

## DOCUMENT 19

March 21, 1947 Telegram from Dean Acheson, Acting Secretary of State states: "U.S. has also decided apply non-mon gold directive to Amzone Austria, ***although language Paris Act apparently provides no legal basis therefore.***"

UNCLASSIFIED # R 654 100  
Authority NNO 968106 MP3-59-86-57  
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7 November 1946

STATE-WAR-NAVY COORDINATING COMMITTEE

DECISION ON SWNCC 336

DEFINITION OF NON-MONETARY GOLD PURSUANT TO ARTICLE 8  
OF THE PARIS REPARATIONS AGREEMENT

Note by the Secretaries

By informal action on 7 November 1946, the State-War-Navy  
Coordinating Committee approved SWNCC 336.

H. W. MOSELEY  
W. A. SCHULGEN  
V. L. LOWRANCE  
Secretariat

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SWNCC 336

28 October 1946

Pages 1 to 7, incl.

STATE-WAR-NAVY COORDINATING COMMITTEE

DEFINITION OF NON-MONETARY GOLD PURSUANT TO ARTICLE 8  
OF THE PARIS REPARATIONS AGREEMENT

Note by the Secretaries

The enclosure, a paper on the above subject presented by the State Member, SWNCC, is circulated for consideration by the Committee.

H. W. MOSELEY

A. D. REID

V. L. LOWRANCE

Secretariat

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E N C L O S U R E

DEFINITION OF NON-MONETARY GOLD PURSUANT TO ARTICLE 8  
OF THE PARIS REPARATIONS AGREEMENT

THE PROBLEM

1. To issue instructions to the U. S. Commanders in the European Theater with respect to the execution of that part of Article 8 of the Paris Agreement on Reparations which provided for the use of all non-monetary gold found by Allied Armed Forces in Germany for the rehabilitation and resettlement of non-repatriable victims of German action.

FACTS BEARING ON THE PROBLEM

2. Article 8 of the Paris Agreement on Reparations executed January 14, 1946 provided inter alia:

"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 ...shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German action."

3. Pursuant to the foregoing Agreement there was executed on June 4, 1946 the Five Power Agreement which provided inter alia:

"The Inter-governmental Committee on Refugees or its successor organization is hereby authorized to take title from the appropriate authorities to all 'non-monetary gold' found by the Allies in Germany and to take such steps as may be needed to liquidate these assets as promptly as possible, due consideration being given to secure the highest possible realizable value."

4. The proposed directive was sent to CG, USFET, and to CG, USFA, for comment. The reply of OMGUS (CG 4770, October 2, 1946) is annexed hereto as Appendix "B". The reply of USFA (P 3667, September 7, 1946) is annexed hereto as Appendix "C".

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5. It is the opinion of the Department of State that U.S. policy should favor the broadest possible interpretation of the obligation assumed by the signatories under Article 8 of the Paris Reparations Agreement, and that a liberal interpretation should be given in the definition of "non-monetary gold". To the extent that assets can be realized from this source, the burden upon the Government of the United States in connection with the financing of rehabilitation and resettlement problems will be diminished.

6. The draft directive accordingly departs somewhat from the precise terms of the Agreements, but is very close to the known intention, which was to make available those valuables seized from Nazi victims which were not capable of being restituted to their owners. The directive is broader than the Agreement in applying to other areas in addition to Germany and in including valuables other than gold; it is narrower than the Agreement in limiting the source of the assets to loot seized or obtained under duress from Nazi victims which cannot be restituted.

7. Both OMGUS and USFA have concurred in the proposed directive. Although specifically requested in WARX 98112 (Forwarded Appendix "A" for comment) to make any specific proposals for amendment which they may consider advisable, neither made any suggestions.

CONCLUSION

8. The proposed directive in Appendix "A" should be issued to CG, USFET and CG, USFA, by the Joint Chiefs of Staff.

RECOMMENDATION

9. It is recommended that, after approval by SWNCC, the Joint Chiefs of Staff be requested, if they have no objection from a military point of view, to dispatch to CG, USFET and to CG, USFA, the directive annexed hereto as Appendix "A".

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Enclosure.

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APPENDIX "A"PROPOSED DRAFT DIRECTIVE TO CG, USFET, AND CG, USA,  
ON DEFINITION OF NON-MONETARY GOLD PURSUANT  
TO ARTICLE 8 OF THE PARIS REPARATIONS AGREEMENT

1. You will make available on demand to duly accredited representative of IGCR all valuable personal property which represents loot seized or obtained under duress from political, racial or religious victims of Nazi Govt or its Statellite Govts. or nationals thereof which was or may hereafter be found, seized or confiscated by USFET or by local authorities acting under direction or control of US Forces, subj to fol conditions:

A. That property cannot be restituted to Govt pursuant to WARX 85965 November 1945 (SWNCC 204/2) and WARX 99226 March 1946 (SWNCC 204/5), as amended and modified by Control Council action, because determination of national origin is impractical.

B. That property cannot be restituted to lawful owners under laws in force in place where presently found either because lawful owner has died or ceased to exist without legal successor or because determination of individual ownership is impractical.

C. That ownership interests in real property located in Germany and German currency or instruments of exchange payable in German currency will be excepted.

D. That Jewish books, manuscripts and literature of cultural or religious importance will be excepted and disposed of pursuant to separate directive.

E. That detailed inventory and tentative agreed valuation will be made of property subj to transfer to IGCR hereunder, and transfer will be made upon signing of joint inventory which shall be made part of receipt.

2. You will permit property transferred hereunder to be removed from Germany and Austria or to be sold therein if payment can be made outside Germany or Austria in acceptable foreign currency, notwithstanding any laws for control of foreign exchange, to end that maximum value be obtained therefrom by IGCR.

3. You will seek to obtain Control Council Agreement to disposition pursuant to terms of this directive of any property disposition of which is reserved to Control Council. Even prior to such agreement you will nevertheless execute directive and you may advise other representatives of Control auth that you are doing so pursuant to obligation assumed by your Govt in subscribing to Paris Agreement on reparations.

4. Expression "Valuable personal property" as used in par 1 of this directive shall be interpreted to exclude ordinary items of furniture, clothing and other personal property of small intrinsic value and to include any such items of uncommon value. In determination of impracticality of identification pursuant to par 1 subpar A and B of this directive regard shall be had to extent of commingling with other property and difficulty and expense of determination of ownership in comparison with value of property. All property, as defined herein, will be considered as falling within this directive and will be made available to IGCR unless available evidence clearly is to contrary. You will establish such adm machinery as may be necessary to execute this directive promptly and effectively.

Authority NND 968106

By 75 NARA Date 6/8/49

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APPENDIX "B"

From: OMGUS Berlin Germany signed Clay  
To: War Department for WDSGA ES  
Info: CG USFA Vienna; CG USFET Frankfurt  
Nr: CG 4770

2 October 1946

Reurad WX 98112. We are in agreement regarding urgency of problem and prepared to implement program along lines indicated as soon as possible. However we would wish to point out that:

1. Proposed directive indicates that only available personal property which is not possibly restitutable will be made available IGCR. Since identification property for restitution purposes is difficult and time-consuming task and since items of "uncommon value" singled out Para (4) proposed directive are those most likely to prove ultimately identifiable, we anticipate difficulty in transferring the entire available amount in the near future, "Detailed inventory" mentioned Para (1) E proposed directive now in progress foreign exchange depository Frankfurt, where bulk of property in question is held. Estimate that it will require approximately one year to complete task. As to non-restitutable loot held by individuals we propose to treat it according your draft directive when it is discovered and taken under control. However, discovery and control of substantial amounts will require some time.

2. No foreign exchange is available for purpose indicated para (2). Therefore sales would have to be to foreigners if IGCR is to benefit. In interests of avoiding many undesirable complications likely arise from new foreign investment in Germany at this time, such sales should be confined to movable property which would be taken out of Germany.

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Appendix "B"

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Authority NND 968106

By FS NARA Date 6/8/49

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3. Reference para (3) proposed directive. Coordinating committee at meeting 28 August agreed in principle that with certain exceptions Nazi Party properties of military and para-military organizations shall be transferred to Governments of Laender and Provinzen in which they are located, to be disposed of in accordance instructions of Zone Commanders. Disposition of Reich properties which do not fall within these categories still reserved to Control Council.

4. Detailed exceptions to Nazi Party property which will be subject to disposition of Zone Commander follow, with qualification that any looted non-restitutable properties irrespective of origin are considered by US available for purposes proposed in reference cable:

- A. Properties claimed for restitution, or with respect to which reasonable chance such claims will be advanced.
- B. Properties subject to reparations.
- C. Properties of former enemy states, whose disposition is reserved to Control Council,
- D. Former properties of religious institutions, cooperatives, and approved political parties.
- E. Property used for Allied Forces.

5. In the interests of complying with your desires we are prepared to turn over shortly all SS loot which appears to offer little chance of being restituted. Since a large part has already been melted down or made untraceable, this will include majority of SS loot. Although now formally held in name of Reichsbank or Reich Government, rather than SS, we will not recognize nominal transfer from SS, and will make available upon your directive to Zone Commander as non-restitutable Nazi property. Other Nazi Party loot, including caches of jewelry as discovered and determined to be unrestitutable loot, will be treated in similar manner.

End.

CM-IN 687

(3 Oct 46)

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Approved by B  
208883

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By 75 NARA Date 6/18/99

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APPENDIX "C"

PARAPHRASE

From: CG USFA Vienna Austria cite PAACA/R  
To: War Department for WDSOA  
Info: OMGUS; USFET  
Nr: P 3667

7 September 1946

Reference WARX 98112.

Proposed directive concurred in. Known material possibly applicable under this directive was all captured not in Germany but in Austria.

Definitely applicable is the Kurt Becher collection while possibly applicable is train of Hungarian loot.

Latter, which includes 100 small cases jewelry and watches and approximately 15,000 grams of gold bullion, is under study.

CM-IN 1409

(8 Sept 46)

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Appendix "C"

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