

The Fate of the Wartime Ustasha Treasury¹

A. Establishment of the Wartime Croatian Ustasha Regime

In the wake of the German blitzkrieg through Yugoslavia and Greece in March and April 1941, the flight abroad of the King of Yugoslavia and government leaders, and the dismemberment (with the participation of Bulgaria, Hungary, and Italy) of Yugoslavia, the so-called independent state of Croatia was established on April 10, 1941. A government composed of members of the Fascist Croat Ustasha political movement, headed by Ante Pavelic, was proclaimed a protectorate of Italy in May 1941, and was in fact supported throughout World War II by both Italian and German occupation forces. President Roosevelt denounced the invasion and dismemberment of Yugoslavia, and on May 18, 1941, Acting Secretary of State Sumner Welles acknowledged the intention of the Yugoslav Government in Exile not to recognize the so-called "independent" Croat state, and expressed the indignation of the U.S. Government for "the invasion and mutilation" of Yugoslavia in creating the Croatian protectorate. Soon thereafter the Croatian police closed and sealed the U.S. Consulate in Zagreb, and the American Consul left Zagreb in June 1941. Throughout the War, U.S. policy was to avoid any action that might carry the implication of acknowledging the Croatian protectorate.²

The Balkans were not a major theater of operations for Allied military forces, but the Allies did provide support to the Yugoslav guerrilla forces fighting the German and Italian occupation armies. President Roosevelt and Prime Minister Churchill and their advisers encouraged and supported the guerrilla effort, and U.S. and British special forces units were engaged in the struggle between the competing partisan armies—the Chetniks and the Communist-dominated Partisans. The Croatian Ustasha regime was a primary object of Yugoslav guerrilla campaigns, but it was not a significant target of Allied intelligence activities nor did it gain the attention of diplomatic policy-makers. British intelligence sought for a time to maintain contact with high-ranking officials of the puppet Croatian government, but the contact ended after Ustasha leader Ante Pavelic recognized that the Allies intended to support the Partisans.³ Allen Dulles' wartime OSS Mission in Bern, Switzerland did attempt to monitor the activities of the Ustashi. Aware the Ustashi were persecuting the Jews, Serbs, and Sinti-Romani, Dulles sought to maintain contact with anti-Fascist elements in Croatian territory.⁴

¹ This chapter is based on published and unpublished Department of State and other agency records; official and unofficial records collected on behalf of the Department of the Treasury; copies of records supplied by the British Foreign and Commonwealth Office as well as published official records and accounts about Britain in World War II; official published records of the wartime diplomacy of the Vatican and other commentary and advice; information about the wartime and postwar experiences of the puppet Ustasha regime; copies of records researched at the National Archives and Records Administration on behalf of the World Jewish Congress; and records supplied by the U.K. Holocaust Educational Trust. Beginning in 1964, the Vatican published 11 volumes of the official record of the diplomacy of Pope Pius XII, entitled *Secrétaire d'Etat de Sa Sainteté, Actes et Documents du Saint Siège relatifs à la Seconde Guerre Mondiale* [*Records and Documents of the Holy See Relating to the Second World War*], edited by Pierre Blet, Robert A. Graham, Angelo Martini, and Burkhart Schneider (Vatican City, 1964-1981). The last volume, published in 1981, covers events through June 1945.

² The exchanges between the Yugoslav Government in Exile and the United States regarding the dismemberment of Yugoslavia and the creation of a Croat protectorate are in *Foreign Relations*, 1941, vol. II, pp. 979-984. In 1954 the U.S. Foreign Claims Settlement Commission concluded that the postwar Yugoslav Government had no responsibility for the actions of the "puppet government" or "local de facto government" that existed in Croatia during World War II. See Marjorie Whiteman, ed., *Digest of International Law*, vol. 8, pp. 835-837. By the end of 1944, the U.S. Office of War Information categorized the Ustashi as "collaborationists" who would be punished by the postwar Yugoslav Government or as "war criminals" to be punished by international action. (Department of State, Historical Policy Research Project No. 61, "United States Policy Toward the Ustashi," RG 59, Decimal Files, 740.00116-EW)

³ U.S. Counter-Intelligence Corps Report 5228, July 23, 1947, RG 226, E174, B243, F52.

⁴ Neal H. Petersen, *From Hitler's Doorstep: The Wartime Intelligence Reports of Allen Dulles, 1942-1946* (Philadelphia, 1996), pp. 46, 63-64, 147, 177, 257, and 573.

U.S. and British leaders were aware to some extent of the murderous efforts of the Ustashi regime against the Serbs, Jews, and Sinti-Romani peoples living in Croat-controlled territory. It is not clear if the Allied leaders clearly grasped that as many as 700,000 victims, most of them Serbs, had been killed at the Ustasha death camps at Jasenovac and elsewhere by the most ruthless and primitive methods, including mass shootings, clubbings, and decapitation.⁵ U.S. authorities clearly had an understanding of what was happening to the Serbs in territory under Ustasha control if not to the Jews and Sinti-Romani people. In August 1941 Yugoslav Ambassador Constantin Fotich received from the Chief of the State Department's Balkan Desk a report describing the Ustashi "comprehensive policy of extermination of the Serb race in the Independent State of Croatia" and relating the brutal and atrocious killings being committed.⁶

On December 20, 1941, Fotich called on President Roosevelt and reviewed with him a memorandum about the atrocities being committed against the Serbs. The President was shocked by the report and wondered how, after such crimes, the Serbs could expect to live in the future in the same state with the Croats.⁷ When British Foreign Secretary Anthony Eden visited the White House in March 1943 to review Allied war aims, he heard President Roosevelt's "oft repeated opinion" that the antagonism between the Croats and the Serbs ruled out their being in the same state and that the Croats should be put under a trusteeship. The President expressed similar views to Secretary of State Hull in early October 1943 on the eve of Hull's attendance at the Moscow Foreign Ministers Conference.⁸

The Vatican, which maintained an "Apostolic visitor" in Zagreb from June 1941 until the end of the War, was aware of the killing campaign, which started with the internment of most of the 35,000 to 45,000 Croatian Jews in the spring and summer of 1941, and continued with the flight of up to 5,000 Jews from the German-occupied areas of the Croatian state to the Italian portion of the protectorate, and the deportation to Germany of all remaining Croatian Jews beginning in July 1942. Croatian Catholic authorities condemned the atrocities committed by the Ustashi, but remained otherwise supportive of the regime. During his March 1943 visit to Croatia, German Interior Minister Heinrich Himmler demanded that the few remaining Jews be deported to Germany (including those who had been baptized Catholics or married to Catholics). Germany continued its efforts throughout the War to compel the Italians to deport those Jews who had found sanctuary in Italian-occupied Dalmatia. Many of them ultimately found safety on the island of Rab off the Dalmatian coast.⁹ The German occupiers boasted that the Jewish population of

⁵ The Allies began receiving refugees from Yugoslavia in Italy in the final months of 1943 after the Allied landings in Italy in September 1943. Few were Jewish. The Nazis/Ustashi had exterminated the Jews. While Yugoslavs were allowed to move to British camps in Egypt, the British would not allow the Jews, who remained in Italy, to enter Egypt. See David S.W. Wyman, *The Abandonment of the Jews: America and the Holocaust, 1941-1945* (New York, 1984), p. 227. Regarding the refusal to allow the few Jews among the Yugoslav refugees to enter Egypt in 1944, see also Bernard Wasserstein, *Britain and the Jews of Europe, 1939-1945* (London, Oxford, 1979).

Croatian President Tudjman has reviewed various estimates and assertions of the number of Serb, Jewish, Sinti-Romani, and Croatian victims of the Ustasha death camps, Jasenovac in particular but elsewhere in wartime Croatia. He dismisses the estimates by various Yugoslav experts ranging from 500,000 to 700,000 deaths at Jasenovac as inaccurate and "mythical." His own estimate is that 30,000 to 40,000 inmates died at Jasenovac and that some 60,000 victims died at the hands of the Ustashi throughout Croatia. See Franjo Tudjman, *Horrors of War: Historical Reality and Philosophy*, rev. ed., translated by Katarina Mijatovic (New York, 1996), pp. 14-17, 67-69, 226, 231-233.

⁶ Constantin Fotich, *The War We Lost: Yugoslavia's Tragedy and the Failure of the West* (New York, 1948), pp. 117-118.

⁷ *Ibid.*, pp. 128-129.

⁸ Robert E. Sherwood, *Roosevelt and Hopkins: An Intimate History* (New York, 1948), p. 711, and *Foreign Relations*, 1943, vol. I, p. 543.

⁹ A detailed account of Vatican relations with the puppet Croatian regime and Vatican concerns about and efforts on behalf of the Jews is presented in John F. Morley, *Vatican Diplomacy and the Jews During the Holocaust* (New York, 1980), pp. 147-165. Morley's account is based largely on the first nine volumes of the Vatican's official diplomatic record, *Secrétaire d'Etat de Sa Sainteté, Actes et Documents du Saint Siège relatifs à la Seconde Guerre Mondiale* [Records and Documents of the Holy See Relating to the Second World War]. Morley's account, which ends in 1943 and emphasizes the perfunctory nature of official Vatican efforts on behalf of the Croatian Jews, particularly those newly-baptized, could be confirmed or amended if the Vatican were to open completely its records of the wartime diplomacy Pope

Croatia had been wiped out by early 1944 (except for those who managed to gain Italian protection or escaped to join the Partisans).¹⁰

B. The Ustasha Treasury and Its Move to Switzerland

Postwar reports indicated that some portion of the treasury of the Ustasha regime comprised the valuables stolen from the dispossessed and deported victims of the Ustashi ethnic cleansing campaign. U.S. intelligence experts concluded after the War that Ustasha leaders at one time had at their disposal more than \$80 million (350 million Swiss francs), mostly composed of gold coins, some of which were plundered from the victims of the Croatian Holocaust.¹¹ Other unevaluated reports in the early 1950s suggested that the treasury was smaller and its disposition less certain. In 1944 the Ustasha regime began to move assets into Swiss bank accounts for safekeeping.¹² On May 31, 1944, the Swiss National Bank accepted 358 kilograms of gold (worth approximately \$403,000) from Croatia, and another 980 kilograms (worth \$1.1 million) on August 4, 1944.¹³

The Croatian gold deposit of August 4, 1944, which was accepted by the Swiss National Bank for deposit and not for purchase, was transferred to Switzerland without the Bank's prior knowledge and without the issuance of the requisite permit. The Swiss National Bank nevertheless accepted the illegal delivery and allowed the gold to enter the account of the Croatian State Bank established with the original May 31 deposit. The Croatian gold shipped to the Swiss National Bank in August 1944 would seem to have been the same 980 kilograms of gold taken in 1941 by the Croatian authorities from the Sarajevo branch of the central bank of the dismembered Kingdom of Yugoslavia. There is reason to believe that this segment of Yugoslavia's prewar gold reserve was somehow gotten out of wartime Croatia without the knowledge or consent of the Ustasha regime. The Croatian gold shipped to Switzerland in August 1944 accompanied 25 tons of silver bought by the Swiss National Bank to mint coins. In October 1944 representatives of the Croatian puppet government sought unsuccessfully to persuade the Swiss National Bank to allow the transfer of gold in the Croatian account to Germany. In December 1944 the Swiss

Pius XII. A summary of official Croatian Government information about the wartime Ustasha regime gold holdings and their postwar dispositions is in Section F below.

¹⁰ An estimated 6,000 Croatian Jews survived the war, according to Raul Hilberg, *The Destruction of the European Jews*, revised and definitive edition (New York, London, 1985), vol. II, pp. 708-718.

¹¹ SSU Information Report, Subject: "Yugoslavia: Present Whereabouts of Former Ustashi Officials," October 11, 1946, CIA Operational Files; letter from Emerson Bigelow, Strategic Services Unit (SSU), to Harold Glasser, U.S. Treasury, October 21, 1946, RG 226, Entry 183, Box 29, 1946. The SSU was the postwar successor in the War Department to the Secret Intelligence (SI) Branch of the OSS. According to published sources, Emerson Bigelow served as a financial expert/consultant in pre-war years to the U.S. Government. During the War he was responsible for establishing and maintaining an operation to provide funds for both overt and covert OSS operations, and continued to provide financial advice to the Defense Department and the CIA for several years after the War. See in particular *The American Cyclopedia of American Biography*, vol. 53, pp. 184-185. In 1946 Bigelow was in the SSU, and was responsible for liaison with the Treasury Department.

Unevaluated information obtained by the CIA in 1951 and derived from the claims of a former wartime Croatian Government Minister indicated that 350 kilograms of gold and 1,100 karats of diamonds remained of the wartime Croatian treasury in the first months after the flight of the Ustashi at the end of the War. This remainder was hidden for a time in Austria, where a portion of it fell into the hands of the British, and the balance of 250 kilograms of gold and the diamonds was eventually turned over to Ante Pavelic who, with others, escaped to Argentina. (Information Report, Subject: "Croatian Gold Question," February 2, 1951, CIA Reference Files) Another unevaluated CIA report of April 1952 alleged that Pavelic sent to Austria at War's end 12 cases of gold and jewels which were hidden near Salzburg, Austria. According to this report, Pavelic arranged for the recovery of this loot in 1951 and sought in 1952 to sell 200 kilograms of gold in Buenos Aires. (Information Report, Subject: "Transfer of Croatian Gold to Argentina," April 16, 1952, CIA Reference Files)

¹² CIG Intelligence Report, "Subject: Dr. Ante Pavelich," May 6, 1947, CIA Operational Files.

¹³ Despatch 21,263 from London, February 26, 1945, with attachments, RG 59, Decimal Files 1940-45, 740.00116/2-2645, and telegrams 7987 from Bern, December 27, 1944, and 10467 and 10468 from London, November 27, 1944, RG 131, Box 457, File 1942-1950.

National Bank refused the Croatian request for the return of the gold to Zagreb, and the Swiss Federal Council froze all Croatian assets in Switzerland.¹⁴

U.S. intelligence became aware that transfers of some sort were going on by the end of 1944. The OSS Mission in Bern reported that 500 kilograms of gold bars (\$562,500) with German markings had been brought to Switzerland from Zagreb, and the Croat State Bank had deposited 2.5 million Swiss francs (\$580,000) in another account in Switzerland.¹⁵ An OSS report in July 1945 concluded that Croat-owned commercial accounts in Bern totaled more than 400,000 Swiss francs (\$93,000), and other Croat accounts contained deposits of Croatian and Austrian currency.¹⁶ A U.S. intelligence report commenting on the arrival in Argentina in 1949 of Franjo Cvijic, the wartime head of the Croat State Bank who had been in Switzerland at the end of the War negotiating commercial agreements, indicated that the Ustasha regime assets in 1945 included 2.5 million Swiss francs in currency (about \$580,000), 1,700 kilograms of gold in bars (about \$1.9 million), and about 40,000 kilograms of silver (about \$915,000).¹⁷ According to a postwar Belgrade press report, the Croat State Bank deposited 1,000 kilograms of gold (\$1.1 million) in Switzerland during the War.¹⁸ Other U.S. intelligence reports noted that the Swiss Government froze Croatian Government accounts in Swiss banks at the end of the War worth a total of 15-16 million Swiss francs (\$3.5-3.7 million) in part as compensation for outstanding Croatian debts.¹⁹ U.S. intelligence

¹⁴ According to the report of the Swiss Independent Commission of Experts, "Gold Transactions in the Second World War," December 1997, p.14, Switzerland neither purchased gold from or sold gold to the Croatian Ustasha regime. The transfer of 358 kilograms of gold from Croatia to Switzerland on May 31, 1944, and the transfer of 980 kilograms of gold and the sale of 25 tons of silver to the Swiss National Bank on August 4, 1944; the refusal of the Bank to allow transfer of the Croatian gold to Germany in October 1944; and the decision of the Swiss Government to freeze Croatian assets in Switzerland, are the subject of documents published in the official record of Swiss foreign policy, *Documents Diplomatiques Suisses*, vol. 15, August 1943-August 1945, pp. 547-548, 706-707, and 782. Additional information about the movement of Croatian gold and silver to the Swiss National Bank during the War, provided by the Historical Section of the Task Force of the Swiss Federal Department of Foreign Affairs, indicates that the Swiss National Bank returned all 1,338 kilograms of gold in 121 ingots in the account of the wartime Croatian regime to the National Bank of Yugoslavia on July 24, 1945, in response to the request of the new Yugoslav Government.

According to the 1971 Report of the Tripartite Gold Commission, vol. I, p. 64, the TGC was informed by the Yugoslav Government of the return by Switzerland in July 1945 of the 980 kilograms of "Croatian gold" that had been taken from the Sarajevo branch of the Yugoslav State Bank in 1941. But the TGC either was not informed of or did not report information regarding the return of the additional 358 kilograms of gold the Ustasha regime shipped to Switzerland during the War. It cannot be determined whether this 358 kilograms was some other prewar monetary gold or whether it was non-monetary gold gathered by the Ustashi during the War—perhaps from victims of detention, deportation, or murder. According to the 1971 TGC Report, the 980 kilograms of gold of the former State Bank of Yugoslavia was "caused to be transferred for safekeeping to the Swiss National Bank" in August 1944 by "patriotic officials" of the so-called Croatian State Bank.

¹⁵ Bern OSS Memorandum, Subject "Croatian Gold," December 7, 1944, RG 226, Entry 108, Box 2.

¹⁶ Bern Safehaven Report No. 74, Subject "Supplementary Report on Funds Held for Others by the Société General de Surveillance S.A.," July 12, 1945, *ibid.*, Entry 183, Box 6, Folder 32.

¹⁷ Information Report, June 17, 1949, Subject: "Franco Cvijic (Civic)," CIA Operational Files. The report indicates that Cvijic was arrested by U.S. authorities and imprisoned before being paroled by the U.S. military authorities. His escape from Europe to Argentina was, the report further indicates, probably arranged by Father Krunoslav Dragonovic.

¹⁸ Belgrade, Yugoslav Home Service, "Yugoslav Gold Reserve Put In Order," July 30, 1946, RG 226, Entry 183, Box 27, Folder 152. According to this press release, which reported that 1,000 kilograms had been returned to the Yugoslav Government, 10 tons of Yugoslav Government gold, seized by Italian troops during the occupation of Belgrade in 1941, were found in postwar Germany. This gold was handed over to the Tripartite Gold Commission.

¹⁹ Memorandum from Bigelow to Glasser, July 19, 1946, *ibid.*; Official Dispatch, November 24, 1950, "Ivan Mestrovic, Branimir Jelic, General Stjepan Pericic," CIA Operational Files. As of July 1946

officers were of the view that all the puppet Croatian government funds moved to Switzerland had been controlled by Dr. Josip Cabas, an official of the Croatian Ministry of National Economy and later the Chief of the Croatian Commercial delegation in Switzerland. After the War Cabas reportedly sought to use the Ustasha funds, amounting to 12-16 million Swiss francs, to purchase arms for the Communist Yugoslav Government, but the Swiss resisted, preferring to use the funds to pay old debts.²⁰

C. The Ustasha Gold in British-Occupied Austria

The final military collapse of the German army in Croatia and its puppet Ustasha forces began in April 1945 as Tito's Partisan forces launched their final offensive and quickly seized Zagreb. While the general German surrender occurred on May 9, the beleaguered German forces and their Ustasha and Chetnik allies battled on until a final capitulation on May 15. In the midst of these final military actions, leaders of the puppet Croatian regime, carrying with them some portion of the Ustasha treasury, sought to escape through Austria to Italy. U.S. intelligence reports indicate that the fleeing Ustasha leaders carried at least part of the treasury with them into the British zone of occupation of Austria where it was seized by the British authorities. According to these sketchy reports, Ustasha leader Ante Pavelic entered Austria with a party of up to 1,500 Ustashi and \$5-6 million in gold. Other reports show that Pavelic was released after being held in British custody for two weeks, his gold trove was seized by the British, and his companions were turned over to the Yugoslav authorities.²¹

According to still other reports, up to as much as 500 kilograms of gold (more than \$560,000) were carried to Austria at the end of the War, with Pavelic's knowledge. The gold was hidden there until it was recovered and used in part to finance anti-Communist activities aimed at Yugoslavia, in part to maintain Pavelic in exile in Argentina, while other portions were used to maintain the Ustashi in Italy. Postwar intelligence reports also suggest that Ustasha funds in Austria helped to finance the Ustashi anti-Tito partisans based in Austria after the War.²²

The terms of the Inter-Allied Reparations Agreement, concluded in Paris in January 1946, required that monetary gold found in Germany by Allied forces or recovered from a third country to which it had been transferred by Germany was to be pooled for restitution among the participant nations, and non-monetary gold found in Germany was to be used for resettlement and rehabilitation of non-repatriable victims of German action. The British occupation authorities in Austria did not acknowledge recovery of any monetary gold or non-monetary gold originating with the puppet Croatian Ustasha regime. No gold attributed to the Croatian regime was transferred to the Tripartite Gold Commission.²³

the Yugoslav Government was continuing to seek to secure access to these accounts, but no further intelligence reports have been found as to the result.

²⁰ Memorandum from Bigelow to Glasser, July 19, 1946, RG 226, Entry 183, Box 27, Folder 152; Official Dispatch, November 24, 1950, "Ivan Mestrovic, Branimir Jelic, General Stjepan Pericic," CIA Operational Files.

²¹ SSU Information Report, Subject: "Yugoslavia: Present Whereabouts of Former Ustashe Officials," October 11, 1946, *ibid.*; letter from Bigelow to Glasser, October 21, 1946, RG 226, Entry 183, Box 29, 1946. The SSU report concluded that there could be little doubt that the British aided the escape of Pavelic. The Bigelow letter stated that a sum of 150 million Swiss francs, presumed to have been made up largely of gold coins, was impounded by British authorities in Austria. According to a Central Intelligence Group (CIG) Intelligence Report on Ante Pavelic, May 6, 1947 (date of information is January 1947), Pavelic and his party crossed into Austria with gold bars in two trucks, which the Croats handed over to the British, "and so saved themselves;" CIA Operational Files.

²² CIG Intelligence Report, Subject: "Dr. Ante Pavelich," May 6, 1947, *ibid.*

²³ In its 1971 Report, the Tripartite Gold Commission did take account of the fate of the 980 kilograms of monetary gold taken from Sarajevo branch of the National Bank of Yugoslavia by Croatian puppet government officials in 1941, made a part of the Croatian National Bank holdings, transferred to the Swiss National Bank in 1944 (see footnote 14 above), and returned to the new Communist Government of Yugoslavia in 1945. The TGC Report also accounts for the 66,400 kilograms of gold in bars and coins (about \$6 million) distributed by the Commission to Yugoslavia but without any connection to any other gold attributed to the wartime Croatian Government recovered in the British zone of occupation or elsewhere. The 980 kilograms of gold received by Yugoslavia from Switzerland was not regarded by the Tripartite Gold Commission to be part of the TGC's restitution process. According to the 1971 TGC Report (vol. I, p. 66, and vol. III, pp. 18, 19, 27), Yugoslavia established claims for monetary gold totaling

D. The Ustasha Underground in Rome and Ustasha Gold

According to information gathered at various times by U.S. intelligence, the College of San Girolamo degli Illirici in Rome, which provided living quarters for Croatian priests studying at the Vatican during and after World War II, was a center of Ustasha covert activity and a Croatian "underground" that helped Ustasha refugees and war criminals to escape Europe after the War.²⁴ British intelligence information of March 1946 also identified San Girolamo as the church for the Ustashi managed by a brotherhood of Croatian priests, the "confraternita di San Girolamo." This brotherhood issued identity cards with false names to the fugitive Ustashi, allowing them to evade arrest or detention by the Allies.²⁵

Monsignor Juraj Madjerec, identified in intelligence reports as an Ustasha supporter, was head of the College, but the prime mover behind this Ustasha activity in Rome was the secretary of the College, Father Dr. Krunoslav Stefano Dragonovic, who was also an Ustasha colonel and former official of the Croat "Ministry for Internal Colonization," the agency responsible for the confiscation of Serb property in Bosnia and Hercegovina.²⁶

Regarded by U.S. intelligence officers as Ante Pavelic's "alter ego," the Croatian-born Father Dragonovic had been a Professor of Theology at Zagreb University. In 1943 he went to Rome allegedly as the representative of the Croatian Red Cross, but probably to coordinate Ustasha affairs in Italy. Taking advantage of contacts inside the International Red Cross and other refugee and relief organizations, Dragonovic helped Ustasha fugitives emigrate illegally to South America by providing temporary shelter and false identity documents, and by arranging onward transport, primarily to Argentina.²⁷ U.S. intelligence reports make much of Father Dragonovic's role in helping the Ustashi who sought protection in Rome after the War. He was also reportedly entrusted with the safeguarding of the archives of the Ustasha Legation in Rome, which he hid somewhere in the Vatican, as well as with all the valuables brought out of Croatia by the fleeing Ustashi.²⁸

3,243 kilograms and received in distributions in 1948, 1950, and 1958 from the TGC, a total of 2,064 kilograms of gold (about \$2.3 million). In September 1948 Yugoslavia also received from Italy pursuant to the Italian Peace Treaty 8,393 kilograms of gold (about \$9.4 million). No gold found in the British zone of occupation of Austria appears to have been included in the Tripartite Gold Pool, according to this 1971 Report.

²⁴ The College of San Girolamo is located outside the walls of the Vatican and pays Italian State taxes.

²⁵ British Public Records Office, War Office Files, WO 204/11574. The British intelligence file identified Croatian priest Dominc Mandic as the Vatican representative to San Girolamo.

²⁶ Memorandum from AC of S, G-2 (CI) AFHQ (Allied Forces Headquarters) from AFHQ Liaison (IAI), November 26, 1947, Subject: "Dragonovic, Krunoslav Stefano; Information Report, Subject: "Dr. Krunoslav Dragonovich," July 24, 1952 (date of information is 1945-1952); memorandum from Deputy Director for Plans (CIA) to Deputy Assistant Under Secretary for Security, Department of State, "Dr. Krunoslav Stepan Dragonovich," January 9, 1968, all in CIA Operational Files. Dragonovic's background and his wartime activities, including alleged connections with the Vatican and exchanges with British diplomats, are described, with extensive references to official British and U.S. documents identified in the archives of the two nations, in Mark Aarons and John Loftus, *Unholy Trinity: How the Vatican's Nazi Networks Betrayed Western Intelligence to the Soviets* (New York, 1991), pp. 88-119 (pp. 308-314 for documentary citations). This report is not based on these authors' book nor does it seek to evaluate how they interpreted the many documentary sources they cite.

²⁷ U.S. Department of Justice, Criminal Division, *Klaus Barbie and the United States Government: A Report to the Attorney General of the United States* (Washington, D.C., 1983), pp. 136-139 [hereafter cited as *The Barbie Report*]; memorandum from Deputy Director for Plans (CIA) to Deputy Assistant Secretary for Security, Department of State, "Dr. Krunoslav Stepan Dragonovich," January 9, 1968, CIA Operational Files. U.S. Army Counter Intelligence Corps reports of 1947 on the extent of Ustasha involvement in the management of affairs at San Girolamo and aid rendered to fleeing Ustasha leaders are described in Susan Headden, Dana Hawkins, and Jason Vest, "A Vow of Silence: Did Gold Stolen by Croatian Fascists Reach the Vatican?," *U.S. News & World Report*, March 30, 1998, pp. 34-37.

²⁸ Information Report, Subject: "Dr. Krunoslav Dragonovich," July 24, 1952 (date of information is 1945-1952); Information Report, Subject: "Yugoslavia: Present Whereabouts of Former Ustashi Officials," October 11, 1946, both in CIA Operational Files.

Under Dragonovic's leadership, the Croat underground in San Girolamo built up an effective covert organization which operated an escape service for Croatian nationalists fleeing from the Yugoslav regime. Dragonovic's organization also worked with the "rat line" set up and operated by the U.S. Army's Counter Intelligence Corps (CIC) to help Soviet and East European defectors, informants, and activists escape from Communist-controlled territory.²⁹ In 1951 Dragonovic worked with the CIC to organize the escape of anti-Communist informant and Nazi war criminal Klaus Barbie to South America.³⁰ In mid-October 1958, a few days after the death of Pope Pius XII on October 9, Dragonovic was ordered to leave the College of San Girolamo by the Vatican Secretary of State.³¹ In 1962 the CIC dropped him as an agent "with prejudice, for security reasons and lack of control."³²

Over the next few years, relations between the Vatican and Communist Yugoslavia improved and were finally normalized in June 1966. Dragonovic, who had broken with Ante Pavelic in 1955, benefited from an amnesty granted by the Tito regime in the early 1960s. In 1967 he traveled to Trieste and walked across the border to Yugoslavia. A few days later he made a speech over Yugoslav radio denouncing the Ustashi and praising the progress made since the end of the War by the Tito regime. The indications are that Dragonovic lived quietly in Yugoslavia where he died in July 1983.³³

From early 1946 to late 1947, the Ustashi in Rome harbored Ante Pavelic, as well as other Ustasha leaders. Pavelic arrived in Rome in 1946 disguised as a priest with a Spanish passport. For the next two years he reportedly lived at San Girolamo and other quarters in Rome. The support of the Croat underground in Rome was critical for Pavelic's escape from Europe to Argentina. In November 1948 he emigrated to Argentina on the Italian motorship *Sestriere*. In 1957, after an assassination attempt, he moved to Spain, where he died in 1959.³⁴

The CIC, which had responsibility for tracking down war criminals, knew of Pavelic's presence in Italy and monitored his activities for nearly two years, attempting to learn his exact whereabouts. In late July 1947, after CIC reported that Pavelic was living in a particular Vatican-owned building in Rome, and after consultations in Washington, the State Department instructed the Supreme Commander of Allied Forces in Italy that "the United States should cooperate with the Italian authorities to the extent necessary in this particular case." The British Government concurred in this action four days later. The CIC agents assigned to monitor Pavelic's activities in preparation for his arrest reported that he was enjoying the protection of the British as well as of the Vatican and advised against unilateral U.S. action to extradite Pavelic to Yugoslavia in order not to lose support among Catholic and anti-Communist émigrés. U.S. military intelligence concurred on the grounds that Pavelic's arrest would alienate the Croatians loyal to the Ustasha cause who were being increasingly employed as informants by U.S. intelligence agencies. In the end, U.S. forces withdrew from Italy without acting decisively to apprehend Pavelic.³⁵ However, CIC's

²⁹ *The Barbie Report*, pp. 135-137.

³⁰ Memorandum, undated (c. April-May 1983), Subject: "DOJ/OSI Investigation of Klaus Barbie," CIA Operational Files; *The Barbie Report*, pp. 146-151; and James V. Milano, *Soldiers, Spies, and the Rat Line: America's Undeclared War Against the Soviets* (Washington, D.C., London, 1995), pp. 201-206.

³¹ Information Report, Subject: "The Priest Krunoslav Dragonovic being asked to leave the College of St. Jerome of the Illirici," December 11, 1958, CIA Operational Files.

³² Memorandum, undated (probably c. April-May 1983), Subject: "DOS/OSI Investigation of Klaus Barbie," *ibid*.

³³ What appears to be the public record regarding Dragonovic's last years in Yugoslavia, including his praise for the Tito regime and the religious freedom he found in Yugoslavia, is identified in Aarons and Loftus, *The Unholy Trinity*, pp. 77-78, 86-87, and 143-150.

³⁴ Information Report, Subject: "The Organization of the Ustasish Abroad," November 4, 1946 (date of information is October 1946); Information Report, Subject: "The Vatican as an Asylum for War Criminals," August 8, 1947 (date of information is July 1947); Information Report, Subject: "Reported Arrival of Ante Pavelic in Argentina," December 2, 1948, all in CIA Operational Files. Aarons and Loftus, *The Unholy Trinity*, pp. 77-78, indicate that Pavelic joined most of the former Ustasha regime in Buenos Aires, including nearly every surviving Cabinet Minister.

³⁵ Memorandum from Bernard J. Grennan, Chief of Operations, CIC Headquarters, MTOUSA (Mediterranean Theater of Operations United States), to Supervising Agent, CIC Zone Five, July 7, 1947; memorandum from Joseph N. Greene, Jr., Acting U.S. Political Adviser to Acting Supreme Allied Commander, July 29, 1947; memorandum from P.W. Scarlett, British Political Adviser, to Acting Supreme Allied Commander, August 2, 1947; Informal Routing Slip from Major General L.C. Jaynes, Chief of Staff,

interest apparently was sufficient to compel Pavelic to leave Rome for a monastery near the Pope's summer residence at Castel Gandolfo, where he remained for several months prior to his departure from Europe.³⁶

The figure of 350 million Swiss francs (over \$80 million) of Ustasha gold that U.S. intelligence reported in 1946 remains the only attempt to estimate the total financial resources available to the Ustashi at the end of World War II. This figure refers to sums in Italy and Austria and probably does not include those funds sequestered by the Ustasha regime in Switzerland. Moreover, it remains unsubstantiated and may not include some or all of the sums reported elsewhere. Although the amount of the total financial resources available to the Ustasha leadership at the end of World War II cannot be determined, it seems clear from the available information that there was some quantity of gold at their disposal in Rome, Austria, and Switzerland. From the character of the Ustasha regime and the nature of its wartime activities, this sum almost certainly included some quantity of victim gold.

U.S. intelligence reports—many of them uncorroborated and speculative—portray the Croat underground in Rome as making use of a considerable quantity of gold, probably including victim gold, that the Ustashi sent or brought out of Croatia between 1943 and 1945. Sources available to U.S. intelligence authorities varied widely, even wildly, in their estimates of the total value of the gold available to the Croat underground in Rome. The largest estimate of Ustashi treasury reaching Rome was made in the October 1946 U.S. intelligence (SSU) report to the Treasury Department, which estimated that 200 million Swiss francs (about \$47 million) "was originally held in the Vatican" before being moved to Spain and Argentina.³⁷ Another October 1946 intelligence report summarizing information on the whereabouts of former Ustasha officials identified an "Ustashi Financial Committee" living in Rome with a large amount of gold at its disposal.³⁸ On the other hand, a report derived from an alleged January 1947 interview with Ante Pavelic at his quarters in the monastery in Rome, claimed the Ustashi had only 3,900 gold Napoleons (some \$25,000) in all of Italy.³⁹

Ante Pavelic, Father Dragonovic, and other Ustasha leaders in Rome also derived moral and financial aid from many other countries, including from Ustasha sympathizers in the United States.⁴⁰ U.S. intelligence was also informed that the Ustashi in Italy were active on the black market.⁴¹ Dragonovic may also have personally profited from his illegal activities, charging refugees as much as \$1,500 for false documents and realizing \$625 from each refugee he helped transport to Argentina.⁴²

E. Postwar Changes in U.S. Policy Toward Croatian Ustasha War Criminals and Escapees

In response to a number of Yugoslav Government requests in the latter half of 1945 to British and U.S. authorities for the return of various Yugoslav nationals, including Croatians, for trial as war criminals, traitors, and collaborators, the U.S. Government in October 1945 took the official position that it would

to Commanding General, MTOUSA, August 8, 1947, with marginal comment by Commanding General; memoranda from CIC Special Agents Louis S. Caniglia and William E.W. Gowen to Officer in Charge, CIC Rome Detachment, August 28 and September 12, 1947; memorandum to Officer in Charge, CIC Rome Detachment, signed by Lieutenant Colonel G.F. Blunda, Assistant Chief of Staff, G-2, November 8, 1947, all in NARA, RG 319, Investigative Records Repository, CIC Dossier XE 00 11 09: Anton Pavelic.

³⁶ Information Report, Subject: "Reported Arrival of Ante Pavelic in Argentina," December 2, 1948, CIA Operational Files.

³⁷ Letter from Bigelow to Glasser, October 21, 1946, RG 226, Entry 183, Box 29, 1946.

³⁸ Information Report, Subject: "Jugoslavia: Present Whereabouts of Former Ustashi Officials," October 11, 1946, CIA Operational Files.

³⁹ CIG Intelligence Report, Subject: "Dr. Ante Pavelich," May 6, 1947, *ibid.* This is the same report that described the alleged British Army seizure of two truckloads of bar gold from the fleeing Croatian leaders when they reached Austria in early 1945.

⁴⁰ Information Report, Subject: "The Organization of the Ustashis Abroad," November 4, 1946, *ibid.*

⁴¹ Information Report, October 16, 1950, *ibid.*

⁴² *The Barbie Report*, p. 140; Milano, pp. 52-54; Information Report, Subject: "Irregular Activity of Krunoslav Dragonovic," October 1, 1953, CIA Operational Files. According to a March 1948 report of the U.S. Military Attaché in Argentina (?), quoted in *U.S. News & World Report*, March 30, 1998, p. 36, Ustasha refugees in Argentina were being assisted with funds in a Swiss bank.

comply with such Yugoslav Government requests provided that it made a "prima facie case of collaboration with the enemy of war criminality" and provided that the individuals were not desired by the Allied governments for trial as major criminals.⁴³ During the succeeding months, U.S. and British authorities handed back to Yugoslavia those Yugoslav nationals in their custody whose cases had been individually examined and whose return by force had been duly authorized.⁴⁴

The United States recognized the new Communist Government of Yugoslavia in December 1945, and in the following months sought to develop friendly and supportive relations with the Tito regime. By the latter half of 1946 and early 1947, U.S. policy toward the Yugoslav Government grew increasingly cool as a result of the Yugoslav regime's hostile actions, including harassment of U.S. Embassy personnel and accusations of espionage, the arrest and trial of Yugoslav employees of the Embassy on charges of espionage, attacks on unarmed U.S. aircraft over Yugoslavia, Yugoslav efforts to annex Trieste, and Yugoslav unwillingness to settle outstanding claims of American citizens for confiscated property. The brutality of the Yugoslav police and the manifest disregard of human rights violations also contributed to the hardening of the U.S. attitude in other aspects of its relations with Yugoslavia.⁴⁵

The U.S. Government also began to revise its policy on turning over Croatian Ustasha members to the Yugoslav Government. In June 1946 the British Foreign Office proposed that all proved Ustashi found in camps in Italy be surrendered to the Yugoslav authorities, whether or not their surrender had been requested. The British felt that the Ustashi deserved no sympathy and that their surrender to Yugoslavia would give the Communists less ground for complaining that the Chetniks in U.S.-British custody were not being surrendered. Such action would also prevent the Ustashi in Allied detention from becoming a source of embarrassment for the Italian Government once the Allies completed their imminent withdrawal from Italy. The British proposed that Ustashi in displaced persons camps in Italy be removed to prisoner-of-war camps, where they would be screened carefully, after which those whose membership in Ustasha organizations was established beyond doubt would be surrendered to the Yugoslav authorities.⁴⁶

The State Department approved the British proposal to surrender all proven members of the Ustasha organization in Allied camps in Italy in June 1946, but no screening of Ustashi took place under this policy before it was abandoned by the United States in favor of a more limited policy of return of Ustashi.⁴⁷ In response to Yugoslav Government complaints in September 1946 that U.S. and British authorities in Germany were failing to turn over suspected war criminals, the United States informed Belgrade in November 1946 that it continued to hold to its policy of returning individuals for whom prima facie evidence had been provided, but found that Yugoslav Government requests increasingly were not accompanied by sufficient means of identification or did not provide adequate details of the crimes committed.⁴⁸

A new U.S. policy regarding the return to Yugoslavia of war criminals, collaborators, and others, including Ustashi, was further defined in guidelines sent to American officials in Berlin, Vienna, Rome, and Belgrade in January 1947. In the future Yugoslav requests for the return of collaborators would be referred to Washington for screening and no persons would be surrendered who appeared wanted for primarily political reasons. No persons would be turned over to Yugoslavia for war crimes prosecution if they were to be tried in U.S. courts or if they were listed on the UN War Crimes Commission lists of war

⁴³ Note from the Secretary of State to the Yugoslav Chargé, October 19, 1945, RG 59, Decimal Files 1945-49, 740.00116-EW/8-2845.

⁴⁴ Telegram 375 from the U.S. Political Adviser in Caserta (Anglo-American headquarters in Italy), June 8, 1946, *ibid.*, 860H.00/6-846.

⁴⁵ Documentation on U.S. efforts to maintain friendly relations with Yugoslavia, assertion of the rights and immunities of U.S. diplomatic personnel and American citizens in Yugoslavia, and negotiations for the mutual restoration of property and settlement of claims is presented in *Foreign Relations*, 1946, vol. VI, pp. 867 ff. and 1947, vol. IV, pp. 744 ff.

⁴⁶ Telegrams 575, June 8, 1946, and 607, June 13, 1946, from the U.S. Political Adviser in Caserta, RG 59, Decimal Files 1945-49, 860H.00/6-846 and 860H.00/6-2046.

⁴⁷ Telegram 171 to the U.S. Political Adviser in Caserta, June 23, 1946, *ibid.*, 860H.00/6-2046, and telegram 513 from Belgrade, May 15, 1947, *ibid.*, 740.00116-EW/5-1547.

⁴⁸ Note from the Secretary of State to Yugoslav Ambassador, November 4, 1946, *ibid.*, 740.00116-EW/9-2046.

criminals and unless the request for them was accompanied by a clear statement of the charge and sufficient evidence.⁴⁹

The changing policy of the United States on the return of war criminals and collaborators to Yugoslavia was further elucidated with respect to the Ustashi in April 1947 when U.S. and British diplomats presented to the Yugoslav Government notes explaining U.S.-British policy regarding the surrender of Yugoslav "quislings" from Allied camps in Italy. The notes stated that the two governments were "determined to apprehend and surrender to the Yugoslav Government all quislings requested by the Yugoslav Government to whose surrender the two first named governments agree and who can be found in camps under Allied control." An additional phrase, "and proved members of Ustashi," was deleted by agreement of the State Department and British Foreign Office.⁵⁰ The Department believed that the Yugoslav Government was meting out unduly harsh treatment to its political opponents and using charges of collaboration as a weapon in an increasingly severe campaign of repression against opposition elements. The Department of State felt that commitments to surrender proven members of the Ustashi were no longer necessarily applicable and withdrew its concurrence in the surrender of Ustashi as a group. The Department told the British Embassy in May 1947:

"It is our belief that, in a matter involving so basic a humanitarian principle as the protection of persons under our jurisdiction from victimization through the perversion of justice, we cannot, in the light of our subsequent experience, be bound by earlier expressions of intention."⁵¹

The situation of the Yugoslav prisoners of war in Allied camps in Italy caused increasing concern for Britain and the United States by early 1947. Allied troops left in Italy were insufficient to control the Yugoslav prisoners, who numbered 21,000 in British camps alone. The Allies feared that the Yugoslavs in these camps, including many Ustasha war criminals, would be turned over to the Italian Government when the Italian Peace Treaty was signed later in 1947. In April 1947 the British Government announced that there were still about 10,000 displaced persons in Italy under U.S.-British responsibility, of whom 7,000 were Yugoslavs, including 77 Yugoslav quislings and traitors. Of these, 22 were turned over to Communist Yugoslav authorities. Also in April 7,000 former Chetnik Yugoslav soldiers were transferred to the British zone of occupation of Germany, and by June the Yugoslav Government in Belgrade claimed that, of 950 Yugoslav nationals that it had requested the Allies to turn over, fewer than 50 had actually been delivered.⁵²

F. Tracking the Fate of the Wartime Ustasha Treasury

U.S. official historical records have thus far yielded only an imperfect understanding of the fate of the wartime Ustasha treasury, including the gold and valuables stolen from the Jewish, Serb, and Sinti-Romani victims of the Ustasha ethnic cleansing policies and the German deportations and murders of Jews and others. A full accounting of the events of the Ustasha period in Croatia and the postwar flight of its leaders, funded to some extent by the remains of the Ustasha treasury, has to be found in the archives of other nations and possibly the Vatican.⁵³

⁴⁹ Telegram 213 to the U.S. Political Adviser in Berlin, January 27, 1947, *ibid.*, 740.00116-EW/1-1547. Printed in *Foreign Relations*, 1947, vol. IV, p. 753.

⁵⁰ Despatch 783 from Belgrade, April 9, 1947, RG 59, Decimal Files 1945-49, 740.00116-EW/4-947; telegram 17 from Belgrade, March 11, 1947, *ibid.*, 740.00116-EW/2-1447, and telegram 177 to Belgrade, March 28, 1947, *ibid.*, 860H.00/3-2847.

⁵¹ Memorandum from Walworth Barbour (Office of European Affairs) to Solly-Flood of the British Embassy, May 19, 1947, *ibid.*, 740.00116-EW/5-547.

⁵² Telegram 1317 from Belgrade, February 14, 1947, telegram 733 from Rome, April 4, 1947, and telegram 714 from Belgrade, June 26, 1947, *Foreign Relations*, 1947, vol. IV, pp. 762 and 784; memorandum from Solly-Flood to Barbour, June 14, 1947, RG 59, Decimal Files 1945-49, 740.0011-EW/6-1447. A significant portion of the documentary record in official U.S. and British records for 1945, 1946, and 1947 is elaborated in some detail and provides the basis for a journalistic, and sometimes speculative, account of the changing U.S. and British policies toward the apprehension of Croatian Ustasha quislings and collaborators and their return to Yugoslavia in Aarons and Loftus, *Unholy Trinity*, pp. 70-87 (pp. 304-308 for documentary citations).

⁵³ At the December 1997 London Conference on Nazi Gold, Ian F. Hancock of the International Romani Union, issued a statement that noted that "scholarship on the Romani victims of the Holocaust is in

At the London Conference on Nazi Gold held in December 1997, the Croatian delegation reported on the work thus far of the special commission "created to investigate historic facts about the property of Nazi victims and "to finally establish facts related to the property seized by the Nazis from States or individuals and to review measures taken so far and those to be taken in the future with an aim of returning or compensating this property." The Croatian delegation reported that the work of the special commission will be facilitated by the fact that "the 1941-1945 archives have been largely preserved." The present Croatian State Archives contains extensive materials on the Holocaust in Croatia and Jewish property in particular, including the results of pilot archival project carried out by the Croatian State Archives between 1978 and 1985 and based on 7,027 archive boxes and 67 boxes of files that established a register of 40,000 Fascist victims and anti-Fascist fighters (including 6,537 Jews) killed in concentrations camps and prisons.⁵⁴ An estimated 1,000 to 1,200 Holocaust survivors "eligible for compensation" remained in Croatia.

The Croatian delegation also informed the London conferees that the gold reserve of the Croatian Ustasha regime consisted of 45 cases of gold of unknown or unstated value. Thirteen cases of gold were "taken abroad on 7 May 1945," and 32 cases of gold were "hidden" in the Franciscan Monastery in Zagreb until February 1946 when it was "handed over to the National Bank of Yugoslavia, Zagreb Branch Office, Department for People's Property of the Government Presidency of the People's Republic of Croatia." The Croatian delegation stated that there were 22 lists specifying the gold, but the lists have not been found, and further documentation regarding the gold was assumed to be with the National Bank of Yugoslavia. The delegation concluded, on the basis of documents in the archive of the Jewish community of Zagreb, "as well as those kept elsewhere in Croatia," that the gold and jewelry taken from Jews in Croatia up to the end of October 1941 amounted to 1,065 kilograms (worth more than \$1.2 million).⁵⁵

There is some evidence that at least part of the Croat Foreign Ministry archives was sent to the Vatican at the end of the War.⁵⁶ In his memoirs, James V. Milano, Commander of the 430th Counter Intelligence Detachment of the U.S. Army's Counter Intelligence Corps, admits to the wholesale destruction of records relating to the operation of the Army's rat-line and his dealings with the Croat underground.⁵⁷

There are other possible sources of historical information on the fate of the Croatian State treasury. Most if not all of the Croatian Ustasha leaders and soldiers who fled the approaching Partisan forces in April and May 1945 escaped through the British zone of occupation of Austria. British military and intelligence records may be able to describe Ustasha activities in occupied Austria, including the transport of any of the Croatian treasury. Swiss banking records may contain additional information beyond what has already been published regarding the movement of gold and other assets from the Ustasha treasury. Ustasha gold may also have been sequestered in private or commercial accounts that escaped the notice of postwar auditors. Perhaps the best documentation for the wartime activities of the Ustashi lies in the archives of the Independent State of Croatia, if the records still exist. Examination of these records would help in determining the amount of victim gold stolen by the Ustasha regime and establishing its disposition

its infancy." He pointed out that it is almost impossible to identify the amount of personal wealth stolen by the Nazis from the Romani people, and that even the total number of Romani victims of the Holocaust is unknown.

⁵⁴ The Croatian delegation explained that an agreement had been concluded with the U.S. Holocaust Memorial Museum in Washington regarding the duplication of this material.

⁵⁵ Statement by the Croatian delegation to the London Conference on Nazi Gold, December 2-4, 1997. The British Government, which convened the conference, plans to publish the full record of the conference in 1998.

⁵⁶ Historical experts at the Vatican have pointed out that at his war crimes trial in the autumn of 1946 in Zagreb, evidence was produced that Archbishop Stepinac of Zagreb had received the Croatian Foreign Ministry records at the end of the War. Vladimir Dedijer, *The Yugoslav Auschwitz and the Vatican: The Croatian Massacre of the Serbs During World War II* (Buffalo, N.Y., 1992), pp. 414-416, includes a photocopy of a receipt showing that Archbishop Stepinac received eight sealed boxes from the Croatian Foreign Ministry at the end of the War. Dedijer, at one time prominently associated with the Tito-led Communist regime of Yugoslavia, asserts that these boxes were somehow transported to Rome, presumably to College of San Girolamo. Dedijer further speculates that the boxes contained gold from victims of the Ustasha murderers.

⁵⁷ Milano, pp. 220-221.

at the end of the War. The bulk of the Ustasha Croat State archives, however, apparently remain within the territory of the former State of Yugoslavia, where they are presently unavailable to Western researchers.

An examination of the documentation prepared by the Communist regime for the September-October 1946 war crimes trial in Zagreb might give an indication of what might be available, but this documentation would be incomplete and, given the highly political nature of the trials, could be used only with caution. The trial, which resulted in the conviction of Croatian priests and others, was extensively covered in the Zagreb newspaper *Vjesnik*, and facsimiles of hundreds of archival documents from the wartime Croatian government were published after the trial.⁵⁸ The extensiveness of the documentation indicates the documentary resources available to the Communist prosecutors at the Zagreb trial, but does not give confidence of the objectivity of its use. The published record included testimony alleging the existence of gold stolen from the victims of Ustasha arrest and the concealment of Croatian foreign affairs records after the War at the Zagreb bishopric.

In addition to the evidence of covert Ustasha activity inside the College of San Girolamo, there is the question of the attitude of the Papal administration. During World War II, the reigning Pope, Pius XII, maintained a studied neutrality that has been the subject of considerable historical controversy. His attitude toward the Croat Catholics inside the College of San Girolamo and elsewhere has also been the subject of much speculation. Although no evidence has been found to directly implicate the Pope or his advisers in the postwar activities of the Ustashi in Italy, it seems unlikely that they were entirely unaware of what was going on. Vatican authorities have told us they have not found any records that could shed light on the Ustasha gold question. More information on the Ustashi and any treasury they may have carried with them into exile may exist in the archives of the Argentine security services, and might emerge from ongoing research by the Argentine Historical Commission. The existence of a long-standing Croat-Ustasha community in Argentina almost certainly attracted the attention of the Argentine security services before, during, and after the War.

⁵⁸ Joza Horvat, ed. *Djokumenti o Protunarodnom Radu i Zlocinima Jednog Dijela Katolickog Klera* (Zagreb, 1946).