

X.Y. 9/1
Charlie
Manning

DECLASSIFIED
Authority W.M.S. Tolson
By AL NARA Date 1/10/77

PROGRAM
FILE

AMERICAN EMBASSY

LISBON, PORTUGAL

Date: September 18, 1946

Rec'd:

Secretary of State,
Washington, D. C.

A-382, September 18, 1946.

For Department and Treasury from Rubin and Schmidt.

Members of American delegation have just learned that significant developments, of interest to both American and British authorities, have taken place in connection with the gold purchased by the Bank for International Settlements of Basle (hereafter referred to as the B.I.S.) from the Reichsbank during the war.

In brief, documents, significant portions of which are translated below, show

1. that in June of this year representatives of the Bank of France (apparently acting also on behalf of the Bank of Belgium) jointly with officials of the B.I.S. examined B.I.S. records and established that 1,607 fine kilograms of the gold obtained by the B.I.S. from the Reichsbank during the war, was melted Belgian gold;
2. that B.I.S. offered to repay this amount offering chiefly gold supposedly held for its account by the Constance branch of the Reichsbank and already in the possession of French military authorities in Germany;
3. the B.I.S. tried to get the French and Belgian Central Banks in return to renounce all claims against the gold obtained by it during the war from the Reichsbank.

In making these documents available to the delegation, the French representatives stated that they had not yet been given to anyone.

Rubin and McCombs are suggesting to Panafieu (Chief of the French Delegation) that he recommend to his Government that the relevant documents be immediately made available to the appropriate British and American authorities.

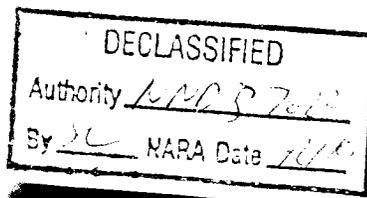
The significant portions of the documents are as follows:

1. On September 25, 1945 McKittrick, as President of the B.I.S., addressed letters to Monick, Governor of the Bank of France, and Frere, Governor of the Bank of Belgium, referring to investigations made in Germany concerning the Belgian

/gold

851.6 B.I.S. X 021.0 S/LAND-GOLD POLICY

16-411
Manning
7-17-46



XI 4/2

-2-

gold and advising them that "if it appears useful to extend your investigations to the gold exported by the Reichsbank during the war, the B.I.S. will, of course, be disposed to facilitate these investigations insofar as they concern it by all means within its power".

● B. On June 5, 1946 (note correlation with end of Swiss negotiations) Monick addressed a letter of reply, significant portions of which read as follows:

"Following your suggestion, we have exchanged the information presently at our disposal and established that a small amount of the gold received by the B.I.S. from the Swiss National Bank for account of the Reichsbank in discharge of payments due by the latter to the B.I.S. appear to consist of gold on the National Bank of Belgium.

"Since then, the investigations by the Allied Military authorities in Germany and by the Bank of France itself have enabled us to determine exactly the gold bars of the National Bank of Belgium which were resented in Germany and to obtain all data necessary to identify these bars in spite of the false dates placed on them deliberately by the German authorities.

"You will find attached a list that I am transmitting in accord with the National Bank of Belgium and which contains the dates and the numbers which were stamped on the bars.

"The Bank of France and the Bank of Belgium will be grateful to you if you would consequently proceed to re-examine your lists so as to establish the exact facts in accordance with your suggestions.

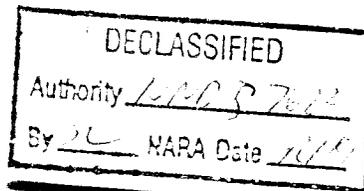
"It is probable that, in due time, your institutions will be subject to an official demarche by the three governments charged with the carrying-out of the part of the Final Act of the Paris Conference concerning the restitution of monetary gold: it would seem, however, that there would nevertheless be advantages to having the foregoing facts of the situation clearly established thanks to the collaboration that you have spontaneously proposed and for which we again thank you."

C. In a reply addressed June 11, 1946 to Monick, McKittrick makes the following suggestion:

"In order to establish more completely and exactly whether the B.I.S. has received in payment from the Reichsbank, certain bars of gold thus identified - for which reason we have since last September offered our entire facilities - we suggest that the Bank of France, in accord with the Bank of Belgium, may wish to send to the B.I.S. two qualified officials armed with the documentation which you have. These officials will proceed, together with those of the B.I.S., to make a detailed examination of the documents possessed by our two Institutions and will permit us to complete the official exchange of information which is already under way and to establish the facts in a probative and definitive manner."

D. On June 14, 1946 a "proces verbale" was signed in Basle by two officials (P. Raffageon and Filloux) representing the Bank of France and three officials (G. Royet, H. Guisan and K. Thierack) of the B.I.S. The significant portion of the

/findings



81-473

Findings reads as follows:

"Section IV.../Note: Decimals omitted from all figures/

- "1. that during the war in Europe, namely from September 2, 1939 to May 8, 1945 the B.I.S. received from the Reichsbank a total of 13,542 kilograms of fine gold;
- "2. that of this total, 6,542 kilograms were delivered to the B.I.S. before the first of January 1943 and, given the date of their entry into Switzerland and re-transfer to the B.I.S., could not be gold of the National Bank of Belgium;
- "3. that the B.I.S. acquired full ownership of the remaining 7,000 kilograms as well as of 29 kilograms that the Reichsbank still had in a demand gold account with the B.I.S. on December 31, 1942;
- "4. that of this total of 7,029 kilograms, the greatest part, or 6,384 kilograms, was paid to the B.I.S. to cover amounts due from the Reichsbank for the service of investments made in Germany in 1930 and 1931 by the B.I.S. in execution of its obligations under the Hague Accords of 1930, the balance of 645 kilograms being the payment of amounts owed under the universal Postal Union.".....

"Section V. Concerning the 7,029 kilograms of fine gold, the examination of the documents produced by the two parties established that the following bars, received by the B.I.S. consist of Belgian gold." (here follows a list of 129 bars totaling 1,607 kilograms of fine gold).

"The 129 bars of 1,607 kilograms identified above were held in the Reichsbank depot at Bern and were remitted to the B.I.S. by the Swiss National Bank on order and for account of the Reichsbank."

Concerning the disposition of this gold Section VI says:

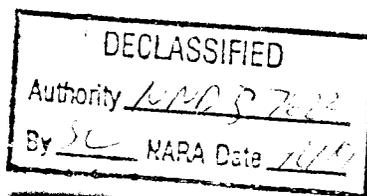
- "a. 17 bars totaling 205 kilograms are still the property of the B.I.S. and are in a depot earmarked for its credit at the Swiss National Bank.
- "b. 112 bars totaling 1,402 kilograms were paid on March 22, 1944 to the National Bank of Roumania to the debit of its demand account with the B.I.S. and delivered on its order and for its account to the Swiss Union Bank, Zurich."

Section VII states:

"It has also been established that only the 129 bars mentioned above correspond to the identifying symbols of the gold of the Belgian National Bank which was requisitioned by the German authorities and that, as a consequence, all of the rest of the gold acquired by the B.I.S. from the Reichsbank during the war, including the 2,162 kilograms still deposited at Bern and the 1,526 kilograms deposited at the branch of the Reichsbank at Constance does not consist of gold of the Bank of Belgium."

E. On August 9, 1946 a four page letter signed by R. Aubois, Director General and R. Pilotti, Secretary General, of the B.I.S. was sent to Honick of the Bank of France. After quoting substantially from the proces-verbale referred to in "D" above, this letter states:

/^ Satisfactory



X 9/4

-4-

"Satisfactory proof has now been given to the B.I.S., that it has involuntarily received from the Reichsbank an amount of gold of 1,607 fine kilograms which in fact consists of gold which the National Bank of Belgium had on deposit with the Bank of France and which was requisitioned by the German authorities.

"We have the honor as a consequence to inform you that, in view of the facts established in the proces-verbale drawn up jointly by the Bank of France (in accord with the National Bank of Belgium) and the B.I.S. on June 14, 1946, the B.I.S. is ready to put at the disposition of the Bank of France (acting in accord with the National Bank of Belgium)

a. 1,526 kilograms of fine gold belonging to the B.I.S. and held under its dossier at the branch of the Reichsbank at Constance under the control of the French occupation authorities in Germany;

b. 82 kilograms of gold held on deposit by the B.I.S. with the Bank of England, London;

or a total of 1,607 kilograms of fine gold.

"From the exchange of information which has just taken place with the Bank of France, it results that the latter, neither for its own account or that of the National Bank of Belgium, has, to our knowledge, any other claim to present to the B.I.S. than that based on the 1,607 kilograms of fine gold just referred to. We consequently think that, against remittance by the B.I.S. of the above-mentioned amounts of fine gold, the Bank of France (in accord with the National Bank of Belgium) will be able to confirm to the B.I.S. that it renounces all claims relative to the gold acquired by the B.I.S. from the Reichsbank during the war whether such gold is still held by the B.I.S. or has been sold in the meantime by it to third party banks or institutions."

7. The letter of reply dated August 13, 1946 and signed H. de Bletterie (sous-Gouverneur), the Bank of France contained the following significant statement:

"The proces-verbal of the examination of the documents in the possession of the B.I.S. and the Bank of France, drawn up at Basle June 14, 1946, enables us to establish the amount at 1,607 fine kilograms.

"You likewise submit that, in receiving this gold the Bank of France (in accord with the National Bank of Belgium) should declare that it renounces all claims relative to the gold acquired by the B.I.S. from the Reichsbank during the war, whether such gold be still held by the B.I.S. or has been sold in the meantime by it to third-party banks or institutions.

"I thank you for your offer, the full value of which I appreciate, and I will not fail to communicate it to the Conseil General. However, I must inform you that the Bank of France does not believe itself authorized to accept it on its own initiative although it does not have in respect to this matter any other claim to present.

"The Accord signed at Paris on January 14, 1946 among the United Nations stipulates, in effect, that the question of the recovery of monetary gold looted by Germany will be handled by the French, English, and American Governments. I can, then, only transmit your propositions to the French Government through the intermediary of the

/Minister

XI-4/5

Minister of Finance."

G. It is not clear from the foregoing whether the Bank of France has accepted as payment the gold held by the Constance Branch of the Reichsbank. If not already done, should not facts of this gold be investigated to determine whether this gold should not properly be regarded as German gold despite any last minute attempts of German authorities to transfer it physically, or failing that to transfer its title, to the B.I.S.?

H. In view of foregoing developments should not steps be taken to ascertain by tripartite investigations whether any other of the gold obtained by B.I.S. from Germany consisted of looted gold? Formal receipt by British and American authorities from the French of the foregoing documents may serve as occasion to develop plans for tripartite approach to B.I.S. investigation.

I. Inform Rabin and Schmidt of any significant developments including receipt of foregoing documents from the French.

Sent to Department as A-382, repeated to Bern and to COMUS, Berlin for attention Finance and Political Divisions.

BARUCH

SJRWBIN/GSCHMIDT/ngc/mcf

DECLASSIFIED
Authority: [unclear]
By: [unclear]
NARA Date: [unclear]