

121784 - 121972

(taken for review)

-DG



CATP

bo: SK


7080

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

May 11th 1956.

Dear Sy:

I have read your ingenious brief on behalf of the JRSO in the matter of Werner von Clemm. I have been properly impressed by the fact that you were able to invoke twelve pages of rhetoric on the subject of the JRSO's rights. If we win the case you should certainly get a handful of diamonds for your trouble.

I don't know whether you have seen the decision of the Court of Restitution Appeals in the case of Moschkowitz v. Nuernberg. That was the leading case on the issue of whether the municipal pawnshops, which had taken Jewish jewels, could be held liable. The case is replete with citations of German law and violent declarations denouncing the German action. Should you have occasion to supplement your brief in any way it might be very useful to cite some of the German regulations and the Court's remarks, showing exactly how the theft of Jewish diamonds worked. German law required the Jews to turn in their diamonds to the nearest pawnshop which then forwarded the jewels to Berlin. Everybody in the world knew what was taking place - there was nothing secret about it - and every German knew that these were stolen jewels. A thief cannot pass good title, hence, if these jewels came from the Berlin pawnshop, as Mr. von Clemm alleges, we're the ones who are supposed to get them and not him. I sensed in your brief that you were trying to avoid the question of the national origin of the jewels, but it may be necessary to go into it should there ever be a hearing on the issue.

You will find the Moschkowitz decision in Vol.1 of the reports of the U.S. Court of Restitution Appeals. They are green-covered and in English and in German. The decision is at page 240. If you don't have it I can make it available to you. Please bear in mind also that the decision in the Moschkowitz case was subsequently reversed, after the learned Judge William Clark had departed the bench and the country. (Also after the JRSO had already collected its money on the basis of the Moschkowitz verdict). Should you want any of my briefs on the Moschkowitz case I could also make them available.

Diotated but not read.

With best regards, Cordially yours,
BENJAMIN H. FERENCZ

121973

UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE
OFFICE OF ALIEN PROPERTY

In the Matter of

Werner von Clemm, et al.

Title Claim No. 9905, et al.

Docket No. 183

Handwritten initials

W

PROPOSED FINDINGS AND CONCLUSIONS SUBMITTED BY
JEWISH RESTITUTION SUCCESSOR ORGANIZATION

I.

The proposed findings and conclusions contained herein, in paragraph II, are supported by the Brief and Supplemental Brief already submitted by the Jewish Restitution Successor Organization, by the record, to which reference is made in those briefs, and by public documents and laws. No useful purpose would be served by repeating matters already in the record. The findings and conclusions proposed herein will, however, be made as specific as possible, in terms both of the evidentiary facts and the record or other supporting references. General argumentation will be limited to the extent necessary in the light of the pre-existing documentation above mentioned.

II.

The Jewish Restitution Successor Organization proposes the following findings and conclusions:

A. The diamonds involved in Title Claim No. 63801 were originally looted by Nazi authorities from persecutees, mainly Jews.

121974

-2-

The general background of confiscation of gold and jewels from Jews is so well known and generally admitted as to need no additional documentation here. The opinion of the Court of Restitution Appeals, Opinion No. 35, Case No. 44, in the matter of Moschkowitz v. Stadt Nuernberg, contains an able description of looting practices. Such decrees as that issued by the Gauleiter for Luxemburg, under date of September 5, 1940, point to the looting practices in the occupied countries. In addition, the Notes presented early this year by the Governments of eight countries occupied by the Nazis and addressed to the Federal Republic of Germany point out the nature of the looting directed against Jews.

1. The diamonds here involved were shipped to the United States by the Diamant-Kontor through IMICO.

There is in the record no question as to this fact.

2. The Diamant-Kontor was organized for the purpose of acquiring diamonds which had been looted from Jews, and of disposing of them for the benefit of both the Diamant-Kontor and the Reichs Economics Ministry.

About the only evidence contrary to this statement comes in the recent letter of Cremer of May 30, 1956 (Clemm Exh. GGGGG-2), in which Cremer repudiates the statements made by him earlier, just after the war, and contained in the reports of the International Refugee Organization (Claims Sec. Exh. 412) and of OMGUS (Claims Sec. Exh. 312).

3. The Diamant-Kontor acquired its diamonds, here involved, from the Berlin Pawnshop, which was the principal repository of looted Jewish diamonds.

See JRSO Exh. 1, Claims Sec. Exh. 412, and Clemm Exhs. GGGGG-2 and PPPP. The Diamant-Kontor was established on October 26, 1939, just

121975

-3-

a few months after the establishment of Department III of the Berlin Pawnshop, and was specifically appointed to assist Department III in carrying out the decree of January 16, 1939, for the utilization of Jewish property. The Board meeting of the Diamant-Kontor of June 20, 1940, shows that Cremer made the statement that "the sole activity of this corporation is, as you know, the dealing in diamonds and precious stones from Jewish jewelry" (Claims Sec. Exh. 412).

4. Whether the diamonds were originally Belgian or German in origin, they were looted principally or exclusively from Jews in those countries.

See Claims Sec. Exh. 412, briefs of Jewish Restitution Successor Organization and JRSO Exh. 2.

B. The previous owners of the diamonds, prior to the vesting by the Office of Alien Property, were the persecutees from whom they were looted.

Established United States policy has been to deny recognition to transfers of title effected through looting transactions. To this end, the United States joined in many Allied declarations during the course of the war, the specific effect and intent of such declarations being to announce that the United States would not recognize any transfers under duress. This point is already fully briefed, is so clear as to admit of no question, and is the basis for acts, both legislative and executive, almost too numerous to mention. It is the basis for clauses incorporated in the supreme law of the United States through ratification of the post-war treaties, the Contractual Agreements with the Federal Republic of Germany, etc. No effective title will be recognized in the United States with respect to property now within the jurisdiction of the United States,

121976

-4-

purportedly transferred or acquired by looting transactions, and the clear policy not only of the United States but also of the Federal Republic is to reverse any such transactions.

C. Public Law 626 and the Executive Order of January 15, 1955, vested the sole legitimate claim to the property here involved in the Jewish Restitution Successor Organization.

This point, basically a legal conclusion, has been fully briefed. It may be added here that Public Law 626 is a broad and extensive exercise of the powers of the Congress, which is to be interpreted in accordance with the purposes of the law, as stated in both the text and the statutory history. Public Law 626 refers to all heirless property, formerly property of persecutees, found in the United States and vested by the Custodian. It makes no reference to the mode of entry of such property into the United States, and it clearly establishes a claim for return of looted property even if such property entered the United States illegally. It would not be argued, for example, that if a former persecutee were now to appear before the Office of Alien Property and claim return of his property under the provisions of Section 32 (a) (2) of the Trading With the Enemy Act, as amended, his claim would be denied on the ground that the person who had looted it from him and brought it into the United States had smuggled it in. That violation of United States customs laws would in no way affect the title of the innocent previous owner, and it is unthinkable, in view of the stated United States policy on forcible transfers, that it would be asserted by any agency of the United States Government. The situation here, though somewhat more complicated, is in its bare facts no different. The property in question belonged to persons who were persecuted. It was stolen from them. It was transferred to the United States. Public Law 626 declares the policy

121977

-5-

of the United States to be to return such property to charitable organizations, if it is heirless or unclaimed, who are, under rigid safeguards, to use it for what are in effect declared to be public purposes -- the relief of surviving and needy persecutees who are here in the United States. The Executive Order of January 15, 1955, vested the rights of such successor organizations in the Jewish Restitution Successor Organization.

1. Public Law 626 does not require proof of heirlessness, but only that property, originally of persecutees eligible for return under Section 32(a)(2), be unclaimed.

It is manifest that "unclaimed", in this connotation, means that no valid claims are outstanding. The record amply demonstrates the illegality of all outstanding claims filed in these proceedings other than that of the Jewish Restitution Successor Organization. The claim of the Customs Bureau is merely an assertion of the right to have the property forfeited, which, however, does not run against an owner from whom the property was stolen, and clearly does not run against a legitimate claim under Public Law 626.

III.

The record before the Chief Hearing Examiner is long and complicated, and covers hearings extending over a period of years. The Jewish Restitution Successor Organization has been involved in these proceedings for a relatively short period of time -- only since Public Law 626 and the Executive Order issued thereunder established its legitimate claim to property stolen from persecutees, brought under whatever guise to the United States, and vested by the Custodian. Under the circumstances, it is perhaps understandable that the great length of the record, the complexity of the claims and cross-claims, and the existence of a number of issues

-6-

having nothing to do with the Jewish Restitution Successor Organization claim, should have presented difficulties to counsel for the Jewish Restitution Successor Organization. It has been felt that the greatest service that could be rendered by the Jewish Restitution Successor Organization in these circumstances to the hearing officer was to outline clearly and concisely the thread of the legal argument on behalf of the Jewish Restitution Successor Organization, and to point out, not all of the evidence which exists or might be mobilized, but evidence sufficient to demonstrate the validity of that argument. This we have attempted to do in the Brief and Supplemental Brief, and in these proposed findings and the comments thereon.

In a matter of this sort, it is easy enough to lose sight of the basic points in the maze of detail. Those basic points are stark and simple: 1. The property here involved was looted from persecutees. 2. The unequivocal policy of the United States, expressed both by the Executive and the Legislative Branches, is to give no recognition to forced transfers. 3. The Trading With the Enemy Act would give a persecutee or his heir the right to come before the Custodian and recover the looted property. 4. The United States has declared that a successor organization shall be able to exercise that right of a persecutee, with respect either to heirless or to unclaimed (legitimately) property. 5. The legislation under which the Jewish Restitution Successor Organization claims, being designed to make property available under circumstances known to be difficult (that is, where by definition proofs would be hard to obtain because of the very existence of heirlessness) and being designed to make property or its proceeds available for public purposes, is to be generously interpreted. In this connection, it is obviously both impossible

121979

-7-

and not required that the Jewish Restitution Successor Organization identify each diamond -- now long sold, indeed -- with respect to its previous owner. It is enough to demonstrate that the diamonds were acquired and transferred by Nazi organizations set up for the purpose of putting robbery on a business basis. Nor is it required to show that each and every item in the collection of loot was stolen. The burden of identifying the non-looted items -- if any -- falls to other claimants seeking those items.

The legitimacy and legality of the Jewish Restitution Successor Organization claim is clear. What is also clear is that recognition of this claim carries out the declared policies of the United States.

Respectfully submitted:

Jewish Restitution Successor Organization

By

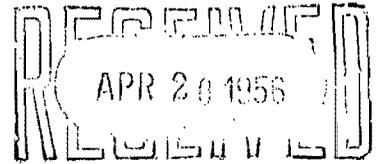
Seymour J. Rubin
Washington Counsel

November 8, 1956

121980

7080

UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE
OFFICE OF ALIEN PROPERTY



In the Matter of

Werner von Clemm, et al.

Docket No. 183

Title Claim No. 9905, et al.

BRIEF

On Behalf Of

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

On May 12, 1955, the Jewish Restitution Successor Organization filed certain title claims, relating to properties involved in the present proceedings. Because of the nature of the claim of the Jewish Restitution Successor Organization (hereinafter referred to as the JRSO), it is necessary to deal with the background and the status here of that organization, as well as with the factual basis for its claims.

I.

The 83rd Congress, 2nd Session, enacted a bill which became Public Law 626, and constitutes Section 32 (h) of the Trading With the Enemy Act, as amended. That law provided, in short, for "return" to a successor organization of property which would have been returnable

121981

-2-

to persecutees, in cases in which such persecutees, or their heirs, were not alive or did not come forward to present such claims for return. The successor organization has, in other words, all of the rights of such original owners of property now vested by the Custodian in connection with return. Indeed, in certain ways the successor organization has more than the rights of an original owner.

This was, as is evident, rather unusual legislation. Legislation regarding the right to return of a persecutee or his heirs had long been in force, at the time that Public Law 626 became law. The so-called "heirless property" problem had long been one with which various agencies of the United States Government were acquainted. The Congress considered the matter long and carefully before enacting the legislation which is the basis for the claim of the JRSO here.

In consequence, both unusual safeguards and unusual rights were made a part of the operation of the successor organization. In the first place, such an organization was to be officially designated by the President of the United States; and on January 15, 1955, President Eisenhower in fact designated the JRSO as the successor organization under Public Law 626. Secondly, great care was taken in connection with the conduct of the successor organization, and the use by it of the funds to be returned to it. The public interest was protected by a series of provisions dealing with use of the funds -- providing that they must be used in the United States, for the relief of needy persecutees, thus being spent, by application of a kind

121982

-3-

of cy pres doctrine, for the same category of person from whom the funds derived. Thus, funds obtained by claiming vested property to which persecutees would have had a claim were to be used by the successor organization for the benefit, in the United States, of other, needy persecutees. It is relevant to mention that the successor organization was not to expend any such funds received for legal or administrative costs.

As a corollary to these safeguards, it was clearly the position of the Congress, in enacting Public Law 626, that the successor organization should have a status other than that of the ordinary claimant before the Office of Alien Property. The situation in which the successor organization would be presenting claims was clearly a situation in which evidence, documentary or other, would be difficult to obtain. This was a problem inherent in the nature of the claims which the successor organization was to present and to process. For a situation of "heirlessness" presents itself only in those cases in which the extermination policies of the Nazi regime have been so successful that not merely the owner of the property but all members of his immediate family have been killed. And in that type of case, it is the exception rather than the rule that documents, bank records, insurance policies or receipts, bills of sale covering personal property, and like instruments of proof, will have survived, or not been lost. Yet the Congress expected the successor organization to recover a substantial amount, as is evidenced by the hearings before the Senate

121983

-4-

and House committees which considered this legislation at various times, and as is even more clearly evidenced by the \$3 million limitation which is contained in Public Law 626.

It follows, thus, that claims of the successor organization are to be weighed with this factual and legislative background in mind. In particular, the fact that the successor organization is by definition acting as a successor claimant to persons now deceased, who died without known heirs, is necessarily relevant to the kind and the amount of proof which the successor organization is to be required to adduce. It is clearly a different burden than that which would be sustained by the ordinary claimant that is required of the successor organization.

As above indicated, in January 1955, after careful consideration, the President designated by Executive Order the JRSO as the successor organization under Public Law 626. Subsequent to that time, the JRSO learned of the existence of the gems involved here, and something of the circumstances of their arrival in the United States, their seizure and their vesting. On May 12, 1955, the JRSO addressed a letter to the Director of the Office of Alien Property, covering a claim for return pursuant to Public Law 626, and amended that claim further on May 23, 1955. In its letter of May 12, the JRSO stated: "The Jewish Restitution Successor Organization understands that there is a strong possibility that the gems in question may have been looted from Jewish persecutees and that they may fall into the category of heirless property intended to be covered by Public Law 626, 83rd Congress."

121984

-5-

On the basis of such investigation as has been possible for the JRSO since the filing of these claims, it is believed that the evidence already adduced in these proceedings, and that likely to be adduced, shows and will show that the gems in question were in fact looted from Jewish persecutees; that these persecutees are dead or otherwise unable to claim, and that none of the individual persecutees or their heirs have come forward to assert their claims; and that these gems, having been vested by the Custodian, come within the provisions of Section 32 (h) of the Trading With the Enemy Act, as amended, and should be returned to the JRSO as successor, for the charitable purposes specified in Public Law 626.

II.

The gems which are here in question were purchased, beyond much doubt, by the company generally known as IMICO or by Mr. Lambercier, von Clemm's Swiss purchasing agent, and imported by Pioneer Import Corporation or Bridge Import Company, from the Diamant-Kontor, G. m. b. H. A letter of von Clemm (OAP file DO No. 183) states that: "In 1940 and 1941 Pioneer Import Corporation (Pioneer) a New York corporation of which I was President, Director and General Manager purchased three lots of diamonds from IMICO handelsgesellschaft m. b. H., Berlin, exporters (and my purchasing agents). The diamonds were acquired by IMICO from Diamant-Kontor G. m. b. H., Idaroberstein and Berlin (Kontor). As subsequently learned, the stones were originally the property of Staedtische Pfandleihanstalt, Berlin (Pfandleih). Pfandleih, in turn, apparently acquired the diamonds

121985

-6-

at least in part from Germans of the Jewish faith, who in turn, parted with them under duress."

As was indicated in the testimony taken in the hearings held in June of 1950, there is substantial evidence to indicate that these stones were in fact shipped from Germany.

Whatever the weight of this evidence, however, it is clear that the diamonds in question originated with the Diamant-Kontor, and it is also very clear that the Diamant-Kontor was organized for the primary if not the sole purpose of obtaining diamonds and other gems from Jewish victims of Nazi persecution. The source of supply for the Berlin Pawnshop was the robbery of persecutees. Ample official documentation exists, which can be adduced in the event of doubt on the subject, that the Diamant-Kontor was a funnel through which passed the diamonds and other gems, stripped from persecutees. It will be recalled that six million European Jews perished in Nazi concentration camps. Reference is here made to a document filed by the International Refugee Organization, under date of July 1, 1949, in support of its claim to certain diamonds looted by the Nazis and recovered by the United States military authorities in Germany. That document in turn refers to a report on the Diamant-Kontor which was prepared by the Intelligence Branch of the Division of Investigation of Cartels and External Assets of OMGUS in conjunction with representatives of the British Control Commission for Germany. That document reports that Diamant-Kontor was an association of diamond cutters formed October 16, 1939, under the aegis of the

121986

-7-

German Government, to recut and distribute the diamonds and jewelry confiscated by the Nazis in connection with the von Rath fine. The OMGUS report states: "All of the documentary evidence would seem to demonstrate that the association of cutters (i. e., Diamant-Kontor) was formed solely for the purpose of cutting diamonds that the government had extorted from the Jews. In fact, Cremer himself [Cremer was the promoter and manager of the Diamant-Kontor], at a meeting of the supervisory board of Diamant-Kontor on 20 June 1940 . . . stated: 'The sole activity of this corporation is, as you know, the dealing in diamonds and precious stones from Jewish jewelry. The Reichsministry of Economics has issued by decree of 9 December 1939 the directions for this'."

The OMGUS report further stated: "All during 1940 Diamant-Kontor handled Jewish jewelry exclusively. Not only documentary evidence supports this statement, but Cremer admitted this without reservation during the course of his interrogation."

It may be noted also that at the hearings before the Office of Alien Property in New York on October 24, and 25, 1950, Mr. Friedman, for the Office of Alien Property, offered for the record enlargements from certain microfilms of documents stated to have been filed in the former German Foreign Office files, which had been removed to England. In connection with Claims Branch Exhibit 336, Mr. Friedman, in speaking of certain of these documents stated: "The first group bears a relation to the evidence which the claimant Werner von Clemm offered as to the

121987

-8-

origin of diamonds which were imported by the Pioneer Company. There is an exhibit offered intending to show the origin and source of certain diamonds as that topic may have borne on the criminal case. These documents are in the form of communications between the Foreign Office and the Economic Minister's Office, and the Diamant-Kontor, and refer to exports to the United States of the so-called -- it is the so-called 'Jew jewelry' or 'Jew diamonds'.

"I will offer them as separate exhibits. The German file record and the translation both are offered."

The documents were admitted and marked Claims Branch Exhibit 336.

It would seem, therefore, that the record amply supports the conclusion that the diamonds imported into the United States by Pioneer and by Werner von Clemm were diamonds which had been stripped from their Jewish owners in the course of Nazi persecution.

III.

It is the contention of the JRSO that it is contrary to the stated public policy of the United States to recognize any title which depends upon the transfer of property from victims of Nazi persecution under duress, and that, as a consequence, the true owners of the diamonds in question are the persecutees from whom they were stripped; and that since such persons are either dead or unable to claim the property which is rightfully theirs, the JRSO is the rightful successor to the claims of

121988

-9-

such persons and is entitled to the return of the diamonds in question, or their proceeds, for use in connection with the public charitable purposes set out in Public Law 626.

A series of public declarations by the United States have firmly set the policy of the United States as being non-recognition of transfers under duress. That this principle is applicable to the gems here in question is beyond dispute.

In January 1943, a declaration was issued by certain of the United Nations (including the United States) which declared that transfers of property under duress would not be recognized in the post-war period by the Allied powers. This policy was given specific application to the situation of looting of gold in the subsequent gold declaration and reiterated in Bretton Woods Resolution VI (July 1944). It also formed the basis for Resolution XIX among the American States, notably at the Mexico City Conference on Problems of Peace and War in February of 1945. This policy formed the background for restitution laws in Germany and Austria and for reversal of forced transactions in the other countries of occupied or German-controlled Europe. The policy was stated by Assistant Attorney General (now Judge) Bazelon as applicable to situations within the Office of Alien Property, during his tenure as Director of that Office.

So far as the extensive record has been examined by the JRSO, it contains no indication whatsoever of any doubt that the jewels in question were confiscated from Jewish persecutees who must now be presumed to be dead or to have lost all track of their property. Clearly, the principle

121989

-10-

enunciated in these declarations by the Executive authorities of the United States Government are binding on the Executive Branch as of the present moment. In point of fact, the judicial authorities of the United States will, as indicated in the Curtis-Wright and other cases, give binding effect to declarations of public policy as enunciated by the Executive, within the proper sphere of Executive action. There is no doubt that the Executive Branch acts properly in the conduct of foreign affairs -- a function entrusted to the President by the Constitution.

That title was not passed to any person who succeeded to the rights of those who stripped the diamonds and jewelry from persecutees has, in fact, been long recognized by the United States Government. The OMGUS report above quoted states explicitly: "Title could not be passed to the purchaser since the German diamond industry never acquired title from the rightful owners . . . it only got possession in the most vicious manner."

It is therefore the contention of the JRSO that title to the diamonds in question, prior to the vesting by the Alien Property Custodian, was in fact in the original owners -- the Jewish persecutees from whom the jewels were stripped. It is the JRSO's further contention that, under the provisions of Public Law 626, the JRSO is entitled to file, as it has filed, claims as successor to such original persecuttee owners, and to receive return of the property or its proceeds as their rightful successor. That the diamonds passed through a series of hands after leaving the Diamant-Kontor is completely irrelevant. Neither IMICO nor Pioneer lacked knowledge

121990

-11-

of the source of the diamonds in question. They took the diamonds knowing that they had been confiscated, in violation of the most elementary principles of justice, from persecutees. It is settled law, particularly in view of the Executive declarations to which reference has been made, that the United States will not attribute validity to confiscatory and brutal acts of this sort and that they are not protected, in the United States, by the fact that the transactions were in accordance with the law of the country where confiscation took place. There have been in fact contrary explicit declarations to this point, and the public policy of the United States, both judicial and Executive, is clear.

IV.

In the normal situation of a JRSO claim, the JRSO succeeds to the claim which could have been filed by a person whose name is known, although little else about him may be known. In this situation, the JRSO has laid claim to jewelry or to proceeds which were clearly the property of persecutees, of persons who would be entitled to their recovery were they alive, but whose names are lost in the miasmatic mists of the Nazi horror.

Nothing in Public Law 626 or its statutory history makes the claim of the JRSO the less strong in this situation. The purpose of the legislation was to permit the JRSO to claim property which had belonged to persecutees who were no longer alive to claim it, in order to use the

121991

- 12 -

proceeds for the benefit of surviving persecutees. The instant case provides clear proof that the property was that of persecutees; that were they alive and could they come forward, they would be entitled to its return; and in consequence the JRSO is, pursuant to Public Law 626, the proper successor. The clear intent of the Congress was that heirless or unclaimed property of exactly this sort should be used for special relief purposes within the United States. It would contravene the direct and explicit legislative mandate were property which was known to be heirless property of victims of Nazi persecution, or its proceeds, to remain or to be covered into the miscellaneous receipts of the Treasury Department.

V.

Finally, it makes no difference whether the diamonds in question were of Belgian and Dutch or of German origin. The proof is equally clear in any case that they were stripped from Jewish persecutees and passed through the hands of the Diamant-Kontor which existed for the sole purpose of marketing exactly such diamonds.

Respectfully submitted:

Jewish Restitution Successor Organization

By

Seymour J. Rubin
Washington Counsel

121992

13th February 1956

~~1956~~

Memorandum for the Record

On 8 February 1956 I met Fritz E. Oppenheimer (20 Exchange Place, New York 5, N.Y., tel: Whitehall 3-8666) and traveled with him from Bonn to Frankfurt. He was formerly a special advisor to General Clay on financial matters and is now engaged in the validation of bonds issued by various German firms and municipalities. He was a State Department representative during the London debt negotiations and is familiar with the related problems. I believe that he is a former German lawyer.

I discussed the Lastenausgleich problem with him as well as the problem of the return of vested German assets. He informed me that when the question of exemptions was first being considered he had taken the matter up with a number of large companies owning property in Germany. He mentioned the Woolworth Company and the National Cash Register Company. He told me that Woolworth had specifically refused to seek any exemption under the Lastenausgleich since they wanted to be regarded as a German firm and did not want to have any special advantages. The same was true for the Opel Company which still carried its German name and tried to conceal the fact that it was, in fact, an American corporation. He also felt that a large number of firms required the good will of the local finance authorities since they were in effect transferring values out of Germany by virtue of internal manipulations concerning costs and export prices. These companies had done very well in Germany despite the Lastenausgleich and feared a disruption of the prevailing goodwill should they now seek to obtain a special advantage. He was apparently in touch with a substantial number of German firms and seemed to know the sentiment on this subject.

With regard to the return of vested assets he felt that the limited return bill was totally inadequate and undesirable. He seemed personally to favor complete return.

BENJAMIN B. FERENCZ

BBF.11

121993

Mr. Manfred Guggenheim
Executive Officer
Berlin Document Center
APO 742, US Army

February 13, 1956
Gy/G

Dear Mr. Guggenheim:

Re: Address of Mr. Ernst Cremer, your letter of 28-10-1955 BDC/PH/2435/ke

We refer to your letter as of October 28, 1955 to Mr. Ferencz by which you were kind enough to send us a postwar statement made by Mr. Ernst Cremer.

In order to proceed with the case against the Diamant-Kontor vested with the JRSO we need an additional statement by Mr. Cremer but, unfortunately, we are not in a position to get hold of him as his whereabouts in Germany are not known to us.

We would appreciate very much if you could supply us with the details concerning the present home address of the above-mentioned.

Yours sincerely,

M. Grynblat
Executive Officer

✓ cc: (on copy only) Mr. Ferencz

121994

Cable Address: JOINTDISCO

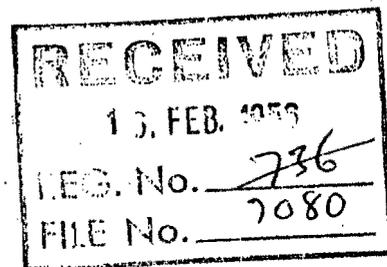
LExington 2-5200

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

February 13, 1956



Letter #3172

Mr. Benjamin B. Ferencz
JRSO - Frankfurt

Re: von Clemm Case

Dear Ben:

Werner Lowenthal states that it is impossible to predict when the JRSO claim will come up in the von Clemm Case. He feels, however, that one month from now seems a conservative target date.

With best regards.

Cordially yours,

Saul Kagan

121995

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 . 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.

deutsche Zeitung

NACHRICHTEN AUS POLITIK · KULTUR · WIRTSCHAFT UND SPORT

München, Donnerstag, 15. Dezember 1949

Nummer 186

Französische Kammerdebatte über Dachau

„Außenminister Schuman schränkt Uebertreibungen ein, erhebt jedoch Vorwürfe gegen deutsche Stellen
Ein Deputierter: „Deutschland muß ein Mindestmaß an Scham und Demut zeigen“

von unserem Korrespondenten E. G. Paulus
Paris, 14. Dezember

Die Nationalversammlung befand sich mehrere Stunden lang mit den Grübeln von Dachau. Außenminister Schuman erklärte zu Beginn der Sitzung, er habe die Debatte über eine so peinliche Angelegenheit nicht erlauben wollen und würde der Nationalversammlung volle Aufklärung über das geben, was sich ereignet habe. Seine Erklärungen Schuman folgten auf Interventionen von Abgeordneten verschiedener Parteien. Während die Kommunisten Besenstin und Madame Duvernois den Anlaß dazu übernahmen, die Deutschlandpolitik der französischen Regierung anzugreifen, erklärten die anderen Interpellanten ausdrücklich, daß dies nicht ihre Absicht sei. Sie betonten, überall in Deutschland sei das Bemühen zu bemerken, die Ehren der nationalsozialistischen Grausamkeiten zu verwischen. Im Falle von Dachau respektive man nicht einmal das Andenken an die Toten.

Wie ehemaligen Deportierten sind berechtigt, no Haß, aber ganz offen zu sagen: Damit Deutschland rehabilitiert werden kann, muß es ein Mindestmaß an Scham und Demut zeigen“, erklärte der Abgeordnete Lambert, der einen schriftlichen Bericht über den heutigen Zustand der ehemaligen Konzentrationslager Dachau, Mauthausen, Arthem, Flüssenburg, Regen-Beisen, Neuenzammer und Neuenstadt in die er unlängst alle besichtigt hatte. In Neuenstadt sei von den ehemaligen deutschen Häftlingen, die dort untergebracht waren, der Tod und die anderen Erinnerungsstätten in anderer würdiger Weise unterhalten und gepflegt. Hinsichtlich Dachau stehe jedoch fest, sowohl der alte wie der neue Bürgermeister hätten gewußt, daß ein weiteres Massengrab, eben durch die Erdarbeiten beschaffen, existierte. Der Abgeordnete Serre erklärte: „Nichts erregt uns zu sagen, daß die Gebeine der Toten industriellen Zwecken verwendet wurden, ohne irgendwelche Schutzmaßnahmen für

das Massengrab unternommen wurden, sind ein Skandal.“ Serre erklärte, daß Geld und Zement, welche die Amerikaner der Stadtverwaltung zur Errichtung eines Denkmals für die Opfer von Dachau zur Verfügung gestellt haben, vom Magistrate zum Bau einer Brücke verwendet worden seien. Statt dessen habe man ein Holzkreuz errichtet.

Ebenso wie schon vorher der Abgeordnete Lambert erklärte auch der Abgeordnete Serre Angriffe gegen Staatskommissar Dr. Auerbach und sagte: „Erst kürzlich hat eine Brüsseler Zeitung versichert, daß bei der Staatsanwaltschaft in Antwerpen ein Akt vorliege, in welchem vorgebildet vorgeht wurde, bei der belgischen Kommission für Kriegsverbrecher Klage gegen Dr. Auerbach zu erheben. Er ist angeklagt, während seiner Internierung in einem Konzentrationslager mit den Kapos zusammenzuarbeiten, jüdische Häftlinge selbst die Nahrung seiner Mitgefangenen gestohlen zu haben. Diese Anklagen sind vielleicht nicht bewiesen, aber man nennt nicht einen Mann zum Staatskommissar, über den ein solcher Verdacht schwebt.“ Hieran, bitte ich Sie, Herr Außenminister, zu denken.“ Serre forderte den Rücktritt Dr. Auerbachs. Lambert führte zum Beweise dafür, daß bei der Vertilgung der sterblichen Überreste mit Leichtfertigkeit vorgegangen worden sei, an Dr. Auerbach hätte angekündigt, daß der Leichnam des Generals Delestrain aufgefunden sei, obwohl mit Sicherheit feststehe, daß Delestrain in einem Massengrab beigesetzt wurde, wo man die Leiche nicht mehr identifizieren konnte.

Schuman schildert die Vorgänge am Schluß der Debatte gab Außenminister Schuman folgende Darstellung der Vorgänge: „Die erste Ankündigung über die Vorfälle in Dachau brachte die „New York Herald Tribune“ am 9. September, dann „Stars and Stripes“ am 11. September. Die amerikanische Regierung hat sofort eine Untersuchung angeordnet. Die französische Regierung habe sich der Angelegenheit bereits am 13. und 15. September angenommen, so daß man heute nicht behaupten könne, daß erst die Verbände der ehemaligen Deportierten die Frage ans Tageslicht gezogen hätten. Was sei nun vorgetrieben Anfang September habe ein Unternehmen, das mit Erdarbeiten beauftragt war, 500 Meter entfernt von dem bekannten Massengrab in Dachau menschliche Überreste gefunden. Es scheint, daß die Erdarbeiten daraufhin sofort eingestellt worden seien. Es sei zweifelhaft, ob

diese Überreste von Deportierten stammten. Ein Beweis dafür, daß die Gebeine zu industriellen Zwecken verwendet seien, sei nicht erbracht. Die vernünftige Behauptung, das Geschehen sei, die auch heute noch von den kommunistischen Abgeordneten wiederholt wurde, hieße das Problem zu anderen Zwecken ausnutzen. Die ehemaligen Deportierten begannen erst im Oktober sich mit Dachau zu beschäftigen, während der französische Hochkommissar, André François-Poncet und der französische Generalkonsul in München auf Veranlassung des französischen Außenministeriums bereits am 18. September bei der bayerischen Regierung Vorstellungen erhoben hätten. Hochkommissar McCloy habe versichert, daß er persönlich die Untersuchung verfolge. Am 28. Oktober wurde eine Bestrafung des Bürgermeisters von Dachau verlangt. Am 2. November fand eine Erinnerungsfest an dem neu aufgefundenen Massengrab statt.

Dachau wurde politisch ausgewertet

Außenminister Schuman wies noch einmal drauf hin, daß eine politische Auswertung der Vorfälle keinen anderen Sinn habe, als die allgemeine Außenpolitik der Regierung zu bekämpfen. Die verlangte Internationalisierung der Erinnerungstatte in Dachau lehnte Außenminister Schuman ab und meinte, es sei Sache der deutschen Behörden, diese Gräbtätten zu pflegen. Frankreich werde die Ergebnisse der deutsch-amerikanischen Untersuchungskommission abwarten, die eingesetzt wurde. Immerhin seien Vorichtsmaßnahmen zu ergreifen, damit sich „gerartige“ Vorkommnisse wie in Dachau nicht wiederholten. Die Aufdeckung eines Massengrabs in Lübeck gab Außenminister Schuman Anlaß zu einem Vorschlag, die deutsche Bevölkerung soll unter Androhung schwerer Strafen dazu veranlaßt werden, Massengräber bekannt zu geben, von denen sie noch weiß. In jedem Fall hätte sich bisher gezeigt, daß die ortsnahesige Bevölkerung genau unterrichtet war, diese Dinge aber verschwiegen.

Der Abgeordnete De Moustier erinnerte an einen verlassenen Friedhof bei Bremen, wo zwischen einigen tausend anderen Opfern 700 Franzosen beigesetzt sind. Es sei eine zu bedürftigen, daß dieser Friedhof umgegrünt werde. Der Minister der ehemaligen Frontkämpfer, Jacquinet, versicherte, daß er zusammen mit dem Außenminister alles Erforderliche unternehmen werde, um die Massengräber bei Bremen zu schützen.

Ehard: Kommunistische Urhebererschaft festgestellt

München (SZ). Ministerpräsident Dr. Ehard erklärte am Mittwoch zu den in der Debatte der französischen Nationalversammlung erhobenen Vorwürfen über die Nachlässigkeit in der Betreuung der Dachauer Gräber: Wesentlich sei die Feststellung des französischen Außenministers, daß sich die Regierung Frankreichs von der Unwahrheit der internen Behauptungen, die Knochenreste von KZ-Opfern seien schamlos profaniert oder gar industriellen Zwecken zugeführt worden, überzeugt habe. „Die Feststellung der kommunistischen Urhebererschaft solcher Behauptungen läßt die mit ihrer Verbreitung verfolgte Tendenz deutlich erkennen. Der unternommene Versuch, die deutsch-französische Atmosphäre zu vergiften, dürfte damit als gescheitert angesehen werden.“ Was den Vorwurf anbelangt, deutsche Behörden hätten sich bei der Betreuung der Gräber Nachlässigkeit zuschulden kommen lassen, die eine Abmüdung verdienen, so muß, Ergebnis der vom Ministerrat angeleiteten Untersuchungen abgewartet werden. Solange keine Schuldigen festgestellt sind, ist es nicht möglich, gegen irgend jemand Maßnahmen zu ergreifen. Erklärt Dr. Ehard: „Senatspräsident Walter mit der Untersuchung der Senatspräsidenten, der mit der Untersuchung der Senatspräsidenten beauftragt wurde, teilt mit, daß die Ermittlungen in diesem Monat abgeschlossen werden.“

Auerbach gegen Dr. Josef Müller

München (SZ). Der Präsident des Landesentschuldigungsamtes, Dr. Philipp Auerbach, nahm in einem Schreiben an den bayerischen Ministerpräsidenten zu der von dem französischen Abgeordneten Charles Serre aufgestellten Behauptung, Auerbach werde von der Polizei in Antwerpen gesucht, Stellung. Er kenne die Quelle dieser Angriffe und es sei ihm bekannt, daß Justizminister Dr. Josef Müller einem Pressevertreter gegenüber die Erklärung abgab, daß Staatssekretär Dr. Sattler und ich (Auerbach) an den Verkommnissen auf dem Leitenberg schuldig wären und diese Köpfe rollen müßten. Von kommunistischer Seite werde seitdem er aus der VVN ausgetreten sei, mit allen Diffamierungen gegen ihn gearbeitet. Da er von der

Polizei in Antwerpen gesucht werde, sei eine ebenso lächerliche, wie dreiste Verleumdung, denn er sei einer der ersten Deutschen gewesen, die 1948 in Antwerpen waren, ohne im geringsten beteiligt zu werden. Am 6. Januar werde er in Paris in einer öffentlichen Versammlung vor den Vereinigungen ehemaliger Dachauer und Flossenbürger Deportierter zu den Vorwürfen Stellung nehmen.

Dr. Müller erwidert

Justizminister Dr. Josef Müller übergab der SZ dazu folgende Stellungnahme: „Herr Dr. Auerbach legt offenkundig Wert darauf, die an und für sich schon reichlich komplizierte Angelegenheit der Massengräber am Leitenberg in Dachau durch provokierende Erklärungen noch mehr zu verwirren.“

„Wenn Herr Dr. Auerbach den Versuch macht, die zur Zeit vom Senatspräsidenten Walter durchgeführte Untersuchung darüber zu mißkreditieren, daß er behauptet, ich hätte ihn und Staatssekretär Dr. Sattler als schuldig bezeichnet und in diesem Zusammenhang gesagt, es müßten ihre Köpfe rollen, so kann ich hierzu nur feststellen, daß ich niemals einen Versuch unternommen habe oder unternehme, die Untersuchung zu beeinflussen oder ihr Ergebnis voranzubestimmen. Wahr ist, daß mir eine Mitteilung zugeht, wonach Herr Dr. Auerbach im Anschluß an den Besuch der zweiten französischen Kommission glaubte, einem Journalisten gegenüber Staatssekretär Dr. Schwalber als Verantwortlichen hinstellen zu müssen.“

Da nachher, auch von französischer Seite noch, diese Auffassung zum Ausdruck gebracht wurde, erklärte ich, daß meiner Ansicht nach, mit der ich übrigens der Untersuchung nicht vorzugreifen beabsichtige, weder Dr. Schwalber noch den jetzigen Bürgermeister oder den Landrat von Dachau eine Schuld trifft. 1948 sei das Geklände der Regierung Hoegner übergeben worden. Festzustellen sei also, ob eine Regierungsstelle die Verantwortung trüge, wenn ja, wer. Da in der damaligen Zeit Dr. Auerbach als Staatskommissar wirkte und auch andere Freiheitskämpfer straf bezw. einweihle, so in seinem Fall wie bei jedem anderen zu prüfen, ob er seine Pflicht erfüllt habe.

CAHJP

LAW OFFICES
LANDIS, COHEN, RUBIN AND SCHWARTZ

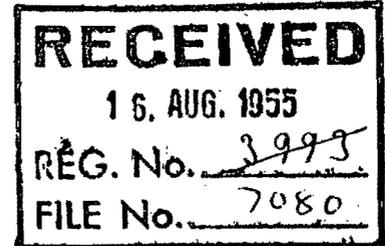
1892 JEFFERSON PLACE, N. W.

WASHINGTON 6, D. C.

STERLING 3-5905

August 12, 1955

JAMES M. LANDIS
WALLACE M. COHEN
SEYMOUR J. RUBIN
ADDA E. SCHWARTZ



Mr. Benjamin B. Ferencz
119 Grueneburgweg
Frankfurt a/Main
Germany

Dear Ben:

I enclose herewith a copy of a self-explanatory letter to Colonel Townsend and the attachments thereto.

If it can be established that the property in question is heirless, the claim here involved will be the most important one from the point of view of the JRSO. My understanding is that the value of the allegedly looted diamonds is upwards of \$200,000, and perhaps in the area of \$500,000. Practically all of the information that we have is contained in the enclosures. I would appreciate it if you could exercise your ingenuity in this matter and could begin whatever investigations are possible in the circumstances.

Best regards.

Sincerely yours,


Seymour J. Rubin

Enclosures

CC: Mr. Kagan

121997

August 12, 1955

The Honorable
Dallas S. Townsend
Assistant Attorney General
Director, Office of Alien Property
Department of Justice
Washington 25, D. C.

Dear Colonel Townsend:

I enclose herewith, on behalf of the Jewish Restitution Successor Organization, a notice of claim, a motion for leave to intervene, and a memorandum in support of the motion for leave to intervene, all of these documents relating to the matters of Werner von Clemm, et al, consolidated under OAP docket no. 183.

As indicated in the motion for leave to intervene, copies of the above documents have been served on the persons listed at the conclusion of the motion.

A set of these documents has also been filed with Mr. Harry Leroy Jones, Chief Hearing Examiner of the Office of Alien Property.

Sincerely yours,

Seymour J. Rubin

Enclosures

CC: Mr. Jones

121998

In the Matters of:

Werner von Clemm
Title Claims Nos 9905,
1273, 1272, 27357

Pioneer Import Corporation
Title Claims Nos 7132,
63799

et al

Docket No 183

NOTICE OF CLAIM

Pursuant to the provisions of Public Law 626, 83rd Congress, Second Session, and to the Executive Order issued January 13, 1955, by the President of the United States, entitled "Administration of Section 32 (h) of the Trading With the Enemy Act", the following notice of claim is filed.

1. The claimant is the Jewish Restitution Successor Organization. Its offices are Suite 800, 270 Madison Avenue, New York 16, New York. The Jewish Restitution Successor Organization has been designated as successor in interest to deceased persons by Executive Order of January 13, 1955, pursuant to Public Law 626, 83rd Congress, Second Session.

2. In Vesting Order No. 4755, executed on March 14, 1945, and amendment to Vesting Order 4755, executed on June 18, 1948, certain packets of diamonds and of semi-precious stones were vested by the Alien Property Custodian. The Jewish Restitution Successor Organization hereby claims as successor in interest to the unknown owners of said packets of diamonds.

121999

-2-

3. The vesting orders involved are Supplemental Vesting Order No. 4755 and amendment to Vesting Order No. 4755.

4. It is understood by the Jewish Restitution Successor Organization that the above-mentioned packets of diamonds were imported into the United States during the years 1940 and 1941, and that these packets of diamonds are of substantially unknown origin. It is understood that the allegations of certain of the parties mentioned in the above-mentioned vesting orders would indicate that these diamonds originated in the Diamond Kontor. If these allegations are sustained, it would appear to be strongly indicated that the diamonds in fact were among the vast amounts of property which were looted from persons of Jewish ancestry in Germany and which were collected by the Diamond Kontor as an agency of the Nazi Government.

It is further understood that substantial doubt arises with respect to the origins of these diamonds and that there have been many suggestions that these diamonds were originally looted property. It is well known, and a matter of public record, that diamonds and other precious or semi-precious stones were among the first articles taken by the Nazi authorities from persecutees within Germany or German-occupied territory.

Under these circumstances, the Jewish Restitution Successor Organization believes that a sufficient presumption exists that the diamonds are looted property so as to justify the filing of this notice of claim.

Secretary, Jewish Restitution Successor Organization

Date:

July 26, 1955

122000

In the Matters of:)
)
)
 Werner von Clemm)
 Title Claims Nos. 9905,)
 1273, 1272, 27357)
)
 Pioneer Import Corporation)
 Title Claims Nos. 7132, 63799)
)
 et al)

Docket No. 183

MOTION FOR LEAVE TO INTERVENE

The Jewish Restitution Successor Organization, acting pursuant to the provisions of Public Law 626, 83rd Congress, Second Session, and of the Executive Order issued January 13, 1955, by the President of the United States, entitled "Administration of Section 32 (h) of the Trading with the Enemy Act", hereby moves for leave to intervene in the above-entitled matters as they affect Vesting Order No. 4755 and Amendments and Supplements thereto and requests the issuance of an order granting such intervention and requiring that notice of all motions or other steps in the above-entitled matters be given to it through its Washington counsel, Mr. Seymour J. Rubin, 1832 Jefferson Place, N. W., Washington 6, D. C.

A memorandum in support of this motion is attached hereto.

Copies of the notice of claim, of this motion, and of the

Memorandum in support thereof have been served by mail on the parties listed herein below.

Respectfully submitted:

Jewish Restitution Successor Organization

By

Seymour J. Rubin, Washington Counsel

List of Parties on Whom Documents have been Served

X Werner von Clemm
214 East 17th Street
New York, New York

X Societe Anonyme Pour l'Achat
de Valeurs Hypothecaires
5 Neuchatel, Switzerland

George Eric Rosden, Esquire
1025 Vermont Avenue, N. W.
Washington 5, D. C.

Ignatz I. Rosenak, Esquire
70 Pine Street
New York 5, New York

International Mortgage and
Investment Corporation
Edward H. Helms
St. Paul Building
291 Geary Street
San Francisco 2, California

Zichello & Catenaccio
149 East 116th Street
New York 29, New York

X Pioneer Import Corporation
Attn: L. M. Reed
Room 665, HOLC Building

Henry F. Butler, Esquire
Investment Building
Washington 5, D. C.

Dr. D. Sluzewski
8 King William Street
London E. C. 4, England

Pieter J. Koolman
55 Liberty Street
New York 5, New York

Cole, Grimes & Friedman
30 Broad Street
New York 4, New York

Theodore H. Thiesing, Esquire
2 East 54th Street
New York, New York

Hoole Service Company, Inc.
25 Beaver Street
New York, New York

Jullus Eanet, Esquire
Woodward Building
Washington 5, D. C.

Charles R. McNeil, General Counsel
Treasury Department
Washington 25, D. C.

Memorandum in Support of Motion for Leave to Intervene

The Jewish Restitution Successor Organization is a charitable membership organization incorporated under the laws of the State of New York. It has, since its inception, acted as the officially designated successor in interest to properties of Jewish victims of Nazi action who died without heirs, in those cases in which said properties were located within the United States zone of Germany and in the Western zones of Berlin. In this connection, it has acted as an instrument of United States policy in Germany for the implementation of Military Government Law 59 and other similar legislation and has been designated for this task by the United States authorities.

Public Law 626, 83rd Congress, Second Session, added Section 32 (h) to the Trading with the Enemy Act, as amended. This section provided, in brief, that heirless assets in the United States should be claimable by a successor organization, which organization should be deemed to be the legal successor in interest to victims of Nazi action who had died without heirs and who had had property vested or to be vested by the Alien Property Custodian in the United States. The legislation authorized the President of the United States to designate such a successor organization or organizations, upon the making of satisfactory commitments by any applicant organization as to the manner in which it would dispose of such proceeds or properties as were returned to it, etc. On January 13, 1955, upon the application of the Jewish Restitution Successor Organization to be designated as successor in interest to Jewish

heirless

122003

- 2 -

heirless property, an Executive Order so designating the Jewish Restitution Successor Organization was issued and published by the President of the United States.

Pursuant to this legislation and statutory mandate, the Jewish Restitution Successor Organization has filed claims, based upon such information as was available to it, with the Office of Alien Property, and continues to file such claims. Of necessity, the Jewish Restitution Successor Organization is without specific information as to the details of many of the situations in which it is entitled and in duty bound to act. In many cases, information as to whether property exists, as to whether property in fact belonged to a persecutee and as to whether such property is in fact heirless or unclaimed, is not at present available to the Jewish Restitution Successor Organization, and arrangements have been made by agreement with the Office of Alien Property for the filing of claims upon a basis of information and belief, subject to later verification of the actual facts. This procedure has been found necessary by the Office of Alien Property and the Jewish Restitution Successor Organization for the implementation of Public Law 626 and for the achievement of its purposes.

In the above-entitled matters, information has been received by the Jewish Restitution Successor Organization that certain diamonds and other gems which are the subject of several of the vesting orders involved in the above-entitled matters, are property which was looted from Jewish persecutees now deceased without heirs. Should this be the fact, the Jewish

Restitution

122004

- 3 -

Restitution Successor Organization is entitled to obtain the return of such properties, since they would clearly be covered by the mandate of Public Law 626. Although at the present time proofs cannot be definitely produced, a sufficient basis does exist to justify intervention by the Jewish Restitution Successor Organization in the above-entitled matters, with right to examine the records, to appear at such hearings as may be held, and to have all other rights of a full participant in the proceeding. The Jewish Restitution Successor Organization proposes also to proceed with investigation, upon the basis of such facts as are available to it.

The granting of this motion for leave to intervene will in no way impede the progress of the proceeding and will merely assure the officially designated successor organization under Public Law 626 of the possibility of carrying out its statutory mandate.

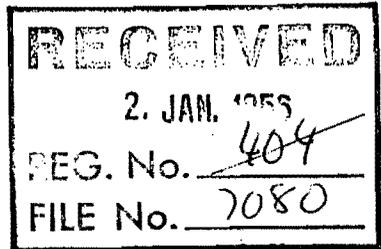
Respectfully submitted:

Jewish Restitution Successor Organisation

By

Seymour J. Rubin, Washington Counsel

122005



December 30, 1955

Mr. Werner Lowenthal
1832 Jefferson Place, N.W.
Washington, D.C.

Dear Werner:

I refer to your letter of November 29, 1955, concerning the von Clam diamonds. I note that Mr. Friedman does not recall the Cremer statement. Under the circumstances I would suggest that you check the records of the GAP to determine whether the statement is in fact among them.

I am also enclosing additional material we have now received from Germany which further endeavors to prove that the diamonds in question had come from Germany. We shall also be receiving, and I will be sending it to you, a legalized copy of the report on the meeting of the Diamant-Kontor of October 11, 1941. Please examine this material against the von Clam statement and see if they can be related.

With best wishes for the New Year.

Cordially yours,

Saul Kagan

Enclosure

cc: Mr. Ferencz ✓
Mr. Rubin

122006

JEWISH RESTITUTION SUCCESSOR ORGANIZATION
HEADQUARTERS

100007

1000000

DEC 23 1955

FANKFURT/MAIN
Grüneburgweg 119
Tel.: 22414/22400

Dec 19, 1955
DK/KA/et



*Photostat
disagree with
date v. clere
file*

Mr. Saul Kagan
c/o JRSO
270 Madison Ave
New York 10, N.Y., USA

Re: Diamant-Kontor GmbH

Dear Saul:

Dr. Weis asked me to forward to you copies of those parts of the file which are of relevancy to para 8 of my letter of 25 Nov. 1955.

I sent Herr Hollitzer a copy of the respective parts of the file and I enclose the abstract of the same prepared by him.

I would like to make the following observations:

Para 5 (a) of the extract enumerates the diamonds which during the first six months of the year of 1941 were sent by the Berlin Centralstelle to the Diamant Kontor "zum Zwecke des Umschmelzens". The number of diamonds was 92 086 with 8368.74 carats.

After the diamonds were turned to the Centralstelle, 86,147,808.20 carats were sold on the market.

Para 7 (a) of the extract states that diamonds which were sold on the market were 86,147,808.20 carats. This is proved by the diamonds which were sold on the market "zum Zwecke des Umschmelzens" for 86,147,808.20 carats.

According to the extract, the diamonds were delivered to the Centralstelle by the Berlin Centralstelle. The diamonds were sold on the market for 86,147,808.20 carats.

122007

According to para 3 (c) of the extract the Diamant-Kontor had collected for pawnshop gold a rough amount of 11,750,000 (New York, Frankfurt). This pawnshop gold should be identified with all 1051 diamonds enumerated by para 3 (b) because they were on Verzeichn. der Anstandsaussch. Kommissionen basis.

You will note from para 2 of the extract that the Kontor did not only supply diamonds to the Diamant-Kontor but also to "dem. Schmuckwarenindustrie und Juweliere".

Kindest regards

Sincerely yours

[Handwritten Signature]
S. Borovitz

122008

1.) Auszug aus dem Gesellschaftsvertrag - Abschlüssen am 26. Okt. 1939

Par. 3

Gegenstand des Unternehmens sind Geschäfte aller Art mit Diamanten. Die Gesellschaft ist auch berechtigt, Geschäfte aller Art mit sonstigen Edelmetallen zu betreiben. Sie ist ferner berechtigt, Zweigniederlassungen in In- und Auslande zu errichten.

Par. 8

a) Zum Einkauf von Diamantrohstoffen ausschließlich ist ausschließlich die Gesellschaft befugt.

2.) Auszug aus dem Bericht über die Gesellschafterversammlung der Diamant-GmbH. am 11. Okt. 1941 im Hotel "Holländischer Hof" in Mainz a. Rh.

Punkt 7. - Verschiedenes:

Man soll sich nicht wundern, wenn das Exportinteresse immer mehr erlahmt. Der überwiegende Anteil an der Bearbeitung und dem Export des Jüdenschmuckes muss der Diamantindustrie zugesprochen werden, dafür darf sie keine Gewinne haben und sogar die Kapitalverzinsung ist weggefallen. Händler, Schmuckwarenindustrie und Juweliere, die normal bei der Industrie besorgt werden von den Behörden direkt versorgt.

3.) 6) Auszug aus dem Bericht der Geschäftsleitung (Gesellschaftsbericht 1941)

Die verständnisvolle Extraktion durch die amtlichen Stellen liess unsere Gesellschaft im 1. Halbjahr 1941 weitere Verdienste auftrage vom Reich anfallen. Dieser Arbeitserfolg ist insoweit nicht abzuschätzen. Der Erhaltung der Industrie wurde es zu wünschen sein, dass ein weiterer Anfall von Umschleifware die entsprechenden Stellen im gleichen Verfahren zur Anwendung kommen können und unsere Gesellschaft wieder mit der Durchführung betrautet.

Im 2. Halbjahr 1941 sind zum Zweck des Umschleifens von Paris 150000 Karatien angeliefert worden:

20)	10.1.1941	6.729	Stueck	559,13	Karat
21)	10.1.1941	5.005	"	525,20	"
22)	2.2.1941	16.157	"	1.392,29	"
23)	15.2.1941	21.925	"	1.972,92	"
24)	6.3.1941	12.089	"	1.847,55	"
25)	30.4.1941	9.143	"	874,85	"
26)	10.5.1941	12.956	"	1.189,00	"
		92.096	Stueck	8.350,74	Karat

Dr. H. Dr. stellen die Bescheinigung über den betreffenden Kauf vor.

122009

Regulation concerning the... (faint text)

RI 514 70 36

Regulation concerning the... (faint text)

RI 514 70 35

Regulation concerning the... (faint text)

RI 514 70 34

Regulation concerning the... (faint text)

Account	Inland	Abroad
...	RI 514 70 34	RI 514 70 34
...

Regulation concerning the... (faint text)

RI 514 70 33

Regulation concerning the... (faint text)

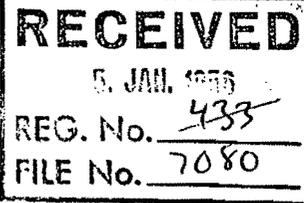
Nov 16 1955
Hollis v.ain

122010

that the need for an approval by the Council of the Jewish Agency for the Jewish People
should be taken into account in the future. It is also noted that the Council of the Jewish Agency
has been advised by the Council of the Jewish Agency for the Jewish People that the
approval of the Council of the Jewish Agency for the Jewish People is required in order to
proceed with the proposed plan. It is also noted that the Council of the Jewish Agency
for the Jewish People has been advised by the Council of the Jewish Agency for the Jewish People
that the approval of the Council of the Jewish Agency for the Jewish People is required in order to
proceed with the proposed plan.

122012

December 20, 1955



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

Dear Sy:

This will refer to our discussion concerning the Bulk Settlement of JRSO claims under Public Law 626 and the preparation of material in support of our proposal which we reviewed last Friday. Accordingly, please find five copies of the following documents:

1. The text of the proposed Bulk Settlement Bill of our P.L. 626 claims.
2. A summary statement setting forth in highlight form the principal arguments in support of the Bill.
3. A memorandum explaining in detail the reasons for our Bulk Settlement proposal and the factual situation based on our experience during 1955.

I believe that we have now marshalled the principal arguments in favor of the Bulk Settlement. There remains only the "minor" question whether our arguments will be as persuasive to the members of the Congress as they are to us. We will need all the help we can find.

Cordially yours,

Saul Kagan

cc: Mr. M. Boukstein
Mr. B. Ferencz ✓
Dr. I. Goldstein
Mr. M. Goldwater

Dr. E. Hevesi
Mr. J. Jacobson
Mr. M. Leavitt
Dr. N. Robinson

122013

84th CONGRESS
2nd Session

S. _____

IN THE SENATE OF THE UNITED STATES

A BILL

To amend the Trading with the Enemy Act, as amended, so as to allow bulk settlement 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 settle claims presented by a successor organization previously designated pursuant to this subsection by payment of an amount not less than \$2 million nor more than \$3 million. Determination of such amount shall be made by the President or such officer as he may designate not more than six months after the effective date of this Act. Such determination shall be made upon the basis of hearings at which such designated successor organization shall have the right to appear and to present evidence, and such determination shall be final."

122014

SUMMARY STATEMENT CONCERNING HEIRLESS PROPERTY CLAIMS
UNDER PUBLIC LAW 626

The attached bill proposes an amendment to the Trading with the Enemy Act, as amended, which is necessary to attain the objectives established as United States policy by Public Law 626, 83rd Congress, 2nd Session. It provides authority for a swift bulk settlement of claims relating to the property in the United States of persecutees under Hitler who perished without heirs.

The property in the United States of enemy nationals is generally vested under the Trading with the Enemy Act. The Congress has long recognized, however, and has made legislative provision, that persons who were persecuted for religious, racial or political reasons were a special category, and were entitled to return of their property.

This principle, however, could not be applied to "heirless or unclaimed" property. That property belonged to persecutees - but they and their known relatives perished in the holocaust that engulfed six million Jews during the years of Hitler's power.

The United States did not want to retain this property. It felt that the victims would have wanted it - or its proceeds - to be used for the relief of needy survivors of persecution. In Public Law 626, 83rd Congress, 2nd Session, the Congress thus set up a procedure under which a successor organization, designated by the President of the United States, could claim this heirless property. Under stringent safeguards - including the assurance that all of the proceeds, without deduction of administrative expense, would go to the victims - this organization was to claim, liquidate and distribute the property for charitable use. The Jewish Restitution Successor Organization (JRSO), a New York membership corporation, was designated by President Eisenhower in January 1955.

The JRSO has now filed almost 7,000 claims to property. Of these claims, some 4,558 involve cases in which there is no conflicting claim of any sort. The amounts in these claims vary enormously - from a few dollars to upwards of a hundred thousand dollars. Ascertainment of basic facts about them is an almost insuperable task. Addresses are missing. Where addresses are known, the original owners and all of their relatives have often vanished during the nightmare of persecution. Even using the best available records - those of such organizations as the International Tracing Service, for example - basic data cannot be found, or is incomplete.

122015

- 2 -

This situation poses a basic problem: how is the will of Congress to be carried out, and the proceeds of heirless property in the United States used for the intended relief purposes in the United States? It is clear that, without a new approach, the claims of the JRSO will take years to process, and will impose an intolerable burden on both the government and this charitable organization.

A bulk settlement of these claims, based on the best available statistical data, is the only answer. The attached bill provides for such a bulk settlement.

The bulk settlement principle has been explored with the Administration. It is agreed that it would save endless time and effort. The techniques used in the statistical appraisal have been worked out, and checked step-by-step, with the Administration, though the actual estimates are of course the responsibility of the JRSO. A floor of \$2 million and a ceiling of \$3 million (as already provided in P.L. 626) are contained in the proposed bill.

Heirless property use for relief purposes has always enjoyed strong bipartisan support. (Bills on heirless property have been submitted by Senators Taft, McGrath, O'Connor, Dirksen, Hennings and Langer, and by Representatives Crosser and Wolverton). Bulk settlements have, in Germany, been strongly supported by the United States and have proved an effective technique for ensuring maximum use of funds for charity. The attached bill fits within these principles. It is urged as necessary to carry out the intent of the Congress as expressed in Public Law 626 - that the property in the United States left by victims of persecution who died without heirs be used, as quickly as possible, for the relief of those who survived, but are now impoverished, ill, and in want.

122016

MEMORANDUM EXPLANATORY OF ATTACHED BILL

To amend the Trading with the Enemy Act, as amended, so as to allow bulk settlement of certain claims by successor organizations to heirless or unclaimed property.

The attached bill proposes an amendment to the Trading with the Enemy Act, which is necessary to attain the objectives established as United States policy by Public Law 626, 83d Congress, 2d Session. It provides authority for a swift bulk settlement of claims relating to the property in the United States of persecutees under Hitler who perished without heirs.

Public Law 626, which is now found as Subsection (h) of Section 32 of the Trading With the Enemy Act, put into effect as internal United States legislation a policy which the United States had long followed in its international relations. That policy was that heirless property which belonged to persons who had been persecuted by the Nazis in Germany or in occupied Europe for political, racial or religious reasons should be utilized for the benefit of the surviving members of that class of persecutee to which the deceased owner had belonged.

During the Nazi regime in Europe, some 6 million Jews perished. Their property, as well as the property of those who managed to survive the Nazi holocaust, had been confiscated in one form or another by the Nazi authorities. One of the first acts of the Allied forces in Europe was to rescind the old Nazi laws and to put into effect restitution procedures which would restore their properties to those persons who survived or to their legitimate heirs. Military Government Law 59 in the American zone of Germany was an early example of the implementation of this policy. It served as the model for other similar laws in the other Western zones of Germany. Moreover, its principles have been continued, and to a certain extent expanded, in connection with the Contractual Agreement which forms one of the constitutional documents for the Bonn Government.

It was obvious from the outset, however, that vast amounts of property, which had been taken mainly from the Jews, but also from various other categories of persecutees, could never be recovered by individual claimants. The reason was that these individual claimants had perished in Buchenwald and Bergen-Belsen and the other concentration camps erected by the Nazi regime. Moreover, the Nazi policy of extermination was so thorough that vast amounts of property would be unclaimed even by heirs, since whole families had been wiped out. Military Government Law 59 therefore provided a mechanism by which this heirless property could be claimed and collected by a charitable organization under procedures which ensured that the proceeds of this property would be used for a

122017

" 2 "

fundamental objective of the Allied nations -- the relief and rehabilitation of those who had formerly been persecuted.

The organization which was designated by General Clay under Military Government Law 59 to collect the Jewish heirless properties was a New York charitable membership corporation known as the Jewish Restitution Successor Organization (J.R.S.O.). This organization was founded by a cooperating group of well-established and responsible Jewish organizations in the United States. It had as its objective the filing and the processing of claims for Jewish heirless property. It was accredited to the American occupation forces, was recognized as performing a task which was basic to the Allied occupation of Germany, and cooperated closely -- as it still does today -- with the American authorities in Germany.

It was logical, therefore, that the Congress of the United States should take cognizance of the similar, though much smaller, problem of heirless property here in the United States. Immediately after the war, the Congress had unanimously passed legislation amending the Trading With the Enemy Act and providing that political, racial or religious persecutees could obtain return of their property which had been vested here in the United States by the Alien Property Custodian, even though they were technically "enemy". (In most cases, of course, these persons were in fact stateless.) An individual who was fortunate enough to survive the Nazi regime, and who had been persecuted, could therefore apply to the Alien Property Custodian for return of his property and get that property back. But a substantial number of persons who would have been eligible claimants, and who had property in the United States, had perished, together with their entire families, in Nazi Germany or in the Balkan satellites. It seemed logical, therefore, that the action which had been taken by the United States -- and by the other Allied authorities -- in Germany in regard to heirless property should serve as the model for action with respect to heirless property here in the United States. Legislation incorporating this proposal was put forward in several successive Congresses, always on a bipartisan basis and with the support of such distinguished Senators as Senators Taft, McGrath and O'Connor. It should be noted that this legislation was first introduced in 1948, three years after the end of World War II. It was the conviction of the distinguished sponsors of this legislation seven years ago that this matter must be handled with dispatch in the interest of the surviving victims of Nazi persecution.

122018

In the 83rd Congress, a bill to this effect was sponsored by Senators Hennings, Dirksen and Langer, and that bill became Public Law 626. It established the principle that heirless property found in the United States should be used, under strict standards laid down in the legislation, for relief and rehabilitation of the surviving category of persecutees. It is indicative that the legislation provides that no portion of the funds to be made available to a successor organization under Public Law 626 is to be used for administrative or legal expenses. Reports are to be made to the Congress and every safeguard is present to ensure that the totality of the funds will be used within the United States for the relief of deserving, needy persons.

The legislation required the designation of a successor organization which would be charged with the quasi-public duty of carrying out its provisions. In January of 1955, President Eisenhower issued an Executive Order designating the Jewish Restitution Successor Organization as the successor organization under Public Law 626. Since that time, the Jewish Restitution Successor Organization has been engaged in the monumental task of attempting to ascertain the nature and extent of the heirless property in the United States, to file claims within the time limit provided in the law and to devising a method in cooperation with the Office of Alien Property of the Department of Justice for the expeditious and speedy processing of these claims.

The Jewish Restitution Successor Organization was faced with the fact that no one -- no private individual and no Government office -- had any lists, records, or organized sources of information available which would indicate which were the properties or interests which, under the law, the Jewish Restitution Successor Organization was entitled and in duty bound to claim. Procedures therefore had to be devised. On request, the Office of Alien Property provided a list to the Jewish Restitution Successor Organization. This list contained the names found in all of the vesting orders issued -- some 44,000 of them -- by the Office of Alien Property during the years of its existence since World War II. Experts then carefully examined these lists and, from their knowledge of European communities and nomenclature, and in some cases from direct knowledge, put together another list containing those names which were distinctively Jewish. This acknowledgedly rough material was then subjected to the series of refining processes. First, the Office of Alien Property went through the lists and checked off those names as to which title claims -- that is, claims for return of the property -- already existed. Quite clearly, except in those cases in which the claim might be disallowed, these names did not represent assets to

122019

which the Jewish Restitution Successor Organization could properly lay claim, since it can, in any case, ask for the return to it only of unclaimed property. The Jewish Restitution Successor Organization then filed, as putative successor under Public Law 626, thousands of claims, which in general -- though not entirely -- reflected those names as to which no conflicting title claim was pending. This was a monumental task, which had to be completed by mid-August, 1955.

Subsequent to the filing of these claims, the Jewish Restitution Successor Organization again engaged upon a refining process. It undertook to re-examine and analyze its lists, in order to withdraw all of those claims which appear to be not well-founded. In this process, some thousands of claims have been withdrawn.

There are now on record and docketed with the Office of Alien Property some 6,899 Jewish Restitution Successor Organization claims. Of these, there is no conflicting claim in 4,558 cases, and there is an adverse title or debt claim in 2,341 cases. It should be pointed out that for present purposes it has been necessary to lump together adverse title and debt claims, so that it may be presumed that even in the latter category of cases some values will accrue to the Jewish Restitution Successor Organization, assuming, as seems reasonable, that debts against vested assets do not in all cases come to 100 percent of the value of those assets.

The above recital is, we believe, sufficient to indicate the absolute necessity of legislation which would permit and direct the Office of Alien Property to work out a bulk settlement of these claims with the Jewish Restitution Successor Organization. In the absence of a bulk settlement, the J.R.S.O.-- which by statute is prohibited from debiting any of these funds to its administrative expenses -- would have to process at least 4,500 individual claims. The ordinary claimant has difficulty enough in assembling proofs and evidence. And he, it will be remembered, knows what property he is claiming, what his proofs are, where the property was located in the United States, what bank held his deposit, etc. In almost no case is the Jewish Restitution Successor Organization in possession of this kind of basic information at the outset.

Ascertaining the facts and assembling the proofs in thousands and thousands of cases, where by definition the original owners and their entire families are dead and vanished, their records generally burnt or destroyed, is an administrative and practical task of such magnitude as to stagger the imagination.

- 5 -

It is so great a task, in fact, that it seriously jeopardizes the clear objective which the Congress sought in enacting Public Law 626 -- the provision of heirless funds, speedily and without deduction of any kind, for the relief of surviving, needy persecutees now in the United States. It is certain that the sponsoring Senators and the Congress did not anticipate the enormity of this Administrative task when Public Law 626 was enacted.

Moreover, the processing of this vast number of claims would throw an intolerable burden not merely on the Jewish Restitution Successor Organization, but also on the Office of Alien Property. Even on the basis of the Office of Alien Property's present workload, which includes approximately 7,000 pending title claims apart from those filed by the J.R.S.O., it would be years before it could process the J.R.S.O. claims. Should legislation be passed by the next session of Congress which provides for a program of partial or other returns to former enemy owners, the burden on the Office of Alien Property will be increased. Under these circumstances, if the purposes of Public Law 626 are to be attained, a bulk settlement of the J.R.S.O. claims is a necessary amendment to the Trading With the Enemy Act.

There is ample precedent in heirless property matters, for bulk settlements. Bulk settlements have in fact been worked out by the J.R.S.O. with the various German laender -- that is, German states -- in the American zone of Germany and in Berlin. These bulk settlements have had the enthusiastic endorsement and support of the United States Government, of the Bonn and laender governments, and of all interested in achieving relief and not in shuffling papers. They provide a method for cutting through what would otherwise be years of expensive processing of thousands of individual claims.

A bulk settlement, of course, must be worked out on the basis of estimates. Estimates, however, are infinitely to be preferred to a long drawn out and highly expensive procedure which can result only in the building up of enormous administrative expenses which would have to be borne by the charitable funds-- not to neglect the appropriation of substantial amounts which would have to be provided to the Office of Alien Property so that it could process these thousands of individual claims.

The J.R.S.O. has therefore worked out step-by-step procedures which will minimize the risk of error in the preparation of the necessary estimates upon which a bulk settlement can be based. It has discussed these plans with officials of the Executive and Legislative Branches in order to make them as careful and

122021

A very careful winnowing of the claims on file before the Office of Alien Property, discloses that there are 4,558 of what may be called clear claims-- that is, claims as to which there is neither an adverse title claim nor any debt claim pending. In addition, one must, of course, reckon with the 2,341 claims of the Jewish Restitution Successor Organization where there is some adverse title or debt claim; and one must also take into account the possibility that the so-called omnibus accounts of Swiss or other banking institutions may contain substantial amounts of heirless property.

The J.R.S.O. does not assume that all of the claims on file by it represent heirless property. Clearly, if the property covered by these claims was Jewish, and if there is no adverse claim, the property is heirless and unclaimed. Persecutees or their heirs have had the right since 1946 to file individual claims for the return of their property. If they have not done so, the presumption is inescapable that the property is heirless--a presumption recognized, in fact, in Public Law 626. In this connection, it may be pointed out that Public Law 626 provides that individuals who in fact have survived or heirs of such individuals, and who are eligible claimants under the present provisions of the Trading With the Enemy Act, may within a period of two years apply to the successor organization and obtain return of their assets if the successor organization has claimed those assets on the assumption that they are deceased.

The basic problem which confronts both the Government and the J.R.S.O. is to find out how many of the claims thus on file represent persecutee property. In order to do this, the J.R.S.O. has taken an entirely random sampling of the claims. This sampling was made entirely on the basis of the chance occurrence of addresses in the material made available to the J.R.S.O. by the Office of Alien Property. In other words, if the J.R.S.O. had the address of the putative persecutee in such a way as to make investigation possible, that name was included on a list, and the list was sent to Germany for investigation. The investigators were instructed to look at birth records, land records, the church or Jewish community records, the records of the International Tracing Service -- anything which would indicate whether the person in whose name the claim had been filed by the J.R.S.O. as successor was or was not a persecutee, was or was not alive, did or did not have heirs, etc.

The intensive work which has already been done in this connection has served to dramatize the difficulties which the J.R.S.O. and the Government face in determining the facts. The tremendous disruption which occurred in Germany as a result of many factors is the basic cause for these difficulties. In the

122022

case of persecutees, people were, of course, shifted from one part of Germany to another and ultimately to concentration camps. Persecutees were deported, sent to work in some cases in concentration camps or elsewhere, and records were extensively destroyed by bombardment and by damage resulting from the war. In many cases, all of the birth records or other public records of entire cities were completely destroyed during the course of the war. The investigation has therefore disclosed that in a great many cities the names and addresses of people whose assets were vested by the Office of Alien Property, and whose addresses as given in the vesting orders were the last known addresses in Germany, have completely disappeared so far as any present search can indicate. It is clear, of course, that a great proportion of those who have disappeared entirely were persecutees, since the normal German resident, or members of his family, will have reappeared in some of the current records of the German city in which such residents previously lived. Attention is invited to the fact that only 3% of the pre-Hitler Jewish population of Germany still reside there today. The task of tracing from presently available records -- whether those are the old records as they have survived or new records created since the war -- thousands of probable persecutees is one of such enormous complexity and presents difficulties of such magnitude as to be almost insuperable. Particularly in the case of those persons who appear to be Jewish, these records are in many cases entirely missing. In addition, it will be recalled that Public Law 626 provides for utilization of all vested assets of persecutees for the charitable purposes of the law, and that this includes assets of persons in such countries as Rumania, Bulgaria and Hungary. In the case of those countries, the Nazi destruction of the Jewish population was tremendous; but under present circumstances the existence of the iron curtain makes it impossible to do any checking whatsoever.

Under the best of circumstances, the tracing of thousands of names would present administrative difficulties of the highest order. Under these special circumstances, the task is, as was said, almost insuperable. Making the best estimate which can be made on the basis of these eminently unsatisfactory and difficult data, it is felt that at least 50 percent of the claims which have been filed by the J.R.S.O. with the Office of Alien Property do conservatively represent legitimate heirless property claims. This estimate is based on ability of the J.R.S.O. in some cases actually to establish the fact that persons were Jewish; inability to find any existing record of such persons in circumstances which indicate that the Jewish population of a particular city was deported and the records destroyed; and all other data, such as checking of the

122023

records of the International Tracing Service, which are admittedly incomplete but which might cast some light on the situation.

It is therefore estimated that 50 percent of these claims do represent property to which under Public Law 626 the J.R.S.O. is entitled. Thus the problem arises of determining what the average value of the J.R.S.O. claims is.

Some statistical material which has been prepared on three separate occasions and by two separate sets of people is of significance in this connection.

In 1950 -- before passage of Public Law 626 -- an analysis was done in New York from vesting orders which at that time were available in the New York office of the Office of Alien Property.

Closely examined were 155 vesting orders, against which no title claims were pending. Thirty of these orders covered properties which are part of estates. These cases had an average value of \$3,000 with a high of \$14,000 and a low of \$100. The majority of the J.R.S.O. claims have been filed for assets in this category. The balance of 125 vesting orders covered a variety of assets not pertaining to estates, which were found to have an average value of \$2,700 per order.

Independently from the aforementioned survey -- but utilizing information on individual case values prepared at that time -- 177 claims filed by the J.R.S.O. were recently analyzed. These were all claims filed by the J.R.S.O. under Public Law 626 on which -- as a result of the work done in 1950 -- value figures were available. In these cases, a total value was found of \$202,014.06. This came to an average value per claim of \$1,141.32.

The Office of Alien Property itself checked the first forty J.R.S.O. claims in which the case files were sufficiently complete to permit analysis. The average value per claim was over \$3,000. This limited Office of Alien Property sampling includes one property of over \$120,000, which lifts what may be called--without suggesting that it has been adopted by the Government -- the Office of Alien Property average. But in any case it appears safe to assume that the value of the average J.R.S.O. claim is over \$1,000.

At least 50 percent of the 4,558 clear J.R.S.O. claims may be taken to represent claims cognizable under Public Law 626. The figures indicate an average value of upwards of \$1,000 per claim. On this basis alone, an estimate of \$2,250,000 is arrived at as the total value of J.R.S.O. claims. In addition, it must be remembered that there are 2,341 claims of the J.R.S.O. as to which there is some adverse title or debt claim, but in which there is undoubtedly a considerable surplus value to which the J.R.S.O. would be entitled. In addition, there are the amounts which are involved in the so-called omnibus accounts. These

122024

are accounts held through Swiss or other banks. A certification procedure was put into effect with respect to these accounts some years ago which allowed legitimate claimants to come forward and to obtain the release of their properties held in these accounts. Some portion-- although admittedly the figure is indefinite -- of the amounts which remain uncertified and therefore still in the hands of the Office of Alien Property must necessarily represent heirless assets, though, of course, a considerable amount may represent other types of property.

In addition, there is not included in these figures the amount involved in the so-called von Clemm claim. Here there are over \$900,000 worth of diamonds, assertedly obtained from the infamous Diamond Kontor of Berlin, whose sole function was the disposal of diamonds looted from Jewish persecutees. This claim is presently before a hearing examiner of the Office of Alien Property, and the J.R.S.O. has presented its claim and will present evidence during the course of the hearing. Official reports of the United States High Commissioner in Germany will show that the Diamond Kontor existed for the purpose of disposing of looted gems.

The J.R.S.O. has therefore suggested an amendment which will authorize and direct the settlement of its claims by payment of an amount to be not less than \$2 million nor more than \$3 million. The \$3 million ceiling was incorporated in Public Law 626 in order to ensure that amounts payable to the J.R.S.O. would not exceed the financial availabilities out of assets and funds within the hands of the Office of Alien Property. The \$2 million floor is equally appropriate. Obviously, a tremendous amount of administrative work has already been done, some of which has been indicated in the previous portions of the present statement. A substantial amount of administrative work, in addition, will have to be done by the J.R.S.O. in the effective presentation of its claims ⁱⁿ and implementation of Public Law 626. It was clearly the view of the Congress in enacting Public Law 626 that some substantial amounts should be made available for the purposes of that law. The J.R.S.O. is in effect a trustee of charitable funds -- both those which it may receive under Public Law 626 and those which it receives from other sources, but which are devoted to similar relief and rehabilitation work. It would not be appropriate, nor would it be in accordance with the clearly expressed intent of the Congress, to require that this tremendous amount of work be done without a guarantee of some substantial funds being available. Just as the ceiling of \$3 million was inserted for practical administrative reasons, without regard, in effect, to the possibility that the claims might exceed that amount, and was accepted on that basis, so the suggested \$2 million floor ought be con-

122025

- 10 -

tained in the proposed legislation for similar practical administrative reasons. It is clearly to the interest of the Government, of the charitable organizations involved, and of the surviving persecutees who are now in the United States and who are dependent upon public or private charity, that the intent of the Congress to provide substantial funds be carried out as quickly as possible and with assurance that these funds will reach the intended beneficiaries. This the proposed bill is designed to effect.

The text of the amendment proposed by the J.R.S.O. has previously been submitted to counsel for this Subcommittee, to the Office of Alien Property, and to the Department of State. It will enable the original purpose of the Congress in enacting Public Law 626 to be carried out. The enactment of this bill will result in funds expeditiously and without a tremendous burden of administration coming into the hands of agencies which can use them for actual and direct relief and rehabilitation purposes, as was originally contemplated by the Congress. This Bill is being presented in the belief that it is good for the Government, good for the charitable and relief organizations which are concerned, and good for the intended beneficiaries. The Congress has declared that the funds left in the United States by those who perished in the Nazi concentration camps should be used for the benefit of surviving victims who are now in the United States and are needy. Therefore measures should be taken to ensure that this intention is carried out and that these funds are made available while the intended beneficiaries are still alive to receive their benefit. And it seems entirely appropriate that action should be taken to ensure this result at a time when, in one form or another, legislative action is likely to be taken for the relief of German and Japanese claimants. The most limited proposal for the return of enemy assets as envisaged in the Administration Bill S. 2227 is estimated by the Department of State to involve about \$60 million.

Attached is the text of the proposed bill.

122026

BBF

7080

December 2, 1953

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

"CONFIDENTIAL"

Dear Sir:

Obviously the time has come to intensify our efforts with regard to our bulk settlement agreement in preparation for the reopening of the congressional session in January. Mr. Ryan has made two copies of your statement available to Bohrer, for Dinstein, and will also contact Senator Langer directly. I will be seeing Maurice Haggart and Phillip Klutznick in New York on Tuesday the 6th and will discuss the matter with them.

I believe we should also now contact the other members of the Senate who were favorably disposed towards the legislation in general. I have particularly in mind Senators Hennings, Ives, Douglas and Kilgore. I understand that you are already in touch with Senator Lehman. I am writing to Mr. Dacey Stone, requesting him to approach Senators Kennedy and Saltwater. I am also writing to Jacob Weinstein, requesting him to write officially to the chairman of the Democratic National Committee and to such members of the Senate as he may wish to approach. Please let me know whether you consider it timely and useful for Maurice Goldwater to write to Lehman requesting his support for the bulk settlement agreement.

Best regards.

Cordially yours,

Paul Hagen

cc: Mr. Weinstein
Mr. Berenson
Mr. Hovesi
Mr. Ryan
Mr. Jacobson
Mr. Leavitt

122027

28 November 1955

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

Dear Sy:

I believe that it may be worthwhile to supplement your presentation to the Senate Subcommittee on the J.R.S.O. Bulk Settlement Amendment with the following information:

1. Lowenthal informed me over the phone that on the basis of the latest OAP official report, 15,747 title claims for return under Section 32 were received as of June 30, 1954. Of these, 597 were received during the fiscal year ending June 30, 1954 or an average of 50 claims per month.
2. As of January 1, 1954, 7,632 claims were still pending leaving an approximate balance to be disposed of as of that date of 7,818 title claims.
3. \$52,941,000 of assets were returned by January 1, 1954, which represents an average per claim of \$6,780 (including rejected claims in an unknown number). This average could be contrasted with the average of heirless claims which we are prepared to accept as the basis for bulk settlement and which is very appreciably lower than the average on returns to eligible individuals.
4. In order to determine the persecutee component within the returns made under Section 32 we must proceed on the assumption that persons who were technically nationals of the European enemy countries were persecutees. ("did not enjoy full right of citizenship"). According to the same OAP data the following values were returned to nationals of:

1. Germany -	\$21,363,000
2. Hungary -	2,137,000
3. Roumania-	2,530,000
4. Bulgaria-	1,080,000
	<u>\$ 27,110,000</u>
5. This represents more than fifty percent of the total values returned exclusive of any persecutee component within \$9,910,000 which were returned to nationals, former and present, of enemy occupied territories of western, eastern and southern Europe. A considerable number of Jews from France, the low countries, Czechoslovakia, Yugoslavia, Poland, settled in the U.S.
6. As approximately fifty percent of all title claims were still pending as of June 30, 1954, it is safe to assume that the total values which will accrue to surviving persecutees upon the completion of the return program, will exceed \$50,000,000.
7. The J.R.S.O. is seeking a \$2,000,000 floor in bulk settlement of the heirless claims or less than 4% of the anticipated return to surviving persecutees. This is very substantially below the 10% which has been officially determined by the German Federal Government as representing Jewish heirless ~~assets~~ in connection with the proposed bulk settlement of claims for Jewish heirless assets confiscated by the Third Reich. This ~~ratio~~ ratio between heirless

component

122028

- 2 -

7. (continued)

and individual persecutee claims was arrived at after exhaustive investigations by the German authority. The successor organizations are going along with this estimate in order to secure the bulk settlement at the earliest possible date and thus provide funds to assist needy victims of Nazi persecution throughout the world. The J.R.S.O. proposal under P.L. 626 is thus predicated on a "floor" 2-1/2 times lower than the percentage which the German Government considers "safe".

8. The imperative need for a bulk settlement is further substantiated by the OAP statistics on the rate of disposition of title claims. From 1946 through 1954 or approximately during eight years the OAP disposed of 7,818 title claims or approximately 1000 claims per annum. At this rate it may take the matter seven years to dispose of any non-heirless title claims under Section 32.
9. The J.R.S.O. has over 6,000 claims which will require many years of processing by the O.A.P. on a case by case basis. This is without reference to any new claims which the O.A.P. will have to handle if S. 2227 or other general return legislation to enemy nationals will be adopted. The J.R.S.O. claims alone represent nearly a doubling of the ~~title~~ title claim caseload under Section 32.
10. It may be worthwhile to call attention to Secretary Dulles' letter to Congressman Priest which is published in the Congressional Record of June 8, 1955 (page A 4063). The letter states that after payment of \$225,000,000 to the War Claims Commission, returns and debt claims paid and payable under existing provisions of the Trading With the Enemy Act and the payment of other authorized sums, it is estimated that there will remain a balance of \$60,000,000. The State Department estimates that the return legislation as proposed by the Administration would cost approximately \$50,000,000 for west German assets and \$7,500,000 for Japanese assets. This leaves an estimated balance of \$2,500,000 which could be available for bulk settlement payment of heirless claims.

I would suggest that you verify with Lowenthal the statistical data on the number of title claims, values paid out, etc. as I wrote this memorandum on the basis of pencilled notes taken during my conversation (telephone) with Lowenthal. This memorandum was dictated directly to the typewriter in order to get it over to you in time for tomorrow's hearings. Please call me tomorrow and let me know whether you believe that it is worthwhile to present any of the points set forth above.

Cordially yours,

Saul Kagan

122029

Statement before the Subcommittee on the Trading With
the Enemy Act of the Senate Committee
on the Judiciary

My name is Seymour J. Rubin. I am an attorney with offices in the District of Columbia, a member of the law firm of Landis, Cohen, Rubin and Schwartz, and I appear here as Washington counsel for the Jewish Restitution Successor Organization. I would like to urge upon this Committee legislation which has been drafted in the form of an amendment to the Administration bill, S. 2227, but which can stand on its own footing.

Basically, this is a proposal to amend the provisions of Public Law 626 of the 83rd Congress, Second Session. That law, which is now found as Subsection (h) of Section 32 of the Trading With the Enemy Act, put into effect as internal United States legislation a policy which the United States had long followed in its international relations. That policy was that heirless property which belonged to persons who had been persecuted by the Nazis in Germany or in occupied Europe for political, racial or religious reasons should be utilized for the benefit of the surviving members of that class of persecutee to which the deceased owner had belonged.

During the Nazi regime in Europe, some 6 million Jews perished. Their property, as well as the property of those who managed to survive the Nazi holocaust, had been confiscated in one form or another by the Nazi authorities. One of the first acts of the Allied forces in Europe was to rescind the old Nazi laws and to put into effect restitution procedures which would restore their properties to those persons who survived or to their legitimate heirs. Military Government Law 59 in the American zone of Germany was an early example of the implementation of this policy. It served as the model for other similar laws in the other Western zones of Germany. Moreover, its principles have been continued, and to a certain extent expanded, in connection with the Contractual Agreement which forms one of the constitutional documents for the Bonn Government.

It was obvious from the outset, however, that vast amounts of property, which had been taken mainly from the Jews, but also from various other categories of persecutees, could never be recovered by individual claimants.

The reason was that these individual claimants had perished in Buchenwald and Bergen-Belsen and the other concentration camps erected by the Nazi regime. Moreover, the Nazi policy of extermination was so thorough that vast amounts of

122030

-2-

property would be unclaimed even by heirs, since whole families had been wiped out. Military Government Law 59 therefore provided a mechanism by which this heirless property could be claimed and collected by a charitable organization under procedures which ensured that the proceeds of this property would be used for a fundamental objective of the Allied nations -- the relief and rehabilitation of those who had formerly been persecuted.

The organization which was designated by General Clay under Military Government Law 59 to collect the Jewish heirless properties was a New York charitable membership corporation known as the Jewish Restitution Successor Organization. This organization was founded by a cooperating group of well-established and responsible Jewish organizations in the United States. It had as its objective the filing and the processing of claims for Jewish heirless property. It was accredited to the American occupation forces, was recognized as performing a task which was basic to the Allied occupation of Germany, and cooperated closely -- as it still does today -- with the American authorities in Germany.

It was logical, therefore, that the Congress of the United States should take cognizance of the similar, though much smaller, problem of heirless property here in the United States. Immediately after the war, the Congress had unanimously passed legislation amending the Trading With the Enemy Act and providing that political, racial or religious persecutees could obtain return of their property which had been vested here in the United States by the Alien Property Custodian, even though they were technically "enemy". (In most cases, of course, these persons were in fact stateless.) An individual who was fortunate enough to survive the Nazi regime, and who had been persecuted, could therefore apply to the Alien Property Custodian for return of his property and get that property back. But a substantial number of persons who would have been eligible claimants, and who had property in the United States, had perished, together with their entire families, in Nazi Germany or in the Balkan satellites. It seemed logical, therefore, that the action which had been taken by the United States -- and by the other Allied authorities -- in Germany in regard to heirless property should serve as the model for action with respect to heirless property here in the United States. Legislation incorporating this proposal was put forward in several successive Congresses, always on a bipartisan basis and with the support of such distinguished Senators as Senators Taft, McGrath and O'Connor. It should be noted that this

122031

-3-

legislation was first introduced in 1948, three years after the end of World War II. It was the conviction of the distinguished sponsors of this legislation seven years ago that this matter must be handled with dispatch in the interest of the surviving victims of Nazi persecution.

In the 83rd Congress, a bill to this effect was sponsored by Senators Hennings, Dirksen and Langer, and that bill became Public Law 626, to which I have previously referred. Public Law 626 established the principle that heirless property found in the United States should be used, under strict standards laid down in the legislation, for relief and rehabilitation of the surviving category of persecutees. I need not go into the details of that legislation; but it is indicative that the legislation provides that no portion of the funds to be made available to a successor organization under Public Law 626 is to be used for administrative or legal expenses. Reports are to be made to the Congress and every safeguard is present to ensure that the totality of the funds will be used within the United States for the relief of deserving, needy persons.

The legislation required the designation of a successor organization which would be charged with the quasi-public duty of carrying out its provisions. In January of 1955, President Eisenhower issued an Executive Order designating the Jewish Restitution Successor Organization as the successor organization under Public Law 626. Since that time, the Jewish Restitution Successor Organization has been engaged in the monumental task of attempting to ascertain the nature and extent of the heirless property in the United States, to file claims within the time limit provided in the law -- which by the time of issuance of the Executive Order had been narrowed to six months-- and to devising a method in cooperation with the Office of Alien Property of the Department of Justice for the expeditious and speedy processing of these claims.

I do not wish to take more of the time of this Subcommittee than is necessary in detailed explanation of the prodedures which have so far been devised, but I think some brief outline of them is necessary to an understanding of the present problem. The Jewish Restitution Successor Organization was faced with the fact that no one -- no private individual and no Government office -- had any lists, records, or organized sources of information available which would indicate which were the properties or interests which,

122032

under the law, the Jewish Restitution Successor Organization was entitled and in duty bound to claim. Procedures therefore had to be devised. On request, the Office of Alien Property provided a list to the Jewish Restitution Successor Organization. This list contained the names found in all of the vesting orders issued -- some 44,000 of them -- by the Office of Alien Property during the years of its existence since World War II. Experts then carefully examined these lists and, from their knowledge of European communities and nomenclature, and in some cases from direct knowledge, put together another list containing those names which were distinctively Jewish. This acknowledgedly rough material was then subjected to the series of refining processes. First, the Office of Alien Property went through the lists and checked off those names as to which title claims -- that is, claims for return of the property -- already existed. Quite clearly, except in those cases in which the claim might be disallowed, these names did not represent assets to which the Jewish Restitution Successor Organization could properly lay claim, since it can, in any case, ask for the return to it only of unclaimed property. The Jewish Restitution Successor Organization then filed, as putative successor under Public Law 626, thousands of claims, which in general -- though not entirely -- reflected those names as to which no conflicting title claim was pending. This was a monumental task, which had to be completed by mid-August, 1955.

Subsequent to the filing of these claims, the Jewish Restitution Successor Organization again engaged upon a refining process. It undertook to re-examine and analyze its lists, in order to withdraw all of those claims which appear to be not well-founded. In this process, some thousands of claims have been withdrawn.

There are now on record and docketed with the Office of Alien Property some 6,899 Jewish Restitution Successor Organization claims. Of these, there is no conflicting claim in 4,558 cases, and there is an adverse title or debt claim in 2,341 cases. It should be pointed out that for present purposes it has been necessary to lump together adverse title and debt claims, so that it may be presumed that even in the latter category of cases some values will accrue to the Jewish Restitution Successor Organization, assuming, as seems reasonable, that debts against vested assets do not in all cases come to 100 percent of the value of those assets.

122033

-5-

The above recital is, we believe, sufficient to indicate the absolute necessity of legislation which would permit and direct the Office of Alien Property to work out a bulk settlement of these claims with the Jewish Restitution Successor Organization. In the absence of a bulk settlement, the Jewish Restitution Successor Organization -- which by statute is prohibited from debiting any of these funds to its administrative expenses -- would have to process at least 4,500 individual claims. The ordinary claimant has difficulty enough in assembling proofs and evidence. And he, it will be remembered, knows what property he is claiming, what his proofs are, where the property was located in the United States, what bank held his deposit, etc. In almost no case is the Jewish Restitution Successor Organization in possession of this kind of basic information at the outset. To the extent that such information is at all "available", it is likely to be in governmental files, which for one reason or another bear a security classification, and therefore may not be open to the Jewish Restitution Successor Organization. Ascertaining the facts and assembling the proofs in thousands and thousands of cases, where by definition the original owners and their entire families are dead and vanished, their records generally burnt or destroyed, is an administrative and practical task of such magnitude as to stagger the imagination. It is so great a task, in fact, that it seriously jeopardizes the clear objective which the Congress sought in enacting Public Law 626 -- the provision of heirless funds, speedily and without deduction of any kind, for the relief of surviving, needy persecutees now in the United States. It is certain that the sponsoring Senators and the Congress did not anticipate the enormity of this Administrative task when Public Law 626 was enacted.

Moreover, the processing of this vast number of claims would throw an intolerable burden not merely on the Jewish Restitution Successor Organization, but also on the Office of Alien Property. Even on the basis of the Office of Alien Property's present workload, it would be years before it could process this volume of claims. Should legislation be passed by the next session of Congress which provides for a program of partial or other returns to former enemy owners, the burden on the Office of Alien Property will be increased. Under these circumstances, if the purposes of Public Law 626 are to be attained, a bulk settlement of the Jewish Restitution Successor Organization claims is a necessary amendment to the Trading With the Enemy Act.

122034

-6-

There is ample precedent in heirless property matters, for bulk settlements. Bulk settlements have in fact been worked out by the Jewish Restitution Successor Organization with the various German laender -- that is, German states -- in the American zone of Germany and in Berlin. These bulk settlements have had the enthusiastic endorsement and support of the United States Government, of the Bonn and laender governments, and of all interested in achieving relief and not in shuffling papers. They provide a method for cutting through what would otherwise be years of expensive processing of thousands of individual claims.

A bulk settlement, of course, must be worked out on the basis of estimates. Estimates, however, are infinitely to be preferred to a long drawn out and highly expensive procedure which can result only in the building up of enormous administrative expenses which would have to be borne by the charitable funds -- not to neglect the appropriation of substantial amounts which would have to be provided to the Office of Alien Property so that it could process these thousands of individual claims.

The Jewish Restitution Successor Organization has therefore worked out step-by-step procedures which will minimize the risk of error in the preparation of the necessary estimates upon which a bulk settlement can be based. It has discussed these plans with officials of the Executive and Legislative Branches in order to make them as careful and the results as accurate as possible. I should like to take a few moments to describe these procedures.

I have already pointed out that there has been a very careful winnowing of the claims on file before the Office of Alien Property, with the result that there are 4,558 of what we may call clear claims -- that is, claims as to which there is neither an adverse title claim nor any debt claim pending. In addition, one must, of course, reckon with the 2,341 claims of the Jewish Restitution Successor Organization where there is some adverse title or debt claim; and one must also take into account the possibility that the so-called omnibus accounts of Swiss or other banking institutions may contain substantial amounts of heirless property.

The Jewish Restitution Successor Organization does not assume that all of the claims on file by it represent heirless property. Clearly, if the property covered by these claims was Jewish, and if there is no adverse claim, the property is heirless and unclaimed. Persecutees or their heirs have had

122035

have had the right since 1946 to file individual claims for the return of their property. If they have not done so, the presumption is inescapable that the property is heirless -- a presumption recognized, in fact, in Public Law 626. In this connection, it may be pointed out that Public Law 626 provides that individuals who in fact have survived or heirs of such individuals may within a period of two years apply to the successor organization and obtain return of their assets if the successor organization has claimed those assets on the assumption that they are deceased. These provisions, which the Jewish Restitution Successor Organization would, of course, apply in the event of a bulk settlement, amply protect any individual claimant.

The basic problem which confronts both the Government and the Jewish Restitution Successor Organization is to find out how many of the claims thus on file represent persecutee property. In order to do this, the Jewish Restitution Successor Organization has taken an entirely random sampling of the claims. This sampling was made entirely on the basis of the chance occurrence of addresses in the material made available to the Jewish Restitution Successor Organization by the Office of Alien Property. In other words, if the Jewish Restitution Successor Organization had the address of the putative persecutee in such a way as to make investigation possible, that name was included on a list, and the list was sent to Germany for investigation. The investigators were instructed to look at birth records, land records, the church or Jewish community records, the records of the International Tracing Service -- anything which would indicate whether the person in whose name the claim had been filed by the Jewish Restitution Successor Organization as successor was or was not a persecutee, was or was not alive, did or did not have heirs, etc.

The intensive work which has already been done in this connection has served to dramatize the difficulties which the Jewish Restitution Successor Organization and the Government face in determining the facts. The tremendous disruption which occurred in Germany as a result of many factors is the basic cause for these difficulties. In the case of persecutees, people were, of course, shifted from one part of Germany to another and ultimately to concentration camps. Persecutees were deported, sent to work in some cases in concentration camps or elsewhere, and records were extensively destroyed by bombardment and by damage resulting from the war. In many cases, all of the birth records or other public records of entire cities were completely destroyed during the course of the war. The investigation has therefore disclosed

122036

that in a great many cities the names and addresses of people whose assets were vested by the Office of Alien Property, and whose addresses as given in the vesting orders were the last known addresses in Germany, have completely disappeared so far as any present search can indicate. It is clear, of course, that a great proportion of those who have disappeared entirely were persecutees, since the normal German resident, or members of his family, will have reappeared in some of the current records of the German city in which such residents previously lived. I would like to call attention to the fact that only 3% of the pre-Hitler Jewish population of Germany still reside there today. The task of tracing from presently available records -- whether those are the old records as they have survived or new records created since the war -- thousands of probable persecutees is one of such enormous complexity and presents difficulties of such magnitude as to be almost insuperable. Particularly in the case of those persons who appear to be Jewish, these records are in many cases entirely missing. In addition, it will be recalled that Public Law 626 provides for utilization of all vested assets of persecutees for the charitable purposes of the law, and that this includes assets of persons in such countries as Rumania, Bulgaria and Hungary. In the case of those countries, the Nazi destruction of the Jewish population was tremendous; but under present circumstances the existence of the iron curtain makes it impossible to do any checking whatsoever.

Under the best of circumstances, the tracing of thousands of names would present administrative difficulties of the highest order. Under these special circumstances, the task is, as I have said, almost insuperable. Making the best estimate which can be made on the basis of these eminently unsatisfactory and difficult data, we feel that at least 50 percent of the claims which have been filed by the Jewish Restitution Successor Organization with the Office of Alien Property do conservatively represent legitimate heirless property claims. This estimate is based on ability of the Jewish Restitution Successor Organization in some cases actually to establish the fact that persons were Jewish; inability to find any existing record of such persons in circumstances which indicate that the Jewish population of a particular city was deported and the records destroyed; and all other data, such as checking of the records of the International Tracing Service, which are admittedly incomplete but which might cast some light on the situation.

We may therefore estimate that 50 percent of these claims do

122037

represent property to which under Public Law 626 the Jewish Restitution Successor Organization is entitled. We are then faced with the problem of determining what the average value of the Jewish Restitution Successor Organization claims is.

Here we have the benefit of some statistical material which has been prepared on three separate occasions and by two separate sets of people.

In 1950 -- before passage of Public Law 626 -- an analysis was done in New York from vesting orders which at that time were available in the New York office of the Office of Alien Property.

Closely examined were 155 vesting orders, against which no title claims were pending. Thirty of these orders covered properties which are part of estates. These cases had an average value of \$3,000 with a high of \$14,000 and a low of \$100. The majority of the J.R.S.O. claims have been filed for assets in this category. The balance of 125 vesting orders covered a variety of assets not pertaining to estates, which were found to have an average value of \$2,700 per order.

Independently from the aforementioned survey -- but utilizing information on individual case values prepared at that time -- 177 claims filed by the J.R.S.O. were recently analyzed. These were all claims filed by the J.R.S.O. under Public Law 626 on which -- as a result of the work done in 1950 -- value figures were available. In these cases, a total value was found of \$202,014.06. This came to an average value per claim of \$1,141.32.

The Office of Alien Property itself checked the first forty J.R.S.O. claims in which the case files were sufficiently complete to permit analysis. The average value per claim was over \$3,000. This limited Office of Alien Property sampling includes one property of over \$120,000, which lifts what I may call -- without suggesting that it has been adopted by the Government --- the Office of Alien Property average. But in any case it appears safe to assume that the value of the average J.R.S.O. claim is over \$1,000.

One may take at least 50 percent of the 4,558 clear Jewish Restitution Successor Organization claims to represent claims cognizable under Public Law 626. The figures indicate an average value of upwards of \$1,000 per claim. On this basis alone, one arrives at an estimate of \$2,250,000 as the total value of Jewish Restitution Successor Organization claims. In addition, we must remember that there are 2,341 claims of the Jewish Restitution Successor Organization as to which there is some adverse title or

82038

debt claim, but in which there is undoubtedly a considerable surplus value to which the Jewish Restitution Successor Organization would be entitled. In addition, there are the amounts which are involved in the so-called omnibus accounts. These, as I have mentioned, are accounts held through Swiss or other banks. A certification procedure was put into effect with respect to these accounts some years ago which allowed legitimate claimants to come forward and to obtain the release of their properties held in these accounts. Some portion -- although admittedly the figure is indefinite -- of the amounts which remain uncertified and therefore still in the hands of the Office of Alien Property must necessarily represent heirless assets, though, of course, a considerable amount may represent other types of property.

In addition, I have not included in these figures the amount involved in the so-called von Clemm claim. Here we have over \$900,000 worth of diamonds, assertedly obtained from the infamous Diamond Kontor of Berlin, whose sole function was the disposal of diamonds looted from Jewish persecutees. This claim is presently before a hearing examiner of the Office of Alien Property, and the Jewish Restitution Successor Organization has presented its claim and will present evidence during the course of the hearing. Official reports of the United States High Commissioner in Germany will show that the Diamond Kontor existed for the purpose of disposing of looted gems.

The Jewish Restitution Successor Organization has therefore suggested an amendment which will authorize and direct the settlement of its claims by payment of an amount to be not less than \$2 million nor more than \$3 million. The \$3 million ceiling was incorporated in Public Law 626 in order to ensure that amounts payable to the Jewish Restitution Successor Organization would not exceed the financial availabilities out of assets and funds within the hands of the Office of Alien Property. We suggest that the \$2 million floor is equally appropriate. Obviously, a tremendous amount of administrative work has already been done, some of which has been indicated in the previous portions of my present statement. A substantial amount of administrative work, in addition, will have to be done by the Jewish Restitution Successor Organization in the effective presentation of its claims and in implementation of Public Law 626. It was clearly the view of the Congress in enacting Public Law 626 that some substantial amounts should be made available for the purposes of that law. The Jewish Restitution Successor Organization is in effect a trustee of charitable funds -- both those

60039

-11-

which it may receive under Public Law 626 and those which it receives from other sources, but which are devoted to similar relief and rehabilitation work. It would not be appropriate, nor do we think that it would be in accordance with the clearly expressed intent of the Congress, to require that this tremendous amount of work be done without a guarantee of some substantial funds being available. Just as the ceiling of \$3 million was inserted for practical administrative reasons, without regard, in effect, to the possibility that the claims might exceed that amount, and was accepted on that basis, so the suggested \$2 million floor ought be contained in the proposed legislation for similar practical administrative reasons. It is clearly to the interest of the Government, of the charitable organizations involved, and of the surviving persecutees who are now in the United States and who are dependent upon public or private charity, that the intent of the Congress to provide substantial funds be carried out as quickly as possible and with assurance that these funds will reach the intended beneficiaries. This the proposed amendment is designed to effect.

The text of the amendment proposed by the Jewish Restitution Successor Organization has previously been submitted to counsel for this Subcommittee, to the Office of Alien Property, and to the Department of State. We feel that it will enable the original purpose of the Congress in enacting Public Law 626 to be carried out. We feel that it will result in funds expeditiously and without a tremendous burden of administration coming into the hands of agencies which can use them for actual and direct relief and rehabilitation purposes, as was originally contemplated by the Congress. And we feel that this amendment is good for the Government, good for the charitable and relief organizations which are concerned, and good for the intended beneficiaries. The Congress has declared that the funds left in the United States by those who perished in the Nazi concentration camps should be used for the benefit of surviving victims who are now in the United States and are needy. It is incumbent upon us to take measures to ensure that this intention is carried out and that these funds are made available while the intended beneficiaries are still alive to receive their benefit. And it seems entirely appropriate that action should be taken to ensure this result at a time when, in one form or another, legislative action is likely to be taken for the relief of German and Japanese claimants. The most limited proposal for the

122040

return of enemy assets as envisaged in the Administration Bill S.2227 is estimated by the Department of State to involve about \$60 million.

Attached to my statement there is a text of a proposed amendment, which, on behalf of the Jewish Restitution Successor Organization -- and, I think I can also say, on behalf of all those interested in the welfare of these surviving victims of Nazi persecution -- I earnestly commend to the sympathetic attention of this Subcommittee and of the Congress.

Thank you for your attention and for your time.

122041

Proposed Amendment to the Trading with the Enemy Act.

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 settle claims presented by a successor organization previously designated pursuant to this subsection by payment of an amount not less than \$2 million nor more than \$3 million. Determination of such amount shall be made by the President or such officer as he may designate not more than six months after the effective date of this Act. Such determination shall be made upon the basis of hearings at which such designated successor organization shall have the right to appear and to present evidence, and such determination shall be final."

7080

Nov 18, 1955
Dr.Ka/gf

M e m o

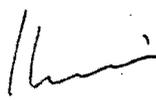
To : Mr. Ferencz
From : Dr. Katzenstein

With reference to your Memo 7080 of 25 August 1955 and your letter to Mr. Seymour J. Rubin of equal date (the diamond Kontor):

Holstein was not able to find out anything about the diamond Kontor. The procedures, according to which the pawn-shops disposed of their diamonds, were as follows:

The diamonds were sent to the Berlin pawn-shop. Hollstein's attempts to trace the dispositions which the Berlin pawn-shop made concerning diamonds were unsuccessful.

I also enclose copy of a letter dated 17 October 1955 of Mr. Moritz Reis, president of the Pforzheim Jewish Community, whom we contacted on the matter as he is said to have inside information in this field; he substantially confirms the result of Holstein's inquiries.


E. Katzenstein

Encl.: a/s

122043

A b s c h r i f t

Moritz Reiss
Fernsprecher 2270

Pforzheim-Broetzingen, 17. Okt. 1955
Hoehenstrasse 15 c

Jewish Restitution Successor Organization
- J R S O - Headquarters

F r a n k f u r t / M a i n

Grueneburgweg 119

Betr.: Zwangsweise Ablieferung von Schmuck, Edelmetallen und Edelsteinen
aus juedischem Besitz

Sehr geehrter Herr Hollstein!

Unter hoefl. Bezugnahme auf unsere juengste telef. Unterredung beehre ich mich, Ihnen mitzuteilen, dass ich bezuegl. der aus juedischem Besitz aufgrund der Anordnung des Beauftragten fuer den 4-Jahresplan vom 3.12.1938 abgelieferten Schmuck, Edelmetalle und Edelsteine, mit verschiedenen hiesigen Persoenlichkeiten des Edelsteinhandels verhandelt habe, um konkrete Angaben zu erlangen, ob die ^{von} juedischen Eigentuemern bei den damals oertlich zustaendigen Pfandleihanstalten zwangsweise abgelieferten Edelsteine, Juwelen und dergl. m. an eine Zentralstelle des fruerehen Deutschen Reiches weitergeleitet werden mussten. Von einer Seite erhielt ich die Auskunft, dass als Sammelstelle die Staedt. Pfandleihanstalt in Berlin durch die damals zustaendige Behoerde des Deutschen Reiches bestimmt wurde, an die saemtliche mit der Abnahme der entzogenen juedischen Edelsteine beauftragten lokalen Pfandleihanstalten der einzelnen Laender weitergegeben mussten.

Ich gestatte mir, nachstehend aus einem mir zugegangenen Schreiben der Staedt. Sparkasse Karlsruhe, als Rechtsnachfolgerin nach der fruerehen Pfandleihanstalt Karlsruhe, vom 25.4.1951 folgenden Wortlaut zu zitieren:

"Gegenstaende aus Gold mit einem Gewicht von 20 g und darueber und einem Feingehalt von 333/1000 (8 karat) und darueber sowie Wertgegenstaende mit einem Auszahlungswert von mehr als 300,- RM (bezw. spaeter 150,- RM) waren vom oertlichen Ankauf ausgeschlossen und mussten der Staedt. Pfandleihanstalt Berlin als Reichsbeauftragte unmittelbar zugeleitet werden."

Ogleich hierbei nicht praezise von der Weitergabe der widerrechtlich entzogenen Edelsteine und Juwelen die Rede ist, so duerfte diese Information immerhin die Schlussfolgerung zulassen, dass als Sammelstelle des fruerehen Deutschen Reiches die Staedt. Pfandleihanstalt Berlin mit der Uebernahme und Verwertung der aus juedischem Eigentum stammenden Edelsteine und Juwelen beauftragt war. In der Erwartung, Ihnen mit vorstehenden Angaben einigermaßen gedient zu haben, empfehle ich mich und begresse Sie

mit vorzueglicher Hochachtung

122044

7080

15 November 1955

Mr. Abraham Hyman
World Jewish Congress
15 East 44th Street
New York, New York

CONFIDENTIAL

Dear Abe:

I had occasion to discuss briefly with Monroe Goldwater the problem of arranging for access to the records of the New York State Commissioner for Banks or the records of the New York Secretary of State in connection with the hairless property problem in New York State.

It was clear to me that we will encounter great difficulties in getting access to these records for a preliminary survey of the factual situation. I am therefore convinced that the time has come for us to draft a bill under the assumption that such assets are likely to be available in New York State. If I remember correctly you and Nehemiah undertook to draft such a bill. I have before me Nehemiah's October 18 memorandum on this subject which certainly contains many important observations. I would greatly appreciate it very much if you could give this matter some priority in your crowded schedule.

Cordially yours,

Saul Kagan

cc: Mr. Boukstein
Mr. Ferencs ✓
Dr. Hevasi
Dr. Robinson
Mr. Rubin

122045

Sent by Berlin Doc. Center
Oct 25, 1955.

The undersigned Ernst Cremer, manager of Diamant-Kontor G.m.b.H., Berlin with branch at Idar, Oberstein, hereby deposes and declares:

I am and have been at all substantial times covered by this affidavit manager of Diamant-Kontor (herein after referred to as D-K) a limited company inaugurated under government auspices 1939 for the purpose of dealing and trading in diamonds and precious stones under government direction.

D-K in 1939 approached Stadtische Pfandleihanstalt of the city of Berlin (hereinafter referred to as Pfandleihe) with the purpose of securing for sale a substantial part of the latter company's auction stock of previous stones obtained in the course of its dealings in old jewelry. D-K had no statutory privilege for this purpose but dealt in free competition with other stone brokerage houses.

A first transaction of this kind materialised when Pfandleihe on Febr. 13th 1940 delivered to D-K a parcel of diamonds and gems broken out of old jewelry, divided up in 20 letters (exhibit a) for recutting. The 20 letters were sent directly to Ludwig Schmidt, manager of the branch office of the Diamond-Industry-Syndicate (Fachuntergruppe) at Idar-Oberstein for distribution of the stones to the various Cutting Firms. The Post receipts are annexed. (Exhibit a 1) 16 of the aforementioned 20 letters contained diamonds enumerated as to number of stones and carats on D-K's sheet (exhibit b). Adjusting small differences in letters 14 and 15 and eliminating letter 16 altogether D-K arrived at a total of 8079 pieces of 841.92 carats, for letters 1-15. The last two columns on D-K's sheet show the carat-weight and loss percentages arrived at after recutting. After deducting "Ausschuss" (unsaleable stones) D-K arrived at a total of 7788 stones of 539.45 carats, for which they debited Pfandleihe on June 12th 1940 with RM 37,377.-- cutting charges. (exhibit c). Details of how the aforementioned 15 letters were treated, names of cutters and cost of cutting are shown on yellow cards (exhibit b1). Cutters invoices are annexed (exhibit b2). The 7788 stones were returned to Pfandleihe. D-K retaining an option for their sale abroad.

122046

7080

XXXXXXX

XXXXXXXXXX

Nov. 11, 1955
Dr. Ka/gf

Mr. Saul Kagan
c/o JRSO
270, Madison Ave.
New York 16, N.Y., USA

Dear Saul:

This refers to your JRSO Letter #3103 of 4 November 1955 concerning Public Law 626.

I have passed the information on to Dr. Weis according to your suggestion, copy of my letter is attached hereto.

Enclosed, please, find the first results of the inquiries we have made; they are all but encouraging as approx. 85 % of the names enumerated in the enclosed list are non-Jews; of 69 cases 9 are only Jewish.

We, nevertheless, pursue our course and will not lessen in our endeavours.

I have just received your Letter #3105 of 9 November 1955 with fifteen names of persons whose assets exceed \$1,000 in each case.

Nos. 626 (Sigel) and 2407 (Abele) have already proved negative: Sigel never lived in Kirchheim-unter-Teck and Abele who was registered in Suesen is non-Jewish.

Inquiries with the ITS take at least two months. We will, nevertheless, forward our inquiry to ITS as well.

Kindest regards,

sincerely yours,

E. Katzenstein

cc: Mr. Ferencz ✓

122047

9th November 1955
7080

Mr. Manfred Guggenheim
Executive Officer
Berlin Document Center
APO 742, U.S. Army.

Dear Mr. Guggenheim:

I am writing to thank you for your letter of October 28th and the enclosed statement by Ernst Cremer, both of which reached us yesterday. I have sent the information on to Mr. Ferencz who is presently in New York, and I am sure he will appreciate your helpfulness in this matter.

Sincerely yours,

Lilith Lehner
Secretary

122048



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

In reply refer to
BDC/PH/2435/ke

ADDRESS OFFICIAL COMMUNICATIONS TO

Berlin Document Center,
U.S. Mission Berlin,
APO 742, US Army,
October 28, 1955.

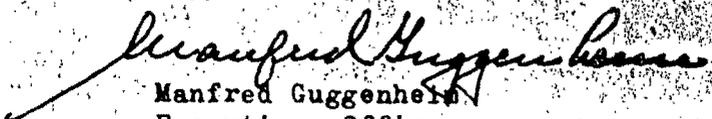
Headquarters,
Jewish Restitution Successor Organization,
Frankfurt/Main,
Friedrichstrasse 29.
Attention: Mr. Benjamin B. Ferencz

Dear Mr. Ferencz:

Reference is made once more to your letter, dated September 21, 1955 and to our reply thereto, dated October 4, 1955.

Since the date of our letter to you we have been able to locate the unsigned copy of a postwar statement (presumably a translation) made by Ernst Cremer, manager of the Diamant Kontor. In the belief that the statement is of interest to you we are forwarding attached hereto a photostatic copy thereof for your information.

Very truly yours,


Manfred Guggenheim
Executive Officer

Enclosures:

Photostats 4 (4).

Tel.: Berlin 43 226

122049

- 2 -

Meanwhile D-K had negotiated with various parties for disposal of the diamonds abroad and more especially with International Mortgage Handelsgesellschaft m.b.H. of Berlin (hereinafter referred to as Imico), European representatives of Pioneer Import Corp. of 157 Chambers Street, New York (hereinafter referred to as Pioneer). The latter company had offered its good services for the sale of the diamonds on a commission basis and the German Ministry of Economics (Reichswirtschaftsministerium) approved of the proposed business. This approval was normally necessary on account of the foreign exchange laws. Imico was currently shipping to Pioneer merchandise of the Idar-Oberstein district - other than diamonds - and had evolved a system of transportation relatively unmolested by the belligerent parties. Imico was to be employed merely as a transporting agent for Pioneer in forwarding the diamonds. Negotiations having been carried to a conclusion between D-K and Imico, D-K accepted delivery from Pfandleihe on Aug. 8th 1940 (exhibit d and dl). D-K in turn delivered the diamonds to Imico on the same day with letter (exhibit e) dated August 8th 1940 later supplemented by letter of Aug. 27th 1940 (exhibit el). The total of stones was reduced to 7776 of 539.10 carats by eliminating the last two items of exhibit dl being unsalable stones. American Consular invoice and declaration of shipper given before consular officer of the U. S. Embassy of Berlin are annexed (exhibit f). The above statement of facts together with the annexed proofs clearly evidences two things:

1. The diamonds were in Germany before Febr. 13th 1940.
2. The diamonds were cut in Germany.

A second transaction of this kind had an even earlier origin. Pfandleihe delivered to D-K on Jan. 24th 1940 a parcel of diamonds and gems broken out of old jewelry divided up in 19 letters, 15 of which contained diamonds (exhibit g). Adjusting small differences in letters 12 and 14 D-K arrived at a total of 9929 stones of 751.77 carats (exhibit h). Deducting "Ausschuss" the final was 9690 stones of 501.69 carats for the recut stones. D-K debited Pfandleihe on Sept. 17th 1940 with RM 41,128.14 cutting charges (exhibit i). Yellow cards and cutters invoices are annexed (exhibit hl and h2).

122050

- 3 -

D-K returned to Pfandleihe the 9690 recut stones retaining an option thereon.

D-K accepted final delivery from Pfandleihe on (exhibits j and j1).

D-K in turn delivered the diamonds to Imico after a minor adjustment for unsalables (last position on Pfandleihe's delivery sheet j1) viz 9635 pieces of 499.87 carats (exhibit k). Consular invoice declared before consular dpt. of U.S. Embassy dated Dec. 4th 1940 (exhibit l).

The third and last transaction involving shipment of diamonds by D-K through Imico to Pioneer embraced stones and gems broken out of old jewelry assorted in the period of May 1st and May 15th 1940. Delivery for recutting was made to D-K on May 29th 1940 (exhibit m). After minor adjustments and selecting material eligible for sale abroad D-K listed a total of 10262 stones of 1207.27 carats, the first 23 letters of Pfandleihe out of total of 40. (exhibit n). Deducting "Ausschuss" final figures amounted to 9943 stones of 712.58 carats recut material. D-K debited Pfandleihe for cutting charges on Sept. 17th 1940 with RM 52,649.34 (exhibit o). Yellow cards and cutters invoices are annexed (exhibits n1 and n2). D-K returned to Pfandleihe the 9943 stones of 712.58 carats and accepted final delivery from Pfandleihe on (exhibits p and p 1). D-K in turn delivered the diamonds to Imico after a minor adjustment for unsalables (see bottom lines of Pfandleihe's delivery sheet p 1) viz 9894 pieces of 711.21 carats (exhibit q) Shipping notice of Imico to Pioneer (exhibit r).

From the aforesaid it becomes evident that;

1. The Diamonds making up the third and last shipment were in Germany before May 15th.
2. The diamonds were cut in Germany.

I hereby solemnly declare that the exhibited photostatic copies represent true copies of the original documents.

122051

7080

XXXXXXX

XXXXXXXXXX

Nov 1, 1955
Dr. Ka/gf

Mr. Saul Kagan
c/o JRSO
270 Madison Ave.
New York 16, N.Y., USA

Re: Check up of names of persons with assets to be claimed in Washington under P.L. 626.

Dear Saul:

With reference to your letters to Benny of October 19, October 27 (No. 3098), and October 28 (No. 3099), 1955, I would like to make the following observations:

I immediately instructed Mr. Hollstein to make the necessary inquiries. His report after his initial work in Frankfurt, where - according to the lists submitted - there are altogether 20 former residents, is most discouraging. Mr. Hollstein contacted the Frankfurt Polizeipraesidium in order to find out that all records (Unterlagen) up to 1945 have been destroyed by war damage. There may only be in some Police Districts still a few registrations about former residents which, however, have been stored away in the cellars. Those various Police Districts would be willing to instruct one official to go through these records (Unterlagen) and check them against the names of our lists, but it would be quite impossible to have this work completed by November 18, 1955.

Hollstein also contacted the Landesverband and the Frankfurt Jewish Community but they don't have any records (Unterlagen) either, because they were confiscated and subsequently destroyed by the Gestapo.

Checking the Frankfurt Address Book does not carry us any further, because it only conveys to us whether the person in question was a resident of Frankfurt, but it does not disclose his religion.

It may be that the chances of success are greater in small communities. I have, therefore, instructed Hollstein to contact these small communities and make the necessary inquiries. - He will also ask the Oberrat of the Israeliten Badens about persons on the list formerly residents within their district.

- 2 -

122052

- 2 -

You must, however, not have any delusion about:

- a) the dubious results of such inquiries,
- b) the impossibility to have any results by November 18, 1955.

After receipt of your letter of 28 October 1955, I instructed Hollstein to expedite matters and even to phone the Oberrat. I am afraid, however, that with all expedition on our side the results will not be available by the time when the Senate hearings begin.

The discouraging result of our Frankfurt inquiry will, of course, not deter us from making the same inquiries in other big cities as, for instance, Muenchen, Hannover, Hamburg, Duesseldorf, Koeln, Stuttgart, etc. We are sending the inquiries to the Polizeipraesidium, Einwohnermeldeamt, and the Landesverband or the Jewish Community, respectively.

It goes without saying that no information will be available concerning those persons whose former residence was in the Eastern Zone, as, for instance, No.89 Saenger, Bitterfeld, and Nr.486 Hecht, Nordhausen im Harz.

With regard to Mr. Rubin's recommendation in the penultimate para. of his letter to Benny of 18 October 1955, to contact the International Tracing Service at Arolsen, I would like to observe that:

- a) we are doing this,
- b) Arolsen only can give information about persons who were detainees in concentration or other camps,
- c) it takes many months until information asked from Arolsen is being supplied.

We have checked all names on the list attached to your letter of 19 October 1955 against JRSO claims; there is none. We are now going to check the names on the list attached to Mr. Rubin's letter to Benny of 18 October 1955 against JRSO claims.

As far as the content of your letter of 27 October 1955 (No.3098) is concerned (the Berlin deportation records), I understand that there is nothing I could do.

You may rest assured that any information which will come in will be passed on to you without delay. I am fully aware of the importance and the urgency of the matter and anything possible in my power will be done from this end.

Sincerely yours,

cc: Mr. Ferencz ✓

E. Katzenstein

122053

Cable Address: JOINTDISCO

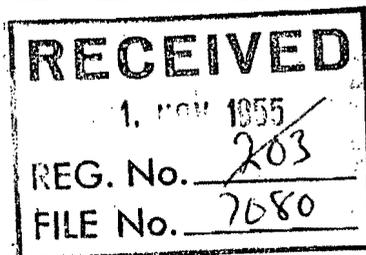
LEXington 2-5200

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

Letter No. 3098



27 October 1955

Mr. Benjamin B. Ferencz
J.R.S.O. - Frankfurt/Main, Germany

Dear Ben:

This will refer to my letter of October 19 on the check-up of names of persons whose assets we are claiming in Washington under P.L. 626.

It occurred to me that it would be worthwhile whatever we cannot establish through the local records, to check the names against the Berlin deportation records which I believe were at the disposal of our Berlin office when we filed the restitution claims in Berlin. It would also be worthwhile to check against the records of the ITS.

Sincerely yours,

Saul Kagan

SK:h

cc: SR
WL
AN
EK

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 • 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.

122054

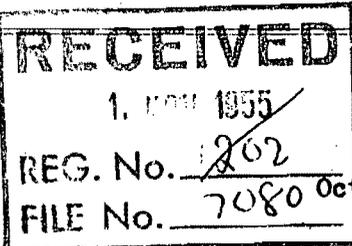
Cable Address: JOINTDISCO

LExington 2-5200

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.



Frankfurt Letter #3099

October 28, 1955

Mr. Benjamin B. Ferencz
URO - Frankfurt

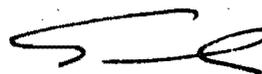
Dear Ben:

I realize that this letter will reach Germany after your departure, and I assume that it will be channelled to whoever is handling these matters in your absence. I refer to the lists of names and addresses of former German Nationals, presumed to be Jews, which I left with you and which were also sent to you directly by Werner Loewenthal from Washington.

I have now learned that the Senate Sub-committee hearings on the bill will take place at the end of November, and it would be most important for us to be in possession of as much as possible of the requested information before that time. I am very sorry to burden your office with all this "extra" work but if we are to have any results we must act now. I think that if the material could be mailed to us by November 18th it would reach us in time to be used for the Senate hearings.

With best regards

Cordially yours,



Saul Kagan

cc: Mr. E. Katzenstein

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 • 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.

122055

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY BONN OFFICE

CABLE: RESTITUTION BAD GODESBERG
PHONE: BAD GODESBERG 3066

BAD GODESBERG
ROENTGENSTRASSE 10

25. Okt. 1955

Mr. B.B. Ferencz
JRSO HQ - Ffm.

RECEIVED
27. OKT. 1955
REG. No. 287
FILE No. 7080

Ltr. # 288

Dear Benny:

Reference is made to Mrs. Leiner's call of today.

Attached hereto is one copy of "Der Archivar" of July 1955.

The issue is sold out, and the attached copy is that of the secretary of the publishing firm who kindly gave it to me.

Sincerely yours,



Herbert S. Schoenfeldt

SPONSORING 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 (D. A. I. A.) · EXECUTIVE COUNCIL OF AUSTRALIAN JEWRY · JEWISH AGENCY FOR PALESTINE · JEWISH LABOR COMMITTEE · JEWISH WAR VETERANS OF THE U. S. A. · SOUTH AFRICAN JEWISH BOARD OF DEPUTIES · SYNAGOGUE COUNCIL OF AMERICA · WORLD JEWISH CONGRESS · ZENTRALRAT DER JUDEN IN DEUTSCHLAND

122056

7080

10. Oktober 1955

Fa. F. Schmidt
Kaiserstr. 99
Siegburg/Rheinland

Sehr geehrte Herren!

Mit Bezugnahme auf unser Schreiben vom 3. d.M. moechten wir Sie hoeflichet bitten, uns das angeforderte Exemplar des "Archivars", Jahrgang 8, Heft 3, Juli 1955, so bald wie moeglich zuzusenden, da wir es sehr dringend benoetigen.

Mit vorzueglicher Hochachtung,

R. Muehlmann
Sekretarin

17 Oct.

21

planned
HS 28/10
421 by E
get it.

122057

3. Oktober 1955
7080

Fa. F. Schmidt
Siegburg/Rheinland
Kaiserstr. 99.

Sehr geehrte Herren:

Wir waeren Ihnen sehr zu Dank verpflichtet, wenn Sie uns, so bald wie moeglich, ein Exemplar des "Archivars", Jahrgang 8, Heft 3, Juli 1955 zuschicken wuerden.

Mit vorzueglicher Hochachtung

Lilith Lehner
Sekretaerin

18/10

122058

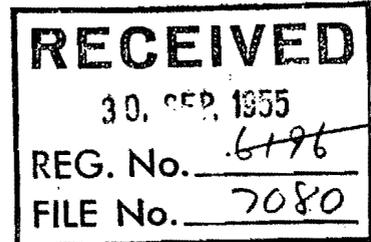
JEWISH RESTITUTION SUCCESSOR ORGANIZATION

BERLIN REGIONAL OFFICE

**BERLIN-DAHLEM
FONTANESTRASSE 16
TELEFON: 76 19 81**

28 September 1955
Dr. W/cz

Mr. B. B. Ferencz
c/o Hq., JRSO
Frankfurt / Main
Friedrichstrasse 29



SUBJECT: Diamonds

Dear Mr. Ferencz,

Inquiries here gave the result that there are no files or information available. The Landesarchiv here thinks that some files might be with the Bundeswirtschaftsministerium, others with the Departmental Records Branch at Alexandria, USA. They think that Oberarchivrat Rohr at the Bundesarchivamt, Koblenz, Am Rhein 22, might be able to give more information. They also think that an article in "Der Archivar", Jahrgang 8, Heft 3, July 1955, published by F. Schmidt, Siegburg/Rheinland, Kaiserstr. 99, might be of interest.

Yours sincerely,

DR. G. WEIS

122059

11
Gertit

Memorandum

21 October 1955
7080

To: Dr. Katzenstein

From: Mr. Ferencz

Dear Ernst:

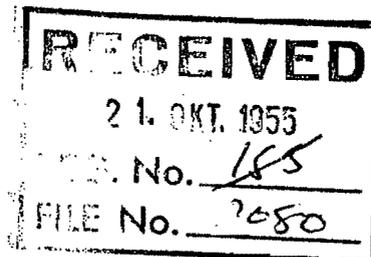
Please see Kagan's letter to me of October 19th. I think this is a problem which can be satisfactorily handled by Hollstein. It appears to me that what is called for here is to have someone check at the Polizei-praesidium in the various towns to see what information they have about the person listed, and in particular, as to whether or not the person listed is or may have been Jewish. If he begins with the Frankfurt cases we will soon know whether this technique is suitable or whether something else is required to get the necessary information.

BENJAMIN B. FERENCZ

BBF.11

Encl.

122060



October 19th, 1955.

Mr. B.B. Ferencz,
J.R.S.O.,
Friedrichstrasse, 29,
Frankfurt/Main.

Dear Ben,

Enclosed is the list of names which will have to be checked against such records as may be available and accessible to establish that the persons listed have been Jewish.

This is the first list of names under our Hairless Priority Claiming Program in the U.S. Similar lists will follow.

I would appreciate very much if you would make arrangements prior to your departure, for the expeditious processing of such lists, especially in connection with the first list, in view of our desire to present to the Senate Sub-Committee, which will consider the Bulk Settlement Amendment, a sampling of the "Jewishness" of the persons whose assets we are claiming.

I am assuming that you will leave the appropriate instructions with Ernst, so that subsequent requests could be handled as a matter of routine. It will be necessary to enlist the cooperation of the J.T.C., the French Branch, and, of course, our Berlin Office.

Cordially yours,

Saul Kagan,

cc. Mr. W. Loewenthal
Mr. S. Rubin (by courtesy of Mr. Loewenthal)

SK:akm

122061

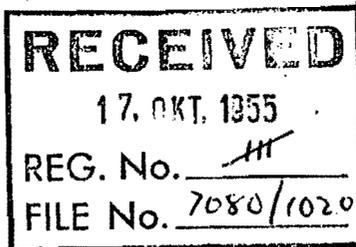
7080

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY BONN OFFICE

CABLE: RESTITUTION BAD GODESBERG
PHONE: BAD GODESBERG 3060

BAD GODESBERG
ROENTGENSTRASSE 10

October 14, 1955



Mr. B.B. Ferencz
JRSO HQ - Ffm.

RE: LAG. ABS.

Dear Benny:

With reference to our recent talk in Frankfurt, I herewith send you the new draft which I am planning to show to Mr. ABS. I would appreciate your looking it through as I have changed it a little bit. If you want further changes, please let me know as soon as possible or call me up.

Next Monday, October 17, I'll call up Mr. ABS to make an appointment. Before visiting him I should like to talk to you once more.

Sincerely yours,

Herbert S. Schoenfeldt

CC: SK

O.K.
B.

SPONSORING 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 (D. A. I. A.) · EXECUTIVE COUNCIL OF AUSTRALIAN JEWRY · JEWISH AGENCY FOR PALESTINE · JEWISH LABOR COMMITTEE · JEWISH WAR VETERANS OF THE U. S. A. · SOUTH AFRICAN JEWISH BOARD OF DEPUTIES · SYNAGOGUE COUNCIL OF AMERICA · WORLD JEWISH CONGRESS · ZENTRALRAT DER JUDEN IN DEUTSCHLAND

122062

D R A F T

MEMORANDUM CONCERNING LEGISLATION NOW PENDING IN THE U.S.
CONGRESS FOR THE LIMITED RETURN OF GERMAN PROPERTY

On June 8, 1955, a draft bill was introduced in the first session of the 84th Congress under Heading HR 67 30 for the purpose of amending the Trading with the Enemy Act and the War Claims Act in order to permit the limited return of enemy property vested by the U.S. Government. The draft is now pending in the Committee on Interstate and Foreign Commerce. By far the greatest portion of the assets to be affected by the pending legislation was owned by nationals of Germany. Attention is therefore particularly invited to actions by the Federal Republic of Germany with regard to assets in Germany belonging to citizens of the United States. It is submitted that it is the present practice of the Federal Republic of Germany to subject such American owned assets to unjustified and discriminatory levies and, that as long as such practices continue, no support for the pending U.S. legislation should be considered.

Before examining the prevailing German treatment of U.S. property it might be well to review some of the general considerations affecting the proposed law. The draft bill provides for a limited return, as a matter of grace, of property or proceeds up to a value of \$10,000 to any one individual. Property of charitable, religious and educational organizations may be returned without regard to its value. The second part of the draft establishes a fund of \$100,000,000 to finance payments, not in excess of \$10,000 per person, to certain U.S. nationals having certain claims against Germany arising out of World War II.

The Secretary of State acknowledged that, by virtue of the Paris Reparation Agreement signed in January 1946 by the United States and 17 Allied nations (other than the Soviet Union and Poland), the United States was authorized and committed to dispose of German external assets in such a way as to preclude their return to German ownership or control and that in consideration of retaining these assets the United States waived reparation claims against Germany. The Bonn Convention of 1952 and the Protocols on the Termination of the Occupation Regime in the Federal Republic of Germany, signed at Paris on 23 October 1954, affirmed the policy of the Paris Reparation Agreement. In this treaty the Federal Republic of Germany agreed to compensate its own nationals for their loss of external assets by the vesting action of the U.S. and other Allied powers. (Chapter Six, Article 5). This was approved by the U.S. Senate on April 1st, 1955, and came into force on May 5th 1955. The Bill now pending in the Congress would nullify the obligation undertaken by the German Government and reaffirmed by Germany only a few months ago.

122063

In justification of the proposed action the Secretary of State reasoned that the Bill would permit a full return to approximately 90% of the former owners and that it would thereby alleviate the cases of hardship caused by vesting, while serving to make even more secure the ties between the United States and Germany. It is submitted that these arguments are not persuasive. There has been no indication anywhere that 90% of the former owners constitute hardship cases. Furthermore, whatever hardship exists does so because Germany has failed to carry out its commitments on behalf of its own nationals.

An independent Committee of the American Bar Association made a very careful and expert study of the effects which the pending bill might have if enacted. The Committee concluded that the property in question should not be returned to the former enemy owners. They pointed out that there had been no real confiscation by the United States, but rather a substitution of these assets instead of reparations. It was Germany, and not the United States, which was withholding payments to the former owners. If, despite the fact that reparations had been specifically waived in the light of the German obligation, we were nevertheless to return the properties we would not only be violating the Paris reparations agreement, the War Claims Act of 1948 and the Paris Treaties of 1955, but it would also constitute a unilateral repudiation of our obligations to our Allies who, by virtue of our precedent, would be put in an untenable position. Such action would be all the more unjustifiable in view of the weaker economic position of some of our war time Allies as compared to the economic strength of the Federal Republic. The Bar Association Committee correctly noted that the American people have already given Germany \$3 billion to rehabilitate itself and it should therefore not be necessary to donate an estimated half a billion dollars worth of property in addition. In its able and persuasive presentation the Bar Association Committee did not consider the question of how the assets of U.S. citizens are treated by the German Government. It is submitted that the actions by the German Government in this regard present an added argument why vested German assets in the U.S. should not be returned.

In August 1952 the Federal Republic of Germany issued a law for the equalization of war burdens. The objective of this law was to equalize some of the burdens caused by the war and the post-war disturbances by imposing a special levy on certain property owners and using the funds to alleviate hardships of Germans who had been more adversely affected. It was recognized at an early date that it would be inequitable to permit foreign nationals to be subjected to this extraordinary levy which, over a number of years, amounted to about 50% of the value of the property. To require the foreign nationals to contribute to the equalization of war burdens would, in effect, have amounted to compelling the victims to compensate the aggressors. It is generally recognized in international law that the property of foreign subjects may not be seized for purposes of financing wars or the burdens resulting from wars. This principle was recognized by the Allied Governments and incorporated by them in the peace treaties with the satellite countries. The treaty with Italy, for example, provides (in Art. 78

- 3 -

para. 6) that "United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts, imposed on their capital assets in Italy by the Italian Government or any Italian authority... for the specific purpose of meeting charges arising out of the war ... any sums which have been so paid shall be refunded". Similar provisions were contained in the Japanese peace treaty. With regard to these countries the U.S. was not prepared to permit its citizens to be subjected to an equalization tax on their assets abroad. There is no reason why Germany, the leader of the others, should be given more favored treatment.

The occupying governments were aware of these objections and accordingly refused to accept a German equalization law without appropriate safeguards. At that time the U.S. Government was expending considerable sums in order to build up the German economy and there was a strong desire to rebuild German industry without giving foreign concerns any special advantages. In the light of the situation it was deemed advisable to conclude a provisional agreement only so that the matter might be re-examined at a later date. A provisional agreement was accordingly reached to the effect that United Nations nationals would be exempt from this special impost for a period of six years, ending on 31 March 1955. Furthermore, the first DM 150,000 worth of property restituted to victims of persecution would be excluded from the levy. Assets recovered by the charitable successor organizations, designated by Military Government to recover properties confiscated from Nazi victims who had perished without leaving heirs, was to be completely exempted from the equalization law.

These exemptions were again embodied in the Paris Protocols which went into effect on May 5th, 1955. (Chapter X, Article 6 and Chapter III, Article 5 and related letters). It is clear in these agreements that no conclusive decision can be unilaterally taken by Germany and that the entire matter was tentative "pending a final settlement of claims against Germany".

At present U.S. citizens owning property and persecutees whose properties have been restituted are subjected to the burdens of the special levy on the grounds that the expiration of the exemption date definitely renders them liable.

Foreign nationals are, to the largest extent, excluded from the benefits of the equalization law. These benefits accrue almost exclusively to persons who are now resident in Germany. Even the charitable Jewish Restitution Successor Organization is denied compensation for war damage to restituted property. Foreigners are accordingly being taxed without participating in the benefits of this special program. This continues the trend of discrimination against

122065 4

- 4 -

foreign property holders which has been prevalent in Germany since 1934. In addition to violating the agreements cited it is contrary to the spirit of Chapter X, Art. 11 of the Paris Protocols in which the Federal Republic declares its intention to pursue a general policy of non-discrimination toward the United Nations and their nationals and toward the property rights and interests of such nations and nationals.

It should be noted that the revenues under the equalization law received from foreign nationals amount to an estimated less than 1% of the total recovered. The loss of this revenue would represent no serious burden to the Federal Republic and, on the contrary, would be an indication of fair treatment which they are prepared to accord to foreign investors.

It should be clear from the foregoing that the present action of the German Federal Republic under the equalization of burdens tax is a discriminatory confiscation against U.S. nationals and companies holding property in Germany and unjustifiable towards restitutees. All such properties should be completely exempt from the special levies brought about as a result of the war. The least that can be expected is that in accordance with the solemn obligations of the German Federal Republic such levies will be postponed until a final peace treaty with Germany is concluded. Imposing the tax now not only prejudices the future position of the foreign nationals but serves as a direct and immediate hardship, according to which American nationals are forced to make reparations in reverse to the German Government.

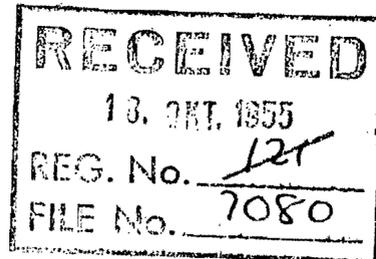
The Federal Republic of Germany should be called upon to revise its present practices in this regard and to make the necessary changes in line with international customs and their own commitments. Until such changes are brought about it would appear to be highly inappropriate for the U.S. Government to consider surrendering any part of vested assets to former German owners.

New York, N.Y., September 28, 1955

122066

Mr. Ferencz

October 14, 1955



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

Dear Saul:

On October 13, Sy and I met with Colonel Townsend and Messrs. Schor and Blum of the Office of Alien Property.

Sy arranged this meeting mainly to acquaint Colonel Townsend with the idea of a bulk settlement.

Colonel Townsend stated that, in his opinion, Public Law 626 in its present form contained no authority for a bulk settlement. Sy stated that he understood this to be the prevailing opinion in OAP, although he personally felt that the law did not bar a settlement. In any event, to avoid lengthy argumentation, the JRSO was prepared to seek Congressional approval of an amendment of the law. He had prepared a draft amendment, and it was his understanding that the Johnston Subcommittee would start hearings in this matter on the 28th of November. Colonel Townsend stated that he personally could see no objections to an amendment and that he felt reasonably certain that the Department of Justice would be in favor, or at least not oppose it.

Sy then informed Colonel Townsend about the steps which are being taken to arrive at a reasonable estimate of the value of JRSO claims. He stressed that JRSO was doing its part "in cleaning up" the mass of claims filed, and gave an outline of the type of cases that have been or will be withdrawn and when this may be expected.

Colonel Townsend was particularly interested in how the JRSO would prove the Jewishness of its claims. Sy stated that it was planned to investigate cases in Germany, including the checking of concentration camp records

in

122067

-2-

in Arolsen. These investigations would be conducted as addresses are being extracted from the OAP docket. In this connection, the JRSO was particularly anxious to obtain individual values of its claims, so that these costly and time consuming investigations would not be conducted on claims with little or no value. Moreover, the JRSO must take into consideration the possibility that the proposed amendment will not be approved, in which case it seemed reasonable to expect that the JRSO would press its valuable cases first. Mr. Schor, as on previous occasions, opposed Sy's suggestion on the grounds that the JRSO was entitled to information on individual values only in cases where it could prove successorship under the statute. Sy put up a strong argument, emphasizing that the JRSO was appointed by the President and performed quasi-Governmental functions and should be dealt with accordingly. Mr. Schor then advanced as a compromise proposal that OAP would identify JRSO claims below a certain value, perhaps \$1,000 or \$500. He emphasized, however, that his proposal was made without knowledge whether the Comptroller's Section was equipped and sufficiently staffed to furnish this information. Colonel Townsend indicated his agreement with Mr. Schor's proposal, and Sy stated that he was prepared to accept it. It was agreed that the technical details be left for later discussion.

You will note from my analysis of the New York index cards which I recently sent you that almost 50 percent of the values are under \$500. Accordingly, OAP's concession, if it materializes, should go a long way to meet our requirements, although they may not be fully aware of it.

Cordially,

Werner Loewenthal

Dear Ben: I understand that you will be here shortly, and hope very much to see you. Best regards.

Cordially,

WML

CC: Mr. Ferencz
Mr. Kagan, care of Mr. Ferencz

122068



10th October 1955
7080

Mr. Seymour J. Rubin
1832 Jefferson Place NW
Washington 6, D.C.

Dear Sy:

Thanks for your letter of October 7th dealing with my memorandum on legislation for the limited return of German property. Since I'll be back in the States in about 3 weeks I won't go into the details now but will save my spleen for our personal meeting.

I was afraid that the information on the looted diamonds was already known to you, So far I haven't uncovered anything else. The check of the Berlin Document Center was completely negative both as to the Diamond Kontor and as to Mr. von Clemm. Saul will check with Sir Henry D'Avigdor Goldsmid who knows the British diamond merchants and they may have some views as to German diamond dealings. I would suggest also that someone check the Library of Congress for the diamond industry publications during the Nazi years and there may be something in there which can be useful to substantiate our very weak claim.

It probably would also be use-ful to have someone do a study of the rights of the former owner in a case of tortious conversion, particularly where the possessor has intermingled the converted goods with his own. This latter comes under the heading of "Aytzes".

Looking forward to seeing you soon,

Cordially yours,

BENJAMIN B. FERENCZ

BBF.11

cc: SK

122069

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

RECEIVED
10. OCT. 1955
REG. No. <u>6265</u>
FILE No. <u>7080</u>

October 5, 1955

MEMORANDUM

To: JRSO Executive Committee

From: Saul Kagan

RE: JRSO Claims under Public Law 626

I am enclosing herewith a report on the background and present status of the claims filed by the JRSO under P.L. 626. This report was prepared by Mr. Seymour J. Rubin, who acts as Washington counsel of the JRSO.

Saul Kagan

122070

Report to Executive Committee of Jewish Restitution Successor Organization

Re: Heirless Assets in the United States

Public Law 626 was passed in the closing days of the Second Session of the 83rd Congress. It culminated years of effort on the part of various Jewish organizations -- effort directed at enactment of legislation which would put heirless assets in the United States at the disposal of the Jewish Restitution Successor Organization, for the benefit of surviving persecutees. Although the law was enacted in July 1954, and signed by the President in August, the passage of the legislation itself was merely the first step in what is clearly to be the difficult program of obtaining these assets or their proceeds, and making them available for the intended relief purposes.

The bill -- now Section 32 (h) of the Trading With the Enemy Act, as amended -- provides for designation by the President of a successor organization, or organizations, to heirless or unclaimed property in the United States. This property is defined by reference to the persecutee-return provisions of the Trading With the Enemy Act -- that is, it is property which would be returned to a living persecutee or his heirs, were he alive or had he heirs to claim it. The designated successor organization has a number of obligations in regard to administration and use of the property or funds which it may receive -- accounting regularly, the obligation to return to persecutees who turn up within two years, etc. The 1954 series of amendments restrict use of the property to use for persecutees (a) in the United States and (b) who are needy, and they prohibit use of any of these funds for administrative expenses. The bill provides for a limitation of \$3 million to the amount which can be made available to a successor organization.

Immediately after enactment of the legislation, steps were taken directed at the Presidential designation of the JRSO as the successor organization under the bill. Theoretically, Public Law 626 allowed the possibility of designation of more than one successor organization. As a practical matter, however, there was never any interest in this matter of successorship to heirless assets on the part of organizations other than Jewish organizations. An application for designation as the appropriate successor organization to Jewish heirless assets (these being apparently all the heirless assets) was prepared, together with a variety of supporting documents ranging from the certificate of incorporation of the JRSO to a memorandum on the history and responsibilities of that organization. These documents were filed almost immediately upon enactment of the legislation and, in fact, were discussed with governmental officials before the legislation was actually signed by the President. Nevertheless, for a variety of reasons, designation of the JRSO was delayed until January 1955. At that time, an Executive Order was issued by the President designating the JRSO as an appropriate successor organization, and no other designations have been or are likely to be made.

122071

(over)

-2-

Even prior to designation of the JRSO, Messrs. Kagan and Rubin had had extensive discussions with the Office of Alien Property of the Department of Justice as to procedures for the filing of claims. In the very nature of the case, the JRSO cannot have adequate knowledge of the claims which may legitimately be filed. This is obviously because the persons who would have had knowledge have all disappeared. The JRSO is therefore faced with the necessity of devising procedures which would enable it to file at least tentative claims which could subsequently be investigated and substantiated.

The JRSO suggested a procedure to the OAP which involved the OAP compiling a list of all those vesting orders on its books as to which no claim for return had been made. Such a list would obviously include not only the names of persecutees whose assets were heirless but also the names of Germans or other enemy nationals who were in no sense persecutees. It was then proposed by the JRSO that it would go over these lists and try to identify those cases which were likely to represent heirless assets rather than enemy assets.

The OAP, however, rejected this procedure on the ground that it would place an undue administrative burden on that Office. The alternative procedure was thereupon worked out, under which the OAP turned over to the JRSO extensive lists of names. These names included all of those persons named in the vesting orders of the OAP. Although it was at first assumed by the OAP itself that these lists included only persons from whom property had been vested, it became evident upon examination that names of persons included in the vesting orders, such as custodians of property, were also included on the lists. The JRSO undertook to prepare lists of those persons who were apparently Jewish. These lists, which have been gone over a total of three times, were then submitted to the OAP, which, in turn, indicated on a copy of the lists those cases in which there was no conflicting claim for return of the property involved. The remaining names were taken to be prima facie cases of Jewish heirless property.

Although the above procedure was that generally followed, towards the end of the filing period it became impossible to submit the lists to the OAP for check, and claims were therefore filed without the preliminary OAP check to see if adverse title claims existed. As a result, the JRSO found it necessary to come to a general arrangement with the OAP, under which it agreed that in those cases in which the OAP made an adjudication of return to an individual, the JRSO claim could be considered automatically to be withdrawn. In these cases, the JRSO obviously has no claim, since there is a surviving claimant.

122072

-3-

A variety of other problems arose during the period between January 1955, when the JRSO was designated by the President, and August 1955, the expiration of the one-year filing period contained in the statute. A considerable amount of consultation with the OAP on detailed matters of record was obviously necessary. The work in Washington rose to such a volume that it became apparent that a full-time representative of the JRSO there was required, and Mr. Werner M. Loewenthal, who had just completed an assignment as Restitution Officer with the Office of the United States High Commissioner in Germany, was appointed to this position on June 20, 1955. He has worked in close coordination with the undersigned, who has acted during the period as Washington counsel for the JRSO. Mr. Loewenthal has had a staff of from two to three clerk-typists working with him.

The volume of work in the Washington office is apparent from the fact that between July 1 and August 23, the filing deadline under Public Law 626, the Washington office filed 3,094 out of a total of over 8,000 JRSO claims which had been filed.

A great many of the claims filed by the Washington office arose in cases involving estates and trusts. In many of these situations, the check of the OAP lists had produced claims filed by the JRSO in the name of one or another of the persons named in the vesting order, but not in the name of the person who was the actual beneficiary of the estate or trust. It was necessary to file in the name of the latter person, and claims in this category formed a major portion of the claims filed directly by the Washington JRSO office.

During this period also, one of the many problems concerned the so-called "omnibus accounts" in the OAP. These are accounts in the United States, held in the names of Swiss, Dutch or French banks, where the names of the actual depositors in the accounts are not known. It is possible that a major part of these accounts represents the funds of persons who were enemy nationals. On the other hand, there exists a substantial possibility that some portion of these accounts may be the funds of persecutees who were seeking to avoid the foreign exchange restrictions of Germany. A letter describing this situation, and suggesting that JRSO be considered informally to have claimed such portion of these accounts as might be found later to belong to persecutees, was sent to the OAP, but the request was rejected.

Thereupon, some 325 vesting orders in this category were located by the Washington JRSO office and claims filed describing these orders in terms which make it possible to identify the property in some detail.

Another problem arose out of negotiations between the United States and the Netherlands with respect to return of so-called scheduled securities. These were securities held in the United States which presumptively had been

(over)

122073

-4-

looted. By agreement between the governments, these securities were to be returned to the Netherlands Government for distribution to the true original owners or their heirs. It is clear, however, that some portion of this property is heirless, and, in cooperation with the Department of State, the JRSO has filed a claim with respect to that portion of these securities identified by the Netherlands Government as heirless. This claim is in a sense protective, since it is possible that these securities will eventually go to the Jewish community of the Netherlands rather than to the JRSO.

Individual cases are on occasion of some particular interest. Such a one is that which involves a highly complicated proceeding in the OAP generally known as the von Clemm case. It has been suggested that a portion of the property involved in this case, several packets of diamonds, amounting to sums estimated to be more than \$200,000, may in fact be heirless Jewish property. These diamonds were brought into the United States in asserted violation of customs regulations and, aside from the problems involved in proving the heirless character of the property in a situation in which few or no facts are available to the JRSO, there is also the problem of the claim of the Customs Bureau that if the diamonds are not German property to be vested by the OAP, they are diamonds which were entered into the United States illegally and should therefore be forfeited to the Customs Bureau. Despite a considerable amount of work which has already been done on this case, much more detailed work remains to be done if a serious effort is to be made to obtain this property.

By August 23, 1955, something in excess of 8,000 claims of varying degrees of validity had been filed with the OAP.

Although considerable work on the problems to be described in this section has already been done, it seems appropriate to deal with these problems in this rather than the previous section of the report.

The JRSO problems, once the mass of claims has been filed, resolve themselves into two major categories. These concern the procedure for "cleaning up" the relatively undigested mass of claims which has been filed and putting these in some kind of workable shape; and secondly, working out a procedure for the processing of the claims and the recovery, as speedily as possible, of the proceeds of heirless property.

With respect to the first problem, that is cleaning up the claims, a considerable amount of work obviously has to be done and, in fact, is currently being done. Because of the method by which the claims were filed, the JRSO has on file a great many of what are obviously worthless claims which merely clutter up the records. The reason for this is inherent in the method which the JRSO was compelled to adopt in filing the claims and the materials made available to it for that purpose. As has been pointed out, for example, the list of names furnished by the OAP, which was the fundamental working document for the JRSO, contained names of custodians of property and of persons having some relation to that property,

122074

-5-

even though they might not be the beneficial owners of that property. Thus, if property were held by one Israel Cohen, for the benefit of Joseph McCarthy, it is almost certain that a claim has been filed by the JRSO as successor to Israel Cohen, even though no property right of Cohen has in fact been vested. Such a claim should obviously be withdrawn.

Similarly, the JRSO succeeds to the rights only of those persons who are persecutees under Section 32 of the Trading With the Enemy Act and who would, if alive, themselves be eligible for return. Corporations are specifically excluded from such eligibility. Despite this, the JRSO has on file numerous corporate claims containing possibly Jewish names, and these will also have to be withdrawn.

For various reasons, it is important that this work be done expeditiously. In the first place, we have been able to work out with the OAP a short-form "notice of claim", upon which all of the JRSO claims have been filed and which is a rather unusual document in OAP history. Despite some difficulties, we have had a considerable amount of cooperation in this regard and with regard to the special docketing of JRSO claims, etc., from the OAP. This cooperation, and particularly the cooperation extended with respect to the filing of claims merely on the basis of information and belief implies the obligation to withdraw those claims which are clearly not well founded. Moreover, the withdrawal of such claims will give the JRSO -- and the OAP -- a more clear idea of how many claims, and in what amount, are actually involved.

Secondly, the JRSO is faced with the alternatives of processing the individual claims or of attempting to obtain a bulk settlement. It needs little demonstration to show that processing of even 2,000 or 3,000 claims would be an interminable and most difficult job. Addresses would have to be obtained out of the records of the OAP, which in many cases does not have such addresses. Work would have to be done in Germany to try to establish the persecutee status of the person involved. Evidence would have to be presented to the OAP, and in many cases a hearing would have to be held. All of this would be done at a time when it is quite likely that the OAP will be burdened by a large number of claims for return filed by non-persecutee German nationals, if the Administration proposal for returns of up to \$10,000 is adopted.

It has therefore seemed imperative that the JRSO look toward a bulk settlement rather than the individual processing of these thousands of claims. The OAP, however, has taken and does take the position that a bulk settlement is impossible under present legislation. It therefore becomes imperative to obtain a modification of the present legislation. Any such modification, it is believed, should not merely authorize a bulk settlement, but should facilitate the making of such a settlement.

(over)

122075

-6-

With these ends in view, Mr. Loewenthal and the writer have had numerous conferences with the OAP. Procedures have now been worked out under which the following steps will be taken:

(a) The clearly untenable claims of the JRSO will be withdrawn.

(b) A list will be compiled of all remaining claims of the JRSO.

(c) A supplementary list will be prepared of JRSO claims in cases in which there is an adverse title claim.

(d) The OAP will furnish figures as to the total amounts involved in categories (b) and (c) above.

In addition, the OAP has reserved the question of whether we will be able to get figures on the amounts involved in individual claims from the Office of the Comptroller. (In many cases, this information is contained on the JRSO docket which is being made available to us and which will, of course, be incorporated into our records.)

When the above information has been obtained, we propose to check a representative sample of the claims where sufficient information is available to make checking possible. (It has also been requested that the OAP furnish us with information as to names, addresses, etc.; again, a considerable amount of such information is available from the JRSO docket which has been opened up to us.) From this examination, we should be able to estimate how many of our claims are actually for heirless property. Applying that percentage to the total figures which we will previously have received, we should be able to come to some kind of reasonable estimate of the amounts which are involved in the JRSO claims, and which should therefore be the target figure for a bulk settlement.

Much of the above work is already in progress. In addition, the writer has had conferences with Mr. Harlan Wood, Chief Counsel of the Senate Judiciary Subcommittee on the Trading With the Enemy Act, and with Mr. Smithy of the Senate Legislative Counsel's Office. An amendment to S. 2227, the Administration bill dealing with partial return of enemy private assets, has been prepared and has been discussed with these gentlemen. Its principle -- that is the principle of a bulk settlement of JRSO claims -- seems to have met with their approval. Moreover, the OAP has apparently slowly come to the conclusion that a bulk settlement of these claims would be desirable. It may be added that the State Department has indicated its concurrence with the principle of a bulk settlement and will probably be willing to press the OAP on this point.

122076

-7-

Assuming that the principle of a bulk settlement will be accepted and that it can be enacted at the next session of the Congress, in one form or another, the main question will be that of the amount of such a settlement. It is too early to tell what amount will be involved. Our efforts are presently directed towards establishing a sufficient body of data for estimates in support of a minimal bulk settlement figure, which we would like to introduce in the course of the efforts to obtain legislation authorizing a bulk settlement.

The further program therefore includes continued work on the processing of the claims, as above described, and continued work with respect to the legislative proposals and their acceptance both by the Administration and by the Congress. The problems dealt with up to now have been of great complexity and have taken an enormous amount of time. It is very likely that they will take even more time in the future, particularly if such matters as the von Clemm case should come to a head and if the proposals with respect to a bulk settlement should arrive at a point where intensive work will have to be done on both the estimates and the legislative aspects of the matter.

Seymour J. Rubin

September 1955

122077

7080

ידישער וועלט-קאנגרעס

הקונגרס היהודי העולמי

WORLD JEWISH CONGRESS

CONGRES JUIF MONDIAL • CONGRESO JUDIO MUNDIAL

15 EAST 84TH STREET
NEW YORK 28, N. Y.

CABLES: WORLDGROSS, NEW YORK
TELEPHONE: TRAFALGAR 9-4500

ALGIERS
1 rue Mahon

BUENOS AIRES
Pasteur 633 P.5

GENEVA
37 Quai Wilson

JERUSALEM
1 Ben Yehuda Street

LONDON W1
55 New Cavendish St.

MEXICO CITY
Calle de Cuba 81

MONTEVIDEO
Calle Florida 1418

MONTREAL
493 Sherbrooke St., W.

PARIS VIII
78 Av. des Ch. Elysees

RIO DE JANEIRO
Caixa Postal 2344

ROME
Lungotevere Sanzio 9

SANTIAGO
Terapaca 868

STOCKHOLM
Grev Magnigatan 11

SYDNEY
243 Elizabeth Street

TEL AVIV
Montefiore Street 24

RECEIVED
OCT 11 1955
FILE NO. 6258
FILE NO. 1020/7080

October 4, 1955

Mr. Benjamin B. Ferencz
United Restitution Organization
Friedrichstr. 29
Frankfurt/Main, Germany

Dear Ben,

Thank you very much for copy of your letter No. 2283 to Saul and draft of a memorandum on the pending legislation regarding the return of German assets.

I fully agree with you on the inadvisability of returning the assets and the difficulties which this return would create for the other allies (I pointed this out many months ago). However, the Administration is committed to the return and -- as matters now look -- the Congress is willing to follow suit. This does not mean that nobody should speak up against the return. There are, however, a few things in your memo which did not strike me as wholly correct:

(a) I don't believe that the return is made because Germany failed to compensate its nationals. The Treaty only permits the U.S. to seize German assets and imposes on Germany an obligation to compensate the owners of seized assets. This does not mean that U.S. cannot renounce freely the seizure in all or certain cases, except insofar as the interests of other signatories of the Paris Reparation Agreement or the subsequent treaties are violated (accounting for seized assets). Our position would be strengthened if we could prove such a violation but I assume that this would be impossible.

(b) It is correct that U.S.A. granted \$ 3 bill. in aid to Germany. But this is a double-edged sword: if that much money has been spent, what difference would a few more millions make?

(c) It is correct that the provision in the Equalization of Burdens Law relating to foreigners was a temporary device, but, in the

122078

2.

meantime, a final agreement was reached in the Paris Protocol. It would, therefore, be incorrect to state that the Germans violated any rights of the foreigners since the present provisions are the result of a common agreement. We should be the last to doubt the validity of international agreements.

(d) I doubt that your statement regarding international law is correct. You are wrong, at least, insofar as Art. 78(6) of the Italian Peace Treaty is concerned because this para clearly restricts the exemption to levies imposed between the Armistice and the coming into force of the Treaty. You will see that the difference between Italy (the same is true of the other satellite countries) and Germany is only one month and 4 days (the Paris Agreement became effective on May 5th and the exemption was terminated on 31 March).

On the other hand, it may be useful to point out somewhat more the "hardships" of the foreigners and to say that, despite the provisions of the Paris Agreement, Germany should show better understanding for the plight of U.S. citizens in Germany before it could demand understanding of the plight of Germans in the U.S.A. -- he who seeks equity must show equity.

With best regards,

Sincerely,



Nehemiah Robinson

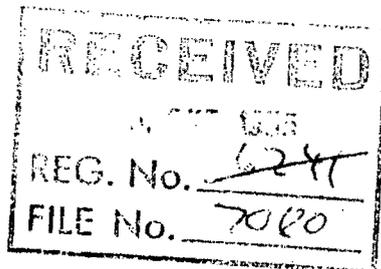
NR:ls

122079



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

In reply refer to
BDC/COR/471/55, MG:ni



ADDRESS OFFICIAL COMMUNICATIONS TO

Berlin Document Center,
U.S. Mission Berlin,
APO 742, U.S. Army,
October 4, 1955.

Headquarters
Jewish Restitution Successor Organization
Frankfurt/Main,
Friedrichstrasse 29.

Attention: Mr. Benjamin B. Ferencz

Dear Mr. Ferencz:

Reference is made to your letter, dated September 21, 1955, concerning certain transactions of the Diamond Kontor.

A search of our records on the Diamond Kontor, as well as on Ernst Cremer and Werner von Clemm has remained negative.

There is no information available which would bear on the matter. We did locate, however, an office memorandum which indicates that one folder marked "Verwertung der Judenuwelen, Judenfragen" was turned over to the Berlin Main Office of OCCWC on December 5, 1947. We do not know, however, where that material is located now.

Very truly yours,

Manfred Guggenheim
Executive Officer

Tel: Berlin 43226

122080

3rd October 1955
7080

Knox Lamb Esq.
General Counsel
U.S. Embassy
Bonn-Mehlem.

Dear Knox:

Many thanks for your very prompt response to my request concerning information about looted diamonds. I have photostated the attached document which, I am sure, will be of value, and am returning the original to you as requested.

With best regards,

Cordially yours,

BENJAMIN B. FERENCZ

BBF.11

Encl.

122081

3rd October 1955
7080

Mr. Seymour J. Rubin
1932 Jefferson Place N.W.
Washington 6, D.C.

Dear Sy:

I am writing with reference to your letter of August 29th and your attempt to hijack some diamonds now reposing with the Alien Property Custodian. The first piece of evidence is the claim put forward by the IRO which you probably have. Since it is such an impressive document and has so many references to other things I am rushing it off to you.

I haven't had a chance to study it yet and am still collecting, or trying to collect information from other sources. I will ship the stuff on as fast as it comes in since I would guess that you're going to have to do a lot of head scratching and digging to avoid getting thrown out of court at the first hearing.

With best regards,

Cordially yours,

BENJAMIN B. FERENCZ

BBF.11

Encl.

ec SK

Db-R

122082



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

RECEIVED
28. SEP. 1955
REG. No. 6166
FILE No. 7080

ADDRESS OFFICIAL COMMUNICATIONS TO

American Embassy,
Bonn/Bad Godesberg,
September 26, 1955.

Dear Ben:

In reply to your letter of September 21, 1955 I am enclosing a copy of the report "Claim of the International Refugee Organization to Diamonds Looted by Nazis and Recovered by the U.S. Military Authorities in Germany" dated July 1, 1949 in which you may find the information you require. The return of the attached report would be appreciated as this is the only copy available in the Embassy.

Sincerely yours,

Knox Lamb
General Counsel

Enclosure:

Copy of report.

Mr. Benjamin B. Ferencz,
Jewish Restitution Successor Organization,
29 Friedrichstrasse,
Frankfurt/Main.

122083

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

BERLIN REGIONAL OFFICE

**BERLIN-DAHLEM
FONTANESTRASSE 16
TELEFON: 76 19 81**

23 September 1955
Dr. W/cz

Mr. B. B. Ferencz
c/o Hq., JRSO
Frankfurt / Main
Friedrichstr. 29

SUBJECT: Diamonds

Dear Mr. Ferencz,

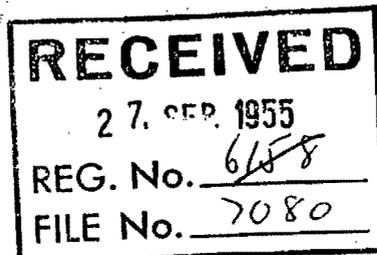
In accordance with your letter of 21 September 1955 I will try to obtain information here, but I am not very hopeful. I do not think that there are any files available and if someone here knows something about the whole affair he will probably be very hesitant to give information.

In my opinion the Office of the Diamond Cartel in London which was certainly aware of the whole matter and most probably watched developments carefully should have information which could be followed up here. Sir Henry Avigdor Goldsmith has either direct contact with the leading diamond people in London or knows somebody closely who has the contact.

Diamond merchants in Amsterdam and Antwerpen could also be able to give information.

Yours sincerely,

DR. G. WEIS

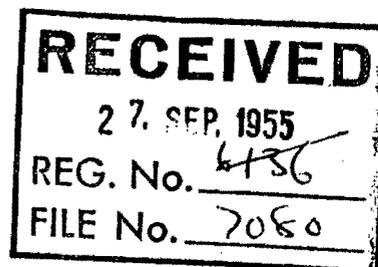


122084

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 Madison Avenue

New York 16, N. Y.



22 September 1955

To: Mr. Maurice M. Boukstein
Dr. Eugene Hevesi
Mr. Abraham Hyman
Dr. Nehemiah Robinson
Mr. Seymour J. Rubin

From: Saul Kagan

This will confirm that we will meet on Thursday, September 29, 1955, at 9:30 a.m. in Suite 800, 270 Madison Avenue, New York City, to discuss:

1. Bulk Settlement Claims of J.R.S.O. under P. L. 626. —
2. Persecutee interests under legislation for return of German assets. —
3. Heirless assets in New York State. —

In connection with the problems arising under the proposed legislation, I am enclosing copy of Mr. Rubin's letter of September 15, 1955, and copy of Dr. Robinson's letter of September 19, 1955.

Please bring to the meeting previous correspondence on the above subject from Mr. Rubin and myself.

Sincerely yours,



Saul Kagan

2 encls.

cc:BBF
JJJ

122085

WORLD JEWISH CONGRESS

15 East 84th Street
New York 28, N. Y.

September 19, 1975

Mr. Saul Eagan
Conference on Claims
270 Madison Avenue
New York 16, N. Y.

Dear Saul,

Thanks for your letter of September 14 in S. 5527 (I don't have this version of the bill) and the enclosure.

There is a slight misunderstanding in the second sentence of the second para: the proposed amendment refers to the "new" citizens only, those owing allegiance (but not aliens) have been included from the very beginning.

I am not as convinced as you are regarding the extension of the bill to Western Europe provided it does not collide with the reciprocity agreements on war damages. There is no reason why an American citizen who suffered damage (bodily or other) in Western Europe should be worse off than one whose damages was caused in Albania, etc. I would therefore propose to draft an amendment along these lines to read approximately as follows (since I don't have the new version of the bill, the proposal is very tentative indeed):

"Physical damage to property located in France, Belgium or Holland provided the loss was not compensated at all or below the limit set in this law, on the basis of the reciprocal agreements on war damage compensation between the USA and the Governments of France, Belgium and Holland."

I am at a loss to understand why compensation is restricted to property, except on ships. This proviso would exclude compensation to civilian internees and for loss of life and health even if due to action of the enemy.

I don't know whether the language of Section 203 of H.R. 6730 was amended. But it has not been changed, the proposed amendment to Section 201 S. 2227 may not result in any benefits to the "new" Americans because Section 203 of H.R. 5230 requires that the damage must have been "directed against the property during the war, because of the enemy or alleged enemy character of the owner" of the property." It is not improbable that the US authorities will interpret this provision in the same sense as the US-Italian Conciliation Commission interpreted Art. 78 of the Italian Peace Treaty, viz. that the action must be based on war legislation (anti-Jewish action is not sufficient).

122086

- 2 -

Consequently, the equivalent of Sect. 203 (a) of H.R. 6730 must be amended to assimilate such loss to damage as a result of action against enemy nationals (see the wording of H.R. 5840, Section 48).

I am not wholly positive about the meaning of the word "listed" in the proposed amendment to Section 40 (a) (3); you know that the German Nazis were first put into a certain category, then adjudication took place where the classification was changed frequently. The word "listed" may refer to the initial action of classification but I doubt that this would be accepted. It may be more appropriate to use the word "classified."

Best regards,

Nehemiah Robinson

NR:ls

122087

September 15, 1955

Mr. Harlan Wood
General Counsel
Subcommittee on the Trading
With the Enemy Act
Committee on the Judiciary
United States Senate
Washington 25, D.C.

Dear Mr. Wood:

First, I would like to thank you for the time and attention given to me by you and Mr. Smithy at our meeting on September 14. I hope very much that our discussion will be helpful to the Subcommittee and to the Congress.

Secondly, you and Mr. Smithy indicated interest in those portions of the memorandum which I indicated I had written for Senator Lehman's office which dealt with matters other than the problem of heirless property and a bulk settlement of the claims of the Jewish Restitution Successor Organization under Public Law 626, 83rd Congress. I have had retyped the portion of that memorandum relating to these subjects, and I enclose this portion of the memorandum for Senator Lehman herewith. You will find that the memorandum consists of proposed amendments and explanatory notes with respect to these amendments.

I should like to add a few comments which relate both to our discussion and to the two memoranda -- the one handed to you on September 14 and the one enclosed herewith.

1. All of the amendments mentioned above have been drafted in the form of amendments to S. 2227. As I indicated in your office, I did this because I had been asked for comments on the Administration bill. Although I am generally familiar with the other bills before the Committee, I have not examined them in all detail. I believe, however, that the substantive points made in the proposed amendments to S. 2227 would be appropriate in any legislation which might concern the problem of return of enemy private assets, in whole or in part, and the related problem of claims of American nationals.

2. So far as the amendment with respect to a bulk settlement is concerned, I strongly feel that this amendment has very great merit, not only from the point of view of the intended beneficiaries of the heirless property funds but also from the point of view of the United States. Unless the substance of this amendment is enacted, it is inevitable that the Office of Alien Property will be burdened with literally thousands of individual claims, many of which are very small in amount, but which will nevertheless require individual processing by the Government. In addition, there is the matter of necessary individual investigation of cases the history of which is obscured in the holocaust of Nazi Germany. I feel sure that the Congress, in enacting Public Law 626, intended substantial benefits to reach the surviving persecutees and did not contemplate a situation in which administrative costs might amount to a substantial portion of the total funds returned to the Jewish Restitution Successor Organization as successor to persecutees who died without heirs. This amendment stands on its own feet. It is phrased as an amendment to S. 2227, but

122088

- 2 -

any more appropriate or easy form for the amendment would be equally acceptable.

3. My original memorandum hit a few of the high spots, as I saw them, in S. 2227. There are other suggestions which I believe have equal merit. I do not want to burden you with an extended discussion of these at this time, but I might outline two examples of what I have in mind.

(a) The Administration bill, S. 2227, provides that American nationals may have claims up to the amount of \$10,000 for certain losses if those losses were suffered in certain countries -- Germany, Austria, Poland, Greece, et al. It excludes losses suffered in such occupied countries as Belgium, France, et al. I understand that the theory behind this distinction is that the latter countries have agreed that American nationals will share equally with local nationals in such war damage compensation as is granted by the governments of these countries. I must confess that I fail to see the relevance of this argument in these cases -- which are, as I understand the facts, substantially all of the cases -- in which the undertaking to give equal treatment is merely an undertaking to give little or nothing both to local and to American nationals. For example, under the bill an American national who had had property damaged in Greece would be entitled to a claim in the amount of \$10,000. An American national who had had property damaged in Belgium would be entitled to no claim, even though the Belgian Government had awarded him no compensation whatsoever. Needless to say, I would hope that if something were done to rectify this factual discrepancy, the amendment which I propose, which would include as eligible claimants persons who were citizens of the United States as of the effective date of the proposed legislation and who were persecuted, would be adopted.

(b) It has been common practice in claims legislation enacted in the post-war years, as, for example, the legislation with respect to claims against Bulgaria, Rumania, Hungary, et al, adopted in the last session of the Congress, to provide that a claimant cannot recover more than the amount which he has paid for his claim since a date some years past. In other words, if John Jones owned property in Rumania which was expropriated, and if he sold his rights to William Smith in 1951, Smith as the claimant could recover no more than he had paid for the claim. The obvious reason for this limitation is to prevent profits being made in speculative transactions by persons who are essentially speculators and not the original owners of the property.

I would think that the same principle should be applied with respect to such returns of enemy private property, whether or not limited by the \$10,000 ceiling proposed by the Administration. This would apply the same principle to the foreign claimants as has regularly been applied to American claimants, and would prevent the generous action of the United States Government being used as a vehicle for speculative profits by those who have dealt in the possibility of return legislation since the end of World War II. It is, as you probably know, rumored that there has been great speculation in these claims, not merely in Germany but also such

122089

- 3 -

countries as Switzerland, and that many of the claims for return under any legislation which may be enacted providing for return of German and Japanese assets will be put forward by speculators rather than the original owners.

I hope that we may have the opportunity to talk again about these problems in the near future. In the meantime, I can assure you that I am entirely at your disposal and at the disposal of the Subcommittee for such consultation or discussion, informal or otherwise, as you may desire.

Sincerely yours,

Seymour J. Rubin

Enclosure

122090

Proposed Amendments to S. 2227

1. Amend the proposed Section 40 (to be added to the Trading With the Enemy Act) as follows:

"Section 40 . . . (e) No return of vested property shall be made pursuant to this Section to

(3) any person convicted of war crimes or listed as a 'major offender' under provisions for the demazification or denazification of Germany or Japan by any of the Allied Powers which exercised jurisdiction in the three Western zones of Germany or by the Supreme Commander for the Allied Powers in Japan."

2. Amend Title II, Section 201, as follows:

"Section 201. As used in this Title, the term or terms
(c) the term 'national of the United States' includes (1) persons who are citizens of the United States, and (2) persons, citizens of the United States as of the effective date of this Act, who are qualified for return under the provisions of Sections 9 (a) or 32 of this Act, and (3) persons who, though not citizens of the United States, owe permanent allegiance to the United States. It does not include aliens."

3. Insert a new paragraph after paragraph (c) of the proposed Section 40, as follows:

"(d) A natural person (or his legal representative, whether or not appointed by a court in the United States, or his successor in interest by inheritance, devise, or bequest, as their interests may appear) whose assets were vested by the United States prior to 1939 shall be entitled to a return of such portion of that property as has not yet been returned, provided that in no case shall the amount returned pursuant to this authority exceed \$10,000."

MEMORANDUM WITH RESPECT TO PROPOSED AMENDMENTS

The following comments refer to the proposed amendments by their paragraph numbers.

1. Both in Germany and Japan lists were maintained and officially promulgated of persons who were "major offenders" under the Fascist regimes in Germany and Japan. Such persons were not necessarily convicted of war crimes. They were such persons as high officials in the SS or the SA, leading collaborators with the Nazi regime, etc., who were in all cases active and vigorous proponents of totalitarianism, but in many cases were not actually convicted of war crimes. In some of these cases, the persons in question may very well have been accused of war crimes, but evidence against them may have disappeared in the course of the years while the more public figures were occupying the attention of the courts. It does not seem appropriate that such persons should be given the benefit of an ex gratia return of up to \$10,000 by the United States.

It may be added that there were many other categories of persons guilty of Nazi or Fascist affiliations or acts. The proposed amendment excludes only those persons who were listed as major offenders, and allows the benefits of the proposed legislation to be enjoyed by the much larger categories of persons who were affiliated with Fascism or Nazism in a somewhat lesser, though often very substantial, degree.

It may be pointed out that if this amendment is adopted, it would be appropriate to amend also Section 40 (p) (2) to add a definition of "major offenders". Such definition should not be difficult, since lists of such persons were in fact promulgated. 2

2. This amendment would make eligible to file claims against Germany, for war damage or for measures taken because of the enemy or alleged enemy character of the owner, persons who have in fact been treated as enemy by Germany or Japan during the war and who are nationals of the United States at the effective date of the Act.

Since 1946, the United States has pursued a statutory policy of returning their property in the United States to such persons. Political, racial or religious persecutees have, almost since the end of the war, been able to file claims with the Office of Alien Property for the return of their vested assets. The authority for this legislatively recognized policy has been that such persons were the "enemies of our enemies". Having been classed by the Germans and their satellites as enemies and as in fact affiliated with the United States and its allies, it would be unjust not to give them the right to return of their property in the United States.

Similarly, those "enemies of our enemies", who are now nationals of the United States, ought to be given the right to file claims against the special fund being set up under Title II of S. 2227. The proposed legislation is in fact ambiguous on whether such persons are or are not eligible under its terms. This ambiguity ought to be resolved in favor of such eligibility. Section 203, for example, speaks of compensation for "special measures directed against property during the war because of the enemy or alleged enemy character of the owner".

122092

- 2 -

The property of persecutees -- political, racial or religious -- was no less subjected to special measures as "enemy property" than the property of American, British or French nationals. Equity would seem to require that such persons, who are now citizens of the United States, be allowed to place their claims for war damage and special measures against the special fund being created.

3. This amendment proposes the return of up to \$10,000 apiece to persons whose assets were vested during World War I. In connection with various post-World War I legislative enactments, a good deal of such property was returned. The remainder was held by the United States as security for the discharge of certain obligations of the German Government. The German Government undertook what was in fact an obligation to compensate the owners of such property for that portion which was thus retained as security by the United States.

A number of such persons are persons who would be eligible for return of their property had it been vested during World War II -- that is, they are racial, religious or political persecutees.

It would seem anomalous to return properties vested during World War II and to retain properties vested during World War I. Compensation for the persons whose property was taken during World War I was to be paid under agreements between the United States and Germany. The requirements of good faith would seem to compel either the return of such property or fulfillment of the German obligation to compensate the former owners in Deutschmarks. Although the obligation to return in this instance would seem to be one for return of the entire amount of the property, the suggested amendment has been limited to a return of \$10,000 per person in order to conform this provision to the limitations otherwise contained in the proposed legislation.

122093

21 September 1955
7080

Knox Lamb Esq.
General Counsel
U.S. Embassy
Bonn-Mehlem.

Dear Knox:

Under Public Law 626, passed by the last Congress, the JRSO was authorized by the President to claim heirless Jewish property vested by the Alien Property Custodian in the United States. In this connection the JRSO filed a claim with the Alien Property Custodian for several packets of diamonds which had been imported into the United States during the years 1940 and 1941. A similar claim was filed by a Mr. Werner von Clemm as well as a number of other claimants. We have reason to suspect that these diamonds were originally of Jewish origin and that they were confiscated from victims of Nazi persecution.

In the hearing in the States some documents have apparently been introduced to show that these diamonds came from the Diamond Kontor in Germany. I have just received a report which indicates that HICOG at one time made a study of the Diamond Kontor and concluded that the only source of diamonds to the Kontor was plunder from Jews. I understand that the report was prepared by the Intelligence Branch of the Division of Investigation of Cartels and External Assets of OMGUS. The report is supposed to indicate that the Diamond Kontor was formed on October 16, 1939, for the specific purpose of recutting and distributing the diamonds and jewelry confiscated by the Nazis from the Jews.

I recognize from the citation of the report that it must be a very old document and that it will be difficult for anyone to find it today. Nevertheless, I am wondering if there isn't anyone left in the Embassy who could help us track down this information or anything else which might be helpful in clarifying the situation. This would have been in Walter Furst's department before he left Bonn, and perhaps there is someone in the Finance Division who can help us obtain the necessary information.

I would be very grateful for your assistance in this matter. Since the Office of the Alien Property Custodian has set a hearing on the case for October 17th, your early action would be appreciated.

Cordially yours,

BENJAMIN B. FERENCZ
Director General

BBF.11

50d deadline

122094

Eilboten.

21 September 1955
7080

Mr. Manfred Guggenheim
Executive Officer
Berlin Document Center
U.S. Mission Berlin
APO 742, U.S. Army.

Dear Mr. Guggenheim:

Pursuant to Public Law 626 passed by the 83rd Congress and Executive Order of January 13, 1955, the JRSO was designated by the President to claim heirless Jewish property vested by the Alien Property Custodian in the United States. In this connection we filed a claim for certain packets of diamonds which had been imported into the United States during the years 1940 and 1941. There is reason to believe that these diamonds were confiscated by the Nazis from Jewish victims of persecution.

We have received indications that at one time the Intelligence Branch of the External Assets Division of OMAUS prepared a report showing that the Nazis established a Diamond Kontor on October 16, 1939, in connection with one Ernst Cremer, for the specific purpose of recutting and distributing diamonds confiscated by the Nazis from the Jews. In trying to obtain these diamonds from Military Government in Germany the International Refugee Organization presumably made use of that memorandum, or prepared a similar memorandum. The diamonds are also being claimed by a Mr. Werner von Clemm who is suspected of having served as a cloak in these transactions. I regret that I have no additional details on this matter, but would be very grateful for whatever assistance the Berlin Document Center may offer in ascertaining the facts. In particular I would be grateful for any information you may have about the Diamond Kontor, Ernst Cremer or Werner von Clemm, or anything else which you feel may be relevant. Since the Office of Alien Property has set a hearing in this case for October 17th your early response would be appreciated.

Sincerely yours,

BENJAMIN B. FERENCZ
Director General

122095

21 September 1955
7080

Dr. George Weis
JRSO - Berlin.

Dear Dr. Weis:

We are claiming certain packets of diamonds which were vested by the Alien Property Custodian in the United States. There are indications that these diamonds were shipped out by a diamond Kontor which was established by the Nazis on October 16, 1939, for the specific purpose of recutting and distributing the diamonds and jewelry confiscated by the Nazis. One Ernst Cremer is supposed to have promoted this operation. I am wondering if you can find out in Berlin what happened to the diamonds which the Jews were required to turn in in the pawnshop actions. After they were collected, how were they sold and who dealt with them. Any information on this subject may be helpful.

Since the hearing in the case has been set for October 17 I would be grateful for your early action.

Cordially yours,

BENJAMIN B. FERENCZ

BBF.11

122096

21 September 1955

Mr. Saul Kagan
JPSO - New York

Letter #2277
7080

Dear Saul:

If I can dig up any information about the bundles of diamonds we are trying to hijack from the Alien Property Custodian it might be worthwhile to call me as a witness during the hearing on November 7th. I am still trying to fill in the facts and at the moment I don't know anything more than is already contained in Sy's memoranda.

Cordially yours,

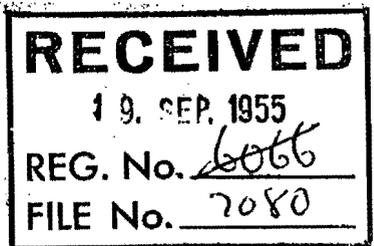
BENJAMIN B. FERENCZ

BBF.11

cc: Mr. Rubin

122097

LANDIS, COHEN, RUBIN AND SCHWARTZ
1832 Jefferson Place, N. W.
Washington, D. C.



September 13, 1955

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

Dear Saul:

Sy and I met on September 9 with Messrs. Myron, Creighton and Schor to discuss the problem of estimating the value of JRSO claims.

Sy discussed the advantages of a bulk settlement for both the Government and JRSO, and emphasized the importance of an estimated value of JRSO claims for any settlement proposal. He met with no opposition in principle, and discussed our requirements on the basis of the schedule enclosed herewith, stating that JRSO was prepared to furnish the personnel to do all or part of the work, depending on the accessibility of OAP records.

We explained that the information not available from JRSO records was (a) whether an adverse claim had been filed, (b) whether the property claimed by JRSO was actually Jewish-owned, and (c) the value of the property claimed. It was our understanding that the information concerning adverse claims may be obtained from a docket maintained by Mrs. America's office, that the individual claim files may contain information concerning Jewish ownership, at least the address of the owner in Germany, and that the value of the property claimed by JRSO could be obtained from records in the Comptroller's Office.

In substance, the position of OAP and the resulting tentative agreement are as follows:

OAP is prepared to give us access to the docket maintained by Mrs. America's office as far as it relates to JRSO claims. This means, in effect, that we are authorized to compile the information required under items 1-5 of the enclosed schedule from a docket which is maintained exclusively for JRSO claims and which contains a cross-reference to a general docket, in case an adverse claim has been filed. We are not authorized to examine the general docket for any indication as to the identity of the adverse claimant or the validity of adverse claims.

Although Sy pressed very hard for information on values on a case-by-case basis, as contemplated under item 6 of the enclosed schedule, OAP agreed only to give us overall totals, i.e., two sets of figures, one for the total value of JRSO claims against which no adverse claims have been filed and the other for the total value of JRSO claims against which adverse claims had been filed. We urged nevertheless that they keep their figures on a case-by-case basis, particularly in view of the fact that we do not know that there will be a bulk settlement. OAP's agreement to furnish this information was conditioned on prior withdrawal by JRSO of all claims which clearly had no validity. Such withdrawal is to be made by submission of a separate notice for each claim.

OAP gave as reasons for its position (a) the lack of personnel in the Comptroller's Section (sy's offer to furnish JRSO personnel was rejected on the grounds that this would disturb operations), (b) that JRSO is not entitled to information on individual claims without prima facie evidence of the validity of its claim, and (c) there was no necessity for the presentation of individual values as a basis for a bulk settlement proposal.

122098

- 2 -

The above procedures should give us (1) a figure of the total dollar value of our claims, and (2) a figure on the total dollar value of our claims where there is no adverse title claim. It will not give us an indication whether our claims are valid -- that is, Jewish or not. Here, we would like access to individual files, but that OAP is not prepared to grant. We left this with the agreement that we would take the preliminary steps; that in the course of these we would take off the JRSO docket the master file numbers, where available; and that we would then rediscuss with OAP getting information as to Jewishness of the vestee. This might involve getting addresses, etc., so that we could check in Germany; or OAP doing a study; or both. We will probably have no great difficulty re addresses, but we won't be able even to get those until we take the agreed preliminary steps.

While we did not get all we wanted, and while only practical experience will show whether the present plan is workable, we have at least an opportunity to participate actively in the evaluation work, which is clearly preferable to leaving the initiative entirely to OAP.

The plan, no doubt, has drawbacks, especially as far as the time element is concerned.

First, there is the question of withdrawals. We will have to take definite steps toward the withdrawal of worthless claims. This could be accomplished with respect to (a) claims for patents which JRSO agreed to withdraw, except for patent contracts, (b) claims naming persons whose property was not vested, and (c) claims to business enterprises to which, not only in OAP's but also in Sy's opinion, JRSO has no claim under Public Law 626. I do not believe that OAP will insist on formal withdrawal of these claims at this time. What they wish to avoid are exaggerated figures and unnecessary work for the Comptroller's Section. In regard to claims under (a) above, I hope to get some help from the patent section which may be in a position to separate patent claims from patent contract claims. The patent contract claims will then be turned over to OAP for processing and the patent claims will be set aside to be formally withdrawn at a later date. As to (b) above, the claims have been earmarked as subject to possible withdrawal. They must be individually reexamined before they can be finally withdrawn. This is time-consuming work and it may be necessary to set these claims aside, taking the chance that one or the other good claim among them will not be acknowledged for the time being and consequently not be evaluated under the present procedure. The claims under (c) can be identified during examination of the JRSO docket. Sy suggested, and I agree, that these claims should be listed separately as we go through the JRSO docket and marked for later withdrawal. This would mean that none of the claims for business enterprises will appear on the enclosed schedule if and when these reports are prepared.

The second problem is presented by the fact that JRSO docket sheets from which the information under items 1-5 of the enclosed schedule is compiled are made up at the same time as acknowledgments. Of the 8,000 JRSO claims filed, only 5,000 have been acknowledged and docketed. Processing of the balance (mostly Washington Representative claims for beneficiaries under Estates and Trusts) may require from two to three months. It is apparent that any estimate without the Washington Representative claims would be tentative, to say the least. Moreover, judging from the attitude of OAP, it is highly improbable that they would agree to burden the Comptroller's Section with a tentative evaluation, to be followed by a second evaluation after all claims have been docketed. However, this is a matter that will have to be decided on the basis of the progress we make in extracting information on claims already docketed.

In terms of workload, the clerical work of extracting information from the docket is sizeable. In addition, we must keep pressure on OAP to furnish us with information which will enable us to arrive at a percentage figure of Jewish-owned property claimed by JRSO. Some clerical work will no doubt develop for us also from this operation. We must keep up with amendments of our claims on the basis of OAP acknowledgments. The typing, mailing and filing of amendments and the numbering of our claims, in accordance with OAP acknowledgments, will keep one person fully occupied. Mrs. Bell has taken over this work and is performing

122099

- 3 -

it without requiring constant supervision. Accordingly, her salary will, as discussed with you, be increased from \$60.00 to \$65.00 per week, effective as of the 19th September 1955. An additional clerk-typist (\$50.00-\$55.00 weekly) will be required for some of our clerical work in OAP, to relieve me sufficiently, to attend to overall supervision, including follow-up on the work to be performed by OAP and the Washington office.

We would appreciate receiving your early views on the proposed plan, as well as on the question of personnel.

Incidentally, during the meeting Myron and Creighton confirmed that the satellite claims legislation does not affect our satellite title claims.

As another point of interest, Schor half seriously stated that he would be willing to recommend payment of \$100,000 in settlement of all JRSO claims.

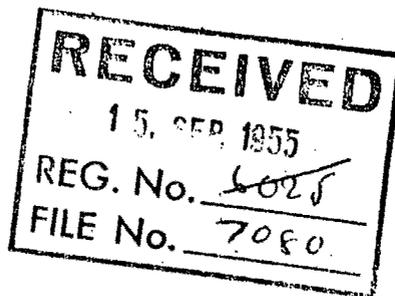
Cordially,

Werner Loewenthal

Enclosure

122100

September 12, 1955



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

Dear Saul:

I enclose herewith a copy of a self-explanatory letter from the State Department in connection with the possible bulk settlement of heirless property claims.

Werner Loewenthal and I had a lengthy session with the Deputy Director of the OAP and others on Friday, September 9. Werner is preparing a report on our discussion which will be forwarded to you shortly.

Best regards,

Seymour J. Rubin

122101

C
O
P
Y

DEPARTMENT OF STATE
Washington

September 9, 1955.

Re reply refer to
GEA

Dear Mr. Rubin:

Reference is made to your letter of June 24, 1955 and to previous correspondence concerning your proposal for a bulk settlement of heirless property claims now permitted on an individual basis pursuant to Public Law 626.

As stated in the Department's letter of May 20, 1955, your proposal was referred to the Department of Justice for consideration. We are now in receipt of a letter from that Department indicating that an appraisal of the nature and extent of the problem involved in a bulk settlement cannot be undertaken until after they have had an opportunity to appraise the claims that have been filed pursuant to Public Law 626.

The letter states that in excess of 8000 claims have been filed pursuant to the above mentioned Law and indicates the Department of Justice will require some time to analyze the claims and to arrive at a conclusion on the proposal you made.

With regard to your inquiry about the legislative situation concerning the legislation recently proposed by the Department for a limited return of vested German and Japanese assets, the bills that were introduced in the Senate and the House were still pending in Committee upon the recent adjournment of the Congress. Senator Johnson, Chairman of the Senate Judiciary Sub-Committee, announced prior to the adjournment that hearings on the Senate bill would be held during the fall. So far as we are aware, however, a date for the hearings has not as yet been set.

Sincerely yours,

(signed) Daniel F. Margolies
Daniel F. Margolies
Officer in Charge
German Economic Affairs
Bureau of European Affairs

Mr. Seymour J. Rubin,
Landis, Cohen, Rubin and Schwartz
1832 Jefferson Place, N W
Washington, D. C

122102

Cable Address: JOINTDISCO

LExington 2-5200

Jewish Restitution Successor Organization
270 MADISON AVENUE
New York 16, N. Y.

September 7, 1955

JRSO Letter #3067

Mr. Benjamin B. Ferencz
JRSO - Frankfurt

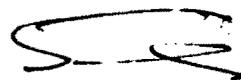
Dear Ben:

I refer to your correspondence with Sy dated August 25 and August 29 respectively, concerning the von Clemm business.

I am now enclosing a notice received by us. As you will see, there are two dates set, one of October 17, 1955 and one of ~~November 7, 1955~~. As far as the October date is concerned, at that time it will only be established that the assets in question are to be disposed of by the OAP. Since all parties are agreed on that score this is likely to be a purely formal affair. For our purposes, the important meeting is the November one. It is at that time that we would like to be able to produce whatever information and evidence that could be found.

With best regards.

Cordially yours,



Saul Kagan

Enclosure

122103

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 • 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.

UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE
OFFICE OF ALIEN PROPERTY

In the Matter of:

WERNER VON CLEVA

Title Claim Nos. 9005,
1273, 1272, 27357

RAYFORD ALLEY

Title Claim No. 1166
Debt Claim No. 30766

ROBERT PERRET, Ancillary Administrator of the Estate of George Perret, deceased

Title Claim No. 43009

SOCIETE ANONYME POUR L'ACHAT DE VALEURS HYPOTHECAIRES (S.A.P.H.)

Title Claims Nos. 34958, 34959,
35533, 63832

HANUKKOCHE

Title Claims Nos. 20503, 10442

THE NICOLE SERVICE COMPANY, INC.

Debt Claim No. 710614

PIONEER IMPORT CORPORATION

Title Claims Nos. 7132, 63799

INTERNATIONAL MORTGAGE & INVESTMENT CORPORATION, BY EDWARD J. WEISS

Title Claims Nos. 25115, 62521,
61424

INTERNATIONAL MORTGAGE & INVESTMENT CORPORATION, BY LAMBERT SECRETARY

TREASURER

Title Claim No. 63000

AMSTERDAM CHEEKANKEN, NV

Title Claims Nos. 36137, 63834

THEODORE H. THIESING

Debt Claim No. 9901

COMMISSIONER OF CUSTOMS

Title Claim No. 63601

Debt Claim No. 63602

EDWARD J. WEISS

Title Claims Nos. 63835, 61100

ADOLF G. OPPENHEIM

Title Claim No. 61355

DORIS B. KOHN

Title Claim No. 61350

Debt No. 1105

II

The Kroch claimants, Title Claims Nos. 20583, 10642 and 64367, have filed a motion to dismiss the two claims of the Commissioner of Customs, Title Claim 63801 and Debt Claim 63802. This motion to dismiss is supported by the Heims claimants, Title Claims 63835, 64406, and others which bear an asterisk in the caption, by Werner von Clemm, Title Claims Nos. 9905, 1273 and Rayford Alley, Title Claim No. 1166, and Debt Claim No. 38760. The Chief of the Claims Section indicates that he also will present a motion to dismiss the debt claim of the Commissioner.

All motions to dismiss the claims of the Commissioner of Customs are set for oral argument on October 17, 1955, at 10 A.M. in Room 827, Home Loan Bank Board Building, 101 Indiana Avenue, N.W., Washington, D. C.

III

The claims are hereby calendared for final hearing on the merits on Monday, November 7, 1955 at 10 A.M. in Room 2062 of the Department of Commerce Building. As nearly as practicable, claimants in group I (claims relating to International Maritime Corporation stock) will be heard first, then the claimants in group II (claims relating to Pioneer Import Corporation stock) and, finally, claimants in group III (claims relating to vested interests or for the return of vested interests in Bridge Import Company), as set forth by the Hearing Examiner at the pre-trial conference on January 17, 1955. See Transcript pp. 8-9. Claims filed and docketed since then will be assimilated into those three groups.

Hearings will be continuous until all claims have been heard.

To the end that the proceedings may be so conducted as to save the time of the claimants, their witnesses and counsel, each party is requested to advise the Hearing Examiner on or before October 24, of the number and names of all witnesses, and of the length of time the direct testimony of each will take.



Harry LeRoy Jones
Chief Hearing Examiner

September 1, 1955

Date

1020/7080

CONFIDENTIAL

August 30, 1955

Herrn Rechtsanwalt Vornefeld
Vereinigung fuer Auslaendische Vermoegensinteressen
Hermannstrasse 8
Duesseldorf

Dear Mr. Vornefeld:

I am attaching for your information a photostated copy of H.R. 6730 which is the bill now pending in the House of Representatives for the partial return of vested German assets in the United States. This is the bill which has been introduced by the Government and which would return assets up to a value of \$10,000 in each individual case. There are a number of exceptions where the assets would be returned without any restriction as to the value, such as the assets owned by charitable, educational and religious organizations as well as certain copy-right and trade-mark properties. The final part of the proposed bill provides for the settlement of various categories of American war claims against Germany which would be made from a claims fund of 100 million Dollars which is to be satisfied from repayments by the Federal Republic of Germany, under the agreement settling the United States claim for post-war economic assistance to Germany.

This bill is presently in the Committee on Interstate and Foreign Commerce of the House of Representatives. It will be considered by the next session of the Congress and the prospects for passage appear to be good.

There is also pending in the Congress a bill, entitled H.R. 5840 which would return to Germany all of the assets which were vested by the American Alien Property Custodian. Since this bill does not have the support of the Government, the prospects for its passage are not very good.

American nationals who are owners of property in Germany which are subjected to discriminatory taxes and unjustifiable levies, may have a legitimate cause of complaint against the proposed American action. In order to make their grievances effective, it would be necessary for them to advise their Congressman about their attitudes and views. Such action might have the effect of delaying passage of H.R. 6730 and accordingly might cause the German Government to take a more reasonable position in this matter than they have in the past.

- 2 -

I would suggest that you promptly contact such American nationals as may be members of the Vereinigung fuer auslaendische Vermoegensinteressen in Deutschland and suggest the appropriate steps to them. If you could let me know the number of U.S. nationals collaborating with the Vereinigung and some indication of their location and the value of their holdings in Germany, it might be possible for me to make some more practical suggestions in this regard.

I am sorry that I cannot translate the Bill into German, and if you find that it has served its purpose for you, I would appreciate your returning it to me.

Cordially yours,

BENJAMIN B. FERENCZ
Director for Germany
of the Claims Conference

Encl.
BBF/rm

122108

LAW OFFICES
LANDIS, COHEN, RUBIN AND SCHWARTZ

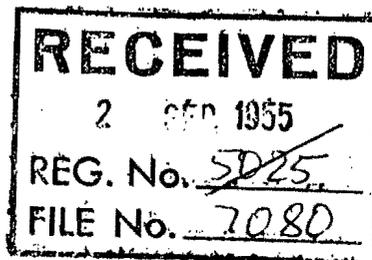
1832 JEFFERSON PLACE, N. W.

WASHINGTON 6, D. C.

STERLING 3-5905

August 29, 1955

JAMES M. LANDIS
WALLACE M. COHEN
SEYMOUR J. RUBIN
ABBA P. SCHWARTZ



Mr. Benjamin B. Ferencz
Jewish Restitution Successor Organization
Friedrichstrasse 29
Frankfurt/Main
West Germany

Dear Ben:

I have your letter of August 25 with respect to the von Clemm - looted diamonds matter.

About all that I can tell you about it is that hints were given to me by people in the Office of Alien Property, which suggest that certain of the diamonds were looted property. These hints, I think, are based upon the fact that there was a forfeiture proceeding instituted by the Customs Bureau in regard to these diamonds, which resulted in a tentative order of forfeiture, which was held up only because the Alien Property Custodian vested the diamonds. A proceeding was also brought on the criminal side, and my understanding is that von Clemm served some time in jail for attempted smuggling of these diamonds into the United States. As I understand it, the basis for the Customs Bureau action was that the diamonds actually were Belgian in origin, but were represented as being of different origin. (I am not entirely sure just how this becomes relevant to a smuggling charge, but apparently the question of the specific origin of the diamonds was actually in issue.) von Clemm apparently argued that the diamonds were not Belgian, but were German, and in that connection produced some documents indicating that they had come from the Diamond Kontor in Germany.

Some years ago, the IRO tried to obtain certain diamonds, which were in the possession of the military in Germany, as heirless assets. In making their case, they argued that the diamonds had come from the Diamond Kontor, and put together a memorandum to the effect that the Diamond Kontor had been the official recipient of Jewish looted diamonds and had in fact been formed for that specific purpose. It is my understanding that there is a memorandum somewhere in the HIGOG files on

the
122109

-2-

the Diamond Kontor and that this memorandum indicates that the only source of diamonds to the Kontor was plunder from Jews. I understand the report was prepared by the Intelligence Branch of the Division of Investigation of Cartels and External Assets of OMGUS, together with representatives of the British Control Commission for Germany. I understand the Diamond Kontor to have been formed on October 16, 1939, for the specific purpose of recutting and distributing the diamonds and jewelry confiscated by the Nazis under the von Rath fine and to have been promoted by one Ernst Cremer.

Our case, therefore, basically seems to depend on von Clemm's documents to the extent that they prove that the diamonds actually originated with the Diamond Kontor, and our own investigations, based on such documents as the OMGUS investigatory report mentioned above, to demonstrate that the Diamond Kontor obtained all of its supplies by looting.

The above gives you all of the information that I have. Any implications from the motion for leave to intervene which suggest further information in our hands are not warranted. I thought it best to make the memorandum in support of the motion rather vague and general.

Incidentally, the Office of Alien Property has taken the technical position that since we have filed a claim for the diamonds, and since the OAP has directed that all claims in the von Clemm matter be consolidated for hearing, there is no need to grant our motion for leave to intervene. In other words, we are automatically in the case. This has the possible difficulty that, like other claimants, we may be called upon to present proofs instead of being able to sit back and wait for the outcome. However, the case has moved along slowly; all of the parties apparently are very worried about the suggestion that they may be profiting from looting; and if we can get some kind of documentation together, I feel reasonably sure that we would be able to get the Hearing Examiner to go along with delay in our presentation until after the other presentations have been made.

I can't give you anything more than the above with respect to the urgency of the matter.

With respect to the other parties, I gather that they are various persons owning stock in Pioneer and other firms which are involved. I believe that these stockholders allege that even if von Clemm was a cloak for the Nazis, they were not so involved and should not have their interests forfeited as a result of any actions or associations on the part of von Clemm.

Best regards,

Seymour J. Rubin

122110

CC: Mr. Kagan

7080

August 25, 1955

Mr. Seymour J. Rubin
1832 Jefferson Place, NW
Washington 6, D.C.

Dear Sy:

I've just come back from a trip to Sweden to find your letter of August 12 dealing with the claim for certain packets of diamonds.

I can send you the German laws according to which all Jews in Germany were required to turn in to the local municipal pawn shops all of the diamonds and other precious metals in their possession. We can also ascertain in greater detail what was the normal procedure according to which the Reich disposed of these diamonds. This will tell us very little about the particular packets in question.

In your memorandum in support of motion for leave to intervene you state that "information has been received by the JRSO that certain diamonds and other gems which are the subject of several of the vesting orders involved in the above-entitled matters, are property which was looted from Jewish persecutees now deceased without heirs." What information?

I would also be grateful for further clarification about the list of parties on whom the documents have been served. What is their connection to the claim. I would like to get some leads about who were the "American" owners of the gems at the time they were vested and what, if anything, do we know about how and when that ownership was acquired. Please let me know, also, how urgent the matter is since I will gear my investigations here accordingly and from the look of the thing, I would guess that after you have gotten the answers to some of the questions posed above it may appear that a detailed investigation on our part is not warranted.

If things get rough, tell them that I am prepared to make a bulk settlement for any old packets of diamonds they may have lying around.

With best regards,

Cordially yours,

cc: Kagan
Katzenstein
BBF/rm

BENJAMIN B. FERENCZ

122111

MEMORANDUM

25 August 1955
7080

From: Mr. B. B. Ferencz
To : Dr. E. Katzenstein

I think it might be useful for Holstein to try to find out what were the procedures according to which the pawn-shops disposed of their diamonds and whether we can find out anything about the diamond Kontor.

BBF/tn

BBF

122112

C O P Y

June 29, 1955

The Honorable
Dallas S. Townsend
Assistant Attorney General
Director, Office of Alien Property
Washington, D.C.

Re: Public Law 626

Dear Colonel Townsend:

As Washington counsel for the Jewish Restitution Successor Organization, which has been designated by President Eisenhower as the successor organization to heirless property in the United States under the provisions of Public Law 626, 83rd Congress, Second Session, I should like to draw your attention to the following problem.

The Jewish Restitution Successor Organization has been endeavoring, in cooperation with the Office of Alien Property, to file claims for properties or interests which may be heirless and which have been vested by the Office of Alien Property. The task is a most difficult one, since little information is available to the JRSO. Yet, it is an important one, being a subject on which the Congress has legislated and with regard to which the Congress has expressed the view that the properties involved should be found, be made available to the Jewish Restitution Successor Organization, and used for charitable purposes of interest to the United States.

The method by which claims have until now been filed, and continue to be filed, by the JRSO involves the examination of lists of names in an attempt to search out those names which may give a lead to vested heirless properties or interests. In one category of cases, however, this technique, inexact and cumbersome at best, is entirely useless. Those cases arise where a foreign bank maintains an omnibus account, either a securities or a deposit account, with an American banking institution. In those cases, it is quite possible that among the individual items which make up the omnibus account, and which have not been certified and therefore released pursuant to the certification and release agreements with the various interested governments, there are substantial amounts of heirless property. Many Jewish persecutees, it is known, deposited funds with Swiss or Dutch banking institutions, which in turn redeposited these funds or purchased securities with them, maintaining the funds or the securities purchased therewith in an omnibus account in an American bank. These amounts and these securities within the omnibus accounts could, of course, not be certified, the owners having been put to death in most cases together with their heirs and other persons privy to the above-mentioned transactions. In the very nature of the case,

122113

Cable Address: JOINTDISCO

LExington 2-5200

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

W
July 5, 1955

MEMORANDUM

To: Mr. M.M. Boukstein
Mr. B.B. Ferencz
Mr. J.J. Jacobson
Dr. N. Robinson

From: Saul Kagan

You will be interested in the attached copy of a letter which was sent by Mr. Rubin to Mr. Townsend with regard to the special problem faced by the JRSO under Public Law 626 concerning the so-called "omnibus accounts". It seems doubtful whether the OAP would in fact consider this a proper claim, but within the narrow terms of reference of our claims, it is not clear what other channels might be available to us.

Saul Kagan

122114

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 • 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.

-2-

since the individuals would have been trying to hide assets from the Nazi authorities, records would be scarce. These records, even in the case where they existed, in most instances, would have been lost through the vicissitudes of persecution and of war.

The lists and indexes prepared by the Office of Alien Property are obviously of no assistance in this type of situation, since they would reveal only the name of the foreign depositor banking institution. It is recognized that the names of the individual depositors or possible claimants are as unknown to the Office of Alien Property as they are to the JRSO. In view of the public purposes of Public Law 626, it would seem that some method ought be worked out for estimating as best may be the amount of the sums within these omnibus accounts which would be attributable to heirless property, and of placing them at the disposal of the JRSO pursuant to the statutory mandate.

To the extent that it is possible to do so in order to protect the rights of the JRSO under the above-mentioned legislation and to implement the Congressional intent, I request that this letter be considered as a claim filed within the statutory deadline for such sums within the omnibus accounts as may be found or estimated to be heirless. It is my hope that the Office of Alien Property can give its earnest attention to this matter and out of its long experience be able to suggest practicable ways and means for identifying or estimating the amounts above referred to.

Sincerely yours,

Seymour J. Rubin

CC: Mr. Kagan
Dr. Hovesi
Mr. Loewenthal

122115

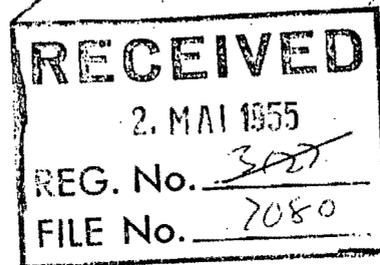
LAW OFFICES
LANDIS, COHEN, RUBIN AND SCHWARTZ
1832 JEFFERSON PLACE, N. W.

JAMES M. LANDIS
WALLACE M. COHEN
SEYMOUR J. RUBIN
ABBA P. SCHWARTZ

WASHINGTON 6, D. C.

STERLING 9-5905

April 28, 1955



Mr. Benjamin B. Ferencz
119 Grueneburgweg
Frankfurt a/Main
Germany

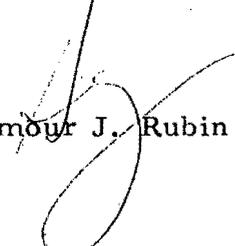
Dear Ben:

I have a copy of your JRSO Letter No. 2160 of April 19, addressed to Saul Kagan, dealing with the Indiana attorney's offer to give the JRSO \$3,400.

I am afraid that the situation is a little more difficult than reflected in the maxim quoted by you. The JRSO is unfortunately a successor only with respect to vested assets; and the property in question has not been vested by the Custodian, nor would there seem to be a basis for his doing so, since it belonged originally to Polish nationals, and persecutees at that.

I am afraid that we will have to think of some more devious method of dealing with this problem than the simple, straightforward grabbing technique which you so properly recommend.

Sincerely yours,


Seymour J. Rubin

CC: Dr. Robinson
Mr. Jacobson
Mr. Boukstein
Mr. Kagan

122116

ידישער וועלט-קאנגרעס

הקונגרס היהודי העולמי

WORLD JEWISH CONGRESS

CONGRES JUIF MONDIAL • CONGRESO JUDIO MUNDIAL

15 EAST 84TH STREET

NEW YORK 28, N. Y.

ALGIERS
1 rue Mahon

BUENOS AIRES
Pasteur 633 P.5

GENEVA
37 Quai Wilson

JERUSALEM
1 Ben Yehuda Street

LONDON W1
55 New Cavendish St.

MEXICO CITY
Calle de Cuba 81

MONTEVIDEO
Calle Florida 1418

MONTREAL
493 Sherbrooke St., W.

PARIS VIII
78 Av. des Ch. Elysees

RIO DE JANEIRO
Caixa Postal 2344

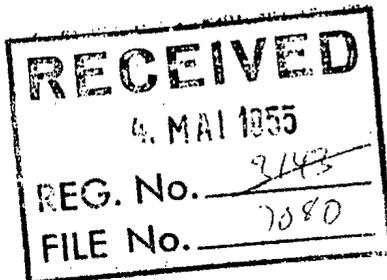
ROMA
Lungotevere Sanzio 9

SANTIAGO
Tarapaca 868

STOCKHOLM
Grev Magnigatan 11

SYDNEY
243 Elizabeth Street

TEL AVIV
Montefiore Street 24



CABLES: WORLDGROSS, NEW YORK
TELEPHONE: TRAFALGAR 9-4500

April 27, 1955

Mr. Benjamin B. Ferencz
APO 757
c/o P.H., N.Y., N.Y.

Dear Ben,

Thank you for copy of your letter No. 7080 to Saul, dated April 19.

I don't believe that the case is as simple as you assume it to be. As I pointed out to Saul, there must be in this country thousands of deposits owned by Jews who disappeared during the catastrophe. Most of the "holders" of the moneys have never registered them and will be afraid of divulging their existence unless they are assured of "pardon." Furthermore, since nobody knows who is entitled to claim the funds, they will not hand them over to the JRSO, even against an assurance as proposed by you.

As you know, the Alien Property Custodian only rarely vested assets which belonged to non-Germans or non-Japanese. Some Italian, Rumanian and Hungarian assets were vested but I cannot recall a single case of a Polish property vested: it was not an enemy asset. Assets from occupied countries were blocked only to prevent them from falling into the hands of the Germans.

So far as I know, Polish property was deblocked years ago, so that I am not positive that the asset in Indiana is blocked at all in the legal sense of the word.

I doubt that there is a real solution to the problem short of a law.

With best regards,

Yours sincerely,

Nehemiah Robinson

122117

HQ JRSO Ltr. # 2160

April 19, 1955
7080

Mr. Saul Kagan
JRSO - New York

Dear Saul:

Thank you for the copy of your letter of 4 April to Maurice Boukatein dealing with the offer by an attorney in Indiana to give the JRSO \$3,400 which was entrusted to him on behalf of some Polish residents. My basic approach to the problem is based upon the Talmudic maxim "Hem man gibt nimm". If there is no reason to believe that the former owners were Jewish then I'm afraid we will have to point out to the gentleman concerned that we have no standing in the matter. If, on the other hand, there is any indication that they were Jewish I believe we should accept the money with a statement limiting our liability to any potential claimants to the sum received and also limiting our liability in time in accordance with our obligations under the heirless property bill in the United States.

It seems to me from his letter that the assets which he holds should have been vested by the Alien Property Custodian in which case they would come within the category of assets to which the JRSO might now fall heir. I think that a private arrangement of this thought out of court might even be a useful precedent in arguing for a bulk settlement with the Alien Property Custodian. We could argue that even a private attorney acting as trustee has recognized this organization as an appropriate agency for receiving the funds rather than insisting upon our proving that the money is actually heirless.

In any case, it's a new wrinkle and should be fun.

Cordially yours,

CC: Boukstein
Rubin
Robinson
Jacobson

BENJAMIN R. FERENCZ

122118

HQ JRSO Ltr. # 2160

April 19, 1955
7080

Mr. Saul Kagan
JRSO - New York

Dear Saul:

Thank you for the copy of your letter of 4 April to Maurice Bouketein dealing with the offer by an attorney in Indiana to give the JRSO \$3,400 which was entrusted to him on behalf of some Polish residents. My basic approach to the problem is based upon the Talmudic maxim "Einn man gibt nimm". If there is no reason to believe that the former owners were Jewish then I'm afraid we will have to point out to the gentleman concerned that we have no standing in the matter. If, on the other hand, there is any indication that they were Jewish I believe we should accept the money with a statement limiting our liability to any potential claimants to the sum received and also limiting our liability in time in accordance with our obligations under the heirless property bill in the United States.

It seems to me from his letter that the assets which he holds should have been vested by the Alien Property Custodian in which case they would come within the category of assets to which the JRSO might now fall heir. I think that a private arrangement of this thought out of court might even be a useful precedent in arguing for a bulk settlement with the Alien Property Custodian. We could argue that even a private attorney acting as trustee has recognized this organization as an appropriate agency for receiving the funds rather than insisting upon our proving that the money is actually heirless.

In any case, it's a new wrinkle and should be fun.

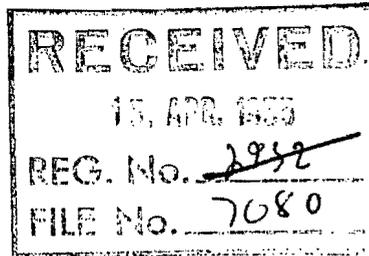
Cordially yours,

CC: Bouketein
Rubin
Robinson
Jacobson

BENJAMIN B. FERENCZ

122119

390-484



4 April 1955

Mr. Maurice M. Boukstein
150 Broadway
New York, New York

Dear Maurice:

We have received the following letter from Mr. Morton W. Newman, Attorney at Law, Suite 510 Old National Bank Building, Evansville 16, Indiana:

"On a recent visit to your city, I read an article in the New York Times stating that you have been designated by President Eisenhower to receive the unclaimed property of deceased victims of Nazi persecution.

"Prior to World War II I represented certain persons who were residents of Poland. At the outbreak of the war I had some \$3,400.00 in my possession which belonged to them. The money is now deposited in a local bank in my name as attorney-in-fact. As soon as the war broke out, the money was of course frozen, and I have not heard from any of the owners of the fund since prior to the invasion of Poland by the Nazis. It is obvious that these persons are dead. There is a possibility, of course, that there are heirs living either in Poland or in the United States, but no effort has been made to discover them.

"Please let me know if you are interested in pursuing this matter further to determine whether the account can be released to your organization."

I have acknowledged Mr. Newman's letter thanking him for bringing this matter to our attention, and stated that we will be interested in pursuing the matter; also, we will be in touch with him. (over)

Sincerely yours,

SK:h
Dictated but not read
cc: SR; NR; AH; BHF; JJJ

Saul Kagan

122120

- 2 -

P.S. - This may raise a more difficult problem than the Olesheimer case. We may be involved in establishing the status of the J.R.S.O. as a successor to Jews who died heirless at Nazi hands within the state of Indiana. I would appreciate very much your suggestions on how we should proceed in this matter.

S. K.

122121

340-436

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 Madison Avenue

New York 16, New York

RECEIVED
15. APR. 1955
REG. No. 2945
FILE No. 7080

MEMORANDUM

1 April 1955

To: Mr. Maurice M. Boukstein
Dr. Eugene Hevesi
Mr. Moses A. Leavitt
Dr. Nehemiah Robinson

From: Saul Kagan

I refer to the proposed letter (copy attached) from Sy to Mr. Barbour, requesting the Department of State to include a provision in the contemplated legislation dealing with the return of property to German individuals which would authorize and direct a bulk settlement of heirless property claims under Public Law 626.

I think that this letter should be officially presented to the Department of State. We have already put the Office of Alien Property on notice in oral representations that we feel that the bulk settlement approach is the most advantageous way of achieving the objective of Public Law 626. We, of course, do not know at this point whether OAP will favor such a provision but even at the risk of incurring OAP's displeasure we should press for such a provision in the law. I would appreciate if you would indicate to Mr. Rubin your concurrence.

cc: BHP
JJJ

Dictated but not read

122122

C
O
P
Y

Mr. Walworth Barbour
Deputy Assistant Secretary
Bureau of European Affairs
Department of State
Washington 25, D. C.

Dear Mr. Barbour:

I address this letter to you in view of your having headed the United States delegation in the recent discussions with Dr. Herman Abs, representing the Federal Republic of Germany, on the subject of possible return of German assets in the United States.

At the conclusion of these discussions, the Department announced that it would present a proposal to the Congress for the return of the assets of natural persons up to a limit of \$10,000. I believe that it is estimated that such returns will cover 90 percent of the privately owned assets of German individuals vested by the United States under the terms of the Trading with the Enemy Act.

As you know, the 83rd Congress passed Public Law 626, which provided that heirless assets in the United States should be turned over to charitable organizations which might act as the successors to victims of Nazi persecution who died without heirs. The President of the United States, pursuant to the Act, designated the Jewish Restitution Successor Organization, a New York membership corporation which has long been the recognized successor organization in the American zone of Germany, as the successor organization under Public Law 626. The JRSO has begun the monumental task of compiling facts upon which it can file claims to those assets in the United States, vested as enemy, which appear to belong to heirless persecutees.

I have mentioned the monumental nature of the administrative burden which this task throws upon the JRSO. I should say, also, that the United States Government, in implementing the Congressional policy of turning over heirless property for charitable purposes, also must undertake, under present procedures, a large administrative burden. This burden is so large indeed as to occasion legitimate fear that it may well delay implementation of the Act and realization of the proceeds which are to be expended for surviving victims of Nazi persecution.

Under these circumstances, it would seem appropriate that such legislation as may now be under consideration within the Executive branch, looking toward return of the property of German individuals, include a provision or provisions authorizing and directing a bulk settlement of the heirless property claims. Once the return program described in the Department's press release is effectuated, claims will, by definition, have been filed for all individually held German assets in the United States (up to the limit of \$10,000), other than those held from Eastern Germany or those assets which are heirless. The Eastern German category could, it would seem, be easily dealt with. The remaining amount of unclaimed, and therefore presumptively heirless, property is very likely to be substantially in excess of the \$3 million limit which has been set by Public Law 626. Under these circumstances, it would seem desirable from all points of view that a bulk settlement be worked out as a means of cutting through masses of red tape, which is otherwise likely both to delay attainment of the object of relief expenditures and burden the

122123

- 2 -

agencies, charitable and governmental, which must be concerned with this problem.

It is the intention of the JRSO to continue, of course, with implementation of Public Law 626 to the extent possible. I suggest, however, that the above proposal might be considered as a policy matter, and might be the subject of consultation prior to submission to the Congress of the Executive position on the above-mentioned legislation.

Sincerely yours,

Seymour J. Rubin

122124

HQ JRSO Ltr. #2160

April 19, 1955
7080

Mr. Saul Kagan
JRSO - New York

Dear Saul:

Thank you for the copy of your letter of 4 April 1955 to Maurice Boukstein dealing with the offer by an attorney in Indiana to give the JRSO \$ 3,400 which was entrusted to him on behalf of some Polish residents. My basic approach to the problem is based upon the Talmudic maxim "Wenn man gibt, nimm." If there is no reason to believe that the former owners were Jewish, then I am afraid we will have to point out to the gentleman concerned that we have no standing in the matter. If, on the other hand, there is any indication that they were Jewish, I believe we should accept the money with a statement that limits our liability to any potential claimants to the sum received and also limiting our liability in accordance with our obligations under the heirless property bill in the United States.

It seems to me from his letter that the assets which he holds should have been vested by the Alien Property Custodian, in which case they would come within the category of assets to which the JRSO might now fall heir. I think that a private arrangement of this thought out of the court might even be a useful precedent in arguing for a bulk settlement with the Alien Property Custodian. We could argue that even a private attorney acting as trustee has recognized this organization as an appropriate agency for receiving funds rather than insisting upon our proving that the money is actually heirless.

In any case, it's a new wrinkle and should be fun.

Cordially yours,

cc: Boukstein
Rubin
Robinson
Jacobson

BENJAMIN B. FERENCZ

122125

Cable Address: JOINTDISCO

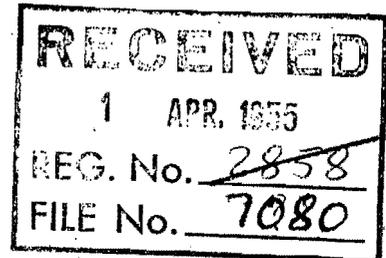
LExington 2-5200

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

March 28, 1955



Letter #1961

Mr. Benjamin B. Ferencz
JRSO - Frankfurt

Dear Benny:

I am enclosing herewith a sample of the claims form which has now been approved by the Office for Alien Property in connection with our claims. We are beginning to file our claims on this form, on the basis of the lists prepared, which have now been checked against the OAP files to eliminate accounts for which individual claims are pending. It is clear that at this time the only information we can supply will be the name and the number of the vesting order.

Cordially yours,

Saul Kagan

SK:N:djh

cc: Mr. Jerome J. Jacobson

122126

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 • 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.

NOTICE OF CLAIM

Pursuant to the provisions of Public Law 626, 83rd Congress, Second Session, and to the Executive Order issued January 13, 1955, by the President of the United States, entitled "Administration of Section 32 (h) of the Trading with the Enemy Act", the following notice of claim is filed.

1. Claimant:

The claimant is the Jewish Restitution Successor Organization. Its offices are Suite 800, 270 Madison Avenue, New York 16, New York. The Jewish Restitution Successor Organization has been designated as successor in interest to deceased persons by Executive Order of January 13, 1955, pursuant to Public Law 626, 83rd Congress, Second Session.

2. Name of person for whom JRSO claims as successor in interest:

2 (a) Address of such person, if known:

3. Vesting order involved:

4. On the basis of such information as is available to it, the Jewish Restitution Successor Organization believes that the person named in paragraph 2 above is a person who would have been eligible for return of property under the provisions of Section 32 (a) (2) (C) or (D) of the Trading with the Enemy Act, as amended, and that the said Jewish Restitution Successor Organization is a qualified successor to such person under the provisions of Subsection (h) of Section 32 of the Trading with the Enemy Act.

5. Remarks:

Date:

.....
Secretary, Jewish Restitution Successor Organization

122127

IN REPLY, PLEASE REFER
TO FILE NUMBER

THC:IEB:djw

01-172

DEPARTMENT OF JUSTICE
OFFICE OF ALIEN PROPERTY
WASHINGTON 25, D. C.

MAR 1 1955

Landis, Cohen, Rubin and Schwartz
Attorneys at Law
1382 Jefferson Place, N. W.
Washington 6, D. C.

Attention: Mr. Seymour J. Rubin

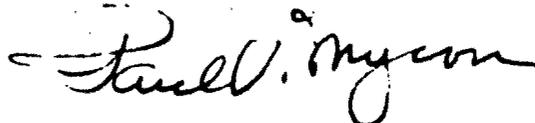
Gentlemen:

Reference is made to your letters of November 4, 1954, December 1, 1954, January 31, 1955, February 8, 1955 and February 28, 1955 and the several conferences between Mr. Seymour J. Rubin and members of the staff of this Office concerning methods and procedures whereby the Jewish Restitution Successor Organization may file claims pursuant to Public Law 626. With your letter of February 28, 1955 you submitted a proposed informal notice of claim to be filed with this Office to toll the bar date provided in Public Law 626. The form proposed appears to be sufficient in scope and may be used by the JRSO. The form should be filed in duplicate for each claim.

This Office will assist you within the limitations necessitated by other work in an effort to enable you to identify such property as may fall within the purview of Public Law 626. At the present time we do not believe it feasible to charge for our expenses for such assistance nor to require reimbursement for such work as may be done by this Office.

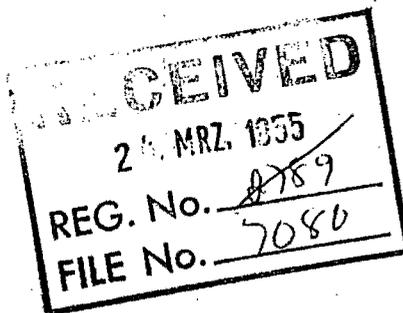
With respect to the various lists of individuals and vesting orders which you submitted to this Office, may I suggest that we arrange a conference to discuss them and determine the procedures and the persons in this Office with whom you should consult for further information.

Very truly yours,



Paul V. Myron
Deputy Director
Office of Alien Property

122128



March 18, 1955

Seymour J. Habin, Esq.,
1832 Jefferson Place, NW
Washington 6, DC

Dear Sy:

This will refer to your letter of March 10th concerning PL 626. As I informed you on the 'phone, we are proceeding with the printing of the Claims forms, and will start filing the claims as soon as the forms are returned from the printer.

I will leave word at the office that for the time being we should omit the filing of claims on all cases where the vesting order bears the 201 number, which I understand, is the number of all patent claims.

We will be able to decide in May whether or not we want to safeguard our rights in that category as well, if only for the sake of good order.

It would be extremely important for us to meet with the person from the Office of Alien Property whom Creighton intends to assign to screen the files which pertain to our cases. It will be most important to explain to him that there is no conflict of interest between the JRSO and the OAP, as it is the clear intent of Congress to turn over to the JRSO all Jewish property for which no claims have been heretofore filed. An early sampling of our claims in terms of values involved would give us an idea of what we may expect, and whether we can develop a good case for justifying a lump-sum payment to us.

We can proceed with the screening of the files on the basis of our list, as we will file our claims officially from that list.

I hope very much that when we meet on Tuesday, we will be able to develop a more definite proposal of a possibility of attaching a rider to the bill, which will return \$10,000 to each person whose assets were vested by the Office of Alien Property. I am afraid that we will be handicapped by the absence of any basis to estimate the value of the Jewish assets in the hands of the OAP. I don't see, however, any reason why we could not endeavor to formulate a rider which would give the OAP authority to bulk-settle PL 626 claims with the Successor Organization.

122129

Mr. Rubin

- 2 -

March 18, 1955

up to the limit of \$3,000,000 contained in the original bill.

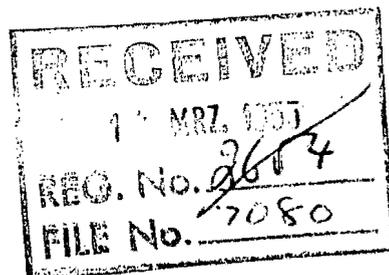
Cordially,

Saul Kagan
Secretary

Kieg
encl.

CC: M.M. Bukatkin
B.D. Ferencz
H. Goldwater
J.J. Jacobson
M.A. Leavitt

122130



March 10, 1955

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

Re: Public Law 626

Dear Saul:

I had a long conversation over the telephone with Tom Creighton today, who called me to state that:

(a) He had not as yet had a chance to talk the matter over with Colonel Townsend, but had instead discussed it with Mr. Myron, the Deputy Director of the Office.

(b) The Office of Alien Property will accept the form prepared by me. They will not print said forms, however, so that we will have to do the printing ourselves. They will want each form filed in duplicate.

(c) They are very hopeful that we will decide not to file in the patent cases. Creighton proposes to get out a letter on all of the above to me early next week, and will include a reference to this hope in that letter. I told him that I thought it was very likely that we would not file in the patent cases.

(d) He has discussed the question of going through the records with Mr. Myron, and Mr. Myron has apparently decided that the OAP ought to do the job and that it ought not bill the JRSO or ask for reimbursement. They have decided to put a person to work on the files, and they will let us know shortly who that person is to be. Creighton said that this person will be kept on the job, will be available to give us progress reports, etc.

I also discussed, as I have previously written you, at the meeting on March 9 in the OAP the question of the effect of the State Department

122131 proposal

- 2 -

proposal to return properties up to \$10,000 to German individuals. Creighton brought this same subject up in today's conversation, suggesting that these latter return proposals might make necessary an extension of the filing dates with respect to our legislation. I gather that he feels that a lot of new claims may come in which conceivably might apply to property which we might claim under the present provisions of P. L. 626. In discussing this matter, I pointed out to Creighton that if there are returns to German individuals, it might be presumed that the residual amounts are very largely made up of heirless property, and this might facilitate our work, particularly if we could arrive at some kind of bulk settlement. The discussion was inconclusive, and we agreed that we would get together sometime in the next few weeks to talk it over again. Creighton was, however, more cooperative and friendly than he has seemed to be on previous occasions.

I am sending a copy of this letter to Ben Ferencz and Jerry Jacobson also, and intend it to be in at least partial comment on Ben's letter no. 2105, March 7, 1955, addressed to you and suggesting that we "sound out the Attorney General . . . on an over-all settlement". I am afraid that Benny's experience in working out large general deals with the Germans has led him to forget the rigidities of the American administrative system. The present attitude of the OAP, as you know, is that the legislation probably does not authorize a bulk settlement and that it would, in any case, be impossible to work one out without a very clear estimate of the amounts involved and a knowledge of where the funds were coming from. As to the amounts involved, this might conceivably require pretty much the same kind of work as the filing of individual claims requires, although possibly we could extrapolate a sample of the individual claims. As for the source of the funds, I think that there will undoubtedly be a sufficient amount left over and held by the OAP, but it is a little difficult to tell without knowing exactly how much will be paid out on the German return proposal. The difficulty here is that a large amount of the proceeds of vested property has already been turned over to the War Claims Commission on the basis of Section 39 of the Trading with the Enemy Act, which provided that returns would not be made and that the proceeds should so be used. It is therefore in effect necessary to find in the hands of the OAP amounts equal to those which will be required on the \$10,000 individual return proposal.

This leads to certain complications, but it also raises the possibility that we may be able to attach a rider to the \$10,000 return proposal

122132

-3-

proposal which would accomplish our purpose. This, as I think Benny recognizes, is not a simple job, but it might be possible. That the State Department favored bulk settlements in Germany is, however, not likely to be of any relevance whatsoever to this problem here in the United States.

Best regards.

Sincerely yours,

Seymour J. Rubín

CC: Dr. Hevesi
Mr. Ferencz
Mr. Jacobson

122133

7 March 1955.

Mr. Saul Kagan
JRSO - New York

Letter #2105. File: 7080.

Dear Saul:

Thank you for your letter of February 24 containing the proposed short form claims to be filed with the Alien Property Custodian in connection with heirless property vested in the United States.

Please re-read my letter #2021 of 26 August 1954 which, aside from a few pointed barbs, contained my serious thinking on this whole subject.

The Executive Order designating the JRSO is very generally worded. There is nothing in it for example to restrict our interest to Jewish claimants, although our application made it clear that we were only interested in that group. Authority has been delegated to the Attorney General who may subdelegate to the Department of Justice. I would like to know who actually drew up the Executive Order and whether we made any attempt to influence the wording of the Order. I am convinced that our only hope to put any meaning into this designation is for us to make a bulk settlement. We now have the added argument that the German Government has agreed to paying the JRSO a lump sum based upon an estimate of the presumably heirless portion of Jewish claims against the Reich. This agreement has won the support and approval of the State Department here, and it should make a useful precedent in raising the same argument in the United States.

The simpler and more general the claims form, the easier will it be for us. The form which you sent contains a provision in Par. 4 which states that "on the basis of such information as is available to it, the JRSO..." etc. I fear that in most cases we will have no information at all and would have no basis for an allegation that we are the appropriate successor.

I think that now is the correct time for sounding out the Attorney General, or whoever in the Justice Department may be dealing with it, on an overall settlement. We should argue that the Congress did not intend to pass a meaningless law and the technical difficulties encountered would have that effect unless a bulk settlement is reached. Even if should be necessary to amend the law, this would be the appropriate time to start lobbying in that direction, when we could argue that the return of German assets with a value of up to \$10,000 is less justified than what we would be proposing. We could argue for the return of vested assets having a value of up to \$10,000 if it may reasonably be assumed that we are the eligible successor, or if the total amount would not exceed a reasonable estimate of the heirless Jewish portion. I would like to see a copy of the proposed law in connection with the return of German assets if a draft is already available, and perhaps it may be possible for us to come in on a rider.

Contd.

122134

Mr. Kagan

- 2 -

7 March 1955.

All this means there has got to be a lot of talking done in Washington and a lot of running around if we are to salvage something for our poor dear beneficiaries.

Cordially yours,

BENJAMIN B. FETENCZ

BBF:ll

cc: Mr. Dabin
Mr. Jacobsen
Mr. Krutzberger
Mr. Schoenfeldt

122135

7 March 1955.

Mr. Saul Kagan
JRSO - New York

Letter #2105. File: 7080.

Dear Saul:

Thank you for your letter of February 24 containing the proposed short form claims to be filed with the Alien Property Custodian in connection with heirless property vested in the United States.

Please re-read my letter #2021 of 26 August 1954 which, aside from a few pointed barbs, contained my serious thinking on this whole subject.

The Executive Order designating the JRSO is very generally worded. There is nothing in it for example to restrict our interest to Jewish claimants, although our application made it clear that we were only interested in that group. Authority has been delegated to the Attorney General who may subdelegate to the Department of Justice. I would like to know who actually drew up the Executive Order and whether we made any attempt to influence the wording of the Order. I am convinced that our only hope to put any meaning into this designation is for us to make a bulk settlement. We now have the added argument that the German Government has agreed to paying the JRSO a lump sum based upon an estimate of the presumably heirless portion of Jewish claims against the Reich. This agreement has won the support and approval of the State Department here, and it should make a useful precedent in raising the same argument in the United States.

The simpler and more general the claims form, the easier will it be for us. The form which you sent contains a provision in Par. 4 which states that "on the basis of such information as is available to it, the JRSO..." etc. I fear that in most cases we will have no information at all and would have no basis for an allegation that we are the appropriate successor.

I think that now is the correct time for scolding out the Attorney General, or whoever in the Justice Department may be dealing with it, on an overall settlement. We should argue that the Congress did not intend to pass a meaningless law and the technical difficulties encountered would have that effect unless a bulk settlement is reached. Even if should be necessary to amend the law, this would be the appropriate time to start lobbying in that direction, when we could argue that the return of German assets with a value of up to \$10,000 is less justified than what we would be proposing. We could argue for the return of vested assets having a value of up to \$10,000 if it may reasonably be assumed that we are the eligible successor, or if the total amount would not exceed a reasonable estimate of the heirless Jewish portion. I would like to see a copy of the proposed law in connection with the return of German assets if a draft is already available, and perhaps it may be possible for us to come in on a rider.

Contd.

Mr. Kagan

- 2 -

7 March 1955.

All this means there has got to be a lot of talking done in Washington and a lot of running around if we are to salvage something for our poor dear beneficiaries.

Cordially yours,

BENJAMIN E. FAHENCZ

EBF:ll

cc: Mr. Rubin
Mr. Jacobson
Dr. Neutzberger
Dr. Schoenfeldt

122137

Cable Address: JOINTDISCO

LExington 2-5200

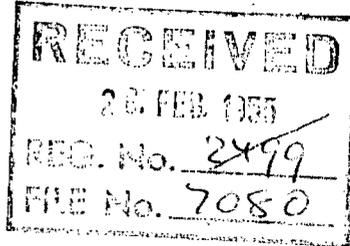
Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

86 to 219

CC - JJJ
Kushnerson
Sy Shkron



February 24, 1955

MEMORANDUM

To: Benjamin B. Ferencz

From: Saul Kagan *SK*

We are trying to persuade the office of Alien Property to accept a short claims form to safeguard the filing deadline under Public Law 626 on the basis of discussions with the OAP Claims Branch people. We believe that they will probably accept something like the attached form.

attach.

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 • 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.

122138