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TEXT
TAGS: ECON, EFIN, KNAR
SUBJECT: ITALIAN DEMARCHE ON TRIPARTITE GOLD COMMISSION
1/7/98: ITALIANS DON'T WANT TO WAIVE FUTURE CLAIMS TO

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

NAZI WAR CRIMES DISCLOSURE ACT

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GOLD.

1. CLASSIFIED BY PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS E. ANTHONY WAYNE FOR REASON 1.5 (D)

2. (SBU) ITALIAN POLITICAL COUNSELOR FORMICA CALLED ON EUR/UBI DIRECTOR BELL JANUARY 7 TO MAKE AN INSTRUCTED DEMARCHE CONCERNING THE TRIPARTITE GOLD COMMISSION. FORMICA, REFERRING TO PRESENTATIONS MADE BY THE ITALIAN DELEGATION AT THE DECEMBER 2-4 LONDON CONFERENCE ON NAZI GOLD, REITERATED GOI INTEREST IN SEEING THE TGC REMAIN IN OPERATION SO THAT ITALY MIGHT HAVE ADDITIONAL OPPORTUNITY TO RECOVER THE ENTIRETY OF THE MONETARY GOLD LOOTED FROM IT BY THE NAZIS. HE ALSO ASKED THAT THE U.S. CONSIDER RELEASING ITALY FROM THE WAIVER OF CLAIMS ITALY SIGNED ON THE OCCASION OF ITS PRELIMINARY TGC GOLD DISBURSEMENT IN 1948. FORMICA SAID THAT, IF THAT WAIVER WERE REMOVED, ITALY MIGHT BE BETTER ABLE TO ADDRESS THE OPTION OF

CONTRIBUTING MEANINGFULLY TO THE NAZI PERSECUTEES' FUND ANNOUNCED AT THE LONDON CONFERENCE. FORMICA STRESSED, HOWEVER, ITALIAN INTEREST IN ASSISTING HOLOCAUST VICTIMS, WHETHER VIA THE FUND OR OTHERWISE.

3. (C) BELL REPLIED THAT THE U.S. CANNOT ACT ALONE IN TGC MATTERS AND UNDERTOOK TO EXPLORE INFORMALLY THE LEGAL AND POLITICAL CONSTRAINTS WHICH MIGHT APPLY SHOULD THE USG DECIDE TO ACT ON THE ITALIAN REQUEST. BELL NOTED, HOWEVER, THAT THE WAIVERS ATTACHED TO THE DISBURSEMENTS FIGURE ALONGSIDE THE 1946 PARIS AGREEMENT AS A PROMINENT ASPECT OF TGC HISTORY AND IT MIGHT PROVE DIFFICULT TO ACHIEVE POLITICAL CONSENSUS ON BEHALF OF THE ITALIAN REQUEST.

4. (C) COMMENT: ALTHOUGH WE WILL REPORT ITALY'S DEMARCHE TO OUR TGC COLLEAGUES AT THE NEXT TGC MEETING ON JANUARY 16, BOTH ITALIAN REQUESTS ARE ESSENTIALLY NON-STARTERS. WITH RESPECT TO THE CONTINUATION OF TGC OPERATIONS, FRANCE, FOR EXAMPLE, HAS ALREADY MADE CLEAR IN TGC DELIBERATIONS THAT IT HAS NO INTENTION OF SEEKING ADDITIONAL MONETARY GOLD FOR THE TGC'S GOLD POOL. IN ADDITION, THE REQUEST RUNS COUNTER TO THE AGREED GOAL OF WINDING UP THE TGC AS SOON AS PRACTICABLE WHICH WE STRONGLY SUPPORT BECAUSE WE ARE INTERESTED IN OPENING UP THE TGC ARCHIVES. FRANCE AND THE U.K. WILL NOT AGREE TO OPEN THE TGC ARCHIVES UNTIL THE TGC IS READY TO CLOSE DOWN.

5. (C) COMMENT, CONTINUED: WITH RESPECT TO THE LIFTING OF ITALY'S WAIVER, SUCH AN ACTION WOULD, AS BELL POINTED OUT, REQUIRE THE AGREEMENT OF THE THREE TGC MEMBERS. THE WAIVER IN QUESTION PROVIDES THAT, UPON ITALY'S RECEIPT OF ITS FINAL SHARE OF THE TGC GOLD POOL, ITALY WAIVES ANY CLAIMS FOR RESTITUTION OR COMPENSATION OF LOOTED MONETARY GOLD AGAINST GERMANY AND AGAINST THIRD COUNTRIES WITH WHOM THE ALLIES CONCLUDED AGREEMENTS PROVIDING FOR THIRD-COUNTRY CONTRIBUTIONS TO THE GOLD POOL. THE WAIVER ALSO COVERS ANY CLAIMS AGAINST THE TGC OR ITS MEMBERS AND

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MEMBER COUNTRIES FOR THEIR ROLE IN CARRYING OUT THE PARIS AGREEMENT DUTIES RELATING TO THE COLLECTION OF MONETARY GOLD AND THE ADJUDICATION OF GOLD CLAIMS. SIMILAR WAIVERS WERE SIGNED (WITH MINOR VARIATIONS) BY ALL TGC RECIPIENTS. IT IS CLEAR THAT USG INTERESTS WOULD NOT BE SERVED BY AGREEING TO RELEASE ITALY FROM THIS LATTER PROVISION, WHICH PROTECTS THE USG FROM CLAIMS BY DISAFFECTED TGC RECIPIENTS.

6. (C) COMMENT, CONTINUED: EVEN IF ITALY'S REQUEST WERE LIMITED ONLY TO SEEKING A LIMITED RELEASE FROM THE PROVISION WAIVING CLAIMS AGAINST GERMANY AND THIRD COUNTRIES, IT SHOULD BE VIEWED SKEPTICALLY. THOSE WAIVERS CONSTITUTED AN IMPORTANT PIECE OF THE OVERALL POST-WAR REPARATIONS SCHEME, WHICH ENVISIONED AN ARRANGEMENT BY WHICH THE THREE ALLIED GOVERNMENTS WOULD ACT ON BEHALF OF ALL OCCUPIED COUNTRIES IN AN EFFORT TO RECOVER AS MUCH OF THE LOOTED MONETARY GOLD AS POSSIBLE. IF GRANTED, ITALY'S REQUEST WOULD LIKELY LEAD TO SIMILAR REQUESTS FROM OTHER TGC RECIPIENTS WHO ALSO SEEK TO ENHANCE THEIR TGC SHARES WITH CLAIMS AGAINST GERMANY AND THIRD COUNTRIES. EVEN IF THEY COULD BE GRANTED, SUCH RELEASES COULD BE SEEN AS UNRAVELLING A DELICATE POST-WAR ARRANGEMENT FIFTY YEARS LATER. AT A MINIMUM, THEY WOULD PROLONG THE MUCH-DESIRED GOAL OF ACHIEVING CLOSURE ON THE COMPLEX OF NAZI GOLD ISSUES.

7. (U) FOR BRUSSELS: U.S. COMMISSIONER SHOULD INFORM OTHER TGC COMMISSIONERS AT NEXT TGC MEETING ABOUT THE ITALIAN DEMARCHE AND MAY WISH TO DRAW ON COMMENTS ABOVE IN DISCUSSING THE ISSUE OF WAIVERS.
ALBRIGHT

ADMIN
END OF MESSAGE

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