DOCUMENT\_ID: 178616738

DOC44D 00016358 INONO:

DOCNO: TEL 008061 97

PRODUCER: BRUSSELS AGENCY: STATE

DOCTYPE: IN

DOR: 19971121

082757 TOR:

DOCPREC: R

ORIGDATE: 199711211124 MHFNO: 97 9780958

DOCCLASS: C

CDS

C 75502BRUSSELS 080613251330ZSCR 97-9780958

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FRP: , ,3, , , ,

ACTION: NONE INFO: CIRAS, DONOVA, EUR/CG, EUR/CGRR, EUR/NGRR, EUR/RIG, EUR/RR, EUR/SGRR, F/BELGIUM, F/INTECDEV, IRL, MDSX, NHTC/EUR, NPCEDC, ODPD, ODPS, OPCTR/EURA, STATDICT, FILE, PWSTAFF/JR (2/W)

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TOR: 211330Z NOV 97

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HEADER RR RUEAIIB ZNY CCCCC ZOC STATE ZZH MSI3272 RR RUEHC DE RUEHBS #8061/01 3251124 ZNY CCCCC ZZH R 211124Z NOV 97 FM AMEMBASSY BRUSSELS TO SECSTATE WASHDC 6025

DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3B28 NAZ I WAR CRIMES DISCLOSURE ACT DATE 2001 2007

NAZI WAR CRIMES DISCLOSURE ACT

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C O N F I D E N T I A L BRUSSELS 008061

STATE FOR E - MOORE; EUR/UBI - BELL, ERESHEFSKY; L/CID - LAMOTTE, EUR - COMRAS, NEHER

E.O. 12958: DECL: 11/19/2007

TEXT

TAGS: KNAR, EFIN, BE COMBINE: COMPLETE

SUBJECT: NAZI GOLD: FURTHER BELGIAN VIEWS ON FUND

REF: (A) BRUSSELS 7035, (B) BRUSSELS 7013,

(C) BRUSSELS 6960

(U) CLASSIFIED BY DCM MARTIN CHESHES, REASONS 1.5 B AND D.

- (C) SUMMARY: A CONVERSATION ON NOVEMBER 19 BETWEEN THE DCM AND SECRETARY GENERAL OF THE BELGIAN FOREIGN MINISTRY JAN DE BOCK SUGGESTED THAT DE BOCK DID NOT FULLY UNDERSTAND A KEY ELEMENT OF THE FUND'S STRUCTURE -- I.E., THE ABILITY OF DONOR GOVERNMENTS TO DESIGNATE SPECIFICALLY WHICH BENEFICIARIES WILL RECEIVE THE FUNDS THEY CONTRIBUTE. DE BOCK TOLD THE DCM THAT BELGIUM'S CONCERN WOULD BE LESSENED IF IT COULD USE THE FUND TO ADDRESS "INTERNAL NEEDS." THE DCM CLARIFIED THIS POINT AND DE BOCK SPOKE OF A POSSIBLE BELGIAN CONTRIBUTION, NOTING THE MINISTRY OF FINANCE'S VIEW THAT THE CONTRIBUTION ADDRESS THE FINDINGS OF BELGIAN'S NATIONAL COMMISSION NOW STUDYING NAZI GOLD. THE FACT THAT THE COMMISSION ITSELF IS COOL TO THE FUND COMPLICATES MATTERS, ACCORDING TO DE BOCK. (THE CHAIRMAN OF THE COMMISSION, BARON GODEAUX, APPEARS CONCERNED THAT ESTABLISHMENT OF THE FUND WILL EXACERBATE PRESSURES FOR A CONTRIBUTION NOW, BEFORE THE COMMISSION FINISHES ITS WORK, RESULTING IN BELGIUM'S HAVING TO "PAY TWICE.") DE BOCK WELCOMED THE NEWS THAT THE USG MAY MAKE A CONTRIBUTION. HE SAID THAT BELGIUM STILL HAS RECORDS OF ITS 1946 COMMUNICATION ADVISING THE TRIPARTITE GOLD COMMISSION THAT TEN PERCENT OF THE GOLD TAKEN BY THE NAZIS WAS NON-MONETARY GOLD. END SUMMARY
- 2. (C) OVER A GET-ACQUAINTED LUNCH ON NOVEMBER 19 WITH MFA SECR ETARY GENERAL JAN DE BOCK (WHO HAD REPRESENTED BELGIUM AT THE SEPTEMBER 12 MEETING IN BELGIUM ON NAZI GOLD REF C), THE DCM NOTED THE IMPORTANCE THE USG ATTACHES TO THE EARLY ESTABLISHMENT OF AN INTERNATIONAL FUND FOR VICTIMS OF NAZI PERSECUTION. IN THIS CONTEXT, HE SAID THE USG HAD COME AWAY FROM THE NOVEMBER 17 MEETING IN LONDON (OF THE TASK FORCE ON THE INTERNATIONAL FUND FOR VICTIMS OF NAZI PERSECUTION SEPTEL) CONCERNED BY THE NEGATIVE TONE OF THE BELGIAN REPRESENTATIVE'S COMMENTS, LARGELY MANIFESTED IN THE NATURE OF THE QUESTIONS SHE RAISED.
- 3. (C) REPLYING WITH REFERENCE TO THE RECOMMENDATIONS EXPECTED IN TWO YEARS FROM BELGIUM'S NATIONAL COMMISSION STUDYING NAZI GOLD ISSUES (THE GODEAUX COMMISSION), DE BOCK REPLIED THAT BELGIUM WOULD BE LESS CONCERNED IF THE FUND COULD BE USED TO MEET BELGIUM'S INTERNAL NEEDS. THE DCM EXPRESSED SURPRISE, NOTING THAT THE FUND HAD BEEN STRUCTURED PRECISELY TO PERMIT DONOR GOVERNMENTS TO DIRECT THEIR CONTRIBUTIONS TO NATIONAL ORGANIZATIONS ADDRESSING NATIONAL NEEDS. HE EXPLAINED THAT BELGIUM WOULD BE FREE TO SELECT HOW ANY CONTRIBUTION IT WOULD MAKE WOULD BE USED.

- 4. (C) ACCORDING TO DE BOCK, HOWEVER, AS THE STRUCTURE OF THE FUND HAS EVOLVED, THERE HAS BEEN LESS AND LESS LATITUDE IN HOW CONTRIBUTIONS CAN BE USED -- PARTICULARLY WITH RESPECT TO THE ORIGINAL FUND PROPOSAL TABLED IN SEPTEMBER. THE DCM ASSURED HIM THAT AS FAR AS HE KNEW THAT WAS AN INCORRECT INTERPRETATION.
- 5. (C) DE BOCK ADDED THAT THE GODEAUX COMMISSION WAS NEGATIVE TOWARD THE FUND AND WANTED NOTHING TO DO WITH IT. THIS COMPLICATES MATTERS FOR THE BELGIAN GOVERNMENT, AS THE MINISTRY OF FINANCE NOW HAS OPINED THAT ANY BELGIAN CONTRIBUTION SHOULD BE USED IN CONJUNCTION WITH GODEAUX COMMISSION FINDINGS. WHEN THE DCM WONDERED ALOUD IF WE MIGHT HELP THROUGH OUR CONTACTS WITH MEMBERS OF THE COMMISSION TO CHANGE ATTITUDES TOWARD THE FUND, DE BOCK READILY AGREED. HE SUGGESTED WE GET FROM THE MFA OFFICIAL WHO SERVES AS THE COMMISSION'S SECRETARY (COLETTE TAQUET, ALSO BELGIUM'S REPRESENTATIVE AT GOLD TASK FORCE MEETINGS) THE FULL LIST OF COMMISSION MEMBERS.
- 6. (C) COMMENT: IN A CONVERSATION NOVEMBER 13 WITH THE DCM AND ECONCOUNS, BARON GODEAUX HIMSELF ACKNOWLEDGED HIS COOLNESS TO THE FUND, ON THE GROUNDS THAT "IF WE ERECT AS A PRINCIPLE A MORAL DUTY FOR COMPENSATION BEFORE WE ESTABLISH THE FACTS (I.E., THROUGH THE WORK OF THE COMMISSION), IT WILL CREATE A SITUATION WE WANT TO AVOID -- WE MAY BE CALLED UPON TO CONTRIBUTE TWICE." ALTHOUGH HE WOULD NOT BE EXPLICIT, HE LEFT THE CLEAR IMPRESSION THAT THERE ARE ALREADY PRESSURES BUILDING FOR EARLY ACTION ON COMPENSATION FROM CERTAIN GROUPS IN BELGIUM AND THAT ESTABLISHMENT OF THE FUND NOW WILL INCREASE THESE PRESSURES. HE, BY CONTRAST, IS TRYING TO "AVOID RAISING FALSE HOPES" BY KEEPING THE COMMISSION SQUARELY TO A MANDATE OF ESTABLISHING THE SCOPE OF THE PROBLEM AND THE FACTS OF WHAT HAPPENED, BUT LEAVE IT TO "THE COURTS, THE PARLIAMENT OR ANOTHER COMMISSION" TO MAKE DECISIONS ON COMPENSATION. END COMMENT
- 7. (C) DE BOCK ALSO EXPLAINED THAT, IN 1946, BELGIUM HAD NOTIFIED THE TRIPARTITE GOLD COMMISSION (TGC) THAT 10 PERCENT OF THE BELGIAN GOLD TAKEN BY THE NAZIS WAS NON-MONETARY GOLD. HE SAID THAT THE BELGIAN GOVERNMENT STILL HAS THE WRITTEN RECORD OF THAT COMMUNICATION WITH THE TGC. AT ANOTHER POINT IN THE CONVERSATION, DE BOCK SPOKE OF THE BELGIAN GOVERNMENT POSSIBLY MAKING AN "HISTORIC" CONTRIBUTION TO THE FUND, WHICH GIVEN THE CONTEXT, APPEARED TO MEAN THAT BELGIUM WOULD CONTRIBUTE TEN PERCENT OF THE AMOUNT OF THE GOLD THEY HAD RECEIVED BACK FROM FRANCE AT THE END OF THE WAR.
- 8. (C) THE DCM ALSO TOLD DE BOCK THAT THE USG EXPECTS TO BE IN A POSITION TO ANNOUNCE AT THE LONDON CONFERENCE A USG CONTRIBUTION TO THE FUND. DE BOCK WAS PLEASED TO LEARN THIS.
- 9. (C) COMMENT: DE BOCK'S GENERALLY POSITIVE COMMENTS ON THE FUND AND THE SUGGESTION THAT THE BELGIAN GOVERNMENT IS ALREADY CONSIDERING A POSSIBLE CONTRIBUTION WERE IN NOTABLE CONTRAST TO THE CONSISTENTLY NEGATIVE TONE TAKEN BY MADAME

TAQUET. HIS APPARENT MISUNDERSTANDING OF THE FACT THAT THE FUND HAD BEEN STRUCTURED SPECIFICALLY TO PERMIT DONORS TO DIRECT CONTRIBUTIONS TO NATIONAL NEEDS WAS, FRANKLY, ASTONISHING, GIVEN HOW OFTEN IT HAS BEEN STRESSED IN GOLD TASK FORCE MEETINGS AND IN PRIVATE EXPLANATIONS TO DE BOCK'S STAFFER, MADAME TAQUET. WE HAVE TO CONCLUDE THAT EITHER SHE HAS NOT CORRECTLY BRIEFED DE BOCK, OR THAT THERE IS SOME SPECIFICALLY BELGIAN COMPLICATION, AS YET UNCLEAR, UNDERLYING THEIR CONCERN. THAT COMPLICATION COULD BE THE GOVERNMENT'S BELIEF THAT IT WILL BE DIFFICULT, IN BELGIUM'S COMPLEX SOCIAL AND POLITICAL LANDSCAPE, TO SELECT WHICH ORGANIZATIONS TO PUT ON THE FUND'S NGO BENEFICIARY LIST. WE WILL TRY TO LEARN WHILE IT IS NOT CLEAR THAT BELGIUM WILL HAVE A DEFINITIVE POSITION ON A CONTRIBUTION TO THE FUND BY THE TIME OF THE LONDON CONFERENCE, BASED ON OUR CONVERSATION WITH DE BOCK, IT ALSO DOES NOT APPEAR THAT BELGIUM WILL INTERFERE WITH THE FUND'S ESTABLISHMENT OR CONTRIBUTIONS BY OTHERS.

BLINKEN

ADMIN END OF MESSAGE

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