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O 230948Z SEP 96 FM AMEMBASSY BONN

TO RUEHC/SECSTATE WASHDC IMMEDIATE 3663

TNFO RUEHRS/AMEMBASSY BRUSSELS IMMEDIATE 3168

RUEHFT/AMCONSUL FRANKFURT PRIORITY 2899

RUEHSL/AMEMBASSY BRATISLAVA 0623

SCO

RUEHTI/AMEMBASSY TIRANA 0948

RUEHPG/AMEMBASSY PRAGUE 0022

RUEHLE/AMEMBASSY LUXEMBOURG 9498

RUCNFRG/FRG COLLECTIVE

RUEHTC/AMEMBASSY THE HAGUE 8180

DECLASSIFIED AND RELEASED BY CENTRAL INTELLIBENCE ABENCY SOURCES METHODS EXEMPTION 3828 NAZI WAR CRIMES DISCLOSURE ACT DATE 2001 2007

NAZI WAR CRIMES DISCLOSURE ACT

RUEHVI/AMEMBASSY VIENNA 1318 RUEHSW/AMEMBASSY BERN 4687 RUEHFR/AMEMBASSY PARIS 7706 RUEHWR/AMEMBASSY WARSAW 6221 RUEHLO/AMEMBASSY LONDON 5886 RUEATRS/TREASURY WASHDC RUEHRO/AMEMBASSY ROME 6960 BT

CONTROLS

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BRUSSELS FOR U.S. GOLD COMMISSIONER BREESE L FOR CONRAD HARPER, MICHAEL MATHESON, ELY MAUER EUR/AGS FOR HERNANDEZ

E.O. 12958: DECL: 9/20/98

TEXT

TAGS: PREL, EFIN, GM COMBINE: COMPLETE

SUBJECT: GERMANS AGREE TO TRANSFER NAZI-LOOTED GOLD

BARS THIS WEEK

REF: A) BONN 5582 B) BONN 4016 C) STATE 144123 D) JOHNSON-BREESE TELCON 9/20/96 E) REDIFER-BREESE TELCON 9/20/96 F) STATE 74474 G) BONN LEGAL ADVISER PROPP LETTER TO BUNDESBANK OF JULY 8, 1985 H) BONN LEGAL ADVISER RAMISH LETTER TO L/ECP MAURER OF APRIL 18, 1985

- 1. CLASSIFIED BY ROBERT D. JOHNSON, POLITICAL MINISTER COUNSELOR FOR REASONS 1.5 (B) AND (D).
- 2. (C) THE GERMANFOREIGN OFFICE AND THE BUNDESBANK HAVE ACCEPTED HE SOLUTION FOR THE TRANSFER OF THE TWO NAZI-LOOED GOLD BARS PROPOSED BY THE EMBASSY (REFS A ANDB) AND APPROVED BY THE DEPARTMENT (REF C). THE BUNDESBANK HAS AUTHORIZED ITS REPRESENTATIVE TO TRANSFER CUSTODY OF THE BARS TO AN EMBASSY REPRESENTATIVE AS SOON AS ARRANGEMENTS HAVE BEEN MADE FOR THEIR SECURE TRANSPORTATION. THE U.S. COMMISSIONER FOR THE TRIPARTITE GOLD COMMISSION IN BRUSSELS HAS SET IN MOTION AN AUTHORIZATION FOR THE BANK OF ENGLAND TO ARRANGE FOR AN APPROVED COURIER SERVICE TO MOVE THE BARS FROM GERMANY TO THE CONSOLIDATED GOLD POOL HOLDINGS OF THE COMMISSION IN THE U.K. AS HAD BEEN PREVIOUSLY AGREED (REFS D AND E). THE TRANSFER IS TENTATIVELY SCHEDULED FOR SEPTEMBER 27 AT THE BUNDESBANK'S REPOSITORY AT NEU-ISENBURG NEAR FRANKFURT.
- 3. (C) THE EMBASSY REQUESTS THE DEPARTMENT'S CONFIRMATION OF THE AUTHORIZATION PROVIDED IN PARA 4 OF REF C FOR THE EMBASSY TO SIGN THE LETTER OF TRANSFER AND RECEIPT. POLITICAL MINISTER COUNSELOR ROBERT JOHNSON WILL SIGN FOR THE EMBASSY. EMBASSY FINANCIAL

OFFICER LAURE REDIFER WILL ALSO BE PRESENT FOR THE TRANSFER. DR. STAUDT WILL SIGN FOR THE BUNDESBANK. THE AGREED TEXT IS PROVIDED IN PARA 5 BELOW.

(U) WITH THIS TRANSFER, THE SAGA OF THESE GOLD BARS -- ORIGINALLY OWNED BY THE BELGIAN GOVERNMENT, GIVEN WITH OTHER GOLD TO FRANCE FOR SAFEKEEPING AFTER THE WAR REACHED BELGIUM, TAKEN BY THE NAZIS FROM THE FRENCH IN 1942, RESMELTED AND RELABELED BY THE REICHSBANK, MOVED TO BAVARIA LATE IN THE WAR AGAIN FOR SAFEKEEPING, HIDDEN BY INDIVIDUAL GERMAN SOLDIERS, FOUND IN THE GRATE OF A STOVE IN A MILITARY SCHOOL BY GERMANS AFTER THE END OF THE WAR AND TURNED OVER TO THE SAVINGS BANK OF BERCHTESGADEN, PICKED UP BY THE U.S. MILITARY AND DEPOSITED WITH THE BAVARIAN STATE BANK IN 1945, TRANSFERRED TO THE BUNDESBANK, AND FINALLY IDENTIFIED IN 1985 FOR DISPOSITION AS PART OF THE GOLD POOL ADMINISTERED BY THE U.S., UK, AND FRANCE UNDER THE 1946 PARIS REPARATIONS AGREEMENT -- WILL COME TO AN THEY WILL BECOME PART OF THE POOL OF GOLD BEING DISTRIBUTED AMONG THE COUNTRIES FROM WHOM THE NAZIS THEY WILL NOT, WE UNDERSTAND, BE GIVEN TO THE BELGIANS BECAUSE THE FRENCH MADE GOOD THE BELGIAN LOSSES EARLY ON AND THEMSELVES TOOK OVER THE BELGIAN CLAIM AGAINST THE GOLD POOL.

5. (U) AGREED TEXT

BEGIN TEXT

LETTER OF TRANSFER AND RECEIPT

1. THE DEUTSCHE BUNDESBANK HEREWITH TRANSMITS TO THE UNITED STATES OF AMERICA, CARE OF THE U.S. EMBASSY IN BONN, TWO GOLD BARS AS DESCRIBED BELOW FOR TRANSFER TO THE TRIPARTITE GOLD COMMISSION (UNITED STATES, UNITED KINGDOM, AND FRANCE) FOR INCLUSION IN THE GOLD POOL, ESTABLISHED ACCORDING TO SECTION III OF THE PARIS AGREEMENT ON REPARATION FROM GERMANY OF JANUARY 14, 1946.

THE MATTER CONCERNS TWO GOLD BARS WHICH WERE DEPOSITED AT THE CENTRAL BANK OFFICE IN MUNICH, NOW THE REGIONAL CENTRAL BANK IN BAVARIA, AS SPECIAL ASSETS OF THE MILITARY GOVERNMENT. THERE WERE NO DETAILS AS TO OWNERSHIP. THE TWO GOLD BARS ARE MARKED:

PREUSS. STAATSMUENZE BERLIN, 1938 905/7 AND 905/8

EACH CARRIES A LABEL OF THE DEUTSCHE BUNDESBANK (A 1562 AND A 1563).

WEIGHT AND STANDARD WERE TESTED IN 1956 BY THE DEGUSSA, DEUTSCHE GOLD- UND SILBERSCHEIDEANSTALT, FORMERLY ROESSLER, FRANKFURT, WITH THE FOLLOWING RESULTS:

BAR NO. RAW WEIGHT (KG) STANDARD 7/713 12,464.9 999,8 8/714 12,346.9 999,8

TWO "TEST CERTIFICATES FOR GOLD BARS" OF DEGUSSA, DATED SEPTEMBER 11, 1956 WITH TEST SPLINTERS ARE ALSO TRANSMITTED.

2. PART III, PARAGRAPH B OF THE SINGLE ARTICLE OF THE PARIS REPARATION AGREEMENT OF 1946 PROVIDES THAT WITHOUT PREJUDICE TO CLAIMS BY WAY OF REPARATION OF ANY UNRESTORED GOLD, THE ACCEPTANCE OF ITS PORTION OF THE GOLD POOL BY EACH COUNTRY PARTICIPATING IN THE GOLD POOL SHALL BE IN FULL SATISFACTION OF ALL CLAIMS BY THESE COUNTRIES AGAINST GERMANY FOR RESTITUTION OF MONETARY GOLD.

RECEIPT IS HEREBY ACKNOWLEDGED OF TWO GOLD BARS (DESCRIBED ABOVE) RECEIVED THIS DAY FROM THE DEUTSCHE BUNDESBANK BY THE UNDERSIGNED FOR TRANSMISSION TO THE TRIPARTITE (UNITED STATES, UNITED KINGDOM, AND FRANCE) GOLD COMMISSION FOR INCORPORATION IN THE GOLD POOL CONSTITUTED UNDER PART III OF THE PARIS AGREEMENT ON REPARATION FROM GERMANY OF JANUARY 14, 1946.

FOR THE DEUTSCHE BUNDESBANK FOR THE EMBASSY OF THE UNITED STATES OF AMERICA

NEU-ISENBURG,

SEPTEMBER

, 1996

END TEXT

BINDENAGEL

ADMIN

END OF MESSAGE

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