



# **Turkey: Increase in Gold Holdings of Turkish Central Bank During World War II**

March 2000

LL File No. 2000-8237  
LRA-D-PUB-001514

This report is provided for reference purposes only.  
It does not constitute legal advice and does not represent the official  
opinion of the United States Government. The information provided  
reflects research undertaken as of the date of writing.  
It has not been updated.

## LAW LIBRARY OF CONGRESS

## TURKEY

During World War II, although under great pressure from both Allies and Axis powers, Turkey managed to remain neutral until it broke diplomatic relations with Germany on August 2, 1944,<sup>1</sup> and declared war on February 23, 1945,<sup>2</sup> on Germany and Japan. As a neutral country, Turkey continued its commercial relations with Allies and Axis powers which increased its trade surplus.

Turkey does not have any legislation concerning the restitution of the Holocaust era Jewish assets. However, after the publication of the preliminary Eizenstat report in May 1977, Turkey established a Commission of Experts to investigate the transactions that increased its gold reserves during the War.

The Commission was composed of three scholars, two ambassadors, two deputy directors and two representatives of the Turkish Jewish community.<sup>3</sup> As a result of its extensive research, the Commission declared that the increase in the Turkish Central Bank's gold reserves was due to the considerable trade surplus during the War.

According to the findings of the Commission, the Central Bank's reserves increased from 27.4 metric tons in 1939 to 216 metric tons by the end of 1945. In the same period, Turkey's trade surplus totaled 341.5 million dollars, which was 304 metric tons in terms of gold.<sup>4</sup>

The Board of the Turkish Central Bank decided to invest foreign currency earned from the trade surplus in gold to protect its holdings against possible depreciations of foreign currencies. To implement the Board's decision, the Bank in 1942 purchased gold bars weighing 2.0 metric tons from Reichbank prior to the Allied Declaration of January 5, 1943<sup>5</sup>. In March 1942, the Bank also made an arrangement with the Swiss National Bank. Under the terms of this arrangement, if the Central Bank's foreign currency deposits exceeded a certain amount, the surplus would be invested in gold. On May 25, 1943, the

---

<sup>1</sup> T. C. RESMI GAZETE No. 5773 of August 3, 1944.

<sup>2</sup> 26(3) DUSTUR 214 (Ankara, 1945).

<sup>3</sup> 1998 WASHINGTON CONFERENCE ON HOLOCAUST-ERA ASSETS NOVEMBER 30-DECEMBER PROCEEDINGS 794 (Washington, 1999).

<sup>4</sup> Foreign and Commonwealth Office, 1997 NAZI GOLD: THE LONDON CONFERENCE 2-4 DECEMBER 581, 582 (LONDON, 1998).

<sup>5</sup> The declaration warned neutral countries that forced transfers of property in enemy controlled territories would not be recognized and such transaction would be declared invalid. See 8 THE DEPARTMENT OF STATE BULLETIN No. 185 of January 9, 1943, p. 21 (Washington, 1943).

Swiss Bank purchased 3.048.40672 kilogram of gold on behalf of the Turkish Central Bank according to the terms of the 1942 arrangement.<sup>6</sup>

As for German assets, 243 kilograms of gold bars and 32,000 gold coins that were handed over by the German Embassy to the Swiss Embassy in Ankara, then entrusted to the Turkish Central Bank, were fully returned to Germany under the provisions of the protocol signed in Bonn on November 3, 1960.<sup>7</sup>

In conclusion, the Commission found that the increase in the gold holdings of the Turkish Central Bank was due to its acquisitions done in good faith during World War II.<sup>8</sup>

The archives and records on gold transactions of the Central Bank, which provided the Commission with the documentation it needed to finalize its research, are open and accessible to all interested parties.<sup>9</sup>

Prepared by Belma Bayar  
Senior Legal Specialist  
Eastern law Division  
Law Library of Congress  
March 2000

---

<sup>6</sup> *Supra* note 4.

<sup>7</sup> *Id.* at 580.

<sup>8</sup> *Id.* at 579.

<sup>9</sup> *Supra* note 3 at 794.