

# U.S. INTERAGENCY REPORT ON U.S. AND ALLIED WARTIME AND POSTWAR RELATIONS AND NEGOTIATIONS WITH ARGENTINA, PORTUGAL, SPAIN, SWEDEN, AND TURKEY ON LOOTED GOLD AND GERMAN EXTERNAL ASSETS

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## INTRODUCTION

Over the last two years, there has been an extraordinary amount of historical research and writing done on the subject of Nazi Gold. Nazi Gold includes not only the fate of monetary gold looted by Nazi Germany from the wartime captive nations of conquered Europe, but also the gold and other valuables stolen from the individual victims of the Nazis, as well as the postwar disposition of the overseas assets of the German government and citizens. Gill Bennett, an esteemed colleague and the chief historian in the British Foreign and Commonwealth Office, led the way with her groundbreaking British report released in September 1996. That report and succeeding reports and cooperation were central factors in helping the United States

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The London Conference on Nazi Gold in December 1997 provided an unparalleled forum for historians and experts of forty nations to gather together and review and discuss in greater detail the complexities of Nazi Gold. A great number of reports and interventions were presented on substantive matters, as well as on the methodological modalities of this research and the special archival possibilities and problems they raised. The London Conference is the greatest effort to date to shed light on the real nature, fate, and extent to which Nazi Germany resorted to looting and theft to carry on its terrible war against humanity, as well as the consequence of that program upon millions of individual victims—Jews and others.

Historical research into the issues of Nazi Gold and other German assets, as well as the fate of the valuables and other properties of the individual victims in Europe, has continued and broadened since the London Conference. Twelve national commissions took up these matters in Europe as well as in Argentina. A number of these commissions have completed and published final and interim reports on work and research still underway. As a way of approaching a rough appraisal of the work in progress on Nazi Gold issues, this presentation will address briefly the contents of several of these reports, in particular those of Spain, Sweden, Switzerland, and the United States.

## I. SPAIN'S COMMISSION

The report of the Spanish Historical Commission, which was publicly released in May 1998, presents a careful and comprehensive account of the wartime flow of monetary gold into and out of wartime Spain based upon the principal public archives of Spain. The report emphasizes the importance of the disastrous state of Spain's economy after the Spanish Civil War in determining the nature of Spain's neutrality in World War II, and it examines Spain's efforts to rebuild the gold reserve it lost during the Civil War. Spain, which accumulated a debt of \$212 million to Germany by the end of its Civil War, carried on trade with Germany during World War II through a clearing arrangement that obviated direct payments for particular shipments of exports and imports. By the end of the War, Spain

amassed a favorable trade balance with Germany of \$76 million. The United States recognized that Spanish trade with Germany in wolfram and in other critical commodities was primarily conducted under a clearing or barter agreement. While Germany became Spain's principal trading partner in World War II, a substantial Swiss-Spanish trade centered on the exchange of Swiss machinery and chemicals for Spanish agricultural products. Britain's trade with Spain focused upon preclusive purchases of goods to deny them to Germany, while the United States made its shipments of wheat, cotton, and oil contingent upon Spain's cooperation with Allied economic warfare measures against Germany.

The report of the Spanish Commission generally confirms the broad outlines of the United States May 1997 preliminary report and the June 1998 supplementary report. The Spanish report, however, provides new details and information about the wartime flow and postwar use of gold that go beyond what was presented in the United States report. The Spanish Commission concludes that Spain purchased 67.4 tons of monetary gold during the War, 38.6 tons of which were acquired from Swiss banks while 7.3 tons were acquired directly from Germany. The Commission report further points out that it was upon the basis of Allied-Spanish agreements of 1948 and the joint analysis of Spanish gold holdings that resulted in an agreement to identify and transfer of only 8 ingots looted monetary gold to the Tripartite Gold Commission. The Spanish Commission takes proper pride in the thoroughness of its review of official gold transactions but it generously holds open the possibility of revising its findings if investigation uncovers new information.

## II. SWEDEN'S COMMISSION

Reports by the Swedish Commission on Jewish Assets in Sweden at the Time of the Second World War and by the Swedish Independent Archives Inquiry on Sweden's Gold Transactions with Nazi Germany also confirm and correspond with the information presented in the two United States reports. They do, however, provide much greater detail and broader examination of the issues. Both Swedish reports make clear that Sweden purchased 17.9 tons of gold from the German Reichsbank account in the Swiss National Bank, but that Sweden purchased no gold directly from the Swiss National

Bank. The Swedish reports present a very detailed accounting of Swedish gold acquisitions, purchases, and transfers with the Reichsbank and calculate this total at 59,697 kilograms. Gold looted from Belgium and the Netherlands totaled 7,311 and 8,607 kilograms, respectively.

The Swedish Commission reports that the postwar Allied-Swedish negotiations led to the payment of about 7.2 tons of gold in restitution to the Tripartite Gold Commission in 1949 to settle the Belgian looted gold claims, and to the restitution of approximately six tons of gold to the TGC in 1955 to settle Netherlands claims. Going beyond many of the particulars presented in the United States reports, the Swedish reports provide thorough detail on both how and when the looted gold was acquired, as well as on how the negotiations with the Allies over restitution proceeded during the postwar years.

### III. SWITZERLAND'S INDEPENDENT COMMISSION

In their Interim Report, "Switzerland and the Gold Transactions of the Second World War," Professor Bergier and his colleagues on the Swiss Independent Commission of Experts presented a monumental description and analysis of financial transactions by Swiss banks and other institutions during the War and of Switzerland's role and conduct as a European financial center. With eminently careful scholarship and great thoroughness, Professor Bergier and his colleagues examined the amounts of gold acquired by Nazi Germany during the War, as well as the quantities transferred to Swiss institutions. Their calculations confirm the estimates developed in the United States preliminary report of May 1997. In fact, the Swiss Report found even larger totals; an estimated \$450 million in gold transfers compared to the \$414 million maximum estimated soon after the War by the Allied experts.

The Swiss Interim Report of May 1998 concludes that 79 percent of all Reichsbank gold shipments to other countries were routed through Switzerland, demonstrating the centrality of Swiss banking institutions to the German war effort and Switzerland's emergence as a conduit for gold looted from occupied Europe by Germany. The Swiss researchers have also made clear that their investigations show that the gold acquired by the Reichsbank to finance the German war

effort included a quantity of victim gold, which they estimate amounted to at least \$2.9 million. No evidence has yet indicated that the authorities managing the Swiss National Bank were aware of the inclusion of gold stolen from death camp victims in the shipments received from Germany.

The Swiss Interim Report is uncompromising in its evaluation of the conduct of Swiss banking authorities. It notes the clear awareness of these officials that Germany had amassed a large quantity of looted monetary gold and their indifference or unwillingness to distinguish between legally obtained gold and looted gold supplied by the Reichsbank. Professor Bergier's colleagues demonstrate that by mid-1942 the significance of the origin of the gold being supplied to Switzerland was well known outside the small group managing the Swiss National Bank. While the Allied warnings beginning in early 1943 regarding the neutral states' acceptance of looted gold from Germany caused Swiss authorities to begin to take precautionary measures, the Swiss Interim Report shows that Swiss banking authorities consciously used the concept of "good faith" as a protective device to allow the continuation of "business as usual" with Germany until nearly the end of the War.

The imposing Interim Report of the Swiss Independent Commission marks only the first step in a still more ambitious if necessary historical review. Its investigations of external trade patterns, official trade policy, and general and economic and political conditions during the War are eagerly awaited.

#### IV. THE UNITED STATES REPORT

This presentation will now review, in somewhat greater detail, the contents of the United States supplementary report of June 1998, a companion to the original United States preliminary report of May 1997. The first report focused upon providing a road map through fifteen million pages of official United States documents describing what United States officials knew and did about the movements of looted monetary gold and other assets to the neutral nations, particularly Switzerland, during World War II. The second report expands on the information presented in the first report to show how gold, much of it looted, was used to finance the wartime trade of the European neutral nations, which significantly sustained the German war

effort well into the closing phases of the War. In examining the important economic relationships of the neutrals, other than Switzerland, the second or supplementary United States report also sought to make more clear that neutrality during World War II was not a monolithic concept or uniform set of actions, but rather it took different forms in different countries depending upon their specific wartime circumstances, the attitudes of their leaders, and the enduring features of their own economies and geography.

With respect to the wartime gold transactions that allowed Nazi Germany to finance a substantial portion of its war effort by paying for its wartime imports from the neutral nations directly or indirectly in gold, the second United States report examines in greater detail than the first report of May 1997 the scope of knowledge of American and other Allied officials and experts regarding these transactions. Through diplomatic channels, as well as from information provided by intelligence activities, the United States and its Allies sought to demonstrate their commitment to their warnings of January 1943 and February 1944 against accepting transfers of assets from Germany. Additionally the Allies displayed their intention to implement Bretton Woods Resolution VI of August 1944 warning against the dissipation of German assets and gold and asking for cooperation in their recovery and restitution.

The second United States report examines, in far greater detail than the May 1997 preliminary report, the circumstances of the postwar negotiations that the United States, Britain, and France conducted, on behalf of the larger family of Allied nations, with the wartime neutral nations, apart from Switzerland. The report makes quite clear that these protracted negotiations failed to meet the original agreed Allied goals: the restitution of nearly \$500 million in looted gold and the liquidation of as much as \$1 billion dollars of German external assets to fund the reconstruction of postwar liberated Europe and to provide relief for Jewish and other non-repatriable refugees. The report seeks, in a spirit of investigation rather than judgment, to demonstrate how and why so comparatively little was returned to the Tripartite Gold Commission to meet the claims of fifteen countries. The TGC recovered less than \$20 million—nearly \$15 million of that coming from Sweden—of up to \$240 million in looted gold acquired by the wartime neutrals, apart from Switzerland.

The United States remains committed to continuing efforts to elucidate the ultimate destination of looted gold for which there is no transaction record. Researchers in the United States and in other countries are encouraged to continue their valuable collaboration to identify and clarify the historical record in this important area.

One of the most important discoveries in the second United States report, presented in an annex, is the new information about the property of Holocaust victims incorporated into the Reichsbank gold reserves, which was collected by my colleagues at the United States Department of Justice. This new information leads to the conclusion that the amount of victim gold is far higher than previously thought and that the record is still far from complete. This new research also traces some of this victim gold to sales on the free gold market elsewhere in Europe.

The two United States reports provide road maps through the extensive United States governmental archival holdings on these subjects. While there are no plans for further research or reports on the subject of looted gold, the United States government looks forward to working with historians and experts in other commissions and governments in synthesizing information, refining conclusions, and above all, working for the identification and openness of all relevant records and archives.