



TGC

X-21

N/F - Mr. ~~Ward~~
March 23, 1950MEMORANDUM

TO: GEA - Mr. George W. Baker

FROM: MN - O. F. Fletcher

SUBJECT: Private Gold Holdings Looted in the Netherlands.

Pursuant to our telephone conversation I should like to summarize my views on the subject matter as follows:

The one kilogram bars and the gold coins which were taken from a private individual's safe in a private bank in Amsterdam, Holland on German orders during the war and transferred to Reichsbank via the Dutch Central Bank were probably melted into German standard bars and are consequently not identifiable in the pool. No restitution claim by the former owner could be admitted even if the owner could trace the gold into specific bars still held by the Commission; no claim of a private individual to a share in the gold pool on a pro-rata basis can be admitted either. The gold taken from this man has become monetary gold in the meaning of the Paris Reparations Act, Part III and thus is subject to the provisions re redistribution of monetary gold under the "Terms of Reference" of the Tripartite Gold Commission.

From the memorandum which I herewith return to you it can not be seen what nationality the former owner had. Assuming that he was not a Dutch citizen he might still have a compensation claim against the Netherlands and certainly a compensation claim against Germany. I am afraid however, I have to agree with you that the latter is not worth much.

I am aware that on the surface the few existing cases of private individuals whose gold holdings have been seized by the Nazis aren't well taken care of; however, it must be borne in mind that these holdings were illegal in most cases under the particular individuals domestic pre-Nazi laws; private gold holdings are illegal in the US since 1934. Prevailing economic theory also holds that for the general good gold belongs in Central banks and should not go into private hoardings.

For all these reasons it was agreed between the Tripartite Governments that all monetary gold recovered in Germany and from third countries shall be pooled and distributed among victimized countries after admission of their claims by the Gold Commission. The procedure is based on the old Roman lex Rhodsea de jactu which deals with the division of salvaged goods among the victims of a maritime disaster.

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