

DOCUMENT 25

July 27, 1948 Outgoing Airgram from Secretary of State George C. Marshall to the American Legation in Budapest. This document stated:

Prior to their withdrawal from Hungary the Nazis had collected a considerable quantity of movable property belonging to Jewish victims of Nazi action. It is understood that this property belonged to Jewish victims in all parts of so-called Greater Hungary. It was removed by train to Austria, where, having been separated into two trains, it was found by American and French forces.

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OUTGOING AIRGRAM

CLASSIFICATION

Department of State

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NO. A-142

Washington,
July 27, 1948

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AMLEGATION,
BUDAPEST.

Reference is made to Legation's despatch No. 515 of June 11, regarding news reports on the sale of looted property of Hungarian origin. As the Legation is undoubtedly aware, the disposition of the so-called Hungarian gold train was the subject of correspondence in 1947, between the Legation and the Central Board of Jews in Hungary and was also discussed in various communications between the Legation and the Department.

Following is a brief summary of the facts of this matter. Prior to their withdrawal from Hungary the Nazis had collected a considerable quantity of movable property belonging to Jewish victims of Nazi action. It is understood that this property was picked up in all parts of so-called Greater Hungary. It was removed by train to Austria, where, having been separated into two trains, it was found by American and French forces.

American Forces having examined the portion of the Hungarian train in the American Zone of Austria, the US Commander determined that the contents thereof was unidentifiable as to owners and, in view of the territorial changes in Hungary, as to national origin; restitution to Hungary being therefore not feasible, it was determined, with the approval of this Government, that the property in question would be given to the Intergovernmental Committee for Refugees (succeeded by the Preparatory Committee for the International Refugee Organization). The basis for this action was the decision of this Government to apply to so-called non-monetary gold found in Austria the principle of Article 8 of the Paris Reparation Agreement of December 1945 and of the Five Power Agreement of June 1946 for the implementation of this provision. The Legation is probably aware that the PCIRC, as successor organization to the ICGR, is a United Nations Agency charged with the responsibility for the resettlement and rehabilitation of the non-repatriable victims of Nazi persecution, and that ninety percent of the proceeds of the so-called Monetary Gold transferred to this Agency under the terms of the international agreements referred to are used for the benefit of Jewish victims of Nazi persecution.

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In the course of Mr. Nyaradi's visit to Washington in the early part of 1947 he raised with the Department the question of that section of the Hungarian train which was found in the American Zone of Austria, and in a communication to the Dept. dated February 25, 1946, the Hungarian Legation among other things, stated that the Hungarian Government had "waived all claims to this property" but wished to turn over the goods to Jewish welfare organizations in Hungary and "would gladly help its citizens by protecting their rights to claim the return of this property". Mr. Nyaradi was advised of the decision taken and of the basis therefore. Later in 1947 the matter was also discussed with Mr. Marik of the Hungarian Legation. The Department understands that on May 29, 1948, the Hungarian Restitution Mission in Geneva wrote to the Preparatory Commission of the IRO requesting that the property in question be withheld from disposition and returned to Hungary, indicating at the same time that an official restitution claim therefor had been filed with American authorities in Austria on October 17, 1947, and had not been acted upon. It is understood that the PCIRO replied to the effect that it could not question the determination of unidentifiability which the US military authorities had made concerning the gold train but that it was prepared to release any property which these authorities may determine to have been transferred to the PCIRO in error. For the information of the Legation, it is anticipated that the decisions in regard to the disposition of this property will not be changed.

The valuables recently auctioned by the PCIRO in New York include some items which were in the Hungarian gold train, as well as valuables found in Germany. The valuables are being sold in such manner as to realize the largest possible amounts for the beneficiaries of the fund. There is of course no substance to implications in the Hungarian Press that they are being disposed of for private profit or that the proceeds may aid Hungarian Nazis.

The Legation should use these facts in its discretion to refute representations in the Hungarian press. On the basis of the articles transmitted in the Legation's Despatch No. 515 it would appear doubtful that a refutation would serve a useful purpose at this time.

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