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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)

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RECD 2311008 Sept 47

23 Sept 47

TO : AGWAR FOR WDSGA  
 FROM : OIGUS SIGNED HAYS  
 REF NO : CC-1701

*File Monetary Gold ✓ 940.1551*  
*Non-Monetary Gold*

Re part 3 of Paris Reparations Agreement of 14 January 1946, "Final report on the Paris Conference on reparations" by James W. Angell, and records WK-85905 (November 1945), WK-85682 (April 1946). Definition of "monetary gold" is subject.

1. British, Berlin, have requested US definition "monetary gold" for purpose of report to Tripartite Commission for restitution of monetary gold. Several questions have now arisen as result of which we are not completely clear as to answer and believe more exact definition necessary.

2. Angell's report on Paris Reparations Agreement indicates term "monetary gold" refers to "gold bullion and gold coins" and includes that "in such form as to be a medium of exchange" as distinguished from that "in such form as to indicate its use for dental, artistic and adornment purposes."

3. To date have attempted to follow closely our understanding of Angell's statement. Are using following working definition; namely, that "monetary gold" consists of gold coins (excluding numismatic coins) plus gold in such form as to permit it by normal practice to be held as a part of the gold reserves of a central bank, specifically including any gold that can be identified as having been held.

4/ Accordingly we have treated as "non-monetary gold" and turned over to PCIRO five small 18 carat gold bars and 15 bars containing gold, silver, and platinum, all without recognized mint markings, all contained in loot shipments and of unknown national origin and all apparently derived from smelting down of various gold objects such as rings, teeth, etc.

5. At present have a specific case as to disposition of which we are not clear. It involves bars like those turned over to PCIRO except that national origin of bars is known. The Czechoslovak Restitution Mission has filed a claim for gold bars of approx 11000 grams, total weight. Bars do not have recognized mint markings. Allegedly this gold was obtained by German Vernachlassung in Prague from melting down of rings, bracelets, etc, confiscated from concentration camp inmates and others and was removed from Czechoslovakia to Germany in March 1945. Czechoslovak representatives state that their govt intends to satisfy with proceeds of this gold the claims of surviving victims or heirs.

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6. With regard to Czech claim to restitutions of these gold bars it is noted that Para 17-A of new occupation directive superseding JCS-1067 reiterates policy stated your WL-85965 of excluding gold from items subject to restitution.

7. Would appreciate your advice as to whether bars claimed by Czechs should be:

- a. Considered as "monetary gold" with Czech claims being added to claims for participation in the gold pot,
- b. Considered as "non-monetary gold" (this apparently excluded by fact that national origin of bars is known WL-85682),
- c. Restituted (unless excluded Para 6 above),
- d. Handled in some other manner.

8. Would also appreciate your advising us as to disposition to be made of (a) identifiable numismatic gold coins and of (b) other gold surrendered under MF Law 53 but not destined for gold pot or PCIRO. As to (b), recommend that it be permitted to remain in German economy for industrial purposes unless determined subject to restitution in accordance with present concepts.

WL-85965 is AGC IN 15174  
WL-85682 is AGC IN 41877

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