

Meeting of the property experts
of the World Jewish Congress, American
Jewish Conference, American Jewish Committee
and the Jewish Agency held on October 1, 1946

Mr. Max Lowenthal and Rabbi Rackman participated. Mr. Kennen presided.

At the start, the results of the discussion held at Paris between Mr. Lowenthal and representatives of the American Jewish Conference, American Jewish Committee and Jewish Agency were reviewed. The discussions centered on the main flaws of the draft, viz:

- (1) the jurisdiction of German courts, instead of mixed tribunals;
- (2) the proviso concerning masterless properties: their use and constitution of the Agency;
- (3) the use of communal property;
- (4) the defects in the presumption of confiscation in favor of persecutees;
- (5) the problem of inheritance taxes;
- (6) the proviso of the decree excluding nationalized property and public law claims from restitution;
- (7) the proviso that property governed by rent and similar laws be exempt from the application of the law;
- (8) the proviso concerning matters left for future legislation;
- (9) provisions of the decree introducing ambiguities;
- (10) problem of zonal, bizonal or quatripartite law. ^P It was decided to suggest that:

Ad (1) Special tribunals with participation of the victims and occupiers (either in both or the second court instance only) decide upon such claims;

Ad (2) Special agency designated by the Military Authorities be vested with masterless properties and Jewish properties be used for rehabilitation and resettlement of Jewish victims;

Ad (3) Properties of non-existing communities and foundations be vested totally in the agency; existing communities and foundations obtain a fair part of the properties;

Ad (4) The proviso of the previous draft which is very appropriate be restored;

Ad (5) No inheritance taxes be levied for restitutable properties;

Ad (6) The respective provision be eliminated;

Ad (7) & (8) The proviso be deleted;

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Ad (8) (9) A general clause providing for more detailed criticism be inserted ~~upon~~ in the cable;

Ad (10) A law for the U. S. Zone alone be requested.

After the wording was reviewed again, the final text was dispatched to Washington. Mr. Lowenthal undertook to discuss the procedure to be followed with Washington by phone. It has been decided thereafter that the suggestions worked out be transmitted to Dean Acheson by wire with the request to forward them to Berlin.

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Meeting of representatives
of the five organizations with
Rabbi Bernstein and Mr. Lowenthal
September 30, 1946

The discussion referred to the following points:

- (1) Expenses involved in communications by and to Rabbi Bernstein;
- (2) The mode of procedure for the meeting of October 1st;
- (3) The proposal of the AJ Committee to send Mr. Sanford Schwarz to Germany to deal with heirless communal and blocked properties. No decision was taken.
- (4) Questions to and answers by Rabbi Bernstein concerning the numbers and present situation of DP's in Germany, Austria, Italy, Czechoslovakia and France, the possibilities of obtaining permissions to some European countries for infiltrees from Poland, the limits of admission to the American Zone etc. Dr. Kubowitzki gave a brief survey of his activities regarding the admission of infiltrees to Belgium, Sweden, France and Denmark.
- (5) Discussion concerning Jewish properties in Germany. Mr. Lowenthal reported on the progress of the restitution law. In view of the imminent submission of the draft to the Property Disposition Board and subsequently to Gen. Clay, it was decided that experts of the five organizations meet the next day with Mr. Lowenthal to draft a cable to the State Department embodying the main objections against the draft, with full power to decide on the wording.

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Meeting of the five organizations
held on October 22, 1946

The discussions centered about the reluctance of the IGC to act in implementing the agreements on the share of reparations for Nazi victims; the forthcoming discussions on a German treaty and, - the main point - the composition of the agency which shall be proposed for the American Zone in Germany to administer and dispose of Jewish masterless properties.

Two opinions were presented: (a) the Agency should be an international, viz. the IRO, as was decided in Paris in regard to Hungary and Romania; (b) a Jewish appointed by the military authorities upon nomination by Jewish organizations possessing an official status. No decision was taken on this point. It was decided to postpone the decision until the attitude of the military authorities in Germany toward our general demands on the restitution law become known.

A second meeting will take place on Friday, October 25.

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Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

December 27, 1949

MEMORANDUM

From: Eli Rock, Secretary

To: Executive Committee, JRSO

The Board of Directors and the Advisory Committee of Jewish Cultural Reconstruction, Inc. have recently voted to make the following additional allocations to the Hebrew University (see attached schedule):

a) Kirchheim Collection

b) 2,800 volumes which the Hebrew University has selected out of the Breslau Collection of 11,273 volumes presently in the possession of JCR.

Unless we hear from you to the contrary, ^{will} we assume that this recommendation from JCR is satisfactory.

Eli Rock

ER:AU
Enc.

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MEMBER ORGANIZATIONS

AMERICAN JEWISH COMMITTEE · AGUDAS ISRAEL WORLD ORGANIZATION · WORLD JEWISH CONGRESS · COUNCIL FOR THE PROTECTION OF THE RIGHTS AND INTERESTS OF JEWS FROM GERMANY · BOARD OF DEPUTIES OF BRITISH JEWS · CENTRAL COMMITTEE OF LIBERATED JEWS IN GERMANY · CONSEIL REPRESENTATIF DES JUIFS DE FRANCE · CENTRAL BRITISH FUND · JEWISH AGENCY FOR PALESTINE · AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. · JEWISH CULTURAL RECONSTRUCTION, INC. · INTERESSENVERTRETUNG ISRAELITISCHER KULTUSGEMEINDEN IN THE U. S. ZONE OF GERMANY · ANGLO-JEWISH ASSOCIATION

OPERATING AGENTS

JEWISH AGENCY FOR PALESTINE · AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. · JEWISH CULTURAL RECONSTRUCTION, INC.

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JCR

KIRCHHEIM COLLECTION

Main Subject Divisions

Hebraica

Bible (text)	36 volumes
Biblical literature	64
Talmud	26
Talmudic literature	103
Halakha	231
Musar, Derush	75
Liturgy	40
History	25
Hebrew Language	23
Modern Hebrew literature	40
Philosophy and Kabbala	33
Varia	<u>149</u>
Total	845 volumes

Judaica

Bible (text)	11 volumes
Biblical literature	70
Religion	44
Post-Biblical literature	55
History	117
Hebrew language	25
Bibliography	20
Varia	88
Periodicals	<u>35</u>
Total	465 volumes

Non-Jewish Books

153 volumes

Grand Total 1,463

November 4, 1949

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BRESLAU COLLECTION
(main subject divisions)

Bible (texts)	128 vols.
Bible (texts) with commentary	1025
Bible commentaries	433
Mishna	382
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Talmud commentaries	478
Midrash	285
RIF	64
Halacha	1544
Turim plus Shulchan Aruch (caro)	197
RAMBAM	82
Musar, Derush	511
Liturgy	297
Modern Hebrew Lit.	509
Judaica (German)	262
Judaica (non German)	129
Yiddish	77
Varia	1572
Periodicals (Jewish)	720
" (non-Jewish)	102
Non-Jewish books	<u>1317</u>

11,273 vols.

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

December 27, 1949

MEMORANDUM

From: Eli Rock, Secretary

To: Executive Committee, JRSO

We are sending you attached a self-explanatory letter which we have just received from Mr. Ferencz and which will be presented to the JRSO Executive Committee within the near future.

Eli Rock

ER:AU
Enc.

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MEMBER ORGANIZATIONS

AMERICAN JEWISH COMMITTEE · AGUDAS ISRAEL WORLD ORGANIZATION · WORLD JEWISH CONGRESS · COUNCIL FOR THE PROTECTION OF THE RIGHTS AND INTERESTS OF JEWS FROM GERMANY · BOARD OF DEPUTIES OF BRITISH JEWS · CENTRAL COMMITTEE OF LIBERATED JEWS IN GERMANY · CONSEIL REPRESENTATIF DES JUIFS DE FRANCE · CENTRAL BRITISH FUND JEWISH AGENCY FOR PALESTINE · AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. · JEWISH CULTURAL RECONSTRUCTION, INC. INTERESSENVERTRETUNG ISRAELITISCHER KULTUSGEMEINDEN IN THE U. S. ZONE OF GERMANY · ANGLO-JEWISH ASSOCIATION

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C O P Y

HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
APO 696A U.S.ARMY

14 December 1949 BBF/HW

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, N.Y.

C o n f i d e n t i a l

Hq. JRSO N.Y. Letter #272

Dear Eli,

Your letter No. 3066 referring to our November conference in Paris again raises the basic problem of bulk settlement. On the basis of the initial comparison and elimination of claims filed by individuals it is our present belief that there are about 10,000 houses and 15,000 plots of land for which the JRSO is the sole claimant. We have not tabulated our claims for businesses, bank accounts, or movable items, since we believe that real estate represents our really basic asset and we are giving that top priority.

As often indicated there can be no fair estimate of the value of these claims until each file contains the original contract of sale and other significant documents, and a determination has been made concerning the present condition of the property, encumbrances, and ability or willingness of the restitutor to pay. If speculation is demanded, we still think in terms of 50 to 100 million marks.

It is impossible to say how much property we will recover in the near future. Up to now we have been trying to settle for cash rather than restitution in natura, since the restitutors are more apt to give us money than property, our sales are limited by price control, a purchaser must pay a sale's tax of $7\frac{1}{2}\%$ which would decrease our price, and the restitutor has a special interest in keeping the property for which we may get an added price from him.

There are about 500 houses which the State of Bavaria as the holder of Reich properties must retribute to the JRSO. In addition there are about 3,500 plots of land. Almost two months ago Mr. Ringelmann representing the Bavarian Ministry of Finance stated that he wanted to buy those properties from the JRSO rather than restituting them. We have not yet appraised each of the four thousand pieces, since Ringelmann was prepared to have that done at German expense in a manner to be agreed upon. However, it is our belief that these 4,000 properties which include ruins, mortgaged houses and small bits of garden are worth at least three million marks. In addition, Dr. Ringelmann indicated a willingness to buy from the JRSO any other properties which we might have restituted from German individuals. In Bavaria there may be an additional three and a half thousand houses and several thousand pieces of land. A third possibility would be to have him buy all of our claims, even before the property is restituted or the case settled.

I think the three possibilities must be examined separately:

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a. The cash settlement with Bavaria for the 4,000 properties which they must restitute or buy. -

Here Bavaria would be acting in the same manner as any individual restitutor, except that the number of properties involved is much greater. I do not think that the settlement of this "case" requires any approval from New York, but in any event I strongly recommend such a settlement with Bavaria as highly advantageous.

b. The sale to Bavaria of properties restituted by individual restitutors.

This would mean that we would have a buyer for any property we had to take back from a German restitutor. The presence of such a buyer would be a strong weapon for us in our negotiations with the restitutor and would also be advantageous in that, we would not have to be concerned about property administration for a long term. If Bavaria is prepared to purchase our properties at a fair price as we acquired them, I would recommend that we sell to Bavaria.

c. The purchase by Land Bavaria of all our claims against Bavarian citizens. - This would mean that we would assign our claims to Bavaria and that Bavaria could then in the course of the next few years or so settle the matter with its own citizens. The obvious advantage to the JRSO would be that we could quickly dispose of a large portion of our program and, if the same arrangement could be reached in the other Laender, the JRSO could dissolve itself in about a year. Any of the three settlements suggested above would have to be contingent upon the right of the JRSO to spend the money in Germany for commodities which could be exported. The amount to be received for claims would have to be negotiated and a substantial discount given for the risks which the JRSO would otherwise entail in a court program.

The last possibility is the most attractive and yet, in my opinion, the most dangerous.

If it should be generally known to the German restitutors that the German Laender are considering buying the assignment of JRSO claims, they would be most unwise to settle any case with the JRSO, since they may fairly expect easier terms for themselves when they deal with their own Government. We already are faced with the rising danger of a "wait-and-see" attitude and should our negotiations for bulk assignment of claims be publicized and then fail, it is my opinion that we will have sustained tremendous damage. I do not trust the German officials and am not convinced that this damage to the JRSO is not their real objective. The conduct of Dr. Ringelmann thus far gives strength to my fear. I also am of the opinion that, unless the State of Bavaria is prepared to settle in one lump sum all the cases, where Bavaria appears as restitutor (see a. above), they will not seriously be prepared to make a deal with the JRSO under b. or c.. I therefore caution against having opened negotiations under c. until a. is successful concluded.

It is my recommendation that we try to conclude a. as quickly as possible, with Bavaria first and then with the other Laender. At the same time we should try to get a commitment from the Laender on b.. If we can arrange it, I think,

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it would be preferable to have c. proposed by the High Commissioner, since that would decrease the danger of having the Germans play games with the JRSO. If Mr. McCloy would propose it, the German officials would know that a rejection by them will mean increased pressure by the Occupation Authorities under their reserved powers to force the Germans to carry out the full letter and spirit of the Restitution Law. It was our strategy here to approach the problem through the High Commissioner at the appropriate time. In my opinion the most appropriate time will be, when the High Commissioner and his top advisers have a full understanding of the scope and problems involved in the restitution program which they have undertaken. The change over from Military Government to HICOG has postponed this understanding, but it is rapidly approaching. We have made preliminary studies for HICOG to show them the scope of the program and their own investigations are now being completed with the view to having a statement issued by Mr. McCloy giving them deadlines for the carrying out of Law 59. When the German officials complain that the administrative burdens of quickly carrying out the law are unbearable (as they may well be), that, in my opinion, is the correct moment for Mr. McCloy to come forward and urge them to reach a settlement on the basis of c. above.

You will notice from the (garbled) Paris minutes that we had some discussion on this (see page 18 and 19 of the meeting of November 11th), and my view as expressed above was not shared by the other persons present. They did not see any particular danger in beginning our discussions with the possible sale of claims and perhaps my proximity to the scene magnified the problems. In any event, the question is of such paramount importance that responsibility for the technique to be applied should be shared by the persons outside of Nurnberg.

I have not gone into the moral aspects of assigning heirless claims to the German State at a discount rate nor to the effect which this would have on the claims filed by individuals. If we are determined to finish the JRSO program in the minimum possible time, these considerations must become secondary.

Thus far we have not plunged into anything and have considered it wise to look carefully before we leap. However, if someone will tell us which way to jump, we are prepared to do so.

Sincerely yours,

BENJAMIN B. FERENCZ

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CONFIDENTIAL

Notes on Meeting #49-13 of the Four
Organizations held on Monday, December 19th, at 12:45 P.M. at the
JDC Office

Present: Jewish Agency for Palestine	Mr. Maurice M. Boukstein
American Jewish Committee	Dr. Eugene Hevesi
World Jewish Congress	Dr. Nehemiah Robinson
Joint Distribution Committee	Mr. Eli Rock

The following items were discussed at the meeting.

1) Swiss Heirless Property Situation. Dr. Robinson reported on his visit to the State Department last week with Sy Rubin and the steps agreed upon at that time. Dr. Hevesi reported to have just been informed by Rubin that the U.S. Minister in Switzerland was, together with the IRO, already taking up the question of the Swiss-Polish accord with the Swiss authorities. In addition, there is some indication that the British are considering entering a protest to the Swiss on this score. At the same time, there was no indication as to whether Mr. Rubin had made personal contact with the Swiss Legation in Washington along the lines agreed upon last week. It was agreed that this should be checked with Mr. Rubin via a phone call.

2) Equalization of Burdens. The question of a further approach to the State Department and to the High Commissioner on this question was discussed. It was felt that the situation definitely called for a strong protest both to Washington and to McCloy within the near future, particularly in view of the recent action of the Germans suspending application of the Equalization of Burdens taxes for Swiss-owned property in Germany. The procedure agreed upon was that Dr. Robinson and Mr. Rock would draft a communication summarizing the whole background of the problem and requesting action. After approval by the four organizations and signature by the heads of the organizations, the communication would be sent in and would be followed by a visit of a delegation from the Jewish organizations, to include Harry Greenstein and several of the heads of the organizations. In addition to the above steps, it was agreed that the overseas representatives of the organizations would be instructed to approach both the British and the French governments with the request that they too make approaches regarding exemption of persecutee-owned property from the Equalization of Burdens Law.

3) Restitution Program Generally. There was a discussion concerning the recent developments in Germany on this score, particularly the introduction of a bill in the West German Parliament proposing "temporary" suspension of all the restitution laws pending preparation of a uniform law. There was also considerable discussion regarding the slow pace at which the whole restitution program in the U.S. Zone of Germany is proceeding. Based on these and other factors,

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it was felt that real dangers were forming in the way of an effective restitution program. The group agreed with Mr. Ferencz's recent suggestion to McCloy's Legal Adviser, Mr. McClaine, that a strong reaffirmation of restitution principles by McCloy is called for, and the consensus of the group was that a strong communication should be sent from the four organizations simultaneously to McCloy and Acheson, expressing deep concern over these recent developments and also requesting that steps be taken to speed up implementation and that a public statement by McCloy be issued. It was also agreed, however, that a letter should first be addressed to Ferencz, outlining the type of protest contemplated and requesting his comments. It was agreed that Mr. Rock would undertake to draft the proposed letter to Acheson and McCloy.

4) Proposal re a Jewish Adviser (German) to the new West German Government. Dr. Robinson reported that a meeting of the German Gemeinden in the U.S. and French Zones had recently been held at Stuttgart and that this meeting had voted unanimously to oppose the creation of a Jewish Adviser's office. The meeting had further agreed that any questions regarding the Jews in Western Germany should be taken up directly with the Gemeinden themselves and that it was neither necessary nor desirable to have a separate Jewish Adviser in the German Government. It was the consensus of the group that the approach of the Gemeinden merited serious consideration but that in any event no action should be taken by the organizations in this country until a current report was received from Germany regarding the proposed office. Mr. Rock was therefore requested to call Major Hyman, in the name of the four organizations, and to ascertain whether there was still a real possibility that an Adviser's Office would be set up by the Germans and whether Auerbach was still being considered for the office. In the event that such possibilities do exist, the four organizations would again meet and decide upon a definite approach regarding the problem.

5) Roumanian-Hungarian Assets in the U.S. There was some discussion regarding the recent proposal in Washington to the effect that Roumanian and Hungarian property in the U.S. be taken over, under the treaties with those countries, for the purpose of compensating U.S. claimants. Although it is clear under this proposal as well as under the treaties that persecutee property may not thus be appropriated, Dr. Robinson pointed out that there is no provision in this connection regarding heirless or unclaimed persecutee property. In other words, according to the present procedure, persecutee property is only recognized as such where a claim for the property has been filed by the persecutee owner or his heirs. It was agreed by the meeting that precautions should be taken at once to insure that heirless and unclaimed property is not used to compensate individual claimants, and Mr. Rock and Dr. Hevesi were requested to contact Mr. Rubin at once on the matter.

* * * * *

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INSTITUTE OF JEWISH AFFAIRS

Information Series

3

New York, November 11, 1948

War crimes and denazification in the U.S. Zone of Germany

A. Sentences imposed on war criminals

According to a release by the Department of the Army, dated October 6, 1948, a total of 1,672 ^{verdicts were handed down in regard to} sentences ~~was~~ imposed on war criminals, among them 256 acquittals, ^{which means that} ~~to~~ a total of 1416 persons were found guilty. Of these 1416 sentences, 1,090 were ^{upheld} approved on review; as originally adjudged, 69 were ^{annulled} ~~disapproved~~, and 255 sentences were reduced. One of the defendants died in prison and one was extradited to Poland.

The sentences ^{cover} ~~refer to over~~ 450 cases. In all these cases the courts imposed 426 death sentences, 199 life ^{imprisonment} sentences, 1 sentence of 35 years, 10 sentences of 30 years, 21 sentences of 25 years, 62 sentences of 20 years, 2 sentences of 18 years, 40 sentences of 15 years, 80 sentences of 10 years, 68 sentences of 5 years, 78 sentences of 3 years, 125 sentences of 2 years, 59 sentences of 1¹/₂ year, 31 sentences of one year, and smaller numbers of sentences ranging from 2 months to 17 years.

~~Out of the 256 cases of acquittal by court were approved.~~

All 256 cases of acquittal by court were approved.

Out of the 426 death sentences 299 were ^{confirmed} approved, 10 were ^{annulled} ~~disapproved~~, 99 were reduced to life ^{imprisonment} sentence and the rest to various prison terms ranging from 5 to 30 years.

The courts also imposed 199 life ^{imprisonment} sentences. ~~Out~~ ^{Of} this number, 139 were ^{confirmed} approved and 13 ^{annulled} ~~disapproved~~. The rest ^{was} ~~was~~ reduced to as low as 2 years (2 cases) and as high as 30 years (2 cases).

In ~~the~~ cases where the courts imposed ^{less} lower than life ^{imprisonment, the} sentences they were, ^{confirmed on review} on review, in most cases approved. For instance, ~~out~~ of 62 sentences

imprisonment,
of 20 years, 51 were approved; ~~out~~ of 40 sentences of 15 years, 34; ~~out~~
of 80 sentences of 10 years, 57; ~~out~~ of 68 sentences of 5 years, 50;
and ~~out~~ of 78 sentences of 3 years, 69.

B. Denazification statistics

The total number of persons who registered under the Denazification law at the end of July, 1948, was 12,893,000. ~~Out~~ of this total 9,511,000, or 73.8%, were not chargeable cases, and 3,382,000, or 26.2%, chargeable.

Of the 3,382,000 cases, 3,336,000 were completed, leaving only 46,000 to be completed, 37,000 by trial and the rest by the expediting process.

Of the 3,336,000 completed cases, 2,435,000 were amnestied and 901,000 (~~or more correctly~~ ^{*to be exact,*} 900,802) tried. A ~~breakdown~~ ^{*breakdown*} according to the findings of the tribunals gives the following picture:

Major offenders	1,350	0.1%
Offenders	19,618	2.2%
Lesser offenders	99,563	11.1%
Followers	461,656	51.3%
Persons exonerated	16,432	1.8%
Amnestied and proceedings quashed	302,183	33.5%

The sanctions imposed by the denazification tribunals (as of July 31, 1948) range from fines of less than (1,000 RM) to 10 years of labor camps. A breakdown according to the sanctions reveals the following punishments:

<u>Sentenced to Labor Camps</u>	8,703
Less than 1 Year	3,226
1 to less than 5 Years	5,055
5 to 10 Years	422
<u>Fined</u>	546,681
Less than 1,000 RM	471,102
(1,000 RM) or more	75,759
<u>Ineligible to Hold Public Office</u>	20,658
<u>Restricted in Employment</u>	117,077
<u>Sentenced to Special Labor but not Imprisoned</u>	29,102
<u>Subject to Confiscation of Property</u>	23,425

J. N. Robinson

J R S. O

To: Political Department
From: G. Jacoby

August 3, 1948

On July 29, 1948, the membership meeting of the Jewish Restitution Commission took place at the offices of the American Jewish Conference. I attach the agenda. Mr. Edward Warburg was in the chair; after he left, Mr. Lipsky took over.

The name of the organization was changed to JEWISH RESTITUTION SUCCESSOR ORGANIZATION.

The application for membership of the Interesservertretung Israelitischer Kultusgemeinden in the U.S. Zone of Germany was debated. Messrs. Philip Auerbach, Osterlag and Epstein were appointed directors, representing the Interesservertretung in the organization.

The application for membership of the Anglo-Jewish Association was postponed, on motion of the representative of the Jewish Agency, to the annual meeting which will take place on October 20, 1948.

Mr. Nason gave a report on the present situation, and he suggested that the member organizations should collect the names of those owners of property in Germany who did not intend to make claims in regard to their property, so that the successor organization can file claims instead. He recommended that informal propaganda should be made by the organizations for collecting such names.

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~~Handwritten signature~~

To: The Political Department
From: G. Jacoby

August 3, 1948.

^A The meeting of the Cooperating Jewish Organizations on restitution questions took place on July 29 at the office of the American Jewish Conference, at which names for members of the Board of Review were discussed. Mr. Hagan was in the chair.

He submitted for discussion the names of Charles Vyznicky, Mr. Kald and Mr. Henry Spatkin, which Dr. Nehemiah Robinson, after discussion with Mr. Folier, had suggested in his letter to Dr. Karfunkel of July 3, 1948. It was the general impression at the meeting that these gentlemen would not give up their important and highly paid positions in the U.S. to go to Germany as members of the Board of Review.

The representatives of other organizations also submitted names: Sam Krenner, Captain Lewis and Joseph Laufer. The meeting did not come to a decision and the discussions will be continued. Mr. Hagan advised that an eye should be kept on such persons who are leaving the U.S. Services and who have had experience in handling the situation in Germany.

Mr. Hagan reported that legislation was under discussion with regard to indemnification and damages, and also that the effect of the currency legislation on the restitution and indemnification problems was under review. Mr. Hagan expressed the opinion that the transfer problem may become more favorable, since German exports seem to have developed much better than was anticipated.

I am attaching a copy of a letter dated July 2, 1948, written by Mr. Edward H. H. Warburg to General Clay, and General Clay's reply of July 12.

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WJC 290C

REPARATION and RESTITUTION

of the property of Nazi victims

in Europe

118-09

AMERICAN INSTITUTE OF INTERNATIONAL INFORMATION

101 Park Avenue, New York 17, N. Y.

WJC C25

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September, 1946

I. REPARATIONS

A reasoned total of the reparations claims of all the Allied nations against Germany is in the neighborhood of 1,000 billion dollars. This figure may not be far from the actual and accumulative total of the damages sustained by Hitler's victims, but the conferees at the Potsdam Conference, with an eye to the realities of Germany's potential ability to pay and reduction of her war potential rather than the astronomical facts of the bill, apparently agreed upon the sum of about 20 billion dollars.

One of the present-day ironies of the entire reparations question is that after the Allies carted off in recent months an estimated 3 billion dollars in industrial installations from Germany, the United States and Great Britain are now far more preoccupied with the means of getting German economy back into working condition and decreasing the high costs of occupation than they are with the issue of reparations.

It was not until some 13 months after VE-Day that the Allies finally earmarked any fraction of reparations for Jewish claims.

The initial indication that the Allied powers might recognize Jewish claims to reparations was the agreement forthcoming from the Paris Reparations Conference. In that Agreement, Part I, Article 8, provides that victims of Nazism who are either refugees from Germany and Austria, or are German and Austrian nationals who desire to emigrate, or who fall in the category of victims of concentration camps, should receive a sum "not exceeding 25 million dollars from the proceeds of German assets in neutral countries," the proceeds from non-monetary gold found on German territory (tooth-fillings, wedding-rings, and the like looted from Jews, dead and alive), and the "unclaimed refugee estates" in neutral countries; the two last items have no relation to German reparations at all.

The agreement avoided specific mention of Jews, and made it plain that this provision was beyond the scope of reparations, insofar as the parties to the agreement were concerned; as suggested in the foregoing, the sum is intended chiefly for rehabilitation and resettlement of refugees and unrepatriable victims of German militarism and barbarity who might, incidentally, happen to be Jews.

On June 14 of this year, an agreement was worked out by the governments of the United States, Britain, France, Czechoslovakia, and Yugoslavia in cooperation with the Inter-Governmental Committee of Refugees. According to this agreement,

the sum of \$25,000,000 is to be made available by the Allies as an advance on the liquidation of German assets in neutral countries for nonrepatriable victims of German action, nine-tenths (\$22,500,000) of which would be used "for the rehabilitation and resettlement of Jewish victims of Nazism." In addition, the agreement allotted 90% of the non-monetary gold and 95% of the unclaimed refugee estates for Jewish recompensation.

The Inter-Governmental Committee on Refugees, or its successor body, is to act as trustee for the sums allocated which may be expected to be more than \$30,000,000. This sum has not as yet been definitely earmarked because the proceeds of the German assets, non-monetary gold and the heirless funds are not yet available; moreover, Jewish organizations have not yet submitted "practicable" plans and they have not yet been approved by the Inter-Governmental Committee on Refugees.

These funds are to be used ultimately for the resettlement of Jews who do not wish to return to their respective homelands, and the agreement provides that aside from "exceptional circumstances," the cost of the resettlement program must not exceed \$1,000 for each adult and \$2,500 for each child under the age of 12.

To get an in-focus view of the situation, it is necessary to keep in mind that reputable economists have estimated that European Jewry lost, in a variety of properties and other material possessions, a total of 8 billion dollars as a consequence of Nazi direct and indirect depredations, without even counting other damage such as the enormous losses in life, limb, and health. But because the Jewish people have no recognized international status and no internationally recognized agency, the bland assumption is that they are not entitled to reparations on an equal footing with other victims of Germany, insofar as the losses are not recoverable otherwise.

It is obvious that this sum of about \$30,000,000 is inadequate when compared to the actual losses and the present needs of the Jewish people. And until recently, of that sum there was only an amount of reportedly \$5,000,000, in non-monetary gold, that was readily available. Since then, however, the Swiss have agreed to make available the sum of \$11,000,000 to be allocated from the 50-50 division of the proceeds from the liquidation of German assets in Switzerland, and the Swedes have assented to pay the rest of \$14,000,000.

German assets in Latin American countries are higher than are German obligations, but here the situation is complicated by provisions of the Act of Chapultepec and the necessity that the United States negotiate an agreement under which those nations would be permitted to satisfy their own nationals before they pay anything into a common pool of German assets abroad. Thus far, the only condition that Washington has advanced, in this case, is that the Latin American countries guarantee the ultimate liquidation of these German assets.

Another major difficulty in the way of recovering German assets abroad is that nobody definitely knows what is German-owned property and consequently how great these assets are. A large part of it is cloaked as the ostensible property of nationals of neutral countries. That these possessors of German-owned property have a vested interest in their holdings and are not likely to relinquish them without a long and costly fight is a certainty.

The main means of recovering the losses of European Jewry is apparently restitution of Jewish property in the various European countries, as well as compensation for losses and the payment of war damages by the several nations.

II. RESTITUTION

While the reparations question for Jews and non-Jews alike is complicated to the point of hopelessness, and chiefly for economic and international political reasons, the problem of restitution has been overshadowed from the very beginning by internal political considerations.

It would be unfair not to recognize at the outset that the entire process of restitution constitutes a tremendously complicated problem in war-devastated Europe. Any such procedure is certain to be unpopular because of the great losses large parts of the population have suffered as a consequence of the war and occupation and the inability of most European governments to indemnify war damages fully. This has been recognized by the Allied powers from the start. It is significant that the armistice treaties with Hungary, Bulgaria, Rumania, and other nations did not refer to the problem at all. The eagerness with which the American Military Government has been handing over the restoration of rights and properties to German and Austrian authorities can be explained, in part at least, by the fear which seems to overwhelm anyone who begins to tackle the problem and its implications.

The first sign of good or ill will on the part of governments today is the manner in which they handle property which was confiscated by the former regimes or was robbed by Fascist organizations. This usually is easy to return and, indeed, is being restored in most countries. The first obstacle on the road to restitution usually appears when it comes to property which had been transferred through "voluntary" or enforced sales by the Jews themselves. Even confiscated property, in many instances, has been resold to third parties. To unscramble this situation and restore all former owners to their rightful properties, one would have to nullify almost all transactions by Jews - after 1933 in Germany, after 1938 in Austria, Italy and Hungary, and after 1939 in the rest of Europe. Even more difficult is the process of compensation for non-available assets, discriminatory taxes and levies, losses of income, sufferings and similar damage.

One alternative would have been to regard these losses as peculiar to war itself; to make a computation of losses and a registry of former ownerships; to re-establish titles as far as possible, especially in all cases where the original exploiters still held it; and then to compensate, by means of state funds, those losses which could not be recovered. Eventually, the state might itself recover, in the course of time, a part of these expenditures from the sale of confiscated Fascist property.

That course of action might have obviated the situation, now prevailing in all former enemy countries as well as in Allied nations, in which the Jews have been forced to press their claims by means of court actions. To make the situation even more insupportable, they have to press those claims against present owners who, in some instances, may be quite innocent of any intent to defraud. The consequences of this situation is that Jews have been maneuvered into a position in which they may antagonize segments of the population which are not necessarily Fascist or anti-Semitic.

The lack of real intent to make restitution feasible is amply reflected in the laws governing restitution claims. Their universal characteristic is vagueness and quibbling, on the one hand, and on the other the delegation of most authority to court decisions which are notoriously slow.

Another general trend is the eagerness of governments to capture as great a share as possible from the whole procedure. This is plainest in decrees governing the ultimate disposition of "heirless" and unclaimed property. Since the great majority of European Jewry has perished, it is a reasonable assumption that a large portion of Jewish property will be heirless and unclaimed. It is indicative that no country has as yet resigned the traditional right of a state treasury to heirless property, so that in time all heirless Jewish property will be inherited by those countries of which Jews were nationals or residents - frequently now by countries where scarcely any Jews are left or from which the Jews are still trying to escape in ever increasing numbers.

The shining exception to this rule is that of little Greece where all unclaimed property is to go to Jewish communities for the rehabilitation of Greek Jewry.

The heights of iniquity would be reached if the ultimate German State were to become the heirs of its victims. That this is a possibility may be seen in a recent dispatch to the Overseas News Agency, according to which American officials in Germany "admit that the Jewish position is both reasonable and morally justified. But they pose the question of what else they can do with such Jewish confiscated property."

The problem of this property without heirs is intimately linked with the question of what is to become of such Jewish public property as was held by Jewish communities, associations,

organizations and other institutions. None of the existing legislation makes any provision for their allocation in favor of surviving Jews.

Unless the laws are amended, the results will prove disastrous. It will mean the definite loss of the possessions of all the smaller communities, which no longer exist. This could be prevented only if public communal property is transferred to other public bodies, such as neighboring communities or federations of communities which may still exist or be reorganized. Otherwise, it simply will be inherited by the respective countries.

This threat is especially dangerous with respect to the great cultural treasures of the Jewish communities and institutions in Central and Eastern Europe. Even if they are restored to the existing "ghost-communities" whose members for the most part are preparing to emigrate, they will not be safe but will be dispersed and offered for sale - with incalculable damage to Jewish scholarship for decades to come. Here one is confronted with something worse than simple inequity in terms of property; a people is in danger of separation from its old cultural heritage, with all the fearful implications which exist in that situation for a civilized people.

This problem of salvaging old cultural treasure has been made easier of solution by the Nazi practice of concentrating their loot in Germany. In instances where such loot belonged to Jewish communities within Allied nations, the solution to the problem may be relatively simple. But consider, for example, the cases of the books now in Germany or the disposition of a part of the valuable collections of Berlin, Breslau, and Vienna, which were shipped to Terezin to be catalogued by Jewish scholars; these are now in possession of the Czechoslovak Government, officials of which apparently regard them as reparations from Germany and Austria which should now become the property of the State under the rules of war or under some other argument.

Another practice which is very detrimental to recovery of Jewish losses is the exclusion of foreigners from rights to claim war damages. The greater percentage of foreign Jews in a given country, the more telling are the restrictions. This is especially true in France where more than half of the Jewish population are not citizens, and in Belgium where, before 1940, only 15,000 of that country's 95,000 Jews were citizens. A special case is Czechoslovakia which, through severe difficulties for restitution imposed on Jews of German or Hungarian mother-tongue, and complicated investigations into the origin and the personal habits of all those who declared themselves as Jews in the census of 1930, recognized only the claims of one-third of her Jewish inhabitants. It may be true that the main reason for these practices lies in the violent postwar nationalism; but it should not be overlooked how profitable this brand of nationalism is certain to be. That Czechoslovakia does not hesitate to punish her own citizens for the entirely legal exercise of constitutionally guaranteed rights 16 years ago is

a remarkable example of the extent to which morals of governments have been lowered.

Existing legislation, thus, provides for small part of lost property. The main conditions covering restitution are that the former owner is still alive, or that close relatives of his have survived, that clear proofs of ownership exist - mere testimony of witnesses is not always recognized - and that the claimant possesses the "right" kind of passport.

But even where all these conditions are fulfilled, Jews are still confronted with extraordinary difficulties in recovering their property. A large part of their private possessions was sold by them either in sales under duress or in enforced sales. The legislation in many cases is framed so as to protect present possessors who, in many cases though not all, are clearly Fascist profiteers. This means in practice that in many instances the Jewish claimant must repay the price which he originally received, that he must indemnify the new owner for all improvements and expenses, but that, on the other hand, the possessor may keep all the income which he has derived from the property. That this is not a matter of course may be seen from the more appropriate laws. For instance, in Yugoslavia the Jewish claimant usually receives not only his property back without any conditions of compensation, but he has also a right to all income which accumulated in the meantime.

The demand for compensation of the current possessor is an effective deterrent acting against restitution claims. The sums received many years ago are, of course, no longer in the hands of Jews who survived the extermination camps. It was either expended because Jews had no sources of livelihood or it was taken away from them by means of robbery or through the payment of taxes or bribes. To this deterrent must be added high court costs, special taxes upon recovery of property (especially in Hungary), and the like. In certain cases there is not cost.

Presumably lost beyond all hopes of recovery is property which has disappeared and which constitutes a high rate of Jewish possessions because the Nazis carried away and dispersed confiscated or robbed possessions that were movable. This type of property is mentioned specifically in the Bulgarian law but even there the provisions are completely inadequate. If the European countries had been less eager to establish themselves as the heirs of their Jews, it would have been relatively simple to set up special funds from the proceeds of unclaimed Jewish property without heirs to compensate those survivors who have lost everything and whose possessions have disappeared.

III. SURVEY OF RESTITUTION LAWS IN EUROPEAN COUNTRIES

WESTERN EUROPE

1. France. Property which was transferred by enforced

sales or was abandoned can be reclaimed. Confiscated and sequestered property is being returned. However, one billion francs seized in 1941 by the Vichy Government from Jewish bank accounts have still to be restored. All unidentifiable personal property goes irrevocably to the Entr'aide Francaise for distribution among needy persons. All heirless and unclaimed property is to be put under the administration of the French Government. A special decree will fix the conditions for its forfeiture.

Confiscated property is administered by a branch of the Ministry of Finance which accepts claims for its restitution. In other instances, however, the claimant is forced to apply for a court decision. If transfer of property is annulled, the owner pays the present possessor the price originally received (but only to the limit the owner profited from this amount), plus interest and all necessary and useful expenses (to the extent the value of the property increased) incurred for improvement or upkeep. The present possessor, at the same time, has to repay the income which he may have derived from the property. The provisions of the decree are, however, not applicable to securities sold on the Bourse or in similar ways. Its application is also excluded in most cases of properties requisitioned or expropriated for the sake of public usefulness or acquired by the State in consequence of its right of pre-emption.

Foreigners may file claims for war damages on a provisional basis. They probably will receive satisfaction only in those cases in which special conventions exist between France and the foreigner's country. This disposes at once of all stateless people (including German and Austrian refugees), of all peoples of Russian origin, and probably of all Poles. These represent the majority of France's foreign Jews.

Even less favorable is the situation insofar as restoration of apartments goes. The cost of regaining such apartments is high and for this reason it is estimated that at least one-half of Jewish apartments will not be claimed at all. The courts can in many cases decide against the claimant as, for instance, when the apartment is now held by veterans or by other specified groups of tenants.

The practice of the courts is even harsher than the legislation. A Jew of foreign nationality, who recently claimed the return of his apartment, was refused the benefit of the decree concerning restitution of tenants although this particular decree does not mention foreigners specifically and it had therefore been hoped that foreign Jews might at least have a right to their apartments.

2. Belgium. All decrees covering war damages apply only to Belgian citizens. All claims must be accompanied by a certificate of nationality. This means the exclusion of all Jews from Germany, Austria, Rumania, etc.

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Confiscated property can be reclaimed in accordance with a decree issued by the Government in Exile, but there is as yet no special law concerning other properties. The present possessor has no right to reimbursement of the price which he paid to the Jewish owner. The situation of those who want their apartments returned is equally as bad as in France; the courts have great latitude in protecting the present tenant.

No provisions exist for the ultimate disposal of unclaimed property. The process of recovering property is even slower than in France.

3. Holland. Dutch legislation yields vast powers to a semi-judicial body, the Council for Re-establishment of Justice. All property which is claimed by the former owners is now being returned at a satisfactory rate, except real estate (the department for these cases has not yet been established). The Institution for Management and Administration, to which all unclaimed and heirless property is transferred, usually appoints as trustees heirs or persons who formerly were connected with the enterprise.

Compensation may be granted by the Council in certain cases. If the present possessor took unfair advantage of the wretched situation of the Jews, the price which the owner repays goes to the State.

Heirless and unclaimed stocks and bonds become State property. All other such assets are being sold and the proceeds put under the trusteeship of the Council. To whom the proceeds from sales will go remains to be determined.

4. Italy. All confiscated property including real estate, which had been transferred to the official Fascist Office of Liquidation, is in process of being restituted. Repayment of stock certificates or bonds, issued by the Italian Government at the time of liquidation, is now demanded. All private transfers of property made by persons affected by the racial laws (provided the damage sustained exceeds one-fourth of the value of the property), or concluded to evade the Fascist laws, are annulled and the property is restored. Special guardians are appointed for absentee-owners or for unclaimed property.

The repayment provision for restitution of property is less of a deterrent to Jewish claims in Italy than elsewhere. The substantial devaluation of the lira is not taken into account. Furthermore, the law provides for revocation of "gifts" and other fictitious transfers. Thus, Jews may recover all such amounts and these sums might represent a rather large total of business transactions because of the lack of anti-Semitism in Italy and the resulting confidence of the Jews in their non-Jewish fellow citizens to whom they "donated" their possessions.

SOUTH-EASTERN EUROPE

5. Greece. The first sign of the good faith of the Greek Government with respect to Jewish restoration were decrees which ruled that available properties should be restored to their rightful owners. Unfortunately, almost all personal property has disappeared and is lost forever to Greek Jewry.

After negotiations with the reorganized Central Board of Jewish Communities of Greece, a decree was issued providing that all Jewish heirless and unclaimed property should be transferred to a special fund to be used for the rehabilitation of Greek Jewry.

Greek action on the restitution question is outstanding because of its clear-cut equity; unfortunately, it is the exception. It shows, however, how much can be done even by a poor country.

6. Rumania. Rumania is an example of the futility of legislation under conditions of bad faith and a hostile administration. The legal provisions show an eagerness to protect those who acquired Jewish property at the expense of the Jewish owners, and the practice of special exceptions which results in making the laws almost meaningless. Here, as in France, not a penny of the millions in cash which the old Fascist regime had extorted from Jews has been given back, and out of 17,000 confiscated houses only 5,000 are again in Jewish hands.

As to sales concluded under duress, only those properties which are now in hands of proven Fascists, former government officials or active members of Fascist organizations are annulled. In other cases, the Jewish owner must prove that he has suffered a loss of at least 40% before his claim will be considered at all. Even if his claim is accepted, not only must he repay the original price, but also indemnify the present possessor for all improvements and expenses. The new owner, however, is permitted to keep all the income he may have derived from the property since his acquisition of it to the extent of the legal interest on the amount paid by him.

The agrarian reform laws make impossible any restitution of landed estates. While all other Rumanian proprietors of landed estates are allowed to keep 50 hectares of their former possessions, the Jewish owners who suffered through expropriation by Fascist confiscation receive no compensation at all. And movable goods held by third acquirers are given back only if the Jewish claimant can prove that the buyer acted in bad faith.

The result of these provisions is disastrous. Only some 3,000 claims have been filed within the prescribed period while at least one-third of the Jewish population is completely destitute. As in France, the chief deterrent to claims is the

court procedure which is possible of complicating matters willfully to protect the present Rumanian possessors. Small enterprises which obviously constitute the only means of livelihood for the claimant have the best chance of restoration. The advantages accruing to the Rumanian State in handling Jewish restitution are rather great: Jewish property in prewar Rumania was valued at about one billion dollars.

7. Bulgaria. Bulgaria is the only country in Europe where scarcely any decimation of the Jewish population occurred through programs and deportation. The situation of Bulgarian Jews is only a degree better than that of those of Rumania, although restitution laws are enacted with more fairness and handled in a more helpful spirit. The reason is that Bulgarian Jewry has always been one of the poorest in all Europe.

The Bulgarian Government restores all confiscated Jewish property and compensates third persons who may have purchased it from the Government. On the other hand, the government provides no restitution at all for enforced sales under duress (except for shares, business and participation in enterprises) apparently because such sales were less frequent in a country where no wholesale deportation of Jews occurred and where the State was the main beneficiary of the anti-Jewish measures. The below-mentioned amount is destined, in part, to compensate for such property transfers.

Irrecoverable Jewish property is compensated for - an exception of the rule - although the total compensation (30 million levas, or \$20,000) is very low. The amount has recently been increased.

Here again agrarian reform laws prevent the restitution of confiscated landed estates, but compensation is provided. This compensation, however, is virtually meaningless because of the devaluation of the leva, against which there is no recourse.

Special taxes which were levied against the Jews are refunded, after certain deductions, in government bonds, not in cash.

8. Yugoslavia. Here, where few Jews have survived, the legal situation is relatively favorable. Insofar as they are present there, the survivors get back their properties without any conditions; they do not pay compensation (except for improvements) and they receive back the income which the purchaser may have derived from the property.

This, however, covers only a minute part of former Jewish property. Exempt from restitution are properties whose return would be detrimental to the national economy and similar national interests, although the law recognizes the right to compensation. Heirless property may remain in the administration of the State. Furthermore, Yugoslav citizens living abroad may now claim restitution only if they are willing to return to Yugoslavia.

There is a clear tendency in Yugoslav legislation to favor owners of small enterprises. This applies to claims by heirs - which, presumably because of the heavy losses of Yugoslavian Jewry, are rather numerous. In the latter case, only close relatives are recognized and given the various possessions to manage. If, however, the claim concerns large enterprises, moneys, stock, etc., they are handed back only in part.

EASTERN EUROPE

9. Hungary. The chief aim of the Hungarian restitution laws is to avoid any favoritism toward the Jews. This obviously does not make for equality because, while the whole country suffered severely from the war and its consequences, non-Jewish citizens did not lose everything and are still better off than the Jews.

Here again, the agrarian land reforms rule that estates over a certain size are liable to confiscation and distribution among the landless peasants. Compensation is accorded in all cases within the financial capacities of the State - which are very restricted. Small Jewish landholders who are entitled to restitution of their property are frequently offered holdings in other parts of the country because their lands have already been distributed.

All claims concerning restitution of business premises, equipment, goods and materials to to a Commission of Arbitration, and the claimant must advance the cost of the procedure. If his claim is refused, he may go to the courts - and spend more money. In the case of movable property belonging to the persons forcibly removed from the place of their residence, the Office of Housing Administration decides according to the economic and family conditions of the claimant and the present possessor. In other words, the claims of the Jewish legal owner and the exploiter of the Jewish calamity are accepted on the same basis. Personal property lost after March 19, 1944 may be reclaimed through the courts, while the rightful owner may apply for reinstatement of his rights in real property.

The problem of unclaimed property has not yet been solved, although a bill setting up a special fund was submitted to the Parliament.

This is not all. Property will be restituted only upon payment for all improvements and taxes, which must be repaid in a short period. To these expenses must be added a special tax which is levied on the recovery of property. The excess of bureaucracy, especially outside the capital, makes even these provisions illusionary. Ninety per cent of the civil servants are former government officials with the result that 75 per cent of the Jewish population in the provinces is being cared for by the American Joint Distribution Committee.

Discrimination, however, is not restricted to bureaucrats, but may be found on all levels of the State machinery. According to a Jewish Telegraphic Agency report, Foreign Minister Janos Gyongyosi holds that restitution of Jewish property depends upon the return of Hungarian and Jewish property now held by the Allies.

To these factors must be added the tremendous devaluation resulting from Fascist management. To give a typical instance: the Nazis sold a certain amount of Jewish property, worth \$20,000,000 for \$2,000,000. The Hungarian Government offered this amount to the Jewish community when, due to the devaluation, it was worth \$1,000.

10. Czechoslovakia. Jewish losses were included in war losses and transfers of property were originally annulled only if they were made to "nationally untrustworthy persons," or were abandoned and belonged to workers, farmers, and persons of similar social status. Confiscated Jewish property was kept as State property. Jews of these categories, moreover, who in the census of 1930 gave Hungarian or German as their mother-tongue (30.3% in Bohemia, Moravia, and Silesia, and 14.4% in Slovakia) could regain their property only if they proved their loyalty to the Czechoslovak State and were themselves victims of persecution. (UNKRA at one time tried to obtain as a privilege for such Jews the right to take away movable property in cases of expulsion). If a person in the same census had declared himself a Jew in accordance with the minority treaties (31.3% in Bohemia, Moravia, and Silesia, and 53.1% in Slovakia), he is to be investigated and his nationality to be redetermined according to such criteria as the language he used in his home, or to which school his parents sent him.

Restitution has not been in effect in Slovakia at all. A recent law covers the problem of voiding contracts entered into under duress during the period of occupation and that of restitution of properties lost because of judicial or administrative decisions. The new law (except for the second category of losses) is valid in the whole of Czechoslovakia.

Despite certain improvements, a situation still prevails in which the property of only a part of those Jews who claimed Czechoslovak nationality in 1930 can be returned. Property left behind in Terezin, which had been transferred by the Nazis together with their owners from all over Europe, is restituted only if it belonged to some Allied nation. Everything else - that is, all property which was German or Austrian-Jewish owned - is being used for Jewish but also for general purposes. The government, indeed, has become the chief heir of Jewish possessions - not only of those who were slaughtered, but also of all those survivors who did not foresee, in 1930, that one day it would be considered a crime to act according to the constitution of the country whose citizens they were.

11. Poland. All property which is not in the possession of the legal owners is considered "abandoned property", and is administered by the Office of Liquidation established by the Office of the Prime Minister. In this category belong also all properties which had been transferred to third persons for safekeeping during the period of German occupation, the possessors being responsible for restitution without any conditions. All such possessions are to be registered and claims by the original owner or his heirs may be filed in regular procedure and the claimant then obtains them.

Properties falling under the nationalization law cannot be restituted. Organizations of public benefit have a right to claim temporarily certain properties. The same is true for ministries which may require transfer of abandoned possessions to their jurisdiction. This seems to foreshadow what is going to happen to all heirless property in Poland, which represents by far the largest part of former Jewish possessions.

GERMANY AND AUSTRIA are clearly cases to be discussed separately. In Germany, jurisdiction is primarily exercised by the military authorities of the four occupational powers. In Austria, however, a government exists with a certain amount of independence, and in Germany the Laender and the so-called Laenderrat, in the American zone of occupation, are developing more and more into German governmental agencies. Restricted as the powers of the German and Austrian authorities are, in the field of restitution of Jewish property they seem to enjoy sufficient responsibility of their own.

12. Austria. No measures for the return of Jewish property have been taken so far. A year ago the Austrian Government ordered the registration of all properties and property rights which had been alienated since March 1939. One year after the issuance of the decree, however, and after its enforcement through a similar decree by the Property Control Commission within the American Military Government, registration had not even started in December 1945.

Even public property of the Jewish communities which was confiscated by the German Government is not being returned. Of the 200 buildings of the Vienna Jewish Community, only 100 were given back.

Only recently did the Parliament enact a brief law containing a general declaration of nullity concerning transactions entered into during the German occupation insofar as they were the consequences of German political and racial measures and economic "Durchdringung." Covering legislation will state how and in what cases annulment will be granted. This law has already passed the Allied Control Council. The first law dealing with properties, at present in the administration of the Bund and Laender, has been adopted by the Parliament and a similar one to be applied to forfeited property is under

consideration. These laws restrict the right to inheritance but do not provide for the use of unclaimed and heirless properties; they require repayment of all costs but do not provide for the return of all incomes. The whole procedure is administrative, not judicial.

13. Germany. The chief characteristic of the German situation with respect to restitution of property is confusion. The Allied Military Government, under Law 52, has "frozen" the property, which was in the possession of the German Reich, the Nazi Party, and other Nazi organizations, of absent owners, arrested persons or profiteers of the Nazi regime, and those transferred under duress. Actual restitution, however, is to be left to German authorities themselves to give them an opportunity "to right the wrongs of the National-Socialist regime in a public form." But Law 54 grants the respective German "Laender" the right of possession and of use of properties belonging to the SA, SS and similar organizations. A certain part of these properties - as well as of state and party property - was robbed from Jewish victims. In April 1946 an estimated total of 6.2 billion marks in various forms of properties was under the control of the American Military Government. Of these, more than 60% belonged to the Nazi Party and the German State.

The situation is very complicated. In some instances, in the American zone of occupation, German authorities have ruled that Jews have a right to higher compensation for losses than all other classes of the population. In other localities, as in Hesse, a general registration of all properties which were formerly Jewish has been ordered. But no implementation for restitution has been issued. In the Soviet zone, restitution is a recognized principle and a trusteeship for absentee-property by the local Jewish communities is mentioned. A restitution decree has been enacted in Thuringia. Registration of confiscated Jewish buildings and business premises has started. But the Jewish Community in Berlin has still to recover the three and a half million marks in bank deposits which were frozen by the Nazis.

Nothing so far has been done in the British and French zones except for registration of properties confiscated or otherwise obtained.

In the American zone, several drafts were prepared. Initially they were different for each of the three provinces. The second stage was reached when a uniform draft was prepared by the Laenderrat and the American military authorities. At present there exists a possibility of definite action, especially in connection with the appointment of a special counsellor to Gen. Joseph T. MacNarney for this purpose. The drafts thus far prepared are very restricted in their application. There is still confusion as to the appropriate methods of compensation, the proposals ranging from actual restitution to payment to absentees in German (unsecured) bonds.



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THE RESTITUTION OF JEWISH PROPERTY IN GERMANY

(A study prepared by a special investigator in Berlin.)

The value of Jewish assets seized by the Nazis in Germany can be appraised at 10 billion reichsmarks. According to the Reich Finance report of April 26, 1938, Jewish capital was as follows:

Agriculture and forestry	Rm.	112,000,000.--
Real Estate		2,343,000,000.--
Operating Capital		1,195,000,000.--
Other values		4,881,000,000.--
Total	Rm.	<u>8,531,000,000.--</u>

That was private property. Even after sales and removals, due to departures, some Rm. 4,000,000,000.-- remained in pure confiscations, left in Nazi hands without adequate compensation.

In addition, 1,503 Jewish associations, organizations and institutions and 1,658 Jewish religious communities were dissolved and their property transferred to the Reichsvereinigung der Juden in Deutschland, the catch-all the Nazis created to become the holding company for community property. On June 10, 1943, that organization was seized by the Gestapo and its values were entrusted to the Oberfinance President at Berlin. Its assets at that time amounted to Rm. 144,236,925.56. Until that time an advisory committee of eight Jews had been kept informed of what was happening. After that time, the Nazis regarded the whole affair as closed, with the property definitely becoming German.

Even previously, the Jews sent to Theresienstadt in northwestern Czechoslovakia had been compelled to close with the Reichsvereinigung der Juden in Deutschland and deal with a new agency. Actually, it amounted to their buying themselves into Theresienstadt through an "Hineinkaufsvertrag" which transferred

all their moveable property to an account which was kept with the Bohemian Landbank in Prague. In all Rm. 109,000,000.-- were paid into that account by the inmates of Theresienstadt, of which Rm. 80,000,000.--survived on the books when they were taken over by the Czechoslovak Government.

Today there are survivors of that despoilage all over the world -- probably 100,000 of them still in Germany. These Jews, to a large degree, live in special camps -- are fed from special supplies -- but are kept out of regular German economy. They are desirous of re-compense for their losses.

They met on May 19, under the leadership of Dr. Benno Ostertag of Stuttgart, to formulate their demands, and ^{met} ~~met~~ again on June 19.

Before that the American Jewish Conference met in Munich and on May 7, 1946 sent a letter through its spokesman, Dr. Hans Lamm, to Colonel Leslie M. Jefferson, Chief of the Property Rehabilitation Division, in Berlin, asking that a census of all Jewish property as of January 1, 1933 be conducted, as a basis for some property restitution. In addition, the Lamm memorandum requested that the whole problem of Jewish property be treated in four categories, the first to receive immediate consideration.

The four categories are:

- I. Property of Jews who continued to reside or are now residing in Germany.
- II. Property of Jews still alive who emigrated.
- III. Property of Jewish Communities and Institutions.
- IV. Property of Jews who were exterminated.

In the American Zone, the Property Control Commission is now taking over Nazi Party and German State property at the rate of from 2,000 to 5,000 properties a week. Only a few of those properties have been returned to their owners -- blacklisted people who have been cleared, or Germans who fled and have come back and are not in the 26 to 30 classifications of owners whose property can be confiscated. It has now been decided to place all of this property under the Laender Governments in the American Zone, the Germans themselves to operate them, with Property Control continuing to make policy and ultimately determining what is to be set aside for reparations and restitutions.

As of May 20, 1946, 24,912 units of property belonging to the Nazi Party or its members were taken over. The value is estimated at about Rm. 2,439,000,000.--. As of the same date, the total property taken over was 43,459 units with a value of Rm. 7,307,000,000.--.

These properties are administered by trustees under an elaborate set of regulations but as of the present I was nowhere able to obtain an official statement of policy from a responsible American official as to what is to be the ultimate fate of these properties. The latest move is to turn their administration back into German hands.

Jewish leaders believe that income from these properties, or the actual properties and others still in German hands, should be used to compensate the Jews for their losses, for they were the heaviest sufferers of German persecution and confiscation.

American military government officials are finding it extremely difficult to decide how to treat the Jewish question, whether to make the Jews a special case, and begin dealing with their losses or whether to dispense with all restitution and operate the properties for the benefit of a new Germany.

The following paragraphs represent the views of an American Military Government official charged with a special assignment to study property restitution.

Jews all over the world have presented hundreds of thousands of claims against the present Germany. These claims are so extensive that they exceed the sum total of all German assets in the American Zone. Most of the Jewish claims include not only financial reimbursement for property lost or destroyed, but back income for six to eight years, plus lost income of the people involved and a return on the investment.

For example: - The Jewish community in Munich, once numbering over 10,000 people and now numbering about 600 of those former inhabitants, has presented a claim for the property of all Jews who were in the community and recompense for all property damage. Two one-third owners of a distillery in North Germany have asked for the return of the value of their shares, plus loss of actual income plus \$500,000 in damage -- all to be paid to them in the United States. Practically all claims ask for compensation in some foreign valuta -- not in the present German Marks. If the

claims were paid in marks, the currency of the country would become worthless. Most claimants want cash; they want the values removed from Germany. Few have any intention of returning.

The general economic condition in Germany is responsible for the hesitancy to formulate a policy with regard to property restitution. If an attempt were made to settle claims on the basis demanded, it is maintained in many official circles that it would mean the collapse of an already apparently bankrupt Germany. Careful digging by economists would reveal, in the estimation of some men connected with the Economic Division of American Military Government, that the country -- for the present at least -- is almost prostrate with only artificial supports maintaining a semblance of order and giving existing currency a value as a medium of exchange. Until the Germany economy has some revival in sight, there can be little done about the restitution of property on the basis of existing claims, except in a very limited way.

In the American Zone, there seems to be the possibility of organizing the assets of the Nazi Party and such organizations as the SS and the SA are using income from them in a program of rehabilitation of the Jews and paying the bills of the existing DP program. It would appear, however, that these assets will only suffice for those Jews who remain as a part of the German population.

From existing information, there is little indication that any program of property restitution or redistribution as it

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applies to Jews is being discussed in the other three zones. The Russians have accepted the Quadripartite expression on property but they show little interest in returning private property to their former owners. Large German estates which in that area might have served as a basis for some type of compensation have already been divided among landless peasantry and income from such estates will not be forthcoming for another type of rehabilitation program.

The French have favored a program of decentralization while the British are interested primarily in getting financial burdens off their backs; they are not acting in terms of property restitution. They have no special Jewish D.P. program.

All this means that if the Americans were to undertake their own restitution program, they would be paying, in part at least, many of the claims which should rightfully be borne in the other zones.

All indications are that until Germany again has a responsible central government and operates as an economic whole so that this problem of restitution can be dealt with on the same basis for all areas -- there will be no restitution except in special and individual cases. When one sees the conditions of these persecuted and hears their justified demands, it is apparent that something must be done -- but under existing conditions none of the zones will take the lead in attacking the issue of providing recompense for a persecuted and robbed people.

Haber Report

PROF. WILLIAM HABER'S FINAL REPORT - December 20, 1948

Operation of Jewish Restitution Successor Organization.

.....

It is still too early to judge the success of the restitution law in Germany. The restitution law in Austria has been in effect for a much longer period of time; however, I confess that because of our pre-occupation with Germany, it has been difficult to keep our fingers on the situation in Austria to the extent that I should have preferred. During my recent visit to that country I learned from meetings with representatives of the Vienna community that they are greatly dissatisfied with the way restitution is working in Austria. It is my plan to send Major Egan into Austria for a week, for the purpose of studying the matter. I shall make my recommendations on the basis of his analysis. I am not particularly sanguine about my ability to influence the situation in Austria to any appreciable degree, especially in matters relating to laws passed and implemented by the Austrian government. As a liberated state, headed by her own government and parliament, Austria is free to do pretty much as she pleases and the United States authorities are very reluctant to suggest anything that might offend the Austrians or that might suggest that Austria's sovereignty is not complete.

As for Germany, I believe that the interested organizations in the States are sufficiently posted on restitution through the reports submitted by Benjamin Perman, Director General of the Jewish Restitution Successor Organization. I merely wish to assure you that the interest of the Jewish community in the helplessness and undivided property is an excellent handle. Mr. Perman is a very wise choice for the position he holds. Already he has demonstrated his fine administrative talent in addition to his legal abilities. In a very limited time he assembled a staff and geared the work of his organization to a tempo that will enable the organizations to meet the deadline of December 31, 1948 for the filing of some 100,000 claims.

Mr. Perman has reviewed with me his ideas for the rapid liquidation of these claims. He is of the opinion that an efficient and costly process of litigation will face the restitution organization if these claims must be adjudicated on an individual basis in German courts. The political atmosphere will become less friendly to the liquidation of the claims with every passing month. There is already an organization of German, organized to fight these claims publicly in the courts. As the finances of the occupation wanes, the prospect of generous settlements and favorable decisions is bound to decline. Mr. Perman is therefore exploring the possibility of a collective settlement of these claims by the German leaders. He has asked me to review it in a most tentative form with General Gray which I shall do at the earliest opportunity.

Mr. Perman will undoubtedly outline his plan for the consideration of the parent organization in the States at an early moment.

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German Indemnification Law

By this time you have received my memorandum on the proposed German Indemnification Law. The views expressed there were not only mine but represented the combined judgment of the local German committees, of the Jewish Agency, the AJDC and of the Jewish Restitution Successor Organization. IBO also filed a memorandum interposing major objections but, at least for the time being, is not prepared to ask the authorities to veto the law in the event the German Government is unwilling to remove the objections. We succeeded in having the Civil Affairs Division of WROTH go along with us in their recommendations to General Olvy. At the present time the law is pending before the Legislative Review Board of Military Government. Because the proposed law represents the final word on restitution of non-identifiable property, I consider it as one of great importance. I propose to meet with the Review Board in Berlin, and, if necessary, follow it up with General Olvy. I shall be interested in the views of the organizations in New York as to the course that should be followed and I strongly urge all of you to write to us about this at the earliest opportunity. The basic question on which I want to be reinforced by your opinion is whether I am on solid ground when I recommended that General Olvy veto the proposed law if the major objections are not removed. You may wish to refer to my memorandum addressed to Dr. Edward A. Litherfield, Director of Civilian Lend Lease Division, dated December 10, a copy of which was sent to you, in which the major objections to this proposed law are outlined.

Cultural Jewish Property

Very little progress has been made in the disposition of the houses and real property in the U. S. Zone, Germany. As you know, most of this consists of the Judaea at the Offenbach Archival Depot. Dr. Joshua Stary of the Cultural Reconstruction Corporation did what is reported to me to have been a splendid job in assisting in the direction of this cataloging and classifying of the books. General Olvy was prepared to turn over the entire library to the Cultural Reconstruction Corporation, he so advised the Department of the Army in Washington, which was directed by the Department of State, to advise him to delay taking such action until authorized to do so. This was in September.

It was not until last week that OMBUS received a reply to this request. Washington advised that the cultural property definitely identified as originating in Germany, may be turned over outright to the Cultural Reconstruction Corporation. As to property coming from outside of Germany, the instructions were that this property should be turned over to the Cultural Reconstruction Corporation against a custodian's receipt. Washington has requested OMBUS to submit its recommendations on the terms of the custodianship. I understand that in the absence of Dr. Stary, the Jewish Restitution Successor Organization has taken hold of this problem and has presented its views on the terms of such custodianship. I am also informed that Mr. Terence has submitted his views on this matter to the American Joint Distribution Committee.

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The terms of the custodianship are to be submitted by ONCUS for the approval of the Department of State. It would be most unfortunate if the Department took as much time to pass on this formula as it took to respond to General Clay's September inquiry. I therefore urge that every effort be made in the States to bring this matter to an early conclusion and thus prevent the dissipation of the valuable items in the Offenbach collection.

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Germany Resd
10/22/48

INSTITUTE OF JEWISH AFFAIRS

Information Series

1. German investments in Latin America

The amount of German investments (capital) in Latin America is of obvious importance. First, because many of these interests are or may still be in the hands of German (or disguised) concerns; second, because these investments represent a considerable source of funds for possible use as reparations to the Allies. However, the exact (or even approximate) amount has never become known, except for some figures released in the U.S.A.

The article on German investments in Latin America by J. Fred Rippy, Professor at the University of Chicago, in The Journal of Business of the University of Chicago, April 1948, is therefore of special interest.

According to Prof. Rippy, German investments in Latin America in 1940 were as follows (for the sake of comparison, the third column gives the amount of British investments in 1947 - except those for shipping and banks which totaled \$12,279,816 for the whole area - according to the "Comparative Statistics of British Investments in Latin America" compiled by the South American Journal and cited in the August, 1948 issue of the World Today):

<u>Country</u>	<u>Amount</u> (in millions of dollars)	<u>British investments</u> (in thousands of £)
Argentina	540	349,136
Bolivia	8	3,071
Brazil	200	213,356
Chile	85	46,030
Colombia	5	5,441
Ecuador	5	4,454
Paraguay	3	2,832
Peru	25	27,023
Uruguay	4	43,568
Venezuela	3	17,903
Mexico	35	140,685
Guatemala	50	16,031
Costa Rica	1	4,460
Other Central America	3.5	2,589
Cuba, Haiti, Domin. Republic	1.5	27,344 (Cuba only)
	<u>969</u>	<u>897,902</u>
South America	878	
Central America	91	

The amounts involved, however important, do not represent the full extent of German penetration. To complete the picture, it is necessary to survey the number of existing German or partly German firms. This may be done by accepting the numbers of blacklisted firms as those of partly or wholly owned German concerns. The

figures are as follows:

Argentina	402
Bolivia	72
Brazil	254
Chile	297
Colombia	195
Ecuador	31
Paraguay	43
Peru	85
Uruguay	73
Venezuela	49
Mexico	124
Guatemala	254
Costa Rica	35
Honduras	16
Nicaragua	20
El Salvador	35
Panama	31
Domin. Republic	25
Haiti	10

To this must be added that by 1940 over 1,000,000 people of German blood were permanent residents of Latin America and that well over half of this total had their origin in Germany.

To round up the picture, it is worth noting that by 1939 the Germans owed five aviation companies in Latin America; that the Deutsche Lufthansa had subsidiaries in fifteen countries and Sindicato Condor in at least four; the Hamburg-American Line had subsidiaries in at least nine and the North German Lloyd in six. Even more extensive was the German bank business: Banco Aleman had numerous branches in six Latin American countries; Banco Germanico, in four; Banco Antioquena, in Venezuela. German insurance companies too, were active there: Albingia operated in three and Mannheimer in two countries; Aachen, Munich, and Allianz also operated in Latin America. The Germans also owned 46 hotels in eleven different countries, among them 11 in Chile, 9 in Colombia, and 8 in Guatemala.

A great number of other German firms had a considerable number of subsidiaries, e.g., Schering in 12; Bayer in 11; Merk in 8; AEG in 6; Siemens in 8; Telefunken in 3-4. Thyssen & Krupp, Mannesman & Stinnes, Deutz, and Zeiss may also be mentioned, as well as a large number of export and import concerns. All in all, the Germans had there 110 manufacturing plants.

In an earlier issue of the same periodical (October, 1947), Prof. Rippy published a detailed study on German investments in Guatemala. This study comes to the conclusion that German agricultural, industrial, mercantile, insurance, financial and transport companies practically dominated the Guatemalan economy and life.

January 27, 1948

To: Dr. Kubowitzki, Dr. Marcus
From: N. Robinson

Germany Restitution

Re: Restitution in the British Zone of Germany

Attached please find copy of a report by Dr. Bienenfeld on the meeting held on Jan. 20.

I wrote to Berlin and requested the draft.

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C O P Y

21st January, 1948

Dr. N. Robinson
World Jewish Congress
1834 Broadway
New York, N.Y.
U.S.A.

Dear Dr. Robinson,

Yesterday the meeting on the German Restitution Law took place at the Foreign Office, German Division, under the Chairmanship of Mr. Hampshire acting for Mr. McNeil. Invited and present were Mr. Parker of the Political Element of the Control Commission in Berlin, Mr. Stefani for the British Central Fund, Mr. Brotman for the Board of Deputies, Dr. George Weiss in his personal capacity, but in fact representing the Joint, I myself for the W.J.C., Mr. Cavendish Bentenck for British claimants not belonging to the persecuted group, Mr. Muster for the Industrial Refugee Committee, which represents Jews and non-Jews and Dr. Alexander for the Council of Jews from Germany.

The Agenda did not contain a discussion of the British Restitution Law to be published but only the setting up of a Claimants Office which should assist the claimants as a voluntary Association in the steps to be taken by them in Germany after the law would have come into force and informing the Foreign Office which facilities should be granted to that voluntary organisation; which organisations should take part in the composition of the Board of the new office; what measures are suggested for arranging for the refund of purchase money to successful persecutees; how the proof of succession should be established and how the claimants should be assisted in tracing movable property expropriated by the Nazis, and what arrangements should be made for representation in contested cases.

As you will see from those Agenda it was only contemplated discussing how to facilitate the task for about 30,000 claims which were already put forward before now. Neither the contents of the law itself nor the problem of heirless or unclaimed Jewish properties was included in the Agenda.

Nevertheless, both questions were fully discussed in the course of the meeting.

First Dr. Alexander was allowed to speak and he made a full statement as to the necessary measures for assisting people in pursuing their individual claims. He mentioned, however, that the problem of heirless or unclaimed property was inter-linked with the setting up of a claimants office for individual restitution, at least for financial reasons because the initial expenses being rather heavy they should be borne out of the unclaimed and heirless assets for the rehabilitation particularly of poor claimants. Moreover, it would be too expensive to set up two organisations and he therefore suggested that a British Restitution Commission formed after the model of the American Restitution Commission should come into being and should have two Departments, one for assisting individual claimants and the other for tracing, recovering and administering heirless and

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unclaimed Jewish property.

To this Mr. Hampshire replied that the question of heirless property has not yet been decided and was not a matter of discussion for this meeting. The procedure would be as follows. According to a report of Mr. Parker the Political and Financial Element of the British Control Commission in Berlin submitted their views on the principles of an ordinance to be published to the Legal Element of the Control Commission. The Legal Element will, within the next ten days, submit the draft of an ordinance to the Foreign Office which would, within a fortnight, give their replies, then the German Laender would be invited to make their observations and after that the ordinance would come into force.

The question was then raised by Dr. George Weiss whether the clauses concerning heirless and unclaimed properties would be revealed to the Jewish organisations to enable them to make their observations. At the beginning Mr. Hampshire was rather doubtful, obviously influenced by the views of Mr. Parker who as we know takes the view that in the interest of German economy the heirless or unclaimed property should fall to the Crown of the German Laender or at least to a general fund for all persecutees whether Jews, Democrats, Communists or other political refugees. I was aware of that situation and I therefore drew the attention of Mr. Hampshire in rather strong terms to the fact that it was H.M. Government which moved, at the suggestion of the World Jewish Congress, the clauses in the Peace Treaties with Hungary and Rumania, by which the principle was established that there should be separate rehabilitation funds out of heirless or unclaimed properties for every persecuted group and that secondly the assets of those persecuted groups and especially of the Jews should never fall to the crown of the respective country because that would mean that the assets of the murdered Jews would be employed for the benefit of the murderers. I thought it hardly advisable that H.M. Government which moved those clauses at the Paris Peace Treaties and carried these clauses through should now deviate from that principle in the case of Germany. Moreover, in my view a German restitution law forms substantially a part of a Peace Treaty with Germany. If a Peace Treaty with Germany would have come about then a draft Treaty would have been published and the Jewish organisations would have had the opportunity as they had in Paris, to state their points and make their requests. We therefore must insist that H.M. Government should give the Jewish organisations the opportunity of knowing before-hand the contents of the ordinance not only in respect of Jewish heirless or unclaimed property but also in respect of the other clauses of the ordinance.

Mr. Hampshire who was obviously impressed first gave a binding undertaking that clauses relating to heirless or unclaimed property would be discussed with the Jewish organisations before any opinion of the Foreign Office would be sent to the Control Office in Berlin. Secondly he thought that there are many points in favour of what I said and he would therefore refer the matter to the Minister for serious consideration.

Regarding other matters which are of importance I mention the following:-

(a) The Question arose whether the Claimants Office should be a compulsory or voluntary organisation. It was unanimously agreed that it should be

unclaimed Jewish property.

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Regarding other matters which are of importance I mention the following:-

(a) The Question arose whether the Claimants Office should be a compulsory or voluntary organisation. It was unanimously agreed that it should be

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a voluntary organisation because it was to be expected in any case that the vast majority of the claimants would make use of that organisation.

(b) Mr. Hampshire stated his view that the claimants organisation should only consist or represent cases of claimants either of British nationality or at least residing in Britain for all zones in Germany. Dr. Alexander pointed out that this was not the idea of the Jewish organisations, the less so as the Council of Jews from Germany represents claimants from America and Palestine. Since Mr. Hampshire was rather doubtful whether an organisation recognised by the Foreign Office could also represent American cases in the British zone, Dr. Weiss explained that this would be quite an advantage from the British point of view if American claims could be represented because wealthy people would of course contribute towards the expenses. I myself drew the attention of Mr. Hampshire to the fact that the W.J.C. is entitled to speak for a large number of Jews formerly resident in Germany. Of the 570,000 Jews in Germany before Hitler 70,000 were stateless or of foreign nationality and this number increased until 1938 to about 100,000 due to the withdrawal of previous naturalisations. Those Jews who have claims against Germany are now partly in the camps in Germany, Austria and Italy, partly in Switzerland or Shanghai and in other countries all over the world. No reason is to be seen why those people should not be represented by a Jewish Claimants Office in London and the corresponding office in Germany. Mr. Hampshire then officially declared that the British Government would have no objections to representation of those people by the Claimants Office if it is on a voluntary basis.

(c) As to the composition of the Board the group represented by Mr. Cavendish Bentick declared not to be interested in the Claimants Office because they represent cases not of persecutees and therefore are on an entirely different legal basis. Mr. Hampshire then raised the question who would represent the non-Jewish claimants because he thought that two organisations were too expensive. It was eventually agreed that the non-Jewish claims should be represented provisionally by Dr. Munster of the Refugee Industrial Committee but that in any case the Claimants Office, if it should have the function of a restitution office for heirless property, should have different Departments for Jews and non-Jews.

(d) Eventually Mr. Hampshire stated he was expecting detailed suggestions as to the composition, the financial means, the terms of reference etc., of the Claimants Office which will be submitted by the Jewish organisations concerned. Mr. Stefani naturally was not very eager to have the Congress in, nor was the Board of Deputies although they did not make any statements in this respect, and refrained from mentioning the Congress. I think that this matter will be settled amicably.

Today I talked with Dr. Alexander telling him of our intention to write to the Foreign Office in order to elaborate the points mentioned by myself regarding the attitude of H.M. Government in respect of unclaimed or heirless Jewish property at the Peace Conference, and as to the right of the Jewish organisations to have the whole matter discussed beforehand. I told Dr. Alexander that I do not want to make such a communication to the Foreign Office without the knowledge of the other organisations and he even asked me to do this job alone for certain reasons. This is all that I have to report today, and I shall not fail to keep you au courant of future events.

F. R. BIENENFELD

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DRAFT LETTER

116830

May 12, 1949

The Hon. Dean Acheson
Secretary of State
State Department Building
Washington, D. C.

Dear Mr. Acheson:

The undersigned desire to bring to your attention certain facts regarding present restitution of heirless Jewish property in the French Zone of Germany. These facts in our opinion are sufficiently serious to warrant the intervention of the U.S. Government. The approach taken by the French authorities and the paradoxical implications of that approach may be summarized as follows:

In international conferences France has taken the position that heirless Jewish property in neutral countries should be used for the relief of the Jewish survivors; when dealing with the same question in the French Zone of Germany, France has enacted a contrary policy. In the French Zone, unless remedial steps are taken, the property of heirless Jews who were wiped out by the Nazis is in jeopardy of falling to the very state or people who destroyed these Jews rather instead of going to the surviving Jewish victims. The French policy vis-a-vis other countries has been based on principles of justice and equity; in the French Zone of Germany these principles have been negated.

I. France's policy in dealing with heirless Jewish property found in neutral countries.

France was a co-signatory of the Five Power Agreement concluded by the United States, France, Great Britain, Czechoslovakia and Yugoslavia in June, 1946.

Under that Agreement, "in the interest of Justice, the French Government on behalf of the Five Governments.....are making representations to the neutral powers to make available all assets of victims of nazi action who died without heirs.....". France, with the U.S. and the other signatories, declared the policy that the surviving Jewish victims should be aided with the heirless

property in neutral countries. It was recognized that the preponderance of such property had belonged to Jews destroyed by Nazi action. Article E of the Agreement signed by France says:

".....the conclusion that ninety-five percent of the 'heirless funds' thus made available should be allocated for the rehabilitation and resettlement of Jewish victims takes cognisance of the fact that these funds are overwhelmingly Jewish in origin, and the five percent made available for non-Jewish victims is based upon a liberal presumption of 'heirless funds' non-Jewish in origin. The 'heirless funds' to be used for the rehabilitation and resettlement of Jewish victims of Nazi action should be made available to appropriate field organizations..."

Thus, France, as a co-signatory and as the agent of the five powers, proposed to the neutral powers that ninety-five percent of the heirless property found in those countries should go for the rehabilitation and resettlement of surviving Jewish victims of Nazi actions. The Agreement went further. It provided that the heirless funds intended for surviving Jewish victims of Nazi action "should be made available to appropriate field organizations." Thus, the proceeds were to "be made available directly and jointly to the American Jewish Joint Distribution Committee and the Jewish Agency of Palestine, organizations best fitted to use these funds for the rehabilitation and resettlement of Jewish victims of German action." Hence, world-wide representative Jewish organizations were entrusted to use the proceeds of the agreement for the benefit of Jewish victims of German action; and ~~the~~ funds made available as a result of the Five Power Agreement for the benefit of Jews have been turned over to these Jewish organizations for use in the projects approved.

II. What France has done in the German Zone under his administration.

A diametrically different policy is being pursued in the French Zone of Germany than was incorporated in the Five Power Agreement. In November 1947, the French Commander in Chief in Germany issued ordinance 120, concerning the restitution of despoiled property, for the French Zone of occupation. No provision was made to make available heirless property for the surviving Jewish

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victims of Nazism. Instead, this property is to go into ~~the~~ "a common fund (to ~~not~~ be created) in each Land for the indemnification of victims of Nazism." While in the Agreement of June, 1946 France recognized that the preponderance of heirless property was of Jewish origin and that not more than 5% could be presumed to be of non-Jewish origin, yet in the French Zone France has failed to recognize the same principle. The basic facts are the same in Germany as in the neutral countries.

It must be inquired as to who are the "victims of Nazism" in the French Zone of Germany, in which the Jews either have been wiped out as elsewhere in Germany, or from which the few survivors are emigrating? Non-Jewish victims are not properly the beneficiaries of this Jewish heirless property, nor are there such numbers of them in the French Zone as to warrant a division of even 5%, such as was made in the Five Power Agreement. ~~Further~~ Certainly the preponderance of the heirless property should not go to non-Jewish victims. Moreover, the absence of such non-Jewish victims will leave only the German property, Land as the recipients of heirless/almost all of Jewish origin - a result very much contrary to the "justice and morality" which were the foundation of the Five Power Agreement.

In addition, the body which is to administer the common fund, under the French Law, does not place responsibility for administration in the hands of the surviving victims or a representative "organization best ~~fit~~ fitted to use these funds for the rehabilitation and resettlement of Jewish victims of German action." The French ~~Zone~~ Zone law places the responsibility of administration in an organization to be "created or empowered for the purpose by the Land Government." It can hardly be assumed that the Land Government would have greater concern for the victims of Nazism than it has for itself. Particularly is this so where inaction or failure to act vigorously will leave the Land itself as the beneficiary of the heirless Jewish property. This fact must have been recognized by France ~~when representative of Jewish victims with their responsibility~~

when deciding to empower representative Jewish bodies with this responsibility under the Five Power Agreement. The same conclusions are valid for the French Zone as for the Five Power Agreement.

III. What has been done in the other Zones of Germany.

In the American Zone of Germany, Military Government Law 59, issued in November 1947, provides for a Successor Organization to be appointed by the Military Government and not by the German Land. This Successor Agency is to be entitled to the heirless property. (Article 10). "Neither the State nor any of its sub-divisions nor a political self-governing body will be appointed as Successor Organization." In June 1948 the American Military Government appointed the Jewish Restitution Successor Organization, a non-profit membership corporation of representative Jewish organizations as the successor organization to receive the entire estate of all heirless Jewish property. Thus in keeping with the policy first set down in the Five Power Agreement, Jewish heirless property in the American Zone is vested in a representative Jewish organization to be used for the benefit of surviving Jewish victims.

In the British Zone, a draft restitution law is presently under consideration and copies of it have been circulated by the authorities to representative Jewish organizations. It follows largely the pattern of the American Zone Law. Provision is made for one or more "trust corporations" to be found in the British Zone for the purpose of claiming unclaimed and heirless property. (Article VIII). The British Draft Restitution Law also provides for regulation to be issued by the Military Government for the establishment, composition and scope of the Trust Corporation. There is no indication in the British Zone Draft Law that the Land will be the administrators of heirless property in the Trust Corporations and it is anticipated that the British Regulations dealing with Trust Corporations will enable a Jewish Trust Corporation to be established in the British Zone to succeed to unclaimed and heirless Jewish property, to be used for the relief and rehabilitation of surviving Jewish victims. There is ground then to assume that the British Zone in turn is coming to the principles set down

MEMORANDUM

April 29th, 1949

To: Messrs. Boukstein, Robinson, Hevesi and Muller

From: Eli Rock

Re: Meeting of Tuesday, May 3rd, 1949, at 3 P.M.

This will confirm that there will be a meeting at the JDC offices on Tuesday, May 3, 1949, at 3 P.M., in order to discuss the following questions:

- 1) French-Hungarian Gold Train (Ministry Nyarady)
- 2) French Zone Restitution Law - Successor Organization
- 3) JRSO-URD Problems
 - a) Implementation of indigency requirement
 - b) Internal relationships in Germany
 - c) Compensation from claimants for services
- 4) British Zone Restitution Law

Mr. Fisher will also be present at the above meeting.

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C O P Y

AMERICAN JOINT DISTRIBUTION COMMITTEE
119 rue St. Dominique
Paris 7e

April 15, 1949

Paris Letter #2711

To: AJDC NEW YORK - Att. Mr. Eli Rock
From: AJDC PARIS - Office of General Counsel
Re: OGC/GER/F/52 - French Zone Restitution Law

We refer to our letter dated March 24, 1949, #2605, and attach copy of a self-explanatory report established by Mr. Nathan Rosenberger, Chairman of the "Oberrat der Israeliten Suedbadens".

According to this report it seems that the question of the successorship to the former Jewish communities in South Baden is completely solved and that all former Jewish communal property has already been returned to the Oberrat (with some few exceptions which will be settled in the near future.)

We have to state that the work which has been done by Mr. Rosenberger, without the help of any organization, is marvellous.

It will now be up to AJDC and the Jewish Agency to discuss what further steps are to be taken as to the administration and the final fate of this communal property, most of which is not needed for the purpose of the Jewish Community which remained in South Baden.

Mr. Jacobson will also have a chance to discuss this matter when he will be in Baden Baden.

Dr. Kurt Wehle
Attorney

KW/gw

Enc.

Implementation of the restitution of former Jewish communal property in the District B a d e n of the French occupation zone, according to Ordinance No. 120 of 11.14.1947 and supplementary ordinances of the French military government.

When the Grand Council in the French Zone Baden resumed activities after the collapse, one of the chief tasks was to gather information regarding all former Jewish communal property in the district, in order to be prepared for a restitution law which could be expected.

With the help of the Military Government we wished to have the Grand Council administer all Jewish communal property which was held under control. This however would not have been admissible since the Grand Council, in the case of a subsequent claim under the restitution law, would appear as the claimant. Therefore, as a compromise solution, our Chairman, Mr. Nathan Rosenberger, in Freiburg, was personally entrusted with the administration of this property. Thus we had also the opportunity to get into close contact with all authorities, particularly with the land registers, in order to search out all Jewish properties which had belonged to the communal property. At this occasion we had to note that before Mr. Rosenberger took over the administration of this property, the authorities in question, i.e. the district offices of the Office of Property Control, had not always displayed the diligence which might have been desirable. After issuance of the restitution law Mr. Rosenberger gave up the administration of former Jewish communal property, and the latter was now passed on to the Baden Ministry of Finance, Div. IV - ~~Staatliche~~ Office for controlled property, Freiburg, Karthauserstr. 124, since Mr. Rosenberger was already overburdened with work through the claims to be prepared at the Grand Council.

As a basis for all negotiations it was necessary that the Grand Council be recognized by the state government as public law organization, and that a certification be submitted to the effect that we were recognized by the proper ministry as legal successors to the former Jewish religious community in Baden (French Zone) and their local communities and communal organizations, as well as Jewish-religious and Jewish-social associations and foundations of that community in the district of Southern Bavaria.

According to Ordinance No. 120, the Grand Council got in touch in writing with all present owners of former Jewish communal property, with the request for a statement whether restitution would be effected voluntarily, that is through a settlement to be confirmed by the restitution chamber, or whether we should lodge a suit in the restitution chamber of the proper court.

In order to properly evaluate all pieces of property and to conduct the negotiations accordingly, the individual properties were inspected personally by our Chairman, Mr. Rosenberger.

The replies received to our inquiries were discussed one by one with the Grand Council. If it appeared that the present holder of the property was ready for an amicable settlement, respectively for a return on a voluntary basis, it was then considered either to leave the property with him against payment of a purchase price at this time, or to take back the property. The former was

done only in cases of property and buildings which could no longer yield any profit. On the other hand, all former schools, dwelling houses, etc., which were well preserved, were demanded back, and will be future be administered or rented out by us.

In the cases where a restitution on a voluntary basis, i.e. through a settlement approved by the restitution chamber, was not possible, we lodged a suit with the proper district court on the basis of Ordinance No. 120 and its supplementary ordinances. As can be seen from the statistics listed below, in addition to 66 settlements which were concluded by us and confirmed by the restitution chambers, 7 suits were already decided. The other suits are still pending. In the suits already decided, restitution was always decided upon by the Restitution Chambers, and that to the effect that restitution should take place immediately and the change made in the "Grundbuch". In no case was a ~~return~~ return of original purchase price required, since these sums had been paid into a blocked account and thus did not become part of Jewish property. The calculation of profit on the basis of Ord. 120 and supplements is being made in consultation with the Baden Finance Ministry, Div. IV, Office for Controlled Property, Freiburg.

With respect to the 14 cases still pending, we wish to mention that all preliminary steps have already been taken, and that within the next 2-3 weeks our claims will be pressed through settlement or suit respectively.

In order to complete this survey, we shall mention briefly the former communal property which was once entered in the "Grundbuch" in the name of the "Reichsvereinigung der Juden in Deutschland, and which is still entered in this name today, but is under the control, that is administration of the Baden Ministry of Finance, Div. IV, Office for Property Control, Freiburg. In all these cases restitution was arranged through a settlement between us and the Baden Ministry of Finance, which settlement was recognized by the restitution chamber. The properties are again in our possession.

In general it can be said of the process of restitution of former Jewish communal property in Baden (French Zone) that it goes forward without difficulty and that the individual district courts handle our cases as quickly as possible.

Finally we wish to remark that the prompt settlement of restitution matters is due chiefly to the fact that all work for that purpose is being done independently by the Grand Council, and no delays through third parties are thus caused.

/s/ Nathan Rosenberger

Restitution to be claimed for:

102 pieces of property

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of which were settled:

66 items by way of compromise
7 items by suit already terminated
15 suits still pending
14 cases not processed thus far, to be submitted shortly
102 pieces of property

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JOINT DISTRIBUTION COMMITTEE, Inc.
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May 2, 1949

MEMORANDUM

J. Robinson

TO: Messrs. Kurt Grossman
Maurice M. Boukstein
Eugene Hevesi

From: Eli Rock

Re: French Zone of Germany - Restitution

I am sending you attached copy of a letter which we have recently received from JRSO headquarters in Germany, in connection with the above matter. I trust you will find this self-explanatory.

ER:AU
Enc.

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10 April 1949

Mr. Eli Rock
American Jewish Joint Distribution Committee
270 Madison Avenue
New York 16, N. Y.

Hq. JRSO N.Y. Letter #79

Dear Eli:

The Paris conference of the 8th and 9th clearly revealed that the operation of the French Zone restitution law is a lovely mess. Apparently the French law provides that heirless property can be claimed by either

- 1) The Chief Public Prosecutor (Oberstaatsanwalt of each land), (and no one knows what if anything he has claimed);
- 2) The common fund which is supposed to administer the assets acquired (and no such fund has been established), or
- 3) A legally constituted organization of Nazi victims (and no such organization has been recognized or filed any claims.)

In addition to this the filing deadline expires in 30 days.

Every one seemed rather desperate but no one was very clear as to what the real facts were or what action was required. The JRSO had received prior assurances that the French Zone problems were being competently handled by the United Restitution Office and the ADIVA (French Axis victims' association). The ADIVA I discovered was a French organization with fully 12 members and no funds. Their leader, a M. Hertzfelder (formerly of Germany) was animated by good intentions and fine spirit but little else. The URO representative in Baden Baden, M. Waxmann, was apparently crying in the wilderness.

Another interesting feature in the French Zone is the fact that some representatives of the Jewish communities are about to receive the return of all community property in their regions. This was indeed an achievement for those representatives but they now face the problems of administering several hundred pieces of property with a handful of old and tired men. This happy prospect has already brought forth calls for help.

I don't know if we can salvage the French situation. We shall make an effort. Both Jacobson and I plan to visit the French Zone within the next ten days.

We shall keep you advised.

Sincerely yours,

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BENJAMIN B. FERENCZ.

WJC-0240
3-23-48

AMERICAN JEWISH CONFERENCE

Memorandum

January 26, 1948

TO: Dr. N. Robinson

FROM: A.C.A. Liverhant

Enclosed please find copy of letter from Mr. Mason to Mr. Rock, together with the draft of Implementing Regulation #3, under Law #59, prepared by Mr. Mason. Both should be treated as confidential.

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CCPY

Office of Military Government of Germany (U.S.)
Legal Division
APO 742

20 January 1948

Mr. Eli Rock
American Joint Distribution Committee
270 Madison Avenue
Suite 800
New York 16, New York

Dear Eli:

Before I saw Clay I showed my draft of the Regulation designating the Successor Organization to Rockwell. He thought it was much too broad, particularly point 6-- which authorizes the Commission to inspect all property, etc. if considered relevant, and point 7 permitting the Commission to bring in such personnel as it may require with Military Government only reserving a security control. He also didn't see why the Commission should have free transportation, etc. At Rockwell's suggestion that the draft should be discussed with Finance and Legal Divisions before being shown to Clay, I agreed not to mention it at the present time. I agree that the provisions of the draft are too broad and will give on any or all of these he mentioned if necessary, because his support on the main issues is too important to jeopardize.

I outlined to the General the situation in Washington, viz., State Department approval and reopening by War of the whole issue, and pointed out the need for a quick decision in view of the short filing date. He said he had always understood War Department was not interested in the question. I said I had received a call from New York to the effect that Judge Proskauer would if possible like about 15 or 20 minutes of his time to discuss the matter. He said he planned on staying only two days if possible and of course would be terribly rushed but would do his best to see the Judge and suggested that the Judge get in touch with him at the Pentagon Building. He said rather wistfully that he hoped the size of the delegation would be kept down. I said I would recommend it be limited to the Judge with the possible addition of Warburg and Judge Levinthal or Max Lowenthal. He said that even if he cannot see Judge Proskauer he would check on the status of the Commission and agreed it had to be settled quickly.

I asked him about the possibility of applying the Restitution Law to the American sector. He said definitely not at the present time as the quadripartite situation was too delicate.

I will try to work out some agreement in the next week or so on the designating regulation, the setting up of the Board of Review and a regulation on venue. I don't think Rockwell and I will be too far apart, but Hall hasn't shown his hand yet. If the Judge gets an opportunity, he might submit to Clay something along the lines of my draft as a proposal of the organizations.

Best regards,

(signed)

Irwin S. Mason

Enclosure

DRAFT

19 January 1948

MILITARY GOVERNMENT - GERMANY

UNITED STATES AREA OF CONTROL

REGULATION NO. 3

UNDER MILITARY GOVERNMENT LAW NO. 59

Designation and Appointment of
Jewish Successor Organization

Pursuant to Articles 8, 10, 11 and 13 of Military Government Law No. 59, "Restitution of Identifiable Property", it is hereby ordered as follows:

I. Designation of Successor Organization for Jewish Heirless, Unclaimed and Community Property

In order to implement the objectives of the Restitution Law and of the occupation the Jewish Restitution Commission (hereinafter sometimes referred to as the Commission), a non-profit corporation incorporated under the Membership Corporation Law of the State of New York of the United States of America is hereby appointed the successor organization to Jewish property pursuant to Articles 8, 10, 11 and 13 of Military Government Law No. 59. A copy of the certificate of incorporation and the By-Laws of the Commission are attached hereto as Appendix A.

II. Definition of Jewish Property

For the purposes of this regulation:

1. Jewish property shall include the property, rights and interests of Jewish individuals and of Jewish organizations.
2. A person shall be considered to be a Jewish individual if between 30 January 1933 and 5 May 1945 he was subjected to persecutory measures on the grounds that he was a Jew or of the Jewish race or religion or if he was a member of a class of persons which was to be eliminated from the cultural and economic life of Germany by measures taken by the State or the NSDAP on the grounds of the Jewish race or religion of the members of that class; provided however that on or before 30 January 1933 the individual had not publicly professed another religion and such profession had never been revoked.
3. An organization shall be considered a Jewish organization:
 - a. if it professed to worship pursuant to the Jewish faith or to the administration of the Jewish community; or
 - b. if it was maintained out of Jewish Community funds; or
 - c. if its membership was restricted to Jewish individuals; or
 - d. if as a matter of fact the overwhelming majority of the members were Jewish individuals and if the organization was dissolved or forced to dissolve for that reason.

III. Status of the Commission

1. The Jewish Restitution Commission is hereby recognized as a charitable (Gemein-

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ustzig) organization and legal entity and shall have the status of an organization accredited by the Commander-in-Chief, European Command, U. S. Army (hereinafter referred to as CINCEUR) to facilitate the accomplishment of the objectives of the occupation. It shall carry out its activities as authorized and required by its certificate of incorporation and By-Laws. The Commission will operate in accordance with military regulations, general laws and Military Government enactments in force in the United States Area of Control. The Commission will not be subject to specific military government direction in regard to its routine activities, but CINCEUR reserves the right to revoke the authority granted herein to the Commission in the event that he deems the Commission to have violated the terms of this regulation.

2. The Commission shall make an annual report on its operations to CINCEUR. This report shall be made not later than 1 February of each year and shall cover the period from 1 January to 31 December of the previous year. The first report shall be submitted not later than February 1, 1949.

3. The Commission shall be deemed to be a national of the United States of America residing in Germany. General License No. 10 issued pursuant to Military Government Law No. 52 shall be applicable to it.

4. Each bloc of property received by the Commission under a petition for restitution shall be deemed to be a separate unit of property during the time it remains in the possession of the Commission.

5. To the extent that it may be subject to taxation the Commission shall enjoy at least the same benefits and exemptions as the most favored class of taxpayers.

6. The Commission and the authorized persons acting on its behalf shall have the authority to inspect all property, and to inspect, copy and photostat all documents and records it considers relevant for the proper performance of its task. This authority shall include the property, documents and records in the custody of Military Government--except those classified confidential or higher--and those held by the German Foreign Exchange or Tax Authorities, by Courts and Notaries, and by the Central Filing Agency. The Central Filing Agency shall, on request of the Commission, require holders or former holders of confiscated Jewish property to submit to the Central Filing Agency all documents pertaining to the acquisition, administration or sale of said property; non-compliance shall be reported to the appropriate Military Government authorities and shall be punishable under Military Government Ordinance No. 1, Article II, paragraph 33.

7. The Commission may establish such offices and bring into the United States Area of Control such personnel as it may require. CINCEUR reserves his authority to control for security purposes the entry of such personnel, and their continued presence in the area.

8. Military Government will

a. (1) provide, without charge to the Commission, office accommodations and maintenance therefor (except where chargeable against appropriated funds) at all levels;

(3) provide without charge to the Commission such warehouses, garages and like facilities as may be required for the storage of Commission property and supplies, together with necessary building maintenance (except where chargeable against appropriated funds).

b. provide suitable living accommodations for Commission personnel in accordance with regulations and scales prescribed by CINCEUR for civilian employees.

Payment must be in United States dollars. For the purpose of this Regulation the term "Commission personnel" refers to American or United States personnel of the Commission recruited outside of Germany.

- c. Where possible, provide Commission personnel with access to occupation authority messes, subject to payment by individuals concerned or to reimbursement by the Commission, or provide bulk rations for sale to the Commission and/or its personnel;
- d. provide all Commission personnel with access to post exchanges, sales stores, laundry, dry cleaning and shoe repair installations, messes and recreational facilities on the same basis and subject to the same restrictions as those applicable to civilian employees, in like status, of the occupation authority;
- e. provide to the extent practicable, necessary POL and spare parts for Commission vehicles, subject to advance payment or reimbursement by the Commission for imported items and any items involving the expenditure of appropriated funds. To the extent possible provision for spare parts and repair items will be from German sources;
- f. provide maintenance facilities for Commission vehicles. Such maintenance will, to the extent practicable, be provided from German sources. Where maintenance is provided to the Commission from sources involving expenditure of appropriated funds such maintenance is chargeable against Commission reimbursement;
- g. without charge provide for official Commission communication facilities within the United States Area of Control, together with appropriate priorities. These facilities will include telephone communications at all Commission offices and installations;
- h. authorize the use of such Army postal service and finance facilities by Commission personnel as is provided for the occupation personnel and subject to the rules and regulations prescribed by the occupation authority. Franking and free mail privileges will not be afforded;
- i. provide without charge to the Commission rail transportation facilities within the United States Area of Control for Commission property and personnel on official business. For leave purposes facilities will be provided on the same basis as for civilian personnel of the occupation forces;
- j. provide, on the same basis as for civilian personnel of the occupation forces, medical, dental, hospital and burial facilities for Commission personnel.
- k. establish in consultation with the Commission, ceilings of numbers of Commission personnel to be permitted in the United States Area of Control.
- l. Commission personnel shall be subject to Military Government Law and courts for offenses committed by them in the United States occupied area. Commission personnel shall have in general the same privileges and immunities as civilian employees of the occupation forces who are in the same status.

m. the occupation authority assumes no financial responsibility for risk, injuries or death occurring to Commission employees, nor for any claim arising against Commission employees or agents except in cases in which the occupying authority would be liable under existing regulations.

IV. Effective date

This regulation shall become effective on _____

BY ORDER OF MILITARY GOVERNMENT.

Memorandum Regarding Certain Problems Connected with
the Restitution Program in Germany

January 21, 1948

General Lucius D. Clay
Commander-in-Chief, European Command
Pentagon Building
Washington, D.C.

Dear General Clay:

The undersigned Jewish organizations have followed with interest the developments of the last few months with respect to restitution legislation in Germany. They have received with deep appreciation the news that a restitution law was enacted for the American Zone of Germany on November 10, 1947. Since that date, however, a number of problems have arising in connection with certain aspects of the restitution program in Germany which as yet are not satisfactorily resolved. The following comments and requests are respectfully submitted regarding these problems.

a) Recognition of the Jewish Restitution Commission. The question of the designation of a Jewish organization representative of Jews throughout the world as the successor to the Jewish heirless and unclaimed property in Germany, has been a subject of discussion for almost a year and a half and was considered at both of the meetings between you and the leaders of the undersigned organizations held in November 1946 and in October 1947. In addition, it was the subject of discussion at meetings held between the Jewish leaders and Assistant Secretaries of State John H. Hilldring and Charles E. Saltzman on August 11, 1947. In all of these discussions, there has always been a clear agreement regarding the acceptability in principle of such an organization.

Pursuant to your suggestion on the occasion of your last meeting with the Jewish leaders on October 16, 1947, ^{that the State Department advise the representative Council of} ~~the Jewish Restitution Commission~~ ^{of such} a formal application for recognition to Secretary of State Marshall on November 3, 1947. (A supplementary letter to Secretary of State Marshall was sent on November 13, 1947.) Since that date there has been no definitive action on the application. At one

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M. Mason:
Aufbau lists

point the State Department indicated that the reason for the delay in approval of the Restitution Commission was based on the non-membership of the German Jewish Gemeinden in the Commission at that time. This objection was subsequently met by receipt of information from Germany that the Gemeinden had expressed their support of the Jewish Restitution Commission as the official successor organization and had designated three directors to serve on the Board of the Jewish Restitution Commission.

In view of the December 31, 1948 deadline date for filing claims under the Restitution law for the United States Zone of Germany, it is now evident that early recognition of the Jewish Restitution Commission is imperative if the provision in that law for a successor organization is to have any effective meaning. The tasks of investigation and filing alone are of formidable size and urgently require immediate action by the Restitution Commission in Germany. The Jewish organizations therefore respectfully request you to take appropriate steps ^{that would} ~~for~~ securing the immediate recognition of the Jewish Restitution Commission as the ^{with} successor organization under the Restitution Law in the United States Zone of Germany.

b) The Right of the Jewish Restitution Commission to Receive Assignments of Restitution Claims. This item was discussed briefly with you at the meeting on October 16, 1947. At that time you indicated that the request sounded reasonable to you, but that you would first want to discuss it with the Legal Division of OMGUS in Berlin. The Jewish organizations take this opportunity to renew such request. They respectfully urge that in the implementing regulation designating the Jewish Restitution Commission, there be a provision which grants to the Jewish Restitution Commission the authority to receive assignments of restitution claims.

It is submitted that there will be many individual claimants in countries outside of Germany who, either because of the small size of their claim or because of their unwillingness to undertake the protracted steps necessary to effect restitution, would normally not be inclined to press their claims except for

their strong feeling, as a matter of principle, that the "Nazi loot should not be permitted to remain with the looters." Given a recognized Jewish successor organization, to which they can assign their claims as a charitable contribution, these claimants will very much want to transfer their claims. As a matter of simple justice they should be given the right to transfer their claims to the Jewish Restitution Commission.

e) The Right of the Restitution Commission to Receive Donations in Reichmarks and the Right to Receive and Extend Loans in Reichmarks. It has been long recognized that in order to operate effectively in Germany, the Restitution Commission will require funds of reichmarks. These funds will be necessary for tendering back purchase prices, advancing fees, making repairs to property, etc. It is a matter of great importance, therefore, that the Jewish Restitution Commission be empowered to accept donations in reichmarks from individual Jews in Germany who may want to assist the Commission in its charitable endeavors and to receive loans from institutions such as German banks, which will be repaid when the Jewish Restitution Commission has realized some assets in Germany. In addition, there should be a provision which will enable the Jewish Restitution Commission, if it is subsequently found desirable, to extend loans to individual restitution claimants living outside of Germany, who may be in temporary need of reichmarks required to initiate their restitution proceedings.

It is requested that appropriate provision be contained in the designating regulation which will permit the Jewish Restitution Commission to carry out the above.

d) Restitution Legislation in the French and British Zones. The Jewish organizations in the United States have learned with deep concern of the recent passage in the French Zone of Germany of a restitution law which, for all practical purposes, is virtually useless. In addition, they have been increasingly dismayed by the failure of the British to pass a restitution law for their zone. It is respectfully requested that the full resources of the office of Military Government

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for the United States Zone of Germany be enlisted towards persuading the French and the British authorities to adopt laws comparable to the restitution law for the American Zone. In this connection, it is suggested that where negotiations take place among the military authorities in the Western zones of Germany in the direction of possible legislative coordination between the zones, these negotiations include discussions designed to bring the British and French restitution legislation into line with that of the United States Zone. As the first and most complete pattern of restitution legislation in Germany, it is submitted that the American law should serve as the model for any bi-zonal or tri-zonal administration which may be set up in the future.

Respectfully submitted

American Jewish Joint Distribution Committee

The Jewish Agency for Palestine

by

by

American Jewish Committee

World Jewish Congress

American Jewish Conference

by

by

by

Agudas Israel World Organization

by

September 23, 1947

To: Dr. A. L. Kubowitzki
 From: N. Robinson

Re: Meeting of the Five Cooperating Organizations, Sept. 18, 1947

1. This report relates to questions of restitution only.

2. The speakers were: Maj. Hyman (Legal Assistant to Judge Levinthal) and Mr. Marcuse (formerly with the Legal Division, OMGUS, Berlin). In addition, Prof. Michael discussed the problem of cultural objects.

3. Maj. Hyman reported on the evolution of restitution in Austria and Germany.

He outlined the general situation in Austria, as known to us, viz. that there are four restitution laws in operation; that there is no desire to issue an implementary decree to the controversial Third Restitution Law (dealing with transfers under duress), and that the Restitution Commissions are reportedly staffed by able and liberal judges. According to figures he received from Mr. Loewy, at the end of August there were 29,961 cases of properties registered under the compulsory registration law, but no break-down according to owner, kind of property, value, location, etc. was known. All in all, 2686 claims were filed; reportedly (and Maj. Hyman was not sure about it) this figure included 2200 claims filed under the Third Restitution Law. Of the total, 786 claims were disposed of, 183 were refused, and 463 are pending (this is obviously contrary to 2200 claims having been filed under the Third Restitution Law, of which only 80 were disposed of).

Upon my request to obtain for us lists of registered properties, Mr. Loewy wrote me that he hoped to obtain a copy of the report soon.

The report concerning Germany brought no new feature beyond the contention that Gen. Clay expressed his willingness to enact the restitution law in the US Zone, if by October 1 no agreement among the Allies is reached.

4. Mr. Marcuse reported on the whole period of discussions relating to restitution in Germany. According to him, the Finance Division of OMGUS is quite opposed to the draft prepared for the U.S. Zone. The main opposition is directed against the extensive legal presumption. To effect it, they plan (by way of currency regulations) to force absentees to repay the consideration (received at the time of sale) in foreign exchange and would not permit the use of blocked Marks or other domestic (German) currency, especially when the owner succeeded in transferring moneys abroad.

The discussions in the Allied Control Authority are conducted mainly by the Finance Division and they do not report to the Legal Division about the concession made. Mr. Marcuse claimed, however, that the Russians succeeded in extending the presumption of duress to political persecutees regardless of when the transfer occurred and whether it was done in connection with persecution. It is assumed that this rule would reduce the presumption ad absurdum and force the ~~xxx~~ courts to restrict its application. A possibility to do so could be found in the one of two

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exceptions from the presumption contained in the law, viz. that it does not apply to cases in which the transfer would have occurred even in absence of Nazism. It is the "pep" idea of the Finance Division that the payment of an "adequate price" should be considered as sufficient proof for the application of the mentioned exception. Such practice would water down the law very considerably.

A further defect of a quadripartite law (if enacted) would be its schematic nature necessitating implementation; this implementation may again require months and years.

One of the reasons for the lack of success in quadripartite dealing was, according to Mr. Marcuse, the negative attitude of the British Legal Division in Berlin (the Finance Division there is rather willing to follow the Americans). The French wish to model the law for Germany according to their own law in which they take great pride. In the question of masterless properties, there appears to be at present a solid front of Russia, France and Gr. Britain (favoring either escheat to the State or the use for racial and political persecutees) against the USA. One of the major stumbling blocks is Berlin. Although generally legislation for Berlin is done on Quadripartite basis, the Legal Division of OMCUS is willing to support the application of a US-Zone restitution law also in their Berlin sector.

[It would appear that the actual situation is at present somewhat different from what it was before. Mr. Marcuse left Berlin. A secret cable just received in Washington contends that the U.S., British and French have recently agreed to leave the question of disposition of heirless property to the Zone Commander, while the Russians maintain the position of escheat to the State. These three powers have also agreed on the question of avoidance with the Russians claiming that absolute avoidance shall be applied only if the transaction was effected at a deliberately low price; otherwise the claimant must prove duress. The three first powers agreed to treat all persecutees on an equal basis; the Russians want to exclude at least those who acquired another nationality. The fourth divergence of opinion relates to the accounting for profits: the French, British and Soviet would prefer to repay to the owner only a set percentage of the value, assigning other profits to the fund of masterless properties.]

Mr. Marcuse painted a dark picture about the present state of administration of "duress" property. Property coming under law No. 52 was originally under Allied supervision; last year it was transferred to German authorities under Allied control, which is sporadic only. There is a distinction between German properties and Allied and neutral assets. For the latter the Allies still care themselves. However, according to a recent ruling "duress" property is not considered Allied or neutral, even if the legal owner is at present a national of such a country. The property is being dissipated, no care is being taken of it, the records are getting lost (or stolen). In Berlin, the records are stocked somewhere in an attic without care.

An Allied Directive (#50) provides that Nazi properties except those subject to restitution be turned over to the Laender. However, there is

still no definition of restitutable properties and meanwhile the laender may dispose of some of them. The Property Control is trying to implement the directive so as to protect the rights of the owners of restitutable properties, but the process is very tedious.

The question of Jewish properties is also involved in carrying out the agrarian reform, since former Jewish smaller parcels (i.e. not subject to distribution) were combined with larger estates and there is at present no machinery for reclaiming them. The same refers to the decartellization procedure.

In the problem of an indemnification law no progress was made. Although a draft of such a law was discussed about six weeks ago in Stuttgart, its enactment must be regarded as a matter of distant future. The reason is mainly the unsettled currency problem (which weighs heavily also on restitution, whenever payments are involved).

5. Prof. Michael presented a draft of a paper to be sent to Gen. Saltzman. The purpose was to secure permission to send at once a team to Germany and Austria to take possession of masterless cultural objects and prepare for further action. I pointed out certain inaccuracies in the paper and it was decided to postpone discussion until next week. I submitted it to Rabbi Federbush for his comments.

In connection with this paper the question of the Jewish Restitution Commission arose again. The document is supposed to be submitted in the name of the Cultural Reconstruction Inc. (of which the WJC is member) as agent of the Jewish Reconstruction Commission. The paper describes the composition of this Commission referring to the WJC as member with a question-mark. Mr. Bookstein (in a private talk) urged again the acceptance by the WJC of the proposal made to you, assuring that he takes on himself to convince the AJDC.

6. It was a general feeling that a further meeting will be necessary to discuss with Mr. Marcuse the consequences of his report, and action to be taken. Such a meeting was tentatively fixed for coming Tuesday. Mr. Marcuse hinted that unless changes are made in the top ranking composition of the Finance Division not much progress will be possible. He said furthermore that Gen. Clay may postpone enactment of the law beyond October first (under pressure from the Finance Division) under various pretexts (forthcoming meeting of the Council of Foreign Ministers, possibility of quadripartite agreement within a few more weeks, etc.).

7. It is obvious that we are in a weak position in Berlin. Mr. Masen has access to Gen. Clay but only sporadic, while our foes are in constant every-day contact with him. No real contact exists between Jewish organizations and the other three Great Powers (Gr. Britain, France and Russia). Despite correspondence and occasional discussions between the Council of Jews from Germany and representatives of our British Section, no influence on the British is evident. In France nothing happened except a few discussions between Mr. Cahn-Debré and officials in the German Office. Jewish representation in the British and especially French zones and toward the members of the Control Council is almost non-existent. To remedy this situation a vigorous action is necessary. The WJC should do it through Paris and

London and also try to find some personae gratae to deal with the Russians. In the USA we are bound to work together with the other organizations but here, too, more intimate contact with the State and War Department will be necessary, if by October 1 no law is enacted.

Mr. McNeil should be approached while he is here.

The opposition on the part of Gr. Britain (insofar as it still exists) is the result of their attitude toward Palestine. If, as is reported, the Cabinet changes its mind in regard to this problem, it will be easier to convince London to follow the Americans. Furthermore, the French are reported to have decided to merge their zone with the American and British (to avoid expenses in foreign currency). This, too, should be helpful to us.

Special attention deserves the question of the administration of Jewish properties, as outlined above. During my stay in Germany, I tried to induce the Army not to leave it to the Germans and to restore possession to the legal owners (at least, in cases of confiscated assets) before the problem of restitution is settled, but was assured that the Army is taking good care of it and supervises attentively the properties. I was also told that all Grundbuechaemter (offices of deeds of real estate) were ordered to compile full lists of properties formerly belonging to Jews and to report to the Property Control. If this was done, there should be no difficulty in sorting out "duress" property under separate administration in which Jewish organizations should participate. The problem of claims other than relating to restitution will have to await solution of the restitution legislation.

According to reports, Gen. Clay and Mr. Murphy are expected here on October 6. An impressive Jewish delegation will have to see them and discuss with them the above problems.

8. I believe that, since we are cooperating with other Jewish organizations, we have to wait until the next meeting before final decisions are taken.

M. Roth WJC 0290

MINUTES OF MEETING ON THE JOINT WORKING COMMITTEE
(American Jewish Conference-World Jewish Congress)

Offices of the World Jewish Congress
Monday, May 20, 1946

*

Present: For the Congress: Dr.Kubowitzki, Dr.Perlzweig, Mr.Nehemiah Robinson,
For the Conference: Dr.Barth, Mr.Grossman, Mr.Kenen.

1) Memorandum on Italian Peace Treaty: Mr.Kenen reported that there may be some objection to certain parts of the draft. It will be submitted to the Interim Committee for discussion and final approval on May 24.

Copy of the draft has been sent to the Board of Deputies of British Jews, with the request for a speedy reply.

2) General Statement on Peace Treaties: Since the Office Committee of the Congress has not yet approved the draft of the statement, it was decided to call a special meeting on Tuesday, May 23rd to discuss the statement.

3) Consultations: Mr.Grossman reported the receipt of a letter from the Board advising that the holding of the projected consultations will have to be postponed in view of the absence of Professor Brodetsky from London and the forthcoming elections of a new administration of the Board. Various tentative dates for the consultations were discussed, but no decision taken.

4) Statement of Policy on Reparations and Restitution: After a preliminary discussion of the statement submitted by Nehemiah Robinson, which revealed differences of opinion with regard to the manner of establishing a Jewish agency to represent Jewish interest, a sub-committee composed of Col.Bernstein, Dr.Barth, and Dr.Robinson was named to iron out the differences so as to enable the Working Committee to discuss the entire statement at its next meeting.

5) Paris Agreement on Reparations: It was agreed that a cable should be addressed to Professor Eli Ginsberg, who is at present in Paris, (as U.S.representative at the Conference on Non-Repatriable Victims of German Action), suggesting the establishment of an advisory board of five organizations to cooperate with

the allied agency in implementing the provisions dealing with the allocation of funds for the victims of Nazi action. The cable reads follows:

MACKAY RADIO

5/21/46

PROFESSOR ELI GINZBURG
UNITED STATES EMBASSY
PARIS FRANCE

WE RECOMMEND DESIGNATION OF JEWISH ADVISORY BOARD CONSISTING OF REPRESENTATIVES OF JEWISH AGENCY WORLD JEWISH CONGRESS AMERICAN JEWISH CONFERENCE JOINT DISTRIBUTION COMMITTEE AND BOARD OF DEPUTIES OF BRITISH JEWS STOP THIS ADVISORY BOARD SHOULD FUNCTION IN IMPLEMENTATION OF ARTICLE EIGHT OF PARIS REPARATIONS AGREEMENT PROVIDING FOR EARMARKING OF 25 MILLION DOLLARS FOR REHABILITATION RESETTLEMENT OF VICTIMS NAZI PERSECUTION AND FOR USE NONMONETARY GOLD FOUND IN GERMANY SAME PURPOSE STOP WE STRONGLY URGE YOUR FAVORABLE CONSIDERATION STOP COPY BEING SENT TO SECRETARY OF STATE

STEPHEN WISE HENRY MONSKY

6) Letter to the State Department on Restitution and Reparation: prepared by Col. Bernstein was discussed. Since the subject was co-related to the general statement of policy on the subject, it was decided that the sub-committee appointed to deal with Nehemiah Robinson's statement should also go over the letter and try to come to an agreement on its various points.

7) Czechoslovakia: Mr. Crossman and Dr. Perlzweig were authorized to examine the draft of the memorandum on the Jewish position in Czechoslovakia submitted by the Conference, and to take further steps if they agree on the contents and form of the memorandum.

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SEC-1241

118855

WJC 0240

Joint Work Com

MINUTES OF MEETING OF THE JOINT WORKING COMMITTEE

Offices of the World Jewish Congress

Tuesday, May 7th, 11 AM

PRESENT: For the Congress: Dr. Kubowitzki, Dr. Perlzweig, Mr. Nehemiah Robinson, Dr. Jacob Robinson.

For the Conference: Mr. Grossman, Mr. Kenen, Dr. Barth.

- 1) Memoranda dealing with the peace treaties: It was agreed to prepare the following memoranda with regard to peace treaties. First, one statement outlining the basic principles of our demands, with phraseology broad enough to cover the Jewish demands with regard to all peace treaties. Secondly, there should be submitted special memoranda dealing with the specific situation and specific demands of the Jews with regard to each of the ex-enemy countries. These memoranda should include, in each memorandum, a statement of basic human freedoms as proclaimed by the Declaration of January 1, 1942 and the Atlantic Charter. Each memorandum should include specific and detailed Jewish demands and recommendations adapted to the specific conditions of every country.

- 2) Italian Peace Treaty: It was agreed the memorandum should contain the commendation of the Italian people for their behavior toward Italian and refugee Jews during the war and despite fascist pressure, deal with general safeguards for equal rights for Jews and include reservations with regard to the Jewish community in Tripoli, which, in the light of past experience, will need special protection and special status whatever the fate of Tripoli will be in the future.
 Dr. Perlzweig and Mr. Kenen undertook to revise the draft of the memorandum on Italy prepared by Dr. Perlzweig so as to incorporate the views of the Conference and Congress.

- 3) Rumania: Dr. Jacob Robinson reported that the World Jewish Congress has received an extensive draft by Dr. Filderman and is expecting another document prepared by the Rumanian Section of the World Jewish Congress. On the basis of these documents, a draft of a memorandum on the Rumanian Treaty will be prepared and ready for consideration of the Joint Working Committee next week.

- 4) Reparations and Restitution: Mr. Nehemiah Robinson presented a draft of a memorandum with regard to Russian seizure in Austria of alleged German assets which are, in reality, looted Jewish property. It was agreed that such a memorandum shall be addressed to all four occupying powers.
 Mr. Nehemiah Robinson presented a statement of policy with regard to reparations and restitution problems for the guidance of the cooperating organizations. Mr. Robinson and Dr. Barth undertook to make the necessary adjustments in the memorandum dealing with the Austrian Restitution Law to be presented to Mr. Deutsch.

M I N U T E S

JRSO EXECUTIVE COMMITTEE MEETING

Friday, April 22nd, 1949

- Present:
- Mr. Monroe Goldwater, JDC - Chairman
 - Prof. Herman Gray, AJC
 - Rabbi Isaac Lewin, Agudas
 - Dr. Nehemiah Robinson, WJC
 - Mr. Eli Rock, JDC - Assistant Secretary
 - * * * *
 - Mr. Moses A. Leavitt, JDC
 - Mr. Moses W. Beckelman, JDC
 - Dr. Herman Muller, Council of Jews from Germany
 - Dr. Eugene Hevesi, AJC

The sole item of the agenda consisted of the problem of the individual claims program in Germany, and the questions involved in JRSO taking over this program as a separate branch of its activities.

Mr. Rock recalled to the Committee that the JRSO Board of Directors, at its meeting of March 3, 1949, had accepted in principle that JRSO should take over the individual claims program, if it should appear that no other solution was feasible, and had authorized the Executive Committee to take specific action when the time arose. Mr. Rock pointed out that there were now two specific questions to be considered by the group. One involved a proposed letter from Mr. Ferencz to General Clay, outlining the new program to be assumed by JRSO, and requesting General Clay's authorization for such a project; Mr. Ferencz now asked approval for sending this letter. The other involved problems of internal relationships between the URO and the JRSO, as outlined in a letter from Mr. Ferencz to Mr. Rock. (Both documents attached hereto.)

In connection with the proposed letter to General Clay, Dr. Robinson raised two questions. He particularly referred to the language in the letter to General Clay in which JRSO declares that it will limit its program to "indigent plaintiffs". In Dr. Robinson's opinion, such phrasing might make it possible for lawyers representing the restitutors in restitution cases to challenge the right of JRSO to represent an individual claimant, and to request that JRSO prove the claimant's indigency. On the other hand, it was the strong feeling of the group that the JRSO should indeed limit its services to people who are unable to afford private counsel, and that it was even desirable to have this limitation spelled out in correspondence with Military Government. At Mr. Leavitt's suggestion it was decided to refer this question to Mr. Ferencz, to find out from him whether the above danger does in fact exist, and if so, what documentation would have to be requested from claimants to prove their indigency status.

/over/

PRELIMINARY DRAFT

4 April 1949

General Lucius D. Clay
Military Governor and Commander-in-Chief
Hq. EUCOM
APO 403, US Army

Dear General Clay:

Mr. Harry Greenstein and Major Hyman have advised me of the discussion they had with you concerning ^{the} licensing of a non-profit agency to assist individual claimants in prosecuting their claims under Military Government Law 59. As you know the many Jewish organizations sponsoring the JRSO are eager to help those Jewish claimants requiring assistance in Germany. Because of an apparent conflict of interest it was felt that an independent agency rather than the JRSO should fulfill that need.

It was contemplated that such agency would assemble proof necessary to substantiate claims, negotiate with restitutors in efforts to reach amicable settlements, engage German lawyers to represent claimants in court litigation, advance fees and other necessary Deutsche Mark expenses and supervise the administration of any properties reacquired.

I am informed that you consider it preferable for the JRSO to discharge these functions and that this could be done without an additional authorization from Military Government. We are therefore prepared to establish a Legal Aid Department to accomplish the tasks mentioned above. Since the JRSO is a charitable organization we shall seek to limit our assistance to indigent plaintiffs. Actual Deutsche Mark expenses incurred may be recovered from successful claimants though, of course, we shall accept no reimbursement from funds outside of Germany.

Before assuming these responsibilities I would appreciate receiving your confirmation of these proposals.

Respectfully yours,

BENJAMIN B. FERENCZ
Director General

116858

HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
APO 696A U.S. ARMY

April 10, 1949

Mr. Eli Rock,
American Jewish Joint Distribution Committee
270 Madison Avenue
New York 16, N.Y.

Hq. JRSO N.Y. Letter #77

Dear Eli:

Jerry Jacobson has probably sent you the full minutes of our meeting in Paris on 8th and 9th April. To make sure that you are fully advised and to avoid any delay I shall again summarize them briefly.

It was the feeling of the persons present at the meeting (including Jacobson, Kreutzberger, Adler-Rudel, Alexander and Prof. Bentwich) that the JRSO should set up a Legal Aid Department to handle the cases of individual claimants. There are about 2000 such cases in the hands of the United Restitution Office now and these cases would be assigned to the JRSO by them. Only the URO would deal with the individual claimants and there would be no contact between the individuals and the JRSO. The URO would have to provide sufficient funds to cover all expenses involved in prosecuting the individual claims. We had a rather lengthy discussion on this point and I told them that we could not consider it for less than \$31,000. At this rate only 4 lawyers could be employed, each with a base salary of \$2,500.- per year. I told Prof. Bentwich that I considered that salary too low but it was his conviction that competent lawyers could be obtained in England for that price. The conditions under which the JRSO will accept URO cases are as follows:

- 1) Only cases from indigent plaintiffs will be accepted henceforth. (A statement from the plaintiff that he is financially unable to retain counsel should suffice.)
- 2) The JRSO will keep separate account of all expenses involved in prosecuting individual claims and these DM expenditures will be charged to the URO. I understand that the URO plans to charge a contingent fee in Deutsche Mark in order to acquire the funds with which to cover our operating costs. It was my own feeling that there should be neither profit nor deficit in the Deutsche Mark accounts and therefore the JRSO or the URO should assure each claimant that his expenses would not exceed e.g. 10% of whatever he receives and that he would be charged the actual cost and receive a rebate at the end of the year when the real expenses were determined. The URO felt that they could handle it internally and so it was left as first indicated above.
- 3) URO will save the JRSO harmless except for fraud or malfeasance.

- 2 -

- 4) JRSO can reject any case for any reason. It is contemplated, however, that the only reason will be that the plaintiff is financially able to retain counsel or that his case is not well founded.

It was also agreed that the URO would have the right to designate with our approval the person who would be in charge of the Legal Aid Department. It will be his primary responsibility to see that the interests of the individual claimants are protected. All other employees would be retained in the same manner as other JRSO personnel. The work would be kept separate insofar as necessary or feasible but it was contemplated that there would be a considerable degree of cooperation between the Legal Aid Department and the rest of the JRSO in handling both individual and JRSO cases.

All of this, of course, is contingent upon obtaining approval from the Executive Committee in New York. As soon as such approval is forthcoming (and I urge that the matter be considered as soon as possible) I will send a letter to General Clay similar to the one transmitted in my Hq. JRSO N.Y. Letter #71.

We saved for further discussion the possibility of JRSO advancing Deutsche Marks to individual claimants in order to provide them with funds with which to make necessary payments to the restitutors.

Sincerely yours,

/s/ Benjamin B. Ferencz

116860

COPY

Paul V. Myron, Deputy Director
Office of Alien Property

Arthur R. Schor
Chief, Claims Section

March 6, 1956

JRSO Claims

The following is an analysis which covers 2,206 accounts, including almost all of the accounts over \$500, against which JRSO has filed claims.

1. 73 accounts against which there are direct conflicting claims - \$542,835.57.
2. 104 accounts against which there are indirect claims - \$348,834.52.
3. 949 accounts where there are known heirs of the vestees - \$2,955,177.19.
4. 664 accounts where the vestee is alive - \$3,706,293.31.
5. 346 accounts where there is no information concerning vestee or heirs - \$780,012.00.
- 5a. 9 accounts where it appears JRSO may be successor - \$24,190.54.
6. 57 accounts where vestee is not Jewish - \$238,838.27.
7. 4 accounts where vestee is business enterprise - \$11,501.63.

The total amount in all of the above 2,206 accounts is \$8,607,629.03. This is more than 93 per cent of the total amount in the accounts which are being checked. Groups 5 and 5a, listed above, which consist of 355 accounts, appear to be the only categories against which JRSO may be successful in establishing succession. The total amount in groups 5 and 5a is less than 9 1/2 per cent of the total amount in all the accounts which have been checked thus far.

Based upon the above figures, it appears that the total amount in groups 5 and 5a will probably be in the neighborhood of \$865,000. Even if we accept the argument of JRSO that it is entitled to 50 per cent of the amount, it falls far short of the amount they are suggesting in the proposed legislation.

Application for Designation as Successor Organization

Pursuant to the terms of Public Law 626, 83rd Congress, the Jewish Restitution Successor Organization hereby applies for designation by the President as a successor organization for heirless and unclaimed property of persons as hereinafter described who would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) of section 32 of the Trading with the Enemy Act, as amended.

1. Nature and Background of Jewish Restitution Successor Organization

The Jewish Restitution Successor Organization is a charitable membership organization, incorporated under the laws of the State of New York. The Jewish Restitution Successor Organization was incorporated, under the name of the Jewish Restitution Commission, pursuant to certificate of incorporation filed in the office of the Secretary of State of New York on the 15th day of May 1947. Its name was changed to the Jewish Restitution Successor Organization pursuant to certificate executed on the 29th day of July 1948.

Attached hereto are copies of the certificate of incorporation of the Jewish Restitution Commission and of a certificate of change of name.

As stated in the certificate of incorporation, the Jewish Restitution Successor Organization was founded primarily "To assist, aid, help, act for and on behalf of, and as successor to, Jewish persons, organizations, cultural and charitable funds and foundations, and communities, which were victims of Nazi or Fascist persecution and discrimination, in all matters relating to claims for the restitution of property and property rights of every nature and description, and for compensation and indemnification arising out of loss or damage suffered by them in consequence of such persecution and discrimination, and in connection with the foregoing to discover, claim, acquire, receive, hold, maintain, manage, administer, hire, liquidate, and otherwise dispose of property and property rights of every nature and description for the benefit of victims of Nazi or Fascist persecution or discrimination, and to apply the income therefrom, the increments thereto, and the proceeds thereof for the relief, rehabilitation, reestablishment, resettlement and immigration of such victims, all in accordance with the laws and policies established by the Governments or authorities in control of the countries, or areas, where any or all of the foregoing activities may be carried on". The Jewish Restitution Successor Organization (hereinafter referred to as JRSO) has so acted since the date of its incorporation.

2. Persons to Whom JRSO Seeks to Act as Successor

The JRSO requests that it be designated as successor to any persons, eligible for return of their property pursuant to section (a)(2)(C) or (D) of the Trading with the Enemy Act, as amended, who were persecuted as Jews on grounds of race or religion.

3. Purposes for which Returned Property or Proceeds
Will Be Used

In accordance with its Charter, the JRSO proposes to use all property or proceeds returned to it, in accordance with the statute, for the rehabilitation and settlement of persons who have been persecuted on said religious or racial grounds.

4. Assurances Required by Statute

The JRSO hereby gives firm assurance that:

(i) The property or interest returned to the JRSO, or the proceeds of any such property or interest, will be used on the basis of need in the rehabilitation and settlement of Jewish persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivision (C) or (D) of section 32 (a)(2) of the Trading with the Enemy Act, as amended:

(ii) The JRSO will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any persons whom the President or such officer or agency as may act for him within the terms of the Trading with the Enemy Act shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner by inheritance, devise or bequest;

(iii) The JRSO will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to the JRSO or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require; and

(iv) The JRSO will not use such property or interest or the proceeds of such property or interest for legal fees, salaries, or any other administrative expenses connected with the filing of claims for or the recovery of such property or interest.

5. The filing of this application for designation as a successor organization pursuant to Public Law 626, 83rd Congress, has been expressly authorized and approved by the Executive Committee of the Board of Directors of the JRSO, which is empowered so to act.

Respectfully submitted:

Monroe Goldwater, President

Saul Kagan, Secretary

September 21, 1954

118863

Memorandum in Support of Application of Jewish Restitution Successor Organization for Designation as Successor Organization Pursuant to Public Law 626, 83rd Congress

The Jewish Restitution Successor Organization, a membership organization incorporated under the laws of the State of New York, has applied for designation as a successor organization under the terms of Public Law 626, 83rd Congress, approved August 23, 1954. The following is set forth in support of the application of the Jewish Restitution Successor Organization, hereinafter referred to as the JRSO.

1. The JRSO was first incorporated under the name of the Jewish Restitution Commission in 1947. (The name was subsequently, in 1948, as is set forth in the application, changed to the Jewish Restitution Successor Organization, for the reason that the latter name more accurately described the functions of the organization.) It was set up, however, from the outset for the specific purpose of acting as a successor organization, under legislation similar to and identical in purpose with Public Law 626. It was anticipated in 1947, when the JRSO was first set up (the term JRSO is used equally to refer to the Jewish Restitution Commission), that provision would be made in various laws for successorship to so-called heirless and unclaimed property. Long before the capitulation of Germany, the Allied powers had considered measures to assure that those persons who acquired property by force and duress would not be allowed the peaceful possession of their ill-gotten wealth. The London Declaration of 1943, for example, declared that transfers under duress would not be countenanced. Pursuant to these general policies, the United States Government, at the end of 1947, enacted Military Government Law 59, which was a law for the restitution of identifiable property in the American zone of Germany. This law contemplated the designation of an organization which would act as a successor to heirless or unclaimed property of persons who suffered persecution under the Nazi regime.

In June 1948, the United States authorities in Germany designated the JRSO, which had been set up in anticipation of these events, as "the successor organization authorized to claim Jewish property, as hereinafter defined, pursuant to the terms of Military Law 59". This designation was incorporated in Regulation No. 3, a copy of which is attached hereto as Exhibit 1 to this memorandum.

Other articles of Regulation No. 3 defined Jewish property and specified the status, powers and obligations of the JRSO.

2. Since its designation in June 1948, the JRSO has carried on an intensive program for the benefit of surviving Jewish persecutees and has acted in its stated capacity of a successor organization. It has discharged its duties to the satisfaction of the American authorities and has fulfilled its function both of claiming heirless and unclaimed property and applying the proceeds thereof for its stated purposes, and of assisting individual persecutees and claimants in connection with their own claims.

The role of the JRSO has been officially recognized, in connection with consideration of S. 2420, the bill which became Public Law 626. In Report No. 2451, 83rd Congress, 2nd session, the House Interstate and Foreign Commerce Committee stated that: ". . . Approximately 90 percent of the heirless property which is likely to be turned over to charitable organizations to be used for resettlement and rehabilitation purposes, as provided for in the proposed legislation, is of Jewish origin. An organization which plans to apply to the President for designation as successor in interest is the Jewish Restitution Successor Organization which is a charitable organization incorporated under the laws of the State of New York. This organization was appointed by General Clay, pursuant to Military Government Law No. 59, as the successor organization authorized to claim Jewish property in Germany." A similar statement is found in the Report of the House Interstate and Foreign Commerce Committee in the 81st Congress (Report No. 2338, 81st Congress, 2nd session, to accompany S. 603).

In the discussion of S. 2420 on the floor of the House of Representatives, on August 5, 1954, Mr. Klein stated (Congressional Record, page 12829): "Incidentally, may I point out that the military government law in Germany today, which was administered by General Clay, has a similar law which states that such money should be turned over to an organization which will use it for the benefit of persecutees of similar religions or similar political groups, which is all we are trying to do here. The organization which was set up at that time in Germany by the administration, and approved by General Clay, is a similar organization; in fact, the same organization as I believe will be selected by the President." (emphasis added)

The role of the JRSO as a successor in interest to heirless and unclaimed property in the United States has also been judicially established. See *In the Matter of Henry Ollesheimer, Deceased*, Surrogate's Court, New York, decree of 16 November, 1953.

3. The JRSO's application is supported by the following American organizations, all of which are members of the JRSO:

Agudas Israel World Organization
American Jewish Committee
American Jewish Joint Distribution Committee, Inc.
Jewish Agency for Palestine
Jewish Cultural Reconstruction, Inc.
World Jewish Congress

4. The JRSO should be designated as the sole organization authorized to act as a successor to property of persons who were persecuted as Jews on religious or racial grounds. It would not be administratively feasible for more than one organization to act as a successor to a particular category of heirless or unclaimed property. The task of tracing such property and of filing appropriate claims for it, within the rather brief statutory period, is one of

considerable magnitude and of great complexity. The nature of the task is such that it must be done as a unity, by a single organization, which will be able to claim all property falling within the specified category.

At the same time, it should be recognized that the JRSO is not itself a relief operating agency. It will discharge its responsibilities by distribution of such funds as may accrue to it, for purposes specified by the statute, to cooperating relief agencies. These latter relief agencies need not be, and indeed in many cases will not be, members of the JRSO itself. Designation of the JRSO as the sole successor organization with respect to Jewish property, therefore, would in no way prejudice, and will in fact maximize, the utilization of the claimed property for the specified purposes.

5. The application of the JRSO limits its request for designation to designation as a successor to Jewish property and specifies the use of the property or its proceeds for Jewish relief purposes. It is felt that other organizations can more appropriately discharge responsibilities with respect to non-Jewish properties and persecutees, since the JRSO has from the outset operated in, and is consequently expert in, only the field of Jewish claims and Jewish relief needs. Nevertheless, the JRSO proposes to take whatever steps are feasible to furnish information with respect to possible non-Jewish claims to other appropriate organizations, and to cooperate fully with such other interested organizations. As stated in the Report of the House Committee on Interstate and Foreign Commerce, the great bulk of the property involved, and of the persecutees involved, are Jewish. In the course of the work preparatory to filing claims for this property, information relating to non-Jewish properties may well be developed. This information will, of course, be available to such organizations as may be designated in the non-Jewish field, which should greatly reduce or eliminate administrative costs for such organizations.

In this latter connection, it may be pointed out that the provisions of Public Law 626 require that administrative expenses and similar charges connected with the filing of claims for or the recovery of properties or interests not be charged against the properties or interests recovered. These funds will be provided the JRSO from sources other than assets falling within the scope of Public Law 626.

6. The appropriate officials of the JRSO are at any moment prepared to consult with such officer or agency as the President may designate on any matters connected with the application to which this memorandum is attached.

WJC 0202

MINUTES

JRSO EXECUTIVE COMMITTEE MEETING

September 9, 1954

- Present: Mr. Monroe Goldwater, Presiding
 Mr. Maurice M. Boukstein
 Dr. Solomon Goldsmith
 Dr. Eugene Hevesi
 Mr. Abraham Hyman
 Mr. Morris Laub
 Dr. Isaac Lewin
 Dr. Nehemaah Robinson
 Mr. Saul Kagan

1. Application by the JRSO for designation as successor Organization under the heirless property bill in the U. S. Mr. Goldwater referred to the recent mailings to the members of the Executive Committee, setting forth the provisions of the recently enacted heirless property bill in the U. S. Under this law the President is authorized to appoint one or more successor organizations to file claims for assets presently vested by the Office of Alien Property, (OAP) which can be presumed as having been owned by persecutees who perished without leaving heirs. Under the already existing provisions of the law living persecutees may claim the release of their property, and the present bill extends this right to successor organizations, on behalf of those who perished.

It was pointed out that the designation of a successor organization entailed a number of problems which would have to be kept in mind. Under the law, for example, none of the funds recovered might be used for administrative purposes, and the organization designated as successor must be prepared to assume the administrative expenses involved. The law further provides that the successor organization must file claims for individual assets presumed to have been owned by persecutees and now heirless or unclaimed. These assets are not presently collected in a particular fund. Information would have to be searched out of the records of the OAP, a determination made whether an individual claim was filed, and, if not, evidence presented that the former owner was in fact a persecutee. Since this may be a task of tremendous scope, it would be essential to work out with the Alien Property Office definite procedures concerning the manner of filing and proof.

Mr. Kagan reported that a preliminary survey of the lists of accounts is already being prepared to test for Jewish-sounding names. This task is of course made difficult by the fact that there is no indication for which of the assets claims have been filed by living claimants. At the same time, it would presently appear very difficult to obtain from the Office of Alien Property a list of accounts for which no claims have yet been filed.

It was further reported that a number of organizations have already made inquiries and have indicated their desire to be considered as successor organizations. Mr. Kagan pointed out that a number of organizations, misled by publicity stories, proceeded on the assumption that there is actually a readily available fund of money, for a share of which they are applying. There was clear indication, however, that should the JRSO apply for successorship, it would be designated as the sole successor organization for former Jewish held assets, which were now Heirless or unclaimed.

It was also pointed out that under the law it would be possible for the JRSO to be designated for all assets of former persecutees, both Jewish

and non-Jewish. The JRSO might conceivably claim all such assets and then work out agreements with non-Jewish organizations concerning their distribution. It was the strong feeling of the meeting, however, that this should be avoided and that the JRSO should confine itself entirely to former Jewish-held assets.

Mr. Kagan also reported that Mr. Katzen, the adviser on Jewish matters of the Republican National Committee, has expressed his readiness to assist the JRSO.

It was the decision of the meeting that the JRSO should apply as successor organization for formerly Jewish-held and now heirless or unclaimed assets, the proceeds to be used for Jewish victims of Nazi Persecution. The question was raised whether this limitation to Jewish assets alone would require at this time a "pro-rating" of the overall 3 million ceiling for a Jewish successor organization. It was felt, however, that no particular reference to this should be made in the application. Nor was it really expected that this question would be raised at this time by the Government, particularly in view of the fact that former Jewish accounts are believed to constitute about 90% of the potential assets.

II. Request of the former Israelitische Religionsgesellschaft of Frankfurt - Project of the Vaad Haveshivoh for the establishment of a convalescent home for Yeshivah students in Israel. Reference was made to the memorandum on the project which had been circulated to the members of the Executive Committee prior to the meeting. It was pointed out that this project would meet the desire of the representatives of the former Religionsgesellschaft that in consideration of the fact that the JRSO derived funds from the property of that community an allocation be made for a project in Israel which would memorialize the name and spirit of the community. Dr. Goldsmith stated that an agreement had been worked out with a representative of the Vaad Haveshivoh concerning the name of the institution and other measure, with regard to the memorialization of the Frankfurt Religionsgesellschaft. It was further understood that, upon approval of this project by the JRSO, the Frankfurt Religionsgesellschaft trustees would withdraw their claim to the former property of the community and would entertain no further claims against the JRSO.

The Executive Committee approved an allocation of DM 200,000 for the above project, under the outlined conditions. It was further understood that funds would be allocated as they become available.

The question was raised whether this allocation should be considered as part of the DM 3 million fund to be set aside for projects submitted by various organizations. Decision on this point was deferred.

III. Motion by Dr. Lewin. Dr. Lewin stated that in consideration of the fact that the successor organizations are expecting to receive certain funds for the indemnification claims for destroyed synagogues, he would propose that these funds be set aside for religious purposes - not necessarily synagogues, although there may be need for synagogue construction in Israel or other areas. He felt that such a gesture would demonstrate the interest of the JRSO in carrying forward the spirit of the communities which had originally built and used these synagogues. In view of the diverse issues involved in such a proposal and the need for further clarification, it was agreed to defer consideration at this time.

1945

THE PROBLEM OF INDEMNIFICATION AND REPARATIONS

(A tentative brief review of facts and measures)

by Nehemiah Robinson.

I. The present status of the problem

Several problems of greater importance have to be treated here :

- a) The question of how indemnification (restitution of property and compensation of losses) is handled in the various former Nazi-dominated countries ;
- b) What happens or is expected to be done with Jewish property whose owners (or their heirs) have been annihilated;
- c) What has been done to solve the problem of general compensation for Jewish losses (reparations);
- d) How are Jews - - actual or former citizens of Axis nations - - treated with regard to their properties located in Allied countries or assets to be used as means of reparations for the benefit of Allied nations ; the same as to heirless property of Allied citizens;
- e) What is the position of looted Jewish property;
- f) The claims of Jews from Axis countries against their Governments and present possessors of their properties ; the fate of properties of emigrants from other countries.

Briefly, the position can be summarized as follows :

Ad a) During the war almost all invaded countries (except Holland) had enacted decrees or published declarations concerning the nullity of acts of spoliation and forced transfers. In addition, all of them have adhered to the United Nations Declaration of January 5, 1943 on the same subject.

Due to the existing restrictions and difficulties in postal and other services and the unsettled conditions in many of the war-stricken countries, not all data on the indemnification legislation and its implementation are available. So far as these acts and measures are known, neither Belgium, Luxembourg, Greece, Norway, Yugoslavia, Holland nor Czechoslovakia have, after liberation, enacted any special laws on the

subject of restitution and compensation. Holland - - as well as all other countries - - has formally invalidated the anti-Jewish laws and measures. But it cannot be stated with certainty whether the factual return of property which is reported from Holland (there, blocked Jewish funds and valuables were found in the bank used for that purpose by the Germans), Czechoslovakia, Greece, Yugoslavia and Luxembourg is the result of purely administrative measures (Tito is reported to have warned the possessors on the return of Jewish property), of the legislation enacted during exile, or normal civil laws. It is quite evident that such a process cannot be satisfactory in the multitude of cases. It has, for instance, recently been officially reported from Greece that the German decree expropriating Jewish property in Salonica has not yet been repealed, but that as an interim measure the local authorities have ordered the possessors to return to the few survivors their properties. From Czechoslovakia come reports that in Bohemia-Moravia restitution of Jewish property to the survivors is effected without greater difficulties, but that in Slovakia nothing could have been achieved (the confiscation of larger Jewish properties has even been officially announced there). On the other hand, the Czechoslovak decree confiscating the properties of all persons who in 1929 declared themselves Germans, will affect many Jews.

It was reported from Poland that the decree of March 2, 1945 assures the return of Jewish properties (except these to be expropriated) and the income thereof, provides for simplified proofs of former ownership and court procedure. It is, however, unknown whether the law was set in motion and how the return is effected, if at all. In the former satellite countries of Italy, Bulgaria and Rumania quite detailed laws on the return of some of the confiscated and transferred properties were issued. But, with the exception of Italy, their implementation seems to meet with great difficulties and goes on very slowly; the provisions are far from being satisfactory. In Hungary, the law of the agrarian reform contains provisions concerning Jewish properties; they are hardly encouraging.

Quite different is the situation in France. The French Government enacted earlier decrees concerning the return of Jewish properties in the hands of governmental offices and trustees. In April, 1945, a law was promulgated guaranteeing the return of Jewish properties transferred to third persons by the authorities or the Jews themselves. The law went quite a long way toward fulfilling the demands for a fair legislation: it instituted a speedy procedure, stated useful assumptions for the benefit of despoiled persons, provided for delays in repaying the amounts received by the victims of racial legislation. Still, certain defects are to be found, especially in cases of "voluntary" transfers.

The best proofs of how restitution takes place are the reports coming from all over Europe about the desperate economic plight of the Jewish population there.

Ad b) The decrees of the Governments-in-exile did not provide anything for these cases. Neither does it seem that special provisions have been inserted in the laws of Italy, Rumania and Bulgaria which provide (as do all other similar laws), for certain periods during which the claims have to be presented. It may be assumed that whenever no claim is instituted in due time, the property will either remain in the hands of the present possessors or will be taken over by the Government. It was earlier reported from Poland that heirless property will be taken over by the municipalities; later, that special commissions will be charged with its administration. Now the Government has restricted the right of inheritance to the nearest relatives, probably to forestall the transfer to relatives living abroad. In France, the law specifically provides that property which will not be claimed within the prescribed period, will be placed under sequestration and that a special decree will provide the conditions for their escheat (reversion to the State).

Ad c) The problem of German reparations is in general far from having been solved. At present discussions are going on in Moscow, and vague reports coming from there suggest that Russia is insisting on huge reparations (probably some 20 billion dollars). It is not yet known whether German industries will be allowed to be reconstructed and to what extent, whether German labor will be used extensively, raw materials and industrial enterprises preferred as compensation.

A memorandum was submitted to Dr. Lubin (assistant chief of the U.S.A. delegation to the Moscow Reparations Commission). Dr. Lubin declared that the Reparations Commission is not competent in such questions, since it has only to discuss the manner of exacting reparations and their distribution among the Allied Nations (as stated in the Yalta declaration). He advised to request the higher authorities, i.e. the Governments of the United States, Great Britain and Russia to allow the Reparations Commission to set aside certain reparation amounts for the benefit of the Jewish people. He believed that the Commission may be glad to execute such a decision.

Ad d) There are different aspects of this problem. First, the position of the Jews in the former Axis satellites, especially Hungary, Rumania and Bulgaria. These countries have to pay fixed amounts of reparations to Russia (Hungary also to Czechoslovakia and Yugoslavia). It is not known whether the

dispossessed Jews regaining their properties have to participate in this burden and whether they must also pay it by way of taxes and other levies.

The next problem is properties of Jews, especially from Germany and Austria, located in former occupied countries (France, Czechoslovakia, Yugoslavia etc.). It is known that in certain cases (France, Belgium) the properties of all Axis nationals in these countries have been either blocked or confiscated; Jews were not exempt from these measures. The same action may be expected elsewhere, the properties of former Axis nationals serving either as compensation for the losses the individual countries have sustained, or as part of the general reparations. In the United States a recent executive order of the President affected all German assets without distinction.

The third category includes assets belonging to Jews from Axis countries and located in other countries, especially neutral ones, for instance Switzerland, Sweden, but also in the U.S.A. and Palestine. Insofar as the Jews are still alive, the peril is that their properties may be claimed by the Allies as Axis assets. In the event that they have been annihilated, the question as to the right to claim them will also arise, especially since either the states whose nationals the owners were, or the countries where the assets are at present to be found, may claim them as heirless property. The same question will come up with regard to deposits and similar assets in the United States, Great Britain, and elsewhere if the owners cannot claim them. In many cases the heirs may not even know of the existence of such assets, much less where they are. To these assets belong also credits of Jewish enterprises and firms from war-stricken areas in other countries. Many Jews from former occupied countries who have perished at the hands of the Germans, have left property in various countries.

Ad e) There can be little doubt that at least a part of Jewish valuables, money and other properties, stolen from Jews all over Europe by Germany and Germans, will be recovered by the Allies. It has been reported that some such assets have already been found in Germany; others will be located in hideouts belonging to German banks, authorities and high individual Nazis. Much of it has been exported to neutral countries, especially Switzerland, Sweden (it has been reported that the greatest part of the fifty million dollar German investment in that country represents Jewish loot), Spain and Latin American countries. In some cases the properties can be identified as belonging to surviving Jews - - either from Axis countries or Allied Nations - - , in others no identification is possible, as they were melted down ;

in a great many instances no claimants will be at hand, having been annihilated.

Ad f) The position of former German and Austrian citizens or residents is of especially great concern, since almost none of them wants to return there. Not only are large real estates, enterprises and other assets involved, but also claims pertaining to unlawful levies (special levies on Jews, emigration tax) and other rights (insurance, lost positions etc).

The emigrants from non-Axis countries are most interested in the possibility of transferring their properties to their new residence.

II. The measures to be taken

Ad a) As we have seen, not everywhere have the necessary measures been enacted and especially implemented. Nowhere does any action seem to have been taken on the part of the World Jewish Congress. Steps could be envisaged to prompt those governments which had not yet acted, to do something about the return of Jewish property and satisfaction of Jewish claims. Where the measures taken are inadequate, proposals for better treatment could be presented. In all cases the demands and requests must be based on the actual conditions - - legislative and implementary. If nothing is done, no more or less uniform solution (with variations inherent in the local conditions) could be achieved. The resolution of Atlantic City demands such uniformity.

Ad b) As indicated, in certain instances some sort of fait accompli has been achieved. But neither there nor elsewhere has anything definite been done. According to the resolution of Atlantic City, special attention should be paid to this source for General Jewish reconstruction. It may be that the time has already passed when the countries involved would have agreed to the demands of Atlantic City in their totality. But something may be salvaged here and there (especially in the Western countries) if action is taken. It should be ascertained - - through some kind of study - - how many persons in every country are involved, what the approximate amounts are, and what are the possibilities for transfer. At any rate the governments must be reminded of the existence of the problem.

Ad c) In this respect nothing short of intervention with the State Department and the Foreign Office - - even better, with the President and the Prime Minister - - could net any result. Memoranda ought to be presented at the earliest possible moment. It should also be considered whether the United States could not be moved to use at least part of the confiscated German assets for Jewish rehabilitation and reconstruction.

Ad d) Different steps are advisable for the different categories of assets. So far as measures undertaken by the individual governments are concerned, intervention with them is necessary. If the Allies decide to exact reparations from Germany in the form of goods and enterprises, or parts thereof to be found there, and of assets and property located there (including Austria) and elsewhere, the Reparations Commission and the Control Commission for Germany will have to be approached to exempt Jewish property from such use. Special care and intervention with the governments will be required in case of Jewish heirless assets, claims and properties in the individual countries.

Ad e) The authority over looted property varies from the occupant (American, British, French and Russian) to the country of location. At present, the American occupation authorities seem to be the main holder of such properties found in Germany. Intervention with the American State and War Departments and the Commander-in-Chief of the Occupation Army are most urgent, but contact with other authorities would also have to be initiated.

Ad f) Since there will probably be no German government for years to come, the authority for such questions will rest with the different occupying authorities (the American set-up provides, as does the Control Commission, for a department of reparations and restitution) and the Control Council. These offices would have to be approached at the earliest possible moment. In the case of non-Axis emigrants, the individual governments must be approached.

Ad a) - f) The stated problems and possible remedies are rudimentary only, since only the main features could be given. In all cases more detailed requests would have to follow the initial steps, as the problems are most complicated and hardly very easily solved. In all probability joint action by the nations involved and preparation of the material for the amounts involved (through some kind of registration of claims) will be inevitable.

COMMITTEE FOR JEWISH CLAIMS ON AUSTRIA
270 Madison Avenue
New York 16, N. Y.

MEMORANDUM

July 27, 1953

To: Member Organizations

From: Saul Kagan

You will have seen in the press the report on the recess of the Austrian negotiations for the summer. It is contemplated to resume negotiations on September 14.

At the close of the first phase of the negotiations Dr. Goldmann and Mr. Beckelman met with Chancellor Raab, Finance Minister Kamitz, and Foreign Minister Gruber to review the progress hitherto made. The attached letter from Dr. Goldmann to Chancellor Raab, which is confidential, summarizes the understandings arrived at thus far and outlines the problems which still remain. It is clear that during the subsequent negotiations it will be necessary to formalize the understandings thus far reached and to reach agreement on the outstanding issues. Attached is also the text of the agreed draft communique. According to a cable received from Europe it is expected that a communique along these general lines will be issued this week.

It is expected that a meeting of the member organizations will be called in the course of September.

SK:mc

Saul Kagan

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COMMITTEE FOR JEWISH CLAIMS ON AUSTRIA
270 Madison Avenue
New York 16, N. Y.

July 17th, 1953

MEMORANDUM

To: Joint Executive Board Members

From: Saul Kagan

Reference is made to my memorandum of yesterday.

Dr. Hevesi and Dr. Robinson returned today from Vienna and brought copies of the letter which Dr. Goldmann sent to Chancellor Raab following his meeting on July 14th and the text of the proposed press communique to be issued by the Austrian Government after the meeting of the Cabinet on July 21st.

It is obviously clear that the press communique is subject to such changes as the Austrian Cabinet may make next Tuesday.

Saul Kagan
Saul Kagan

SK:AUN
Enc.

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TRANSLATION

Vienna, July 15, 1953

His Excellency
Chancellor Julius Raab
Federal Chancellery
Ballhausplatz 1
Vienna

Dear Mr. Chancellor:

Before leaving Vienna I would like to express my thanks for our discussion of yesterday and express my satisfaction that we have advanced one step on the road to a final agreement.

Mr. Beckelman will submit today to Finance Minister Dr. Kamitz the draft of a communique which we discussed, and I confidently hope that this communique will be published by your press service, as agreed, next Tuesday after the meeting of your Cabinet.

Since, at your and your colleagues' request, the communique will be worded quite generally and since in yesterday's discussion we reached agreement on certain points which will not be mentioned in the communique, I consider it desirable, with regard to the future negotiations, that these points be briefly formulated:

1) The Austrian Government accepts and recognizes the principle that no discrimination shall be practiced against non-citizens and non-residents of Austria with regard to restitution and indemnification legislation. The Austrian Government declares its readiness to extend this principle of non-discrimination, which is already expressed in the two laws passed last week, to all existing laws dealing with these questions and to also apply this principle to all future legislation in this connection.

2) Your Government will favorably examine (wohlwollend pruefen) the question to provide certain compensation for the loss of furnishings and similar values for victims of National Socialist persecution, particularly by assimilating these compensation methods to the already existing legislation for similar losses (bombed buildings, etc.)

3) Although you and your colleagues have emphasized in yesterday's discussion that you cannot conceive as yet how similar compensation should be paid for losses of such assets as savings accounts, insurance policies, jewels, etc., within the framework of existing Austrian legislation, you on the other hand declared your willingness to examine these questions further when negotiations will be resumed in September.

4) In the question of heirless and unclaimed Jewish property, you declared your willingness, in future negotiations, to take into consideration other aspects of this question than merely identifiable property, and to consider the possibility of placing an additional amount

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at the disposal of the Jewish organization, in order to render assistance to Jewish victims of National Socialist persecution in and outside of Austria, which could not be rendered out of any other means. In this way the amount which your Government would make available to our Committee for heirless and unclaimed Jewish property would also have the character of a hardship fund, since this amount shall be used exclusively on behalf of Jewish victims of National Socialist persecution, in and outside of Austria.

Finally we agreed regarding the further procedure that a communique shall be issued next week on your behalf, the text of which shall be prepared by us with Finance Minister Dr. Kamitz. This Communique shall contain three points:

- a) The recognition of the principle of non-discrimination;
- b) The continuation of discussions between experts for technical preparation of the future negotiations;
- c) The announcement of the resumption of the negotiations between the two delegations around September 12, 1953, at which time all still outstanding and unsettled questions shall be discussed in the hope of reaching a mutually satisfactory agreement.

I may assume, dear Mr. Chancellor, that the content of this letter sets forth in detail the result of our discussion of yesterday and in closing may express again the hope that it will be possible, on the basis of our yesterday's discussion, to reach in September as soon as possible a satisfactory settlement of all outstanding questions.

Wishing you a pleasant vacation, I remain with best regards,

Respectfully yours,

Dr. Nahum Goldmann

TRANSLATION

DRAFT

PRESS COMMUNIQUE

July 14, 1953

The negotiations which were conducted on the part of the Government of the Federal Republic of Austria during the last few weeks with the representatives of the Jewish organizations, have in their first stages already led to certain positive results.

Above all, the Austrian Government affirmed the principle that in legislation regarding restitution and compensation for victims of National Socialist persecution no distinction shall be made between Austrian citizens and non-citizens, both within Austria and abroad. This principle of non-discrimination is already expressed in the laws which were passed last week by the Austrian Parliament (regarding compensation to officials and compensation for deprivation of liberty). The questions of compensation for heirless and unclaimed Jewish assets, as well as for furnishings and similar assets confiscated by the National Socialist regime, still remain to be clarified and settled.

Due to the beginning of summer vacations, it was agreed in a discussion in which participated, on behalf of the Austrian Government the Federal Chancellor, the Minister of Foreign Affairs, and the Finance Minister, and on behalf of the Jewish organizations the Chairman of the Joint Executive Board for Jewish Claims on Austria, Dr. Nahum Goldmann, and the leader of the Jewish negotiating delegation, Mr. Moses Beckelman, that experts of both sides should continue the discussions which should lead to a clarification of the evaluation of heirless and unclaimed Jewish assets, as well as of the confiscated furnishings and similar values. In the first half of September the negotiations shall be resumed in the expectation that these discussions will deal with all questions which were raised but not yet settled and will lead to a satisfactory settlement.

* * * * *

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Dr. Ernst Lemberger

MEMORANDUM OF CONVERSATION

Participants: Dr. Ernst Lemberger
Mr. Seymour J. Rubin

On May 19, 1953, I telephoned to Dr. Lemberger who had previously informed me that he had received a cable from his Government stating that a written invitation to meetings with the Jewish organizations was being sent to the Austrian Embassy in Washington. Dr. Lemberger stated, during our telephone call, that this written communication had now been received and I arranged to meet with him that afternoon.

At our meeting Dr. Lemberger read to me, in English translation, the text of an instruction which he had received from the Austrian Government in Vienna. The substance of that instruction was as follows:

(1) In accordance with the decree of April 14, 1953, the Austrian Government had established a committee to deal with the Jewish organizations. On this committee were representatives of the Federal Chancellery and of the Ministries of Foreign Affairs, Interior and Social Welfare.

(2) This committee was undertaking preliminary work in regard to the wishes of world Jewry to solve the problem of "persons of Jewish faith" who had been victims of the Nazi regime.

(3) This work of the committee was being based on the assumption that world Jewry would send a delegation to Vienna to discuss these matters. This delegation must be a solely authorized representative for all world Jewry with power to make binding statements.

(4) The Austrian Embassy in Washington was instructed to invite the four organizations - that is, the American Jewish Committee, the World Jewish Congress, the American Joint Distribution Committee and the Jewish Agency for Palestine - to a meeting in the Embassy and to give them the substance of the above instruction. At such meeting the Embassy was to state that the Austrian Government desired that the meetings be held in the second half of June, if possible. (On this point Dr. Lemberger had a little translation trouble. He started by saying that the Austrian Government was "considering" the second half of June as the appropriate time for such meetings; then he stated that the German text was stronger than that and that it meant that the Austrian Government wanted meetings during the second half of June, if possible.)

(5) The Embassy was to say at such meeting that it regretted that earlier meetings could not be held but that "technical and financial reasons" made an earlier date impossible.

(6) The Austrian Government assumed that the Jewish organizations would bear their own travel and living expenses.

(7) The participation of the Jewish Labor Committee was thought appropriate by the Austrian Government, although the Austrian Government would not inject itself into the question of who appropriately should represent the Jewish organizations. The Embassy was, however, to communicate "the invitation" to the Jewish Labor Committee. In transmitting "the invitation" to the four organizations, the Embassy was to ask if the Jewish Labor Committee was to be represented.

The above represents the entirety of the instruction received by the Austrian Embassy from Vienna.

Thereafter Dr. Lemberger and I had a conversation lasting in excess of an hour.

First, I called Dr. Lemberger's attention to the press release covering the meeting of May 8th, which I had previously handed to him. I pointed out that the four organizations had now been expanded into the Committee on Jewish Claims Against Austria, of which the four organizations were a constituent part. I further pointed out that this Committee included the Jewish Labor Committee and that the efforts of the Committee on Jewish Claims Against Austria and that there was no possible conflict or divergence of views between the Jewish Labor Committee and the other organizations represented in the Committee. I further pointed out that the press release announced the formation of a joint Executive Board, that the Jewish Labor Committee was represented by Mr. Held on the joint Executive Board, and that the Association of Jewish Communities in Austria would name three members to that joint Executive Board.

In our discussion of this point Dr. Lemberger asked that I undertake to communicate the invitation to the Jewish Labor Committee which I said I would do promptly. He further suggested the desirability of having a representative of the Jewish Labor Committee on the negotiating delegation, making the suggestion as a friendly one in the interest of reaching an effective agreement. He also inquired whether Dr. Maurer would be a member of the joint Executive Board or of the negotiating delegation and I indicated my belief that this would be the case.

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Secondly, Dr. Lemberger and I discussed the ability of the Committee on Jewish Claims Against Austria and the Association of Jewish Communities in Austria to speak for the whole of "world Jewry". On this point Dr. Lemberger appeared to derive considerable satisfaction from my statement that the Committee on Jewish Claims Against Austria was substantially identical with the membership of the Conference on Jewish Material Claims Against Germany. I explained that of course it was impossible to say that every individual Jewish claimant would consider himself represented by the Committee and that there was no way to guarantee that no individual or even organizational claims whatsoever would be put forward by individuals or other organizations. I stated, however, that the effort had been made, and I thought successfully, to get a group which was as broadly representative as possible, and Dr. Lemberger appeared to be satisfied on this point.

I alluded to the problem of the Association of Former Concentration Camp Inmates, headed by Dr. Eisler. Dr. Lemberger asked whether there was not some way in which this Association could be included or somehow taken care of. In the course of our discussion on this point, Dr. Lemberger and I agreed that Dr. Eisler was a difficult person to deal with and Dr. Lemberger appeared to understand the practical impossibility of including his Association. He also appeared to understand that the Association had a very doubtful quality as a representative group. Further, he appeared satisfied on the point that the forthcoming negotiations could include only Jewish organizations and that the Association of Former Concentration Camp Inmates purported to be a non-sectarian organization and to include non-Jewish claimants. It was pointed out by me that any agreement which might be reached would of course redound to the benefit of individuals generally, without regard to whether they belonged to a particular association or not. On this point, although he said that he had transmitted to Vienna some of the complaints previously made by Dr. Eisler, Dr. Lemberger seemed to be satisfied at the end. His last statement on the subject was one in which he said, in fact: "Would it not be possible to give a portion of whatever proceeds might be received to the Eisler group - but of course that would not be possible. I quite understand that."

Third, Dr. Lemberger and I had a brief discussion of the unincorporated status of the Committee on Jewish Claims Against Austria. He inquired whether such an unincorporated association could be a "legal entity". I assured him that it could be and pointed out the procedure which had been followed in the case of the Conference on Jewish Material Claims Against Germany, which had participated in the negotiations as an unincorporated association but which had not been incorporated under the laws of New York prior to the receipt of any funds by it. Again, Dr. Lemberger appeared to be satisfied on this point and with the suggestion that an analogous procedure might be followed in the Austrian case.

Fourth, we discussed the question of the phrase "persons of Jewish faith" included in the Austrian instruction to the Embassy in Washington. I stated that the organizations purported to speak only for professing Jews. Again, however, it seemed clear that a comprehensive restitution or indemnification agreement, giving rights to individuals, would probably base those rights on persecution rather than religious status. On this statement the discussion on this point ended.

Fifth, I asked Dr. Lemberger to re-read the portions of the Austrian communication dealing with the exact nature of the invitation being extended to the Jewish organizations. He did this and in the course of so doing had the slight translation difficulty which I have mentioned above. He made it quite clear, however, in response to my direct question that the Austrian Government wanted to have discussions during the second half of June and that it was not merely a statement that they were considering issuing an invitation for that period. This point seemed to be borne out by the text of his instruction which referred twice to an "invitation", in that portion of the instruction which directed the Embassy to communicate the "invitation" to the Jewish Labor Committee and in that portion which stated that, in communicating "the invitation" to the four organizations, the question of participation of the Jewish Labor Committee should be raised. I thought it desirable to make this point absolutely clear, without at the same time indicating that we had any doubts on the subject of the solidity of the invitation. I did this by asking whether it would be in order for us to discuss a particular day during the second half of June on which such meetings could begin. Dr. Lemberger agreed that this would be appropriate under the instruction which he had and that it would be desirable in view of the shortness of the time for preparations. We then consulted the calendar. He suggested that the meeting begin on a Monday. He discarded June 29th on the ground that it was too late and June 15th on the ground that an international conference of mayors would be meeting in Vienna from June 13th until about June 19th. We therefore agreed to recommend to our respective authorities the date of June 22nd.

We then discussed the question of further procedures, since the Austrian Embassy in Washington had been instructed to invite the four organizations to the Embassy for a meeting at which these matters would be discussed and the views and invitation of the Austrian Government would be communicated. Dr. Lemberger asked whether I could be considered as representing the four organizations or the enlarged Committee, so that he could in effect state to his Government that its instructions had been complied with during our meeting of May 19th. I said that I had been at least informally acting on behalf of all of the organizations in connection with the Washington aspect of their problems and that I would certainly undertake to communicate everything that had been said to all of the organizations. I further stated that I would communicate with Dr. Lemberger again within the next week or so and would inform him whether a further meeting in the Austrian Embassy was desired by the Committee on

Jewish Claims Against Austria. I also hoped to be able to communicate to him within the same period of time word as to the acceptability or not of the June 22nd date and possibly word as to the composition of the Jewish delegation. I emphasized that we would try to proceed as quickly as possible to firm up the date, etc., in order that travel arrangements and the like could be made.

Sixth, I also assured Dr. Lemberger that the Jewish organizations did not plan to ask the Austrian Government to finance the travel or living expenses.

Seventh, Dr. Lemberger then asked whether I could remain while he dictated a dispatch to his Government in Vienna. He then called in his secretary and dictated a dispatch in German, speaking very slowly so that I could understand what was being said. I asked for a translation into English at various points where my German was inadequate. The substance of his dispatch was as follows:

He stated that he had met with me and that I was authorized in these matters to act on behalf of the Committee on Jewish Claims Against Austria. This Committee included the four organizations with which the Austrian Government had previously dealt. It also included the Jewish Labor Committee so that in connection with this single matter it was felt that I could represent that Committee as well. The Committee on Jewish Claims Against Austria was substantially identical with the Conference on Jewish Material Claims Against Germany. It therefore could speak for world Jewry and he specifically referred to the statement in the press release of May 9th which indicated that the Joint Executive Board would speak for all Jewish interests. I was to communicate the invitation both to the Committee on Jewish Claims Against Austria and specifically to the Jewish Labor Committee.

He had discussed with me a possible date for a meeting and had suggested the date of June 22nd for the initiation of meetings in Vienna. I would communicate with him shortly and would inform him about the acceptability of that date and probably about the composition of the delegation which would be named to negotiate with the Austrian Government.

He had been assured that the Jewish organizations would bear their own travel and living expenses.

Finally he suggested that the meetings be initiated by a meeting "at the highest level" (these words he put in English) between leaders of the Jewish world and the Austrian Government. He mentioned the names of Mr. Blaustein, Mr.

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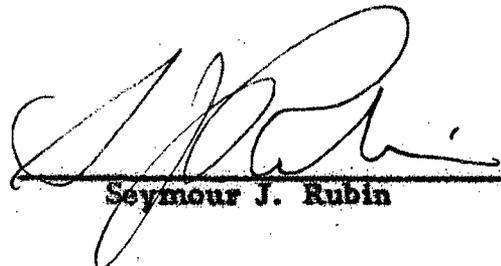
W5C 2802

Held and Dr. Nahum Goldman as possible participants in such a "highest level" meeting.

In connection with the very last point of the above quoted message, I stated that I didn't know who, among the Jewish leaders would actually participate in this "highest level" meeting. The three names given above were mentioned by me as possibilities. I mentioned Messrs. Blaustein and Goldman because of my previous understanding that they might be in Europe and available; and I mentioned Mr. Held because of the very evident anxiety of Dr. Lemberger that the Jewish Labor Committee be as strongly represented as possible. In this connection Dr. Lemberger stressed the heavy socialist representation in the committee set up by the Austrians. He pointed out that the Federal Chancellery would be represented and that the Chancellery was half Socialist, the Vice Chancellor being a Socialist; the same could be said of the Ministry of Foreign Affairs since, although Dr. Gruber was a member of what he called the "Christian" party, Mr. Kreisky was a Socialist; and the Ministry of Interior and Social Welfare were completely Socialist. He also mentioned the gift of some funds which he had received from "the Dubinsky group" shortly before the liberation of Austria and which had been of extreme help to the Austrian trade unions and which was an act of generosity which "we will never forget". I emphasized that the names given above were tentative suggestions, and subject to change, enlargement, etc.

At the conclusion of his dictation Dr. Lemberger asked his secretary to type up the message for immediate approval and transmittal.

As I left, Dr. Lemberger assured me of his hope that these negotiations would come to a speedy and a satisfactory conclusion, his feeling that, although he would be in Vienna from the middle of June until about July 1st on home leave, he expected that he would be consulted on these matters and his hopes to see me in Vienna and that we would participate in the eventual conclusion of these discussions.


Seymour J. Rubin

Washington, D. C.

May 20, 1953

116884

J.K.W.
LAW OFFICES
LANDIS, COHEN, RUBIN, SCHWARTZ AND GEWIRTZ

1832 JEFFERSON PLACE, N. W.

WASHINGTON 6, D. C.

STERLING 3-5905

JAMES M. LANDIS
WALLACE M. COHEN
SEYMOUR J. RUBIN
ABBA P. SCHWARTZ
STANLEY GEWIRTZ
—
JAMES R. ZUCKERMAN

June 17, 1953.

TO : Simon Segal
Ben Farnes
Saul Egan
Nehemiah Robinson ✓
Moses Leavitt

FROM : Seymour J. Rubin

I believe that the attached carbon copy of a letter from
Geoffrey Lewis is self-explanatory.

116885

WJC C992

C O P Y

DEPARTMENT OF STATE

June 10, 1953.

Dear Sy:

Thank you for your letter of June 8, in which you ask us to discuss with Dr. Conant:

- (a) the desirability of reaching a bulk settlement of JRSO claims in Berlin; and
- (b) the need for passage of the Federal indemnification law at the present session of the Bundestag.

I discussed these points with him last night at some length. I found him thoroughly familiar with both problems and he said that he had seen Ben Ferencz about them shortly before he left for the States last week.

With regard to (a), he is well aware of the desirability of obtaining such a settlement as we did in the other Laender. However, he points out that the Berlin situation is complicated by the fact that a large share of the support of the city comes from the Federal Treasury which is under control of the Finance Minister Schaeffer. He is also worried about pushing too hard at this time when the economic situation of Berlin is in difficult shape. However, he will continue to do whatever he possibly can to bring about a satisfactory settlement.

With regard to (b). He has spoken to the Chancellor very recently and offered his full support to the Chancellor in getting the law through the Bundestag. He made clear to the Chancellor that if this seems advisable he, Dr. Conant would be glad to take the matter up with the various Minister Presidents. He told me that the Chancellor has promised to notify Dr. Conant if his help should prove necessary.

I am sure the American Jewish Committee can be certain that Mr. Conant is keenly aware of the desirability of pushing to completion the whole program of restoration and indemnification at the earliest possible time. He told me that he hopes to have more chance to see Ferencz now that he has got settled-in a bit.

Sincerely yours,

Geoffrey Lewis
Deputy Director
Bureau of German Affairs

Seymour J. Rubin, Esq.,
1832 Jefferson Place, N.W.
Washington 6, D.C.

116886

WJC C292

June 12, 1953

Mr. Saul Kagan
c/o American Joint Distribution Committee
119 rue Saint Dominique
Paris 7e

Confidential

Dear Saul:

We had a meeting of our committee yesterday and I presume that Benny will send you a report. In addition I want to inform you that the Finance Committee of the B.R. held its meeting yesterday but neither Schaeffer nor Oefftering (State Secretary Hartmann is on leave) were present although Aleph, as I was authentically told by Gl., did speak to Schaeffer in the meantime. I nevertheless hope that this conversation will pay dividends in the long run.

Anyhow, the Finance Committee passed a similar resolution as the Special Committee the other day, to wit not opposing the Federal Draft. I therefore hope that the Bundesrat will pass the bill on 19 June since it is to be submitted to (hfm, after enactment by the Bundestag, once more for approval.

Maybe Schaeffer did not attend the meeting of the Finance Committee for tactical reasons since it had leaked out the day before that the committee would not block the Federal Draft.

When I talked to Oefftering the other day he advised me not to take things "too tragic" if a financial arrangement between the Bund and the Laender would not be reached by 19 June as the problem could be solved until the bill comes to the B.R. "im zweiten Durchgang". Oefftering made me feel that para 77 of the draft would not be the last word of Schaeffer. He is apparently waiting for the Laender Finance Ministry contacting him, in line with what he told me when I visited him. Oefftering was also of the opinion that Schaeffer after making that proposition as contained in para 77 could not come out with another one but would have to wait for a counterproposition from the Laender.

In agreement with Benny I shall now aim at influencing the one or other Finance Minister to get in touch with Schaeffer, if ever possible together with some of their colleagues. I shall do so in the course of next week, if not earlier, on 19 June as I hope that some of them will participate in the meeting of the B.R. I would like it best to talk to Frank (who is at present still on leave) as I am on nice terms with him. If they are present I would also talk to Troeger, Ringelmann (who is usually deputizing for Zietzsch) and Nowak, Rheinland-Pfalz, with whom I had dinner on Whitsuntide. I shall, furthermore,

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and Fritz
try to see Ollenhauer and ask him to talk to Troeger. By the way, when I was in Wiesbaden on 9 June Troeger was unfortunately out of town and I could only talk to Dr. Ebersbach who promised me to submit my request (to invite Schaeffer to the meeting of the Finance Committee of 11 June in a particularly emphatic way) to his boss next morning.

Jeanette Wolff, backed by Greve, pleaded yesterday in the Rechtsausschuss with great vigor for arranging more meetings and the committee finally agreed to reconvene tomorrow and on 17, 18, 19 evening and 20. The time-table for the following weeks has not yet been set.

I had lunch with Jeanette yesterday but could talk to Greve only a few minutes as he had to make a speech in the plenum concerning the Arbeitsgerichte and to attend that debate. I looked up Greve this morning again and talked things over with him in detail stressing that it is now much more important to speed up and push the bill through than to accomplish improvements as discussions on them may delay the work of the Legal Committee in a disastrous way. I confined myself to single out the question of tax exemption and emphasized, first of all, mentioning a certain rumor to this effect, that it would be unacceptable for the Conference if the DP's should be excluded. I strongly pleaded for the DP's and need not repeat my arguments in this letter.

Greve answered that the old DP's (covered by the USEG) could certainly not be excluded ("ausgeklammert") but he would have to admit that there was opposition to the new categories even in the ranks of his party. If only Jews were involved the matter would be different, but the "Nationalverfolgte" were the biggest stumbling-block. He, Greve himself, would be in favor of all new categories.

Greve will look through over weekend the notes of his party-friends belonging to the Legal Committee so that he is fully informed next week. I'll certainly see him next week again.

About the problem of the appearance of the Conference before the Legal Committee Benny is in contact with you. Some people here think that (a) further discussions with us are superfluous (as I submitted that recent memo to many members of the committee and often talked to them) and (b) other organizations are also to be called in if the Conference gets this right, and such discussions would cause a delay which might be fateful.

Sincerely yours,


Herbert S. Schoenfeldt

cc: BBF
NR

116888

COMMITTEE FOR JEWISH CLAIMS ON AUSTRIA
270 Madison Avenue
New York 16, N.Y.

CONFIDENTIAL

May 27, 1953

MEMORANDUM

Subject: Meeting with the Austrian Ambassador

1. The meeting was held on May 26, in Washington at the Austrian Embassy. The participants were:

Dr. Max Lowenthal, Austrian Ambassador to the United States
Dr. Lemberger, Counselor of the Austrian Embassy
Mr. Jacob Blaustein
Dr. Israel Goldstein
Mr. Adolph Held
Mr. Moses A. Leavitt
Mr. Seymour Rubin
The undersigned

2. Ambassador welcomed the delegation and remarked that he considered this visit of such importance that, although he was ill during the past weeks, he felt that it would be necessary for him to be present at this meeting. Dr. Lowenthal went on to say that he is happy to be able to convey to the delegation the desire of the Austrian Government to meet with Jewish organizations in the second half of June. He made reference to the meetings between Mr. Rubin and Dr. Lemberger in which the message of the Austrian Government was communicated.

3. Our delegation expressed gratification over the extension of the invitation and expressed the view that it would be essential that a joint press communique be issued announcing publicly that the Austrian Government has invited the Jewish organizations for discussions, during the second half of June, on Jewish claims on Austria. It was pointed out that such a statement is necessary in order to inform both the persecutees and public opinion in general. It was stressed that an announcement of that sort is certain to generate a great deal of good-will for Austria as the Adenauer Declaration did for Germany. The Austrian representatives stated that they have already raised the question of publicity with the Foreign Ministry and are awaiting instructions from Vienna. They shared our view that such a press communique is necessary and desirable. It was agreed that Mr. Rubin and Dr. Lemberger will prepare the text of the press communique, which will be available for issuance as soon as the consent of the Foreign Ministry is received.

Our delegation further raised the question of dates for a top level meeting and for the start of actual negotiations. The following dates were discussed:

- a. June 16 or 17, for a top level meeting.
- b. June 22nd for the start of negotiations.

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The Austrian representatives considered this timetable as reasonable and will urge its acceptance by the Austrian Government. Our delegation emphasized that it is desired that the Chancellor be available to meet with the leaders of the Jewish organizations. In the course of the discussions Dr. Lemberger also inquired whether the top level delegation would like to be received by the President of the Austrian Republic, and we stated that we would certainly welcome such a meeting on the day of the meeting with the Chancellor. Our delegation promised to communicate the names of our representatives to the top level meeting in the very near future.

4. We also raised the question of the unfavorable restitution legislation, which is presently being considered by the Austrian Parliament and Government and which we feel will be greatly prejudicial to our negotiations with the Austrian Government. Specific reference was made to the Fuenfte Rueckstellungsanspruchsgesetz, which purports to deal with the heirless property problem by establishing a governmental collecting agency and by providing for restitutors to obtain a certificate of clear title to former Jewish property. We stated that we understand that the Cabinet has already approved this law and that it has now been sent to the Parliament and may be enacted during its current sessions. It was clear that such an action at this time will create the worst possible atmosphere for negotiations as it will attempt to create the fait accompli on one of the two major issues, which will be the subject of discussions in Vienna. Reference was also made to the amendment to the third restitution law, which was vetoed last year by the Allied Control Council and which apparently is again being revived by the Austrian Government. We urged that action on these measures be suspended pending the outcome of our negotiations.

Dr. Lowenthal acknowledged the validity of our views and undertook to convey them by cable to the Austrian Government.

5. The atmosphere of the meeting was friendly. Dr. Lowenthal took occasion to state that he witnessed the persecution of Jews in Vienna and that his immediate family (his sister and her Jewish husband) was affected. Another member of his family was working with a Catholic organization to provide food for Jews who lived underground in Vienna.

SK:mc

Saul Kagan
Saul Kagan

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CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.
270 Madison Avenue
New York 16, N. Y.

March 17th, 1953

MEMORANDUM

To: Members of the Executive Committee
From: Saul Kagan

Reference is made to Item 4 of the proposed agenda of the forthcoming meeting of the Executive Committee, which deals with the financial support of the United Restitution Office. Attached is the text of the request to the Conference, outlining in detail the scope of URO activities and the extent of the financial obligations involved.

Saul Kagan
Saul Kagan

SK:AUN
Enc.

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WJC C292

March 17, 1953

Conference on Jewish Material Claims Against Germany, Inc.
270 Madison Avenue
New York, N. Y.

Gentlemen:

The American Joint Distribution Committee, the Jewish Agency for Palestine, and the Central British Fund herewith request the Conference on Jewish Material Claims Against Germany Inc. to assume responsibility for the budget of the United Restitution Office and to subvention the said United Restitution Office for the reasons and in the manner hereinafter set out.

We understand that the United Service for New Americans (USNA) and the New York Association for New Americans (NYANA), which are concerned about one phase of URO operations only, are joining this request.

It might also be noted that the Council of Jews from Germany would be prepared to join in presenting this request.

The United Restitution Office and its network of cooperating affiliated Organizations in various parts of the world was established in 1948 for the purpose of assisting indigent Jewish claimants to recover their spoliated property under the German restitution laws. Subsequently, when indemnification laws were established in the American Zone of Germany and later in Berlin, URO took on the additional task of assisting indigent claimants in obtaining indemnification payments. The main office of URO is located in London where the idea for the establishment of URO was first sponsored by the Council of Jews from Germany. Organizations cooperating with URO have established offices in the United States, Israel and France where lawyers and specialists are employed to interview claimants and assist in the preparation of their claims. In addition URO offices are established in the three Zones of Western Germany and in Berlin where competent lawyers and specialists work on processing and prosecuting the restitution and indemnification claims of URO clients.

By July 1952 URO had succeeded in recovering property for individual claimants in an amount valued at about 30 million DM and in doing so had settled 5,840 cases. As of the same time URO had pending 16.2 thousand restitution cases. By the same period URO registered for its clients 26.2 thousand claims under the indemnification laws of the United States Zone and Berlin.

The successful negotiations which have been concluded with the German Federal Republic by the Conference on Jewish Material Claims Against Germany and particularly the implementation of Protocol # 1 will bring into being a very substantial number of additional claims for indemnification on the part of Western Germany. In fact, it may be noted that the success achieved by the Conference on behalf of individuals will be felt directly by URO in the performance of its work; and it should be further observed that whereas it was foreseen a year ago that URO might conclude its activities within a two year period on the basis of laws and obligations then existing, the achievements of the Conference have directly expanded the responsibilities for which URO services are necessary for a considerable extent and for a longer period though not readily determinable.

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The work of URO in its far-flung operations has in the main been financed by three bodies, namely the American Joint Distribution Committee, the Jewish Agency for Palestine, and the Central British Fund. In addition, the USNA and the NYANA are covering the budget of the Indemnification Section of the URO New York office. Smaller and occasional financial contributions have been received by URO from organizations such as ICA and the South African Jewish Board.

From 1948 to the end of 1952 nearly US\$ 300,000 (in Dollars, Sterling and Francs) were provided to URO for its operations in Germany, the United States, Britain and France. In addition about 28,000 Israeli Pounds were made available for the operations in Israel. Of the total funds provided for URO's operations, more than half, that is over US\$ 168,000 came from the American Joint Distribution Committee. The Jewish Agency for Palestine provided over 22,000 Pounds Sterling, over 3,500 US Dollars and 2½ million Francs; the Central British Fund over 23,000 Pounds Sterling. In addition the Jewish Agency for Palestine and the Central British Fund provided URO with a little over 22,000 Israeli Pounds.

The foregoing financial data does not include URO's Deutschmark income and expenditures. Through 1952 URO had taken in as fees in compensation for its assistance nearly 2 million Deutschmarks of which for the same period URO had expended approximately 1.5 million DMarks, which left URO with a cash carry-over at the beginning of 1953 of more than 500,000 DMarks. In addition it was estimated by URO that as of the commencement of this year there was outstanding as due to URO for fees over 500,000 DM more.

The financial analysis gives rise to the question of how URO functions. URO charges its clients modest fees. The underlying objective in the apportionment of fees is to attempt to recover the actual operating costs and expenses of URO without seeking to make any profits so as to furnish specialized expert non-profit legal services to indigent claimants. Since in the last analysis URO's fees are dependent upon successful recovery of claims by URO and in view of the fact that URO's clients are indigent, the URO fees come out of the proceeds recovered which naturally accounts for the URO income being preponderantly in DMarks.

The three financing bodies of URO have never sought to act as the Executive Directors of the Organizations and in fact have always kept themselves removed from operating and managerial responsibility. Instead, the financing bodies have concerned themselves only with the question of being informed and satisfied that the URO was undertaking functions on a sound and efficient financial basis. Hence, the three financing bodies have served as the membership of the Finance Control Committee which receives and examines financial reports, analyses and budgets of URO and otherwise deals with the questions of financial controls. In this capacity reports concerning URO's general operations are received from the Executive Secretaries of URO or its Coordinating Committee.

The actual policy and managerial responsibility for URO is vested in a Committee known as the Coordinating Committee on which serve representatives of the various sponsoring and operating affiliated organizations.

The three organizations who present this request desire to draw attention to the fact that the work of URO now and in the future will bring material aid and assistance to many Jewish persecutees of National Socialism who are needy as a result of their persecution. Financing the work of URO with the assets to be provided by the Federal Republic of Germany under Protocol # 2 would constitute a most fitting, proper and direct utilization of these funds in accordance with the object of article 2 of the said Protocol. Indeed, it would seem most appropriate that a portion of the funds made available to the Conference under Protocol # 2 be appropriated to assist the needy and the indigent in securing their rights and benefits which are derived from Protocol # 1.

The financial requirements of URO have increased in 1953 and these increases are and in future will be directly resultant from the achievements of the Conference. Further the financing bodies cannot maintain any longer their responsibility for the URO budget.

The three organizations serving in their capacity as members of the Finance Control Committee of URO met in London on 23 January 1953, and reviewed and approved the budget submitted by URO for 1953 as being a reasonable and necessary statement of the budgetary requirements of URO for 1953. The budget which the Finance Control Committee approved is made up of the following totals:

Pounds Sterling	18,679
French Francs	5,454,000
US Dollars	58,940
Israeli Pounds	56,520

In addition to the foregoing a Deutschmark budget of 1,142,240 was approved but this currency will be secured by URO from its Deutschmark income. Therefore it is necessary to furnish the budgetary requirements of Pounds Sterling, French Francs, US Dollars and Israeli Pounds.

The following represents a summary of the 1953 budget by currencies and offices:

	<u>RESTITUTION BUDGET 1953</u>				
	DM	£	Ffrs.	\$	IL
Coord. Committee		3,455			
London Office		6,467			
Paris Office			5,209,000*		
New York Office				43,110	
Israeli Offices					37,860
US Zone (LAD)	310,300			10,190	
British Zone	303,390	1,595			
French Zone	65,460*		245,000*		
Berlin	164,410*	720*			
	<u>DM 843,560</u>	<u>£ 12,237</u>	<u>F. 5,454,000</u>	<u>\$ 53,300</u>	<u>IL 37,860</u>

*Restitution and General Claims Budget.

GENERAL CLAIMS BUDGET 1953

	DM	£	\$	IL
Coord. Committee		2,226		
London Office		4,216		
Israeli Offices				18,660
Munich Office	204,600		2,760	
Frankfurt Off.	94,080		2,880	
	<u>DM 298,680</u>	<u>£ 6,442</u>	<u>\$ 5,640</u>	<u>IL 18,660</u>

The three proposing organizations accordingly recommend to the Conference that the Conference assume responsibility for the URO budget commencing January 1 1953 as set out above.

The organizations further recommend that in view of the fact that the Conference does not have funds presently available to enable funding of the URO budget that accordingly the Conference request the financing organizations to advance funds as agreed upon among the financing organizations until such time as the Conference receives its own funds when reimbursement shall then be made to the financing organizations by the Conference.

The organizations further draw attention and recommend that in view of the fact that a substantial sum is required in Israeli Pounds to finance the activities of URO in Israel and inasmuch as the Government of Israel has agreed to make available certain sums for use in Israel, the Conference should undertake early negotiations with the Government of Israel to secure Israeli Pound advances from the Government to meet the budgetary requirements of URO in Israel.

Finally, the three organizations desire further to advise the Conference of their willingness to continue on behalf of the Conference to serve on the Financial Control Committee and to otherwise assist the Conference in this regard.

American Jewish Joint Distribution Committee

Jewish Agency for Palestine

Central British Fund

JEWISH RESTITUTION SUCCESSOR ORGANIZATION
270 Madison Avenue
New York 16, N. Y.

March 13th, 1953

To: JRSO Executive Committee Members

From: Saul Kagan

Please be advised that a meeting of the JRSO Executive Committee will take place on Thursday, March 26th at 5:00 P.M. at 270 Madison Avenue, Suite 800. The following agenda has been suggested:

1) Rules for the Assignment of Equity Claims in Berlin. -- At the December 10, 1952 meeting of the Executive Committee, it was decided in principle to deviate in Berlin from our zonal rules with respect to eligibility and fees for equity claimants. However, the deadline date of December 31st, 1952 was also to apply to Berlin. It was agreed that we should endeavor to work out uniform rules for all three Sectors of Berlin, in consultation with the Jewish Trust Corporation. The following rules have now been proposed:

- a) Eligible for equitable settlement are the former owner, his spouse, his parent, child, grand-parent, grand-child, brother, sister, and the spouse of such parent, child, grand-parent, grand-child, brother, or sister; furthermore the testamentary heirs of the former owner.
- b) The charges, regardless of the degree of relationship to the original owner are:
 - i) 10% where the value of the asset is not higher than DM 10,000.
 - ii) 20% where the value is in excess of DM 10,000.

The amount to be retained by the successor organization should not be less than DM 100 in any case.

2) Settlement with Equity Claimants involving Cases which were Turned over to the Laender under Bulk Settlements. -- A special problem developed in connection with equity applications relating to cases where the JRSO has either turned over the claims or the proceeds from such claims to the Laender pursuant to bulk settlement agreements. The difficulty with the equity claimants arises where the restitutor has paid a higher amount than the amount which the JRSO received from the Land on the basis of the percentage quotas of our bulk settlement agreement. It is proposed that the JRSO settle such equity claims only on the basis of the amount which the JRSO has actually received from the Laender.

3) Participation of the Zentralwohlfahrtstelle (Central Welfare Agency for Jews in Germany) in Distribution of Indemnification Funds for Damage to Certain Communal Properties. -- In connection with the drafting of future

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WJC 292

federal indemnification legislation, it was necessary for the successor organizations and the Jewish communities in Germany to resolve the differences concerning the provisions for compensation for damages to former community property and loss of communal assets. After lengthy discussions, the following proposals, as they concern the American Zone, have emerged:

- a) Wherever settlements have been made with the local Jewish communities concerning indemnification claims, those settlements are to remain undisturbed.
 - b) As negotiations concerning such claims are still pending with the Jewish communities of Frankfurt and Augsburg, the proceeds derived from such indemnification claims are to go into a common pool. The participants in this pool would be the respective communities, the JRSO and the Zentralwohlfahrtstelle. The funds received from these claims are to go in escrow until a satisfactory agreement can be reached by the three parties concerned.
 - c) The Zentralwohlfahrtstelle will distribute any funds so received under the control of a committee including the American Joint Distribution Committee, the Jewish Agency for Palestine, and the Council of Jews from Germany.
 - d) This agreement will be without prejudice to any claims which the Zentralwohlfahrtstelle may make against the JRSO for past receipts arising from former community property.
 - e) These proposals are subject to the approval of the JRSO, the Zentralrat and Zentralwohlfahrtstelle, and the Frankfurt and Augsburg communities insofar as they are affected.
- 4) Loan to the Conference on Jewish Material Claims Against Germany
- 5) Request of Mr. Morris Ellenzweig. -- Mr. Ellenzweig alleges that he has heavily contributed to Jewish communal institutions in Marburg (US Zone). He states that the JRSO has recovered these properties. He further states that he is in need and requests a share of the JRSO proceeds from the Marburg community properties.

Saul Kagan
Saul Kagan

SK:AUN

116897

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.
270 Madison Avenue
New York 16, N. Y.

* * * * *
* BY-LAWS *
* * * * *

ARTICLE I.

Membership

Section 1. Members of the Corporation shall be the following organizations:

Agudath Israel World Organization
Alliance Israelite Universelle
American Jewish Committee
American Jewish Congress
American Jewish Joint Distribution Committee
American Zionist Council
Anglo-Jewish Association
B'nai B'rith
Board of Deputies of British Jews
British Section, World Jewish Congress
Canadian Jewish Congress
Central British Fund
Conseil Representatif des Juifs de France
Council for the Protection of the Rights and Interests
of Jews from Germany
Delegacion de Asociaciones Israelitas Argentinas (DAIA)
Executive Council of Australian Jewry
Jewish Agency for Palestine
Jewish Labor Committee
South African Jewish Board of Deputies
Synagogue Council of America
World Jewish Congress
Zentralrat der Juden in Deutschland

Each of the said members shall appoint one delegate to act for it at any annual meeting of the Corporation. Each delegate so appointed will act for the appointing member at any special meetings of the Corporation which may be held before the next annual meeting, provided that such member shall not have appointed a successor to such delegate. Such delegates, when assembled, as directed by the By-Laws of the Corporation, shall have, and may exercise all the powers, rights and privileges of members at any annual or special meeting of the Corporation.

Each such appointed delegate shall have one (1) vote.

Section 2. Upon resolution adopted by two-thirds vote of the membership, or two-thirds vote of the Board of Directors, other organizations interested in the activities of the Corporation may be admitted to membership in the Corporation.

Section 3. No dues or other fees shall be required of any member of the Corporation.

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WJC C292

Section 4. Any member may withdraw from the Corporation by giving written notice of resignation to the Secretary, who shall inform all the other members of the Corporation of the fact and circumstances of such withdrawal.

Section 5. A member may be expelled for violation of the By-Laws of the Corporation or for other causes prejudicial to the best interests of the Corporation. Such expulsion may be effected by a three-quarter ($3/4$) vote of all the members of the Corporation at a special meeting duly called for that purpose upon thirty (30) days notice.

ARTICLE II.

Meetings

Section 1. There shall be an annual meeting of the Corporation on the first Wednesday of June in each year for the election of members of the Board of Directors and for receiving the annual reports of the officers, directors and committees, and the transaction of other business. The first annual meeting after the adoption of these By-Laws shall be on the first Wednesday of June, 1954.

If the day designated falls upon a Jewish or legal holiday, the meeting shall be held on the next succeeding day not a holiday. Notice of such meeting shall be mailed by the Secretary to each member not less than fifteen (15) nor more than thirty (30) days before the time appointed for the meeting. Notices to overseas members shall be sent by airmail.

Section 2. Special meetings of the Corporation may be called by the President or the Board of Directors at their discretion or upon written request of not less than $1/3$ of all the members. Notice of any special meeting shall be given in the same manner as in the case of an annual meeting, and shall set forth the purpose or purposes for which it has been called.

Section 3. The presence of a majority of the members of the Corporation shall be necessary to constitute a quorum for the transaction of business at any annual or special meeting, but a lesser number may adjourn any meeting to some future time not more than thirty (30) days later and the Secretary shall

thereupon mail notice of the adjournment at least fifteen (15) days before the adjourned meeting to each member entitled to vote who was absent when the meeting adjourned.

Section 4. Except as herein or by law otherwise provided, all questions considered at any meeting of the members of the Corporation shall be decided by majority vote of the delegates of the members, present in person or by proxy.

Section 5. Every delegate of a member of the Corporation entitled to vote at any meeting thereof may vote by proxy. Proxies shall be in writing and revocable at will by the delegate executing the same. Unless the duration of the proxy is specified, it shall become invalid eleven (11) months after the date of its execution.

ARTICLE III

Directors

Section 1. Except as otherwise provided by law or by these By-Laws, all power and authority for the management of the affairs of the Corporation shall be vested in a Board of Directors consisting of no less than 5 nor more than 60 directors. Members of the Board of Directors shall, upon their election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified.

Section 2. Within the limits stated in the preceding Section, each member shall be authorized to designate two persons as directors who shall be elected as such by the members of the Corporation and who shall jointly have one (1) vote. If only one of such directors is present at a meeting of the Board of Directors, he shall be entitled to cast such vote. In the event that the two (2) directors appointed by one member do not agree upon the manner in which their single vote shall be cast, the vote of such directors shall not be counted.

Section 3. Upon admission by the Board of Directors of any new member of the Corporation, the Board of Directors shall, within the limits stated in Section 1 of this Article III, elect two (2) additional directors designated by each such member.

If a vacancy shall occur in the Board of Directors by death, resignation or otherwise, such vacancy shall be filled by the Board of Directors, provided however that the director elected to fill such vacancy shall be designated by the member which designated his predecessor.

Section 4. The Board of Directors shall, without derogation of the powers by law conferred upon it, have power to hold meetings at such times and places as it may deem proper; to appoint committees anywhere in the world on particular subjects from the members of the Board or from other persons; to employ agents and to fix their compensation; to establish offices of the Corporation anywhere in the world, and to designate agents for carrying out the purposes of the Corporation.

Section 5. The annual meeting of the Board of Directors for the election of officers and the Executive Committee shall be held immediately following the annual meeting of the members, and no notice thereof need be given. The Board of Directors, the President, the Secretary, or directors designated by not less than one-third ($1/3$) of the members of the Corporation may issue a call for a meeting of the Board. Notice of any such meeting shall be mailed by the Secretary to each director not less than fifteen (15) nor more than thirty (30) days before the time appointed for the meeting.

One meeting of the Board of Directors shall be held in Europe every other year. If any additional meeting shall be held outside of the United States, the consent of directors designated by one-half ($1/2$) of the members of the Corporation to the holding of such meeting shall be obtained. In the event that any meeting be held outside of the United States, notice of each such meeting shall be mailed by the Secretary to each director not less than twenty (20) nor more than forty (40) days before the date of such meeting. Notices of meetings to directors overseas shall be sent by airmail.

Section 6. Notwithstanding the provisions of the foregoing Section, a meeting of the Board of Directors may be held at any time and at any place, and any action may be taken thereat if notice of such meeting be waived in writing by directors designated by all members of the Corporation.

Section 7. Directors designated by one-third ($1/3$) of the members of the Corporation, except as otherwise required by law, shall constitute

a quorum for the transaction of business. If a quorum is not present, a lesser number may adjourn the meeting to a date not more than fifteen (15) days later, provided that immediate notice of such adjournment shall be given by the Secretary to all directors.

Section 8. Any director may be removed from office either with or without cause at any time by a vote of a four-fifths ($4/5$) majority of the delegates of all the members, or by vote of a four-fifths ($4/5$) majority of directors designated by all the members of the Corporation at a meeting called for this purpose. Any person removed as director of the Corporation shall be deemed to have been removed also from any office filled by him at such time.

ARTICLE IV

Executive Committee

Between meetings of the Board of Directors the affairs of the Corporation shall be conducted by an Executive Committee consisting of the President, the Senior Vice-President, the Vice-Presidents, the Treasurer, and such additional directors as may be designated.

ARTICLE V

Officers

Section 1. The officers of this Corporation shall be a President, a Senior Vice-President, one or more Vice-Presidents, a Treasurer, an Assistant Treasurer, a Secretary and an Assistant Secretary. All officers other than the Assistant Treasurer, the Secretary and the Assistant Secretary must be directors of the Corporation.

Section 2. Any officer of the Corporation may be removed with or without cause by a vote of $4/5$ (four-fifths) majority of directors designated by all members of the Corporation at a meeting called for that purpose.

Section 3. The duties and powers of the officers of the Corporation shall be as follows:

PRESIDENT

The President shall preside at the meetings of the Corporation, the Board of Directors, and of the Executive Committee. He shall report on the activities of the Corporation to the members at each annual meeting and at such other times as he shall deem proper. He shall perform such other duties as are incident to the office of President, and as may be authorized by the Board of Directors.

SENIOR VICE-PRESIDENT

The Senior Vice-President shall be the second senior officer of the Corporation. In the absence of the President, he shall preside at the meetings of the Board of Directors and the Executive Committee, and perform such other duties as are incident to the office of President.

VICE-PRESIDENTS

In the event of the death or absence of the President and of the Senior Vice-President, or of their inability to act from any cause, one of the Vice-Presidents, in the order determined by the Board of Directors, shall perform the duties of the office of President.

TREASURER AND ASSISTANT TREASURER

The Treasurer, or in his absence the Assistant Treasurer, shall keep an account of all monies and property received and expended for the purpose of the Corporation, and render reports to the members of the Corporation, to the Board of Directors and to the Executive Committee. He shall disburse the funds of the Corporation pursuant to authorization of the Board of Directors and/or the Executive Committee.

SECRETARY AND ASSISTANT SECRETARY

The Secretary, or in his absence the Assistant Secretary, shall give notice of and attend all meetings of the Corporation, the Board of Directors, and of the Executive Committee and keep a record thereof. He shall conduct all correspondence and carry into execution all orders, votes and resolutions not otherwise committed. He shall prepare under the direction of the Board of Directors an annual report of the activities of the Corporation. He shall be the keeper of the seal of the Corporation.

ARTICLE VI

The Seal of the Corporation shall be as follows:

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Corporate Seal

1952

(Original file copy bears
imprint of seal)

116903

ARTICLE VII.

Amendments

These By-Laws may be amended, repealed or altered, in whole or in part, by a two-thirds (2/3) majority vote at any duly organized meeting of the members of the Corporation.

Adopted 12/29/1952

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.
270 Madison Avenue
New York 16, N.Y.

May 5, 1953

MEMORANDUM

To: Members of the Executive Committee
From: Saul Kagan
Re: Support of the United Restitution Office

1) A special sub-committee met to consider the request of the American Joint Distribution Committee, Jewish Agency for Palestine, Central British Fund, United Service for New Americans and the New York Association for New Americans that the Conference assume financial responsibility for the operations of the United Restitution Office.

2) The sub-committee recommended that the Conference agree to assume the financial responsibility for the operation of the URO as of January 1, 1953, on the understanding that the agencies which are presently financing the URO will advance, subject to reimbursement by the Conference, the funds required in 1953. On the basis of the budget submitted by the URO offices and approved by the financing agencies the following amounts in the currencies indicated will be required:

L St.	18,679
Fr.Frs.	5,454,000
\$	93,749
IL	56,520

3) The majority of the sub-committee was of the opinion that the Conference has a special interest and responsibility for the operations of the URO in view of the fact that the implementation of the legislative program constitutes a basic Conference objective. It was therefore felt that the Conference should actively participate in the governing body of the URO. The majority of the sub-committee therefore recommends that the Conference urge the establishment of a single governing Board for the URO, which should include the present constituent members of the URO as well as such other additional organizations as the expanded operations of the URO may justify. In addition, the Conference should be entitled to delegate a number of members to the governing Board. This Board shall assume all the functions which are presently carried out by the Coordinating Committee and the Finance Control Committee of the URO.

4) The majority of the sub-committee was of the opinion that in order to achieve the maximum coordination and control of the operations of the URO offices, it would be essential to establish a central operational headquarters in Germany. This will become particularly necessary in anticipation of a very large number of new applications which will be filed when the Federal Indemnification Law and the Federal Law relating to the restitution liabilities of the Reich will be enacted. One of the principal responsibilities

...cont'd...

116905

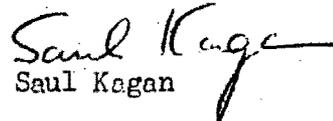
WJC C44

of the central operational headquarters would be to supervise the scrutiny of new applications.

5) The sub-committee agreed to recommend the designation of a small committee which could meet with all organizations and individuals directly concerned with the operations of the URO in order to work out the specific implementation of the above recommendations.

It would be greatly appreciated if you would bring along the minutes of the last meeting of the Executive Committee to which there is attached material relating to the activities and needs of the URO.

SK:mc


Saul Kagan

of the central operational headquarters would be to supervise the scrutiny of new applications.

5) The sub-committee agreed to recommend the designation of a small committee which could meet with all organizations and individuals directly concerned with the operations of the URO in order to work out the specific implementation of the above recommendations.

It would be greatly appreciated if you would bring along the minutes of the last meeting of the Executive Committee to which there is attached material relating to the activities and needs of the URO.

SK:mc

Saul Kagan
Saul Kagan

SECRETARY ASIAN



CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.
 270 Madison Avenue
 New York, New York

May 7th, 1953

To: All Members of the Board of Directors

From: Saul Kagan

Re: Summary of Applications for the Allocation of Conference Funds for use outside of Israel

Attached are summaries, without comment or evaluation, of the following applications for the allocation of Conference funds for use outside of Israel:

<u>Name of Organization or Project</u>	<u>A M O U N T</u>	
	<u>For long-term period</u>	<u>For first year</u>
Yiddish Scientific Institute - YIVO, N.Y.	\$ 4,489,000 for 12 yrs.	\$ 621,000
Jewish Teachers' Seminary & Peoples' University, New York	\$ 1,212,000 for 12 yrs.	\$ 101,000
Yiddish Publishing House "Polish Jewry" Buenos Aires	Unspecified	
Hebrew Union College, Cincinnati and Jewish Institute of Religion, N.Y.	Unspecified	
Jewish Secondary Schools Movement, London	\$ 375,000 for 5 years	
Central Keren Hatorah Committee, London		
a) for maintenance of Rabbis, teachers		\$ 5,000
b) for Yeshivoth in England	Unspecified	
Ezras Torah Fund, New York	\$ 300,000 for unspecified period	
Jewish Labor Committee, France		\$ 86,000
Proposal for Establishment of Fund for Former Prominent Jewish Leaders of Communities destroyed by Nazis	Unspecified	
Help & Reconstruction, INC.*		\$ 200,000-one-time grant

* The text of the request of Help and Reconstruction was attached to the minutes of the meeting of the Executive Committee of March 23, 1953.

(cont.)

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The May 11th meeting of the Board of Directors will not be required to take specific action with respect to any of the attached applications. Most of the applications were just received and require considerable elaboration before the Board would be in a position to deal with them. Furthermore, and most important, the Conference will not have any funds available for use outside of Israel before the end of 1953.

This summary is intended to serve as a basis for a general exchange of views on problems which may arise from these applications and on the questions relating to the procedure which the Conference should follow in the examination of these applications.

Saul Kagan
Saul Kagan
Secretary

SK:AUN
Enc.

116907

WJC CH4

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of application submitted by:

Yiddish Scientific Institute - YIVO, New York

Amount requested over a 12 year period	\$4,489,000
Amount desired for first year	621,000

An 18-page memorandum outlines in detail the past history of the YIVO and its future programs. The basic concept underlying the request is the rehabilitation of surviving European Jewish scholars, teachers and students in the broad field of Jewish social research through a program which will encompass:

- a. The reestablishment of the YIVO library partially saved from Nazi destruction.
- b. The reconstruction of the archives including a major part of archival material which was saved in Europe.
- c. The reestablishment of the YIVO Research Training Division to train students in the field of Jewish social sciences.
- d. The reprinting in Yiddish, Hebrew and English of revised YIVO publications destroyed by the Nazis.
- e. The publication of important papers by Jewish social scientists killed by the Nazis.
- f. The publication of bibliographical and documentary material relating to the European Jewish catastrophe.
- g. The publication in Yiddish, English and Hebrew of the histories of a minimum of ten important Eastern European Jewish communities.
- h. The publication of Yiddish-English and English-Yiddish, Yiddish-Hebrew and Hebrew-Yiddish, and Yiddish-Spanish and Spanish-Yiddish dictionaries needed to meet the demands of immigrants from Eastern and Central Europe.
- i. To provide a proper building in New York City to house the library, archives and the graduate school.

116908

WJC CH4

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of application submitted by:

Jewish Teachers' Seminary and People's University - New York

Amount requested over a 12 year period	\$1,212.000
Amount desired for the first year	101.000

Funds are principally requested for an expanded program of enrolling 300 refugee students each year for a four year teacher training course to meet the needs of Hebrew and Yiddish schools. This program will qualify a very valuable group of victims of Nazi persecution to fulfill an important function in furthering Jewish education.

The Seminary envisages that:

a. 50 students will require full maintenance scholarships at \$1000.00 p.a.	50.000
b. 50 students will require partial scholarships at \$300.00 p.a.	15.000
c. 5 additional teachers will be required at \$3000.00 p.a.	15.000
d. Expansion of facilities (library, textbooks)	12.000
e. Research scholarships for graduate students	6.000
f. 15 students who are being trained as bilingual secretaries will require partial scholarships at \$200.00 p.a.	3.000
Total	<hr/> \$ 101.000

116909

WJC C44

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of application submitted by:

Yiddish Publishing House: "Polish Jewry", Buenos Aires

Amount desired unspecified.

This publishing house was established in 1946 by the South American Federations of Polish Jews to record the history of Polish Jewry in all its aspects. It has thus far published over 90 works, one third of which was devoted to record the destruction of Jewish life in Eastern Europe. The remainder includes works by authors who perished and by young refugee authors who survived.

This publishing house requests a grant to enable it to:

- a. Reprint a series of works of Yiddish classical literature which would serve as a document of past Jewish life in Eastern Europe.
- b. Reprint or publish memoirs of leading authors and public figures which relate to Jewish life in the communities destroyed by the Nazis.
- c. Publish works by Jewish historians, scientists, authors, poets and essayists who perished at Nazi hands.
- d. Publish a series of books devoted to the history of destroyed Jewish communities in Europe.

116910

WJC CH4

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of application submitted by:

Hebrew Union College, Cincinnati and Jewish Institute of Religion, N.Y.

Amount unspecified.

Request funds to establish an Academy for the Preservation and Restoration of Central European Culture.

It is intended to conduct thorough scientific studies of the entire field of Central European Jewish History and its culminating tragedy and Hebrew Union College has on its staff a considerable number of scholars, specializing in the field of European Jewish history and particularly the history of German Jewry.

The proposed Academy would be engaged in the collection of manuscripts and documentary material, which will be made available to scholars and utilized for the preparation of monographic studies.

116911

WSC C44

CONFERENCE ON JEWISH MATERIAL CLAIM AGAINST GERMANY, INC.

Summary of application submitted by:

CENTRAL KEREN HATORAH COMMITTEE, LONDON

The Central Keren Hatorah Committee in London has submitted two requests:

1) A request for a provisional grant of £ 5,000 to assist in the maintenance of Rabbis, readers, religious teachers from Central and Eastern Europe, who found refuge in the U.K. Many are old or ailing and can no longer actively fill positions, whereas others were too old on arrival to adapt themselves to the new conditions. The Central Keren Hatorah Committee, in association with the Union of Orthodox Hebrew Congregations, the Agudas Israel, etc., is compiling detailed statistics on the number of people concerned. In the meantime, the provisional grant is requested.

2) A request for the support of the activities of the following educational institutions in England (amount unspecified):

Law of Truth Talmudical College	Yesodey Hatorah Grammar School Movement
Board of Orthodox Jewish Education	Torah Um Lacha Institute
Gateshead Talmudical College	Mesifa Talmudical College
Institute of Higher Rabbinical Studies, Gateshead	Zerei Agudas Israel Talmud Torah
Sunderland Rabbinical College	Gateshead Jewish Training College
Gateshead Jewish Boarding School	Yeshivah, Letchworth
North West London Jewish Day School	Yeshivah, Manchester
Beth Jacob Teachers' Seminary	Ahavas Torah Boarding School, London

The annual budget of these institutions approximates £ 250,000. These institutions have been principally established as a result of immigration to England of Nazi victims. The majority of the teachers are persecutees and a large number of the pupils were brought to England from similar institutions in Europe. These institutions are experiencing financial difficulties, notwithstanding certain grants by British organizations. Mr. H. A. Goodman has been authorized by the Committee to enter into detailed negotiations with the Conference concerning this application.

116912

WJC C44

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of application submitted by:

EZRAS TORAH FUND - New York

Amount requested: \$ 300,000

The Ezras Torah Fund requests a grant of \$ 300,000 for assistance to Rabbis and religious teachers who are Nazi victims, as well as for the support of religious schools for the children of Nazi funds. The Ezras Torah fund has been supporting Rabbis and Jewish schools all over the world. During the current year, about 11,000 applications have been granted, but many applications had to be turned down because of lack of funds. In view of the particularly difficult conditions in Israel, 80% of Ezras Torah allocations were sent there, and the needs in other countries could not be properly met. There is also a serious problem in the U.S. where the older Rabbis, after a limited period of support by the United Service for New Americans, are experiencing great difficulties in establishing an existence for themselves.

116913

WJC C44

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of application submitted by:

The Jewish Secondary Schools Movement - London

Amount requested ~~for~~ a period of 5 years £375.000

The Jewish Secondary Schools Movement, which operates six schools in the London Metropolitan area, provides free schooling for an average of 250 pupils at a cost of £50 per pupil p.a. The request envisages that permanent school facilities will have to be provided for 1000 children at a cost of £250 per place. . . . £250.000

The schooling of 1000 children will have to be subsidized for five years at an average cost of £25 per.pupil p.a. £125.000

The above request of the Jewish Secondary Schools arises out of its obligations to provide for children who are in Britain as a result of Nazi persecution.

116914

WJC C44

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of application submitted by

JEWISH LABOR COMMITTEE in France

Amount requested: \$ 86,000 annually for 4-5 years

The Jewish Labor Committee in France requests a grant for the support of institutions for children orphaned in consequence of Nazi action. The Labor Committee in France administers five institutions and conducts a foster parents program involving a total of 854 children. The Labor Committee in France is of the opinion that it will take another 4-5 years for the majority of the children in its care to become self-sustaining. The Labor Committee experiences serious difficulties in providing the necessary funds for the maintenance of these institutions which require \$ 86,000 annually.

116915

WJC C44

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Summary of a Proposal for the Establishment of a Fund to Aid Former
Prominent Jewish Leaders of Communities Destroyed in Consequence
of Nazi Action

Amount unspecified

This proposal has been submitted by Dr. Theodore Fischer, former member of the Roumanian Parliament and a prominent leader of Roumanian Jewry. Dr. Fischer states that there is a number of persons who have made very important contributions to the development of Jewish communal life in Central and Eastern Europe, who are unable to support themselves and cannot expect any compensation under the existing or even contemplated restitution and indemnification laws. This applies also to the widows or such men who find themselves destitute in exile. Dr. Fischer estimates that 300-500 people may be involved. He proposed the setting aside of a certain percentage of Conference funds for a special fund to be administered by a committee of prominent Jewish leaders. He proposes that the following criteria be applied:

- 1) That the beneficiaries live outside of Israel on September 10, 1952 and were without means of existence in consequence of persecution in Nazi-controlled areas.
- 2) That they are over 60 years of age or unable to earn a living in consequence of ill health.
- 3) That they have devoted themselves to the furtherance of Jewish cultural, political or social life.

116916

WJC 444

CC: Mr. Kagan
Mr. Leavitt
Mr. Goldwater
Dr. Slawson
Dr. Segal
Mr. Boukstein
Dr. Robinson
Mr. Hyman

Rubin

COPY

DEPARTMENT OF JUSTICE
Office of Alien Property
Washington 25, D. C.

October 5, 1956

Landis, Cohen, Rubin and Schwartz
Attorneys at Law
1832 Jefferson Place, N. W.
Washington, D. C.

Attention: Seymour J. Rubin

Gentlemen:

Reference is made to your letter of October 2, 1956 amending your letter of September 28, 1956 and suggesting procedures for handling certain of the claims filed with this Office by the Jewish Restitution Successor Organization.

The suggestions contained in your letter looking to the disposition of many of the claims of JRSO appear to be feasible and will keep the administrative burden of this Office to a minimum. The spirit of cooperation which you and the JRSO have displayed in this matter is deeply appreciated. It is anticipated that the procedure set forth under Category 3 will be initiated as soon as the appropriate lists of JRSO claims can be compiled.

The matters dealt with in the last paragraph of your letter relating to "omnibus accounts" and "California claims" will be the subject of further discussion.

Very truly yours,

/s/ Paul V. Myron
Paul V. Myron
Deputy Director
Office of Alien Property

116917

WJC C294

Rubin

MEMORANDUM

October 3, 1956

TO: Mr. Kagan
 Mr. Leavitt
 Mr. Goldwater
 Dr. Slawson
 Dr. Segal
 Mr. Boukstein
 Dr. Robinson
 Mr. Hyman

FROM: Mr. Rubin

SUBJECT: Letter to Mr. Myron re JRSO Claims

After discussion with the Office of Alien Property, I have agreed to the redraft of my letter which is enclosed herewith. The principal change is that instead of the OAP having to enter an individual order of dismissal in the category 3 and similar cases, the OAP will furnish us with a list of cases in which it proposes to dismiss, and we will consent to the "withdrawal" of those cases unless we have information which would indicate that this should not be done.

The net effect of this change is that technically there is a "withdrawal" instead of a "dismissal", so as to relieve the OAP of the necessity of sending us registered letters case by case, etc.

Seymour J. Rubin

Enclosure

116918

WJC C294

October 2, 1956

Mr. Paul Myron
Deputy Director
Office of Alien Property
Department of Justice
Washington 25, D. C.

Dear Mr. Myron:

I refer to my letter of September 28, 1956. After discussion with your office, it is my suggestion that the following letter be taken as the JRSO proposal, in substitution for those contained in my letter of September 28.

I refer to our conversation of August 30, 1956, during which we discussed possible withdrawal of certain claims filed with the Office of Alien Property by the Jewish Restitution Successor Organization. In this connection, I refer to the memorandum dated March 6, 1956, addressed by Mr. Seher to you, on the subject of JRSO claims, a copy of which was kindly furnished to the JRSO.

The listing contained in the reference memorandum would appear to indicate that the only accounts to which the JRSO might have a valid claim under the statute are the accounts included in categories 5 and 9(a). Having in mind the administrative desirability from the point of view of the Office of Alien Property of disposing of these claims promptly, with a minimum of administrative inconvenience, and having in mind the interest of the JRSO and the spirit of the statute that assets be preserved for charitable purposes if they are available, it is my suggestion, which I make after consultation with the JRSO, that the following procedures be employed. (I am listing our suggestions by the categories used in the March 6 memorandum.)

Category 1. Direct conflicting claims. It is agreed that the OAP may disburse the JRSO claims whenever the OAP takes action on the conflicting claim, in any case in which the OAP either upholds the validity of the conflicting claim and orders return to the conflicting

claimant

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claimant or funds, as a result of action on the conflicting claim, that the individual claimant would be entitled to return were it not for disqualification by reason of enemy status or other statutory disqualification not related to ownership.

Category 2. Indirect conflicting claims. It is our understanding that these are typically situations in which there were, for example, three heirs to an estate, where one has died, and where the other two have succeeded to the claim of the third. These cases can be handled on the same basis as category (1).

Category 3. Where there are known heirs. In those situations in which the OAP is satisfied from the information contained in its records that, were the JRSO claim now brought on for hearing, and were no further evidence put in the record, an order of dismissal would be entered against the JRSO claim, it is agreed that the JRSO claim be withdrawn. The OAP will furnish the list of JRSO claims, by number, which fall into this category, and in the absence of valid objection or the submission of competent evidence in support of its claims within ten days from the date of the furnishing to JRSO of such list, JRSO agrees that the OAP will consider such claims withdrawn by JRSO.

Category 4. Where the vestee is alive. The same procedure provided for in category 3 will be used.

Category 5 and 5(a). A number of these cases have been individually investigated by the OAP through its facilities in Germany. Where the information obtained shows that the vestee is alive, or that heirs of the vestee are alive, or that the vestee is not Jewish, the same procedure outlined for category 3 will be applied.

Categories 6 and 7. Same procedure as category 3 will be used.

The JRSO believes that these suggestions, which have been designed to give maximum cooperation to the OAP, will eliminate those administrative problems of which we have been apprised. We trust that action taken pursuant to these suggestions will constitute a step toward the allocation of funds for the declared objective of Public Law 626 -- the relief and rehabilitation in the United States of needy victims of Nazi persecution.

I need hardly point out that this letter is meant to deal only with certain problems raised with the JRSO by the Office of Alien Property, and leaves entirely to one side a number of matters in which the JRSO is interested.

Substantial

Substantial claims may, for example, accrue to the JRSO from the bulk of those unclaimed or heirless funds in amounts under \$500, which have not been dealt with. Moreover, the manner of concealing funds commonly in use in Europe makes it likely that there are substantial funds to which the JRSO might be entitled within the so-called omnibus accounts. As another example, the so-called "California" accounts are cases in which, though there may be a conflicting claim, resolution of the conflict may well be in favor of the JRSO. The suggestions of the Office of Alien Property as to dealing with these and similar matters in the spirit of the statute would be appreciated.

For the Jewish Restitution Successor Organisation

I am

Sincerely yours,

Seymour J. Rubin

116921

WJC C294

COPY

Rubin

CONGRESS OF THE UNITED STATES
House of Representatives
Washington, D. C.

August 15, 1956

Seymour J. Rubin, Esquire
1832 Jefferson Place, N. W.
Washington 6, D. C.

Dear Mr. Rubin:

I enclose herewith copy of a letter received from
Paul V. Myron, Deputy Director of the Office of Alien Property
in reply to my letter of July 11 addressed to Dallas S. Townsend.

I would appreciate your comments, if any.

With kind regards, I am

Sincerely yours,

/s/ Arthur G. Klein
Arthur G. Klein
Member of Congress

AGK:em
Encl.

116922

WJC C294C

COPY

Honorable Arthur G. Klein
House of Representatives
Washington, D. C.

August 10, 1956

Dear Congressman Klein:

In the absence of Col. Townsend, I am replying to your letter of July 11, 1956, with regard to the heirless property claims filed with this Office by the Jewish Restitution Successor Organization (JRSO). I very much regret the delay in responding to your letter. It has been occasioned by our attempt to obtain data on which to base an estimate of the amount of funds which JRSO will obtain under the provisions of Public Law 626, 83d Congress.

The legislative history of Public Law 626 begins with a bill generally embodying its provisions (S. 2764) which passed the Senate in the 80th Congress. That bill contained no limitation on the amount of returns of heirless assets which could be made under its provisions. A similar bill (S. 603) passed the Senate in the 81st Congress. The committee report which recommended its passage stated that there was no definite information as to the amount of vested property which would be affected but estimated that it would range between \$500,000 and \$2,000,000. The House Committee on Interstate and Foreign Commerce reported S. 603 favorably with an amendment limiting the amount of returns to \$3,000,000. In the 82d Congress a bill (S. 1748) containing the \$3,000,000 limitation was reported to the Senate but was not acted upon. S. 2420, 83d Congress (which became P. L. 626) was passed by the Senate without the \$3,000,000 limit. That figure was again added by the House Committee on Interstate and Foreign Commerce and was accepted by both houses of Congress.

At no time during the consideration of the various measures described above did there appear any definite information in regard to the amount of vested property which might prove to be heirless. Furthermore, there appears to be no basis for the use of a \$3,000,000 figure other than the fact that it was deemed beyond question to be in excess of the amount of heirless vested property.

After the enactment of an amendment to the Trading with the Enemy Act in 1946 authorizing the return of vested assets to persecutees of the Nazi regime despite their technical enemy status, this Office took great pains to avoid vesting the property of such persons. As a result, it has always been apparent to this Office that the amount of property subject to the provisions of heirless assets legislation would be quite small. This Office has so informed representatives of JRSO

WJC C294 116923

from time to time beginning with the earliest discussions looking to the designation of JRSO as a successor organization after the enactment of Public Law 626.

Originally JRSO filed a total of approximately 7,000 claims with this Office. Subsequently that organization filed a list of those of the claims which it asserted to be within the non-adverse or non-conflicting category. This list, as modified slightly, contained only 4,137 names. This Office has made a careful survey of its files with respect to these particular claims. As a result of this survey it was determined that in only 15 cases did it affirmatively appear that JRSO's claims might be allowable. In another 793 cases there was no information concerning the person whose property was vested or his heirs. In all but these two categories of 808 cases, favorable action on JRSO's claims appears to be completely ruled out. The 808 cases involve assets worth approximately \$866,000.

This Office has referred the list of 808 cases to its Overseas Section in Germany with instructions to attempt to determine whether the pre-vesting owners are alive and if not whether (1) they were persecutees, and (2) they left heirs. In 407 of the cases the last known address on our records is in West German territory. The Overseas Section transmitted the names of these 407 cases to the International Tracing Service in Germany which has fairly complete records on persons who were in concentration camps. That organization was able to make tentative identifications in only 35 of the cases. In two of these 35 cases the identifications are fairly positive, in five others, possible, and in the remaining 26 even less certain.

In another 33 of the cases the last known address is in Berlin. An investigator of the Overseas Section in that city has identified 12 of the 33 vestees as being alive. He has located the heirs of nine deceased vestees. He has found a Nazi party membership record for another of the vestees and has learned that still another left Germany for Guatemala before World War II. His investigation in another case has developed no information. He is continuing his investigations in the remaining nine cases. I might add that similar investigations will be made as rapidly as possible by the Overseas Section in the above mentioned 407 cases with West German addresses.

It is obvious from the data already obtained in Germany that only a handful of the JRSO claims under Public Law 626 will ultimately prove allowable and that only a relatively insignificant amount of money will be payable to that organization. Accordingly, you will appreciate the fact that this Office cannot, by any administrative determination which is based

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on available evidence, make a "substantial payment" of the nature indicated in the first of the two questions set forth in your letter.

In response to your second question, please be advised that a transfer to JRSO of \$750,000 would seem to be a matter of policy for the Congress to consider. This Office would have no objection to legislation providing for the payment of this sum if it were not related to section 32 of the Trading with the Enemy Act and tied to the assets of specific vestees, as is the case with Public Law 626. In this connection you may wish to consider the War Claims Fund as a source for the funds to finance such a payment.

Sincerely yours,

Paul V. Myron
Deputy Director
Office of Alien Property

116925

WJC C294

Rubin

April 20, 1956

Mr. Nathaniel Goldstein
655 Madison Avenue
New York, New York

Dear Mr. Goldstein:

On April 18, I had a follow-up talk with Colonel Townsend, Mr. Myron and Mr. Schor. Although Townsend repeated his statement of desire to settle these claims quickly, Schor (and to some extent, Myron) emphasized the difficulties. I discussed the bill, a draft of which I prepared after your talk with Townsend. At the conclusion of the meeting, Myron took me aside, said that the OAP would like to work the matter out, and suggested that we emphasize the theory (already a part of our draft) of shifting the burden of proof -- rather than of bulk settlement. Myron also suggested some possible alterations in the language of the draft.

I have redrafted the bill, and I enclose herewith a copy. I think this will meet the needs of OAP. But I should, of course, like to have the comments of you, Monroe Goldwater, et al, before submitting it as an official proposal of JRSO. Please, therefore, let me have your views.

On April 19, I testified before the Senate Judiciary Subcommittee. I enclose a copy of my statement. This also was somewhat amended after my conference with Townsend, et al, so as to come as close to their thought pattern as possible, within the limits of our objectives.

Sincerely yours,

Baymore J. Rubin

CC: Mr. Kagan (Germany)
Mr. Kagan (New York)
Mr. Forster
Dr. Hevesi
Mr. Goldwater
✓ Dr. Robinson

Enclosures

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WJC 294

IN THE SENATE OF THE UNITED STATES

A BILL

To amend the Trading with the Enemy Act, as amended so as to provide for allowance of certain claims by successor organizations to heirless or unclaimed property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That Section 32(h) of the Trading with the Enemy Act, as amended, is further amended by adding at the conclusion thereof:

"The President or such officer as he may designate is authorized and directed to allow claims for return of property or interests presented pursuant to this subsection by a successor organization previously designated by the President, provided that 1) such claims have been timely filed by such successor organization; 2) no other claim for the return of the property or interest having prima facie validity is pending; and 3) after such investigation as is feasible prior to July 1, 1956, the President or such officer has not adduced information reasonably showing the ownership by another claimant of such property or interest; and

Provided, that returns under this subsection shall be made not later than December 31, 1956."

**Statement of Seymour J. Rubin
Before the Subcommittee on the Trading With the Enemy Act
of the Senate Committee on the Judiciary**

In connection with the earlier hearings on S. 2227 and other bills before this Subcommittee, I handed to counsel for the Subcommittee, Mr. Wood, copies of a statement prepared on behalf of the Jewish Restitution Successor Organization.

The background of what I would like to state to the Subcommittee at this time is contained in that earlier statement, which describes both the background of the JRSO, the nature of the legislation under which it was designated by President Eisenhower as successor organization under Public Law 626, and the method under which, in cooperation with agencies of the United States Government, it has prepared and filed with the Office of Alien Property some seven thousand claims to heirless or unclaimed property. To recapitulate very briefly, Public Law 626, legislation which had extensive bipartisan support and which was enacted by the 83rd Congress, declared the policy of the United States to be that heirless and unclaimed property, vested by the Custodian, should be "returned" to a successor organization, and used for charitable and relief activities among persecutees who are in need and who are in the United States. The property to be returned was that which persecutees or their heirs would have been able to claim and obtain, had they been alive or able to present such claims. It was felt that such property ought

not

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not merely escheat to the Treasury of the United States; that, since it was property of persecutees, it should be used for relief of surviving persecutees; and a Presidential Executive Order, in January of 1955, designated the JRSO, an American charitable organization which had worked in the heirless property field for many years, and had been previously the designee of United States Military Government in Germany, as the appropriate organization, under many safeguards, to present such claims.

Formulation and presentation of these claims, because of the almost total destruction of records involving those persecutees who were killed by the Nazis, together with their immediate families, was a task of enormous difficulty. Precision was impossible. A great number of claims were filed, under procedures described in my previous statement. As a result of numerous consultations and discussions, of attempts to work matters out in the best possible way, a bill was drafted, which was suggested by the JRSO. That bill proposed a bulk settlement of the JRSO claims, along lines well-recognized in dealing with the heirless property problem in Germany. It adopted the upper limit of \$3 million contained in Public Law 626, and suggested a floor of \$2 million, which seemed reasonable on the basis of information then available. A bill along those lines has in fact now been introduced in the House of Representatives (H. R. 9972). Like other legislation of this sort, it is entirely

bipartisan

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bipartisan in spirit, and was introduced by Representatives Klein and Wolverton, both members of the House Committee having Trading With the Enemy Act jurisdiction.

It is my feeling, based on continued discussions, that the interested Government agencies would favor a method of quickly settling JRSO claims. Such a method, based on facts developed by both the JRSO and the Office of Alien Property, would cut through endless delay. It would eliminate the possibility -- which is all too likely to be the fact if individual processing of a large number of claims of this sort, where records are lost or destroyed -- of administrative costs which would consume the amounts recovered. This is an even more serious problem for the JRSO than it would be for a normal claimant, because Public Law 626 prohibits the charging of administrative costs to the amounts recovered -- which would mean that the JRSO would have to expend charitable funds in what might well be a fruitless task. Moreover, such a procedure would eliminate a large number of claims from the crowded dockets of the Office of Alien Property, would prevent delay in other meritorious claims while JRSO claims were being processed, and would save the Government great administrative expense.

I anticipate, therefore, that all will agree to the idea of quick and general settlement of JRSO claims.

The question then remains as to the amount, or the manner of such a settlement. In this connection, it should be frankly stated that there are some difficulties. I do not consider them at all insuperable;

and I think that if we keep firmly in mind the fundamental and declared purpose of the Congress in enacting Public Law 626 -- to provide heirless funds to the surviving persecutees, administered on a charitable basis -- and if we also recall that the Congress gave some estimate of the amounts which it was willing to have devoted to this purpose by inserting the \$3 million limit in Public Law 626 -- we can arrive at a solution to this question.

The Office of Alien Property has recently been able to complete a preliminary analysis of the JRSO claims. In this analysis, it has deferred consideration of those claims as to which there was some adverse interest -- whether that of creditor or putative owner, in whole or in part. It has also deferred consideration of those claims which involved unknown amounts in omnibus accounts of foreign banks -- where there may well be considerable quantities of heirless property. It has -- very properly -- first examined the so-called "clear" JRSO claims.

The results of this analysis indicate that there are a number of claims in which the evidence supports the JRSO claim. And there are a number of others in which, the JRSO having filed a claim on the basis of its information and belief, the OAP has no file evidence to indicate anything contrary to the JRSO claim.

This situation has been discussed with the Office of Alien Property. It is our feeling that it sets the stage for an overall settlement of the JRSO claims, on the basis of the examination so far made, and without the

necessity

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necessity of further prolonged investigation which would almost certainly be fruitless and which would inevitably be tremendously expensive.

What we now propose, on the basis of the information currently available, is that the Congress enact -- either as a section of general legislation in this general field, or, preferably, as separate legislation -- an act which would authorize the prompt settlement of these JRSO claims, on the basis of the examination and the situation which I have described. Such legislation would be in effect an amendment to Public Law 626. It would authorize and direct the President (who would, of course, designate the Custodian or such agency as is generally charged with responsibility in alien property matters) to settle by payment to the JRSO, minus the usual custodial charges, the amount of claims in situations in which (a) the JRSO had filed its claim, (b) the claim and the file had been examined by the Custodian, and (c) no information adverse to the JRSO claim had been discovered. The amount, we understand, which would be involved, if this legislation were to be enacted, would be in the neighborhood of \$865,000. This amount is, it will be noted, vastly short of the limit of \$3 million set by the Congress in Public Law 626.

We recognize that the standards of proof which would govern this settlement are not those which would be applicable in the case of a natural claimant, appearing in person to ask for return of property which he asserts is his. But the situation here is a world different from that
case.

case. Here we are dealing with the property of those who died in the Nazi concentration camps, together with their families. Where, under these circumstances, are documents of title, proofs, etc. to come from? -- especially when we consider that most of these persons were persecuted since 1933, that deportations and separations of families under the worst possible circumstances were customary.

Moreover, the terms of Public Law 626, which were carefully reviewed by the Senate Judiciary Committee, not once, but several times, provide an ample safeguard for any individual who may later appear and claim to be the actual owner of property so returned to the JRSO. For the law provides that such persons can file claims with the JRSO for a two-year period after the property is put into that agency's hands, and, if they are qualified claimants, the JRSO must return the property to them. In this sense -- as, indeed, the terms of Public Law 626 and of the President's Executive Order make clear -- the JRSO is hardly less than a Government agency, responsible for carrying out a policy enacted by the United States Congress.

Under these circumstances, the JRSO would urge upon this Subcommittee either the bill (H. R. 9972), introduced in the House of Representatives Klein and Wolverton, or an alternative measure. The alternative could be a measure which would authorize and direct the appropriate authorities on the Executive side of the Government to settle by payment JRSO claims in situations in which, after investigation

of the files here in the OAP office in Washington, no information adverse to the JRSO claim has been adduced. Of course, return under such circumstances to the JRSO would be subject to the overriding proviso of Public Law 626 that return must be made to a qualified owner-claimant if he appears within a two-year period from the date of return to the JRSO. This would safeguard all possible claimant interests, and would expeditiously and economically settle a large number of claims, the individual administration of which would unnecessarily burden the charitable funds of the JRSO, and the appropriations of the Office of Alien Property. Such a solution would leave to one side such claims as the others I have mentioned -- involving, for example, claims to amounts involved in omnibus accounts -- until such date as final determination is reached by the Government as to ultimate disposition of those omnibus accounts. This would again result in no administrative burden on anyone -- private or governmental agency.

The solution I urge would, I believe, have great merit. It is essential if the intent of the Congress is to be carried out, as that intent is expressed in Public Law 626. It would result in some small funds being made available to persons here in the United States, persecutees under the Hitler regime, who are in great need. It would save administrative costs all the way around. It would expedite consideration of other claims of the sort which have to be taken up on an individual basis. And it would be consonant with the humanitarian spirit which the

United States has consistently displayed in connection with the relief of the first and most severely persecuted victims of Hitlerism.

I thank the Subcommittee for its attention.

S. Rubin

March 12, 1956

Mr. Saul Kagan
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, New York

Dear Saul:

I enclose herewith a copy of the memorandum prepared in the OAP with respect to our claims.

Werner and I had a most disheartening meeting with Myron, Schor and Blum. On the basis of Blum's statements, I have no reason to believe that the compilation contained in this memorandum is not correct. Schor and Myron suggested the withdrawal of all of the claims other than those covered by paragraphs 5 and 5 (a). In addition, they suggested that the remaining number of claims is small enough so that individual investigation is possible. They also raised a number of what I consider to be phony theoretical arguments against a bulk settlement. These will have to be discussed at some future date.

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevest
Dr. Robinson
Mr. Hyman

Enclosure

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COPY

Paul V. Myron, Deputy Director
Office of Alien Property

Arthur R. Schor
Chief, Claims Section

March 6, 1956

JRSO Claims

The following is an analysis which covers 2,206 accounts, including almost all of the accounts over \$500, against which JRSO has filed claims.

1. 73 accounts against which there are direct conflicting claims - \$542,835.57.
2. 104 accounts against which there are indirect claims - \$348,834.52.
3. 949 accounts where there are known heirs of the vestees - \$2,955,177.19.
4. 664 accounts where the vestee is alive - \$3,706,293.31.
5. 346 accounts where there is no information concerning vestee or heirs - \$780,012.00.
- 5a. 9 accounts where it appears JRSO may be successor - \$24,190.54.
6. 57 accounts where vestee is not Jewish - \$238,838.27.
7. 4 accounts where vestee is business enterprise - \$11,501.63.

The total amount in all of the above 2,206 accounts is \$8,607,629.03. This is more than 93 per cent of the total amount in the accounts which are being checked. Groups 5 and 5a, listed above, which consist of 355 accounts, appear to be the only categories against which JRSO may be successful in establishing succession. The total amount in groups 5 and 5a is less than 9 1/2 per cent of the total amount in all the accounts which have been checked thus far.

Based upon the above figures, it appears that the total amount in groups 5 and 5a will probably be in the neighborhood of \$865,000. Even if we accept the argument of JRSO that it is entitled to 50 per cent of the amount, it falls far short of the amount they are suggesting in the proposed legislation.

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HIGHLY CONFIDENTIAL

MINUTES

MEETING OF THE ADMINISTRATION COMMITTEE
OF THE JOINT DISTRIBUTION COMMITTEE
Tuesday, January 25, 1949 -- 12:30 P.M.

Carl, General
Carl, Rosen

Present:

Edward M.M. Warburg, presiding
Benjamin Abrams
Paul Baerwald
Louis Broido
I. Edwin Goldwasser
Monroe Goldwater
J. J. Golub
Alexander Kahn
Joseph H. Lookstein
Isador Lubin
William Rosenwald
Jonah B. Wise

Moses A. Leavitt
Evelyn M. Morrissey
Morris C. Troper
Benjamin B. Goldman
Henrietta K. Buchman
Dorothy L. Speiser
David Weingard

CHAIRMAN'S REMARKS

Mr. Warburg reported on the following matters: (1) At the invitation of Rabbi Abba Hillel Silver, he had a long discussion with Rabbi Silver on the problem of UJA leadership, during which the latter suggested that Dr. Schwartz become the National Chairman of the 1949 United Jewish Appeal. Mr. Warburg also talked with Mr. Morgenthau. It is clear that he will make no definitive decision with respect to the UJA chairmanship until the plenary session of the Jewish Agency, which is expected to take place on Sunday next. From conversations with other UJA leaders, it is obvious that no one knows what the outcome of the Jewish Agency meeting may be, but Mr. Morgenthau's candidacy will not remain open after February 1, 1949.

In this connection, Mr. Goldwasser mentioned that the National UJA had already expended \$150,000, which had been set aside for the conduct of the 1949 UJA during the early weeks, and in response to a request for a further allowance, it was agreed to allocate an additional \$150,000. It seemed to him that this poses a serious question in view of the fact that the final decision with respect to the 1949 UJA has not yet been arrived at.

Mr. Warburg explained that campaigns in the various communities in behalf of the United Jewish Appeal are in progress. In Miami, in New York City, and in other communities, campaigns are well under way, and it is assumed that the unsettled questions will be resolved and there will be a united campaign in 1949.

2. The State Department has approved the recommendation submitted by the OMGUS to give to the Jewish Cultural Reconstruction, Inc., a subsidiary of the Jewish Restitution Successor Organization, custody of all heirless Jewish cultural property in the U.S. Zone.

3. When Dr. Schwartz was here, he asked General Troper to come to Europe in connection with the IRO audit of emigration advances made by the JDC. It is fortunate that Gen. Troper is in a position to accept this additional assignment and he plans to leave in about two weeks.

4. The Board meeting of the New York UJA is scheduled to be held at 5:00 P.M. on Wednesday, January 26th. Since a majority vote is required, Mr. Warburg stressed

(over)

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the importance of the largest possible attendance by JDC members.

5. Mr. Warburg also urged the JDC members to attend the dinner which is being tendered to Dr. Haber and Mr. Greenstein on Thursday of this week.

ORT

Mr. Goldwater reported on the two meetings with the ORT:- the first, an informal discussion, and the second, an official meeting with five representatives of that organization, at which Dr. Schwartz was present. At the latter meeting, the JDC recorded its objection to the movement of large quantities of machinery by the ORT without prior consultation with the JDC, notwithstanding the fact that the JDC is bearing the financial responsibility. The ORT took the position that the JDC had been consulted. Dr. Schwartz, however, stated that he knew of no such consultation and further inquiry abroad revealed that the JDC had, in fact, not been consulted. It was also made clear to the ORT that the JDC is not likely to allow the budget they presented and they were told that no consideration could be given to it until it was revised and substantially reduced. The ORT has since submitted a revised budget which reflects a reduction of some \$950,000., but it is still not sound; even the modified budget is \$1,000,000. in excess of the actual expenditures in 1948. The ORT has been told that the JDC is not likely to allow as liberal a budget for 1949 as it did for 1948. In addition, the JDC is proposing that there be much closer supervision of the ORT, including monthly reviews and consultation.

Dr. Schwartz has been informed of the revised budget and he is gathering data abroad which he will send to New York, and the entire matter will be discussed further at the next meeting with the ORT. Meanwhile, Mr. George Backer has resigned as chairman of the American ORT and they are trying to persuade Judge Frankenthaler to accept the chairmanship.

Mr. Rosenwald questioned whether the JDC should include the ORT for 1949 on anywhere near the 1948 basis, especially in the light of the uncertain UJA prospects and the difficulty of controlling ORT activities.

Mr. Goldwater reiterated his opinion that communities will not countenance separate campaigns and will insist on ORT's inclusion. He felt, therefore, that every effort should be made to reach an understanding, but at the same time, JDC must insist on a reasonable budget and adequate control and supervision.

FEBRUARY BUDGET

Mr. Leavitt presented the recommended budgetary appropriations for February, which are identical with the sums appropriated for January, excepting for an increase of \$1,000,000. in the amount requested for emigration. Dr. Schwartz had planned on a \$1,500,000. expenditure for emigration during January, but more people emigrated than even he had anticipated, and he found it necessary to spend \$2,125,000. The exodus to Israel is expected to continue at the same rate in February as in January, although it may be reduced somewhat later. On the basis of the same rate of expenditure, \$2,500,000. will be required for February. Dr. Schwartz has stated that unless the additional funds for emigration can be made available, he will have no choice but to stop emigration. He is greatly concerned about this problem and has asked for guidance.

In this connection, Mr. Leavitt mentioned that the IRO meeting at which the question of reimbursement to the JDC for advances of emigration expenses is to be considered, is scheduled to take place in Geneva on Wednesday. What the decision will be, could not be forecast. According to cable advice received this morning from France, it was indicated that the French Government instructed its delegate to vote for reimbursement

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Copy
Hj

JCR

September 1, 1950

Mr. Eli Rock
JRSO
270 Madison Avenue
New York, N.Y.

Dear Mr. Rock:

I hope the following will help you answer questions in connection with the planned recovery of Jewish cultural treasures in the British zone.

Jewish Cultural Reconstruction, founded in April 1947, and having concluded an agreement with JRSO in August of the same year, according to which it would act as the cultural agency of JRSO in the American zone of Germany, started its operations in Germany early in 1949. At that time the military authorities entrusted to JCR all unidentifiable Jewish cultural property--books and ceremonial objects--which had been found in the American zone and which were stored in the Offenbach depot. This material roughly amounted to 250,000 books, 10,000 ceremonial objects and 700 Torah Scrolls. During the following years we also received title to about 50,000 books, all heirless property, which turned out to be the remnants of German Jewish communal and other libraries, and shortly we shall receive title to about 45,000 books of identifiable but unclaimed private property.

Although JCR acted as the cultural agent of JRSO, it was not founded as a German Jewish successor organization, but laid claim to all heirless Jewish cultural property found on German territory on behalf of the Jewish people. That our activities were chiefly restricted to the American zone was due to the facts that; (a) No successor organizations existed in the British and French zones; (b) the overwhelming

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September 1, 1950

majority of heirless Jewish cultural property happened to have been found in the American zone.

The chief problems with which we were confronted were the following:

1. Sorting and identifying books and ceremonial objects.
2. Cataloguing the most valuable parts of this collection (rare books, periodicals, etc).
3. Allocation to libraries, museums and synagogues all over the world.
4. Direct distribution in the United States.

The identification and sorting work in Germany was done under the personal supervision and constant guidance of expert scholars in the field. The technical and manual work was performed by a staff of six to eight German workers who were paid by the United States government. Office and storage space has also been provided by the occupational authorities. The American authorities also defray transportation costs for shipment to the German border.

Allocation is decided upon by our Board of Directors, who represent the member organizations of JCR. The following principles have been adhered to from the beginning:

1. 40% of all recovered material goes to Israel; 40% to the Western Hemisphere, including the United States; and 20% to all other countries.
2. Within the limitations of this key, first priority is given to the Hebrew University for books and to the Bezallel Museum for ceremonial objects.
3. Proposals for allocation to all other countries usually come from the Advisory Committee of JCR, a body which is composed of leading Jewish scholars.
4. JRSO has to give final consent to all allocation proposals.

Allocation outside of the United States is made to the central national Jewish organizations of the respective countries, with the exception of Western Europe, where the cultural department of JDC has been in charge. Freight expenses from the German border have to be paid by the recipient countries, whereas freight expenses to the United States are defrayed by JCR directly because JCR is in charge of distribution here. These expenditures are recovered through

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a charge of 30% per book and 60% per ceremonial object which is paid by each recipient institution.

I do not need to tell you that the handling of cultural items, whose market value is never certain and frequently does not correspond to the value an object may have for a specific institution (a book with a market value of \$30.00 may be a unique book and therefore a very desirable object), poses very special and intricate problems. Much depends on correct identification and the breaking down into categories. Moreover, the allocation and distribution also require considerable specialized knowledge. For this reason JCR has almost exclusively employed people with specialized background. The only person charged exclusively with administrative work has been Dr. Lowenthal, chief of the German depot. He was needed for shipments ~~to~~ and for general supervision of the work in the depot because of the large quantity of material with which we were confronted. The cultural aspects of the work were supervised and the rules laid down, first, by Dr. Starr himself, and then by Dr. Schunam of the Hebrew University and Dr. Narkiss of the Bezalel Museum. Only when I left Germany in March of this year, and when we had already reduced our staff to a skeleton, was Dr. Lowenthal left alone without expert guidance on the spot. This was possible only because the only material left in the depot consisted of 45,000 identifiable private property on which much technical work was required and which was not of great value.

During the first year of the existence of JCR 1,573 cases of more than 250,000 books, and 211 cases with approximately 10,400 ceremonial objects, and 35 cases with approximately 700 Torah Scrolls were sorted, re-allocated and shipped out of Germany. (You will find a breakdown of these figures in the Annual Report, incorporated in the Minutes of the Annual Meeting of October 17, 1949, copy enclosed). By the end of 1950, JCR will terminate its activities in the American zone and will have shipped an additional 100,000 books, a number of Torah Scrolls and some archival material.

In addition to these activities, JCR embarked on a thorough investigation of the whereabouts of Jewish cultural property in the three Western zones in Germany. Findings in the American zone, some of them of considerable importance, were reported to JRSO and are now being claimed through the usual channels. Information on findings in the other zones were centralized in the offices of JCR. Here follow-up correspondence which were

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greatly facilitated by the "Tentative List of Jewish Cultural Treasures in Axis-Occupied Countries," which was prepared and published in 1946 by the Commission on European Jewish Cultural Reconstruction, now a member of JCR.

A last word about our finances. The details up to July 1, 1949 you will find in the enclosed Minutes of the Annual Meeting. During the last year, that is, from July 1, 1949 to July 1, 1950, our total disbursements were in the neighborhood of \$40,000. Of this amount, however, about 14,000 were expenses in connection with the reception and distribution in the United States. Reimbursements from institutions for the same period amounted to over \$10,000. Overseas expenses for the last six months of 1949 amounted to about \$11,000, but only to about \$4,500 for the first six months of 1950.

Let me conclude with a few remarks about the more obvious differences between work in the American zone and the British zone. First of all, no material comparable in quantity and quality and collected by the military authorities themselves exists in the British zone. No major collection is likely to turn up. Counter-claims by the German Jewish communities which have endangered many of our efforts in recovering property now held by German institutions (property for which the German Jewish communities have neither the need nor the housing facilities, but which they claim nevertheless), will have even more weight in the British zone because of special agreements between JTC and the German Jewish communities. Part of the more valuable Jewish treasures in the British zone are now in the hands of the Jewish communities.

It may be that in view of this situation it would be wiser for JTC to wait with the establishment of a full fledged cultural department until it knows what material it will eventually receive and the approximate date of the first in-shipments. It has been our experience that everything which has to be claimed through ordinary channels takes a considerable amount of time to be cleared.

I am also enclosing the documents which tell the story of our customs difficulties with ceremonial objects.

1. The Receipt signed by Dr. Heller for JCR for the transfer of 3841 objects from the office of the Military Government.
2. The Consullar Invoice.

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3. Copy of my letter to the customs authorities through which we presented these objects to the Jewish Theological Seminary, in order to make the entry.
4. Copy of Dr. Finkelstein's letter accepting it.
5. The Consumption Entry.

I am also enclosing a list of the contents of these cases, as it was given to the customs authorities at the time of entry.

With kind personal regards

Sincerely yours

Hannah Arendt
Executive Secretary

Enc.

116943

Telephone: Circle 5-7826

JEWISH CULTURAL RECONSTRUCTION, INC.

1841 Broadway, New York 23, N. Y.

Members of the Corporation

Agudas Israel World Organization
 American Jewish Committee
 American Jewish Joint Distribution Committee
 Anglo-Jewish Association
 Board of Deputies of British Jews

Commission on European Jewish Cultural Reconstruction
 Committee on Restoration of Continental Jewish Museums, Libraries and Archives
 Council for the Protection of Rights and Interests of Jews from Germany
 The Hebrew University

Interessenvertretung der jüdischen Gemeinden und Kultusvereinigungen in der US Zone
 Jewish Agency for Palestine
 Synagogue Council of America
 World Jewish Congress

Cultural Jewish
Center

President
 SALO W. BARON

**Chairman,
 Board of Directors**
 JEROME MICHAEL

Vice-Presidents
 LEO BAER
 SIMON FEDERBUSCH
 GERSHOM SCHOLEM
 ALAN M. STROCK

Treasurer
 DAVID ROSENSTEIN

Secretary
 MAX GRUENWALD

Executive Secretary
 HANNAH ARENDT

October 24, 1949

Mr. Eli Rock
 Joint Distribution Committee
 270 Madison Avenue
 New York 16, N. Y.

Dear Mr. Rock:

Please find enclosed the statement of JCR activities.

I just received my military permit for four months, several entries, as requested. However, I did not get "facilities." I am wondering if it would be worthwhile to try once more to obtain such facilities, and would appreciate your opinion on it.

With kind regards,

Sincerely yours,

Hannah Arendt

Hannah Arendt
 Executive Secretary

HA:s

14950

lm

168

116954

I. ANNUAL REPORT ON JCR. ACTIVITIES
October 19, 1949

1. Books.-- During the first nine months of this year, 1,608 cases with more than 250,000 books were shipped from Germany to the following countries:

Israel	363 cases
Great Britain	104
Western Europe via Paris	69
German Jewish communities	52
South Africa	39
Paris for ^{storage} (JDC)	136
Paris (Torah scrolls) JDC	35
New York	810*

2. Ceremonial Objects.-- During July and August, 211 cases with approximately 10,400 ceremonial objects were shipped to the following countries:

Israel	87 cases
Western Europe via Paris	10
Great Britain	3
South Africa	3
United States	83, of which 72 were for world-wide distribution

To Sheffield for smelting
(objects beyond repair). 25 cases
Objects beyond repair

3. Present Activities.-- Approximately 45-50,000 volumes from German Jewish institutions are now being sorted and made ready for shipment. About 1100 rare books are still in Wiesbaden awaiting allocation.

Distribution in the Western Hemisphere

Distribution of books in the U.S. started in July 1949. Distribution to other countries in the Western Hemisphere, unfortunately, has not yet started, because these countries were ~~somehow~~ slow in responding to our offer. Books and ceremonial objects will be eventually shipped to Argentina and Canada, and possibly Chile.

During July, August and September, 10,058 books, chiefly rabbinic literature, were distributed to 13 Jewish libraries in this country.

A special effort is now being made to satisfy the great needs of Yeshivot. During September, 10 Yeshivot received 3,555 books. Before the end of this special program, more than 20 yeshivot will have received their share.

83 cases of ceremonial objects are now being unpacked and listed in the Jewish Museum. Distribution to countries of the Western Hemisphere as well as Great Britain and South Africa, will start in about two months.

*Of these, 525 were for distribution in the Western Hemisphere, 270 for world-wide distribution, and 15 for restitution to identified owners

- 2 -

II. FINANCIAL STATEMENT

During the whole period of its existence, i.e., from October 1, 1947 to October 1, 1949,

JCR received	\$43,523.28	and
disbursed	38,070.89	

During the first nine months of the current year

JCR received	27,800.00	from JDC and Jewish Agency,	<i>as advances</i>
and	2,314.15	from libraries in U.S. as	
		reimbursement on books	

The total disbursements during the first nine months amounted to 29,875.42

This includes salaries in New York and overseas, traveling expenses to and in Europe, freight and insurance of shipments to the United States, and New York office expenses.

JEWISH CULTURAL RECONSTRUCTION, INC.
1841 Broadway, New York 23, N.Y.

MEMORANDUM

TO: The Members of the Board of Directors and the Advisory Committee
FROM: Hannah Arendt, Executive Secretary

August 18, 1950

Re: Distribution of Ceremonial Objects, New York Depot

1,698 out of a total of about 3,800 ceremonial objects, in the category of museum pieces, have been allocated and are ready for shipment.

Schedule A: List of Institutions and Number of Objects

1.	The Jewish Museum	127	Items
2.	Hebrew Teachers College, Roxbury, Mass.	53	"
3.	B'nai Brith Hillel Foundations, N.Y.C.	65	"
4.	Hebrew Theological College, Chicago	53	"
5.	College of Jewish Studies, Chicago	56	"
6.	New York University, Library of Judaica and Hebraica, N.Y.C.	36	"
7.	Brooklyn Museum, Brooklyn	19	"
8.	Museum of Hebrew Union College, Cincinnati	99	"
9.	The Temple, Cleveland, Ohio	70	"
10.	Yeshiva University, N.Y.C.	245	"
11.	National Jewish Welfare Board, N.Y.C.	147	"
12.	Committee on Restoration of Continental Jewish Museums, Libraries and Archives, London, England	247	"
13.	So. African Jewish Board of Deputies, Johannesburg, So. Africa	150	"
14.	Canadian Jewish Congress, Montreal, Canada	151	"
15.	Delegacion de Asociaciones Israelitas Argentin as, Buenos Aires, Argentina	150	"
16.	Joods Hulp-Comite Curacao, Curacao, N.W. Indies	30	"
	Total	1,698	Items

Circulate to 5250 Spec Com

Schedule B: Categories of Distributed Items

Eternal Lights	4
Thora Shields	212
Pointers	196
Spice Boxes	274
Cups	64
Plates	53
Menoroth	133
Hanukah Lamps	182
Collecting Boxes	20
Rimonim	180
Textiles (Torah Curtains, etc.)	96
Torah Wrappers	100
Ataroth Ornaments	88
Megiloth	9
Candlesticks	12
Torah Crowns	17
Medals and Coins	35
Miscellaneous	23
Total	1,698 Items

- * - * - * - * - * -

CZA 553 1669

TELEGRAM

851532

Newyork, 20.11.47
Jerusalem, 23.11.47

NLT Kaplan Jevagency Jerusalem

Abba Schwartz advises JDC has received equivalent of 550.000 dollars in frenchfrancs and swedish kroner stop He will arrange for Agency to receive in sterling the equivalent of 550.000 dollars stop Order was already given to deposit to credit of Agency in APB London approximately 40.000 sterling stop In another deal on soft currency there should be similarly available another 40.000 sterling within two weeks stop Further word on possible additional payments in socialled small amounts soon as Abba returns Geneva November 29th stop He states he received recent communication from Sweden that there is still possibility of conversion into sterling stop approximately 200.000 dollars worth of silver will be sold by December 15th and before January first IRC will sell a proximately 800.000 dollars worth of gold probably to Swiss stop He will advise soon status 50.000.000 Swiss francs which I personally dont believe will be available so long as British object stop Any event * important JDC be forestalled from claiming all Swiss francs if they become available stop Abba going via air directly Geneve leaving here 28th stop Regards

Embukstein

[Faded mirrored text from reverse side of the page]

116945



NARA APPROVED

[Handwritten signature]

REV. P. ENERC. GERMANY

Rem. of [unclear]

September 30th, 1949

Letter No. 2355

To: AJDC PARIS - Attention Mr. Jerome J. Jacobson

From: AJDC NEW YORK

Re: Nazi looted diamonds

This will refer to your letter No. 3382 of September 15, 1949, with reference to the above question.

Following receipt of your telegram and letter, I spoke to Abba Schwartz by telephone and received the following information and suggestions:

- 1) The sale of the diamonds in Germany has definitely been staved off and it would seem quite clear at this stage that no matter what happens eventually to the diamonds, they will not be sold in Germany for the Germans.
- 2) Both the State Department and Mr. McGloy have already been spoken to by the IRO on the question, and the matter is being followed up by that organization.
- 3) In spite of the above, a talk by Dr. Schwartz to McGloy and a letter from Eddie Warburg to McGloy, pointing out the JDC's interest in this matter and expressing the hope for a favorable decision, might be helpful. (In this connection, Moe Leavitt, before he left, suggested that the first approach should be made with McGloy in Europe, and that after that has been done and we have been advised accordingly we can take up again the question of a letter from Warburg to McGloy.)
- 4) Abba pointed out that in addition to the possible interest of the Belgian diamond dealers set forth in your letter, there are other claimants and other complications. It was his feeling that the chances of the IRO's success at this stage are on the uncertain side but that they were doing everything possible and that in any event the danger of sale in Germany had been averted.
- 5) The total value of the diamonds is estimated to be from \$200,000 to \$500,000.

ER:AU

E11 Rodk

AMERICAN JOINT DISTRIBUTION COMMITTEE

119, RUE SAINT-DOMINIQUE
PARIS (7^e)

TELEPHONE

87-83

INVALIDES

87-55

70-37

CABLES & TELEGRAMS

JOINTFUND-PARIS

OCT 24 1949

October 20, 1949

Paris Letter No. 3504

To: AJDC NEW YORK - Attention Mr. Eli Rock

From: AJDC PARIS - General Counsel

Re: Nazi looted diamonds - Our Ref. OGC/REP/1

GEN. & EMER. GERMANY

Handwritten signature/initials

This will acknowledge your letter No. 2855 of September 30, 1949, re the above.

I am awaiting Moe Leavitt's return from Israel to discuss your suggestion contained in point (3) of your letter.

Handwritten signature: Jerry
Jerome J. Jacobson

JJJ/hf

90143

Handwritten initials: cm

GEN. & ENCL. GERMANY

Geneva, September 19, 1949

Letter No. P523

Leavitt

TO: Mr. M.W. Beckelman @ AJDC @ Paris

FROM: Mr. James P. Rice - AJDC - Geneva

RE: Non-Monetary Gold

I note in your Paris letter No. 3393 of September 16 that you inform Mr. Leavitt that there is only \$50,000.00 in non-monetary gold out of the \$775,000.

I am sorry to say that the amount is only \$15,000. Apparently you misunderstood this when I explained it to you by phone. Obviously, this makes the whole affair even less interesting from our standpoint. On the other hand, it might still be worth while to discuss it informally with Abba, not only for possible future allocations from Italian loot, but in order to make sure that Abba is aware of how the gold might be used.

I am informed that most of the \$775,000 is in gold and silver numismatic and non-numismatic coins which are sold thru Julius Bar Co. in Zurich, presumably at the highest world market price.

In the meantime, I shall not request IRO to proceed with the liquidation until I receive further written instructions from you.

Incidentally, if the \$1,400,000 in diamonds are declared as part of reparations, would a direct transfer to Israel be interesting to us and the Jewish Agency, in view of the diamond industry established there?

I am sending a copy of this memorandum directly to Mr. Leavitt, so he will be aware of the misunderstanding about the \$15,000 instead of \$50,000 in non-monetary gold.

James P. Rice

cc: Mr. MaA. Leavitt
Mr. J.J. Jacobson

| | | | |
|-------------|--------------------|----------|--------|
| Assigned To | No Answer Required | Answered | TICKLE |
| <i>EL</i> | | | DATE |

| Referred To | Date Noted | Action Required |
|--|------------|--|
| <i>MAL</i> | | <i>Spoke to abba & he says a) the sale in Germany was frozen b) states McCloy have been spoken to and the matter is being followed up b) c) that</i> |
| <i>Toke up w/ me clay find + then + Europe, letter (points to photo of 1000 dollars)</i> | | |

Remarks:

a letter by Schwartz to McCloy and a letter from Eddie to McCloy my help. If you agree, will follow through, The diamonds are estimated to be worth

Date Rec'd

SEP 10 1948

88152 from \$200,000 - \$500,000.

-E R

JASO NY 874
AMERICAN JOINT DISTRIBUTION COMMITTEE

EUROPEAN EXECUTIVE
COUNCIL

110, RUE SAINT-DOMINIQUE
PARIS (7^e)

GEN. & EMER. GERMAN
Res. of Board
TELEPHONE 87-83
INVALIDES 87-66
70-87
CABLES & TELEGRAMS
JOINTFUND-PARIS

September 15, 1949

Paris Letter No. 3382

To: AJDC NEW YORK - Attention Mr. Eli Rock

From: AJDC PARIS - General Counsel

SEP 19 1949

Re: Nazi looted diamonds - Our Ref. OGC/REP/1

Further to my cable #641 of September 14, 1949, I want to call your attention to the very well prepared document which IRO issued on 1 July 1949, bearing the title "Claim of the International Refugee Organization to Diamonds looted by Nazis and recovered by the U.S. Military Authorities in Germany". The document itself presents a very well considered argument that the Germans commenced the war with an insufficiency of industrial diamonds to maintain their armament industry, that in order to do so in the course of the war they embarked upon a comprehensive policy of looting diamonds from persecutees, that documentary evidence reveals that the bulk of the diamonds looted came from persecuted Jews, and finally that the far too limited supply of diamonds found by the U.S. occupation authorities, in view of the magnitude of the looting, constitutes property similar to non-monetary gold and should accordingly be turned over to IRO under the Five-Power Agreement for distribution in accordance with the 90% : 10% formula.

There were 198 thousand carats of industrial diamonds at issue, and the question is succinctly stated in the opening paragraph of the IRO document as follows:

"The International Refugee Organization requests that the 198,000 carats of industrial diamonds recovered by the U.S. Military Authorities in Germany, which were the subject of the OMGUS (Berlin) press release of 30 April 1949, be made available to the IRO in accordance with the intent of Article 8, Part I, of the Final Act of the Paris Conference on Reparation, the Five-Power Agreement of 14 June 1946, and the Joint Chiefs of Staff Non-Monetary Gold Directive to Commanding Generals, USFET and USFA." 88452

It also appears that a group of Belgian diamond dealers comprising the Federation of Belgian Diamond Exchanges, have laid claim to the diamonds as having been looted from them, and it was this claim which served as the basis upon which the OMGUS Public Information Office at Berlin issued its press release on 30 April 1949 rejecting the claim. Moreover, it is this press release that is referred to in the above opening paragraph cited from the IRO document.

The main portion of the press release undertakes to reject the Belgian claim on grounds that insufficient showing has been made to establish and identify these diamonds as the property of the Belgian group. The decision and statement appear

The Joint Distribution Committee receives its funds in the United States through the United Jewish Appeal. Outside of the United States, the Joint Distribution Committee has the active cooperation of the South African Jewish Appeal; United Jewish Relief Agencies, Canada; Central British Fund; Organizacion Central de Ayuda, Argentina; Comites Auxiliares do joint. Brazil; United Jewish Overseas Relief Funds, Australia; Joint Relief Committee, Mexico; and others.

to have been made by a Mr. Orren R. McJunkins, Chief of the Reparations and Restitution Branch, Property Division, COMUS. The really devastating portion of the COMUS press release is the concluding two sentences which read as follows:

"Military Government has worked out a plan for disposal of the industrial diamonds by sale for use in the German economy in small lots to prevent flooding the market and at such prices as are established for current imports. Sale of these properties has already started."

It would seem inevitable from this that the entire IRO argument would be wiped out and remain only a moot question if, while delay in consideration holds, up any decision of the IRO request, COMUS in the interim disposes of the diamonds to German industrialists.

I immediately called Jimmy Rice in Geneva to ascertain what action IRO had taken with respect to this document and where it had been submitted. Jimmy had no definite information at hand but advised that he had received informal word that Dr. Kullman and Michael Hacking had contacted Mr. McJunkins for the purposes of asserting their claim, and had been told by McJunkins that this was a question for the State Department which he could not deal with. However, there was no clear indication that Jimmy Rice had received to the effect that the sale of diamonds indicated by the press release was suspended pending the outcome of a decision on the IRO request. I have asked Jimmy Rice to try to obtain more definite information on these questions.

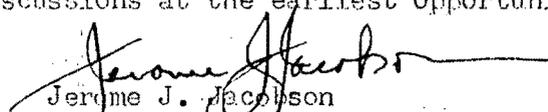
However, in relationship to this whole matter a number of points suggest themselves which I think you should look into and discuss with Moe Leavitt.

- (1) Mr. McJunkins is obviously not the proper official to be dealing with an interpretation of the Five-Power Agreement since this matter is a question for the three powers designated to deal with outstanding problems under the Agreement. In any event, it is a matter for the State Department.
- (2) If it has not already been done, and Abba Schwartz would be the best source for furnishing the answer since I am told he was the principal draftsman of the IRO document, strong representations should be made to Mr. McCloy pointing out the nature of the problem, the IRO document and the interests of JDC and the JAPP, and requesting McCloy to freeze any further disposal of the diamonds pending a decision concerning their character and ownership under the Five-Power Agreement.
- (3) It occurs to me that we and the JAPP should vigorously associate ourselves with and support the position taken by IRO in this document. In this connection we ought to make formal representations to the State Department, the Foreign Office, and the Quai d'Orsay, associating ourselves with the IRO interpretation because we are principal beneficiaries and, in fact, insofar as the U.S. is concerned it was expected under the terms of the Ginzburg confidential report to the Secretary of State that the Jewish organizations designated under the Five-Power Agreement would assume initiative in looking out for their benefits insofar as the neutral countries were concerned, from which we should assume the application of the same principle to the contracting powers. In any event, we ought not to leave room for an impression that we are disinterested or unconcerned about these diamonds and that it is something which only IRO is pressing. I believe this point is weighty in view of the general U.S. apathy towards IRO.

/...

We are, of course, ready to make representations to McCloy in connection with the freeze question, and I presume that if Noe Leavitt and you agree that we should make representations generally associating ourselves with the IRC claim, You will at the same time work out the State Department approach. It seems to me a matter in which the four organizations may validly present a united front.

Please advise me of the results of your discussions at the earliest opportunity.


Jerome J. Jacobson
General Counsel

JJJ/hf
cc: JJS
EWB
JR

remnants of European Jewry.

Unfortunately, the aforementioned international and domestic acts cover only a small part of the properties involved. Furthermore, although 18 months elapsed since the signing of the Final Act, the Swiss and Swedish Governments did not yet act upon its recommendations. Similarly, Greece which was the first country to promulgate such a law, did not enact the necessary complementary legislation. None of the other Allies enacted so far legislation necessary to extend the principle recognized by them with regard to neutral and former enemy countries to their own territories. All this is to a large extent due to the complicated problems involved, especially insofar as properties of foreigners and persons who died cannot be proven by certificates. These difficulties could, however, easily be solved through an international convention which could lay down the general rules, provide for uniform legislation and complementary action.

The European Jewry is at present in a desperate position. Hundreds of thousands are in camps in Germany, Austria and Italy or otherwise scattered through these and other countries.

~~There~~ Their primary need is subsistence for the time being and especially assistance in their resettlement elsewhere. American and other Jewries, which were fortunate to escape direct persecution, are doing their utmost in providing huge amounts for these purposes, in addition to the relief granted by international agencies. It would appear only just that the considerable properties which became heirless or unclaimed in consequence of the tribulations the result of which is the present state of the surviving Jewish groups in Europe be applied to alleviate this situation at least in part.

CONCERNING MASTERLESS AND UNCLAIMED

JEWISH PROPERTIES

Through the extirpation of six million Jews by Germany and her minions on the continent of Europe, and the annihilation of whole families involved therein, vast numbers of Jewish properties became heirless. Furthermore, considerable numbers of persons entitled by law to inherit more distant relatives will not claim these assets because they are either unaware of them or do not want to invest the necessary amount of money and energy.

The assets of murdered Jewish owners are situated either in their home country or abroad. Among the latter category of properties the most valuable ones are accounts and other deposits in banking institutions of neutral ~~countries~~ and some allied countries, which were considered before the war as safe havens for savings. Other properties consist of real estate, movables, moneys, claims, insurances, etc.

Ordinarily, all heirless and unclaimed properties, rights and interests would escheat to the State in whose boundaries the properties are situated or, in certain cases, to the home state of the owner of these assets. However, recognition is being given, by the comity of nations, as well as individual countries, to the fact that such escheat represents a flagrant injustice toward the surviving members of the persecuted groups. The Final Act of the Paris Agreement on Reparations, December 1946; the Peace Treaties with Romania and Hungary; the draft-treaty with Austria; the Greek law of January 18, 1946; the Hungarian law of Nov. 8, 1946, and the Italian law of May 11, 1947) all recognize the principle that heirless and unclaimed Jewish properties should not escheat to the State but be used for the purpose of relief and rehabilitation of the

Carl J. Rock
Carl Rock

October 28th, 1949

JRSO Letter No. 168

Mr. Benjamin B. Ferencz
Jewish Restitution Successor Organization
APO 696A, c/o Postmaster, New York, N. Y.

Dear Ben:

As you know, Dr. Hannah Arendt, of JCR, Inc., will shortly be leaving for Germany to work with JCR in that country. Dr. Arendt has obtained her Military Permit for a period of four months and plans to leave the States around November 20, 1949.

Dr. Arendt informs us that her permit does not entitle her to Military Government "facilities". In view of the recent changes in the German economy, Dr. Arendt is wondering whether she would in fact need such facilities at all, and if so, whether she should still make an effort to obtain them here, or whether the JRSO office in Germany would obtain them from her. It has been sometime since this office has processed any travellers for Germany, so that we were not in a position to answer Dr. Arendt definitively. She is particularly concerned about being able to secure adequate transportation facilities, as she expects to be moving from one German center to the other, and about obtaining the necessary German currency.

We would greatly appreciate hearing from you on these questions as soon as possible, so that we may advise Dr. Arendt.

Sincerely yours,

Ell Rock

ER:AU

116957

JEWISH CULTURAL RECONSTRUCTION, INC.
1041 Broadway, New York 23, N.Y.

Appendix to Minutes of the Meeting of the Board of Directors
December 19, 1949

MINUTE FOR JOSHUA STARR

The Board of Directors of Jewish Cultural Reconstruction, Inc. wishes to record its profound grief over the decease of Dr. Joshua Starr. As Executive Secretary of our organization from its inception until August 1949, he carried the main burden of its administration, negotiations with the military and civil authorities in Germany, as well as the shipment and distribution of books and ceremonial objects. The Jewish Cultural Reconstruction also shares with the rest of the Jewish community the sense of loss of a distinguished young Jewish scholar, editor and communal worker.

JEWISH CULTURAL RECONSTRUCTION, INC.
1841 Broadway, New York 23, N. Y.

Proposed Agenda for the Meeting of Board of Directors

October 17, 1949

1. Minutes
2. Problems of allocation and distribution
 - a. German Jewish institutional collection now in Wiesbaden
 - b. Hermann Cohen collection
 - c. Rare books now in Wiesbaden
 - d. Ceremonial objects now in New York
3. Future operations in Germany
4. Length of trust and the handling of claims
5. Public announcements and statements of policy from member organizations.

JEWISH CULTURAL RECONSTRUCTION, INC.
1841 Broadway, New York 23, N.Y.

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS
October 17, 1949

Pursuant to a notice dated September 28, 1949, a copy of which precedes the minutes of this meeting, the annual meeting of the Board of Directors of the Corporation was held at 9 P.M. on October 17, 1949, at the Harmonie Club, 4 East 60th Street, New York City.

The following persons were present: Prof. Salo W. Baron, President; Prof. Jerome Michael, Chairman of the Board of Directors; Dr. Simon Federbusch, Vice-President; Dr. Max Gruenewald, Secretary; Dr. Wolf Blattberg, Mr. Rudolf Callman, Rabbi Hirsch Freund, Dr. Isaac Lewin, Dr. Ben Halpern, and Mr. Eli Rock.

Dr. Bernard Heller, former Field Secretary

Ex officio: Dr. Hannah Arendt, Executive Secretary.

Jerome Michael, the chairman of the Board of Directors, acted as chairman, and Dr. Hannah Arendt as secretary, of the meeting.

1. Minutes

The reading of the Minutes of the last meeting of June 7, 1949, was dispensed with. The Minutes were approved as circulated.

2. Election of Officers

Re-elected were: Salo W. Baron, President; Jerome Michael, Chairman of Board of Directors; Leo Baeck, Simon Federbusch, Gershon Scholem and Alan M. Stroock, Vice-Presidents; David Rosenstein, Treasurer; and Max Gruenewald, Secretary.

The question of an increase in the number of vice-presidents was raised and discussed. The Chairman read to the meeting the following paragraph from the By-Laws of the organization:

"In case of the death or absence of the President, or of his inability to act from any cause, one of the Vice-Presidents, in the order of their seniority, shall perform the duties of the office of President."

In view of the fact that the Vice-Presidents do not represent member organizations but are elected as individuals, and in view of the fact that they have no duties except in case of an emergency, it was decided not to add any more vice-presidents to those who were already re-elected.

- 2 -

Upon motion duly made and seconded, gratitude of the Board to the President of the organization, Professor Baron, and to the Chairman of the Board of Directors, Professor Michael, was unanimously and warmly expressed.

3. Problems of Allocation and Distribution

X It was decided that the allocation of German Jewish institutional collections now in process of distribution should not follow schematically the rule under which the 250,000 books of the Offenbach Depot had been distributed, namely, 40 percent each to Israel and the Western Hemisphere, and the rest to other countries, but that the destination of each collection should be considered separately after pertinent information has been received from Wiesbaden.

X The allocation of the Hermann Cohen collection to the Hebrew University was ratified.

X It was decided to honor the repeated applications from Switzerland for the distribution of books among the Swiss Jewish communities. Dr. Gruenewald proposed that the remnants of the Fraenkelsche Stiftung, Breslau, should be allocated to Switzerland, on condition that this collection be kept intact, and not distributed among Jewish communities in Switzerland, but since the Advisory Committee had recommended that these be distributed among Switzerland, Sweden and, possibly, Italy, this proposal was referred to the Advisory Committee for re-consideration.

The recommendations of the Advisory Committee on distribution of ceremonial objects, as set forth in the minutes of the Committee's meeting of September 19, 1949, were reported to the Board of Directors, and adopted.

Dr. Lewin raised the question of allocation of books to the Israeli Yeshivot. He complained that distribution had not yet started. Professor Baron stressed the autonomy of the local groups. There was general regret, however, that communications with New York headquarters were slow and that reports to New York about local distribution from the recipient countries were frequently not made.

Upon motion, duly made and seconded, it was decided that the President and the Secretary of the organization should take all steps which they deem appropriate to bring about speedy distribution and to insist on reports from the recipient countries.

Dr. Lewin stressed the great needs of individual rabbis for rabbinic literature which is now being distributed from the Brooklyn depot. Professor Baron recommended once more the establishment of a circulating library to fill the needs of individual rabbis. He also stressed the difficulties involved. Dr. Lewin agreed to survey the situation and to find out what library or institution would accept this charge.

116961

- 3 -

4. Future Operations in Germany

X The Board authorized a preliminary investigation in Germany to find out whether a systematic search of hidden caches for Jewish cultural treasures -- books and art objects -- would yield adequate results.

5. Individual Claims

Professor Baron reported that the Committee on Restoration of Continental Jewish Museums, Libraries and Archives, in London, had decided that the trusteeship of books received and allocated to institutions should not be limited to any period. This is in contradiction to the JCR decision to reserve for itself the right to ask for the return of a book from a recipient during a period of two years.

In the discussion it was pointed out that if the civil law of any country or the good will of a particular recipient should enable a former owner to reclaim his property, there would certainly be no objection. But the Jewish Cultural Reconstruction could assume no obligation whatsoever beyond the two-year limit, especially since it is not conceived as a permanent organization.

The Board decided that the member organizations of JCR should be informed that they have no right to deviate from the rulings of the Board of Directors without having previously brought the matter to the Board's attention.

X
(Jan. 59)
(27/89)
In this connection, the establishment of a rabbinical court to review doubtful claims was discussed and Rabbi Freund of the Synagogue Council was asked for eventual implementation.

6. Public Announcements

In view of the fact that member organizations have made public announcements in which they claimed credit for operations which had been carried out by JCR, and in view of the further fact that statements of policy which deviated from the rulings of the corporation were published by member organizations as if they were rulings of the corporation, upon motion duly made and seconded, it was decided that no member organization should have the authority to make public statements without the approval of the Board.

7. Designation of Three Directors to Represent Jewish Cultural Reconstruction on the Board of Jewish Restitution Successor Organization

Professor Baron and Professor Michael were re-elected as representatives of JCR on the Board of Directors of JRSO. They were also empowered to designate a third representative in the near future.

116962

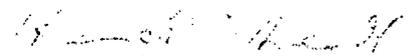
- 4 -

8. Smelting of Ceremonial Objects

Regret was expressed that the Board had not been informed of this operation in time and that no formal vote had been solicited.

There being no further business to come before the Board, upon motion duly made and seconded, the meeting was adjourned at 11:45 P.M.

Respectfully submitted


Hannah Arendt

AFTER
FIVE
YEARS

REPORT OF THE JEWISH
RESTITUTION SUCCESSOR
ORGANIZATION
ON THE
RESTITUTION OF
IDENTIFIABLE PROPERTY
IN THE US-ZONE
OF GERMANY

JEWISH RESTITUTION SUCCESSOR ORGANIZATION
OPERATING AGENTS
AMERICAN JOINT DISTRIBUTION COMMITTEE
JEWISH AGENCY FOR PALESTINE

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JEWISH RESTITUTION SUCCESSOR ORGANIZATION

AFTER FIVE YEARS

1948-1953

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JEWISH RESTITUTION SUCCESSOR ORGANIZATION
FÜR HERSTELLUNG
NÜRNBERG, GERMANY

Cable Registration Number
Phone 6171

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PREFACE

The JRSO was a novel adventure on an unplumbed sea. We charted our course by the stars and set sail not knowing where or how the journey would end. The only cargo was hope and determination. There were harsh winds and bitter storms throughout the long voyage, but we rode the wave of every tempest. After five years the ship is nearing port. The treasure which it carries in its hold is limited, but its hopes have not been shattered and determination has reaped its reward. This report chronicles the story.

It was my privilege to have been entrusted with the helm in this arduous expedition. The pioneer who tries a new path must anticipate rigors on the way, but the satisfaction is so much greater when the route leads to help for the needy and oppressed. I shall always be grateful to the Jewish organizations for permitting me to participate in this historic experiment.

May I convey to the Directors of the JRSO and the operating agents my deep appreciation for their confidence and constant support. To those who guided the JRSO policies — Joseph J. Schwartz, Moses A. Leavitt, Moses Beckelman and Jerome J. Jacobson of the American Joint Distribution Committee, and Maurice M. Boukstein, George Landauer and Max Kreutzberger of the Jewish Agency for Palestine, as well as the Corporation secretaries, Eli Rock and Saul Kagan — a word of gratitude for their patience, help, encouragement and friendship. My sincere thanks also go to my colleagues of the JRSO who are the unsung heroes, without whose devotion to duty, loyalty and skill the voyage would not have been possible.

BENJAMIN B. FERENCZ
Director General

Nuernberg, Germany.
November 1st, 1953.

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INTRODUCTION

There is a scene in Hamlet where the king, having treacherously slain his brother, seeks forgiveness in prayer. "Pray can I not" he moans, "since I am still possessed of those effects for which I did the murder". He remarks that he can never be pardoned as long as his heart is unrepentant, and he retains his ill-gotten spoils. The precept that no nation could morally retain the plundered property of its slaughtered victims inspired the formation of the JRSO. By massacre and pillage the Third Reich had sought systematically to destroy the Jews. The possessions of those who perished in the Nazi infernos would not be allowed to rest in German hands, but would, instead, be retrieved to reconstruct the shattered lives of those who survived.

Altruistic principles are not self-enforcing. Whether the humanitarian objective could be achieved amid the smouldering ruins of the vanquished and unregenerate Fuehrer State posed an unprecedented problem. Twelve Jewish organizations, distrustful but determined, decided to accept this challenge. Together they formed a philanthropic body to serve as successor to those who perished without heirs. Five years ago, in the Nazi citadel which spawned the anti-Jewish laws, the Jewish Restitution Successor Organization began its work. Half a decade is a convenient point for pausing to survey and appraise the record.

The restitution of heirless property in the U.S. Zone of Germany is only a small part of a larger mosaic. To understand it properly the entire panorama must be scanned. The pattern is designed to portray a new Germany, remedying some of the wrongs of its predecessor. An important component in the sketch is the return of Jewish property still in existence. Compensation to those whose confiscated property was sold or destroyed and to those unjustly imprisoned or divested by Nazi action of their livelihood, support and health, are other essential elements. Many of the scenes in the tableau are still obscure or are slowly beginning to emerge.

Restitution of Identifiable Property

Long before Germany's capitulation the Allied Powers began considering measures to assure the restitution of property which victims of persecution had surrendered through fear or force. Would-be acquirers were warned by Governments-in-exile and the United Nations that they would never be permitted to retain the spoliated assets. Post-war legislation in the various countries concerned was far from uniform. Even within Germany the four occupying powers could reach no agreement. The United States, for example, favored the appointment of a charitable Jewish successor organization to retrieve the heirless Jewish property. The British Government, fearing that

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such funds would support Palestine's attempts to secure independence, opposed this idea. The French argued that heirless assets should go into a common fund which the German Government could then use for persecutees still in Germany. The Soviets were generally unsympathetic to special legislation enforcing property rights.

Finding agreement impossible and further delay unjustifiable the U.S. Government, at the end of 1947, proceeded unilaterally to enact a law for the restitution of identifiable property in the American Zone. All potential heirs, no matter how remote their relationship to the original owner, were authorized to present claims. The JRSO was designated to recover the unclaimed and, therefore, presumably heirless portion. German courts were entrusted with enforcing the law under the watchful eye of an American appellate tribunal. A year and a half was to pass before the British Zone had a similar law and almost 2 1/2 years before they accepted and appointed a Jewish Trust Corporation. It was March 1952 by the time the French Government was prepared to designate a Jewish successor organization for the French Zone. In the meanwhile the JRSO carried on alone.

Indemnification for Personal Injuries

Even greater disunity was the motif in the realm of indemnification. The objective here was to grant compensation to persons illegally imprisoned and to those who had lost their providers, their means of livelihood or their health at Nazi hands. None of the occupying powers was prepared to legislate for Germany in this field. Stimulated by U.S. prodding, the four States of the U.S. Zone enacted laws at the end of 1949 providing limited indemnity for such losses to a restricted number of persons who could qualify. Those failing to meet rigid dateline and residence requirements were barred, regardless of damage sustained. Enactments in the British and French Zones were completely fragmentary or unsatisfactory. The Soviet Zone sealed itself off and reportedly did little, if anything. Toward the end of 1950 West Berlin followed the U.S. zonal model.

To eliminate the inconsistent multiplicity the three Allied powers urged the new German Government to enact a single indemnification law for Western Germany. The Contractual Agreement, tending to restore German sovereignty, required that legislation at least as favorable as the U.S. zonal laws would be promulgated. This was an important minimum safeguard, yet many thousands of victims remained arbitrarily excluded. The Jewish organizations, mindful of the deplorable inequities, took steps to remedy the situation. United in the "Conference on Jewish Material Claims against Germany" they sought improvements. After prolonged negotiations at the Hague the German Government was, by September 1952, prepared to assure additional concessions admitting large numbers of persecutees who had previously been barred.

Untiring representations by the Claims Conference seemed essential reminders that the promise required fulfilment. A year later, at the dramatic final session of the first West German Parliament, the law giving effect to most of these pledges was enacted. On 1 October 1953, more than eight years after war's end, the new law went into effect.

Monetary Claims Against the Reich

The coffers of the Reich had been sated with the stolen savings, securities and jewels of its victims. These assets had disappeared into the German treasury and could no longer be found. The Federal Republic agreed to compensate for such losses but limited its liability. The claim would be paid only if the confiscation took place in Western Germany, and the total bill could not exceed 1.5 billion DM (\$357,000,000). Payments could be spread over a ten year period, depending upon Germany's capacity to pay. Despite these safeguards the law carrying out this pledge to the Allied Governments and the Jewish organizations has not yet been drafted.

The Claim of the State of Israel

Restitution, indemnification and promised payments for Reich liabilities were confined, almost exclusively, to losses suffered within Germany, or by persons who had been resident in Germany. Millions of East European Jews, whom the German conquerors had tagged for extermination, had been stripped of every earthly possession before they dropped into their unmarked graves. Germany had reaped the ghastly harvest of these systematically itemized effects, which included funds, jewelry, clothing, gold fillings and even toothbrushes. Restoration was impossible. The pitiful remnant which had survived the Nazi holocaust cried out to the world for help and refuge. Only one nation opened its doors without restriction. The new Jewish State of Israel offered a haven to all, so that Jews who had lived in terror might at last be free from persecution.

The financial burden to the fledgling country, which doubled its population within a few years, was staggering. Absorption and rehabilitation of a destitute group, too often shattered in mind and body, imposed an enormous drain on limited resources. While thousands of Jewish refugees dwelled in Israel's overcrowded tents on a bare subsistence level, vanquished Germany was rapidly resuming the economic leadership of Europe. The contrast between the poverty of the victims and the newly-restored wealth of their erstwhile oppressors was striking.

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In the late spring of 1951 the Government of Israel called upon the occupying powers to support a payment of collective recompense to the Jewish State. On the eve of the Jewish New Year, the Federal Chancellor Dr. Adenauer invited Israel and representatives of Jewry outside of Israel to confer with the German Government. Jewish public opinion was sharply divided. Abhorrence and distrust tilted with want and hope. The vast majority affirmed that it was more honorable to help those in need than to allow pride to perpetrate plunder. Following the historic meetings at the Hague the Federal Republic promised to provide Israel with 3 billion DM (\$714,300,000) worth of German goods during the succeeding 12 to 14 years. 450 million DM (\$107,145,000) more would go to the Jewish organizations for relief work outside of Israel.

While all of these events were evolving the JRSO was quietly continuing its pioneer work in Germany. There was no public debate on the morality of JRSO's action. Often, through its trials and tribulations, there was doubt about its prospects for success. After five years, perhaps a sounder judgement can be formed about the wisdom of this novel experiment.

RECOVERY OF HEIRLESS PROPERTY IN THE U.S. ZONE

Finding and Claiming the Property

The most important task confronting the JRSO was how, amid the desolation and ruin of Germany, to discover and claim all of the Jewish property which had changed hands during the dozen-year reign of the thousand-year Reich. The law provided a scant four months from the time the JRSO was authorized to act, in August 1948, to the deadline for filing claims. The filing period for private claimants began in November 1947, but also expired on December 31, 1948. There was, therefore, no way for the JRSO to know in advance what would remain unclaimed and presumably heirless. The only way to counter this provision in the law was to claim everything and later sort the wheat from the chaff.

The American Joint Distribution Committee and the Jewish Agency for Palestine provided a small dollar budget, but local personnel and German marks were urgently required to move the organization into high speed motion. Military Government, under the able leadership of General Lucius D. Clay, was prepared to help. Money was advanced from occupation funds to enable the prompt employment of a force of over 300 clerks, typists, investigators and lawyers to work under Jewish supervision and control. All Germans who had been in possession of Jewish property during the Hitler years were required by law to report that fact to Military Government. These reports were made available to the JRSO where a battery of typists, working

round the clock, pounded out claims in eight copies each at a rate of 2000 per day. At the same time scores of investigators, based at quickly established Regional Offices throughout the Zone, scoured German real estate registries, tax returns, property control offices and official records, to supplement the Military Government information. As the deadline approached, bushels of JRSO claims were raced, as if by Roman charioteers, to the Central Filing Agency in a second-hand army ambulance which served as JRSO transport. When the count was taken, over 163,000 claims had been filed and the JRSO had thereby petitioned for the return of virtually every piece of Jewish property which had been taken in the U.S. Zone since 1933. Nothing has appeared in the past five years to indicate that substantial assets were overlooked in JRSO's desperate rush to safeguard Jewish interests.

The calm came after the storm. The flood of claims had to be sorted and minutely compared with the petitions submitted by former owners or remote heirs, many of whom, without meaning to make the puzzle more perplexing, had changed their names, intermarried, or were unable to recall an exact description of the property sought. The withdrawal of JRSO duplicate claims went on endlessly. Meanwhile extensive investigations were being conducted in an attempt to determine the facts surrounding each confiscation, the value of the property then and now, encumbrances, mortgages, depreciation, mismanagement, improvements, and possible rebuttal to potential defenses to be raised by the restitutor. Frequently the facts were obscured in history or buried in debris.

Amicable Settlements

Despite these handicaps, Jewish lawyers of the JRSO, who had been recruited from their countries of refuge, began to negotiate with German aryanizers summoned to nearly a dozen JRSO offices scattered over an area of 40,000 square miles. The experience soon proved discouraging.

Germans who had been in possession of a Jewish house or business for a decade or more were most reluctant to surrender it to a "foreign" organization. This was particularly true where they had paid the Jewish seller what they considered to be a reasonable price and had not personally coerced him. They, as all Germans, knew that the Jews were selling only because of Nazi pressures, but the concept that the transaction was thereby made voidable was one which the average layman refused to grasp. Their bitterness was deepened by a currency reform under the terms of which the claimant was required to repay 1 Deutsche Mark for every 10 Reich Marks which he had received for the property. This currency conversion generated by Germany's war-caused inflation, and essential to German reconstruction, divested all Germans of almost all of their savings. Property holders were not immediately affected unless the property was subject to restitution. These holders blamed the Jewish claimants for their loss and indignantly denounced

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the entire restitution program. Associations of so-called "loyal restitutors" were formed to bring about revision of the law. Their outraged voices found an echo in the German courts.

The JRSO was not intimidated by abuse. Every unjust outcry was resisted with determination, and the U.S. Government, as well as the American Court of Restitution Appeals, withstood the German pressures. By fairness coupled with patience and perseverance, JRSO lawyers were able to reach amicable settlement in thousands of cases. Despite these successes it soon became apparent that recovery of property on a piecemeal basis would be a costly and time-consuming process, generating venomous German hostility.

Bulk Settlements

In the summer of 1950 negotiations were begun with the State Governments which were asked to accept the assignment of all remaining JRSO claims in return for reasonable payment. The Governments would then be free to make such settlements as might appear to them to be appropriate.

It is interesting to note that under the terms of the restitution law the State was prohibited from being appointed as a successor organization. Yet the operations of the successor organization soon established that it was preferable to have the claims handled by the State. In 1945, however, no one could have trusted the shattered German Government to make a serious attempt at tracing or evaluating heirless assets. In performing this function the JRSO defined the extent of the claim and gave it a legal foundation. Whether the German Government would eventually have been prepared to make a payment without these facts remains speculative and doubtful.

During the bulk settlement negotiations each State demanded exact lists of the JRSO claims which could be subjected to independent appraisal. Political parties and Cabinets debated the merits at length. If they had any enthusiasm for such settlements they managed successfully to conceal it. By February 1951 the State of Hesse had finally consented to a bulk agreement with the JRSO. The State behaved like a reluctant groom being tugged by an eager JRSO bride, and pushed by an anxious father-in-law in the person of the U.S. High Commissioner. The amount offered to the JRSO was 25 million DM (\$5,952,000) which, after various deductions and deletions, amounted to 17½ million DM (\$4,166,700) in cash. Hesse established its own corporation to act instead of the JRSO in pressing the claims against the restitutors. Two and a half years after the date of the settlement it appeared that the State Corporation would eventually recover almost the amount it had paid, and that its total loss on the transaction would not exceed 10% or 15%.

The small State of Bremen quickly followed suit with a settlement of one and three-quarter million DM (\$416,600). Bavaria was the toughest nut to crack.

Noted as the cradle of national socialism and famed for its peasant-like parsimony, this Southern state evinced a strong disinclination to reach a reasonable agreement. The active support of the High Commissioner, Mr. John J. McCloy — the visible source of U.S. economic aid — had a most persuasive effect. After much anguish on both sides, Bavaria signed an agreement with the JRSO in April 1952 providing for a payment of twenty million DM (\$4,761,900). As of this date only 17,730,000 DM (\$4,221,500) has been paid and debates about part of the balance are in progress.

The responsible officials of Wuerttemberg-Baden, who had been among the mainstays supporting restitution and indemnification, were unalterably opposed to accepting the assignment of JRSO's claims against private persons. They reasoned that the State would be politically unable to enforce restitution demands against its own citizens, and that this breach in the restitution dike would eventually sweep away the entire program. They were prepared, however, to make a settlement for ten million DM (\$2,380,900) for claims against the Federal Government and the State itself.

The light of experience has shown that the fears of Wuerttemberg-Baden were unfounded. The opposite of their prediction has come true. Whereas some representatives of the State Governments had, before the bulk settlements, shown a tendency to oppose restitution, their attitude changed once they were in the position of the claimant and it was in their financial interest to support the law. The justice of the claims only became apparent to the State when the State became the creditor.

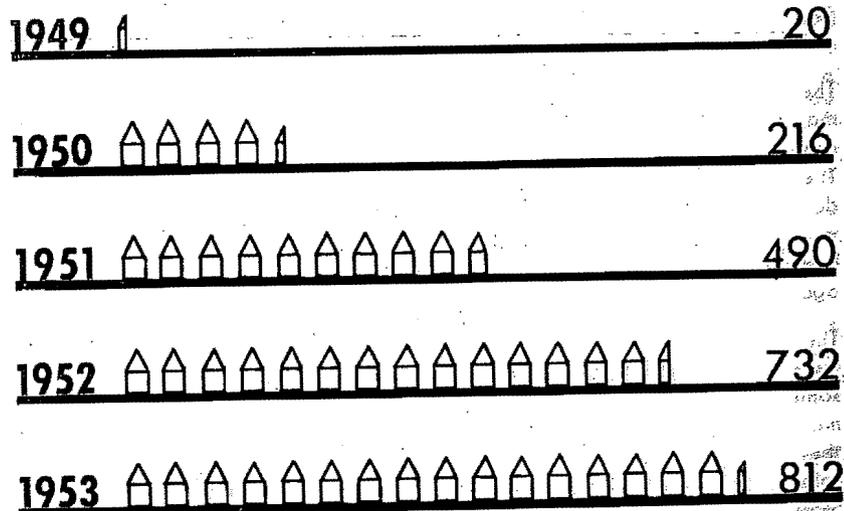
By virtue of these agreements with the State Governments the mass of the day-to-day work of the JRSO in the U.S. Zone was completed. The settlement of claims was the most remunerative phase of JRSO activity, but other major concerns remained.

Property Management and Sales

While negotiations with the States were in progress, daily work continued unabated. Almost 1000 pieces of property were recovered. Most often the prudent aryanizer conceded restitution where the asset had been shorn of value. A leaking ruin or a bombed-out wreck was graciously surrendered. These houses and plots, spread over hundreds of villages and towns, had to be managed and sold. Rents had to be collected, repairs made and buyers found. By 1953 JRSO salesmen, co-operating with local brokers, had sold over 800 pieces of realty for almost eight million DM (\$1,904,800). 165 pieces of property, valued at almost five million DM (\$1,190,450), without deducting encumbrances or equitable claims, are still awaiting sale. This includes three million DM (\$714,300) worth of property in Berlin, where the market is highly speculative.

NUMBER OF PROPERTIES SOLD BY JRSO

Each symbol represents 50 properties, Cumulative Totals



VALUE OF PROPERTIES SOLD

| | |
|------|-----------------|
| 1949 | DM 366,730.00 |
| 1950 | DM 2,441,466.93 |
| 1951 | DM 4,712,553.09 |
| 1952 | DM 6,763,275.06 |
| 1953 | DM 7,715,402.72 |

The Recovery of Cultural Property

Despite the concentration on the recovery and disposal of real estate JRSO interest was not confined to monetary returns. The Jewish Cultural Reconstruction Inc., composed of leading Jewish scholars, had been designated as an operating agent of the JRSO for the purpose of dealing with cultural problems. As early as 1948 the JRSO established a Cultural Property Division to discover and retrieve cultural, artistic and religious objects. The Germans, with characteristic thoroughness, had transported to Germany and carefully stored, the contents of many Jewish libraries, museums and synagogues which the Nazis had plundered in the East. When Germany capitulated, the Allied armies took over these depots. Under JCR's guidance the collections of Judaica, Hebraica, prayer-books, bibles, periodicals and rare books, were carefully screened and sorted. Where former Jewish owners could still be traced, these cherished possessions were returned to them. Over a quarter of a million books were shipped to libraries, schools, Yeshivot and other centers of Jewish learning throughout the world. These fragments of Jewish culture, packed in over 2000 crates, were shared by Jewish students in dozens of countries.

Almost 1000 torah scrolls were recovered and removed from Germany. In Paris a group of scribes tenderly repaired these sacred tables of the law for use in new Jewish settlements in Israel. Those beyond repair received a ritual burial on Jewish soil.

Jewish scholars came from Israel and the United States to continue the search for hidden cultural treasures, and over 10,000 ceremonial objects stolen from synagogues — candlesticks, spice boxes, pointers, torah wrappers, Hanukka lamps, and amulets — were recovered and distributed by joint action of JCR and JRSO.

Nearly 700 works of art, seized by the Gestapo in Jewish museums or homes, were retrieved by the JRSO. After proud exhibition in New York they went to enrich the new museums of Israel. JRSO's participation in salvaging some of the remnants of the Jewish heritage was one of the most gratifying aspects of the restitution program.

Private Claimants Who Missed the Deadline

Historians from Josephus to Churchill have noted that once a common danger has passed, Jewish groups are given to disputing among themselves. This observation was not found to be false where JRSO touched other Jewish interests.

Several thousands of claimants had, for one reason or another, neglected to file their claim for restitution within the thirteen month period prescribed by the law. The highest court ruled that, having neglected to submit their petitions

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in time, their legal rights were barred. In almost all of these cases the JRSO had filed a timely claim and under the law it was therefore the only claimant entitled to recovery. The belated claimants, feeling expropriated by the JRSO, indignantly demanded that the claims or the proceeds be turned over to them as the rightful owners. The problem thus was whether the general relief interest which JRSO funds were required to serve, outweighed the demand of the possibly negligent former owner or his heirs.

It was clear that if the former owners were themselves aged or in need their demands should promptly be met. Inquiries about the age or financial condition of the claimant, however, or the reasons for his failure to safeguard his rights, encountered fierce resentment. There was also little understanding for the fact that the law prohibited assignments by the JRSO and that special licenses and amendments would be required before anything could be done.

After overcoming the legal proscriptions it was finally decided that the JRSO would surrender its claims to all heirs, no matter how remote their relationship, provided they made themselves known before 1 January 1951. This equitable conclusion would give Jewish claimants two years more than was provided by the official deadline. Non-Jewish persecutees, whose property the JRSO could not claim, had no such possibilities. A service charge was to be imposed which varied with the value of the property and the claimant's relationship to the original owner. The more valuable the property and the more remote the kinship the higher would be the cost. The highest possible assessment for the assignment of a claim was 40%. If the case had already been completed 10% more was added, but all charges could be reduced to as low as 5% where there was evidence of hardship.

As might have been expected, considerable numbers of claimants totally ignored the new deadline and only appeared after it, too, had expired. Whether their failure was due to skepticism, apathy, ignorance or factors beyond their control was difficult to determine. Their lateness did not diminish the ardour of their criticism. Again the JRSO agreed to meet their demands, at a slightly increased service charge for the new latecomers. By public announcements the second deadline was fixed for 31 December 1951. Nevertheless, during 1952 the claims continued to come in. There appeared to be a never-ending stream of persons whose interest in their assets seemed to arise only after the JRSO had successfully concluded the case. With consummate patience the deadline was again extended, this time to 1 January 1953, a date more than five years after the law's enactment. The notifications in the press served as only a slight deterrent to the influx of new claimants. Even during 1953, hundreds appeared to demand that assets worth about two million DM (\$576,200) be withheld from general Jewish relief in order to meet their very much belated requests.

Without the timely intervention of the JRSO all of these late claims would have been lost to the former owners forever. The total value of the assets which JRSO gave to some three thousand late claimants reached fourteen and

a half million DM (\$3,452,450) of which five million (\$1,190,500) was in cash. It was estimated that an additional three and a half million DM (\$833,350) more would be surrendered to applicants whose proof of the right of inheritance or share in the property was still pending. The Talmud advises: "Into the well which supplies thee with water cast no stones". This admonition went unheeded as far as the equity claimants were concerned. The JRSO action was viewed as expropriation rather than salvation. The service charges were viewed as discriminatory levies. Vilification took the place of gratitude.

Property of the German-Jewish Communities

In 1933 Germany boasted a Jewish population of six hundred thousand. Twenty years later some twenty thousand remained. Most of those who chose to remain in the country of their birth had spent time in a Nazi concentration camp or had been forced to live in terror. The lives of many had been saved by a non-Jewish spouse whose only home was Germany. Just as it was understandable that the more hardy souls would refuse to stay in a country haunted by nightmares, so it was understandable that many who were old, ill or tired of wandering, would decide to finish their lives where they could speak their native tongue and not be viewed as foreign refugees. Many of these forlorn people lived in the hope that their burden might be eased by restitution or indemnification payments. Others re-established themselves in such trades or professions as they could. They constituted an over-aged group with unusual psychological and social difficulties. They bore the indelible scars of persecution.

In the American Zone the cities of Munich and Frankfurt, with a combined post-war Jewish population of about three and a half thousand, contained the largest congregations. Berlin, which once housed two hundred thousand Jews, now had only seven thousand. The remaining Jews of Germany were huddled in small communities with little, if any, communal life. Spiritual and moral shepherds to tend this desolate flock were scarce. It was a far cry from the proud and wealthy German-Jewish community which had earned the respect of the world in the days before Hitler.

The restitution law envisaged that the property of all Jewish communities and organizations, which Nazi law had dissolved, would be entrusted to the JRSO for distribution. Before the JRSO could be designated as the Jewish successor organization it had to establish that its membership was truly representative of the Jews, and that it therefore qualified to serve as impartial trustee. The newly formed Jewish communities in Germany challenged the scope of JRSO's dominion. They identified themselves with their predecessors and felt that legally and equitably they were the natural recipients of the former communal

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property. The JRSO, concerned not merely with the requirements of these 3% still remaining in Germany, but also with the other 97% which were included among the potential JRSO beneficiaries, could not share the Gemeinde view. It felt that it could not surrender the communal property to small and often irresponsible groups without consideration for their actual social and welfare needs.

In its attempt to negotiate this problem with the new communities the JRSO began with the premise that wherever there were Jews who wanted a place to pray a suitable synagogue should be available to them; wherever a house was required in which community members might meet it should be provided; and wherever an old-age home was needed it should be established. The communities were already receiving welfare aid from the Joint Distribution Committee which distributed a share of JRSO funds. Yet, in addition, the JRSO felt that cash or income-bearing property should be made available to the communities if it seemed reasonable under the circumstances.

There was deep resentment among the Gemeinden at the idea of their not being allowed to decide for themselves concerning their own needs and what could be made available to the general Jewish interest. They were angered at the idea of being treated as wards by their brethren from abroad. Lively debates ensued and it was not uncommon throughout the Zone to find JRSO and Gemeinde representatives engaged in avid *meum et tuum* discourse.

Gradually settlements began to emerge with most of the communities. Thirteen out of the seventeen larger congregations in the American Zone signed binding agreements concerning the division of the property. In some cases the new community received all of the former communal property and, in addition, as much as 50% of the property which had formerly been owned by private foundations or trusts. The value of the assets turned over to the communities with which settlement was reached amounted to over three and a half million DM (\$833,350) as compared with the approximately five million DM (\$1,190,500) retained by the JRSO for distribution elsewhere. The four remaining communities, with a membership of less than 1% of the pre-war German-Jewish population, continued adamant. Although at their request mutually acceptable agreements had been drafted, the Gemeinden of Frankfurt, Nuernberg and Fuerth failed to sign. Their reluctance was stimulated by the fourth community, Augsburg, which led the opposition.

In the Bavarian town of Augsburg there now reside less than three dozen German Jews. Until recently they excluded from their congregation about fifty Jews from Poland who had migrated into the Augsburg vicinity. Forty Jews live in the surrounding villages. By presenting a statement to the German authorities falsely representing that the JRSO had agreed, the Augsburg community contrived to secure for itself the return of 800,000 DM (\$190,480) worth of property which the pre-war Gemeinde of over one thousand had once owned. German courts supported their action. JRSO's attempts to negotiate or arbitrate the problem were completely unavailing. The Augsburg

community obstinately rejected all compromise. In order to discharge its trust, the JRSO was impelled to challenge the German decisions which served to place in jeopardy all previous agreements reached with the Gemeinden. For the first time in the five years of its existence, the JRSO was forced to turn to the courts to decide an issue between two Jewish groups. The case is now pending before the American Court of Restitution Appeals where the final decision lies.

The irate voice of Augsburg was not alone in Germany. The State Association of the Bavarian Jewish Communities joined in full chorus in berating the JRSO. The Central Organization of the Jews in Germany challenged the validity of the agreements which the JRSO had already amicably concluded with almost all of the communities. Small groups of Jews appeared, proclaimed themselves a recreated community and demanded their share. Each demanded justice for the others, and last but not least, for itself. Justice was synonymous with property. As the Jews in Germany sought to cut the ground from under the successor organization, the JRSO was reminded of Voltaire's dictum "Defend me from my friends, I can defend myself from my enemies".

B'nai B'rith

Other groups outside of Germany also came forward with claims concerning the former communal or organizational property. One of these was the Supreme Lodge of the B'nai B'rith in Washington D. C. which had assisted in the early formation of a Jewish successor organization.

The Supreme Lodge argued that although a successor organization was a good idea for other properties the Washington Order rather than the JRSO should receive the property of the B'nai B'rith lodges in Germany. The idea of a special successor organization for B'nai B'rith properties was rejected by the U.S. Government. An internal agreement was reached, however, according to which the JRSO would recover the properties, but the proceeds would be turned over to the Supreme Lodge. The Lodge, in turn, promised to distribute the funds in much the same manner as would be done by the JRSO itself, with the greater part being spent for relief work in Israel.

Pensions

Former community officials, teachers, rabbis and cantors, who would have been entitled to a pension if their Gemeinde had not been destroyed, turned to the JRSO for payment. Although it was the Nazi State which had caused

the loss by destroying the living community from which pensions could be paid, the aged and often desperate claimants sought redress from the successor organization. Despite the strong temptation to yield, the JRSO could not consent to using the fragments of Gemeinde property for this purpose.

It refused to spend Jewish relief funds in order to free the German Government of some of its obligations. Instead, the JRSO joined in vigorously pressing the Federal Republic for satisfaction. The Bund finally agreed to pay. Appropriate pension payments were begun and the JRSO joined a "Claims Conference" committee helping to accelerate the pensions program. JRSO's determination, often in the face of harsh criticism, to take the right path rather than the easy path, resulted in a very substantial saving for Jewish charity.

RESTITUTION TO PRIVATE CLAIMANTS

The restitution program dealt primarily with the restoration of property to the former owners or their heirs. Heirless and unclaimed property constituted only a residue. From over sixty countries throughout the world over fifty thousand claimants submitted petitions under the U.S. Zonal law for the return of their houses and businesses. Although buttressed with personal knowledge of the facts, the private claimants, too, encountered the type of opposition faced by the JRSO.

The basic postulates on which the law was founded were constantly attacked by organized German opposition. The only Jewish organizational voice inside Germany to speak for the defense was the JRSO. It served as a constant guardian and champion. As *amicus curiae* it stood by the side of the claimant when key principles were decided in the Court of Restitution Appeals. The JRSO was accepted in the councils of the legislators when changes in the law were being considered. Co-operation between the American authorities and the JRSO was exemplary. In major policy addresses the High Commissioner Mr. McCloy reaffirmed American determination to carry out the letter and spirit of the law. He warned the Germans that failure to comply would be "an omen of future disaster".

In the Contractual Agreement Germany was given no power to weaken the restitution law. The scheduled addition of German and neutral judges to the American appellate court was held in abeyance pending final ratification of the accord.

By October 1953 official High Commission records showed that over 90% of the claims for the return of specific property had been disposed of. This

restored to the persecutees assets evaluated at over eight hundred million DM (\$190,480,000) as the momentous undertaking neared completion. While awaiting the issuance of a new German law providing payments for claims against the Reich, nearly 60% of these monetary demands were also brought to judgment.

It will stand as a tribute to the U.S. Government, the Military Governor, the High Commissioner, and their staffs, as well as the American courts that they had the foresight and capacity to adhere to an ideal under adverse circumstances.

The intangible aid which the JRSO gave to the private claimants by its presence and vigilance in Germany has been perhaps its most valuable achievement. It served, in the words of the Presiding Justice of the Restitution Court, as "the mainspring of restitution" in helping to drive the program forward.

The Legal Aid Department

In London the Council for the Protection of the Rights and Interests of Jews from Germany sponsored a United Restitution Office to assist private claimants who could not afford to retain counsel. The necessary funds were advanced by the Joint Distribution Committee, the Jewish Agency — operating agents of the JRSO — and the Central British Fund, one of England's foremost Jewish charities. The URO efforts to establish offices in the U.S. Zone were unavailing, as the American authorities felt that the function envisaged could be performed by the JRSO. At the end of 1948 a Legal Aid Department was, therefore, established by the JRSO to work in collaboration with the URO offices abroad in providing legal services to indigent claimants. After the department was organized, it was allowed almost completely independent management in order to avoid any conflict of interest between JRSO claims and the rights of the private clients.

By 1953 the LAD Jewish supervisors were actively servicing the claims of almost five thousand needy persecutees in Israel, England, the U.S. and other countries. Over four thousand five hundred cases were settled bringing the clients cash or property worth DM 27,300,000 (\$6,500,130). Charging only a modest 5% fee, this department was able to cover its own DM expenditures and leave a slight reserve to help support legal aid in the other zones.

Without the Legal Aid Department, thousands of persecutees might have been forced to abandon their claims for lack of funds. Instead, the department enabled the claimants to help themselves, provided competent professional services at a minimum cost, and served as an excellent illustration of social work at its best.

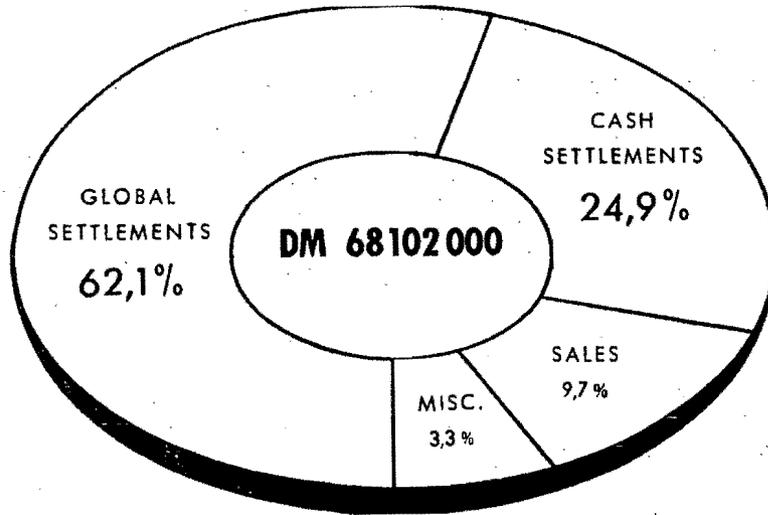
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HOW THE JRSO MONEY WAS USED

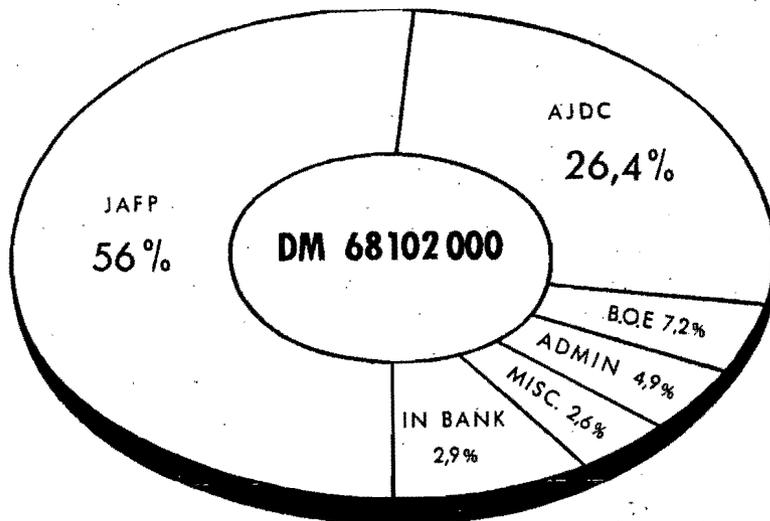
The Total of JRSO Recoveries

The astute observer will have noted that the JRSO till was fed from several sources and in several forms. Cash came from conclusion of settlements, global payments by the States and the sale of properties. Other assets included accounts receivable, properties on hand and claims which the JRSO ceded for equitable reasons to former Jewish owners, communities or associations. By September 1953 the amicable settlement of claims produced 16,970,000 DM (\$4,040,600). The bulk assignment to the States added 42,302,000 DM (\$10,071,600) and 6,635,000 DM (\$1,578,600) was earned from the sale of restituted properties. Since many of the debtors paid only in instalments, the cash received, including some small miscellaneous payments, totalled 68,102,000 DM (\$16,214,610) with an additional balance of 4,929,000 DM (\$1,172,500) payable over the next few years. By adding non-liquid assets such as the estimated value of properties on hand and properties and claims which were given away to equitable claimants, the grand total of the JRSO worth from all sources after five years would amount to ninety-one million DM (\$21,667,100). This is the monetary measure of JRSO's success thus far. Presumably, almost all of this would have been lost to Jewish relief had no successor organization been created.

CASH RECEIVED BY THE JRSO



CASH DISTRIBUTED BY THE JRSO



Taxation and Transfer Problems

Before JRSO funds could be put to effective use there were two major problems demanding solution. By virtue of a German law designed to equalize the burdens of the war, property owners were subjected to a tax amounting, over a number of years, to almost half the value of the property. If JRSO assets were subjected to this levy, the result would be that the German Government and its citizens would reap the benefit of a goodly share of the heirless Jewish property. The injustice of taxing the victims to ease the burdens of the aggressors was not readily apparent to either the Allied or the German Governments. After months of persistent negotiation and persuasion by the JRSO, the occupying powers, led by the U.S., finally agreed that the successor organizations should be exempt from the tax.

The other major problem concerned the transfer of JRSO assets. Although the DM recoveries could be used for charitable purposes inside Germany there was no way of sending the funds abroad. In order to maintain the stability of the German exchange the Allied authorities decreed that German marks belonging to foreign owners would have to remain frozen in Germany with all transfer possibilities blocked. Eventually a Schacht-like modification was found. These blocked marks, which included all restitution recoveries,

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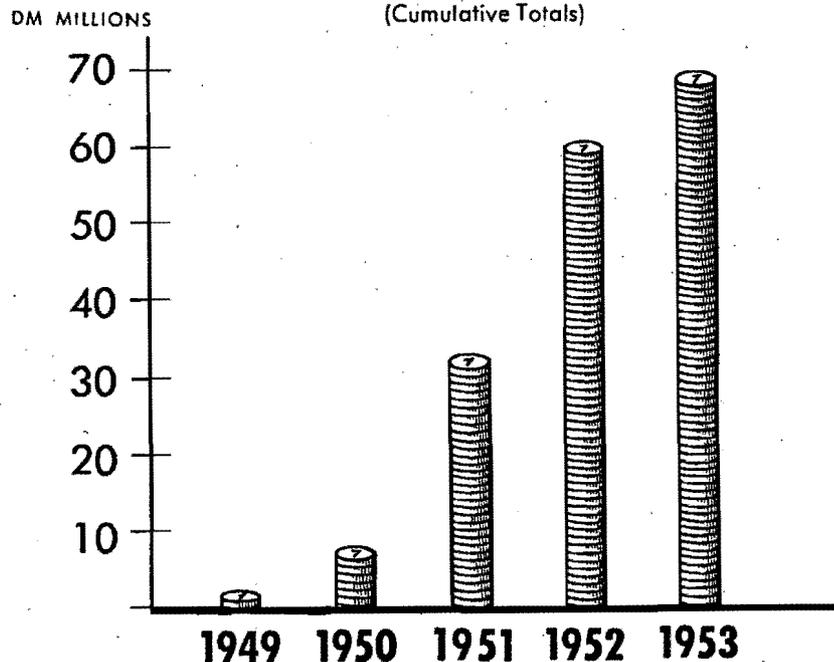
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could be sold abroad at a free market rate, but the buyer could only use them to invest in certain industries in Germany. Such a conversion required the seller to accept a discount which, until recently, fluctuated between 30% and 50% of the official rate. The net result was that Jews abroad who were in need of funds, were permitted to sell their restitution marks, but were forced thereby to suffer a very substantial loss. The gain went back into the German economy. With one hand it was given; with the other it was taken away.

The JRSO refused to permit the value of its limited resources to be depleted either by German taxation or inequitable German transfer schemes. Attempts to have its recoveries converted into foreign exchange at the official rate were rejected, but a compromise solution was reached. A special license was issued, authorizing the JRSO to buy goods in Germany which could be exported for relief purposes abroad. This privilege, limited to twenty million DM (\$5,762,000) per year for successor organizations in all three zones, was obtained only after protracted bargaining with the German and the Allied Governments. The rebuilding of Germany was beginning to appear more important than the rehabilitation of its victims.

Recently, by a complicated transaction involving the purchase of surplus cruzeiros in Germany and goods in Brazil, a limited cash transfer at less than a 10% discount from the official rate of exchange has been evolved by the JRSO.

CASH RECEIVED BY JRSO ANNUALLY
(Cumulative Totals)



Grants to the Jewish Agency for Palestine

Where the number of needy beneficiaries is large and the resources for disbursement limited, the dilemma for the trustee is great. The combined wisdom of the JRSO Board of Directors determined the use to which the limited JRSO recoveries would be put. No distribution could be made without their specific instructions, which were forthcoming only after careful and often impassioned consideration.

During the first five years, the Jewish Agency was authorized grants of 36,850,000 DM (\$8,774,000) plus an additional sum of three hundred thousand DM (\$71,430) and a loan of one million DM (\$238,100). This total of 38,157,190 DM (\$9,083,500) was to be used for relief purposes in Israel. Where does charity begin in a new country, impoverished and at war, and flooded with the destitute?

The advice of Maimonides set the pattern for the Jewish Agency:

"Anticipate charity by preventing poverty; assist the reduced fellowman so that he may earn an honest livelihood, and not be forced to the dreadful alternative of holding out his hand. This is the highest step and the summit of charity's golden ladder".

The first thirteen million DM (\$3,095,300) which the Jewish Agency received from the JRSO bought German prefabricated houses which were rushed to provide shelter to refugees crowding the tent-camps of new immigrants in Israel. The rest was earmarked for the imposing project of helping to make Israel a better and safer home for all. Agricultural machinery and tools, fertilizers, insecticides, chemicals, irrigation pipes, pumps, construction equipment and metals, moved in a slow stream to the hungry new settlements. Every crate helped ease the staggering burden of Israel's budget.

Small minds which equate charity with a dole were not restrained from criticizing this almost invisible form of relief. Yet, after five years, there is the satisfaction of knowing that most of the heirless assets recovered by the JRSO have gone to the new Jewish State. Hidden in the soil and over the face of Israel JRSO funds have, in small measure, helped provide a better haven for the persecuted.

Grants to the American Joint Distribution Committee

In the thirty-nine years of its existence the AJDC has earned the respect and gratitude of Jews all over the world. During the Hitler years it was the "Joint" which led the heroic operations rescuing Jews from the Nazi claws. In Europe, China, Japan, Latin America, North Africa and the Philipines,

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wherever Jews were forced to flee, the helping hand of the JDC was there to comfort them. In the D.P. camps of post-war Germany it was the JDC which led the way with relief shipments of food, clothing and medicines. From 1933 to 1952, with funds collected by the United Jewish Appeal in the United States, the "Joint" spent over thirty-six and a half million dollars on behalf of German Jews alone. Many millions more aided refugees from other Nazi occupied countries.

It was therefore highly appropriate that this experienced, international welfare agency should be entrusted with the disbursement of part of the JRSO funds. By October 1953, over eighteen million DM (\$4,285,800) were allocated for distribution by the JDC.

Part of the money was immediately applied to meeting some of the relief needs of the Jews still in Germany. Grants to the aged and the sick supplemented appropriations to the new German Jewish communities. "Hard-core" medical cases and refugees from the Eastern Zone were given care and assistance. All but one of the DP camps were vacated as Jewish persecutees were absorbed in the German economy or helped to find shelter in other lands. In the remaining camp, at Foehrenwald near Munich, JDC continued its spiritual, financial, medical and moral assistance to remind the unhappy inhabitants that they were not forgotten. Part of the JRSO funds helped the JDC meet some of these expenses. The larger part was earmarked for even more urgent JDC needs.

In Israel hundreds of active tubercular patients waited for hospital beds. The JDC, co-operating with the State medical authorities, erected a large hospital to help alleviate the critical shortage. JRSO funds in Germany contributed to the purchase of needed medical supplies, instruments, X-ray machines and other essential equipment.

Both the JDC and the Jewish Agency advanced JRSO funds to help finance the successor organizations in the British and French Zones. They contributed JRSO marks to the United Restitution Offices and the Claims Conference in support of efforts to procure enhanced restitution and indemnification benefits for all of Hitler's victims.

The JRSO's grants constituted but a small fraction of a large AJDC budget, sufficient to satisfy only the most critical Jewish needs. The modest JRSO contribution, like all true charity, unmarked and unheralded, helped to ease the burden.

Grants to Equity Claimants

It has already been seen that some three thousand private claimants who missed the deadline for filing restitution petitions received funds and the assignment of rights from the JRSO. These assets, which included cash, property and claims, were valued at fourteen and a half million DM (\$3,452,400) and constituted 16% of the total JRSO recoveries.

The German-Jewish Communities

The thirteen Gemeinden which reached agreements with the JRSO received assets worth 3,760,000 DM (\$895,300), of which 410,000 DM (\$97,620) was in cash. This did not include additional amounts which were provided from JRSO funds by the AJDC. The amount these Gemeinden received was 44% of the value of property formerly owned not merely by their predecessor communities, but by local foundations and trusts as well. It constituted 4% of the total which the JRSO recovered from all sources including the heirless property formerly owned by private persons throughout the zone. These funds and buildings allocated to the new Jewish communities served as the foundation for the carrying out of their Jewish community life.

Other Organizations

Reference has also been made to a settlement with the B'nai B'rith according to which JRSO recoveries from B'nai B'rith lodges in Germany would go to the Washington Supreme Lodge. To date 441,000 DM (\$105,000) has been transferred to the Supreme Lodge, to be used for welfare purposes. About eight hundred thousand DM (\$190,500) more is held in trust in the form of cash or the estimated value of properties pending sale.

A small grant was made to the Jewish Blind Society of London for the care of blind refugees in England. An allocation recently approved by the Executive Committee would grant two hundred thousand dollars to "Help & Reconstruction", a philanthropic organization aiding refugees in the U.S. These funds, which have not yet been paid out, would go toward the construction and maintenance of a Jewish old-age home for indigent victims of Nazi persecution.

The Cost of JRSO's Administration

There is an ancient adage that a lawyer is a learned gentleman who rescues your estate from your enemies and keeps it for himself. The JRSO was essentially a law firm, albeit on a rather extensive scale. To what extent were heirless Jewish assets consumed in the complicated and difficult process of acquiring them?

At its peak, the JRSO required a staff of about three hundred and thirty persons, several of whom were brought from Israel, England, France and the U.S. Today its staff, not counting the Berlin office, which will be treated as a separate subject, number 68. The eleven regional offices throughout the Zone have now been reduced to four, including a small liaison office in Bonn.

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Despite the magnitude and complexity of its operations, and its insistence on high caliber personnel, the JRSO has cost surprisingly little. Office space in requisitioned premises, furnishings and office equipment were, after negotiation, provided without charge by the U.S. Army. There were times when the withdrawal of this logistic support seemed imminent. Army authorities were not always quick to grasp the relationship between the Military Forces and the Jewish successor organization. There were times when eviction notices were posted, telephones were removed and the JRSO firmly advised that support would be promptly terminated. Nevertheless, through the good offices of the State Department and the High Commission, this important aid in furtherance of a Military Government objective was continued, thereby resulting in substantial savings to the JRSO.

While it had its largest staff, almost all JRSO expenses were covered by occupation funds advanced by Military Government. In 1952 the High Commissioner was persuaded that the expenses incurred in locating and retrieving looted property were legitimate charges which Germany, rather than its victims, should bear. The "loan", which by that time amounted to over three million DM (\$714,300), was cancelled.

After five years of intensive work the total amount that the JRSO spent from heirless Jewish assets for its administration was 3,328,000 DM (\$791,500) or 3.7% of the total assets recovered. It should be noted that for administrative expenses incurred on behalf of private equity claimants and others, the JRSO received reimbursement of 2,079,000 DM (\$592,900) which, if deducted from the administrative expenses, would result in a net expenditure from JRSO assets of only 1.3%. Even if all dollar expenditures were added to the administrative costs, the amount spent by the JRSO after five years would be less than 4% of its total recoveries.

PROBLEMS OF THE FUTURE

Berlin

The wrath of Allied devastation fell on the City of Berlin. What was not destroyed was dismantled, as the former German capital was quartered and divided among the four conquering armies. In the subsequent tension between East and West, Berlin was trapped in the middle. She was again torn apart, and the two pieces welded to the opposing sides. Different city governments, different economic systems, different currencies and different alliances faced each other across the Brandenburger Tor. Surrounded on all sides by Soviet-dominated territory, West Berlin's two million inhabitants were squeezed in an economic vise. A hundred-mile-long ribbon of concrete served

as Berlin's lifeline from the West. When this artery was severed by the Russians in 1948, only an emergency bridge of Allied planes could keep Berlin economically alive. Without help from the West, Berlin could not survive. This was not a setting particularly conducive to the restitution of heirless property.

Despite its internal problems, almost two years after the U.S. Zonal law was passed, a restitution law for all of West Berlin was also enacted. Eventually the JRSO was designated as the Jewish successor organization for all three sectors. In the British and French sectors, it acted as agent for the successor organizations of the other zones.

In the days before Hitler, one-third of Germany's Jews called Berlin their home. During the Nazi terror thousands more sought refuge or hiding places in the capital city. The long lists of Jewish families deported to the gas chambers and crematoria of the East gave clues that much of the Jewish property could never be claimed because the owners could never be found.

After JRSO petitions were sorted and sifted it appeared that fifteen thousand pieces of real estate and an equal number of businesses in West Berlin were heirless or unclaimed by former owners. It soon became apparent, however, that these claims could not be quickly settled. The economic and political uncertainties destroyed almost all willingness or ability on the part of the restitutor to make any substantial financial payments. No one was prepared to invest large sums in buying Berlin's real estate.

The JRSO designed a two-pronged attack to overcome these obstacles. Some of the most experienced and capable members of the JRSO staff in the American Zone were sent to Berlin to give impetus to the Berlin effort. Two offices with a staff which reached 84 persons pressed the claims forward with vigor and every possible speed. Despite strenuous efforts there was no hope, however, of an early conclusion of restitution in Berlin by such means.

The JRSO, therefore, initiated bulk settlement negotiations along the lines of the settlements proposed and concluded with three of the four States in the U.S. Zone. These negotiations found the sympathetic ear of Berlin's Socialist Mayor, Ernst Reuter. They encountered, however, the jaundiced eye of the Finance Senator whose empty purse served to dampen whatever enthusiasm might otherwise have existed. For over half a year the JRSO diligently pursued its objective. The U.S. Government was persuaded to support the bulk settlement proposal, according to the terms of which Berlin was to pay almost seventy-five million DM (\$17,857,500) which the JRSO would reinvest by buying Berlin's exportable goods. At the end of September 1953 the discussions seemed to be reaching a peak. They were, however, interrupted by the untimely and tragic death of the Berlin Mayor who had been JRSO's strongest supporter. Negotiations have not yet been resumed with the newly appointed Buergermeister.

The individual settlements made by the JRSO in Berlin thus far brought total recoveries of 6,358,000 DM (\$1,512,900), of which 1,720,000 DM (\$410,500) was in cash and 4,638,000 DM (\$1,102,400) in accounts receivable or the value of restituted properties. About half of these recoveries are earmarked for the partner successor organizations in the French and British Zones.

The indications were that, barring a major political change, the rate of recovery in Berlin could not be accelerated and, on the contrary, would in all probability substantially decrease.

Despite the democratic attitude of Berlin's population, little affection appears for the restitution program. Berlin's German courts have shown a tendency to follow the precedents least favorable to the claimants. These courts are subject only to the judicial review of a newly created international tribunal where a neutral judge presides, and German judges vote in equal number with the combined representatives of the three occupation Governments. The major legal issues have not yet been finally decided in Berlin and the future of restitution depends, to a large extent, upon the judgements of the new High Court.

Bulk settlement hopes have not been abandoned but the prospects at the end of 1953 do not appear particularly promising. Should a bulk settlement in Berlin prove impossible the restitution of heirless property in that city will continue for many years to come.

Claims Against the Reich

By discriminatory taxes, levies and edicts, the Nazi Reich systematically divested its Jewish citizens of their funds and movable possessions. One decree alone imposed a collective fine of one billion marks on the German Jews. Bank accounts were, under guise of law, seized by the Reich, and Jewish-owned stocks and bonds were confiscated and sold to enrich the Nazi treasury. Government pawnshops were directed to collect all jewels and precious metals held by Jews. Under fear of imprisonment the Jewish subjects came, carrying their table silver, their candlesticks and their family heirlooms to drop them into a scale where they were weighed and traded against a worthless receipt.

For all of these losses the German Government has so far paid nothing. The stolen property can no longer be found. Most claimants and their lawyers therefore assumed that this was not the type of identifiable property which could be restated under the Military Government restitution laws, and they therefore did not bother to submit a claim. Instead, they submitted petitions under the German indemnification laws. The American appellate tribunal decided, however, that such assets were identifiable at the time of taking,

and therefore a restitution judgement could be issued against the Reich directing it to replace the property or to provide the monetary equivalent. The indemnification authorities accordingly declared that claims submitted under their laws were invalid. The vast majority of Jewish claimants found themselves sitting between two chairs.

The JRSO had cautiously filed monetary claims against the Reich under the restitution law. About sixty thousand valid JRSO petitions having a nominal value of about one hundred and seventy-five million DM (\$41,668,000) were submitted. Many of these demands, however, covered the claims of those Jews who had simply not known under which law to apply. The JRSO regarded such claims as properly belonging to the private claimants.

When Germany agreed to make payments on these judgements against the Reich, it limited its liability to 1.5 billion DM (\$357,150,000), payable over a ten year period. Whether this would satisfy all the claims filed or whether there would have to be apportionment among the claimants, including the JRSO, was not known. These were some of the major legal and equitable problems which would have to be dealt with in trying to provide a measure of justice to some of those whom the Reich had plundered.

The JRSO, acting in close co-operation with the other successor organizations as well as representatives of the private claimants, has just begun to deal with this difficult complex. It constitutes an untapped well, requiring careful exploration, patience and diligence. To make this source productive, remains one of JRSO's main problems for the immediate future.

Indemnification Claims

In November 1938 the Gestapo carefully planned violent pogroms against the Jews of Germany. In the City of Nuernberg Gauleiter Streicher led a mob to the Jewish synagogue and personally supervised its demolition. As the tremendous Star of David came off the cupola Nazi hoodlums ignited the structure which burned to the cheers of the German crowd. Throughout Germany, Jewish houses of prayer were put to the torch, Jewish shops were smashed and plundered and aged Jews were dragged into the streets by their beards for ridicule and abuse.

By virtue of the newly-enacted Federal Indemnification Law and its American Zonal precursor, the JRSO was entitled to receive compensation for this deliberate Nazi destruction of the Jewish synagogues. By an exchange of letters the Federal Government limited its liability to all successor organizations to an amount not exceeding forty million DM (\$9,524,000). It is highly probable that before offering any payment the German Government will

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demand minute proof of the losses sustained. The evidence lies among the cinders. The JRSO has been slowly gathering appraisals of the value of the furnishings which the Jewish synagogues contained. It also has claimed indemnity for a limited number of destroyed shops whose Jewish owners have disappeared.

Payment of such claims has last priority under the Indemnification Law. Negotiations with the Federal and State Governments on the settlement of all these claims have been initiated but more vigorous efforts will be required before results can be anticipated. The authorities of Berlin were prepared to offer the successor organizations eight million DM (\$1,904,800) for such claims, but so many conditions and strings were attached that the offer in its terms and in its amount was not acceptable. After five years, JRSO's indemnification claims still remain as unsolved problems for the future.

The Problem of Jewish Cemeteries in Germany

One of the most perplexing and disheartening of the JRSO's unsolved problems concerns the Jewish cemeteries in Germany. Even the burial grounds were confiscated by the German Government. Nazi vandals smashed the tombstones and viciously desecrated the graves. Not satisfied to torture and destroy the living, even the dead were given no rest.

After the war, Military Government enforced the restoration of almost all of the desecrated Jewish burial grounds. With the Jews gone and no Jewish communities nearby, most of the cemeteries soon fell into disrepair. Weeds were uncut, fences went unmended, and the untended plots soon became the playgrounds of German children. New desecrations were not uncommon.

The JRSO viewed the problem as a threefold one: restoration to respectable condition was the first objective, followed by perpetual maintenance and permanent Jewish supervision. A committee, representing the JRSO, the Jewish Trust Corporation, and the Jewish communities took up the matter with the Federal Government which was asked to appropriate the necessary funds. Long investigations were made concerning the condition of the nearly two thousand Jewish cemeteries in West Germany. By 1952 the Bund was prepared to provide one hundred thousand DM (\$23,800) for restoration purposes. In 1953 this was increased to the still inadequate sum of two hundred thousand DM (\$57,600). The larger problem of permanent care was unresolved. The Federal Government insisted that it was a liability of the States, and the States replied with equal fervor that it was a liability of the Bund. This debate between the two German groups has been going on for over a year and has, thus far, enabled them both to evade their obligations. In the meanwhile, the JRSO has been providing essential minimum services on a temporary basis.

The newly-formed Jewish communities in Germany constitute the only available group which can be entrusted with the permanent supervision of Jewish cemeteries. The German Government, which was responsible for destroying the living communities which maintained these hallowed resting places, should bear whatever financial burden may be involved. The internal squabble concerning division of cost between Bund and Laender should not be allowed to perpetuate the current shameless state of affairs. The JRSO is vigorously pressing the Federal and State Governments for a solution which will eliminate these reminders of Nazi degradation. Despite German expressions of sympathy and concern, a satisfactory solution to the cemeteries problem is not yet in sight.

Residual Problems

The most weighty matters sink as sediment to the bottom of the barrel. In disposing of many thousands of legal claims it is unavoidable that a substantial number will require some legal action before the file can be closed. Investigations, clarification of ambiguities, procurement of legal documents, probate of wills, certificates of inheritance and time-consuming litigation of all sorts continue to require the service of the JRSO staff. In the State of Wuerttemberg-Baden, where no bulk settlement was possible, many claims against restitutors have not yet been settled. Collection of instalment payments and final accounting problems with the State Governments may take years. The JRSO restitution house cannot be tidied by a quick sweep of a vigorous broom. Much tedious and technical work remains which only time and patience can eliminate.

The differences between the JRSO and the existing and arising new Jewish communities in Germany is a vexatious problem the settlement of which may depend upon the outcome of pending court decisions. Complicated German laws governing compensation for war-caused damage may provide a new source of recovery for the JRSO. Whether the successor organizations will manage to have themselves included among the eligible beneficiaries is not yet clear.

Administrative problems of retrenchment are other matters of concern in an organization which has already lasted longer than anticipated. Major reductions have already taken place, but residual staff will be required for a considerable time before the JRSO can completely disappear from the German scene.

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SUMMARY AND CONCLUSION

It is not the going out of port but the coming-in that determines the success of a voyage. We have seen that after five years the restitution program in the U.S. Zone of Germany borders on completion. The aspirations of its sponsors have been satisfied. The JRSO served as a bulwark against the almost constant attempts to undermine the restitution objectives, but the laurels go to the U.S. Government which enacted the law and to the Jewish organizations which joined in insisting upon its fulfilment. It is a tragic commentary that the individual Germans concerned failed to grasp the moral urgency of voluntarily re-instating the dispossessed.

Assets valued at over eight hundred million DM (\$190,480,000) have been restored to about fifty thousand persecutees, and ninety-one million DM (\$21,667,700) more, including 68,102,000 DM (\$16,214,600) in cash, have been retrieved by the JRSO as heirless or unclaimed. Plundered Jewish books, paintings and ritual objects, remnants of a decimated Jewish culture, were salvaged.

We have scanned some of the difficulties in discovering and claiming the heirless property and have witnessed the disillusionment in attempts to reach amicable settlements with the restitutors. The bulk agreements with the States spurred the rate of recovery and spared the JRSO the tedious and unhappy process of piecemeal litigation. Jews who had forfeited their rights to restitution found themselves reinstated to assets worth fourteen and a half million DM (\$3,452,500). As a result of JRSO vigilance thousands of indigent claimants received legal aid helping them recover cash or properties totalling twenty-seven million DM (\$7,428,700).

JRSO grants of thirty-eight million DM (\$9,047,800) to the Jewish Agency for Palestine bought prefabricated houses to shelter homeless refugees and aided Israel's reconstruction. Eighteen million DM (\$4,285,800) given to the American Joint Distribution Committee, provided funds for relief work in Germany and for the purchase of essential medical equipment. Other grants were made on behalf of the needy, the blind and the aged.

Although the restitution journey nears its end, a number of perplexing problems still remain. The recovery of property in Berlin has been retarded by political and economic circumstances. Sizeable claims against the Reich still await adjudication and legislation by the Federal Republic. Indemnification for the burning of Jewish synagogues has not yet been made and no satisfactory arrangement has been found for the perpetual care and maintenance of abandoned Jewish cemeteries in Germany. The growth, needs and demands of the new Jewish communities in Germany pose difficult questions to which no clear answers are in sight.

All of these problems may find their solution as the German Government moves further along the road of recompense for past German injustices. As far as the restitution of identifiable property was concerned, there was un-

fortunately no evidence of general German eagerness, or even willingness, to divest itself of the ill-gotten spoils which it possessed. Perhaps this test was too severe or came too soon. Perhaps other parts of the restitution panorama will, in the future, be completed with less reluctance and more enthusiasm. The German promise to Israel and the improved legislation for persecutees were encouraging steps in the right direction. These obligations will take years to fulfill, and for the Jewish side it will be a time of anxious waiting.

A reconstructed Germany has been accepted as a necessary ally by freedom-loving nations. Those who were conquerors have now become defenders of German soil. German armies may soon be marching again as the Western Powers are prepared to gamble that a morally and politically reborn Deutschland will make a faithful partner. What the new Germany does in the field of redress for Nazi wrongs may give the clue to the workings of the German mind and heart. In the months and years to come it will bear close watching.

*"Bow, stubborn knees; and heart with strings of steel,
Be soft as sinews of the new-born babe!
All may be well*

The King kneels".

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