

PROPERTY

CONTROL

12

18

OFFICE OF THE UNITED STATES HIGH COMMISSIONER FOR GERMANY
AFO 757

STATISTICS INCLUDING THE PERCENT OF PROPERTIES RELEASED TO TOTAL PROPERTIES HANDLED
FROM THE BEGINNING OF THE RESPECTIVE DISPOSITION PROGRAMS THROUGH 30 SEPTEMBER 1949

Categories	Key a/	Total		Bavaria		Hesse		Wuerttemberg/ Baden		Bremen		Berlin	
		Units	Value	Units	Value	Units	Value	Units	Value	Units	Value	Units	Value
Total	a	78	83	79	81	77	87	81	87	93	79	61	81
	b	154 469	13 883	62 201	6.389	58.154	3 182	20 716	2 333	4 391	501	9 007	1 473
	c	34 458	2 329	13 044	1 213	13 588	413	3 986	306	288	106	3 552	291
Total other than Duress	a	96	89	95	86	99	95	98	95	99	81	30	87
	b	117 669	12.381	49 476	5 889	43 150	2 830	14 186	1 829	4 079	468	6 778	1 367
	c	4 636	1 338	2 393	837	555	139	271	91	61	89	1 356	181
Duress	a	19	34	16	25	13	22	43	57	27	50	1	1
	b	36 800	1 504	12 725	503	15 004	351	6 530	505	312	32	2 229	111
	c	29 822	992	10 651	376	13 033	274	3 715	215	227	16	2 196	110
NSDAP members and black-listed persons	a	97	95	96	91	99	98	97	93	98	96	100	100
	b	74 301	3 348	26 695	1 556	36 857	760	5 637	747	2 788	166	2 324	120
	c	1 901	182	1 197	143	464	18	197	15	43	7	0	0
United Nations and other absentee owners	a	91	93	89	95	100	100	99	99	100	100	69	77
	b	17 047	2 356	6 988	862	3 058	477	3 874	473	605	61	2 522	473
	c	1 559	154	763	42	0	0	2	3	0	0	794	110
External loot	a	95	95	95	94	100	100	100	100			34	27
	b	7 221	77	7 019	72	134	3	7	1	negative		61	0
	c	371	4	331	4	0	0	0	0			40	0
NSDAP Organizations	a	95	78	99	77	99	99	99	99	99	100	3	5
	b	7 696	1 241	4 198	984	1 345	103	1 676	100	112	8	365	43
	c	361	272	1	230	5	1	1	0	1	0	353	41

a/ Key:

- 1 a - Percent of properties released to total properties handled.
- 124672 b - Total properties handled. The values are expressed in RM to the nearest million.
- 2 c - Properties under control. The values are expressed in RM to the nearest million.

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DECLASSIFIED
Authority: MM 968095
By: MSB NARA Date: 5/1/10

RG 260
Entry for Germany
File HOENLY REPORT
Box 14

OFFICE OF THE UNITED STATES HIGH COMMISSIONER FOR GERMANY
APO 757

STATISTICS INCLUDING THE PERCENT OF PROPERTIES RELEASED TO TOTAL PROPERTIES HANDLED
FROM THE BEGINNING OF THE RESPECTIVE DISPOSITION PROGRAMS THROUGH 30 September 1949

Categories	Key a/	Total		Bavaria		Hesse		Wuerttemberg/ Baden		Bremen		Berlin	
		Units	Value	Units	Value	Units	Value	Units	Value	Units	Value	Units	Value
an State	a	98	99	98	98	99	99	99	99	99	99	99	97
	b	4 892	2 939	2 667	1 582	495	798	610	141	458	65	663	349
	c	82	36	60	24	5	0	5	1	5	0	7	11
r arben	a	100	100	100	100	100	100	100	100	100	100	100	100
	b	168	785	60	216	61	480	19	43	2	2	26	44
	c	0	0	0	0	0	0	0	0	0	0	0	0
llaneous	a	72	26	90	20	73	30	73	43	14	5	49	64
	b	1 301	934	421	495	304	172	246	129	14	87	316	50
	c	362	689	41	395	81	131	66	73	12	83	162	18

nts:
It will be noted that 96 percent of the properties other than duress have been released from control. Attention is invited to the fact that, even including duress properties, 78 percent of properties handled have been returned to full owners or their successors in interest.

- y:
- Percent of properties released to total properties handled.
 - Total properties handled. The values are expressed in RM to the nearest million.
 - Properties under control. The values are expressed in RM to the nearest million.

DECLASSIFIED
Authority MD968095
By WJD NARA Date 5/1/16

RG 860
Entry US High Commission for Germany
File MONTHLY REPORT
Box 14

124673

DECLASSIFIED
Authority: M1968095
By: [unclear] 5/11/15

RG 466
Entry 4-170 [unclear]
File 5- month report
Box 1

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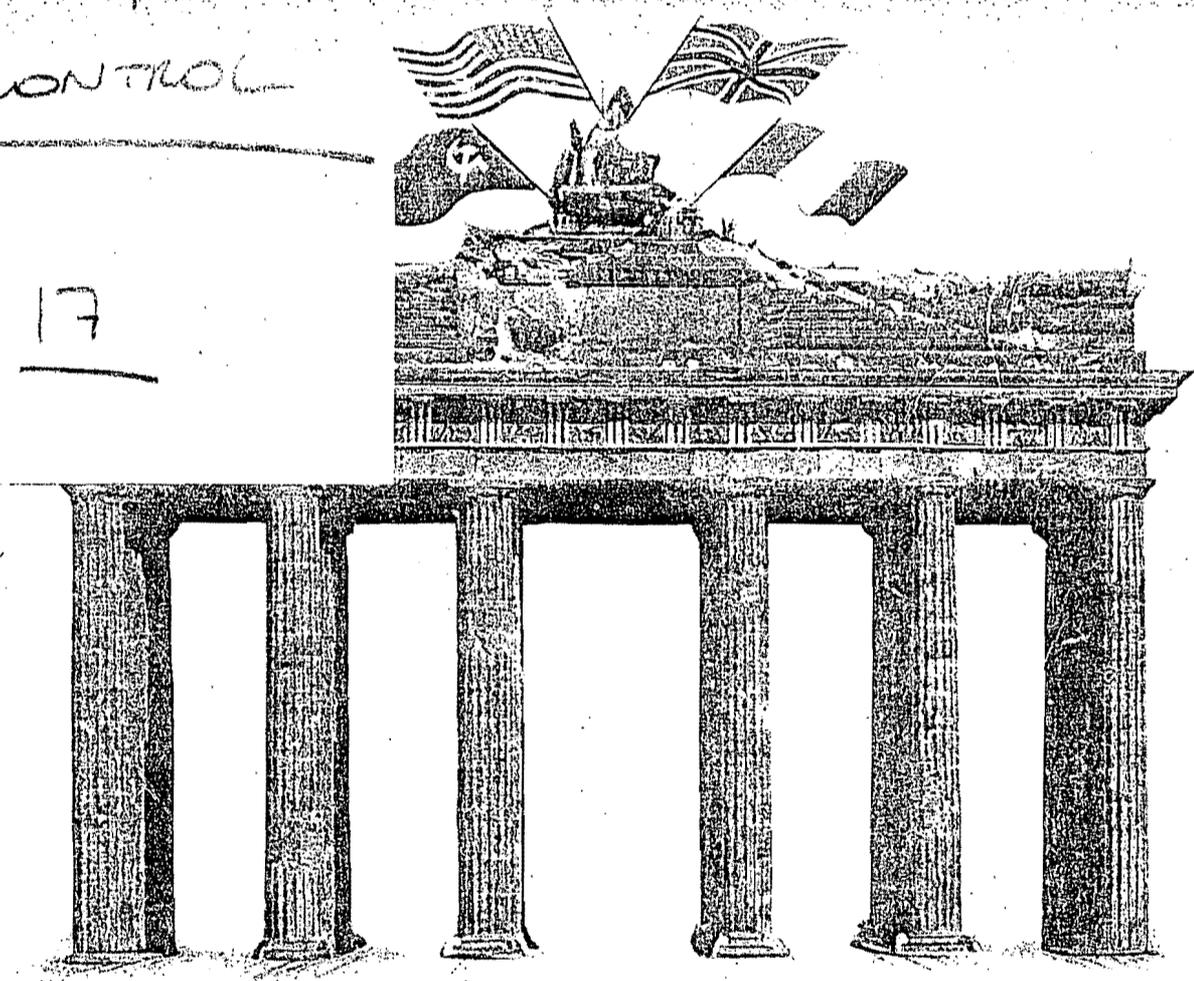
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U.S. Mission Berlin

SIX MONTHS REPORT

4 JULY 1945 - 3 JANUARY 1946

PROPERTY
CONTROL

17



OFFICE OF MILITARY GOVERNMENT
U.S. BERLIN DISTRICT

U.S. GOVERNMENT PRINTING OFFICE

124674

DECLASSIFIED
 AUTHORITY: M968095
 BY: [illegible]
 DATE: 5/11/00

RG

Entry

File

Box

466
 HISTORICAL
 DIVISION
 OF THE
 U.S. GOVERNMENT
 1

FINANCE

R E S T R I C T E D

Expenditures

Applications from the Magistrat to expend funds not called for in the budget have been acted on as indicated below by the Finance Committee.

Amount	Use	Action
4,000,000 RM	Rebuild City Hospitals	Approved
1,822,000 "	" " Univers. of Berlin	Refused
550,000 "	" " Prot.&Cath.Church.	Approved
400,000 "	Salaries f. Prot. Clergy	200,000 RM. Appr.
3,734,000 "	Reb.Theaters & Operas	Refused
150,000,000 "	To meet City Deficit	100,000,000- RM Approved

General

The City of Berlin operated on a four months budget from 1 June to 30 September, and on a three months budget from 1 October to 31 December 1945. Commencing with 1 April 1946, the city will revert to the annual budget system. Available figures on actual and budgeted amounts for the periods completed are shown in tables numbered 7 and 8.

Table No. 5 shows the comparison between budgeted and actual deficits incurred by the City of Berlin during the period. Recovery is slow, although marked improvement is being shown by the local authorities.

Quarterly Receipt and Expenditure Forms (MG/FIN/9A) have been re-drafted to apply to Berlin, and have been adopted for use by the four occupying powers.

PROPERTY CONTROL**General**

When the U.S. Military Government took over the supervision of its Sector of Berlin in July, the Property Control Section was faced with the initial problem of the promulgation of law No. 52 (blocking and control of properties) upon which the Section depends for its authority to operate.

Berlin is governed by the Kommandatura which is a quadripartite body comprised of the representatives of the four nations, and no law could be issued in this district without the approval of this body.

It was not considered advisable at the time to have law No. 52 adopted by the Kommandatura, as it was felt that the Soviet administrators might misunderstand and apply to our detriment certain aspects of the law dealing with the seizure of properties.

The problem was largely solved by the Section unofficially operating under provisions of law No. 52 in so far as was possible without formally issuing the law. This procedure was not recognized officially until the end of August, when the Kommandatura issued a directive permitting each sector of Berlin to apply the laws as to properties which were in effect in their respective zones of occupation in Germany.

The properties requiring attention fell principally into three categories:

- Nazi Party and affiliated organizations' properties;
- Reich owned properties;
- Properties of absent owners; which includes properties belonging to citizens of the United Nations and neutral countries.

These properties can be further classified as operating and non-operating properties.

Property of Allied nationals

It was decided that the situation required that major attention be given to taking into control operating companies owned or controlled by Allied and Neutral nationals.

During the first 6 weeks of this period, some 30 of such companies were taken into custody. Most of this class of properties were operating concerns prior to the termination of the war, some of them very large manufacturing plants. Many had been dismantled by the Russian Army, and machinery, raw material and finished goods removed, and this Section was unsuccessful in the attempt to recover any part of these. These companies have, therefore, been confined to relatively small operations.

During the remainder of the period, additional properties of this character were taken into custody, so that at present we have a total of 47.

The custodians appointed for this class of property have been given authority to carry on normal business transactions without obtaining special authority in each instance, but must file monthly progress reports. However, there are many problems which confront these custodians, being handicapped in their operations by inadequate machinery, material, transportation and other means of communication, and much of the time of the Property Control Officer continues to be occupied with their problems.

During the last several months, a number of representatives of the American owners have appeared in the District with whom we have co-operated to our mutual advantage. These representatives have been given authority to investigate current operations and facilities and obtain reports of past operations. They have not been allowed to give instructions to the custodians, but we have been glad to obtain from them approval of our past actions and information as to the desires of the American companies for the future development of their interests in Berlin. These visits are much appreciated by us, as it will make much simpler the return of these properties to the American owners' control when such return is authorized.

During the six months period, approximately 300 other properties of Allied and Neutral owners have been taken into custody, many of which are badly damaged or destroyed. They consist largely of apartment houses and dwellings, though they also include small operating businesses, office buildings and furnishings.

Due to the volume of this type of properties, the supervision must be nominal and largely delegated to custodians who are appointed for a large number of such properties. These custodians authorize the

making of minor repairs and make short term leases, but obtain approval for any unusual expenses. Monthly reports are submitted with a cheque for the rents and other income collected less such operating expenses as have been incurred.

An increasing number of claims to this type of properties are being received, and it is anticipated that the bulk of future operations will consist more and more of this type of property.

NSDAP property

Custodians have also been appointed for the properties owned by the NSDAP and affiliated organizations, and also for properties owned by the German Reich. Approximately 1200 Nazi properties have been taken into custody, and approximately 800 Reich owned properties. These properties are operated in the same manner as outlined in the preceding paragraphs and will be held in custody until a decision is reached by the Control Council as to their ultimate disposition.

GROVE R. GINDER
Major, Inf.
Chief, Finance and Property Control

TABLE 1

BERLINER STADTKONTOR—STATISTICS

A. Deposits

as of:	Private Deposits mill. RM	Allied MG. Deposits mill. RM	Total Deposits mill. RM
31 July	156	—	156
31 August	243	57	300
30 September	376	75	451
31 October	570	75	645
30 November	690	75	765
31 December	1028	75	1103

B. Ready Cash

as of:	Cash on Hand mill. RM	Credit Balance on Postal Giro Acct. mill. RM	Total with Ver- rechnungsg- kasse Potsdam mill. RM
31 July			157
31 August	272	6	278
30 September	385	26	411
31 October	479	56	537
30 November	623	4	652
31 December	841	7	939

C. The increase of 679 million RM in cash on hand from 1 Aug. to 31 Dec. 1945 is accounted for as indicated below:—

Allied Deposits	10.5%	of total increase
Tax Offices	10.9%	
Public Utilities	30.2%	
Savings Banks & Insurance Cies	20.9%	
Trade & Industry, Private Accts.	27.5%	
	100.0%	

D. The amount of 841 million RM of Cash on hand as of 31 Dec. 1945 is composed of as below:—

Reichsbanknotes	777,000,000	RM
Rentenmarknotes	10,000,000	M
Allied Mil. Marks	51,000,000	M
Coins	3,000,000	M
	<u>841,000,000</u>	RM

E. Damaged Banknotes (retired from circulation) as of 31 Dec. 1945:—

Reichsbanknotes	37,793,000	RM
Rentenmarknotes	3,628,285	M
Allied Military Marks	214,951	M
	<u>41,636,236</u>	RM

F. Unfinished Banknotes (retired from circulation without redemption)

	May — August RM	Sept. RM	Oct. RM	Nov. RM	Dec. RM	Total RM
5	1980	2550	6605	6830	8375	26340
10	40	150	510	80	140	920
20	106400	106220	104260	85240	75640	477760
50	34150	98900	67450	70350	54800	325650
100	—	1200	1300	300	700	3500
	<u>142570</u>	<u>209020</u>	<u>180125</u>	<u>162800</u>	<u>139655</u>	<u>834170</u>

G. Giro-Transactions

1. in Berlin

	August mill. RM	Sept mill. RM	Oct mill. RM	Nov mill. RM	Dec mill. RM
Transactions between accounts in the same branch bank	123	221	572	347	704
Transactions between accounts in separate branch banks	274	267	375	591	532
Total	<u>397</u>	<u>488</u>	<u>947</u>	<u>938</u>	<u>1236</u>

2. Between Berlin and the Russian occupied zone through Bankenverrechnungsstelle Potsdam

in the month of:	Number of transactions	Total amount of transactions (million RM)
October	1277	42.1
November	4264	58.9
December	6055	255.0

H. Number of Giro-Transactions in Berlin

	August	Sept.	Oct.	Nov.	Dec.
Transactions between accounts in the same branch bank	18137	30379	58566	61641	59894
Transactions between accounts in separate branch banks	15667	16144	22439	30118	29664
Total	<u>33804</u>	<u>46523</u>	<u>81005</u>	<u>91759</u>	<u>89558</u>

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[unclear] [unclear]

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Authority MM 968095
By WMB NARA Date 9/1/00

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Authority EO 10501
By JA NARA Date 8/17

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PROPERTY
CONTROL

21

MILITARY GOVERNMENT

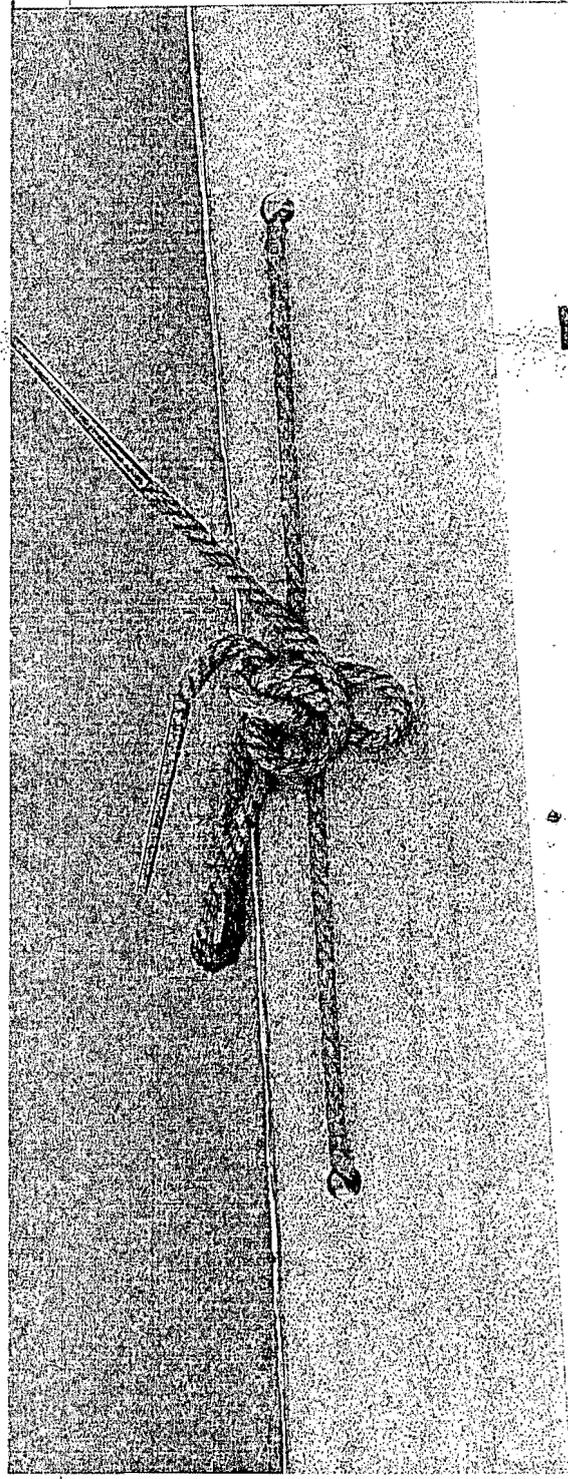
GERMANY

FINANCIAL AND PROPERTY
CONTROL
TECHNICAL MANUAL

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 Authority EO 10501
 By JA NARA Date 8/17

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(D) Additional Space.

7. If Form MGAF (1) provides insufficient space for any particular item, the person filing the report will attach such extra sheets as are necessary. The extra sheets should be numbered and should make proper reference to the item and paragraph for which extra space is needed. There should be a notation on the Form at the proper place stating that additional information is being reported on "Extra Page No."

(E) Affidavit.

8. (a) The form and affidavit may be executed on behalf of a partnership by any one of the partners, or more if available, and all partners shall be bound thereby. The form and affidavit may be executed on behalf of any other organization by any one official, or more if available, and such organization shall be bound thereby.

(b) One affidavit may be used to verify any number of forms of the same kind, provided that such forms are numbered consecutively, that the numbers are referred to in the affidavit and that all such forms are attached to and submitted with the affidavit.

(F) Penalties.

9. Any person failing to submit a report in accordance with Military Government Law No. 52 and these instructions or who omits any required fact or statement, or who makes any misleading, incomplete or false statement in such report shall, upon conviction by a Military Government Court, be liable to any lawful punishment such Court may determine.

(G) Preparing the Report.

10. Care should be taken that all entries are typewritten or printed and clear and legible and in their proper spaces. All spaces in the report must be properly filled in. If no property exists in a certain category, write the word "none" in the proper space. Reports not found to be in proper form or lacking in essential details shall not be deemed to have been filed.

11. Date: The dates the report is prepared and the affidavit is sworn to should be entered in the proper blank spaces.

12. Part I—Person Making the Report.

(a) Name: Enter here the full name of the person preparing the report. In the case of individuals, all former names and aliases must also be given, and the family name given first. In the case of organizations, all trade or style names by which the organization has been known must be given.

(b) Addresses: Give the complete address including number, street, and town.

(c) Business, Profession or Occupation: Be specific.

(d) Citizen of or organized under the laws of.....
 In the case of an individual, enter the country of which the individual is a citizen. An individual deprived of citizenship will be reported as being a citizen of the country of which he was a citizen before the cancellation. In the case of business or other organizations, enter the name of the country or countries under the laws of which they were organized or where their respective principal offices are

located. In addition, whenever interest is held in a country other than that in which the organization was formed, the interest should be reported in the country.

(e) Personal Identity Card Number: Enter the number of the identity card in this space.

(f) Blocked pursuant to Law No. 5: Enter the number of the particular clauses of Articles 1 and 2 of the Law No. 5 of 1935 under which property mentioned has been blocked pursuant to Art. I, paragraph 1, of the Law.

Where a person has been blocked pursuant to Art. I, paragraph 1, of the Law, reference should be made to the proper clause thereof. For example, "Blocked pursuant to German Reichstag in 1935 under the Law No. 5, General Order No. 1 under Item 20."

All cases of blocking by special means, such as by Government, telegrams or letters, or by other special means, should be reported by M.G. pursuant to list (a) of the Law No. 5 of 1935.

Whenever property of an individual is blocked by a Military Government Order, the person submitting the report should state: "Blocked by verbal order of [Name] dated.....194...at [city or town]."

13. Part II—Owner of Property Reporting: Attention is directed to the fact that only his own property will be reported on Form MGAF (1). Where a person is reporting property, Part II will be utilized.

(a) Name: See Part I (a) above.

(b) Address: See Part I (b) above.

(c) Business, Profession, or Occupation: See Part I (c) above (Paragraph 12).

(d) Citizen of or organized under the laws of: See Part I (d) above (Paragraph 12).

(e) Relationship between person reporting and owner of property: Enter the relationship, as agent, wife, shareholder, etc.

(f) Property blocked pursuant to Law No. 5: See Part I (f) above (Paragraph 12).

(g) Personal Identity Card Number: Enter the number of the identity card in this space (Paragraph 12).

14. Part III—Summary Schedule

(a) Only Column (c) of this schedule should be filled in the information regarding the types of property described below. After having read the

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provides insufficient space for any particular report will attach such extra sheets as are sets should be numbered and should make m and paragraph for which extra space is a notation on the Form at the proper onal information is being reported on

affidavit may be executed on behalf of a of the partners, or more if available, and d thereby. The form and affidavit may any other organization by any one official, such organization shall be bound thereby. be used to verify any number of forms of that such forms are numbered consecu- are referred to in the affidavit and that all o and submitted with the affidavit.

to submit a report in accordance with w No. 52 and these instructions or who r statement, or who makes any misleading, ment in such report shall, upon conviction t Court, be liable to any lawful punishment e.

ort. taken that all entries are typewritten or ible and in their proper spaces. All spaces operly filled in. If no property exists in a the word "none" in the proper space. in proper form or lacking in essential details ave been filed.

the report is prepared and the affidavit is ed in the proper blank spaces.

Making the Report.

re the full name of the person preparing the ase of individuals, all former names and be given, and the family name given first. rganizations, all trade or style names by zation has been known must be given.

the complete address including number,

on or Occupation : Be specific.

rganized under the laws of..... n individual, enter the country of which s a citizen. An individual deprived of e reported as being a citizen of the country a citizen before the cancellation. In the or other organizations, enter the name of untries under the laws of which they were ere their respective principal offices are

located. In addition, whenever the controlling ownership interest is held in a country other than the country under which the organization was formed, give the name of such country.

(e) Personal Identity Card Number : Enter proper number of identity card in this space.

(f) Blocked pursuant to Law No. 52 because : Here enter the particular clauses of Articles I and II under which the property mentioned has been blocked. Thus, the property of an absent American citizen would be reported as being blocked pursuant to Art. I, para. 1 (f).

Where a person has been blocked specifically by General Order No. 1, reference should be made to said Order and the proper clause thereof. For example, a member of the German Reichstag in 1935 would be reported here as : " General Order No. 1 under M.G. Law No. 52, "Section II, Item 20."

All cases of blocking by special lists issued by Military Government, telegrams or letters sent by Military Government or by other special means will be reported : " Blocked by M.G. pursuant to list (letter or telegram), dated, 194...."

Whenever property of an individual, organization or institution is blocked by a Military Government Officer's verbal order, the person submitting the report will note : " Blocked by verbal order of, dated:, 194.. at, (city or town)."

13. Part II—*Owner of Property reported if different from person making report.*—Attention is directed to the fact that a person reporting only his own property will not fill in Part II of Form MGAF (1). Where a person is reporting some other person's property, Part II will be utilized.

(a) Name : See Part I (a) above (Paragraph 12).

(b) Address : See Part I (b) above (Paragraph 12).

(c) Business, Profession, or Occupation : See Part I (c) above (Paragraph 12).

(d) Citizen of or organized under the laws of..... : See Part I (d) above (Paragraph 12).

(e) Relationship between person making report and person whose property is reported : Enter here the exact relationship, as agent, wife, shareholder, trustee, nominee, custodian, etc.

(f) Property blocked pursuant to Law No. 52 because : See Part I (f) above (Paragraph 12).

(g) Personal Identity Card Number : See Part I (e) above (Paragraph 12).

14. Part III—*Summary Schedule of Property* :—

(a) Only Column (c) of this schedule is to be filled in. Before filling in the information required, read carefully the various types of property described in Paragraphs 15 through 23 below. After having read these paragraphs, fill in Column (c)

Box
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Entry
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DECLASSIFIED
E.O. 10501
MAY 24 1977
MARIA DATE 8/17

DECLASSIFIED
 Authority MM968095
 By W30 NARA Date 9/1/00

RG 466
 Entry 160A re Distribution of Property under Law 59
 File 254.2 Restitution Hesse
 Box 4

2079

Form HICOG-8
 (15 Sept 49)

OFFICE OF THE U.S. HIGH COMMISSIONER FOR GERMANY

OFFICE MEMORANDUM

To: E/PY, IRSB, Bad Nauheim - Mr. Laks
 From: E/PY, IRSB, Wiesbaden - ^{Jey}Mr. Yager
 Subject: Conversion Ratio of 10 : 1

Date: April 28, 1950

Attached are two reports, one from the Ministry of Justice for Wuerttemberg-Baden, and the other from the Land Central Office in Wiesbaden with appropriate reports on the conversion ratio 10:1 as applied in Military Government Law No. 59. Neither report is satisfactory to the extent that specific cases are stated and this matter is covered only generally. Both reports state that the files are not available as those cases where amicable settlements failed due to the conversion ratio have been forwarded to the Restitution Chamber.

It is proposed that the attorney advisor make a thorough study of individual cases once he has become acquainted with Military Government Law No. 59 and report on specific cases where the conversion ratio was responsible for a failure to reach an amicable settlement between parties.

2 Encls: a/s

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 42,
 43

IRSB L.E.Yager:is

DECLASSIFIED

Authority MM 968095By W33 NARA Date 9/1/66

RG

466

Entry

160A re Restitution
of Property under Law
59

File

254.2 Restitution
Hesse

Box

4

TranslationProperty Control and Restitution Agency
Restitution Branch

Wiesbaden 25 April 1950

Li/M

TO: Landesamt für Vermögenskontrolle und
Wiedergutmachung in Hessen
Z.Hd. Herrn Reg.Dir.Dr. Weißstein
Wiesbaden-Biebrich, Biebricherallee 142

Subject: Effects of Currency Reform on Willingness of the Parties
concerned to conclude amicable settlements.

Re: Telephone request of 21 April 1950

Reference is made to the telephone conversation held with
Regierungsdirektor Dr. Weißstein concerning subject matter.

Inasmuch as any files pertaining to cases where amicable
settlement negotiations have failed were transmitted to the Restitution
Chamber at Landgericht Frankfurt a.M., this office regrets not be in a
position to place at your disposal those records on restitution cases
which might be of special interest when considering subject question.
Another fact is that due to the short dated time limit set for submission
of this report this office is not in a position to pick out of the very
voluminous records still available at this office any specific case
which might be of any importance in this connection or to make any
quotations therefrom. Therefore, this office must restrict itself to
stating its experiences made concerning the problem "Currency Reform
and Willingness of Parties concerned to conclude Amicable Settlements"
in a few sentences.

The principles generally established by both Restitution Chambers
and Senates concerning conversion according to which in those cases where
retransfer of a property, especially of a real estate, is involved, the
restitutee is required to refund to the restitutor the purchase price
received, any improvements and amortization of mortgages, including even
prepaid house taxes, but at the ratio of 10:1, do not meet with any under-
standing on the part of restitutors. Consequently, in order to avoid that
practice which they consider a hardship restitutors are not willing to
retransfer any properties and prefer to retain same even in those cases
where unprofitable real estates are involved. In order to attain that
end they must meet to a large extent the interests of the restitutes
concerning the amount of compensation to be paid. The restitutors are
compelled to take that attitude even the more so since, as a general rule,
most of the restitutes who are residing abroad and are hoping for a
transfer possibility to come into existence within a foreseeable time
and who are, therefore, prepared to waive retransfer of their property,
are not willing to content themselves with an additional payment as
provided for in Article 16 unter MG Law 59 but claim a compensation
payment which is supposed to place them in the same status as if they
had been retransferred their property, especially real estate, minus the
refund of purchase price received etc. converted at a ratio of 10:1.
Where that claim cannot be met by the restitutor due to his financial
situation, as is the case in most instances, amicable settlement
negotiations have failed in spite of the restitutee being willing in
principle to have the restitutor retain the property.

In cases of that nature the restitutor disregarding the costs arising
to him in this connection prefers to take the risk to carry through
proceedings before courts of all instances since he is of the
pinion that future jurisdiction will take a view more favorable
to him concerning subject problem of conversion.

/s/ Linkert.

134631

DECLASSIFIED

Authority MM 968095
By W33 NARA Date 9/1/00

RG

466

Entry

160A re Distribution
of Property under Law

File

254.2 Requisition
Memo

Box

4

**Landesamt für Vermögenskontrolle
und Wiedergutmachung**
Abt. Wiedergutmachung

Wiesbaden, den 25. April 1950

Friedrichstraße 49
Tel. Nr. 27017

Ei./M.

Aktenzeichen: -----

(Bitte bei allen Eingaben obiges
Aktenzeichen angeben.)An das
Landesamt für Vermögenskontrolle
und Wiedergutmachung in Hessen
z. Hd. Herrn Reg. Dir. Dr. Weißstein
Wb.-Biebrich-Biebricherallee 142Landesamt für Vermögenskontrolle
und Wiedergutmachung

Eing. 25 APR. 1950

An

Betr.: Auswirkung der Währungsumstellung auf Vergleichsbereitschaft
der ParteienBezug: Fernmündliche Berichtsanforderung vom 21.4.1950Auf die mit Herrn Reg. Direktor Dr. Weißstein hierüber gehabte fernmünd-
liche Rücksprache wird Bezug genommen.

Das Amt Wiesbaden bedauert die gewünschten Verfahrensakten, die für die hier in Rede stehenden Fragen besonders aufschlussreich sind, nicht zur Verfügung stellen zu können, da diese Akten nach dem Scheitern der Vergleichsverhandlungen an die Wiedergutmachungskammer beim Landgericht Frankfurt-Main abgegeben worden sind. Hinzu kommt, dass es die Kürze der für die Berichterstattung gestellte Frist nicht gestattet, aus dem sehr umfangreichen noch beim Amt befindlichen Aktenmaterial den einen oder anderen Fall, der in diesem Zusammenhang von Bedeutung sein könnte, herauszusuchen, oder den Akteninhalt auszugsweise wiederzugeben. Das Amt muss sich daher darauf beschränken, nachstehend seine dem Problem "Währungsumstellung und Vergleichsbereitschaft" gemachten Erfahrungen in einigen Sätzen darzulegen.

+ mit

Die von der herrschenden Praxis der Wiedergutmachungskammern- und senate angewandten Umstellungsgrundsätze, wonach bei Rückgabe des Vermögenswertes, insbesondere Grundstückes, der Berechtigte den zu seiner Verfügung gelangten Kaufpreis, dergleichen die Verwendungen, aber auch die Hypothekentilgungen, ja neuerdings selbst die Hauszinssteuer-Ablösungen nur im Verhältnis 10:1 umgestellt zurückzuerstatten braucht, finden bei den Rückerstattungspflichtigen kein Verständnis. Die Folge davon ist, dass sie, um diese nach ihrer Ansicht unbillige Härte nicht zu spüren zu bekommen, von einer Rückübertragung der Vermögenswerte nichts wissen und selbst bei unrentablen Grundstücken diese behalten wollen. Um das zu erreichen, müssen sie bei der Bemessung der Ausgleichszahlung dem Rückerstattungsberechtigten sehr weitgehende Zugeständnisse machen. Hierzu sehen sich die Verpflichteten umso mehr gezwungen, weil sich die meisten im Ausland befindlichen Antragsteller, die in der Hoffnung auf eine sich in absehbarer Zeit bietende Transfermöglichkeit auf eine Rückgabe des Objektes zu verzichten bereit sind, regelmässig nicht etwa nur mit der im Artikel 16 REG vorgesehenen Nachzahlung begnügen, sondern eine Ausgleichssumme fordern, die sie etwa so stellen sollen, als wenn sie den Vermögenswert, insbesondere das Grundstück abzüglich der im Verhältnis 10:1 umzustellenden Gegenleistung für empfangenen Kaufpreis usw. zurückerhielten. Übersteigt diese Forderung die wirtschaftliche Leistungsfähigkeit des Rückerstattungspflichtigen - und das ist meistens der Fall - dann scheitern die Vergleichsverhandlungen trotz der grundsätzlichen Bereitschaft des Berechtigten, dem Rückerstattungspflichtigen das Rückerstattungsobjekt zu belassen.

124682

-2-

DECLASSIFIED

Authority MD968095By Wish NARA Date 9/1/00

RG

466

Entry

160A re Restitution
of Property under Law
59

File

254.2 Restitution
Hemo

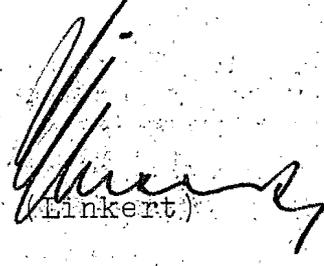
Box

4

- 2 -

Der Rückerstattungspflichtige nimmt in solchen Fällen lieber ungeachtet der damit verbundenen Kostenlast das Risiko auf sich, das Verfahren in allen Instanzen durchzuführen, weil er von der Vorstellung beherrscht ist, dass die künftige Rechtsprechung in der hier erörterten Währungsumstellungsfrage eine für ihn günstigere Entwicklung nehmen wird.

I.V.


(Linkert)

124083

DECLASSIFIED

Authority MN 968095
By W33 NARA Date 9/1/00

RG

466

Entry

160A re Partition
of Property under Law
59

File

254.2 Restitution
Hesse

Box

4

TranslationProperty Control and Restitution Agency
Restitution Branch

Frankfurt a.M., 21 April 1950

TO: Landesamt für Vermögenskontrolle
und Wiedergutmachung,
Wiesbaden
Biebricher Allee 142Subject: Report on typical cases where conclusion of an amicable
settlement has failed due to the question as to whether
the payments to be effected by the parties concerned
should be converted at the ratio 1:1 or 1:10

Re: To-day's telephone call by Regierungsdirektor Dr. Weißstein

Following to-day's telephone conversation with Dr. Weißstein I inform you of the fact that any typical cases of the aforementioned nature cannot be ascertained here at this moment. Due to the short time I have yet been employed in this office I am lacking the necessary insight into this matter. Another fact is that any records of cases where conclusion of an amicable settlement was not possible are no longer available at this office since the pertaining files were transmitted to the Restitution Chamber of the Landgericht. However, after having discussed the matter with Dr. Lindsiepe and Mr. Heumann who have been employed in this office already for quite some time I am in a position to state the following:

Except for those few cases where conclusion of an amicable settlement failed due to the fundamental question as to whether or not the case constituted at all an act of confiscation, the question of conversion was decisive in 9 out of 10 cases which otherwise might have been settled by means of an amicable settlement. The conversion problem refers almost exclusively to cases where restitution of a real estate is involved. Any cases of that nature practically involve but the fundamental question as to whether the restitutee is to be retransferred the real estate concerned and to repay to the restitutor a certain amount or whether, on the other hand, the restitutor is to retain the property and to make to the restitutee an additional payment. It may be said that in any case where conclusion of an amicable settlement was not possible the parties concerned failed to come to an agreement as to the amount to be paid by either party and that such failure was mainly due to the problem as to whether a conversion rate of 1:1 or 10:1 was applicable.

/s/ Arndt.

124684

DECLASSIFIED

Authority MM 968095
By W33 NARA Date 9/1/00RG 466
Entry 160A re Restitution
File 254.2 Restitution
Box 4AMT FÜR VERMÖGENSKONTROLLE
UND WIEDERGUTMACHTUNG FRANKFURT/M.

Property Control and Restitution Agency

Abt. Wiedergutmachung

An das

Landesamt für Vermögenskontrolle
und Wiedergutmachung in Hessen,

Wiesbaden - Biebrich

Biebricher Allee 142Frankfurt am Main,
Bockenheimer Anlage 36
Fernsprecher 5 42 47 - 4921. April
1950DIKTAT ZEICHEN:
A/mu
(in der Antwort anzugeben)Landesamt f. Vermögenskontrolle
und Wiedergutmachung
Eing. 22 APR. 1950
An III

Betr.: Bericht über typische Fälle, in denen ein Vergleich an der Frage gescheitert ist, ob die gegenseitigen Leistungen 1 : 1 oder 1 : 10 umzuwerten sind.

Bezug: Heutiger telefonischer Anruf des Herrn Regierungsdirektors Dr. Weißstein

Gemäß der heute mit Herrn Regierungsdirektor Dr. Weißstein gehaltenen telefonischen Unterredung berichte ich, dass typische Fälle im Sinne des obigen Betreffs hier im Augenblick nicht festzustellen sind. Mir selbst fehlt infolge meiner erst kurzen Beschäftigung im hiesigen Amte der erforderliche Überblick. Hinzu kommt, dass diejenigen Akten des Amtes, in denen ein Vergleich gescheitert ist, hier nicht mehr vorliegen, weil die Akten an die Wiedergutmachungskammer des Landgerichts abgegeben worden sind. Es lässt sich aber nach Rücksprache auch mit den schon länger hier beschäftigten Herren Dr. Lindsiepe und Heumann folgendes sagen:

Für Abgesehen von den wenigen Fällen, in denen ein Vergleich an der Grundfrage scheiterte, ob überhaupt ein Entziehungsfall vorliegt, sind die Vergleiche zu etwa 9/10 überhaupt an der Frage der Umwertung gescheitert. Die Frage der Umwertung wird ja fast ausschließlich bei der Rückerstattung von Grundstücken akut. Hierbei kann es sich stets praktisch darum handeln, ob entweder der Antragsteller das Grundstück zurückerhält und an den Antragsgegner einen bestimmten Betrag zurückzahlt, oder ob umgekehrt der Antragsgegner das Grundstück behält und an den Antragsteller dafür einen Betrag nachzahlt. In jedem Falle, in dem es hierbei nicht zu einem Vergleich gekommen ist, lässt sich sagen, dass die Beteiligten sich hinsichtlich des von dem Einen oder Anderen noch zu zahlenden Betrags nicht einigen konnten und zwar lediglich deshalb nicht, weil eben der Hauptstreit darum ging, ob 1 : 1 oder 1 : 10 aufzuwerten war.

Arndt
Arndt

124685

DECLASSIFIED
Authority E.O. 10501
By JA NARA Date 8/17

RG 95
 Entry Property Division
 File Dulles Report
 Box 7

OFFICE OF MILITARY GOVERNMENT FOR HESSE

JFR/atk

APO 633

US Army

Wiesbaden, Germany
 15 December 1948

SUBJECT: Position Holding Possessors of "G" Properties.

TO : Office of Military Government for Germany (US)
 Property Division Property Control and External
 Assets Branch
 APO 633 US Army
 ATTN: Mr. Porter

Attached is a statement of Dr. Stramitzer, Land Civilian
 Agency Head for Land Hesse, in subject matter forwarded to
 you at his request.

Incl.
 a/s

JOHN R. CAIN
 Chief
 Property Control Branch

Telephone:
 Wiesbaden 21341 Ex 364

PROPERTY
 CONTROL

DECLASSIFIED
Authority EO 10501
By JA NARA Date 8/17

RG 260
Entry PROPERTY DIVISION
File DULLES REPORTS
Box 7

13 Dec 1949

TI/1 DRI/AS

RE: U-Verfahren, deren gegenseitige Bewirtschaftung sich
in laufender Stellung befinden.
Bezug: Schriftliche Mitteilung von OIGRS vom 3.12.49
An: Militärregierung für Hessen
Property Division
Property Control Branch

In der Anlage wird ein Statement an OIGRS mit der Bitte
um Kenntnisnahme und sofortige Weiterleitung an OIGRS überreicht.

[Signature]
DR. SCHMITZ
OGAF

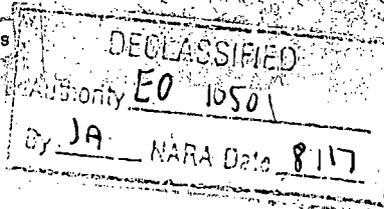
Anlage

SUBJECT: U-Properties (tenant possessors of which
are holding leading positions).
REF: Oral instruction from OIGRS, dated 3 Dec 1949
TO: OIGRS (PROPERTY DIVISION)
PROPERTY CONTROL BRANCH

The enclosed statement is submitted to your office for
information and with the request for immediate transmission to
OIGRS.

[Signature]
DR. SCHMITZ
OGAF

Incl.
2/1



KG 240
 Entry PROPERTY DIVISION
 File DULLES REPORTS
 Box 7

STATEMENT

II/1 DRE/gh

SUBJECT: G Properties present possessors of which are holding leading positions.

RE: Discussion held on 3 Dec 1946 between Mr. Porter and the IGAs of Gaander Bavaria, Wurttemberg-Baden and Hessen.

1. During the aforementioned discussion IGAs were informed of the intention of COMV to issue an instruction letter to the effect that, as a matter of principle, employment of present possessors of G properties in a leading position shall be prohibited. It was agreed that each IGA should submit through the competent IACD a statement to be prepared by the former agency indicating the reasons supporting the fundamentally contrary view taken by the IGAs.

2. Whereas it is the content and objective of MG Law 52 to provide for retransfer of certain illegally confiscated properties located within the US Zone to the restitutees, it is the content and objective of MG Law 52, Art 1, para 2, to ensure that pending final disposition of property taken into custody, such property will be administered in a reasonable way on behalf of the final owner, maintained and, if possible, increased (Title 17-203 and Amendment of Custodian - Title 17-215 Add. and 1 March 1946, para B).

Authority and responsibility for administration of the Property Control program have been transferred to the IGA (MG Law 17-130 and letters issued by Military Government on 1 and 9 April 1946). It is true, however, that by instruction letter issued on 22 May 1946 Land Military Government has reserved to itself the right of supervision and issuance of instructions to the IGA. German agencies are prohibited to carry out Property Control principles of a basic nature. It may be assumed that the term "basic nature" is referring to Military Government regulations Title 17 and all those rules which, in Property Control administration, have proved to be generally necessary or appropriate even without having been specifically laid down in writing.

3. Whereas in 1945/1946 IGA's have applied a very broad interpretation to the term "basic" as mentioned in MG Law 52, Art 1, para 2 and have concluded that term as comprising all formerly Jewish properties, Art 52 et seq. under MG Law 52 meanwhile promulgated have somewhat restricted assumption of Property Control over these properties by establishing the possibility of non-repairable harm as a prerequisite for Property Control action. The decision as to whether or not that prerequisite is to be considered satisfied has been left to the discretion of constitution authorities. Where Property Control measures prescribed under MG Law 52, Art 1, para 2, are involved, IGAs Nos 2 and 3 have delegated the decision upon the necessity of Property Control action to the IGA.

Since decision on the primary problem, i.e. whether or not a certain property should be taken into Property Control custody, has been delegated to the IGA, it may be assumed that the secondary question concerning employment of restitutees and/or restitutors within a property under custody is also falling within the competency of the IGA.

4. As far as this office knows, neither MG Laws 52 and 59 nor MG Law Title 17, its circulars and Policy Letters concern themselves in any way with the employment of former owners and present possessors

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Authority EO 13526

By JA NARA Date 8/17

RG 240
Entry PROPERTY DIVISION

File DECLASSIFIED REPORT

Box 7

by their authorized agents under the management of and supervision by the custodian appointed. Pursuant to the wording prescribed by Military Government the custodians have been given by the custodian appointment "full power of management and direction". That language does imply that, as a matter of principle, the custodians are bound to decide within their own competency upon the employment of parties to the restitution proceedings exclusively in consideration of the question as to the economic advisability of such measures. When making such decision, custodians have at their disposal four different possibilities among which they may choose one in consideration of the merits of the individual case. U.S.G. Among the properties under Property Control custody located in Hesse there are examples for each of the following cases: none, one or the other of the parties concerned or both parties are cooperating in the commercial or technical management of the property. In the opinion of the undersigned USAF it will be possible but in consideration of the merits of the individual case to decide which of those possibilities is to be considered useful and appropriate in the interest of the blocked properties. In almost every instance, especially however in post-war Europe, administering and maintaining properties is a question of elasticity and dynamism which tasks require in any case cooperation of business-men who have initiative and are disposing of first-class sources from where to procure the essential raw materials. In almost any case these qualifications are vested in the organizer who has managed the property for 10 or more years. Any rigid application of fixed rules and any attempt to solve this problem by issuing directives of a general nature are bound to result in damaging the properties concerned. The procedure of generalizing findings made in individual cases and to base on those generalizations orders affecting the properties concerned as a whole, must be considered most inappropriate. Reference is made to the following examples:

- a) A. Hensbagger & Co., Beckwege, formerly Hornberg & Co.
Serial No VG-1971-18, Textile Factory.

The organizer Hensbagger is managing the firm under supervision of the custodian. He is an expert in the textile field hardly to be replaced. Nobody but he is disposing of the connections to the suppliers of raw materials. A managing custodian would hardly be able to purchase the raw materials required. The plant which had been entirely bombed out, has been reconstructed by him 1949/50 and newly equipped. In 1947 a fire destroyed almost the whole place. Hensbagger had the plant reconstructed for a second time and, at present, the value of subject property is exceeding multiplicatively its former value (approx 100% of its 1931 value).

- b) Heese & Richter, Wrexen, formerly Altmann and Kuhnlein
Serial No VG-2122-105, Paper Mill

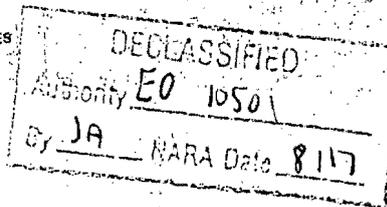
One of the restitutions, Mr. Kuhnlein, has been running the firm since 1945.

- Hansa-Schwarzweber, formerly H. Detschold & Co., Tinsell
Serial No VG-2146-19, Weaving Mill

The grand-daughter of the former owner, Mrs. Al Khatib, has been managing that enterprise since 1945 and has obtained satisfactory economic results.

- c) Vei, Hentze & Co., Wulda
Serial No VG-2143-13, Sait-Cloth Weaving Mill

None of the parties concerned is represented in the firm's management. The custodian has excluded the organizer Khatib from cooperat-



XG
 Entry PROPERTY DIVISION
 File Business Properties
 Box 7

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ion for the reason that Kuno is no expert in the textile business. The former owner, Mrs. Kayser, has died. The custodian himself is not a specialist. First-class professional men do not want to take over that sort of a custodianship for the reason that only a moderate fee and an employment contract providing for daily notice may be allowed; experts hired for such big enterprises are receiving remunerations ten times exceeding that which may be granted by subject enterprise, long-term contracts, and the prospect of a lifetime position. Thus, subject enterprise is not yielding any profits.

a) Cobv. Rhede, Eschwege, formerly L. Brinkmann
Serial No VO-3124-18, Manufacturers of Knitted Goods.

Both Mr. Weyz being the authorized agent of the former owners and Dr. Maynrecht being the representative of the restitutor are cooperating in the firm's management under supervision of the custodian. That cooperation is working smoothly. Whereas the restitutor is making use of his good German connections for procuring raw materials, the restitutor who is now a British subject is preparing the firm's export business. An amicable agreement is to be anticipated. The economic results are good.

5. None of the aforementioned examples may be generalized. The only three conclusions which may safely be taken therefrom are the following:

- a) In order to achieve a reasonable settlement and to obtain the best possible economic results it will be essential to examine each case in consideration of its individual merits;
- b) Since the Custodian Appointment is imposing full responsibility upon the custodian, nobody should force upon him measures inconsistent with his judgment;
- c) Any rigid application of general rules will damage a certain group of properties.

6. In support of the latter statement attention is invited to the well-known fact that Jewish participation in the economy of US Zone has been mainly in the field of trade, small manufacturing and handicraft enterprises and retail businesses rather than in the field of large-scale manufacturing and big business. Forced removal of all aryanizers would not merely result in losses of the individual enterprises concerned but also necessarily in difficulties arising to the economy as a whole. The IAR Gieszen, Mr. Westermann, when asked about this subject, declared that about 30% of the retail trade firms detailed in the city of Gieszen had formerly been owned by Jews and are, therefore, presently subject to Property Control custody. Forced removal of the aryanizers would presumably result in an interruption in the supply of the population. In the present situation of German economy not selling but purchasing is the main issue. In this connection it is pointed out again that it is not an employee of the custodian but exclusively the aryanizer who will be in a position to avail himself of all purchasing possibilities. It should also be born in mind that e.g. in Frankfurt several hundreds of small and smallest shops had been aryanized. These shops are now being operated by the aryanizers and, in any instances, they are assisted by their wives as employees. In most cases the apartments are directly connected with the shop. Where such aryanizer is prohibited to continue operation, such action will necessitate employment of another person, if possible, an expert, and payment of a salary to same. Such employee whose payment would draw additional funds from the property concerned would hardly be interested in caring for the firm's reconstruction.

DECLASSIFIED
 Authority EO 10501
 By JA NARA Date 8/17

RG 240
 Entry PROPERTY DIVISION
 File DULLES REPORTS
 Box 7

- 4 -

and improvement and for the removal of bomb damages. Contrary to the present order, such employee would probably insist on an 8-hour working day. Moreover, it might be found difficult to exercise a control over him, and he would probably conclude transactions to his own profit. The property would also have to be charged with the personal expenses of the owner forcibly removed from his position, which expenses would have to be paid by virtue of General Licence No 1. Since in cases of that nature German public welfare authorities are refusing to grant any subsidy, it will not be possible to deny the owners payment of these expenses. Last not least, attention is invited to the fact that according to information received from OAB Frankfurt/Main, Dr. Helmholz, execution of that measure would practically be impossible at all due to such large number of unengaged persons not being available.

Furthermore, juristic persons would also have to be considered in this connection. Analogous to the measures contemplated concerning private firms the working elements of corporations (board of management of AGs, managers of GmbHs, board of directors) appointed by the aryanizers who, in cases of that nature, are holding the majority or all shares in the corporations concerned, would have to be removed and replaced by entirely impartial persons.

7. On the basis of their practical experiences made in the field of administration of properties, and of their thorough knowledge of German economic conditions LGAs of the GC Zons are raising, for the aforementioned reasons, their most severe objections against the contemplated schematic settlement. Moreover, the procedure of assigning generally rights in the administration of properties to one party only is considered inappropriate by the LGAs. The restitutee should neither be permitted to veto the employment of the aryanizer nor be required to authorize such cooperation, quite apart from the fact that due to the whereabouts of the restitutee not being known in most instances it will not be possible to obtain his comments. Thus, the fact that the custodian is solely responsible for the property should result in excluding third parties being assigned the right to influence decisively its administration. Administration of properties is a prosaic economic task. General elimination from cooperation or the requirement of having one party approve employment of the other constitute, in view of the present still tense atmosphere, a measure which does not take into account economic necessities.

8. The LGAA for the Land Hesse, therefore, requests for considering the following proposition:

- a) the custodian of a G property must be impartial and personally disinterested in the property;
- b) the parties to the restitution proceedings are to be excluded from cooperations in leading positions unless cogent reasons of an economic nature render such measure necessary;
- c) exemptions from the rule laid down in para b), above, will be applied for in writing by the custodian stating reasons for such application and will be examined in each individual case by the LGAA office;
- d) the LGAA will state his approval in writing concerning each individual case.

If a decision along the lines of the above suggestions should not be rendered, it is requested to make, prior to issuing a general decision, practical experiments by removing some aryanizers from their positions held in outstanding enterprises, and to render a final decision inconsistent with the view taken by the LGAA but after experiences deriving from those removals will be available.

DECLASSIFIED	RG <u>260</u>
Authority <u>EO 10501</u>	Entry <u>PROPERTY DIVISION</u>
By <u>JA</u> NARA Date <u>8/17</u>	File <u>DWELLIS REPORT</u>
	Box <u>7</u>

- 5 -

9. Finally, it is pointed out that removal of presumably ten thousands of Aryans from their positions held in blocked properties will probably result in severely impeding the supply of the population in the US Zone.

Wiesbaden, 13 Dec 1948

Thaus
 DR. STRAUSS
 LGAR

DECLASSIFIED

Authority MM968095By W3D NARA Date 9/1/00

RG

260

Entry

PROPERTY CONTROL
DIVISION

File

PH-129

Box

11

2 July 1949

Dr. Ludwig Erhard
Der Direktor der
Wirtschaftlichen Verwaltung
des Vereinigten Wirtschaftsgebietes
Frankfurt a.M.-Hochst

Dear Dr. Erhard:

Thank you for your letter of 20 June 1949 pertaining to the removal of certain directors of the Rosenthal Porcelain A.G. An investigation of the situation pointed out in your letter was immediately undertaken. It appears that the Property Control authorities in Bavaria operated in conformance with Military Government policy. As you know, the property in question has been retained by certain Rosenthal heirs under Military Government Law No. 59. In such instances Military Government policy provides that an impartial management shall be established pending the outcome of the restitution case before restitution authorities.

Paragraph 14 of Property Control Circular No. 1 dated 3 January 1949 clearly prohibits the employment of such persons in the firm where they act as owners unless:

- (1) such employment is deemed absolutely essential in the management of a business; and
- (2) written consent to such employment has been given by a claimant or petitioner under Military Government Law No. 59.

In this particular instance three of the four persons involved appear to be acting in an advisory capacity with very little demand being made on their time and the claimant has violently objected to their retention. Even in the absence of additional circumstances these facts would have required the action taken by Property Control. In this particular case the discharged management has emphasized the need for their removal by ultra vires acts in failure to obtain the custodian's approval of expenditures and acts outside the regular course of business.

After my review of the case I can certainly appreciate your interest, but under the circumstances do not feel justified in interfering. Your point regarding the necessity of keeping production at a high level is well taken.

PROPERTY
CONTROL

54

124693

DECLASSIFIED

Authority MM 968095By W3B NARA Date 5/1/00

RG

260

Entry

PROPERTY CONTROL
DIVISION

File

PH-129

Box

11

I am happy to say, however, that I have reason to believe the custodian will do everything possible pending the final outcome of the case to see that the high standards of the Rosenthal establishment are maintained.

Thank you for calling this matter to my attention. I hope you understand Military Government's desire for impartiality in such proceedings.

Very truly yours,

L. WILKINSON
Economic Advisor

DECLASSIFIED
Authority E.O. 10501
By JA NARA Date 8/17

Entry 766
File PROPERTY CONTROL
Box 6

PROPERTY CONTROL

MM/is

*Present
unfair practices*

MEMORANDUM

28 April 1949

SUBJECT: Analysis of Investigation Reports in Connection with
Military Government Law No. 59 and Recommended Action

TO : Property Division, GMRB
APO 742, U. S. Army

Attn: Mr. Cassoday

1. Attached hereto are the following reports:

- a. Summary of a report on activities of Dr. Werner Feiser.
TAB A with Exhibits 1, 2 and 3;
- b. Report on activities of JRSC which did not conform with
instructions of this office.
TAB B with Exhibits 1, 2, 3 and 4;
- c. Summary report on the activities of Dr. Auerbach as
General Attorney for persecutees.
TAB C with Exhibits 1 and 2;
- d. Report on the Background of Dr. Endres, Head of the
Land Central Office for Restitution in Bavaria.
TAB D with Annexes 1 thru 20.

2. Review of the report on Dr. Werner Feiser reveals that aside from aspects such as bribery and black marketeering, the Feiser case indicates a striking weakness on the part of the German authorities and in particular the German Property Control authorities. Without Military Government authorization or assistance, Feiser succeeded in obtaining the fullest cooperation from these authorities, mainly by impressing them with the fact that he was the representative of a powerful Jewish organization.

3. Though the facts are entirely different from those of the Feiser case, examination of the reports on JRSC and Dr. Auerbach also discloses elements of weakness on the part of the German authorities; otherwise Land Central Offices could not possibly have consented to comply, without Military Government authorization, with JRSC requests as outlined in the

DECLASSIFIED	
Authority	EO 10501
By	JA NARA Date 8/17

RG 466
 Entry PROPERTY OFFICE
 File LEONIE (1949)
 Box 6

"Analysis of Investigation Reports in Connection with
 MG Law No. 59 and Recommended Action", dtd 28 Apr 1949

4. The report on Dr. Sebastian Endres was compiled by a Property Controller and some of the statements contained therein may need verification. In view of the fact that Endres is a key official of the Bavarian Government, it was agreed that this report will be turned over by your office to the Civil Administration Division, CAGUS, for further action and that, until a decision has been reached by CAD, this office will take no action with regard to the Endres case.

5. If the allegations contained in the report or even part thereof are found to be true, speedy action is indicated in order to avoid serious criticism. A man who, according to the report, organized a firm, geared it to war production and employed slave laborers whose drastic punishment he condoned if not encouraged, seems hardly the proper person to head a Land Central Office for Restitution.

6. Moreover, if the charges against Endres are found to be correct, the Endres case may well be taken as a warning that the personnel selected for key positions by the German authorities, may not always meet the standards expected by Military Government to guarantee an impartial administration of the Law.

7. In conclusion of the above, it appears that Military Government in its supervision of the Restitution Program must guard against the possibility that powerful and influential persons or groups of persons acting in connection with the Program do not impede its impartial administration. On the other hand, even the possibility that key personnel charged with the administration of the Program, have been part of the group of persons who are initially responsible for the wrongs which made promulgation of Military Government Law No. 59 necessary, seems to be sufficient reason for action. It is, therefore, deemed of the utmost importance that the Minister Presidents, who are immediately responsible for the proper administration of the Program, be advised that the retention of officials whose impartiality in the administration or execution of the law is, in any degree, subject to question, is in conflict with Military Government policies.

4 Incls: TABS A, B, C and
 D w/annexes a/s

FRED E. HARTZSCH
 Chief

Tel: WESBADEN 21341
 Ext 429

124696

PROPERTY

CONTROL

74

76

DECLASSIFIED

Authority MM968095By W30 NARA Date 9/1/00

RG

260

Entry

PROPERTY CONTROL
DIVISION

File

LAWS9-Filing
DEADLINE

Box

11

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)

Property Division

APO 742

Berlin, Germany.

4 November 1948

MEMORANDUM TO GENERAL CLAY

SUBJECT: Consideration of Cut-off Date for Filing Claims under the Restitution Law

1. We have continually, during the last six months, received letters asking that the time for filing claims under the Restitution Law be extended, giving, in many cases, very compelling reasons. The tempo of these letters has stepped up recently, and it is fully expected that very shortly pressure from all sides will commence, because of the fact that only two months remain. JRSC has already indicated orally that they feel that it is impossible for them to do a satisfactory job in such a short time.

2. In order that a final decision may be made now, thus saving a great deal of wasted last-minute effort in the week or so before 31 December 1948, Legal Division and Property Division feel that all reasons for and against the extension of the filing date should be considered by you at this time, that a final decision be made, and that Washington be advised so that it can do whatever possible to deal with the question.

3. Reasons against extension of the date:

a. Claimants have had thirteen months to file.

b. The German property owners and the German Economy have already had three and a half years of uncertainty as to titles of property which may be claimed for restitution.

c. Modification as to time of filing will lead to other pressures being exerted for other changes in the law, leading to some of the results encountered in denazification.

d. Military Government desires to have terminated, insofar as possible, before the Occupation Statute becomes effective, those uncertainties and burdens imposed by Military Government on the German people and the German Economy.

e. The elimination of the Property Division and the cutting down of Military Government participation in certain phases of the Occupation would be delayed at least for the time of the extension.

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Authority MM 968095By W3D NARA Date 9/1/00

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File

Box

260

PROPERTY CONTROL
DIVISIONLAW 59 - Filing
DEADLINE

11

4. Reasons in favor of the extension of the filing date:

a. On 1 November 1948, only 11,335 petitions, both complete and incomplete had been filed with the Central Filing Agency. This number is far less than the number which we had expected, although of course two months remain in the filing period.

b. Complaints have been received concerning inadequate publicity in various countries of the world, but there has been nothing to bear this out, other than the remark at "a." above. There is nothing further that OIGUS can do about this, since we have issued press releases, contacted known claimants by mail, and given full information to all military and diplomatic missions in Germany several times. The State Department was likewise requested to circularize all embassies and legations and bring the information to the attention of the governments to which they were accredited, although we understand this was not accomplished in some countries in a way to publicize fully the provisions of the law.

c. The war in Palestine has for some time stopped mail service, but it has now been resumed.

d. Individual lawyers and the JRSO find themselves in the position of trying to get sufficient information concerning the many claims which they are handling within a period which makes it almost physically impossible. Part of this can, of course, be attributed to the late start that JRSO had and the fact that some individual attorneys have only recently received the claims.

e. Under the provisions of the law, the JRSO may claim all unclaimed Jewish property, unless a written waiver of a claim is delivered before 31 December 1948. An informal opinion of a recent visitor from the War Department was that JRSO would profit at the expense of individual claimants who had not yet even heard of the law and that the extension would, therefore, be advisable, as a matter of justice to the true claimant.

f. An extension of time would bring us more nearly in line with the other occupation powers, since the French have extended their deadline until some time in May 1949, and the British, still without a restitution law, have extended the time for filing claims under General Order No. 10 until December 1949, but there appears to be no possibility of uniformity on other points.

5. The granting of an extension would relieve Military Government and the Restitution Agencies of certain criticism which results from refusals to administratively waive certain matters presently required.

DECLASSIFIED

Authority MM968095By W33 NARA Date 9/1/00

RG

260

Entry

PROPERTY CONTROL
DIVISION

File

LAWS-59-Filing
DEADLINE

Box

11

These refusals are interpreted as non-cooperation by Military Government or the Restitution Agencies in solving the problems involved in the waiver. Examples:

a. JRSO has indicated that they feel that additional Military Government legislation must be promulgated which would allow it to file a claim at a later time, in the event that a report by the holder of confiscated property under Article 73 of the law had not been filed.

b. JRSO has already indicated that it expects extraordinary consideration from Military Government and the Restitution Agencies in supplementing the information contained in the minimum claim forms which they are filing to meet the 31 December 1948 deadline.

Any refusals by OMGUS or the Restitution Authorities to grant these or similar requests will probably be termed a sabotage of the purposes of the Restitution Law.

6. RECOMMENDATION: Both the Property Division and the Legal Division recommend that no extension of the deadline be made. Whichever way the decision is made, someone will suffer, and in the carrying out of sound Military Government administration, as well as strengthening our position vis-a-vis the new German provisional government, it is felt that we should not extend the filing period. Upon the premise that this recommendation is accepted, we have prepared the attached cable to Washington, outlining the reasons both for and against such a decision and stating that this is the final decision and they may so inform persons who inquire, giving the reasons therefor. In addition, we have asked in the cable that the State Department again immediately contact all embassies and legations, requesting them to point out to the respective governments to which they are accredited the urgency that their residents and nationals file claims before 31 December 1948. We will take exactly the same steps with respect to the military and diplomatic missions accredited here in Germany.

1 Incl: a/s

Telephone 43684

CONCURRENCE: Legal Division

W. E. McCordy

E. J. Cassoday
E. J. CASSODAY
Deputy Director

JRSO representative has informed me he will not request extension if my recommendation is approved

124699

DECLASSIFIED
Authority: M0968095
By: MSA WPA Date: 5/1/00

RG 466
Entry USH, 2 Commission
File JR50 25701
Box 6

Apr 12, 1950

III - MII - 433
DRW/IR

OFFICE OF THE U.S. HIGH COMMISSIONER FOR GERMANY
Office of Economic Affairs
Property Division
Internal Restitution Supervision Branch
APO 633 U.S. Air Force

Gentlemen:

Re: JR50 frustrating Amicable Settlements
by raising excessive demands

Attached hereto are original reports submitted by
Restitution Agencies Bamstedt, Frankfurt/Main, Wittlar, Fulda,
Siessen, Kassel, Warburg, Offenbach and Kieselbuden.

Attention is specifically invited to the report sub-
mitted by the Bamstedt Restitution Agency. That report indic-
ates that it is presumably the rigidity of JR50 instructions
which in many instances frustrates, or at any rate impedes se-
verely, conclusion of amicable settlements. It is suggested to
examine as to whether it is deemed appropriate to have those
instructions relaxed.

Very respectfully yours,

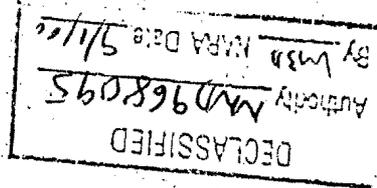
[Handwritten Signature]
Dr. Weinstein
DEGAN

3 Incls: a/n

PROPERTY
CONTROL

81

124700



RG 466
 Entry U.S. & Commission
 File JRSO 257.1
 Box 6

Apr 12, 1950

Translation

AMT FÜR VERMÖGENSKONTROLLE
 UND WIEDERGUTMACHUNG
 D A R M S T A D T

Darmstadt, April 3, 1950

III/Ldgp. Dr. BE/Je
 No 26113

REF: III DRW/IR

Landesamt für Vermögenskontrolle
 und Wiedergutmachung in Hessen
 Wiesbaden-Biebrich
 Biebricher Allee 142

Subject: JRSO Cases

In reply to your inquiry, dtd March 21, 1950 I offer following information:

It is true that in some cases JRSO frustrated, in other cases impeded considerably, the conclusion of amicable settlements. However, in my opinion, this is no fault of the persons employed by JRSO. Both during negotiations held outside this restitution agency and during hearings before this agency in cases of dispute those persons are actually striving to bring about amicable settlements which in many instances involve small properties purchased by people of limited means living in the Odenwald. In my opinion non-conclusion or frustration of amicable settlements is due to the rigid policy instructions which JRSO representatives are receiving from their Nürnberg headquarters or from New York. They fear that their yielding in any point under circumstances requiring such yielding under Art. 779 of Civil Code might result in damaging their personal interests. If those policy instructions would be amended to be somewhat more elastic so as to allow their application to the merits of the individual cases involving minor objects of people of small means, those difficulties would be eliminated immediately. Under the provisions of Art 62, para 3, of MG Law 59 and under the objectives aimed at by Military Government restitution agencies are bound to attempt to reach an amicable settlement by all means before they are authorized to state that the attempt at an amicable settlement has failed or that the parties concerned are so embittered that the futility of such effort is evident. Therefore, this office, disregarding the remark always used by JRSO in its petitions: "Inasmuch as the negotiations carried through outside formal restitution proceedings have failed, setting of a date for hearings with a view to bring about an amicable settlement is deemed unnecessary.", has attempted in any case involving a JRSO petition to reach an amicable settlement through verbal negotiations. During those negotiations it was found that JRSO is too much restricted in its activities by its rigid instructions not allowing that organization to consider the merits of the individual case so that it had been found necessary in many instances to refer trifling matters to the Restitution Chamber. During those negotiations JRSO has often demanded the purchase price not received or usufruct and damages to be converted at the ratio of 1 : 1 even in those cases where currency reform legislation provides for compensations to be converted at the ratio of 10 : 1 or 10 : 2. As a matter of course, application of that rate of conversion is resulting in an increase of the demands.

As to details reference is made to the following cases:

124701

DECLASSIFIED
 AUTHORITY: W 988095
 BY: W 338 WPA Date: 5/1/75

RG 466
 Entry USH, 2 Commission
 File JRSO 257.1
 Box 6

Apr 12, 1950

III - Milt - 135

- 2 -

1. Case W1/Da/A 423, JRSO vs. Mrs. Fischer, widow, and heirs, Langstadt

In that case amicable settlement negotiations failed due to the demand for a subsequent payment of DM 500.- - DM 725.- for a small property seized 63 m², which at the time confiscation had a market value of RM 500.-. That demand was to be considered excessive in consideration of the strained financial status of the poor people of Langstadt.

2. Case W1/Da/A 436, JRSO vs. Schmuoker.

In that case an amicable settlement was not concluded due to the fact that there was a difference of opinion on the standard value. The restitutee referred to a standard value amounting to RM 5,000.- as of 1 Jan 1935, whereas the restitutors stated that on 1 Jan 1949 the property involved had had a standard value of RM 1,200.-. They were prepared to pay a compensation of DM 300.-. That amount was refused; so was return of the property in kind since JRSO wanted an adjudication by the Chamber.

3. Case W1/Da/A 515, JRSO vs. Speyer's heirs.

Amicable settlement negotiations failed. This office had suggested to fix in the amicable settlement the compensation payment at DM 3,000.-. However, the restitutor was prepared to pay DM 1,500.- only. Standard values as of 1 Jan 1935 and 1 Jan 1940 amounted to RM 8,900.- and RM 5,800.- respectively. The market value at the time of confiscation was estimated at RM 5,800.-, whereas the local court had fixed the present market value at DM 7,000.-. According to an expert's opinion prepared by Stadtbaurat a.D. Fischer-Barnicol of Sandhausen near Heidelberg, the average market value is amounting to DM 8,000.-. The property is located at Groß-Bieberau, a small town, where in present days sales of real estate are very few. In this case the destitute situation of the restitutors should be taken into consideration. The restitutor is receiving a monthly pension of DM 110.-. The gross rentals of the dwelling house had amounted to DM 624.- but were reduced to DM 474.- effective 1 April 1950 by order of the Price Control Board. Valuation of the property based on the profits yielded has decreased thereby from DM 7,800.- to DM 5,925.-. JRSO refused to accept both the proposal made by this office providing for a compensation payment of DM 3,000.- and the offer of the restitutor to pay DM 1,500.-. JRSO insisted that the compensation be fixed at DM 8,000.- according to the expert's opinion prepared by Stadtbaurat a.D. Fischer-Barnicol, which certainly was too much. Also in this case the amicable settlement negotiations failed due to JRSO instructions not being elastic enough and the individual representing that organization in the hearings not being authorized to deviate therefrom.

4. Case W1/Da/A 449, JRSO vs. Trautmann

Amicable settlement negotiations failed due to JRSO demanding payment of profits in DMark amounting to 2 % = DM 24.-. According to the statements made by the restitutee, the standard value of the estate seized 55 m², which had formerly been a Jewish women's bath, had been fixed at RM 500.- as of 1 Jan 1935. Finanzamt Michelstadt when investigating the matter has found that no standard value has been fixed at all at present, since such

124702

DECLASSIFIED
Authority EO 10501
By JA NARA Date 8/17

Entry ²⁴⁶⁰
File
Box
PROPERTY DIVISION
LAW 59
15

Same letter to: OMG Hesse
Bremen
Wuertt-Baden

JAP/ems

1 February 1949

SUBJECT: Information Bulletins of the LCRH

TO : Office of Military Government for Bavaria
APO 407, U.S. Army

Attn: Land Property Control Chief

1. It appears that German Authorities are publishing interpretations of various provisions of Military Government Law No. 59 which are contained in the information bulletins of the Land Civilian Agency Head.

2. Information concerning such interpretations are considered essential for a proper execution of the restitution program.

3. It is, therefore, requested that the Land Civilian Agency Head for Bavaria (Bremen, Hesse, Wuerttemberg-Baden) be advised to transmit on a regular basis two (2) copies of their "Mitteilungsblaetter", if possible with an English translation, to the following address:

Office of Military Government for Germany (Oa)
Property Division
Property Control and External Assets Branch
APO 407, Wiesbaden, Germany

Attn: Claims Section

4. We would also appreciate getting a set of the "Mitteilungsblaetter" issued up to this time.

Tel: WIESBADEN 21341
ext 426

FRED M. HARTZSCH
Chief

PC FILE 2/2

PROPERTY
CONTROL

124703

95

P. C.

105

DECLASSIFIED
 AUTHORITY: 560896000
 BY: [unclear] 5/1/75

RG 466
 Entry 160A re Restitution
 of Property under Law 252
 File 252.2 Restitution
 Courts Hesse
 Box 3

Form HICOG-8
 (15 Sept 49)

OFFICE OF THE U. S. HIGH COMMISSIONER FOR GERMANY

OFFICE MEMORANDUM

9

To: IRSB: - Mr. Laks
 From: IRSB - Mr. Yager
 Subject: Restitution Chambers, etc.

Date: January 3, 1950

Attached is the answer from Dr. Weisstein to our letter requesting information on restitution chambers in Land Hesse.

This information has been given to you previously.

Telephone BAD NAUHEIM 2041
 Ext. 234

IRSB: Mr. L. Yager:ew

2 " " " Kassel
 1 " " " Giessen.

Sub-Chambers have not been established.

b) Details concerning the contemplated increase in the number of Chambers may be taken from the following passage in the minutes on the meeting held in Landeshaus, Wiesbaden on 26 October 1949:

"It was agreed that the present number of Chambers should be triplicated to total:

- 5 Chambers in Frankfurt/Main
- 2 Chambers in Kassel
- 2 Chambers in Giessen.

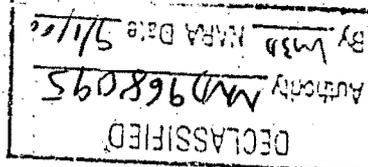
As to the Frankfurt Chambers Dr. Ortweiler suggested that in view of the shortage in office space it might be advisable to establish out of the number of 5 Chambers required one each in Wiesbaden and Darmstadt.

Dr. Kochann pointed out that the number of two Chambers in Kassel would not meet the requirements unless the chairmen would be relieved of any other responsibilities, especially of the obligation to act as deputy chairmen of the jury.

Landgericht directors Dr. Hornef and Schmidt suggested that one of the Chambers contemplated for Giessen be established in Marburg and should have venue for the districts of both Marburg and Limburg.

President of the Senate Dr. Heidenhain stated that the Restitution Senate was not overburdened for the time being. It might be considered sufficient if a third assessor would be assigned to that court."

124704



RG 466
 Entry 160A re Restitution
 of Property under Law
 File 252.2 Restitution
 Courts Hesse
 Box 3

Recd. 20-12 / 244

LANDESAMT FÜR VERMOGENSKONTROLLE
 UND WIEDERGUTMACHTUNG
 IN HESSEN
 LAND CIVILIAN AGENCY HEAD

WIESBADEN-BIEBRICH, den 9 Dec 1949
 Biebricher Allee 142
 FERNRUF: 288 46 / 25639 / 66890 / 66891.
 LCAH 23320

Aktenzeichen: III DRW/gj
 Dikt.-Z.:
 (Bei Antwort bitte angeben)

OFFICE OF THE UNITED STATES HIGH COMMISSIONER
 FOR GERMANY
 Office of Economic Affairs
 Property Division
 Internal Restitution Supervision Branch
 c/o Office of the Land Commissioner for Hesse

Dear Sirs:

RE: Restitution Chambers, etc.,
 Your Letter, dtd 6 Dec 1949.

a) At present there are in existence

3	Restitution Chambers in Frankfurt/Main
2	" " " Kassel
1	" " " Giessen.

Sub-Chambers have not been established.

b) Details concerning the contemplated increase in the number of Chambers may be taken from the following passage in the minutes on the meeting held in Landeshaus, Wiesbaden on 26 October 1949:

"It was agreed that the present number of Chambers should be triplicated to total:

5	Chambers in Frankfurt/Main
2	Chambers in Kassel
2	Chambers in Giessen.

As to the Frankfurt Chambers Dr. Ortweiler suggested that in view of the shortage in office space it might be advisable to establish out of the number of 5 Chambers required one each in Wiesbaden and Darmstadt.

Dr. Kochann pointed out that the number of two Chambers in Kassel would not meet the requirements unless the chairmen would be relieved of any other responsibilities, especially of the obligation to act as deputy chairmen of the jury.

Landgericht directors Dr. Hornef and Schmidt suggested that one of the Chambers contemplated for Giessen be established in Marburg and should have venue for the districts of both Marburg and Limburg.

President of the Senate Dr. Heidenhain stated that the Restitution Senate was not overburdened for the time being. It might be considered sufficient if a third assessor would be assigned to that court."

124705

DECLASSIFIED
 Authority: MD968095
 By: MSB Date: 5/1/00

RG 466
 Entry of Property under Law
 160A re Restitution
 252.2 Restitution
 Courts Hesse
 Box 3

- 2 -

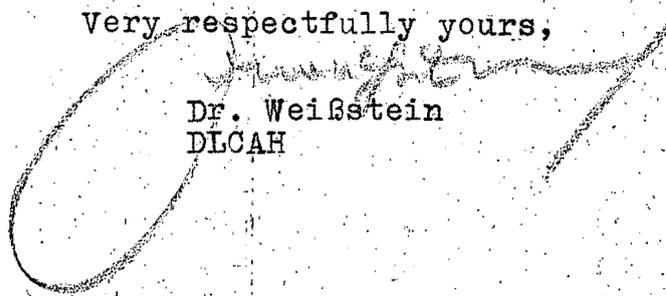
The date such increase in the number of Chambers will be effected cannot be foreseen precisely, inasmuch as the necessity to take such measure will be dependent on the amount of workload.

- c) No other measures have been taken as a result of the aforementioned meeting held recently in Landeshaus Wiesbaden. It will be noted, however, that some difficulties have arisen concerning the personnel to be appointed for the new Chambers. Those difficulties may be taken from the following passage of the aforementioned minutes:

"Ministerialrat Dr. Puttfarcken pointed out that the Ministry of Justice in concurrence with former Military Government had followed up to now the policy that the judges to be employed with Restitution Chambers were to be absolutely clear in political respects. Inasmuch as but a relatively small number of politically clear judges are existing in Hesse and the major part thereof were employed with other courts, e.g. juries, it would be possible to assign to Restitution Chambers but young judges as assessors. Although it is true that those young judges are politically clear, they are lacking the experiences in the economic and human spheres, qualifications necessary and desirable for giving them the authority required towards the parties concerned. For that reason Dr. Puttfarcken requested for information as to whether, in consideration of the relaxation of denazification legislation presently approved and the contemplated distinction between Major Offenders and Offenders on the one side and "Cleared Persons" on the other side, there are any objections against the position of assessors at least being filled with judges whose political incrimination is of a minor nature and who are to be considered qualified both from an ideological and a professional point of view.

The US representatives stated that they were not in a position to give a definite reply to that question although, personally, they had no objections, even the more so since Restitution Law when concerning itself with the staffing of Restitution Chambers, merely provided that one member of the Chamber should belong to the group of persons persecuted for reasons enumerated in Art 1 under MG Law 59."

Very respectfully yours,


 Dr. Weißstein
 DLCAH

124706

PROPERTY
CONTROL

106

DECLASSIFIED	RG 0-60
Authority E.O. 19501	Entry PROPERTY DIVISION
By JA NARA Date 8/17	File LAW 59
	Box 4

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
 Property Division
 Property Control & External Assets Branch
 APO 633
 Wiesbaden, Germany

Report

on the Administration of Military Government Law No 59

"Restitution of Identifiable Property" for the 10 Months Period

Beginning 10 November 1947 until 30 August 1948

by

W. J. Dickman

Deputy Chief

Property Control & External Assets Branch

Property Division, OMGUS, Wiesbaden

DECLASSIFIED	KUG
Authority EO 10501	Entry PROPERTY DIVISION
By JA NARA Date 8/17	File LAW 59
	Box 4

military Government Law No 59 and for the final disposition of restitution cases was done. The Laender have failed in some instances to issue implementing regulations as requested by Military Government. The following is quoted from para 1 of AG letter, dated 18 August 1948, AG 014.1 (LD):

"Pursuant to Military Government Proclamation Nos 2 and 4, Military Government directed the Stuttgart Laenderrat to draft, by 15 January 1948, a regulation implementing Article 30, paragraph 3, and Article 32, paragraph 2, last sentence, of Military Government Law No 59 'Restitution of Identifiable Property'. The Laenderrat thought that the requested regulation could not be issued without considerable delay due to the fact that suggestions from German finance and economic authorities and other interested groups were still outstanding. Thereupon, the Laenderrat was directed by Military Government to issue a regulation providing that, until general provisions on the usual rate of profits are issued, this rate shall be determined by the Restitution Chambers in each individual case where claimant claims this privilege. The Laenderrat proposed a regulation and requested Military Government's approval. The proposed regulation was acceptable to Military Government. But the Laenderrat is no longer active and the Regional Government Coordinating Office has been closed by order of the Military Governor. However, the issuance of the regulation implementing Article 30, paragraph 3, and Article 32, paragraph 2, last sentence, is necessary for the functioning of Military Government Law No 59 and, consequently, urgent."

14. Therefore, the Directors of the respective Land Offices of Military Government were requested by AG Letter of 18 August 1948, AG 014.1 (LD), to direct the respective Minister Presidents (in Bremen the President of the Senate), to enact and promulgate by decree pursuant to Military Government Proclamations Nos 2 and 4 a regulation providing for the rates of profit for property in the restitution procedure, thereby implementing Articles 30, paragraph 3, and 32, paragraph 2, fifth sentence, of Military Government Law No 59. According to this direction the Restitution Authorities shall, in each individual case in which the claimant availed himself of the right designated in Articles 30 and 32, determine the rate of profits by giving due consideration to all circumstances pertaining to an individual case.

15. It was the purpose of Military Government Law No 59 merely to establish the organization for the settlement and adjudication of restitution cases and to supply the substantive and procedural provisions necessary for its administration, while the administration itself (except for the filing procedure for the Central Filing Agency and the reviewing procedure before the Military Government Board of Review) should be left exclusively to the German Restitution Authorities established by the Law, including the Restitution Courts.

124708

DECLASSIFIED

Authority MD 968095
By W3B NARA Date 9/1/00RG 466
Entry 160A re Berlin +
Property under Law 59
File Case Inquiry Records
Box 8

P.C.

108

APC 757-A, Frankfurt

June 5, 1957

My dear Mrs. Meyer:

This is in reply to your letter of May 9, 1951, in which you seek the assistance of the United States High Commissioner for Germany in connection with claims for restitution pursuant to the Berlin Restitution Law (RGO(49)180) filed against the property of your daughter and ward in Berlin.

You state the application of the law in this case is working a particular hardship upon your ward.

It must be realized that in the execution of the restitution program of the scope embodied in the Berlin Restitution Law it is almost inevitable in certain cases that a particularly heavy burden may be imposed on the holders of the property subject to restitution. Nevertheless it is felt that the law is basically fair and just even in such cases.

The Restitution Law of the Western Sectors of Berlin, enacted by the three Allied powers expresses the policy of these governments that persecutees of the Nazi regime be restored to the ownership of property of which they were wrongfully deprived. This policy is based on the presumption that it is wrong to deprive certain persons the right to hold or own property for such reasons as religion or race and that, where such deprivation has taken place, it is only fair to correct the injustice by restoring the ownership of the property to the persecutee. We believe this principle is valid even though the buyer from the persecutee may not have himself participated or contributed in any way to the force or duress which compelled the persecutee to sell.

It is also the policy of these governments that the purchasers of property

Mrs. Charlotte Meyer,
Hamburg-Willingsbuettel,
Schwarzbuckenhweg 35.

MR. LOEWENTHAL

424

DECLASSIFIED

Authority MND 968095
By W3B NARA Date 9/1/00RG 466
Entry 160A re Restitution
of Property under Law
File Case Inquiry Records
Box 8

property subject to restitution should, upon returning the property to the persecutor, receive back, to the fullest extent permitted by the circumstances, the amount he paid for the property. The Berlin restitution law provides that the persecutor upon recovering the property which he was wrongfully forced to sell must pay to the restitutor the purchase price paid by the persecutor's vendee, but only to the extent that the purchase price was actually received by the persecutor or to the extent that he had the power of disposition thereof. It seems only fair that the persecutor upon recovering property which he sold under duress should give up no more than that which he had actually received.

The execution of the law has been placed in the hands of duly designated authorities consisting of agencies and courts and it is within their power to decide if and to what extent restitution has to be made in any particular case. It would thus be improper for this office to intervene in any manner in the execution of the Restitution Law by these duly designated authorities.

It is suggested that you may wish to seek the advice of legal counsel in order to assure yourself as to your rights under the law.

Sincerely yours,

ERIC G. CRATION
Staff Secretary

RE: PY: WLoewenthal/Westernmann/eh *WLO*
8445, NY June 1, 1951

124710

IRO FINANCIAL TRANSACTIONS
WITH VOLUNTARY AGENCIES

1. A unique feature of the IRO program was the scale on which it mobilized, coordinated and brought to bear upon an international problem the combined resources and combined or parallel actions of governments, international and national voluntary societies, and of the intergovernmental organization itself known as IRO. IRO by constitution was an intergovernmental agency. Its program, however, embraced the combination of integrated and parallel activities of governments and voluntary societies in and about its framework. They all regarded these activities as "part of the IRO program" which, in the broader meaning of the term which was generally accepted or implied, represented a great deal more than the personnel directly employed by IRO could do with their own hands. Financially, it also represented a great deal more than the funds which flowed directly through IRO's own budget.

The U.S. Resettlement Program

2. For example, IRO's largest resettlement program, to the United States, involved a field organization and shipping program financed through IRO's own budget. But it also depended upon not only U.S. legislation but also the activities and budgets of the Displaced Persons Commission, the expanded consular work, the INS, Public Health Service and so on. Furthermore, it depended upon millions of dollars of additional expenditure by voluntary agencies from funds raised from private sources, for selection and processing of candidates, sponsorships, placements, assurances, bonds for some cases, reception, inland transportation and subsequent medical or other assistance to individual cases to which some misfortune befell.

3. Examples of agency loans to migrants after arrival in the U.S. for inland transportation, maintenance pending placement, medical care etc:

Lutheran Resettlement Service loans from November 1948 to end of 1951 totalled \$1,085,217. These were made to nearly 11,000 families, (probably 20,000 to 25,000 persons).

National Catholic Welfare Conference similarly loaned from October 1948 through September 1952 (a slight overlapping into the Migration Committee program) \$3,348,793 for about 65,500 persons.

These loan figures should not be used publicly without checking with the National Lutheran Council and the National Catholic Welfare Conference. They only reflect, of course, a fraction of the agency's financial commitments for activities in the United States. Sponsorship and placement services, bonds, reception activities, the care and forwarding of many compassionate cases, or a "hard core" case for placement in an institution do not appear in loans at all. Nor do the field organization and expenditures in Europe, the general promotion and organization work and the administrative overhead for the program, of which certain logistical support furnished by IRO (only for European field organizations) provided a very small fraction.

4. Now what did IRO provide from its own budget to support these voluntary resettlement programs for the United States?

(a) Logistical support in DP areas: For all voluntary programs in certain of the principal European field areas (Germany, Austria and Italy) IRO provided from its own funds an estimated \$3,468,383 in logistical support to all voluntary programs in the field - assistance to personnel, vehicles, for accommodation etc. We cannot separate U.S. resettlement from other resettlement or non-resettlement activities under the above over all figure. The agencies maintained unified field organizations for administrative economy and efficiency. Their require-

ments which IRO could subsidize were determined by budget procedure every three months for all services in the agency's field organization and the same staff at different periods were engaged in different activities, or at all times in a combination of programs. Moreover, the above figure is an estimate of value rather than an exact figure. Much logistical support, particularly in earlier years, was furnished in kind rather than in cash support to an agency. Frequently an agency was sharing a physical facility with IRO itself - a common warehouse, common use of a vehicle pool, joint office accommodation etc.

(b) Grants for U.S. resettlement projects beyond the normal resettlement programs of the resettlement agencies:

Committee on Professionals - \$90,000

This was a joint committee formed by the principal agencies to find opportunities for professional people. It found and classified many hundreds of opportunities, and did an important promotional work for the solution of this problem which facilitated the work of all the resettlement agencies. The actual immigration resulting was absorbed within the programs of the individual agencies. The American Council of Voluntary Agencies is the custodian of the records of this Committee.

National Travellers Aid Society - \$131,800

This grant was for an expanded service by this society to cover reception, temporary care or special emergencies and onforwarding to destination of "non-agency cases" in the U.S. program. It was a necessary facility to enable many persons with personal assurances but not part of the clientele of any agency to reach their destinations.

(c) Resettlement of persons needing rehabilitation to fit them for employment: \$842,500. A number of agencies shared the IRO grants and the corresponding obligations for these projects - notably National Catholic Welfare Conference, United Service for New Americans, National Lutheran Council and Church World Service and the following others - International Society for the Welfare of Cripples, International Rescue Committee and the American Federation of International Institutes. The minimum obligation assumed by the agencies was the resettlement in the U.S., rehabilitation, placement and future responsibility as required for some 1,600 physically handicapped persons (together with their families) requiring rehabilitation to fit them for employment. (These persons did not come within the Institutional Hard Core categories.) All agencies went beyond their minimum obligations in this program. From their reports it can be said that well over 2,000 cases were resettled, and the true figure is probably much greater, for beyond the discharge of the obligations within the agreements the agencies were not required to submit special case reports. NCWC alone, which accepted an obligation for 500 such cases (i.e. probably 1,500 to 2,000 persons including family members) subsequently reported that it had extended its project to at least 1,000 cases of this kind. IRO did not have funds to provide grants for further numbers in this category but the activities stimulated by these special grants did, in fact, set projects in motion which in the end did extend to many others with the necessary further aid from private funds. It should also be mentioned that there were a high proportion of bonds on these particular cases. Some would also require future periodic remedial (e.g. orthopedic) treatment. The agencies' special obligations met from private funds therefore came to much more than IRO's taken grants which merely helped meet the first expenses of care and special placement work required.

(d) CWS/Tolstoy Foundation (Kalmuks) \$182,000*

The successful resettlement in the U.S. of some 400 Kalmuks hinged upon this special project, helped by a number of agencies, which an IRO subsidy made possible. We say "made possible" because this and other special projects, including the one for rehabilitation cases mentioned

*For a minimum of 400 persons plus grants for 63 hard core with 24 dependants

above, were beyond the agencies' already fully committed budgets in the latter period of IRO.

(e) Hard Core grants: Until its terminal period IRO paid "hard core" grants, case by case for certifiable cases to the sponsoring agency or institution upon arrival in an immigration country and a proportion of these cases were resettled in the U.S. with the aid of numerous agencies and institutions. All such cases were certified by IRO staff. The grants were a mere token of the financial obligations of the accepting agency responsible for lifetime care, ranging from \$1,000 for a TB case down through different categories of handicap to \$500 for an old age case. Toward the end of its program when IRO was phasing out and no longer able to maintain the difficult case by case negotiations this program required, IRO requested several principal agencies to continue this work, granting lump sum settlements (see below) for an estimated number of cases. It could not be ascertained in advance which of these, or how many, would be placed in the U.S. but a certain proportion of them were placed in the future charge of agencies in that country (AJDC or USNA, NCWC, NLC and CWS).

5. For the above special resettlement projects alone, all in the U.S. and all in the last 18 months of IRO's existence, \$1,144,500 was expended by IRO on behalf of special groups of hard-to-resettle cases (or non-agency cases) other than institutional hard core. This aid provided opportunities for at least 2,000 physically handicapped cases (probably 6,000 or more persons including family members otherwise blocked for resettlement), 400 Kalmuks, some thousands of other persons having personal sponsors in the U.S. but lacking the services of a resettlement agency overseas, and many professionals subsequently sponsored by the resettlement agencies when their joint committee had helped in the canvass of opportunities for them. IRO's hard core grants, given through agencies, are not dealt with country by country, (see below) but a substantial part of these grants were given on behalf of cases for which these agencies undertook lifetime care, free from public expense, in U.S. institutions. Of the figures given for logistical support provided by IRO funds for the agencies' field programs in Europe it is safe to estimate that at least \$1,000,000 was in support of the U.S. resettlement program which became the heaviest single factor in all their field activities.

6. Setting aside logistical support which was a general subsidy to field programs, it will be seen that the funds expended in the projects described above were on behalf of refugees with a resettlement handicap. The agency was the instrument through which the task was accomplished but the funds were in no sense a subsidy to the agency's normal program. On the contrary, the agency was also raising special funds, beyond its normal budget, to care for these cases and incurred a corresponding financial obligation at least equal to, and in many instances beyond, that of IRO for the same case. In some instances limited help from IRO served to stimulate a project which then went beyond these limits on its own momentum. More particularly, IRO's share came to the rescue especially in the latter half of its program when voluntary budgets were no longer equal to the demands of the extended and expanded ~~immigration~~ U.S. D.P. program. For all the same types of cases the agencies had expended their own funds without IRO participation at an earlier stage but the stepped up demands toward the end were beyond their fund raising limits. For most of the 300,000 persons who went to the United States the IRO resettlement program was uniquely a voluntary program. If one attempted to define the "basic" and the "supplementary" services in this program according to the ultimate per capita expenditures of the organizations involved, the "basic" would probably have to be awarded to the voluntary agencies and the "supplementary" to IRO in the narrow or literal meaning of its name. But these agencies regarded their activities as an integral part of what everyone called "the IRO program".

The Resettlement Program to Israel
and other Movements from Special Areas

7. IRO's second largest resettlement program - to Israel - reflects still another relationship with its associated agencies. In this important program the agencies (American Joint Distribution Committee and Jewish Agency for Palestine) executed, on IRO's behalf, practically the entire program including processing and movement (shipping and to a large extent inland transportation to port of embarkation). For the movement of close to 120,000 migrants in this program IRO expended through these two agencies about \$10,250,000. This was a reimbursement for basic services furnished by them on IRO's behalf. The arrangement was an administrative and operational economy for IRO, both in respect of staff and in respect of shipping for it involved considerable field organization in some areas where IRO did not have to maintain extensive installations for other reasons and the shipping was off the lanes for IRO's chartered fleet. The financial figure given also includes a post facto reimbursement for some movements carried on by these agencies during the period of hostilities when IRO movements were suspended.

8. The reimbursements for this program were at first made as payments of individual verified claims. The accounting and auditing both for IRO and the agencies proved to be a substantial administrative expense and sometimes occasioned great delay in repayments. After a substantial number of movements had taken place, however, it proved feasible to establish from the greatly varying cost factors applicable to individual cases, an over all per capita average. Subsequent movements were therefore paid for at a per capita rate for verified movements. These rates were adjusted when important price changes for transportation affected the average.

9. The field programs of these agencies also participated in the logistical support provided by IRO to all approved programs in the several principal DP countries.

10. At different times and in different areas IRO made similar arrangements with AJDC, the Hebrew Immigrant Aid Society and to a much smaller extent, with several other agencies for individual migration movements which they executed on IRO's behalf. A further \$5,800,000 approximately was expended by IRO through AJDC and HIAS, for example, for movements to destinations other than Israel which they executed for IRO. To a considerable extent such arrangements were made in IRO's (and PCIRO's) earlier operations before the chartered fleet was built up. Otherwise they generally applied to areas of embarkation and destination which were off the travelled routes of IRO ships, and their purpose was to effect an operational economy for IRO while not imposing an undue burden upon the agency which already had facilities in those areas. Some movements from Western Europe, from China, from other outlying areas, and to such places as South Africa and certain parts of South America were included. IRO reimbursements for these movements were made according to individual claims or per capita rates that were in all cases previously verified by IRO as within the rates that would have been paid had IRO executed these movements directly.

11. From the above figures it will be seen that well over two-thirds of IRO total estimated expenditures through voluntary agencies which are classified as "reimbursements for basic IRO programs" were the shipping costs for movements executed by certain agencies on IRO's behalf, including practically the entire program to Israel - IRO's second largest resettlement program.

Other Basic Field Programs

12. In Western European countries and to some extent in other areas which were "outlying areas" in relation to the geographical locations of IRO's own principal field organizations, national or international voluntary agencies executed IRO's care and maintenance program under the oversight of a small IRO mission which utilized the services of these agencies instead of employing

an operational staff of its own. In France, for example, some 300,000 refugees under the IRO mandate were not concentrated in camps but were in communities all over the country. A number of voluntary agencies, notably the French Branch of International Social Service which had local or regional offices throughout the country staffed by competent caseworkers, utilized IRO's limited care and maintenance funds (a budget far from equal to all possible claims against it) to assist the most needy individual cases, and to obtain for them also all possible help from sources other than IRO, including French public assistance. In few instances was IRO able to offer any administrative support in return for such services and these countries (other than Germany, Austria and Italy) were outside the areas where IRO logistical support was provided to cooperating agencies. IRO's own budget was never sufficient to man all these areas properly, nor to provide administrative compensation to the agencies executing its program. Such compensation was fragmentary, but when given (for extra staff, travel and office expenses) it was usually at the point where the agency's own administrative budget was exhausted and it could no longer continue the service without some aid. Several American agencies served as the IRO representation in Spain and Portugal for example. They performed all IRO functions, subject to general supervision as to eligibility of refugees, and as to program and budget. For a considerable period these agencies carried on without IRO administrative aid but their IRO programs were subsequently budgeted, supervised and controlled in all respects like an IRO mission. But IRO's relief to refugees expended through these agencies was substantial. In 1949/50 they distributed on IRO's behalf, for example, \$2,806,213 in cash assistance to refugees in Belgium, France, Netherlands, Spain, Portugal and Luxembourg. This figure appears in the estimates for "reimbursements for basic services" in IRO's financial transactions with voluntary agencies.

13. In IRO's principal European field areas the agencies took over partial or total management responsibility for many IRO specialized programs. During the last 18 months of IRO operations this practice was expanded to facilitate the phasing out of IRO operations with minimum loss to the constantly reducing program and maximum gain in operational economy.

Some Examples

Resettlement orientation and language training programs operated for IRO by the YMCA/YWCA in Germany and Austria, grants established by quarterly budget reviews - \$85,500. Many thousands of refugees benefited from these programs whose greatest and chronic operational problem was the constant turnover of the agency-trained volunteer refugee teachers who were so quickly resettled themselves after they had received their own language training. With modest equipment, physical facilities and training materials and a small corps of supervising personnel, the agency built these programs largely upon the talents and the volunteer aid of the refugees themselves.

Children's and Youth centers in Germany and Austria, staffed and managed in whole or in part by YMCA/YWCA, Unitarian Service Committee, American Friends Service Committee, and World University Service (students) - \$43,497. Although these centers for the care of unaccompanied children and youth were basic IRO tasks delegated in whole or in part to the agencies, the agencies themselves contributed much beyond this value from their own funds for staff and material supplies. The children's centers will strike a familiar note to most people. The youth centers did a spectacular job in gathering up hundreds of wandering unaccompanied refugee youths, often adult in some respects far beyond their years but nevertheless with all the immaturity of adolescents. Orphaned or cut adrift from their families, some of these youngsters had been in concentration camps or in forced labour from the age of 11 or 12 and one did not treat them as children. Indeed, it was often by the underground that they learned that the youth center was "a good place" and they would turn up to give it a try. Hundreds of teen-age youth were rehabilitated and resettled or reunited with their families as a result of the skilled and painstaking work of the agencies in these centers. The "centers"

* The YMCA/YWCA youth centers in Austria practically became the "practice" for the Unitarian Service Committee staff [role of youth personnel with regard to...]

themselves were in some instances decrepit hutments which the young people themselves made livable.

Vocational Training and Rehabilitation: In Italy, the World ORT Union executed IRO's entire vocational training program for an extended period. In Germany and Austria ORT handled most of this work for Jewish refugees. It operated certain vocational rehabilitation projects for physically handicapped persons and post-TB cases. In the British Zone of Germany ORT also did IRO's trade testing for resettling DPs requiring trade certificates for resettlement selections. For these special basic services to IRO, beyond the supplementary training programs offered by this specialized agency, ORT received grants amounting to \$553,569.

For international casework services on long term difficult and children's cases where legal and other entanglements were obstacles to resettlement, International Social Service received some \$55,000 from IRO. Some thousands of persons were helped by this intensive work on their cases. They were subsequently resettled under IRO or agency-sponsored schemes, or if necessary locally settled in their country of residence. In much of this work ISS staff were assisting the personnel of IRO or of other agencies. The eventual solution of the case was in most instances a combined effort and one cannot say, for example, that a stated number of cases were resettled exclusively by these efforts of ISS. Toward the close of IRO operations ISS took over the records of thousands of unfinished cases where further action was pending, notably in the British Zone of Germany and in Italy, and agreed to pursue action or refer these cases to other quarters. In the U.S. Zone of Germany ISS took over from IRO many cases of unaccompanied children on which action for custody or guardianship was pending in the courts.

The above are merely illustrative examples of numerous projects in IRO's basic field program to which agencies contributed staff, management, material supplies or equipment. Many such contributions were never compensated by IRO grants for the IRO budget alone was never sufficient to embrace all the projects and services in the field that were featured in IRO/agency combined field operations. Finally, on September 1951, IRO turned over to the voluntary resettlement agencies the responsibility for the continuing programs and unfinished cases in individual migration, confirming its own rapidly liquidating operations to its remaining mass resettlement schemes. For this additional burden assumed at a difficult time for all their programs, IRO was unable to grant the agencies any additional compensation whatever.

Other Special Projects

14. The differences between "reimbursements" to agencies for "basic services" and "grants" for special projects" were frequently differences of degree in basic priority rather than substance of the program. For example, the compensation to certain agencies for shipment of refugees moved for IRO was clearly a reimbursement. On the other hand grants of close to \$500,000 to several principal agencies for programs to aid potentially residual refugees in Germany, Austria and Italy after IRO's care and maintenance program ended in June 1950 were discretionary grants to assist these agencies with an undertaking highly important to the IRO program although not a mandatory responsibility of the Organization. Another \$380,000 to refugee service committees formed at IRO's instigation in outlying areas or countries other than those of IRO's principal field operations, *was partly for a transfer of services from IRO's existing structure and partly for projects not to refugees.*
15. In Germany, Austria and Italy several of the principal international agencies enlisted their national counterparts, in these combined programs to facilitate local settlement of some 200,000 residual refugees, and to provide further resettlement aid to those for whom opportunities could still be found. IRO's own continuing program from July 1 1950 was of necessity reduced to the limits of a much smaller budget, sufficient to cover only those refugees in the resettlement "pipeline". How extraordinarily successful were the so called "residual" programs of the agencies from the standpoint of resettlement.

was attested by the thousands of refugees previously classified as "residual" who reappeared in the IRO "pipeline", thanks to the painstaking case by case attack on their problems by the international and local agencies. During a good part of 1951 fully 25% of the IRO resettlement caseload in some principal districts of Germany was drawn from refugees whom IRO had previously been forced to classify as "potentially residual" and transfer to the local economy in June 1950. These combined programs continue actively to this day both for local settlement and for resettlement with substantial contributions from private funds and some assistance furnished by other official programs.

16. Other special projects included a great variety of voluntary programs contributing directly to the rehabilitation and resettlement of IRO refugees. Thousands of refugee children participated in summer camps operated by the YMCA/YWCA, AJDC and other agencies. Their combined gains in weight totalled a good many tons and this was perhaps the least of the benefits to these children who often had known no home other than a small cubicle curtained by a blanket in a DP barracks. Agencies helped IRO to care for the aged and chronic sick and provided welfare programs, amenities, occupational therapy and supplementary rehabilitation services in hospitals and institutions. Grants totalling \$29,487 to a number of small resettlement projects assisted special teams of volunteer workers (giving temporary service in the field without salary) to select and document hard-to-resettle cases for the special dossiers and placements required for their resettlement; covered a small project of one agency to resettle several hundred persons including families of mixed marriage, unmarried mothers and others handicapped by family status; and assisted small projects for hard-to-resettle cases in Canada and Australia.

17. Agency vocational training programs in France, Belgium and the Netherlands were assisted by grants amounting to \$85,878 in 1949/50. A YMCA community program in the mining areas of Belgium received \$2700 to aid its important work among the DP miners recruited for that country, in a special effort to reduce the ranks of returnees to Germany. French voluntary agencies received \$131,373 in 1949/50 for rehabilitation services to handicapped refugees. In Austria the YMCA/YWCA was providing essential staff, services and program supplies for an IRO rehabilitation center, aided by an IRO grant of \$49,207.

18. Some of the above and many other projects of voluntary agencies receiving IRO grants were really a part of a combined or integrated activity which could not be said to be IRO's alone, or the agency's alone. In numerous instances the agency had contributed this service to the IRO ^{program} throughout the first two and a half years of the operations without IRO support other than the standard logistical support provided in certain areas. In those years it was habitual to call them "supplementary" programs. In later years, as one agency after another reached the point of budget exhaustion, a number of these projects were continued with financial grants from IRO because its program would have suffered severely without them. By this time they were less "supplementary" and more "basic" in the IRO vocabulary.

Hard Core Grants

19. Some \$4,991,092 was expended by IRO through voluntary agencies on behalf of "hard core" cases needing special care. Resettlement and continuing care for as long as necessary - frequently lifetime care - was the obligation assumed by the agency in comparison with which the IRO scale of grants ranging from \$500 for aged and others up to the maximum of \$1,000 for a TB case was more in the nature of a supplementary contribution. It is estimated that at least

✓ By the close of the camping season in 1949 the YMCA/YWCA had given 750,000 camping days in 4 years to 50,000 DP children in the U.S. Zone of Germany. Similar activities were conducted in other Zones of Germany and in Austria where the "Y" also organized a very successful old people's summer camp one year.

7,700 persons requiring remedial treatment or special care plus family members were provided for as to resettlement and future care with the aid of these grants, a total of possibly 20,000 persons or more including family members whose resettlement was blocked without provision for the handicapped family member.

20. It should be noted that most of the grants making up this total of some \$4,991,092 were made in the last year of IRO operations. They do not include the case grants paid by IRO for numerous persons placed through arrangements with governments, although the institutions were, in many instances, operated by voluntary societies. Nor do they include all individual persons placed one by one with voluntary institutions where individual claims for grants were made upon arrival of a certified case in the resettlement country. The grants making up the present total were mainly for group projects for which an agency assumed final responsibility. The ~~projects~~ for physically handicapped cases resettled in the U.S. (mentioned under the U.S. program above) and ~~other~~ ^{many} cases requiring institutional care were placed well before IRO operations ended. But others among these projects reflected IRO's transfer of responsibility in 1951 for the future resettlement of specified numbers of remaining hard core cases, to several of the principal agencies already committed deeply to the same objective. These transfers occurred at the time when IRO could no longer continue the case by case resettlement negotiations it had previously maintained for its hard core program, and it also became manifest that some of these cases could not be disposed of before the end of IRO operations. Among some religious or ethnic groups substantial numbers were provided for, even if not always in a completely satisfactory manner, by placement in institutions in the local economy where they were. Among other groups there was no permanent solution of this kind and the residual responsibility for removal to other asylum was thus greater.

21. These hard core projects included a global settlement with AJDC for all remaining Jewish hard core cases (estimated at 4,000) in all IRO fields of operation, including China, with a grant of \$3,000,000. A smaller global settlement for several hundred hard core and rehabilitation cases, with a high proportion of TB's, was made with the American National Committee to Aid Homeless Armenians, for \$250,000. This disposed of all remaining Armenian cases of whom a number would be placed in the Lebanon. NCWC received \$353,600, LWF \$115,800 and WCC \$350,000 with the object of providing for 1,500 to 1,600 cases from Germany, Austria and Italy where these same agencies and their counterparts were also assisting with local settlement and care. WCC received \$357,000 of which an appropriate part was for hard core cases, to assist when the agency accepted the entire responsibility for IRO's small residual group in the Philippines. This grant covered three items - hard core grants for these remaining 100 or so cases which Philippine authorities refused to allow to remain even at outside expense; care and maintenance in the Philippines pending their removal; and the estimated costs of movement to countries of final asylum (mainly in Europe). Happily, WCC is now down to its last handful in this most difficult of liquidation programs, but has already had its small camp on Samar destroyed three times by typhoons.

Logistical Support to Field Programs

22. In its four and a half years of operations IRO provided logistical support in Germany, Austria and Italy to voluntary programs for which IRO itself stood as official sponsor and coordinator vis a vis governing authorities. In the main (in Germany and Austria) these subsidies were limited to field programs in areas where normal civilian facilities did not exist. The estimated value of this support provided from IRO's funds totalled \$3,468,383 (an estimate, not an exact figure); in addition, IRO shared with its agencies the facilities of the occupation DM budget available to its program in Germany to an estimated value of \$7,953,174 (also an estimate based on cost factors which can only be approximately assessed). As will

be seen from the table, the support from IRO funds diminished substantially in the last two years. The somewhat higher figures in the DM budget in this latter period are accounted for by substantial subsidies (through the principal international agencies) to the national German agencies which bore the chief burdens of the programs to aid residual groups following June 1950. Each of them provided several hundred caseworkers and other staff especially assigned to this program and made a notable contribution to the subsequent resettlement as well as the local integration of residual DPs.

23. IRO had almost 1,500 voluntary agency personnel officially attached to its field organization for special facilities in these areas when PCIRO operations commenced. They operated some 800 vehicles. On the termination date of 31 January 1952 there were 283 attached personnel and 447 vehicles (many operated by "unattached" local employees). The status and special facilities for the attached personnel (and also vehicles, installations etc.) of voluntary agencies depended upon their attachment to IRO. To a proportion of these field workers IRO provided total or partial subsistence allowances (the cost of daily subsistence only). The agencies employed many field staff who served as volunteers without salary or at very nominal rates of pay. Some non-American agencies also lacked the necessary currencies to operate in U.S. occupied areas where their services were urgently needed. For those receiving less than IRO compensation to the lowest grades of its own employees subsistence allowances were provided if their assignments were for IRO-supported activities. A sliding scale of partial subsistence was provided for a further small range above this minimum figure, according to cost factors which varied from area to area and from year to year. Above this level, persons receiving adequate salaries for maintenance received no subsidy. Thus, in December 1950 IRO had 650 attached agency personnel of whom 332 were supported. In December 1951, 420 were attached, of whom only 131 were supported. Similarly, vehicles, within approved limits, received POL rations or allowances and running repairs. In December 1951, of the 447 vehicles attached, 315 were supported. In some areas (Austria) some assistance was given in rental of office accommodation or physical installations. A certain amount of duty travel within the areas was also provided for staff. Local (unattached) staff received salary or subsistence allowances within approved limits from the DM occupational budget in Germany. Little assistance could be given for local staff in the other areas and these were provided for from the agencies' private budgets.

Conclusion

24. If we omit the big reimbursement factor for shipping executed by agencies (chiefly to Israel) which took place mainly in the two middle years, it will be seen from the summary table that IRO expenditures on behalf of refugees, through voluntary agencies, was concentrated substantially in the final 18 months. This was the time of drastic and successive reductions in the IRO program and field organization. This process was not infrequently expedited by farming out many field services to agencies - especially if their geographical location or the type of skill required was geographically remote for the strategic consolidation of IRO staff, or functionally no longer within the technical scope of IRO supervising specialists. This period saw, simultaneously, the extension of the U.S. DP Act and the expansion of its program when agency budgets were nearing exhaustion. Finally, it was the time when IRO and agencies alike had to face up to the problem of the hard core, the residuals and all the borderlines of those problems and make a concentrated effort to resolve them or reduce them to minimum proportions.

25. Throughout the IRO program the DP refugee population had the same needs for the full range of community social, health, recreational, educational, cultural and religious services that the population of any country normally requires - plus something more, from the facts that they were refugees and had to be moved (most of them) from where they were if possible. In the areas of main concentration they received from local public and voluntary sources no part of those normal services that any population requires, until

very late in the program. IRO's budget or program could by no means provide for such total population needs, nor could all the associated agencies completely fill this gap. However, apart from the special assignments described in this paper the many-sided programs of these agencies that were generally described as "supplementary", as "welfare", "personal services", "relief programs", "community activities" or by other noms de plume, were in the main an attempt to fill this gap insofar as their resources and the constant emergency calls would permit. Their voluntary presence in the field (a visible evidence of private initiative and concern) had an immense effect on the morale of the refugees, and the visible needs confronting them in the field in turn fed the fires which stirred helping groups into action elsewhere. This kept supplementary material aid flowing into the camps and thousands of resettlers flowing out to their newly found sponsors overseas.

TRHF. per final.
USHMM, Ferencz Papers, 12.001.05, folder 4
Box 1
(career Records)

UNITED STATES HIGH COMMISSIONER FOR GERMANY

Mehlemer Aue - Bad Godesberg

July 19, 1952

Dear Mr. Ferencz:

It was very thoughtful of you to write me as you did on the 15th of July. I think you perhaps are the best one to realize how much I appreciate what you say. I have always had a deep conviction that unless Germany dealt well with the problems of Jewish restitution we had little hope for the future of Germany. There have been many setbacks but we have also had substantial accomplishment.

I have come to appreciate not only your persistency, but your fair and imaginative approach to these difficult problems. I quickly gained the impression that I could rely on what you told me and I have never in our long dealings had anything but constant confirmation of this fact. It has been a pleasure to have been able to work with you and I hope all comes out well. I have written and spoken to my successor about you and the work that remains to be done.

Sincerely,

John G. Dulles

Mr. Benjamin Ferencz
Jewish Restitution Successor Organization
Nuremberg, Germany

*May I also tell you how deep I appreciate
the Vietnam with its inscription - this a
real reminder of our work together -*

12481 *JD*

NOTES OF INTERVIEW WITH BENJAMIN FERENCZ
WASH DC

BF - gave self title Dir. Gen ^{of the} to impress Gens
Fearless + Unleashed properly

^{Carried} ^{with} 1st man engaged in investigation war crimes. Got to
collect evidence - in Jeep, + 45 go into camps as
being liberated. Took testimony, seized vehicles, death registers,
with reports which became basis for trials within
Dachau

Ferencz mirrored rule: strip SS men + tell em to
write confessions.

Had to move fast because Army destroyed enough Evidence
could be destroyed.

Ferencz went home after war, but induced to return
to Guy Hijacked by Telford Taylor - eventually became BF
law partner.

Became chief prosecutor for Einsatz. - Because Army didn't
have budget for trial outside

Idea of also "noble idea"

Estimated job would take 2 yrs. - had \$ for ^{BF} salary - ^{for 6 months} Joint

BF initially felt impossible to meet the \$1 ddt. - want to
see Clay (knew him already)

Clay: "We want to get rid of this program as
soon as possible." Same pt - Gen coming

Ops - feeding word

Tells Clay - oh I'll try but I need \$. Gens should pay
for this. Clay hesitates because would require Gen's agreement.

BF: I'll borrow + then pay you back - Got 1 million mark.

124721

Security check at 12:15 + ac. UTR.
Always under supervision of NCB victim

Hired people - Gans mostly - ride and to go to real estate registry - if Jewish ^{said} name, copy it
Claimed everything - never had someone say you missed this.

163,000 claims only a fraction of total # of claims filed. Need to stress - also non-Jewish victims

After 31 Dec, you had no claim - "you were dead." ~~ITSO~~
By ITSO protected interest - not out to enrich ITSO. For benefit of individuals

All unclaimed law presumed heirless. with in law No right to file on behalf of individual.

Lots of people outside Gans didn't bother to file. E.g. didn't know or just didn't want to

Carving commission ^{key document} assure Cohen receives 100,000 Pm before war. So repays 10,000 Pm. Rest to be split between stone wall.

Gans thought all courts 5-10 yr. process

+ was
settling precedent
that should be
10:1

BF: argued w/ Gans: who should bear burden of currency conversion? Gans a NCB victim?

Gans - People administration program ^{in Rest. Agmt} "unsympathetic" to US aims in concept of BF + colleagues

ITSO set up regional offices because Rest. Agencies set up throughout Gans.

BF argued ~~Peop~~ \$

Couldn't export anything from Gans. Sought pref'd houses

Get it to
where needed
ASAP

Under great pressure to liquidate holdings as soon as possible. Not there to speculate, and maybe realize greater sums later on.

1124727

JRSO
Appraisers judged value of assets.

Cannot find of any fraud. Some petty thieving.

JRSO claimed real estate by Dec. 1948.

But couldn't find stock records, etc. So filed global claims for those. Most of these assets recorded in Berlin. Received Jewish committees + got Gen to put them into perpetuity.

No good estimate for property claimed by JRSO.

"We were inclined to underestimate magnitude of losses."

"Very large of ballpark figures."

Some on Gen side helpful. Berman was worse.

Our policy was to settle as quickly as possible to turn assets over as quickly as possible.

Bank settlements - can move DPs out of camps, etc. But lot of time after war put Jewish organization but deal w/ Gen to talk. \$

No settlement in W-Berlin, Germany

Like claimants: angry people contact JRSO. Explain that had JRSO not filed, you would have gotten nothing.

They were equitable claims, not legal claims.

Our mandate was to help victims - when former owner contributed them, sometimes \$ was already gone. Couldn't sit on the \$, couldn't stop.

Claims of Jewish organizations + communities. Communities part of ^{organizations} state. No law says dissolved communities go to JRSO.

124723

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 Authority NND 795009
 By JW NARA Date 11-15

KG 358 338
 ENTRY 11017
 ALLIED CONTROL
 COMMISSION HUNGARY
 BOX 53

(A)

IN

THE UNITED STATES MILITARY REPRESENTATION

On The

ALLIED CONTROL COMMISSION FOR HUNGARY

INCOMING MESSAGE

IN

Edited Literal Text

FROM: RECEIVED FROM THE STATE, WAR, AND NAVY DEPTS, IS IN REPLY TO OMGUS CC 1929,
 23 MARCH 1946, AND CG, USEA MSG P-5687, 31 MARCH 1946. THIS MSG IN TWO
 TO: PARTS. BOOK MSG FROM JOINT CHIEFS OF STAFF TO
 USNET FRANKFURT, OMGUS BERLIN, ACC VIENNA, ACC BUDAPEST HUNGARY (RPTD TO ALL)
 REF: MC NARNEY, CLAY AND CLARK ASSASSINATION; TO KEY FOR INFO;
 WARX 91471
 DATE: 152129 Z JUNE PRECEDENCE: SECRET
 152334 Z JUNE PRIORITY
 SIGNED: CITE: M

Bracket begin underscore bracket part one bracket end underscore bracket.

1. After thorough reconsideration, it is concluded that WARX 99226 directive as previously amended by WARX 86853, WARX 82436 and are further amended in part 2 below accords with desirable foreign ~~undertaken~~ policy. Implementation of WARX 99226 should therefore be immediately undertaken.

2. Problems presented your cables March CC 1929 and P-5687 considered information of WARX 99226. From the beginning it was decided that restitution would not be made of property removed during the period of a country's collaboration with Germany. It was agreed that property could have been looted only during the period of forcible occupation by Germans. The legal aspect considered was whether to legitimize or nullify German looting operations. The decision was made that Germany should not gain from illegal acts at the expense other victims. The looting acts violated the principles of the January 1943 United Nations ~~XXX~~ Declaration and traditional U.S. property principles.

3. The U.S. has undertaken economic and political responsibilities with regard to Italy, Austria, and to a lesser extent Hungary. U.S. Economic burdens in this connection are reduced through restitution of economic resources without ~~corresponding~~ corresponding increase of economic burden in Germany. In addition restitution improves the political stability of the U.S. relations with these Governments. Information indicates that anti-U.S. elements in these countries are making capital from the U.S. failure to restore property looted by the Germans ~~from~~ after the break of these satellite Governments with Germany. Particularly is this true of the Communist ~~Government~~ party in Hungary; they cite non-restitution as an indication of lack of interest on the part of the western democracies.

4. Believed here that the other occupying ~~xxx~~ powers will favor the somewhat restricted restitution policy in WARX 99226 in as much as France has most recently ~~preserved~~ on the General principle of restitution, U.K. has supported her view, and USSE has recently presented a note to the U.S. Minister requesting and recommending restitution to Hungary.

5. Not anticipated here that restitution contemplated under WARX 99226 will significantly affect minimum allowed economies of Germany and Austria.

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TIME RECEIVED:

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A. G. FILE NO.

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 ENTRY 11017
 ALLIED CONTROL
 COMMISSION HUNGARY
 APP BOX 53

N

THE UNITED STATES MILITARY REPRESENTATION
 On The
 ALLIED CONTROL COMMISSION FOR HUNGARY
INCOMING MESSAGE

Edited Literal Text

FROM:

TO:

REF:

DATE:

SIGNED:

CLASSIFICATION:

PRECEDENCE:

CITE:

6. Directive in WARX 99226 provided among other things for restitution to Hungarian government of property removed from Hungary to Germany and Austria aft Jan 20, 1945. It has recently come to the attention of the State Dept that some the removals to Austria consisted of personal property carried by refugee Jewish owners some of whom are now displaced persons who will not return to Hungary but will stay in Austria or go elsewhere.

7. The purpose of WARX 99226 directive is to restore property looted by German forces and their Fascist Allies to the countries of origin. It was not intended to dispossess racial or religious refugees.

8. Para 6 of WARX 99226 is therefore amended by adding the following sentence thereto:

"Household goods, valuables, art objects and other personal property owned and removed from a country by ~~refugee~~ refugees who left that country for religious or racial reasons and who choose not to return to that country, will not subject to restitution."

SECRET

TIME RECEIVED: 161135 B JUNE

ACT: MOON

MESSAGE CENTER NO: C- 3134

INFO: XX

A. G. FILE NO:

386.

124726

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DECLASSIFIED

NY 300
ENTRY 11017 RG 338

AUTHORITY **NND795009**

ADDED CONTROL

BY **JW** NARA Date: **11-15** BOX **55** (55) GARY

OMMISSION

Sent OUT
Miss ibla & conf

OUTGOING MESSAGE

PRECEDENCE	ORIGINATING SECTION	DATE, TIME
PRIORITY	ECONOMIC SECTION	07 1600
CLASSIFICATION	NAME OF OFFICER PREPARING	REFERENCE NO.
UNCLASSIFIED	LT. COL. H. G. SIMMONITE	Z 36 55

TO: OMGUS BERLIN ECONOMIC DIVISION, RESTITUTION BRANCH, INFO CITE OMGRE, INFO WARCOS FOR JCS, OPD, AND WDGD, CG USFET, CG USFA, AND OMGUS REAR, FINANCE AND ECON, MTOUSA SIGNED WEEMS

TRAIN CARRYING GOLD FROM FRANKFURT BEING RESTITUTED TO THE HUNGARIAN NATIONAL BANK BY THE AMERICAN GOVERNMENT ARRIVED IN BUDAPEST AT 2000 HOURS ON 6 AUGUST. ACCOMPANYING TRAIN WERE OFFICERS AND ENLISTED MEN FORMING MP DETACHMENT AND OTHER OFFICIALS INCLUDING COL. WILLIAM G. BREY, LT. COL. W. W. PREISCH, AND MR. WESLEY C. HARALDSON OF THE STATE DEPARTMENT FROM OMGUS; ALSO MR. NICHOLAS NYARADI, HUNGARIAN SECRETARY OF STATE FOR RESTITUTION.

THE TRAIN WAS MET AT THE STATION BY LARGE RECEPTION COMMITTEE FROM THE HUNGARIAN GOVERNMENT INCLUDING PRIME MINISTER NAGY AND FINANCE MINISTER GORDON. GENERAL WEEMS, CHIEF OF AMERICAN REPRESENTATION ON THE ACC, TOGETHER WITH ALL OFFICERS OF THE MISSION PLUS ENLISTED MEN WHO ACTED AS ESCORT, FORMED A MILITARY RECEPTION COMMITTEE; THE HONORABLE H. F. ARTHUR SCHOENFELD, AMERICAN MINISTER AND MEMBERS OF HIS STAFF REPRESENTED STATE DEPARTMENT. REPRESENTATIVES WERE ALSO PRESENT FROM THE BRITISH MISSION TOGETHER WITH SEVERAL OFFICERS FROM THE SOVIET SECTION OF ACC.

FORMAL ACCEPTANCE AND THANKS ON BEHALF OF THE HUNGARIAN GOVERNMENT WAS MADE BY FINANCE MINISTER GORDON WHO DELIVERED A TALK WHICH WAS VERY COMPLIMENTARY TO THE UNITED STATES. GENERAL WEEMS RESPONDED ON BEHALF OF THE

124727

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JVA 26 338
ENTRY 11017
ALLIED CONTROL
COMMISSION
Box 55 (55)

DECLASSIFIED
Authority **NND 795 009**
By **JW** NARA Date **11-15**

OUT

THE UNITED STATES REPRESENTATION

On The
ALLIED CONTROL COMMISSION FOR HUNGARY
OUTGOING MESSAGE

(2)

PRECEDENCE PRIORITY	ORIGINATING SECTION	DATE TIME
CLASSIFICATION	NAME OF OFFICER PREPARING	REFERENCE NO
UNCLASSIFIED		2

TO:

UNITED STATES GOVERNMENT ~~WASHINGTON~~ FOLLOWING ~~ADDRESS~~ *and statements*

"IT GIVES ME THE GREATEST OF PLEASURES TO BE HERE AT THE TIME THAT THIS TRAIN IS COMING INTO BUDAPEST WITH THIS SHIPMENT OF GOLD BULLION TO BE DELIVERED TO THE HUNGARIAN GOVERNMENT. TODAY STABILIZATION IS UPPERMOST IN THE MINDS AND THOUGHTS OF ALL THE PEOPLE OF HUNGARY. WE AMERICANS HERE IN HUNGARY HAVE OBSERVED THE DISASTROUS EFFECTS OF INFLATION. ~~ALTHOUGH THIS GOLD WAS CAPTURED BY THE AMERICAN ARMY IN WAR BOON, AND AS SUCH THE AMERICAN GOVERNMENT WAS ENTITLED TO POSSESSION AND USE OF THIS GOLD, THE HUNGARIAN GOVERNMENT HAS BEEN TRYING TO WIN THE HUNGARIAN GOVERNMENT IN ITS FIGHT FOR THE STABILIZATION OF ITS CURRENCY. REALIZING THIS, AT THE REQUEST OF THE OFFICIALS OF THE HUNGARIAN GOVERNMENT WHOSE IN WASHINGTON, THE ALLIED GOVERNMENT DECIDED TO GIVE THIS GOLD TO HUNGARY, FROM WHICH IT WAS TAKEN BY THE NAZIS.~~

~~"WHEN THIS GOLD WAS DISCOVERED BY THE AMERICAN ARMY IT WAS STORED IN SPECIALLY PREPARED VAGONS AND GUARDED BY AMERICAN SOLDIERS. IT WAS THEN EXAMINED FOR ITS PURITY, NUMBERED AND CLASSIFIED IN AN ORDERLY FASHION, THUS SAVING THE HUNGARIAN DELEGATION A CONSIDERABLE AMOUNT OF TIME AND TROUBLE IN THE PROCESS OF ITS RESCUE. WHEN THE ORDER CAME FOR ITS RESCUE, IT WAS LOADED BY AMERICAN TROOPS UNDER THE JOINT SUPERVISION OF~~

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RG 338
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COMMISSION
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Authority **NND 795009**
By **JW** NARA Date **11-15**

OUT

OUT

THE UNITED STATES REPRESENTATION
On The
ALLIED CONTROL COMMISSION FOR HUNGARY
OUTGOING MESSAGE

PRECEDENCE PRIORITY	ORIGINATING SECTION	DATE TIME
CLASSIFICATION UNCLASSIFIED	NAME OF OFFICER PREPARING	REFERENCE NO. Z.

TO:

- 3 -

~~THE AMERICAN AND HUNGARIAN DELEGATION AND STAFF ON THE JOURNEY TO HUNGARY BY THE AMERICAN ARMY.~~ WE CAN SAY IT CARRIES WITH US OUR VERY BEST WISHES,

AND WE EARNESTLY HOPE THAT IT WILL BE USED TO THE BEST ADVANTAGE TO REBUILD HUNGARY ON DEMOCRATIC LINES IN ACCORDANCE WITH THE ATLANTIC CHARTER SETTING FORTH THE FOUR FREEDOMS: FREEDOM OF WANT, FREEDOM OF FEAR, FREEDOM OF RELIGION, AND FREEDOM OF SPEECH."

THE STATION WAS GUARDED BY SEVERAL HUNDRED HUNGARIAN SOLDIERS AND POLICEMEN. AN ENORMOUS CROWD GATHERED AROUND THE STATION, ALTHOUGH IT WAS NOT AS LARGE AS IT WOULD HAVE BEEN HAD THE GOLD COME IN AS SCHEDULED DURING DAYLIGHT HOURS.

DUE TO LATE HOUR, MORNING PRESS DID NOT CARRY FULL STORY, BUT FAVORABLE REACTION IS EXPECTED FROM ALL PAPERS EXCEPT EXTREME LEFT. RED ARMY PAPER THIS MORNING CARRIES ARTICLE TO THE EFFECT THAT THE UNITED STATES HAS NOT RETURNED PROPERTY FROM THE AMERICAN ZONE VALUED AT THREE BILLION DOLLARS AND THAT GOLD WAS ONLY RETURNED AT INSISTENCE OF SOVIET UNION. THIS WAS TO BE EXPECTED AS IT FOLLOWED THE USUAL LINE OF SOVIET PAPER HERE AND COMMUNIST PRESS. WILL REPORT PRESS COMMENTS LATER CABLE.

Old file

127229

Coordination, Classification, Content Checked by
Nancy G. Simonovic

Division Chief

A. C. FILE NO.

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Authority **NND 795009**By **JW** NARA Date **11-15**

RG 338

ENTRY 11017

ALYSA CONTACT
COMMISSION

Box 39

CONFIDENTIAL**93-46**

Budapest, Hungary

20 December**46**

U.S. Naval Member, ACC

101-500

U.S. Naval Member's Reports 14-46, 18-46, 27-46, 30-46.

Not desirable to disclose

E-2**URGENT - Danube Shipping; Restitution of Hungarian Vessels.**

The following monograph is a resume of the attitude of informed shipping circles in Hungary on the restitution of Hungarian vessels, and a description of the Linz, Austria, incident. The opinions and comments under section III-IV represent the deductions and forecasts of reliable shipping experts as to the future of a Soviet-Hungarian Shipping Company.

Annexes are attached for information as follows:

- Annex I - Letter from Hungarian Government to U.S. Representation on ACC Hungary proposing certain steps to be taken for restitution of vessels.
- Annex II - Order of Procedure for Restitution, issued by U.S. Military authority.
- Annex III - Signed receipt of Hungarian Government for restituted ships.
- Annex IV - Recapitulation of restituted Hungarian vessels.
- Annex V - List of foreign debtors of the Hungarian River and Sea Navigation Company (MPTK).

I. COMMENTS ON ACTUAL RESTITUTION.

The recent decree of the United States Government directing the restitution of the Hungarian Danube merchant craft, held by the U.S. authorities in Germany, came as a complete surprise to most individuals and offices in Hungary. The edict was greeted with mixed emotions; ranging from high elation on the one hand to extreme pessimism on the other. The general consensus of opinion in informed shipping circles, however, was that the United States had prematurely released her trump card for insuring a true internationalization of the Danube and its tributary waterways.

Little information had been received by the ACC Hungary on the negotiations in progress on this matter, and little other information was at hand regarding the steps which was prepared to take for the actual restitution. A communication received immediately from the Hungarian Government by the ACC was transmitted by despatch to the proper U.S. authorities; and is quoted verbatim

ONT; U.S. Minister to Hungary; Embassy USA; CC ACC Hungary;
File.

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Entry 11017

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Authority NND 795009
BY JW NARA Date 11-15

Member, 100 Hungary, Report 33-16 dated 20 December 1946.

as Annex I. This request was granted in substance and the Hungarian Government took the necessary steps for its execution.

On 22 November, the U.S. Naval Member, 100 Hungary, departed Budapest, and during an extensive two weeks tour discussed the operation with various U.S. officials in Vienna, Austria; and in Frankfurt, Regensburg, and Passau Germany. At Regensburg, the following documents were obtained from the U.S. Danube Field Organization, and are attached for information as follows:

- Annex II - Order of Procedure for Restitution of Danube craft.
- Annex III - Receipt for Hungarian craft signed by Alexander Nahn, Chief Hungarian Restitution Mission.
- Annex IV - Recapitulation of Hungarian vessels restituted.

The majority of these vessels were tied up at Passau with a minimum number of ship-keepers on board. During a period of two days at Passau, the U.S. Naval Member, 100 Hungary, inspected a representative number of vessels of each class; i.e., motor tug, passenger vessels, coal barges, oil barges, and freight barges. They were found to be in fair to good condition and, while showing the effects of long idleness and lack of proper painting, were generally clean and the engines well preserved.

Discussions with the Hungarian nationals on board disclosed much the same variance of opinion regarding the restitution as existed in Hungary, with some individuals going so far as to declare that the vessels might be sabotaged by their crews in order to prevent their arrival in Budapest. In connection with this latter statement, it is pointed out that many of the crews had been making their homes on board for nearly two years and that their return to Hungary represented a rather nebulous future; especially for those anticipating being in disfavor with the present Government or of being forced to work for a Soviet controlled shipping company.

II. THE LINE, AUSTRIA, INCIDENT.

On 7 December, the first convey of restituted vessels departed from Passau bound for Budapest and consisted of the following vessels:

<u>PASSENGER SHIPS</u>	<u>HP</u>
LEADFAIR	500
JOSEF POWERSCH	500
RENY GUYERT	500
RENY LASELO	500
ZSOFIA	800

<u>MOTOR TUGS</u>	
CONDILLO	600
S. III	1100

SEAGONE MOTORSHIPS

FATCA
SANGHI

BARGES

8 miscellaneous barges.

124731

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Member, ACC Hungary, Report 33-46 dated 20 December 1946.

by JW NARA Date 11-15

was closely followed by a second convoy consisting of the following ships:

<u>PASSENGER SHIPS</u>	<u>HP</u>
SEST BNS	810
YRECKE	380
FRON	200
<u>POWER TUGS</u>	
SECHERYI	1200
YREYSZAG	110
<u>POWER BARGES</u>	
BUDA	800
STILE	800
<u>BARGES</u>	

5 miscellaneous barges.

Upon reaching Lins, Austria, about seventy miles below Passau, the latter group of twelve WFTB vessels plus the SEST DELBERT and SEST LAZLO in the first group were stopped by the Austrian River Police. The police were reported to have been flying the American Ensign at the bow of their launch, and were acting under the orders of the Austrian County Court No. 2 (LANDGERICHT 2) at Lins. The ships were ordered to tie up and the ship's papers were seized by the court bailiff. However, the SEST DELBERT and SEST LAZLO refused to comply with the order to tie up and proceeded on down the river, along their ship's papers, with the first convoy and arrived in Budapest on the 16 - 17 of December. The second convoy of twelve WFTB vessels remained in Lins and were released, less their ship's papers, a few days later. However, they were unable to finish the passage, and are now held up at some point above Vienna by low water and ice in the Danube. The remainder of the restituted vessels remained at Passau awaiting the outcome of the Lins incident, and are now likewise prevented from starting a passage by the ice and low water. An order for the arrest of the two captains who managed to escape was issued by the court.

The county court had issued the order for the seizure as pledge for the WFTB Shipping Company debts owing to various British creditors. A list of WFTB creditors is attached as annex V. The court yielded the request on the grounds that it understood that the homebound ships are to be surrendered to a foreign controlled company (Soviet-Hungarian Shipping Company - HERSHART) and that the credits are thereby jeopardized.

It is not known which of the creditors listed in annex V originated the action in the Austrian court. However, they have retained a Lins lawyer, Dr. KAMENY, as their representative and the court assigned a Dr. FISCH, a lawyer resident of Lins, to act as the WFTB representative.

The Hungarians were incensed at the incident and took immediate steps to relieve the situation. The Foreign Ministry ordered its representatives in Washington and London to request intervention. The Hungarian Ministry for Finance contacted the British representation on the ACC for Hungary and requested that they intervene in the action on the grounds that the WFTB creditors represent only a small sector of the total British claims against the Hungarian Government and private debtors, and that the matter of indebtedness should be treated in its entirety. Such premature action only jeopardizes the ultimate settlement of the debts owing to Great Britain. An appeal to the Soviet Military Forces for intervention was reportedly refused.

124732

The BTR, on its own behalf, appealed to the higher court at Linn against the decree of the lower county court. Its most decisive argument was that the British claimants failed to deposit the amount of their claim with the Austrian court in accordance with Austrian law. In this case, the sum amounts to 16,000,000 Austrian shillings (S. 350,000). The case was taken under advisement

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I I

COMMISSION

RG 338

BOX 39

Entry 11017

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Authority NND 795009By JW NARA Date 11-15ANNEX IV

RECAPITULATION OF RESTITUTED HUNGARIAN VESSELS.

(a)	In Germany	
	A Passenger ships	16
	B Tugs	41
	C Motor Barges	11
	D Motor Tankers	0
	E Barges	118
	F Tankers	12
	G Miscellaneous	46
		<u>242</u>
(b)	In Austria	
	A Barges	2
	B Tankers	1
	C Miscellaneous	6
		<u>9</u>
	Sub Total	251

The above list INCLUDES 37 Hungarian Navy and Army craft which were not restituted, and are still being held by U.S. authorities in Germany. No information is available concerning any existing plans for their restitution or disposition.

24 vessels of the sub total are not yet unloaded, and therefore will not be released until this is accomplished.

Recapitulation

Sub Total	251
less Hungarian State vessels	- 37
less 24 vessels being unloaded	<u>- 24</u>
Total	190

Not included in the above figures are six vessels of the E- Braun and Piry Company which are being held for adjudication of their claim by Yugoslavia.

Begensburg 18th of November 1946,

124734

OUT

DECLASSIFIED
Authority NND 795 009
By JW NARA DIR: 11-15

RG 338 338
ENTRY 1101
ALLIED CONTROL
COMMISSION
PRESE Box 56

OUT

On The
ALLIED CONTROL COMMISSION FOR HUNGARY
OUTGOING MESSAGE

PRECEDENCE	ORIGINATING SECTION	DATE, TIME
PRIORITY	ECONOMIC DIVISION	23 1156 TWENTY THREE DECEMBER
CLASSIFICATION	NAME OF OFFICER PREPARING	REFERENCE NO.
UNCLASSIFIED	LT JOHN E WORTH	Z-4813

TO: WDGID CMA WDGPO CMA CMCUS BERLIN CMA CMCUS REAR FOR RESTITUTION BRANCH
CMA USFET CMA USEA FROM ACC HUNGARY SIGNEO WORTH

SPECIAL TRAIN CARRYING RESTITUTED HUNGARIAN ART TREASURES FROM GERMANY TO
HUNGARY ARRIVED AT BUDAPEST SEVENTEEN HUNDRED HOURS CMA TWENTY TWO DECEMBER
WITHOUT INCIDENT PD TRAIN WAS ESCORTED BY UNCLE SUGAR OFFICIALS AND UNCLE
SUGAR MILITARY GUARD PD REPRESENTATIVES OF HUNGARIAN GOVERNMENT HAVE TAKEN
OVER SHIPMENT PD END

Coordination, Classification, Content Checked by
William M SLYDEN
Name Rank (Typed)
Division Chief

A. G. FILE NO:
124735
386/1

Report Form
FD-263 (5-12-56)

252
4/18/8

FEDERAL BUREAU OF INVESTIGATION

Reporting Office NEW YORK	Office of Origin NEW YORK	Date 5/11/56	Investigative Period 4/23-27; 5/1/56
TITLE OF CASE ESTATE OF SOPHIE SCHIELE, DECEASED		Report made by JAMES A. MATTHEWS (A)	Typed By: mmr
		CHARACTER OF CASE ALIEN PROPERTY CUSTODIAN MATTER	

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/18/88 BY SP1 CLK/abt

Synopsis:

Manufacturers Trust Company records first recorded death of SOPHIE SCHIELE, 3/28/52. Safe deposit box rental paid by PAULINE KASPER subsequent to death of SOPHIE SCHIELE. PAULINE KASPER paid funeral and other expenses of SOPHIE SCHIELE relating to death. PAULINE KASPER notified relatives in Germany of SOPHIE SCHIELE'S death in 1943 through International Red Cross. PAULINE KASPER appointed administrator of mother's estate, date not known. PAULINE KASPER secured legal assistance in 7/53 after learning of death of decedent's sister, LOUISE SCHIELE in Germany. New York State Tax Commission notified of death of SOPHIE SCHIELE and existence of safe deposit box by the New York County Public Administrator in 7/54.

- C -

DETAILS:

The following investigation was predicated upon the request of Deputy Director PAUL V. MYRON, Office of Alien Property, dated March 26, 1956, that the following

Approved:	Special Agent in Charge	Do not write in spaces below	
Copies: ② - Bureau 1 - New York (100-155)		114-513-2	INDEXED - 34
		14 MAY 15 1956	EX-109

68 MAY 21 1956

1-DAP
5/18/56
BWK/109

STATE BUREAU

124736
original

NY 114-155

information concerning the estate of SOPHIE SCHIELE be determined:

1. If Manufacturers Safe Deposit Company was advised of the death of SOPHIE SCHIELE.
2. To whom Manufacturers Safe Deposit Company sent bills for the rental of the deposit box held in the name of SOPHIE SCHIELE after December 9, 1943.
3. Who paid the expenses of Mrs. SCHIELE'S last illness, for her funeral expenses and her other debts, if any.
4. When Mrs. KASPER first attempted to communicate with her mother in German (Mrs. EMILIE SIMMA of Bonlanden, Germany) who reportedly died on November 11, 1948. Communication by mail between residents of Germany and residents of the United States became permissible on and after January 2, 1947.
5. Mrs. PAULINE KASPER applied for and received appointment as ancillary administrator of her mother's estate in this country. When?
6. How soon after the end of hostilities between the United States and Germany did Mrs. KASPER ascertain that the decedent, SOPHIE SCHIELE, was survived by brothers and sisters.
7. Why Mrs. KASPER did not, prior to April 17, 1953, either apply for issuance of letters of administration to herself of the decedent's estate or report the existence of the estate to the public administrator of New York County or to the tax authorities of New York State.
8. When was the Tax Commission of the State of New York first apprised of the existence of the safe deposit box of SOPHIE SCHIELE or of her death?

NY 114-155

9. In failing and neglecting to cause SOPHIE SCHIELE'S estate to be administered prior to April 17, 1953, was PAULINE KASPER acting on her own initiative or with the advice and counsel of some other person. If any other persons were involved, please obtain their names and addresses.

Mrs. PAULINE KASPER, 71 Morsemere Avenue, Yonkers, New York, was interviewed on April 26, 1956, by SAS JOHN E. FOLEY and MICHAEL R. CARRANO. She advised that SOPHIE SCHIELE, decedent, was her aunt and was employed prior to her death as a domestic in New York City. Mrs. KASPER related that prior to about 1940 the decedent's sister, LOUISE SCHIELE, resided in New York City and about 1940 she returned to Bonlanden, Germany, for a visit and had intended to return to the United States; but due to World War II, she did not return to the United States.

Mrs. KASPER advised that at the time of the decedent's death, she (Mrs. KASPER), was the only remaining relative living in the United States and that she paid all funeral, medical, and other expenses of SOPHIE SCHIELE at the time of her death. Mrs. KASPER recalled that sometime in the 1930's, SOPHIE SCHIELE told her that she had been given power of attorney in connection with a safe deposit box at the Manufacturers Safe Deposit Company (now known as the Manufacturers Trust Company), in the event of SOPHIE SCHIELE'S death. She also advised that the decedent had a savings account at the Manufacturers Trust Company and that after the death of SOPHIE SCHIELE, Mrs. KASPER went to the bank and informed bank officials that she had incurred certain expenses in connection with her aunt's death and funeral and asked the bank officials if she could be reimbursed out of the decedent's estate. According to Mrs. KASPER, the bank officials told her that she would not be able to obtain any money from the decedent's bank account. She further stated that the bank officials told her at that time that the decedent's bank account was held in trust for LOUISE SCHIELE.

NY 114-155

Mrs. KASPER advised that in 1943 she notified her relatives in Germany of SOPHIE SCHIELE'S death through the facilities of the International Red Cross.

Mrs. KASPER advised that after SOPHIE SCHIELE'S death, she (Mrs. KASPER), paid rental on the decedent's safe deposit box and that on occasion a friend, ROSA WIRTH, made the payments on the box at the bank for her. She said that the bank had regularly billed her for the rental on this box.

Mrs. KASPER stated that after the bank officials told her that the decedent's bank account was in trust for the decedent's sister, LOUISE SCHIELE, she believed that any monies left by the decedent would be inherited by LOUISE SCHIELE. She said that since LOUISE SCHIELE had indicated her intentions of returning to the United States, she made no effort to inquire regarding the estate of the decedent, pending the return of LOUISE SCHIELE to the United States.

Mrs. KASPER advised that a few weeks before she consulted the law firm of Topken and Farley, in 1953, regarding the decedent's estate, she had been informed by surviving relatives in Germany that LOUISE SCHIELE had died. She related that LOUISE SCHIELE passed away several months prior to the time that she was notified of the death. Mrs. KASPER stated that after learning of LOUISE SCHIELE'S death, she, as a sole surviving relative in the United States, consulted the law firm of Topken and Farley, New York City, regarding the settlement of the estate of SOPHIE SCHIELE.

Mrs. KASPER advised that after she had furnished all of the information to this law firm, she was told some weeks later that there were other surviving relatives of the decedent in Germany who would share in the estate.

Mrs. KASPER advised that she made no effort to consult legal counsel regarding the decedent's estate until 1953; inasmuch as the decedent's sister, LOUISE SCHIELE, had intended to return to the United States and that she (Mrs. KASPER), at the time, did not believe that she would share in the estate.

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Mrs. KASPER advised that she did not notify the Tax Commission of the State of New York of the decedent's death or the existence of the safe deposit box because she felt that her aunt, LOUISE SCHIELE, was the party in interest and she believed that LOUISE SCHIELE would return to the United States. Mrs. KASPER further advised that she was unaware that she was required to file any papers of any kind or notify anyone of the death of her aunt or the existence of the safe deposit box.

Mrs. KASPER advised that her own mother, Mrs. EMILIE SIMMA, died in Bolanden, Germany, on November 11, 1948. She stated that she had written to her mother prior to her death. She said that LOUISE SCHIELE had cared for her mother, EMILIE SIMMA, during her illness.

Mrs. KASPER related that she was appointed administrator of her mother's estate; however, she could not recall the date of this appointment. She stated that the law firm of Topken and Farley, 250 Park Avenue, New York 17, New York, is in possession of all pertinent dates and information pertaining to this matter.

Mrs. KASPER concluded that she has never consulted any other law firm or obtained any legal advice from anyone other than her present attorneys. She stated that no one other than her present attorneys has counseled her relative to the decedent's estate and that she initiated the present proceedings only after learning of the death of LOUISE SCHIELE in 1953.

The records of the Surrogate Court, County of New York, under Docket number A1779, 1954, were reviewed on April 24, 1956, by SAA JAMES A. MATTHEWS for the purpose of determining when PAULINE KASPER initiated proceedings to dispose of the estate of SOPHIE SCHIELE.

These records contain an affidavit dated May 17, 1955, executed by ANNA H. LESENSCHMID, attorney at law, law firm of Topken and Farley, 250 Park Avenue, New York 17, New York. This affidavit stated in part, that that law firm was contacted in July, 1953, by Mrs. PAULINE KASPER in connection with the estate of SOPHIE SCHIELE.

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The Surrogate Court records further reflected that on July 15, 1954, the Honorable WILLIAM T. COLLINS, Surrogate, ordered and decreed that Letters of Administration of the intestate be awarded to the Public Administrator of the County of New York.

The Petition for Letters of Administration stated that SOPHIE SCHIELE died an intestate on December 9, 1943 and possessed personal property in the county and state of New York, which value exceeded \$20,000.00. The deceased possessed no real property in the state.

These records further reflected that the deceased left surviving the following distributees, whose name, degree of relationship, post office address, and ages are as follows:

<u>Name</u>	<u>Relationship</u>	<u>Address</u>	<u>Age</u>
Estate of EMILIE SCHIELE SIMMA	Deceased sister	Hochweg 15, Konstanz, Germany	
JOHANNA SCHIELE HUTTER	Sister	Oberbaumgarten, Eriskirch, Germany	over 21
BERTHA SCHIELE SIMMA	Sister	Hochweg 15, Konstanz, Germany	over 21
Estate of LOUISE MARIE SCHELE	Deceased sister	Hochweg 15, Konstanz, Germany	
ANNA MARIA BAUMANN	Half-sister	Olgast. Stuttgart, Brochenzell, Germany	over 21

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<u>Name</u>	<u>Relationship</u>	<u>Address</u>	<u>Age</u>
JOSEF ANTON BAUMANN	Half-brother	Olgastr. Stuttgart, Brochenzell, Germany	over 21

FREDERICK S. RICE, Public Administrator, County of New York, Hall of Records, 31 Chambers Street, New York City, advised SA(A) JAMES A. MATTHEWS on April 27, 1956, that on July 12, 1954, he searched and inventoried safe deposit box of SOPHIE SCHIELE at the Manufacturers Trust Company in the presence of VINCENT ALBANO, New York State Tax Commission and bank officials. Mr. RICE related that he notified VINCENT ALBANO, New York State Tax Commission, either on July 12, 1954 or one or two days prior thereto, of the death of SOPHIE SCHIELE and the existence of the safe deposit box.

WILLIAM F. MC MAHAN, Vault Custodian, Manufacturers Trust Company, formerly known as the Manufacturers Safe Deposit Company, 1511 3rd Avenue, New York City, advised SA(A) JAMES A. MATTHEWS on April 25, 1956, that SOPHIE SCHIELE transferred a safe deposit box to that branch bank on March 29, 1934, from branch number 19 at 711 Lexington Avenue, New York City. The safe deposit box was closed on July 27, 1954, by New York County Public Administrator FREDERICK S. RICE.

The safe deposit/^{box} ledger card was reviewed. The date that the bank first officially recorded the death of SOPHIE SCHIELE was shown as March 28, 1952.

The bank records contain receipts for the payments of rental on this safe deposit box for 1954 and 1955. These receipts reflect that ROSA WIRTH made the payments during this time.

Mr. MC MAHAN advised that on June 27, 1935, PAULINE SIMMA KASPER was given power of attorney of the safe deposit box of SOPHIE SCHIELE.

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REFERENCE

Bulet to New York, 3/30/56.

ADMINISTRATIVE PAGE

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Mr. MC MAHAN further advised that the bank did not notify the Tax Commission of the State of New York of the death of SOPHIE SCHIELE or the existence of the safe deposit box.

Mr. MC MAHAN searched that branch bank records of dormant, closed, and current savings accounts, and current and closed checking accounts and found no record of a bank account for SOPHIE SCHIELE at that branch.

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- 8 -

124743

Tension w/ Jewish community. Affiliates were given what they need to survive. ~~the~~ JRSO will give the rest. Anything beyond their own needs, they cannot have. This because congregants scattered throughout the world. Cases goes to CORA and BF wins case.

Really no such thing as "heirless property". Always an heir. Certain "unclaimed property" - Unclaimed is imp.

BF: We're recall having McCoy for we don't a receipt. Clay + McCoy made their own decisions.

US govt made very serious effort to locate owners.

Affiliate JCR to JRSO for logistic reasons. BF didn't know anything about art - but JCR did. Clay wouldn't let move ~~that~~ the core Jewish group in Bay.

JCR - try to find owners first. That's easy - if got some can get rid of it.

JCR: thought ~~deductible~~ public servants. Restitute + reparations diff.

URO - BF set it up (?) Help in contingent fee 2% - 5%. Hardly 100,000s of claims - for indemnification

Global claims
Patents, trademarks, copyrights

124744-747
Coming from
Ashby

124724

to keep
is stuff
owing
have