions with Sweden.

(c) Switzerland. Information discovered after the signing of the Swiss Accord enables us to trace to Switzerland approximately \$130 million of gold looted by the Germans in Holland. The Swiss Accord forecloses any additional claims against Switzerland for looted gold. However, it is contemplated that evidence will be presented to Switzerland through the Department and the British and French Foreign Offices. After the Swiss have received this information, the Netherlands Government plans to request representatives of Switzerland, the United Kingdom, France and the United States to come to the Netherlands to discuss the evidence.

Evidence in our possession also indicates that several large private Swiss institutions purchased substantial amounts of looted gold from the German Government during the war. Consideration is being given to whether and what steps will be taken to effect the restitution of this gold.

(d) The BIS. The BIS has already admitted having purchased about \$2 million of gold which can be identified as looted Belgian gold. There is a strong presumption that it has also purchased a small amount of looted Dutch gold. Steps must be taken to check all gold purchased by the BIS from Germany against our records of looted gold and to negotiate the restitution of such gold. (The BIS has stated to the French its willingness to return gold purchased by it from Germany and identified as looted.)

(e) Turkey. Evidence obtained in Germany indicates that the Turkish Central Bank acquired directly from Germany \$3 million worth of looted Belgian gold. Prior to her admission to membership in the International Monetary Fund and International Bank, Turkey agreed in principle to the restitution of looted gold. However, to date the Turkish Government has been unwilling to make available to Allied representatives information concerning gold acquired by it from Germany during the war. The Department of State has been bringing additional pressure to bear on Turkey to fulfill its commitment in which case technical discussions concerning the identification of looted gold obtained by Turkey must be undertaken.