

RH 260
 Entry: Finance
 Box: 424
 File: Precious metals 940,309

VIII-8/1

Berlin, Germany
 3 October 1947

SUBJECT: Present Status of Disposition of Precious Metals,
 Currencies and Securities

TO : Finance Advisor to Commander-in-Chief
 Headquarters, European Command
 Berlin, SAC 743, U. S. Army

I. PRECIOUS METALS

A. Gold Other Than "Non-Monetary Gold"

1. at FRO -

a. At present there is at FRO somewhat more than \$260,000,000 of monetary gold, approximately one-half in bar form and one-half in coin. We understand from newspaper account of State Department Press Conference of 24 September that approximately \$165,000,000 of monetary gold is to be distributed to "gold pot" countries by 15 October and we presume that entire distribution will be made from FRO gold. We have called for instructions (September 25-1947).

2. Law 53 Deposits -

a. Coin - There have been deposited approximately 102 kg. in coin. Present tabulations of these coins contains no indication of nationality of owners or of whether coins can be considered as numismatic or monetary. A re-tabulation to obtain such information would require considerable time and the use of personnel not presently available. It appears that coins were deposited primarily in small quantities of three to four per owner and undoubtedly represent souvenirs. There were also deposited a number of coin collections. We recommend that the present tabulation be scanned for questionable cases and that the balance of the coins be considered numismatic. We have no disposal directive covering these identifiable numismatic gold coins and have asked for one in our September 30-1701. We recommend that such coins be returned to the owners unless we have evidence that they were looted. This procedure would obviate necessity of a determination of the nationality of the owners.

b. Bullion - There have been deposited approximately 611 kg. of gold "bullion". This figure has not been broken down as yet to determine what portion thereof consists of monetary gold. It is

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obvious from a scanning of the present tabulation that much of the gold is not monetary. Further, there is no indication in the present tabulation as to the nationality of the owner of the gold. We will commence immediately and hope to complete in two weeks, a listing of this gold by type and residence of owners (deposit forms do not indicate nationality of owners). Our September 25-1701 recommended that such portion of this identifiable gold as is determined not to be monetary should be retained in the German economy for industrial purposes. We are uncertain as to what disposition is to be made of such gold if there is evidence that it has been looted.

B. Silver

1. At FED -

Silver held at FED has been fully described in our March CC-8221 and May CC-9160 and we have, at present, no important information to add. We now have at FED 2,887,445.7 ounces silver excluding considerable amount of coins, tableware and ornaments and small lots of bars scattered through shipments not yet inventoried. This amount includes 532,721.7 ounces deposited under Law 53 in 1943. It is now Soviet zone prior to final determination of zonal boundaries but does not include 624,856.5 ounces released to Dogussa on loan.

We have no directive covering disposal of this silver. However, BX-80729 stated tentative conclusion that 15% silver content of 141 Italian gold-silver alloy bars was restitutable. We disagree and recommend that alloy bars be treated as monetary gold and go entirely to "gold pot".

2. Law 53 Deposits -

a. Coins - Approximately 300,000 coins have been deposited. BX-96654 directs that these coins, unless numismatic, be treated like currencies. As indicated para. II, below, we are directed to withhold from authorized disposition of currencies, those belonging to non-Germans, non-Law 5 Germans and corporations owned by non-Germans. However, our present tabulation does not indicate nationality of owners, ownership of depositing corporations or whether coins are to be considered numismatic or monetary. Time and personnel required to secure such information would be greatly out of proportion to the apparent value of these coins. We recommend that these coins be considered numismatic and returned to the owners.

b. Bullion - There have been deposited approximately 2.9 kg. of silver "bullion". As to this we have readily available information as to residence, though not as to nationality of the owner. As in the case of silver held at FED, we have no directive covering disposal of this silver.

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C. Other Precious Metals -

1. At FED -

At present there are held at FED 1140.73 Kg. of platinum, 9.72 Kg. palladium, 12.07 Kg. rhodium and 17.2 Kg. of iridium. Of these amounts, 7.27 Kg. of platinum and 2.2 Kg. of palladium represent a Law 53 deposit by a mining company located in the Soviet Zone. Balance of metals deposited for Roges Rohstoff-Handelsgesellschaft and I.G.Farben. We have no information as yet as to sources from which these concerns acquired the metals though we know that Roges was a German government agency which acquired raw materials in occupied countries. We have no directive covering the disposition of these metals.

2. Law 53 Deposits -

346 Kg. of platinum have been deposited, much of it in the form of coins. We have readily available information as to the residence but not as to the nationality of the owners. We have no directive covering the disposition of this platinum.

D. Non-Monetary Gold

1. We have made one turnover to IRO of items having a tentative agreed valuation of approximately \$750,000. We have withheld currencies from such turnover and, though we are now authorized to turn them over to IRO, we are not proceeding pending an answer to our September CO-1796. That cable pointed out that we have learned that currencies came from concentration camps in Poland and we have recommended that our knowledge of that fact should not prevent the turnover of the currencies in question to IRO.

2. Securities have been withheld from IRO pursuant to AX-96584 which requested information as to amount, types and value involved. This information airmailed 20 August 1947.

3. We are also withholding from turnover to IRO certain Jewish religious items (per AX 85682 and AX-98799) and certain items having a value less than \$10,000 and contained in envelopes originating Dachau (per our CO-1796). We have recommended that envelopes not restituted externally and not claimed under proposed internal Restitution Law be eventually turned over to IRO.

4. There remain outstanding in the zone certain deposits in the name of Military Government which appear to contain items which ought to be turned over to IRO. These deposits were directed to be turned in to FED approximately a year ago but this has not yet been done. We are, at this time, asking certain that these deposits are turned in immediately to FED for inventory and disposal.

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II. CURRENCIES

We have completed an inventory of currencies located at FSD and those deposited under Law 53. These inventories list currencies by country of issue but do not contain information as to nationality of owner or ownership of depositing corporations. We are authorized to dispose of currencies, except those of Soviet Union and satellite countries and those looted currencies as to which we have knowledge of the country of origin (WX 90078, WX 80647) and except those currencies deposited by non-Germans, non-Law 5 Germans and German corporations owned by non-Germans (WX 87155). On the basis of present inventories, we cannot comply with the exceptions mentioned in WX 87155 and we recommend that these exceptions be disregarded.

III. SECURITIES

We are authorized to proceed unilaterally with restitution of identifiable looted securities (WX 96654, WX 87155). Further, there is quadripartite agreement on this matter in RM&R Directorate except that Soviets do not agree to inclusion securities of German issue and French do not agree to exclusion of securities which were German-owned prior to German occupation. Matter is now going to CONG.

We have worked out a restitution procedure with the Restitutions Branch of Economics Division and are proceeding with the first restitution claim. For the time being we will not reconstitute looted securities of German issue.

We have not yet begun the disposition of bona fide German-owned foreign securities and our comments have been requested (WX 87155) concerning the possibility of immediate turnover of those securities whose German ownership is certain. We recommend the commencement of such turnover when and if it is determined that there is little hope of success in the conversations at Moscow concerning the status of foreign securities found in Germany.

We were directed by WX 88566 to attempt to secure quadripartite agreement regarding the pooling of unidentifiable securities. It seems certain that such agreement will not be reached. Accordingly, we are uncertain as to the disposition of such securities.

THEODORE H. BALL
Director

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