

R

DOCUMENT ID: 2345569
INQNO: DOC41D 00083597
DOCNO: TEL 002308 97
PRODUCER: LONDON
AGENCY: STATE
DOCTYPE: IN
DOR: 19970227
TOR: 095258
DOCPREC: P
ORIGDATE: 199702271450
MHFNO: 97 7072547
DOCCLASS: C

CDS
C 45530LONDON 023080581454ZSCP 97-7072547 C
MIDB

S
UPID

/ /

CONFIDENTIAL

FRP: . . 3,

ACTION: NONE INFO: CIRAS, DCI/SRE, DONOVA, EUR/BCI, EUR/CA,
EUR/FRSR, EUR/GAR, EUR/IBIR, EUR/NBLR, EUR/RIG, EUR/RR, FBIS/NFS, IRL,
MDSX, NHTC/EUR, NPCEDC, ODPD, ODPS, OPCTR/EURA, ORMS/EUR, STATDICT, FILE,
(O/W)

97 7072547 SCP

PAGE 001
TOR: 271454Z FEB 97

NC 7072547
LONDON 02308

HEADER
PP RUEAIIB
ZNY CCCCC ZOC STATE ZZH
MSI6582
PP RUEHC
DE RUEHLO #2308/01 0581450
ZNY CCCCC ZZH
P 271450Z FEB 97
FM AMEMBASSY LONDON
TO RUEHC/SECSTATE WASHDC PRIORITY 2421
INFO RUCPDOG/USDOC WASHDC PRIORITY
RUEHSW/AMEMBASSY BERN 3019
RUEHBS/AMEMBASSY BRUSSELS 5716
RUEHFR/AMEMBASSY PARIS 0597
BT

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2007

NAZI WAR CRIMES DISCLOSURE ACT

CONTROLS
CONFIDENTIAL LONDON 002308

FOR EUR/UBI, L/CID, L/ECP
USDOC FOR U/S EIZENSTAT
BRUSSELS FOR BREESE
PARIS FOR MCCARTHY

E.O. 12958: DECL: 02/27/02

TEXT
TAGS: EFIN, PREL, UK
COMBINE: COMPLETE

SUBJECT: TRIPARTITE GOLD COMMISSION: BRITISH REACTION TO
COMPENSATION FUND

REF: STATE 36042

1. (U) CLASSIFIED BY: STEPHEN MULLER, ECONOMIC COUNSELOR;
REASON: 1.5(B).

SUMMARY

2. (C) THE BRITISH BELIEVE IT WILL BE DIFFICULT TO CONVINC
CLAIMANT COUNTRIES TO DIRECT THEIR FINAL TGC DISTRIBUTIONS TO
A COMPENSATION FUND AND FOR THIS FUND TO IDENTIFY INDIVIDUAL
UNCOMPENSATED HOLOCAUST VICTIMS. THE BRITISH ARE GENERALLY
SUPPORTIVE OF ACCELERATED RELEASE OF TGC RECORDS, WITH COME
CAVEATS. ON OTHER NAZI GOLD ISSUES, THE ONGOING REVIEW OF
BRITISH POSTWAR RECORDS HAS REVEALED A CASE OF NON-MONETARY
GOLD BEING ADDED TO THE GOLD POOL, AND THE BRITISH ARE STILL
CONSIDERING JANNER'S PROPOSAL FOR AN INTERNATIONAL CONFERENCE
ON HOLOCAUST ASSETS. END SUMMARY

COMPENSATION FUND

3. (U) ECONOMIC COUNSELOR RAISED REFTEL POINTS FEBRUARY 27
WITH ANTHONY LAYDEN, HEAD OF THE WESTERN EUROPEAN DEPARTMENT
AT THE FOREIGN OFFICE. LAYDEN LISTENED CAREFULLY TO THE
PRESENTATION, AND THEN OFFERED A "PERSONAL AND PRELIMINARY"
REACTION.

4. (C) LAYDEN EXPRESSED SYMPATHY WITH THE CONCEPT OF
ATTEMPTING TO FIND A WAY TO COMPENSATE HOLOCAUST VICTIMS, BUT
WAS SKEPTICAL THAT OUR COMPENSATION FUND PROPOSAL WAS
NECESSARILY THE BEST APPROACH, OR WAS EVEN PRACTICAL. THE
MAIN PROBLEM LAYDEN RAISED WAS HOW TO CONVINC THE CLAIMANT
COUNTRIES THAT IT WAS THEIR RESPONSIBILITY TO PROVIDE THE
MONEY TO BE DISTRIBUTED BY THE COMPENSATION FUND. AFTER ALL,
HE NOTED, THEIR TGC CLAIMS WERE BASED ON THEIR LOOTED MONETARY
GOLD, AGAINST WHICH THERE WERE NO JEWISH CLAIMS. WHEN
REMINDED OF THE MORAL DIMENSION OF THE ISSUE, LAYDEN REPLIED
THAT BASED ON THE 1946 AGREEMENT THE TGC GOVERNMENTS ALSO HAD
A MORAL OBLIGATION TO RETURN MONETARY GOLD TO CLAIMANTS. HE
SAID THAT COMPENSATION SHOULD COME FROM GERMANY, AND ADDED
THAT GERMANY HAD ALREADY ENGAGED IN A NUMBER OF COMPENSATION
EXERCISES AND WAS IN THE PROCESS OF SIGNING COMPENSATION
AGREEMENTS WITH ADDITIONAL COUNTRIES.

5. (C) LAYDEN WAS ALSO CONCERNED ABOUT THE NATURE OF THE BENEFICIARIES TO BE COMPENSATED BY THE FUND. HE RECALLED THAT IN THE IMMEDIATE POST-WAR PERIOD THE ALLIES HAD REJECTED AS IMPRACTICAL THE CONCEPT OF INDIVIDUAL COMPENSATION OR RESTITUTION. HE ALSO STATED THAT HIS GOVERNMENT WAS UNCOMFORTABLE WITH SIMPLY PROVIDING LARGE SUMS OF MONEY TO ORGANIZATIONS SUCH AS THE WJC OR WJRO TO DISTRIBUTE AS THEY SAW FIT.

6. (C) ON A MORE POSITIVE NOTE, LAYDEN AGREED THAT IF THE TGC GOVERNMENTS DECIDED TO APPROACH CLAIMANT GOVERNMENTS ON THE COMPENSATION FUND IDEA, BELGIUM AND LUXEMBOURG SHOULD ALSO BE INCLUDED.

RELEASE OF TGC DOCUMENTS

7. (C) LAYDEN AGREED THAT TGC RECORDS SHOULD BE MADE AVAILABLE TO THE PUBLIC SOONER THAN FRENCH ARCHIVE POLICY PERMITTED, AND ADMITTED THAT SOME TGC RECORDS HAD BEEN MIXED IN WITH FOREIGN OFFICE ARCHIVES AND ALREADY WERE AVAILABLE TO THE PUBLIC IN THE UK. HE SAID THAT AS A GENERAL RULE THE UK WOULD LIKE TGC RECORDS TO BE DEALT WITH UNDER THE UK'S 30-YEAR DECLASSIFICATION RULE, WITH EXCEPTIONS MADE FOR CERTAIN SENSITIVE RECORDS SUCH AS NEGOTIATIONS WITH INDIVIDUAL CLAIMANTS. HE STRESSED THAT THE UK WOULD WANT AN OPPORTUNITY TO REVIEW ANY TGC DOCUMENTS HELD IN U.S. ARCHIVES PRIOR TO THEIR RELEASE. HE ALSO SUPPORTED THE IDEA THAT THE TGC SHOULD PREPARE A COMPREHENSIVE REPORT ON ITS ACTIVITIES FOR PUBLIC RELEASE UPON ITS TERMINATION. HE DID NOT APPEAR TO OBJECT TO THE RELEASE OF FRBNY RECORDS.

NON-MONETARY GOLD

8. (C) LAYDEN TOLD ECONCOUNS THAT THE FOREIGN OFFICE'S HISTORICAL RESEARCH HAD UNEARTHED A POSSIBLE INCIDENT OF NON-MONETARY GOLD BEING ADDED TO THE GOLD POOL. THE GOLD IN QUESTION WAS PART OF THE MERKERS GOLD CACHE. BRITISH RESEARCH INDICATES THAT THE GERMAN RECORDS FOUND WITH 10 GOLD BARS SHOW THAT THEY HAD BEEN MELTED FROM CONFISCATED GOLD POSSESSIONS (INCLUDING TEETH). HOWEVER, ACCORDING TO BRITISH RECORDS, THE U.S. ARGUED THAT SINCE THE GOLD WAS IN MONETARY FORM WHEN IT WAS FOUND, IT SHOULD BE TREATED AS MONETARY GOLD. THE BRITISH DID NOT PRESS THE POINT AND THE GOLD WAS ADDED TO THE GOLD POOL. LAYDEN ALSO NOTED THAT BRITISH HISTORICAL RESEARCH CONFIRMED THAT THE ALLIES WERE DILIGENT IN SEPARATING MONETARY AND NON-MONETARY GOLD, WITH NON-MONETARY GOLD AND OTHER VALUABLES USED FOR REFUGEE RELIEF PURPOSES. NOTE: GILL BENNETT, THE PRIMARY FCO RESEARCHER ON THIS ISSUE, PLANS TO BE IN WASHINGTON MARCH 6-9 FOR CONSULTATIONS WITH HER STATE DEPARTMENT COUNTERPARTS.

JANNER PROPOSAL

9. (C) THE UK HAS ALSO BEEN APPROACHED BY MP GREVILLE JANNER REGARDING HIS IDEA FOR AN INTERNATIONAL CONFERENCE TO LOOK INTO HOLOCAUST ASSETS. LAYDEN SAID THAT THE FOREIGN OFFICE

~~CONFIDENTIAL~~

HAD NOT YET FORMALLY RESPONDED TO JANNER. LAYDEN COMMENTED
THAT JANNER MAY NOT HAVE REALIZED THE DIFFICULTY AND EXPENSE
OF ORGANIZING AND HOSTING A MAJOR INTERNATIONAL CONFERENCE.
CROWE

ADMIN
END OF MESSAGE

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~