

**Presidential Advisory Commission on
Holocaust Assets in the United States**

PCHA

Box 4

Art Team Documents

Folders 16 — 19

Documents 106947 — 109384



**PRESIDENTIAL
ADVISORY COMMISSION
ON HOLOCAUST ASSETS
IN THE UNITED STATES**

Edgar M. Bronfman
Chairman

Kenneth L. Klortch
Executive Director

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

ATTENTION NARA:

THIS IS A COPY SET OF DOCUMENTS AVAILABLE TO THE PUBLIC.

that country under the General Agreement on Tariffs and Trade. A paper reporting the status of dumping investigations by the Treasury was prepared for possible use by the Trade Agreements Committee. Various financial series for Czechoslovakia were developed, including current gold and dollar assets data and 1946-1950 figures on Czechoslovakian trade with the United States. Information was obtained as to the nature of certain U. S. liabilities to and claims on Czechoslovakia as reported by commercial and industrial concerns on the Treasury Foreign Exchange Forms.

Miscellaneous

Treasury participated with the Economic Cooperation Administration and Federal Reserve in advising the Financial Advisor to the Chinese Finance Minister with respect to the serious lack of industrial credit on Formosa. Discussions were held with State concerning technical aspects of the increasingly serious problem of Chinese Government budget deficits and their effect on the economy of Formosa.

BANK ORGANIZATION AND CONTROL

During July certificates were issued for the establishment of eight branches. One national bank was reported in voluntary liquidation. Two national banks merged with state banks under state charters. Seven national banks increased their capital funds in an amount of \$6,580,000. Fourteen national banks declared stock dividends in an amount of \$2,805,000.

ENFORCEMENT

Hesse jewels returned to German owners as forfeiture is rescinded. Return to the German owners of the fabulous jewels of Hesse was accomplished during July through the cooperation of Customs and the Department of the Army following completion of military and civil court actions in the case. Value of the seized gems and jewelry, many of them items of antique and historic character, has been placed at upwards of half a million dollars.

Customs laboratory aids in gold case. Secret Service and customs agents cooperated in a case involving the illegal exportation of bars of U. S. gold. The melt numbers and bar numbers had been mutilated by hammering, hacking and gouging, so that they could not be identified by ordinary visual examination, or with the use of a hand

106948

RG
Entry 1000
Box 28

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Authority NND37077
By [signature] NARA Date 9/14/78

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 Authority NND 968071
 By JW/NARA Date 11-5

RG 59
 Entry NND 968071
 File mainz psalter
 Box 1

Implementation of Tripartite Agreement and SWNGO 322

Tripartite Agreement:

1. Receipt of lists of missing objects. Correspondence with participating countries or American Embassies transmitting lists and conferences with embassy officials.
2. Index of missing objects with photographs.
3. Circulation of lists and photographs (at least the important customs and museums) in the U. S. to Bureau of Customs and Museums, etc.
 - a) Lists should be alphabetically arranged and mimeographed, photographs reproduced.
 - b) Mailing list to be compiled; the Bureau of Customs might furnish the list of customs offices that are to receive lists, so that only one mailing list will be needed.
4. Publicizing of missing objects with photographs in press and art magazines.
5. Receipt of reports of looted objects, from customs, museums, etc.
6. Request for detention of suspected objects.
7. Identification of the objects detained with the cooperation of art authorities in American museums.
8. Request for seizure by the U. S. Government (Treasury Dept.)
9. Arrangements for custody of objects held. (By Smithsonian or other museum)
10. Arrangements by State for return by Smithsonian or other museum to embassy in Washington, of country of origin or to War Dept. for transshipment to occupied countries.

SWNGO 322

1. Receipt of information on suspected objects by State
2. Request for investigation by Bureau of Customs of all cases of suspected objects. *Treasury Dept*
3. Index

*Treasury circular
 instruction
 assist in*

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3. Index file of objects detained — with all data, correspondence, transfers, etc., listed.
4. Circulation of Customs offices, museums, dealers, etc., asking for further cooperation in providing Department of State with information. Same mailing list as used in Tripartite Agreement.
5. Receipt of reports from Customs on objects under investigation.
6. Identification of the objects detained, with the cooperation of art authorities in museums.
7. Request for surrender of object to customs or a museum; seizure by Treasury Department if necessary.
8. Shipment and custody of objects at central collecting point in Washington (Smithsonian Institution, including National Museum and National Gallery (for paintings)).
9. Arrangements for return to embassies in Washington (of country of origin) or to the War Department for transshipment to American zones.

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By JW HARA Date 11-5

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59Entry NND 968071File main 2 psalterBox 1EMBASSY OF THE
UNITED STATES OF AMERICA

Moscow, U.S.S.R.

January 6, 1948.

No. 21

Subject: **Control of Cultural Property looted by Enemy
during the course of the War.**

The Officer in Charge refers to

**the Department's telegram no. 1893, October 28, 1947, and
the Embassy's telegram no. 23, January 5, 1948,**

and has the honor to transmit for the records of the Department

800.515/1 - 548 DE

the following copies of correspondence exchanged between the

Embassy and the Soviet Ministry of Foreign Affairs in this

connection:

**Two copies of note no. 11 of January 5, 1948, to
the Soviet Ministry of Foreign Affairs concerning
agreement of July 8, 1946 with respect to the
control of cultural property looted by the enemy
during the course of the war and inviting the
Soviet Government to participate.****Enclosure:****Two copies of note no. 11
dated January 5, 1948,
as stated.****GRReinhardt:rvm**OIC OCCUPIED AREAS
(ADD)

FEB 12 1948

DEPARTMENT OF STATE

*Received -
Dept. of State
1948 Jan 27 138
DC/m*

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Authority NND 968071
By JWA/NARA Date 11-5

RG 59
Entry NND 968071
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Box 1

Dept.

No. 11 Moscow, January 5, 1948.

The Embassy of the United States of America

presents its compliments to the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics and has the honor to inform the Soviet Government that on July 8, 1946 an agreement was concluded among the United States, the United Kingdom and France with respect to the control of cultural property looted by the enemy during the course of the war and on behalf of the United States Government to invite the Soviet Government to participate in this agreement.

The text of the agreement of July 8, 1946 is enclosed and in accordance with its provisions the Soviet Government is invited to exchange with liberated countries lists of spoliated articles not yet recovered to the

Ministry of Foreign Affairs,

Moscow.

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Authority NND 968071
By JW NARA Date 11-5RG 59
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Box 1

Copy of Text of Agreement of July 8, 1946
with respect to control of cultural property
looted by the enemy in countries occupied
by it during the war.

The Governments of the United States, United Kingdom and France have agreed to recognize the usefulness of a common démarche to be made to the neutrals recommending that certain measures be taken by them with a view to discovering in their territory cultural property looted by the enemy in countries formerly occupied by it and to control such property and prohibit its exportation abroad. (This relates to articles including books, manuscripts and documents of an artistic, historical, archeological, scientific, pedagogic or religious character.)

With this in view they agree to request the governments of the liberated countries to furnish the governments of neutral countries as soon as possible lists of spoliated articles which have not as yet been restituted through the recuperation operations now being made in Germany and Austria (it being understood that, if necessary, these lists might be completed by means of additions thereto and that as recuperated objects are received notification will be given of their deletion).

The three governments will recommend to the governments of the liberated countries that they exchange their respective lists and send copies to the governments of the United States, and the United Kingdom and all other governments which the countries interested in this procedure may consider useful.

The three governments will invite the neutral governments to seek out immediately looted articles in their territory and instruct the national customs authorities to prohibit the export of any article which may be presumed to have been looted. The governments of the liberated countries will submit as soon as possible to neutral countries lists of art objects looted within their territory for the purpose of assisting the investigations undertaken by the neutral countries. The customs authorities of the neutral countries should refer doubtful cases to their governments which will make every effort to identify the articles and to verify the good faith of proposed transactions making use of local art experts, police and information services. If any doubts still remain, the neutral governments will submit such cases with detail and photographs of the articles in question for the examination of the three governments.

Furthermore, the lists should be circulated to art dealers, museum authorities and specialized

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By JW/NARA Date 11-5RG 59
Entry NND 968071
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Box 1

- 2 -

recovered through recuperation operations, to furnish such lists to neutral countries, the United States, United Kingdom, and all other Governments which the U.S.S.R. may desire and to adopt appropriate measures

for the control of looted articles. In this connection it is recommended that the lists furnish as full a description as possible of

the cultural objects in question with dimensions and photographs if available to aid in their identification and that any lists sent to the United States be drawn up in the English language.

It is understood that an invitation to the Soviet Government to participate in this agreement is being extended similarly by the United Kingdom and France and that the following countries as well have been invited to participate: Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Finland, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Rumania, Spain, Sweden, Switzerland, and Yugoslavia.

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Authority NND 968071
By JW/NARA Date 11-5

RG 59

Entry NND 968071File manz psalterBox 1

- 2 -

people who will be under the same obligation of vigilance as the customs authorities and compelled to refer suspicious cases to the central administrations. The governments of the neutral countries shall, furthermore, alert their public opinion with regard to their interest in looted articles by means of the press and all other kinds of publicity requesting that all suspicious cases be notified to the police and other governmental services.

The governments of the United States, Great Britain and France underline the usefulness which the application of the above indicated measures represent for the liberated countries as well as for themselves and that they are desirous of having the neutral countries adopt them. Each government undertakes to effect all appropriate measures and will request the governments of the liberated countries to do likewise.

copied:rvm

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Authority NND 968071
By JW/NARA Date 11-5

RG 59
Entry NND 968071
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The Department will request that copies from Belgium and France likewise be sent to the Office of United States Political Adviser on German Affairs and will keep the Office fully informed as to the lists prepared and circulated in the United States.

FEB 3 1948

RESTRICTED

No. 58

1. From Embassy, Paris Fr.
To the DESA, July 4, 1947.

United States Political Adviser on German Affairs,
DESA, June 5, 1947.
Berlin.

2. From Embassy, London Gt.
DESA, July 4, 1947.

The Secretary of State transmits herewith for the information of the appropriate divisions of the Office of Military Government for Germany and the Reparations, Deliveries and Restitutions Directorate of the Allied Control Authority, the attached telegrams on the Agreement of July 8, 1946 among the United States, the United Kingdom, and France. These documents pertain to an agreement for the control and recovery of missing cultural property, and the extension of this agreement to USSR and to the ex-enemy countries, Italy, Bulgaria, Hungary, and Rumania, and include replies which have thus far been received from the American Missions in Moscow, Budapest, and Helsinki. The replies from Rome, Sofia, and Bucharest will be forwarded as received. Copy of the Despatch 375 dated December 22, 1947 from American Embassy, The Hague, transmitting an expression of approval of the extension of the Agreement by the Netherlands Government is also attached.

3. From Embassy, Budapest Hg.
Lists of missing cultural objects have been received by the Department of State from the governments of Poland, France, and Belgium, for circulation in the United States in accordance with the provisions of this Agreement.

Copies of the despatches No. 880, Nov. 27, 1946, No. 980, Dec. 19, 1946, No. 1170, Feb. 14, 1947 and No. 1819, June 24, 1947, from the American Embassy in Warsaw to the Department enclosing the Polish lists with photographs, were also sent to the United States Political Adviser on German Affairs for transmittal to the Monuments, Fine Arts, and Archives Section of OMGUS.

A list of 846 missing objects was received from Belgium and a list of 883 missing objects from France. The Department has requested from these governments more detailed information and, wherever possible, photographs of the objects.

120:10011:1001 1-27-48

The Department

800.515/2-348

CS/A

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Authority NND 968071
By JWA/NARA Date 11-5

RG 59
Entry NND 968071
File mainz psalter
Box 1

The Department will request that copies from Belgium and France likewise be sent to the Office of United States Political Adviser on German Affairs and will keep the Office fully informed as to the lists prepared and circulated in the United States.

Enclosures:

1. From Embassy Paris No. 3342, July 8, 1946.
2. To Embassy London No. 2378, June 3, 1947. *Advised on German Affairs,*
3. From Embassy London No. 3650, July 3, 1947.
4. From Embassy Paris No. 2672, July 3, 1947. *Advised on German Affairs, for the information of the Office of Military Government in Germany and the American, British, French and Soviet Military Administration in Germany, the attached copy of the report of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*
5. To Embassy Moscow No. 1788, Sept. 29, 1947. *Advised on German Affairs, for the information of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*
6. To Embassy Rome No. 2202, Oct. 28, 1947. *Advised on German Affairs, for the information of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*
7. Circular Airgram, Oct. 28, 1947. *Advised on German Affairs, for the information of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*
8. From Embassy, Moscow No. 23, Jan. 6, 1948. *Advised on German Affairs, for the information of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*
9. From Embassy Budapest No. NIACT, 1864, Nov. 24, 1947. *Advised on German Affairs, for the information of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*
10. From Embassy Helsinki No. A-6, Jan. 6, 1948. *Advised on German Affairs, for the information of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*
11. From Embassy, The Hague No. 375, Dec. 22, 1947. *Advised on German Affairs, for the information of the United States, the United Kingdom, and France. These documents pertain to the recovery of missing cultural objects.*

A true copy of the signed original of the attached documents has been furnished to the United States Political Adviser on German Affairs and transmitted to the appropriate, Paris, etc., and suitable action is being taken.

WT
GIE
HT
CE

ADO:ARHall:omb

1-27-48

800.515/11-2746

CR
CAL

106957

DECLASSIFIED
Authority NUD968071
By JM NARA Date 8/25/77

RG 59
Entry Lot 62 D. 4
Box 1

determined

What countries have indicated their cooperation?
How are they implementing this Agreement?
What laws in force?

Office Copy

Do not remove.

COPY

DEPARTMENT OF STATE
INCOMING TELEGRAM

Tel. drafted
by E. S. Balcer
7-9-46
Copy sent Nat Sec of Art

2447

Paris

Dated July 8, 1946

Rec'd 8:31 a.m., 9th

Restricted

SECSTATE

3342, July 8, 7 p.m.

One. Following is text of an agreement concluded 8 July among the US, UK and France with respect to the control of looted articles:

"The Govts of the US, UK and France have agreed to recognize the usefulness of a common demarche to be made to the neutrals recommending that certain measures be taken by them with view to discovering in their territory cultural property looted by the enemy in countries formerly occupied by it and to control such property and prohibit its exportation abroad (this relates to articles including books, manuscripts and documents of an artistic, historical, archeological, scientific, pedagogic or religious character).

With this in view they agree to request the governments of the liberated countries to furnish the governments of neutral countries as soon as possible lists of spoliated articles which have not as yet been restituted through the recuperation operations now being made in Germany and Austria (it being understood that, if necessary, these lists might be completed by means of additions thereto and that as recuperated objects are received notification will be given of their deletion).

"The three governments will recommend to the governments of the liberated countries that they exchange their respective lists and send copies to the governments of the US, and UK and all other governments which the countries interested in this procedure may consider useful.

"The

Has cable been declassified?

RESTRICTED

DECLASSIFIED

Authority NUD 960071By JM4 NARA Date 8/25/77RG 59Entry 1062-D-4Box 1*Serialized Office Copy*

RESTRICTED

"The three governments will invite the neutral governments to seek out immediately looted articles in their territory and instruct the national customs authorities to prohibit the export of any article which may be presumed to have been looted. The governments of the liberated countries will submit as soon as possible to the neutral countries lists of art objects looted within their territory for the purpose of assisting the investigations undertaken by the neutral countries. The customs authorities of the neutral countries should refer doubtful cases to their governments which will make every effort to identify the articles and to verify the good faith of proposed transactions making use of local art experts, police and information services. If any doubts still remain, the neutral governments will submit such cases with detail and photographs of the articles in question for the examination of the three governments. Furthermore, the lists should be circulated to art dealers, museum authorities and specialized people who will be under the same obligation of vigilance as the customs authorities and compelled to refer suspicious cases to the central administrations. The governments of the neutral countries shall, furthermore, alert their public opinion with regard to their interest in looted articles by means of the press and all other kinds of publicity requesting that all suspicious cases be notified to the police and other governmental services.

The Governments of the US, Great Britain and France underline the usefulness which the application of the above indicated measures represent for the liberated countries as well as for themselves and that they are desirous of having the neutral countries adopt them. Each government undertakes to effect all appropriate measures and will request the governments of the liberated countries to do likewise.

Two. The Dept requests that an appropriate note along the lines of this agreement be presented to the government to which you are accredited as soon as possible. This note should be presented in conjunction with your British and French colleagues who will receive similar instructions from their governments. *end*

Sent to Dept as 3342, Bern as 74, Madrid as 153, Lisbon as 49, Stockholm as 42, Dublin as unnumbered, Vienna as 109, Oslo as 10, Copenhagen as 14, Brussels as 100, The Hague as 22, Praha as 73, Belgrade as 29, Warsaw as 141, Athens as 33, repeated to London for information as 515.

CAFFERY

RESTRICTED

106959

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE
INCOMING TELEGRAM

~~RESTRICTED~~
INFORMATION
COPY

Handwritten signatures and initials:
W. L. ...
R. ...
C. ...
F. ...
J. ...

ACTION: EUR
INFO:
S
U
C
NEA
DC/L
ITP
ESP
OPD
A-B
A-C
A-H
CD
IC
DC/R

CTC -16
Paraphrase before com-
municating except to
Government Agencies.

2447
Paris
Dated July 8, 1946
Rec'd 8:31 a.m., 9th

~~RESTRICTED~~
SECSTATE

Handwritten note:
Have copy for trip.

Handwritten note:
ADE?

3342, July 8, 7 p.m.

One. Following is text of an agreement concluded 8 July among the US, UK and France with respect to the control of looted articles:

"The Govts of the US, UK and France have agreed to recognize the usefulness of a common démarche to be made to the neutrals recommending that certain measures be taken by them with view to discovering in their territory cultural property looted by the enemy in countries formerly occupied by it and to control such property and prohibit its exportation abroad (this relates to articles including books, manuscripts and documents of an artistic, historical, archeological, scientific, pedagogic or religious character).

"With this in view they agree to request the governments of the liberated countries to furnish the governments of neutral countries as soon as possible lists of spoliated articles which have not as yet been restituted through the recuperation operations now being made in Germany and Austria (it being understood that, if necessary, these lists might be completed by means of additions thereto and that as recuperated objects are received notification will be given of their deletion).

"The three

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DECLASSIFIED
Authority MM 968071
By WBR NARA Date 6/15/71

106960

~~RESTRICTED~~

-2-#3342, July 8, 7 p.m., from Paris

"The three governments will recommend to the governments of the liberated countries that they exchange their respective lists and send copies to the governments of the US, and UK and all other governments which the countries interested in this procedure may consider useful.

"The three governments will invite the neutral governments to seek out immediately looted articles in their territory and instruct the national customs authorities to prohibit the export of any article which may be presumed to have been looted. The governments of the liberated countries will submit as soon as possible to the neutral countries lists of art objects looted within their territory for the purpose of assisting the investigations undertaken by the neutral countries. The customs authorities of the neutral countries should refer doubtful cases to their governments which will make every effort to identify the articles and to verify the good faith of proposed transactions making use of local art experts, police and information services. If any doubts still remain, the neutral governments will submit such cases with detail and photographs of the articles in question for the examination of the three governments. Furthermore, the lists should be circulated to art dealers, museum authorities and specialized people who will be under the same obligation of vigilance as the customs authorities and compelled to refer suspicious cases to the central administrations. The governments of the neutral countries shall, furthermore, alert their public opinion with regard to their interest in looted articles by means of the press and all other kinds of publicity requesting that all suspicious cases be notified to the police and other governmental services.

The Governments of the US, Great Britain and France underline the usefulness which the application of the above indicated measures represent for the liberated countries as well as for themselves and

that they

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Authority MM 968071By WSS NARA Date 6/15/11

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-3-#3342, July 8, 7 p.m., from Paris

that they are desirous of having the neutral countries adopt them. Each government undertakes to effect all appropriate measures and will request the governments of the liberated countries to do likewise".

Two. The Dept requests that an appropriate note along the lines of this agreement be presented to the government to which you are accredited as soon as possible. This note should be presented in conjunction with your British and French colleagues who will receive similar instructions from their Governments.

Sent to Dept as (?), Lisbon as 49, Stockholm as 42, Dublin as unnumbered, Vienna as 109, Oslo as 10, Copenhagen as 14, Brussels as 100, The Hague as 22, Praha as 78, Belgrade as 29, Warsaw as 141, Athens as 33, repeated to London for information as 515.

CAFFERY

(?) Repetition of garbled portion has been requested.

RB

~~RESTRICTED~~

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Authority MM 968071

By WBD NARA Date 6/15/72

106962

Foreign Relations
of the
United States
Diplomatic Papers
1943

Volume I
General



in 7585

106963

REPRODUCED AT THE NATIONAL ARCHIVES

VI-1189p

This note greatly disturbed Swiss and was subject discussion between Pilet-Golaz⁵⁰ and De Pury.⁵¹ Swiss Foreign Office informally said that it considered it impossible include in note to United States words deleted without embarrassment. Foreign Office official further expressed view present note represents definite indication by German Foreign Office to Swiss Legation not to communicate subsequently such notes. He inquired whether, should there be subsequent similar communications from American Government, these might be communicated by radio.

HARRISON

⁵⁰ Marcel Pilet-Golaz, Chief of the Swiss Federal Political Department.

⁵¹ Arthur de Pury, Chief, Division of Foreign Interests, Swiss Federal Political Department.

INTER-ALLIED DECLARATION AGAINST ACTS OF DIS-
POSSESSION COMMITTED IN TERRITORIES UNDER
ENEMY OCCUPATION OR CONTROL; ESTABLISHMENT
OF INTER-ALLIED SUB-COMMITTEE ON ACTS OF DIS-
POSSESSION

740.00113 European War 1939/592 : Telegram

*The Secretary of State to the Chargé in the United Kingdom
(Matthews)*

WASHINGTON, December 31, 1942—5 p. m.

6679. Your 7346, December 24, 1942.² We do not believe that it is desirable to distinguish between the American republics as proposed by the British. We feel that the American republics which have broken off political and economic relations with the Axis should be treated on the same footing as those in class 1 and should be invited to associate themselves with the declaration. In the case of Chile and Argentina, we see no harm in extending a similar invitation to them and think that there are certain definite advantages. Moreover, although this reason need not be mentioned to the British, you will appreciate the political desirability from our viewpoint of treating the hemisphere as a unit.

It occurs to us that it might be preferable for this Government to communicate the declaration to the other American republics, although we appreciate that a change in plans might not be feasible at this late date.

We assume that you will eventually notify us of the exact designation of each government in the declaration (last paragraph of your 6797, December 1³).

HULL

740.00113 European War 1939/612 : Telegram

*The Chargé in the United Kingdom (Matthews) to the Secretary
of State*

LONDON, January 2, 1943—8 p. m.

[Received January 2—8 p. m.]

62. Department's 6679, December 31, 5 p. m., came just after the Foreign Office had sent out a communication setting the time for the

¹ For previous correspondence, see *Foreign Relations*, 1942, vol. I, pp. 72 ff.

² *Ibid.*, p. 87.

³ *Ibid.*, p. 81.

106964

REPRODUCED AT THE NATIONAL ARCHIVES

release of the declaration to the public Tuesday, January 5 at 12 noon local London time. It was difficult to change the procedure in the short time available but after informal talks with the Foreign Office, substantial changes have been made.

1. The Foreign Office agrees to making a distinction between "technical" neutrals who have broken off relations with the Axis and neutrals who are neutrals in fact as well as in name. They will telegraph tonight to British representatives in Asunción, Bogotá, Caracas, La Paz, Lima, Montevideo and Quito asking that the action to be taken in regard to the governments concerned should be brought in line as far as possible with that to be taken in the case of the Latin American Governments who are at war. The British representatives in these capitals will be instructed (a) to make their communication on January 4 instead of January 5; (b) [possible omission] make it difficult for any government not actually in a state of war to associate itself directly with it; they hope that the governments to which they are accredited will be able to make public statements condemning acts of dispossession perpetrated by the Axis in territories occupied by it or under its control, and in addition will declare its intention not to recognize such transfers of property; and (c) to take every precaution against premature disclosure of the declaration, and to request the governments concerned to treat the matter as confidential until the time of public release.

2. The Foreign Office does not favor taking the same line with the Argentine and Chilean Governments as with the Governments which have broken off relations with the enemy. They feel that, at least as regards the Argentine Government, to do so might draw a rebuff which might hinder attempts to make the declaration known fully in Argentina. They believe that they can explain later to the satisfaction of other parties to the declaration the distinction now to be drawn between the method of communication of the declaration used in the case of neutrals which have severed relations with the Axis and that used in the case of neutrals which are neutrals in fact as well as in name. But they believe that they would be criticised by other parties to the declaration if without consulting all parties they adopted a special approach to particular neutrals which had not broken with the enemy. They think, therefore, it would be better to allow the communication by the British Ambassadors in Argentina and Chile to be made on the morning of January 5, which is the time set for communicating the declaration to other neutrals which are neutrals in fact as well as name, and to make the communication on the lines indicated under heading (2) in Embassy's 7346, December 24.⁴

⁴ *Foreign Relations*, 1942, vol. I, p. 87.

The Foreign Office, however, considers that this would not preclude the United States Government from separately giving its own opinion to the Argentine and Chilean Governments.

3. Regarding the suggestion in the second paragraph of Department's 6679, December 31, the general procedure that Britain as the coordinating power should make the communication on behalf of the powers concerned to United Nations other than those making the declaration was indicated in section III of Embassy's 6797, December 1⁵ and as no comment was received from the Department, the Foreign Office assumed that this arrangement met with the Department's approval. At this late date it would be difficult to put the suggestion fully into effect but the Foreign Office will send tonight a further instruction to British representatives in Latin American countries that they should communicate the declaration to the governments concerned jointly with their United States colleagues if the latter in his own judgment or following instructions from the Department should express a preference for this procedure.

The Foreign Office says that the arrangements for British representatives to communicate the declaration were only intended as a matter of convenience and wishes to make it clear that the action to be taken by British representatives as the agents of the other parties does not impair the rights of other parties to make individual communications to particular governments if they so desire.

4. The exact designation of each Government was received yesterday from the Foreign Office as follows: The Union of South Africa, the United States of America, Australia, Belgium, Canada, China, the Czechoslovak Republic, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxemburg, the Netherlands, New Zealand, Norway, Poland, the Union of Soviet Socialist Republics, Yugoslavia and the French National Committee.

6. [5.] We understand that the Foreign Office will shortly make a communication to the parties concerned regarding the formation of the Committee of Experts⁶ referred to in section II of Embassy's 6797, December 1. This communication will deal with a number of comments on the subject which have been received from some of the Allied Governments.

MATTHEWS

⁵ *Foreign Relations*, 1942, vol. I, p. 81.

⁶ No such communication found in Department files. See telegram No. 550, January 21, from the Chargé in the United Kingdom, with respect to the establishment of the subcommittee of experts, p. 445.

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REPRODUCED AT THE NATIONAL ARCHIVES

740.00113 European War 1939/613 : Telegram

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, January 3, 1943—7 p. m.

[Received 9:22 p. m.]

74. Referring to the Embassy's telegram 6797, December 1, 8 p. m.⁷ and 62, January 2, 8 p. m.

1. The following changes have been made in the interpretive note transmitted in section IV of Embassy's 6797, December 1.

(a) The title of the interpretive note is as follows:

"Note on the Meaning, Scope and Application of the Inter-Allied Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control."

(b) In the first sentence of paragraph 2 of the note the words "of all parties" are substituted for the words "of the participating governments".

(c) In the first sentence of paragraph 3 the words "of the participating governments and of the French National Committee" are substituted for the words "of the governments concerned".

(d) The last sentence of paragraph 3 has been reworded, without affecting the meaning, as follows: "The declaration makes it clear that it applies to transfer and dealings affected in territory under the indirect control of the enemy (such as the former 'unoccupied zone' in France) just as much as it applies to such transactions in territory which is under his direct physical control."

(e) In the first sentence of paragraph 4 the words "the parties" are substituted for the words "the participating governments".

(f) The second sentence of paragraph 5 as communicated in section IV of Embassy's 6797 of December 1, should be replaced by the following: "The declaration marks, however, the solidarity in this important matter of all the participating governments and of the French National Committee and this means that they are mutually pledged to assist one another as may be required, and, in conformity with the principles of equity, to examine and if necessary to implement the invalidation of transfers or dealings with property, rights et cetera which may extend across national frontiers and require action by two or more governments".

(g) In the first sentence of paragraph 6 the words "the parties" are substituted for the words "the participating governments". At the opening of the second sentence of paragraph 6 the words "the parties" are substituted for the words "the governments". In the fourth sentence of paragraph 6 the words "by the governments making the declaration and the French National Committee" are substituted for the words "by the governments making the declaration".

⁷ *Foreign Relations*, 1942, vol. 1, p. 81.

2. When the Foreign Office makes the declaration public at 12 noon, local London time, January 5, it will make the following introductory statement:

"His Majesty's Government in the United Kingdom have today joined with 16 other Governments of the United Nations, and with the French National Committee, in making a formal declaration of their determination to combat and defeat the plundering by the enemy powers of the territories which have been overrun or brought under enemy control. The systematic spoliation of occupied or controlled territory has followed immediately upon each fresh aggression. This has taken every sort of form, from open looting to the most cunningly camouflaged financial penetration, and it has extended to every sort of property—from works of art to stocks of commodities, from bullion and bank notes to stocks and shares in business and financial undertakings. But the object is always the same—to seize everything of value that can be put to the aggressors' profit and then to bring the whole economy of the subjugated countries under control so that they must slave to enrich and strengthen their oppressors.

It has always been foreseen that when the tide of battle began to turn against the Axis, the campaign of plunder would be even further extended and accelerated, and that every effort would be made to stow away the stolen property in neutral countries and to persuade neutral citizens to act as fences or cloaks on behalf of the thieves.

There is evidence that this is now happening, under the pressure of events in Russia and North Africa, and that the ruthless and complete methods of plunder begun in Central Europe are now being extended on a vast and ever-increasing scale in the occupied territories of Western Europe.

His Majesty's Government agree with the Allied Governments and the French National Committee that it is important to leave no doubt whatsoever of their resolution not to accept or tolerate the misdeeds of their enemies in the field of property, however these may be cloaked, just as they have recently emphasized their determination to exact retribution from war criminals for their outrages against persons in the occupied territories. Accordingly, they have made the following joint declaration, and issued the appended explanatory memorandum on its meaning, scope and application."

MATTHEWS

740.00113 European War 1939/688a

*Inter-Allied Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control*⁸

The Union of South Africa, the United States of America, Australia, Belgium, Canada, China, the Czechoslovak Republic, the

⁸ Copy transmitted to the President of the Commonwealth of the Philippines (Quezon) by the Secretary of State in his letter of January 12, 1943 (not printed). The text of the declaration was released to the press by the Department on January 5, 1943; presented by the British Secretary of State for Foreign Affairs to Parliament and printed (with covering statement and explanatory memorandum) as British Cmd. 6418, Misc. No. 1 (1943).

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REPRODUCED AT THE NATIONAL ARCHIVES

United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, Greece, India, Luxemburg, the Netherlands, New Zealand, Norway, Poland, Yugoslavia, and the French National Committee:

Hereby issue a formal warning to all concerned, and in particular to persons in neutral countries, that they intend to do their utmost to defeat the methods of dispossession practiced by the governments with which they are at war against the countries and peoples who have been so wantonly assaulted and despoiled.

Accordingly the governments making this declaration and the French National Committee reserve all their rights to declare invalid any transfers of, or dealings with, property, rights and interests of any description whatsoever which are, or have been, situated in the territories which have come under the occupation or control, direct or indirect, of the governments with which they are at war or which belong or have belonged, to persons, including juridical persons, resident in such territories. This warning applies whether such transfers or dealings have taken the form of open looting or plunder, or of transactions apparently legal in form, even when they purport to be voluntarily effected.

The governments making this declaration and the French National Committee solemnly record their solidarity in this matter.

740.00113 European War 1939/812: Telegram

*The Secretary of State to the Chargé in the United Kingdom
(Matthews)*

WASHINGTON, January 7, 1943—7 p. m.

155. Your 62, January 2.

1. Our missions in the American republics, other than Argentina and Chile, were instructed by circular telegram of January 4⁹ to express to the governments to which they are accredited the earnest hope of this Government that they would associate themselves in some form with the declaration and that they will indicate publicly their refusal to recognize the looting by the Axis of territories which have come under its domination. Our missions in Santiago and Buenos Aires were instructed,¹⁰ unless they deemed it inappropriate, to express to the Argentine and Chilean governments the hope of this government that they would find it possible to issue some public statement indicating their sympathy with the declaration and the fact that they

⁹ Not printed.

¹⁰ Instructions not printed.

do not condone the Axis looting of occupied countries. You will be advised in regard to the reaction of the Argentinean and Chilean governments.

2. In the future, whenever possible, we would like to be consulted about the time of day when releases of considerable interest are to be made. In the present case, the hour chosen made it impossible for us to have the release appear in the morning papers.

HULL

740.00113 European War 1939/652: Telegram

*The Chargé in the United Kingdom (Matthews) to the Secretary
of State*

LONDON, January 9, 1943—midnight.

[Received January 10—1:25 a. m.]

241. Department's 155, January 7, 7 p. m., paragraph 2. We shall endeavor to arrange in future for consultation with the Department about the time of day when release[s] of considerable interest are to be made. In the case of the declaration on property transfers it was indicated in section 3 of Embassy's 6797 of December 1¹¹ that the declaration would probably be made at midday. As no comment was received it was assumed that the Department had no objection to this arrangement.

MATTHEWS

740.00113 European War 1939/815: Telegram

*The Chargé in the United Kingdom (Matthews) to the Secretary
of State*

LONDON, January 21, 1943.

[Received January 21—10:30 p. m.]

550. Embassy's 7108, December 15, and 6796 [6797], December 1, section 2, and Department's 6286, December 11.¹² At a meeting at the Foreign Office on January 13, which was attended by representatives of the Allied Governments in London, the French National Committee, Britain, Australia, China, U.S.S.R., and an observer from this Embassy, arrangements were made for the establishment of the sub-committee of experts referred to in the telegrams cited above. Its title is "The Inter-Allied Sub-Committee on Acts of Dispossession." It was decided:

(1) That the sub-committee should be composed of one representative of each of the parties attending the meeting. Canada, New

¹¹ *Foreign Relations*, 1942, vol. I, p. 81.

¹² *Ibid.*, pp. 87, 81, and 86, respectively.

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Zealand, South Africa, and India do not desire representation on the sub-committee.

(2) That any other government of the United Nations should be at liberty to send a representative to a meeting of the sub-committee on prior notification.

(3) That each Government represented on the sub-committee should prepare for the sub-committee a statement of its existing national legislation under which transfers and dealings of the kind referred to in the declaration would be or could be invalidated.

(4) That each Government should prepare for the sub-committee a statement on the methods of dispossession known to have been practiced in its territories. This statement is to follow a draft list of headings which will be sent by air pouch.¹³

The first meeting of the sub-committee will take place on February 1st and in accordance with the arrangement indicated in Department's 6286, December 11, and Embassy's 7108, December 15, Spiegel¹⁴ will attend it. Other decisions of less immediate importance will be found in the minutes of the meeting which will be despatched by air pouch.¹⁵ The Department will observe that the paragraph-numbered (3)-above-requires action.¹⁶

MATTHEWS

740.00113 European War 1939/612: Airgram

*The Secretary of State to the Chargé in the United Kingdom
(Matthews)*

WASHINGTON, January 27, 1943—7:20 p. m.

A-386. Reference Department's telegram No. 155, January 7, 1943, concerning the association of the American republics with the declaration on transfers of property in occupied territory.

Each of the American republics with the exception of Chile has announced its adherence to or association with the declaration in one form or another. In most cases the declaration was fully accepted; in a few instances there were implicit or express reservations. State-

¹³ Not printed; it was transmitted to the Department by the Chargé in his despatch No. 7860, February 23; received March 10.

¹⁴ H. R. Spiegel, American representative on the sub-committee.

¹⁵ Minutes of meeting not printed; they were transmitted to the Department by the Chargé in his despatch No. 7860, February 23.

¹⁶ The Department's instructions No. 2719 of May 18 and No. 2766 of June 1, 1943 (not printed), transmitted copies of a statement on existing national legislation of the United States under which transfers and dealings of the type referred to in the declaration might be invalidated (740.00113 European War 1939/855, 887); full text of the United States memorandum is contained in Appendix A of Interim Report of the Sub-Committee on Acts of Dispossession transmitted to the Department by the Ambassador in the United Kingdom in his despatch No. 9758 of June 24, 1943 (not printed); for a summary of the U.S. statement, see p. 449.

ments issued by each of the countries in connection with their action will be forwarded to you under separate cover.¹⁷

In Argentina, Foreign Office replied by submitting a note to the British Embassy and subsequently informing the press that the Argentine note adhered to the United Nations protest "On the behalf of the principles of order and respect for International Law which have been invariable rules of our conduct with others". The Argentine Government did not publish the terms of its note but stated that this may be done by the British Government. The British have made the contents of the note available to the United States Mission which has informed us that the pertinent paragraph of the note reads in translation as follows:

"In taking note of this declaration the Argentine Government considers that, when the moment for a decision arrives, it will then be the time for an application in a similar sense of the rules that inspire the political and juridical tradition of the republic, within the guarantees and procedures provided for in the institutional regime of the country for the protection of law and liberty in its own territory."

No report has been received concerning Chile's action in regard to the declaration but the Department will advise you as soon as a statement is received.¹⁸

HULL

740.00113 European War 1939/613: Telegram

*The Secretary of State to the Chargé in the United Kingdom
(Matthews)*

WASHINGTON, February 8, 1943—9 p. m.

860. Your 74, January 3.

1. The Department had not understood from your previous telegrams that it was intended to make public the interpretative note as an agreed interpretation of the parties to the declaration. We had understood that it would be used merely for guidance in handling publicity on the declaration. The publication of the note in this form and the changes indicated in your reference telegram, particularly the change described in paragraph (f), seemed to the Department to have political implications inconsistent with our policy. It was not possible for the matter to be brought to my attention until late in the afternoon of January 4, at which time it seemed unlikely that any

¹⁷ Instruction No. 2446 of February 26, to the Chargé in the United Kingdom, not printed.

¹⁸ The Department's airgram No. A-406, February 4, 1943, advised the Chargé in the United Kingdom of the receipt of a note from the Chilean Government expressing approval of the declaration (740.00113 European War 1939/723).

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change could be made. It was accordingly decided that only the text of the declaration should be released here and that no publication should be made by this Government of the note.

Please advise the appropriate official of the Foreign Office in the sense of the foregoing, explaining that this Government naturally does not consider itself bound by the interpretative note. While we assume the language referred to was the result merely of inadvertence, we wish to be sure that there be no misunderstanding as to this Government's position.

HULL

740.00113 European War 1939/784: Telegram

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, March 12, 1943—2 p. m.
[Received March 12—1 p. m.]

1760. Department's 860, February 8, 9 p. m. The appropriate official of the Foreign Office (Ward)¹⁹ has been informed of the substance of the above telegram and it was made clear that the United States Government does not consider itself bound by the explanatory memorandum for the guidance of press and radio on the declaration on property transfers in enemy-dominated countries.

In informal conversation he explained that the change in paragraph 5 of the explanatory memorandum on the declaration on transfers of property in enemy-dominated territories was made to avoid giving the impression that the French National Committee were recognized as a government. He emphasized that the operative instrument in relation to commitments for the parties concerned is the declaration itself and not the explanatory memorandum. The status of the latter is only that of a communiqué to the press and public.

The Foreign Office official said that the reference in paragraph 5 of the explanatory memorandum to the parties being "mutually pledged to assist one another as may be required" arose out of the last paragraph of the declaration itself. The origin of that paragraph was explained in section (1) of Embassy's 5422, September 29,²⁰ in the paragraph immediately following the text of the declaration.

While expressing regret that anything in the explanatory memorandum may have created embarrassment for the Department, the Foreign Office official expressed confidence that difficulties would not be likely to arise in practice, since it may be hoped that when the

¹⁹ John G. Ward, Acting First Secretary, British Foreign Office.

²⁰ *Foreign Relations*, 1942, vol. I, p. 77.

time comes after victory to implement the declaration there will be a recognized government of France.

MATTHEWS

740.00113 European War 1939/1006

*Inter-Allied Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control: Interim Report of Inter-Allied Sub-Committee of Experts*²¹

[Extract]

PART II.—SUMMARY OF THE LEGISLATION OF EACH COUNTRY

THE UNITED STATES OF AMERICA

1. By Section 5(b) of its Trading with the Enemy Act as amended²²—

Power is conferred on the President of the United States during time of war or national emergency to investigate, regulate, direct and compel, nullify, void, prevent or prohibit any transfer or dealing which involves any property in which any foreign country or national thereof has an interest; he may exercise these powers with respect to any transfer or dealing wherever effected, which involves any property or any person subject to the jurisdiction of the United States. The President is empowered to vest any property or interest of any foreign national or country. Authority is conferred upon the President to define all of the terms employed in said section.

These powers of the President have been made available by delegation to the Secretary of the Treasury and the Alien Property Custodian.

2. General Ruling No. 12, issued by the United States Treasury Department²³ under the authority of the said Act, provides that, except as licensed by the Treasury—

Any transfer, effected after freezing control was extended to a country, of property in a "blocked account" of that country or of any national thereof, is null and void.

The word "transfer" includes, with certain exceptions, any acts or transactions effected outside as well as in the United States which may convey or surrender any right or power with respect to prop-

²¹ Copy transmitted to the Department by the Ambassador in the United Kingdom in his despatch No. 10401, July 29; received August 5.

²² Act of October 6, 1917 (40 Stat. 415) as amended by Title III of the First War Powers Act, 1941; 55 Stat. 838.

²³ Treasury Department, *Documents Pertaining to Foreign Funds Control*, March 30, 1944, p. 36.

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erty. The expression "property" in General Ruling No. 12 includes, in general, money, bullion, securities, financial instruments, book debts and written contracts, but not as a rule real property or chattels. The exclusion in general of real property or chattels does not necessarily mean that the United States Government considers such transfers to be valid; such exclusion merely means that no formal statement with respect to the invalidity of such transfer has been issued.

3. Pursuant to powers contained in the said Act, freezing control is applied mainly under Executive Order 8389 as amended²⁴ and regulations issued thereunder. The freezing orders, in general, prohibit the following transactions if they involve any "blocked" country or national thereof or any property in which any "blocked" country or national thereof has an interest or any payment or transfer expressed in terms of the currency of such country: all transfers of credit, or payments involving banking institutions within the United States; all foreign exchange transactions; all dealings in securities (including securities physically situated outside the United States); all exports from the United States or earmarking within the United States of gold or silver, coin, bullion, or currency. The term "banking institution" is so broadly defined as to include anyone holding a credit for another as a direct or incidental part of his business.

Any transaction prohibited by the freezing orders may be licensed by the Treasury.

The following are "blocked" countries:—

Norway, Denmark, The Netherlands, Belgium, Luxemburg, France (including Monaco), Latvia, Estonia, Lithuania, Roumania, Bulgaria, Hungary, Yugoslavia, Greece, Albania, Andorra, Austria, China, Czechoslovakia, Danzig, Finland, Germany, Hong Kong, Italy, Japan, Liechtenstein, Poland, Portugal, San Marino, Spain, Sweden, Switzerland, Thailand, U.S.S.R., and any area which has been under the occupation or control of any of the foregoing countries at any time after such occupying or controlling country has been blocked.

The U.S.S.R. and the four European neutral countries (Portugal, Spain, Sweden and Switzerland) have each been granted a general licence under the freezing orders. The general licence granted to the U.S.S.R. effectively unblocks that country and its nationals, but does not validate any acts effected under Axis occupation.

Persons whose names are on the Proclaimed List of Certain Blocked Nationals are treated as enemy nationals for the purposes of the freezing orders for such time as their names appear on such List.

²⁴ For text of Executive Order No. 8389 (3 CFR 128 (Supp. 1940)) as amended by Executive Order No. 8785 (3 CFR 225 (Supp. 1941)), with amendments effected after June 14, 1941, indicated by footnotes, see *Documents Pertaining to Foreign Funds Control*, March 30, 1944, pp. 5-10.

4. Control over securities has been established under other prohibitory measures issued by the United States Treasury. Any securities or currency imported into the United States must be reported to and deposited with specified Government agencies. It is illegal to receive or hold any such currency or securities without specific authorisation of the Treasury.

Further, no security to which a tax or other stamp or notarial seal of a foreign country has been attached may be dealt with in the United States unless a certificate has been attached to the security by the authority of the United States Treasury.

No transfer or dealing with respect to any security registered or inscribed in the name of a blocked country or national thereof may be effected without a licence from the Treasury.

To prevent looting, special measures have been taken to prohibit dealing in any Philippine currency or securities.

5. The Alien Property Custodian is empowered to take such action as he deems necessary in the national interest with respect to business enterprises, patents, ships, or vessels and certain other property in the United States where such property is affected with the interest of a foreign or enemy national. The Custodian has (*inter alia*) power to direct, manage, supervise, control or vest any such property.

6. General legal principles in the United States would suggest that, if transfers and dealings referred to in the Inter-Allied Declaration were wilfully contrary to the prohibitory regulations discussed herein, they would be determined by the courts to be invalid, and, in any event, the Executive Branch of the United States Government could legally invalidate such transfers and dealings. It is to be noted that under Section 3(a) of the said Act and General Ruling No. 11²⁵ all transactions involving trade or communication with an enemy national are prohibited unless licensed.

740.00113 European War 1939/1102: Telegram

The Ambassador in the United Kingdom. (Winant) to the Secretary of State

LONDON, October 8, 1943—8 p. m.
[Received October 9—12: 50 p. m.]

6833. An indication of the attitude of the Soviet [Union] towards Poland was given here on October 7 at a meeting of the Subcommittee on Axis Acts of Dispossession. This subcommittee was appointed immediately after the signing on January 5, 1943 of the Inter-Allied

²⁵ *Documents Pertaining to Foreign Funds Control*, March 30, 1944, p. 34.

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REPRODUCED AT THE NATIONAL ARCHIVES

Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control, to prepare for the main committee a factual report on methods of dispossession and on existing legislation that might be used to invalidate forced transfers. Each government was asked to submit a memorandum to the subcommittee on the facts relating to its own territory. The subcommittee then drew up a draft memorandum to cover the whole field.

At a meeting on October 7 to consider the draft memorandum the Soviet representative, M. Istchenko, a member of the Soviet Trade Delegation, made the following statement:

"Before the subcommittee considers the draft interim report I have the following statement to make:

The members of the subcommittee were invited to submit a memorandum on acts of dispossession practised by the Axis on their own territories. Those memoranda were intended to be a source of information and a basis for report. Among the memoranda received by the subcommittee is one submitted by the Polish representative. The said memorandum contains references to territories which are an integral part of the territories of the Union of Soviet Socialist Republics. These references are on the following pages: Page 1, lines 6-8, 11-21, 26-36; page 2, lines 27-29; page 4, lines 35-37; page 13, lines 34-54; page 14, lines 11 and 53-55; page 15, lines 27-29 and 43.

Taking into consideration the above, I submit that the memorandum of the Polish representative should be corrected in the appropriate way. In any case the said memorandum in its present form cannot be enclosed with the interim report of the subcommittee."

In view of the passages to which the Russian representative has made reference, it appears that territories in question are those in eastern Poland which were occupied by Russian forces shortly after the German invasion of Poland.

Gregory, chairman of subcommittee and Controller of Trading with Enemy Department, stated it would be difficult to ask the Polish representative to withdraw or correct report of his Government and suggested that a formula be inserted into the report making it clear that the references to Poland referred to the geographic area administered by Polish Government on September 1, 1939, and did not affect in any way whatsoever any outstanding question concerning adjustment of frontiers. It is not clear at present whether the Russian representative will be satisfied with anything less than correction of Polish memorandum.

Polish memorandum in question is document I.A.D. 33 of Subcommittee on Axis Acts of Dispossession transmitted to Department under cover of despatch 10904 dated August 30.²⁸ Copy of draft

²⁸ Not printed.

report on methods of dispossession practiced in Europe will be forwarded to Department immediately.²⁷

I thought you would like to know about this incident before your departure.^{27a}

WINANT

740.00113 European War 1939/1119: Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, October 26, 1943—8 p. m.

[Received 9:40 p. m.]

7387. Dispute reported in my 6833, October 8, to Department, raised again by Soviet representative at most recent meeting of Inter-Allied Subcommittee of Axis Acts of Dispossession held October 20. Soviet representative not satisfied with suggestion by Gregory, chairman of committee, that report be prefaced by statement indicating that nothing in report should be regarded as prejudicial to position of any signatory on any outstanding boundary question. Gregory now proposes statement at end of report in which Soviet representative specifically [dissociates] himself from Polish memorandum and any statement in report based on that memorandum. Soviet representative did not appear to be satisfied with this suggestion at meeting. Decision on the question postponed until next meeting of committee. Soviet representative obviously acting on instructions. Foreign Office has instructed Gregory to attempt to find solution [without?] forcing issue. Polish Government not willing to withdraw and amend memorandum as demanded by Soviet representative. All other members of committee want to avoid situation in which Soviet representative will withdraw and refuse to sign report. Soviet report on methods of dispossession not yet received but expected in reasonably near future.²⁸

This message will be of interest to Reinstein in Office of Foreign Economic Coordination.²⁹

Repeated to Moscow.

WINANT

²⁷ Despatch No. 11587, October 9, not printed.

^{27a} The Secretary was leaving shortly to attend the Tripartite Conference of Foreign Ministers at Moscow, October 18–November 1, 1943.

²⁸ No record found in Department files of receipt of such a Soviet report; statement submitted by the U.S.S.R. on "scope of existing legislation under which transfers or dealings would be or could be invalidated" was transmitted to the Department by the Ambassador in the United Kingdom in his despatch No. 10461, August 2, 1943 (740.00113 European War 1939/1011).

²⁹ Jacques J. Reinstein, Divisional Assistant, Foreign Funds Control Division; for a short period associated with the Office of Foreign Economic Coordination before its foreign economic operations were transferred to the Foreign Economic Administration, in accordance with an executive order of September 25, 1943.

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REPRODUCED AT THE NATIONAL ARCHIVES

740.00113 European War 1939/1141: Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 11, 1943—1 p. m.

[Received 10:14 p. m.]

7864. Reference Embassy's 6833, October 8; 7387, October 26.

1. Sometime after the meeting on October 7 of the Inter-Allied Sub-Committee on Axis Acts of Dispossession, Gregory, the Chairman, proposed to Istchenko, the USSR representative on the Sub-Committee, the following solution:

(1) An amended version of paragraph 27 of the draft report indicating that the material for the report had been drawn from a number of sources other than the memoranda submitted by the various governments and that nothing in the report should be deemed to have any political significance particularly as regards boundary questions;

(2) a proposed new final paragraph in which Istchenko would specifically dissociate himself from any references to Poland in the report but express agreement with the remainder of the report.

A further meeting of the Sub-Committee took place on November 9. Just before the meeting Gregory received a reply from Istchenko that these proposals were unacceptable.

2. At the meeting on November 9 Istchenko pressed for a Sub-Committee vote on the propositions (1) that the Polish Government should withdraw the memorandum which it has submitted to the Sub-Committee or amend it by deleting the references to those territories which are regarded by the Poles as eastern Poland but which in the Russian view are territories belonging to the USSR; (2) failing this to instruct the drafting Sub-Committee to amend the report by deleting all references to Poland.

The Chairman avoided a vote and Istchenko later read a statement indicating that if these propositions were not accepted he would be obliged to refrain from signing the report.

From informal conversations just after the close of the meeting it was indicated that if such a vote were taken the Norwegian representative³⁰ and possibly also the Czechoslovak representative³¹ might vote with Istchenko, while the Dutch representative³² and possibly also the Yugoslav, French, Belgian and Luxemburg representatives³³ might abstain from voting.

3. It became clear shortly before the meeting of November 9 that no solution would be possible through the channels of the Sub-Com-

³⁰ M. F. Hjorthoy.³¹ Hugo Stein.³² W. Huender.³³ N. Dimovic, André Gros, R. Golstein, and V. Bodson, respectively.

mittee. The matter was therefore discussed informally by an Embassy representative with Ronald³⁴ and Lord Hood³⁵ in the Foreign Office. It was agreed that a vote on the Sub-Committee would be certain to lead to a rift which would make it impossible to get all countries to sign the Sub-Committee's report. Moreover the function of the Sub-Committee has always been considered to be that of a fact finding body only. The only prospect of solution was to deal with the matter at a diplomatic level outside the Committee. In a further informal conversation with Ronald and Lord Hood today it was indicated that the Foreign Office contemplates having the matter taken up in Moscow in the hope that Istchenko's instructions can be amended with a view to the acceptance of a solution possibly along the lines of Gregory's suggestions indicated in section 1 above. Hood will send us for comment a copy of a draft instruction which the Foreign Office will consider sending to the British Ambassador in Moscow. He suggested that if the American Government thought fit it might at the appropriate time consider sending a representation on similar lines. Meanwhile it is expected that Gregory will put off any further meeting of the Sub-Committee until this dispute is settled out of committee.

As soon as we receive the suggested draft instruction which the Foreign Office is preparing to send to the British Embassy in Moscow we will telegraph it to the Department.

WINANT

740.00113 European War 1939/1189: Telegram

The Chargé in the United Kingdom (Bucknell) to the Secretary of State

LONDON, December 2, 1943—8 p. m.

[Received 9 p. m.]

8415. The Foreign Office today informed us that they have cabled instructions to the British Embassy in Moscow regarding the Russian-Polish problem referred to in Embassy's 7864, of November 11. We were not shown draft of British cable as previously agreed because of some confusion and misunderstanding arising from the fact that Ward of the Foreign Office who deals with this question, only recently returned from Moscow. However, the telegram, a paraphrase of which has been handed to the Embassy, was along the broad lines previously discussed with Embassy and transmitted to Department in Embassy's 7864.

³⁴ Nigel B. Ronald, British Acting Assistant Under Secretary.³⁵ Viscount Samuel Hood.

106972

REPRODUCED AT THE NATIONAL ARCHIVES

The telegram was sent on November 27 and began by summarizing the developments in the Inter-Allied Sub-Committee on Acts of Dispossession which led to the refusal of the Soviet delegate to sign the draft report unless all references to Poland were eliminated. It explained the grounds upon which the Soviet delegate based his objections to the report and the position he took on the committee. This information is contained in Embassy's 6833, October 8, 7387, October 26, and 7864, November 11.

The telegram explained that the British felt unable to put pressure on the Poles since it would conflict with the British policy of not recognizing territorial changes occurring after the outbreak of war and that deletion of all references to Poland would spoil the report and provoke a dispute between the Poles and the Sub-Committee. It was made clear that the Soviet delegate was acting on rigid instructions and unless these instructions could be modified the choice was between producing no report or producing a report without the concurrence of the Soviet representative, who might be supported by other governments who would also withhold signature.

The Foreign Office stressed that they wanted very much to avoid this situation and they instructed the British Embassy to take up in the most appropriate manner the question of modifying Mr. Istchenko's instructions. The British Embassy was also instructed to explain the concern of the Foreign Office at the development of this unfortunate controversy, partly because they deplored anything which further impaired Russian-Polish relations and particularly because of the British interest in the discussions resulting in the declaration of the 5th of January, 1943 and the setting up of the Sub-Committee with a British chairman. The Foreign Office pointed out that political disputes should not hold up the work of fact finding technical committees and that the British Government hoped that the Soviet Government also considered that the activities of such a committee engaged on the preliminary study necessary for dealing with enemy acts of dispossession were important. The British Government expressed the belief that the Soviet Government would agree that politics had no place on the work of the committee and hoped, therefore, that the Soviet representative would be authorized to sign the draft report since it in fact did not mention either the disputed territory or the disputed Polish Government paper. The fact that the Sub-Committee had agreed to emphasize that no political implications should be drawn from the report and was also willing that the Soviet representative should if he liked specifically dissociate himself from all references to Poland, was mentioned.

The telegram ended by stressing the urgency of the matter and requesting that the Soviet Government be approached. It also expressed the hope that the American Ambassador in Moscow would receive instructions to approach the Soviet Government.³⁶

Mr. Ward explained orally that although the British telegram mentioned that if political disputes could not be eliminated from technical committees inter-Allied collaboration on a technical level would become impossible, the Embassy in Moscow was not instructed to raise this general issue but is not precluded from doing so. He felt that confining the approach to the specific issue of Mr. Istchenko's instructions would be the better course. He also mentioned that an appearance of combined action on the part of the British and American Governments would be looked on with suspicion by the Russians. He hoped, however, that the American Embassy in Moscow would receive instructions in line with those of the British Embassy. Until the question is settled in Moscow there will be no further meetings of the Sub-Committee and if the approach to the Soviet Government is unsuccessful, it will probably be preferable to drop the entire matter and wind up the work of the Sub-Committee. This would be an unfortunate development since valuable work has been done.

Penrose,³⁷ who has been handling this question here, is now in Washington. I suggest he be consulted in the matter and request that whatever instruction is issued to Moscow be repeated to London.

BUCKNELL

740.00113 European War 1939/1218: Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, December 27, 1943—6 p. m.

[Received 6:47 p. m.]

9000. With reference to the British approach in Moscow regarding the Russian-Polish dispute arising out of the draft report of the Inter-Allied Sub-Committee on Axis Acts of Dispossession, the Foreign Office informs us that on December 14 Clark Kerr³⁸ gave a note to Molotov³⁹ and discussed the subject with him in accordance with the Foreign Office instruction summarized in Embassy's 8415 of December 2. Clark Kerr reported that Molotov made no comment but listened with sympathy and agreed to look into the matter.

³⁶ No record of such instruction found in Department files; for correspondence on Soviet-Polish political relations, see vol. III, pp. 314 ff.

³⁷ E. F. Penrose, Special Assistant to the Ambassador in the United Kingdom.

³⁸ Sir Archibald J. K. Clark Kerr, British Ambassador in the Soviet Union.

³⁹ V. M. Molotov, People's Commissar for Foreign Affairs of the Soviet Union.

326901

REPRODUCED AT THE NATIONAL ARCHIVES

The Foreign Office feels that at this stage it would be most desirable to have some informal expression in Moscow of an American wish that political differences should not enter the sphere of the Sub-Committee's work, and that the draft fact-finding report should be agreed on without delay. The Soviet representative has admitted that there is nothing in the draft report as it now stands to which he objects. There is no reference in it to eastern Poland or to the memorandum submitted by the Polish Government to the Sub-Committee. The draft report is also acceptable to the Poles. All that is needed is a modification of Istchenko's instructions to enable him to sign the report or approve it in line with an informal suggestion that the chairman alone should sign it after the national representatives have indicated their approval. This would mean dropping the demand that the Polish memorandum to the Sub-Committee be formally "withdrawn" or that every reference to Poland be eliminated from the draft report, and accepting as an alternative, if the Soviet wished, (1) a reservation by the Soviet representative dissociating himself from all references to Poland in the report, (2) an amendment in the draft report emphasizing that no political implications, particularly as regards boundary questions, were to be drawn from anything in the report (see paragraph 1 of Embassy's 7864, November 11).

The Foreign Office felt that if a formal American approach had been made simultaneously with the British approach there would have been an impression in Moscow of unduly concerted action between the United States and Britain. They believe, however, that there is now a favorable opportunity. Some time has elapsed since the British approach was made. The American approach might be purely informal and could be justified by the facts that (1) the United States is a signatory to the declaration of January 5, 1943, (2) it has a representative on the Sub-Committee through whom it has been made aware of the difficulties now holding up the draft report, and (3) it has an interest in Russian collaboration on technical matters.

We believe it to be important that the Sub-Committee's work, now practically completed, shall not be held up indefinitely through a political difference that has no reflection whatever in the report. The establishment of the Sub-Committee was publicly announced following the declaration of January 5. Questions have been asked in Parliament regarding the progress of the work of following up the declaration and eminent lawyers in Parliament take a continued interest in the subject. It would, therefore, hardly be possible to con-

ceal a breakdown from the British public and Allied circles generally in London and such a breakdown would undoubtedly be prejudicial to other attempts at technical collaboration.⁴⁰

WINANT

⁴⁰ In telegram No. 9945, November 14, 1944, 9 p. m., the Chargé in the United Kingdom reported that no meeting of the Sub-Committee had been held since November 9, 1943, and that attempts to settle differences out of committee had been unsuccessful. No reply had been received to the British representations to Molotov in December 1943. The Chargé reported that the British Foreign Office's attitude was that the committee should remain in suspense but that there should be no formal dissolution. (740.00113EW/11-1444)

106974

DECLASSIFIED
Authority NND 978025
By KEN NARA Date 9/30/99

RG 56
Entry 69A4707
File GERMANY: LOOTED PROPERTY
Box 82

*Contains
"Defeat of
Reinhardt"*

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UNITED NATIONS FINANCIAL AND MONETARY CONFERENCE

Final Act

* * *

Resolution No. 6

Enemy Assets and Looted Property

Whereas, in anticipation of their impending defeat, enemy leaders, enemy nationals and their collaborators are transferring assets to and through neutral countries in order to conceal them and to perpetuate their influence, power, and ability to plan future aggrandizement and world domination, thus jeopardizing the efforts of the United Nations to establish and permanently maintain peaceful international relations;

Whereas, enemy countries and their nationals have taken the property of occupied countries and their nationals by open looting and plunder, by forcing transfers under duress, as well as by subtle and complex devices, often operated through the agency of their puppet governments, to give the cloak of legality to their robbery and to secure ownership and control of enterprises in the post-war period;

Whereas, enemy countries and their nationals have also, through sales and other methods of transfer, run the chain of their ownership and control through occupied and neutral countries, thus making the problem of disclosure and disentanglement one of international character;

Whereas, the United Nations have declared their intention to do their utmost to defeat the methods of dispossession practiced by the enemy, have reserved their right to declare invalid any transfers of property belonging to persons within occupied territory, and have taken measures to protect and safeguard property, within their respective jurisdictions, owned by occupied countries and their nationals, as well as to prevent the disposal of looted property in United Nations markets; therefore

The United Nations Monetary and Financial Conference

1. Takes note of and fully supports steps taken by the United Nations for the purpose of:
 - (a) uncovering, segregating, controlling, and making appropriate disposition of enemy assets;
 - (b) preventing the liquidation of property looted by the enemy, locating and tracing ownership and control of such looted property, and taking appropriate measures with a view to restoration to its lawful owners;

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 By KPO NARA Date 9/30/99

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Entry

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File

GERMANY: LOOTED
PROPERTY

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- 2 -

2. RECOMMENDS:

That all Governments of countries represented at this Conference take action consistent with their relations with the countries at war to call upon the Governments of neutral countries

- (a) to take immediate measures to prevent any disposition or transfer within territories subject to their jurisdiction of any
- (1) assets belonging to the Government or any individuals or institutions within those United Nations occupied by the enemy; and
 - (2) looted gold, currency, art objects, securities, other evidences of ownership in financial or business enterprises, and of other assets looted by the enemy;

as well as to uncover, segregate and hold at the disposition of the post-liberation authorities in the appropriate country any such assets within territory subject to their jurisdiction.

- (b) to take immediate measures to prevent the concealment by fraudulent means or otherwise within countries subject to their jurisdiction of any
- (1) assets belonging to, or alleged to belong to, the Government of and individuals or institutions within enemy countries;
 - (2) assets belonging to, or alleged to belong to, enemy leaders, their associates and collaborators; and

to facilitate their ultimate delivery to the post-armistice authorities.

BRETTON WOODS, NEW HAMPSHIRE

July 1 to July 22, 1944

106976

DECLASSIFIED
Authority 110968106
By SL NARA Date 10-21-98

RG 59
Entry LOT 62D115
File 910-GOLD DECLARATION
Box 4 144

8

Gold Declaration of February 22, 1944

Treasury Department,
Tuesday, February 22, 1944.

Secretary Morgenthau today issued the following declaration:

On January 5, 1943, the United States and certain others of the United Nations issued a warning to all concerned, and in particular to persons in neutral countries, that they intend to do their utmost to defeat the methods of dispossession practiced by the governments with which they are at war against the countries and peoples who have been so wantonly assaulted and despoiled. Furthermore, it has been announced many times that one of the purposes of the financial and property controls of the United States Government is to prevent the liquidation in the United States of assets looted by the Axis through duress and conquest.

One of the particular methods of dispossession practiced by the Axis Powers has been the illegal seizure of large amounts of gold belonging to the nations they have occupied and plundered. The Axis Powers have purported to sell such looted gold to various countries which continue to maintain diplomatic and commercial relations with the Axis, such gold thereby providing an important source of foreign exchange to the Axis and enabling the Axis to obtain much-needed imports from these countries.

The United States Treasury has already taken measures designed to protect the assets of the invaded countries and to prevent the Axis from disposing of looted currencies, securities, and other looted assets on the world market. Similarly, the United States Government cannot in any way condone the policy of systematic plundering adopted by the Axis or participate in any way directly or indirectly in the unlawful disposition of looted gold.

In view of the foregoing facts and considerations, the United States Government formally declares that it does not and will not recognize the transference of title to the looted gold which the Axis at any time holds or has disposed of in world markets. It further declares that it will be the policy of the United States Treasury not to buy any gold presently located outside of the territorial limits of the United States from any country which has not broken relations with the Axis, or from any country which after the date of this announcement acquires gold from any country which has not broken relations

DECLASSIFIED

Authority 1110968106By SL NARA Date 10-21-99RG " 59Entry LOT 62D115File 910-GOLD
DECLARATIONBox 4 1444

- 2 -

with the Axis, unless and until the United States Treasury is fully satisfied that such gold is not gold which was acquired directly or indirectly from the Axis Powers or is not gold which any such country has been or is enabled to release as a result of the acquisition of gold directly or indirectly from the Axis Powers."

It is understood that a similar declaration is being issued simultaneously by the United Kingdom Treasury, and by the Union of Soviet Socialist Republics.

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106979

Serial Set 11731

106980

TRADING WITH THE ENEMY ACT

JULY 24 (legislative day, JULY 2), 1954.—Ordered to be printed

Mr. DIRKSEN, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 3423]

The Committee on the Judiciary, to which was referred the bill (S. 3423) to amend the Trading With the Enemy Act, having considered the same, reports favorably thereon, with amendments, and recommends that the bill, as amended, do pass.

AMENDMENTS

1. On page 1, line 5, following the word "vested" add the following: "(or payment made to the United States in lieu of vesting)".
2. On page 1, lines 9 and 10, strike the words "reduced by final adjudications against the property under section 34 of the Act" and insert in lieu thereof the following:
reduced by any payments against the property under section 34 of the Act and any compensation received by the owner with respect to such property from the government of any nation pursuant to, or as a result of, any treaty or other international agreement between the United States and such nation
3. On page 2, line 2, before the word "person" insert the word "natural".
4. On page 2, line 13, following the word "That", add the following: ", except for the Government of Italy,".
5. On page 2, line 14, following the word "return" add the following: "involving property other than consular or diplomatic property (or proceeds resulting from the sale thereof)".
6. On page 2, line 19, following the word "section" insert "(1)".
7. On page 2, line 23, following the word "Germany" strike the words "or Austria" and insert the following: "German territory under provisional Polish or Soviet Administration".
8. On page 2, line 23, before the word "China", insert the word "Communist".

Committee on the Judiciary
Issue

9. On page 2, line 24, following the comma appearing after the word "Union", add the words "or other Communist-dominated countries,".

10. On page 2, line 25, following the word "or" insert "(2)".

11. On page 2, line 25, before the word "person" insert the word "natural".

12. Beginning on page 2, line 25, after the word "crimes" strike the words "by Allied Occupation Tribunals or by German denazification courts" and insert in lieu thereof the following: ", as hereinafter defined,".

13. On page 3, line 1, immediately preceding the colon, add the following:

(3) to the owner of such property at the time of vesting, or to the legal representative or successor, as the case may be, of such owner, until the Attorney General, or the officer or agency authorized to make such return has received a certificate from the Department of State that it has obtained satisfactory assurances that such property will not, upon the return thereof, be seized or treated, directly or indirectly, as enemy property by any foreign government having jurisdiction over such property or the owner thereof; or (4) if such property was located in the Philippine Islands at the time of vesting and such property, or the proceeds thereof, is subject to transfer to the Republic of the Philippines under the Philippine Property Act of 1946, as amended

14. On page 3, line 5, after the word "Custodian," add "his successor or successors,".

15. On page 3, line 9, strike the word "relief" and insert in lieu thereof the word "release".

16. On page 3, line 9, beginning with the word "Provided", strike all down to and including the colon following the word "owners" on page 3, line 23, and insert in lieu thereof:

Provided further, That the President may, within sixty days from the date of enactment hereof, find that it is in the national interest to require any owner or owners to dispose of their right, title, and interest in said property to citizens of the United States within twelve months from the date of return thereof to such owner or owners; in which event, the vested property shall be forthwith returned to the owner or owners thereof encumbered with the aforesaid condition, and The United States District Court for the District of Columbia, upon the application of the Attorney General shall enter a judgment or decree of divestiture to such effect, and said court, recognizing the person to whom the property is returned as the owner thereof, shall order said person, if shares of stock representing the voting control of a corporation be the returned property, to nominate three voting trustees of United States citizenship, subject to the approval of such trustees by said court, which voting-trustees shall elect a board of directors entirely of United States citizenship, so that there will be secured and safeguarded, until divestiture is complete, the operational, manufacturing, trading, research, and other secrets of such returned property, or of the business or other activity represented thereby or connected therewith, against disclosure to or use by foreign interests; and such judgment or decree shall also provide that if the owner or owners do not so divest themselves within said twelve months' period, the Attorney General may thereafter sell forthwith such property at public auction and remit the proceeds to the owner or owners: *Provided further*, That if the Attorney General finds that (1) any vested property or interest consists of shares of stock of a corporation organized under the laws of any State, Territory, or possession of the United States or the District of Columbia, (2) at least one-third of the total outstanding shares of common stock of such corporation is registered in the names of citizens of the United States, and (3) return of the vested shares of stock of such corporation to the owner or owners would materially prejudice the interests of such citizen stockholders, he may require, as a condition precedent to return pursuant to this Act, that such vested stock be sold at public sale to citizens of the United States submitting the highest bid, after public advertisement of the time and place of sale, and in such event such corporation shall be entitled to receive from such proceeds of sale reimbursement for any payments made or payable to any government because of an alleged enemy interest in such vested stock, and the

balance of the proceeds of such sale, except as otherwise provided in this Act, shall be remitted to the owner or owners:

17. On page 3, line 25, strike the words "Alien Property Custodian" and insert in lieu thereof "Attorney General".

18. On page 4, line 10, strike the words "Alien Property Custodian" and insert in lieu thereof "Attorney General".

19. On page 4, line 11, strike the period following the word "therefor", insert a colon in lieu thereof and add the following:

Provided further, That in cases where the seized properties consist solely of shares of stock in a corporation whose properties are located in the United States, and a valid option exists in favor of resident stockholders giving rise to the right to purchase the seized stock in the event the owner desires to sell such stock, the return of such stock shall be deemed and treated in law and equity as a prospective sale at the value thereof to be determined by the Attorney General, thereby entitling such option holders to exercise their rights in accordance with the terms, provisions, and conditions of such option.

20. On page 4, line 21, after the word "Custodian," insert the words "his successor or successors,".

21. On page 5, line 6, following the period, add the following:

Return of any invention pursuant to this section shall be subject to existing licenses issued by the Alien Property Custodian, his successor or successors and shall not include any rights of the Alien Property Custodian, his successor or successors, to revoke such licenses.

22. On page 5, line 14, after the word "Custodian" add the following "his successor or successors,".

23. On page 5, line 17, after the word "Custodian" add the words "his successor or successors,".

24. On page 6, line 2, after the word "Custodian," add the following "his successor or successors,".

25. On page 6, line 3, after the word "Custodian" add the following "his successor or successors,".

26. On page 6, line 9, after the word "Custodian," add the following "his successor or successors,".

27. On page 6, line 11, after the word "Custodian" add the following "his successor or successors,".

28. On page 6, line 22, after the word "Custodian" add the following "his successor or successors,".

29. On page 7, line 3, strike the words "Alien Property Custodian" and insert in lieu thereof "Attorney General".

30. On page 7, line 7, following the word "located" strike the period, insert a colon and the following:

Provided, That if a determination by the Alien Property Custodian, his successor or successors, is under review in a court of the United States, under the provisions of section 34 with respect to such property, publication of such notice of intention to return shall not be made until entry of final judgment by the court or courts of such review. At the same time a similar notice shall be given by registered mail to any person who has theretofore filed with the Alien Property Custodian, his successor or successors, any claim to such property or any claim against the person to whom it is proposed to return such property.

31. On page 7, line 21, strike the words "Alien Property Custodian" and insert in lieu thereof "Attorney General".

32. On page 8, line 1, after the word "Custodian" add the following "his successor or successors,".

33. On page 8, line 4, strike the words "Alien Property Custodian" and insert in lieu thereof "Attorney General".

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34. On page 8, line 9, strike the words "Alien Property Custodian" and insert in lieu thereof "Attorney General".

35. On page 8, line 13, strike the words "Alien Property Custodian" and insert in lieu thereof "Attorney General".

36. On page 8, between lines 16 and 17, insert the following new subsection:

(g) As used in this section—

(1) "The Russian Zone Occupation of Germany" shall be deemed to be composed of that part of Germany that is presently called the Soviet Zone of Occupation, and the Russian Sector of Berlin;

(2) "Other Communist-dominated countries" means any country or part thereof, except Austria, that was actively governed by Communist civilians or occupied by Communist forces either on January 1, 1954, or at any time thereafter prior to the return of the property, if such country or part thereof is still so governed or occupied at the time of the return of such property; and

(3) "Convicted of war crimes" means the entry of judgment against any person who has been convicted personally and by name by a court of competent jurisdiction (as defined by the Vested Property Commission) of murder, ill treatment, or deportation for slave labor, of prisoners of war, political opponents, hostages, or civilian population in occupied territories, or of murder or ill treatment of military or naval persons, or of plunder or wanton destruction without justified military necessity.

37. On page 8, line 20, before the word "with" insert the words "by and" and following the word "the" insert the words "advice and".

38. On page 9, line 13, strike the words "with the Commission and".

38 (a). On page 9, line 14, strike the words "Office of Alien Property" and insert in lieu thereof the words "Attorney General".

39. On page 9, line 16, strike the word "Commission" and insert in lieu thereof the words "Attorney General".

40. On page 9, lines 18 and 19, strike the words "in the Office of Alien Property" and insert in lieu thereof the words "with the Attorney General".

41. On page 9, line 19, beginning with the words "it shall" strike all down to and including the words "Alien Property" on line 21 and substitute in lieu thereof the following: "no additional claim need be filed".

42. On page 9, line 23, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

42 (a). On page 9, line 25, strike the word "it" and insert in lieu thereof the word "he".

43. On page 10, line 1, beginning with the word "of", strike all down to and including the word "Register" on page 10, line 2, and insert in lieu thereof the following: "of notice in the Federal Register as required by section 40 (f) of this Act".

44. On page 10, line 3, preceding the word "claims", insert the word "title".

45. On page 10, line 5, following the word "That", insert the following: ", subject to the provisions of section 40 (f) of this Act,".

46. On page 10, lines 5 and 6, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

46 (a). Page 10, line 6, strike the word "forthwith".

47. On page 10, line 7, following the word "property", insert the following: ", subject to the provisions of section 46 (c) of this Act,".

48. On page 10, line 7, strike the words "where a claim was filed" and insert in lieu thereof the following: "where an owner, legal representative, or successor has filed a claim".

49. On page 10, line 8, before the word "claim" insert the word "title".

50. On page 10, line 12, before the word "claim" insert the word "title".

51. On page 10, line 14, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

52. On page 10, line 14, strike the words "said Office" and insert in lieu thereof "the Attorney General".

53. On page 10, line 18, strike the words "said Office" and insert in lieu thereof "the Attorney General".

54. On page 10, line 19, before the word "claims" insert the word "title".

55. On page 10, line 22, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

56. On page 10, line 23, following the word "days", strike the words "from publication in the Federal Register" and insert in lieu thereof the words "after notification to the claimant by registered mail,".

57. On page 10, lines 24 and 25, strike the words "a claimant's right" and insert in lieu thereof the following: "the right of a claimant, otherwise eligible,".

58. On page 10, line 25, strike the words "prosecute an action" and insert in lieu thereof "pursue his remedies".

59. On page 11, line 1, following "(a)" insert "or section 32".

60. On page 12, line 3, following the word "Commission" add the following: "and the expense of the Alien Property Custodian, his successor or successors,".

61. On page 12, line 6, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

62. On page 12, line 14, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

63. On page 12, line 17, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

64. On page 13, line 10, strike the words "Office of Alien Property" and insert in lieu thereof "Attorney General".

65. On page 13, following line 17, add the following:

SEC. 2. (a) Section 39 of the Trading With the Enemy Act of 1917, as amended, is hereby repealed.

(b) Subsection (g) of section 32 is hereby amended to read as follows:

Without limitation by or upon any other existing provision of law with respect to the payment of expenses by the Alien Property Custodian, his successor or successors, the Attorney General may retain or recover from any property or interest or proceeds returned pursuant to this section, section 9 (a), or section 40 of this Act an amount not exceeding that expended or incurred by him for the conservation, preservation, or maintenance of such property or interest or proceeds, or other property or interest or proceeds returned to the same person.

STATEMENT

INTRODUCTION

The final report of the subcommittee of the Committee on the Judiciary, created to examine and review the administration of the Trading With the Enemy Act, recommended that legislation be drafted which would eliminate the inequities, injustices, and inconsistencies found to exist in the Trading With the Enemy Act and its

administration. This group, established by a special resolution approved by the Senate, made this recommendation after an exhaustive study, completed after almost 2 years of intensive examination. The report, which was approved by the full Judiciary Committee, made several suggestions by which the primary recommendation might be implemented. The greater part of these suggestions have been incorporated in this bill, as reported. Chief among these are:

1. Provision for the return of private property confiscated under the act to individuals not convicted of war crimes.
2. Provision for retention of the private property of former enemy governments.
3. Provision for a reasonable and appropriate charge against property so returned as a reimbursement for custodial charges.
4. Provision for adequate protection of claims of American citizens pending against the confiscated assets.
5. Provision vesting the President of the United States with the discretionary power, upon a finding of national interest, to dispose of alien holdings in property located in the United States to bona fide American purchasers, the proceeds of sale less custodial charges to be returned to the alien owners.

This bill represents the fruition of long and arduous effort on the part of those Senators comprising the special subcommittee and its staff. It was the product of careful study and has been examined in detail by the full committee, as befits a bill of this importance.

The policy expressed in this bill is not new. It had its genesis, so far as this Nation is concerned, in the early phase of the Republic and was expressed in the Jay Treaty of 1794. Recently, the United States, through a series of executive agreements, and one legislative enactment, has departed from this historic and traditional policy. This bill restores the early American perspective and constitutes a reaffirmation of the fundamental respect which this Nation possesses for the sanctity of private property.

HISTORIC POLICY

The United States, in policy and practice, until 1945 consistently observed a policy of nonconfiscation of private property in war and peace. In time of war, custodianship of the property of enemies has been undertaken to reduce the property as an effective weapon in the war effort of the enemy, but this custodianship did not, until recent years, evolve into a policy of confiscation. This policy of nonconfiscation was set forth by John Marshall in 1814 in *Brown v. United States* (8 Cranch 110). Treaties embodying this basic principle were offered during the first century of our national existence to practically all foreign nations (American Policy Relative to Alien Property, S. Doc. No. 181, 69th Cong., 2d sess., pp. 5, 19) (1926). This nonconfiscatory principle is exemplified, not only in the treaties of this period but also throughout Executive policy, as expressed in other international agreements.

The policy of nonconfiscation was practiced during World War I through the establishment of an Office of Alien Property Custodian. The word "Custodian" was well chosen and is reflective of the intention of the draftsmen of the basic act. The Trading With the Enemy Act of 1917 (40 Stat. 411) followed the theory of nonconfiscation.

However, the Treaty of Versailles which was never ratified by the United States, departed from this historic concept and provided that the external enemy assets should be used to pay private debts and public reparations. Notwithstanding the treaty, the Winslow Act of 1923 (42 Stat. 1511) provided for the return of property or its net proceeds up to a maximum of \$10,000 to each owner. Some 5 years later, the settlement of War Claims Act (45 Stat. 254) made final return of all property, except that return of a minor portion of the property was conditioned upon payment of certain obligations by the former enemy governments.

With the advent of World War II, the property of enemy aliens was again placed under the protective custody of the United States. The vehicle used was a rejuvenated version of the 1917 act which still referred to the trustee of such property as a "Custodian". In the early years of the war, specifically on March 29, 1943, the house of delegates of the American Bar Association approved the recommendations of its committee on custody and management of alien property, which reported in part as follows:

Confiscation is contrary to the principles of law. It is contrary to our constitutional law principles, and to the principles of international law. When the reign of law for which we are fighting returns, parties injured by confiscation may be expected to seek just redress; and a just administration of law may be expected to award such redress. It has been so in the past, and if the basic traditional concepts of justice have meaning, it will be so again.

"No powers of language at my command can express the abhorrence I feel at the idea of violating the property of individuals, which in an authorized intercourse in time of peace has been confided to the faith of our government and laws, on account of controversy between nation and nation. In my view, every moral and every political sense unite to consign it to execration." (Alexander Hamilton in defense of article X of the Jay Treaty of 1794).

A confiscatory policy strikes not only at the interest of particular individuals but at the foundation of international intercourse, for it is only on the basis of its security of property, validly possessed under the laws existing at the time of its acquisition, that the conduct of activities in helpful cooperation, is possible * * *. Rights acquired under its laws by citizens of another state (a state) is under an international obligation appropriately to recognize. It is the policy of the United States to support these fundamental principles (Secretary of State Hughes, at Philadelphia, November 23, 1923).

Such action would not be in keeping with international practice and would undoubtedly subject this Government to severe criticism. Moreover, the confiscation of these private funds by this Government and their distribution to American nationals would react against the property interests (some very large) of American nationals in other countries. It would be an incentive to other governments to hold American private property to satisfy claims of their nationals against this Government and to pass upon such claims in their own way. It is important from my point of view, therefore, that the United States should not depart in any degree from its traditional attitude with respect to the sanctity of private property within our territory whether such property belongs to nationals or former enemy powers, or to those of friendly powers. A departure from that policy and the taking over of such property, except for a public purpose and coupled with the assumption of liability to make just compensation, would be fraught with disastrous results (Secretary Hull, May 27, 1935).

Despite this background, however, confiscation of alien property became our international policy after World War II through a series of executive agreements, and ultimately our domestic policy as well.

The policy now being pursued was conceived and dedicated in an agonizing hour of history. It was born of design and wartime prejudice. But as Secretary of State John Foster Dulles pointed out in discussing United States policy with respect to Germany—

But the lapse of time restores reason to its proper place, and now 9 years having passed, we should be able to invoke wisdom and statesmanship to be our guides (Department of State Publication No. 5408, p. 3).

Applying a rule of reason, this Nation should now return to its historic policy, meeting and overcoming such difficulties as may have been caused by the temporary departure from principle.

THE ISSUES INVOLVED

(a) Foreign policy

Since the conclusion of the Second World War, the Congress has authorized expenditures in excess of \$3 billion for the economic rehabilitation of Germany. This financial support was furnished in an effort to sustain the democratic areas of Germany as a bulwark in the death struggle between representative democracy and Communist totalitarianism. By like token, similar expenditures have been made to support the rebuilding of Japan. These appropriations have undoubtedly resulted in recuperation of these nations from the devastation remaining after World War II. However, the good will which might otherwise have resulted from such generosity has been diminished by the action of this Nation in continuing to expropriate property of individual citizens of those countries. These individuals have on a number of occasions addressed letters to the Committee on the Judiciary expressing their bewilderment at a policy so generous on one hand and so niggardly on the other. There can be little question but what these individuals have been alienated by the short-sighted policy of confiscation which has been pursued by the United States Government since World War II. It must be exceedingly difficult for these persons to understand why some of the industrial properties remain intact in Germany and Japan while return of their property is being consistently refused.

This Nation is now embarked upon a foreign policy in which the Bonn Republic is to assume the status of an equal partner in the alliance against Communist aggression. The joint statement of President Eisenhower and British Prime Minister Sir Winston Churchill of June 28, 1954 declared:

We are agreed that the German Federal Republic should take its place as an equal partner in the community of Western nations, where it can make its proper contribution to the defense of the free world.

Partnership presupposes equality. Yet, it is difficult to discover any evidence of equality in a policy which permits one partner to seize and permanently retain property belonging to citizenry of the other. West Germany can be expected to become an effective partner in any Western alliance only so long as the grassroots of that nation support the alliance.

These observations apply with like force to Japan and the Japanese people.

The concession to equality represented by this bill involves the return of property with an estimated value of \$500 million. This is by no means a small amount, however, it represents but one-sixth

of the amount already invested in an effort to rehabilitate the West German Republic and thereby create a reservoir of good will upon which this Nation may draw in the struggle with world communism. If the expenditures of this Nation looking toward Japanese recovery is added, the proportion this authorization bears to moneys already vanced is even smaller.

The Attorney General of the United States and others have long raised the question of international agreements as a bar to a return to a policy of nonconfiscation. These international agreements date back as far as the Yalta agreement. The protocol on German reparations signed by the heads of the Governments of Great Britain, Russia, and the United States declared:

2. Reparation in kind are to be exacted from Germany in three following forms:
(a) Removals within 2 years from the surrender of Germany or the cessation of organized resistance from the national wealth of Germany located on the territory of Germany herself as well as outside her territory (equipment, machine tools, ships, rolling stock, German investments abroad, shares of industrial, transport, and other enterprises in Germany, etc.), these removals to be carried out chiefly for purpose of destroying the war potential of Germany. (S. Doc. 123, 81st Cong., 1st Sess., p. 32.)

State Department Publication No. 2630, in setting forth the Potsdam agreement on August 1945, states on page 83, as follows:

1. Reparation claims of the U. S. S. R. shall be met by removal from the zone of Germany occupied by the U. S. S. R. and from appropriate German external assets.
2. The U. S. S. R. undertakes to settle the reparation claims of Poland from its own share of reparations.
3. The reparation claims of the United States, the United Kingdom, and other countries entitled to reparations shall be met from the Western Zone and from appropriate German external assets.

At the Paris Reparation Conference of December 21, 1945, 18 allied governments agreed as follows:

a. Each Signatory Government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control and shall charge against its reparation share such assets (net of accrued taxes, liens, expenses of administration, other in rem charges against specific items and legitimate contract claims against the German former owners of such assets).

This policy of confiscation of vested German private property as reparations gained additional recognition in the Bonn Convention of May 26, 1952, concluded by the West German Republic on the one hand and the United States, Great Britain, and France on the other. This agreement, however, is not now in force.

All of these agreements, it is important to note, were executive, and cannot be construed in any way to limit the power of Congress to deal with alien property as it sees fit.

Secretary of State John Foster Dulles in his testimony before the subcommittee on July 2, 1954, made eminently clear that these agreements are not a bar to return by stating, in answer to questions as to the implications of these various agreements as they might affect return of confiscated property by Congress:

In my opinion, the agreement, whatever its intent may be as an executive agreement, was without authority whatever to bind the Congress of the United States in this matter. The property had been vested by action of Congress. I believe Congress has the right to decide what to do about the matter. I do not believe that the freedom of Congress in this matter has been curtailed in any way by this executive agreement. I am not a believer in the power of the Presi-

dent, through executive agreements, to cut across the normal legislative powers of Congress.

I may say that, as a matter of interpretation of that agreement [Paris Reparations Agreement], it can be argued that it was not intended to operate in perpetuity but was designed as a temporary measure perhaps to assure against a revival of German militarism and the use of German important commercial assets possibly as an instrument of German militarism. I think that that danger was passed and that if the agreement be given that interpretation—which I think is a reasonable one—then the action which you contemplate is not only compatible with the powers of Congress but also is compatible with the executive agreement.

The committee has no difficulty in agreeing with this analysis of the Secretary of State.

(b) Protection of American Interests Abroad

This Nation, which has encouraged investments abroad by American citizens, is consistently being troubled in many areas of the world by the action of nations which persist in disregarding the rights of owners of private property. The protests of this Nation in those areas are often unavailing, but the force of such protests is diminished as this Nation itself continues a policy of confiscation of private property. The subcommittee in its final report pointed out that—

billions of dollars of American investments abroad and additional risk capital for the development of world markets is jeopardized by this policy of confiscation which sets an unfortunate precedent for similar action against our own investors by foreign sovereign governments.

The Secretary of State, in response to a question on this point observed:

I recognize that there is force in what you say, to the effect that our own position to protect American interests abroad is strengthened if we protect foreign interests that are here.

I would think that in an era when we expect the American interests abroad, American capital investments abroad, that it is wise for us to adhere ourselves strenuously to the highest standards of conduct in relation to those matters. That puts us in a better position to call upon others to apply the same standards.

The United States cannot long continue an anomalous policy of supporting confiscation at home and condemning it abroad. Even when the inconsistency of such action does not prove troublesome momentarily, it threatens to plague this Nation and its citizens in the future.

(c) Protection afforded American citizens by this bill.

Although the committee is convinced of the correctness of its decision that the property involved in this bill should be returned, the committee still maintains a strong desire to afford every possible protection to American citizens who may be affected in some manner by the return of this property. The committee has sought to afford such protection throughout the bill, notably in the provisions permitting notification by registered mail to claimants having a direct interest in the property to be returned. Reference is made to other provisions helpful to citizens of the United States in the detailed analysis appearing later in this report. Suffice it to say, that wherever the committee discovered an instance in which additional protection for American citizens was justified, and could be incorporated within the framework of this measure, language was adopted to accomplish that purpose.

(d) Administration

The Department of Justice has urged that these properties are so involved that return to former owners presents an administrative impossibility. This argument the committee cannot accept.

To admit that mistakes of the past cannot be corrected is a sign of weakness. This bill, as amended, has met all reasonable administrative objections which have been pointed out in opposition to the proposal.

(e) Appropriation

The appropriation necessary to implement return of confiscated property is said by opponents of the measure to be too costly. Estimates of the appropriations needed have been made as high as \$225 million. However, the Department of Justice, in a letter to the Judiciary Committee, wherein opposition is made to this bill, estimates that the sum required will be approximately \$175 million.

For those who are agreed that a policy of confiscation of private property is inimicable with historic policy, public interest and sound judgment, there is no question of appropriation to reimburse individuals from whom property has been seized.

The necessity for appropriation arises by reason of the fact that certain confiscated property was liquidated and used to pay just and honorable obligations of this Government to certain of its citizens who bore an undue personal burden during World War II. Undoubtedly these obligations would have been acknowledged by the Congress even if this fund had not been available. Similar compensation is being urged for veterans of the Korean conflict, payment of which is to be made from funds appropriated from the United States Treasury. This is the posture which the World War II legislation could, and in the judgment of many, should, have assumed.

Lastly, it is said that even conceding the advisability of return, such return should be based upon the value of the property as of the date of seizure. This reasoning, which has most recently been raised against the general proposal of return to a policy of nonconfiscation, is most fallacious. If the Government of the United States is to act only as a custodian, holding property to prevent its possible use against us in time of war, then the accretions of that property should not be subject to confiscation any more than the original assets.

While it is true that many properties have increased materially in value there are many others whose values have been completely destroyed during the period of Government operation. The value of still other properties have remained static, neither producing income nor increasing or decreasing in principal value. To talk of adjustment for such increase or decrease is obviously unrealistic, impracticable and inconsistent with the policy of nonconfiscation.

SYNOPSIS OF THE PROVISIONS OF THE BILL

This bill proposes an amendment to the Trading With the Enemy Act by adding seven sections which will, with certain exceptions, provide for the return of alien property vested by the Custodian during, and immediately following, the Second World War. The exceptions to this general return are:

1. The private property (as distinguished from consular and diplomatic property) of Governments with which the United States has been at war since 1941.

2. Persons who, on January 1, 1954, or any time thereafter, were living behind the Iron Curtain.

3. Property of persons convicted of war crimes as defined in the act.

4. Certain property located in the Philippine Islands subject to the provisions of the Philippine Property Act of 1946.

Exception to return is also made where the property involved would be returned to persons within the jurisdiction of a nation which continues to confiscate property of German and Japanese individuals. However, such exception may be removed upon the assurance of such nation not to confiscate such property upon return.

While placing responsibility for the return of such property initially in the hands of the Attorney General, the bill creates a Vested Property Commission which would serve as an administrative tribunal to which persons denied return by the Attorney General could appeal for review.

The bill contains a number of detailed and complex provisions primarily because the subject itself is somewhat complex. Each of the provisions are explained in the detailed analysis of the bill appearing below.

DETAILED ANALYSIS

The new section 40 of the Trading With the Enemy Act will provide for the return of all property vested, or payments made to the United States in lieu of vesting, after December 7, 1941, or the liquidated proceeds thereof, in the event such property has been sold, or otherwise disposed of. This section also permits the return of any dividends, distributions, or increment, which may have been paid, or allowed, on this property subsequent to its vesting. Returns under this section are to be reduced by any payments which have been made to American creditors during the period the Government held the property. Such awards are also to be reduced by any sum which an owner of such property may have received from the German Government under the terms of the Bonn Convention, or from the Japanese Government under the terms of the treaty of peace with Japan.

Returns are to be made as a matter of grace to the owner of the property at the time of vesting, or his successor. Legal title to the property has long been held by the United States except that in some cases such title is subject to divestiture by decision of a Federal court. Any return under the bill discharges any obligation of the Federal Government to the owner of such property, and under the specific terms of the bill would operate to discharge the Government from any plural liability which might arise as the result of the return.

The new section 40 provides certain exceptions to this general policy of restitution of alien property. First, it provides that private property shall not be returned to the Government of any nation with which the Government of the United States has been at war since December 7, 1941, with the exception of the Italian Government. The Italian Government has been excepted in view of the terms of the treaty of peace and implementing agreements concluded with that nation. Return is further prohibited to individuals who since December 31, 1954, have lived behind the so-called Iron Curtain and to corporations

having their sole, or primary seat, in such areas. Recovery is likewise denied to any individual convicted of war crimes, which term is defined as the entry of judgment against any person who was convicted personally, and by name, of certain specified crimes by a court of competent jurisdiction, as defined by the Vested Property Commission. Return is also denied of property located in the Philippine Islands at the time of vesting if such property or the proceeds thereof is subject to transfer to the Philippine Republic under the provisions of the Philippine Property Act of 1946, as amended.

In addition to these prohibitions, return may be restricted only so long as foreign governments having jurisdiction over the returnee, or the property to be received, persist in the policy which would result in confiscation upon return. Such property, however, may be returned at such times as Department of State certifies to the Attorney General that he has received assurance from such foreign governments that the property will not be confiscated upon return to the owner thereof.

In some cases, claimants whose property has been vested have entered into compromises with the Office of Alien Property providing for the return of less than the full value of the property held by that Office. This bill provides that persons who have entered into such a compromise may secure the return of their property (or the liquidated proceeds, if the property has been sold or otherwise disposed of) upon tender to the United States, without interest, of the amount received as the result of any assignment, compromise, or release.

Certain of the properties now administered by the Office of Alien Property are of such magnitude and importance to the industrial might of the United States that it may be desirable that this Government should, in the interests of its own well-being, require the sale of that property to American citizens. Provision for such contingency is made by authorizing the President, within 60 days from the enactment of this legislation to make a finding that certain property now held by the United States should be sold to American interests. Upon such finding the property is to be returned subject to the condition that the same be sold within 12 months of return to American citizens. The Attorney General may, in such case, apply to the United States District Court for the District of Columbia to encumber return of the property with that condition and with the additional condition that United States citizens be appointed to supervise the operation of the enterprise during the period allotted for sale in order to protect trade secrets possessed by the enterprise. The committee has also inserted a limitation on the return of certain corporate shares, where the corporation's properties are located in the United States, where a valid option for purchase of the stock by the alien owners has been executed in favor of American citizens, giving such citizens a right of first refusal in the event the property is to be sold. This provision of the bill provides that return shall be considered a sale, thus giving American citizens an opportunity to purchase the stock at a value to be determined by the Attorney General. The proceeds of sale are thereafter transferred to the alien owners of record. Further, where one-third of the outstanding stock of a vested corporation is owned by American citizens, the Attorney General may protect the interest of such citizens against possible unfavorable treatment by former owners through the public sale of the stock of the former enemy to American citizens. The proceeds of sale are to be remitted to the owner of record less any sums which the corporation may have been

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forced to pay foreign governments for release of properties of such corporation which were seized because of enemy taint. The necessity for this amendment was demonstrated by testimony relating to the Hugo Stinnes Corp. These are several of a number of provisions which have been included in the measure in order to afford maximum protection to American citizens who may be adversely affected by the adoption of this legislation.

The bill also contains protective provisions relating to return which appear in earlier sections of the Trading With the Enemy Act. Typical is the provision in subsection (b), section 40, relating to the filing of petitions by a returnee for a redemption in respect of any final order of the War Contract Adjustment Board determining excessive profits. Also, the provisions of subsection (c) of section 40, binding any person to whom return of an invention is to be made, to any notice or order issued, or agreement made pursuant to the Renegotiation Act of October 31, 1942 (56 Stat. 1013).

Subsection (c) has been amended, again in an effort to afford protection to American citizens whose rights might be affected by this bill. The amendment to subsection (c) provides that return of any invention under this section shall be subject to existing licenses issued by the Alien Property Custodian or his successors except that the returnee shall not succeed to the Custodian's right to revoke such licenses. The Office of Alien Property has made patents readily and freely available to American industry. This policy was widely publicized and vested patents, with respect to which no American rights would be prejudiced, were offered for license on a revocable, nonexclusive, royalty-free basis, obtained for a nominal fee. Some American citizens have undoubtedly proceeded, on the basis of these royalty-free licenses to develop business interests which might be jeopardized unless some provision were included in the act recognizing and protecting such licenses but extracting the revocable provision they contain. The pattern here adopted is similar to that utilized by the United States in the return of patents to Italian nationals under the treaty of peace (and the later Lombardo Agreement) entered into with that nation.

Subsection (d) of the new section 40 confers upon the returnee all rights, privileges, and obligations with respect to the property returned which would have existed if the interest had not vested in the Custodian, with such exceptions as are noted in the act, particularly that provision requiring the retention of a sum to cover expenses of administering property during the custodianship thereof. Subsection (d) also contains provisions similar to that now appearing in subsection (d) of section 32 of the Trading With the Enemy Act which protects the United States from the assertion of any claim by the returnee based upon the retention, sale, disposition, or use of the property during the period held by the United States.

Subsection (e) of the new section 40, patterned after subsection (e) of section 32, provides that return of the property under this bill shall not bar prosecution of any suit at law or equity against the person to whom return is made, to establish any right, title, or interest to the property which may exist, or may have existed, at the time of vesting. Thus, if it is asserted that the owner of record is not the true owner, those making such an assertion may have their claim determined judicially in spite of previous adverse administrative determination by the Office of Alien Property and judicial review

thereof. The period during which such property was in the hands of the United States is not to be considered in the determination of the period within which such action may be instituted.

As an added measure of protection to citizens of the United States, the bill provides that, in the event return is to be made to a foreign resident, or a corporation organized under foreign laws, notice of intention to return shall be published in the Federal Register, at least 60 days prior to return. Such notice shall specify intention to make such return, to whom return is to be made, and the place where the property to be returned is located. At the same time, claimants of record are to be notified by registered mail of the intention to return alien property irrespective of the residence or location of the returnee. This publication of notice, or the giving of notice by registered mail, confers no right of action upon any claimant to compel the return of property and such notice may be revoked by publication of appropriate notice in the Federal Register. Those who have an interest in the property, creditors, for example, may during this period seek a writ of attachment, notice of which is to be served upon the Attorney General. Any such attachment or other similar proceeding is subject to the provisions of law applicable to such action in the jurisdiction under which the proceeding has begun, but for the purpose of computing the statute of limitations, the period during which the property was in the hands of the Alien Property Custodian, or his successors, shall not be counted. Under a writ of attachment obtained in this manner no officer of any court can take possession of the property without the consent of the Attorney General and publication of notice of revocation of intention to return shall invalidate any attachment with respect to the property. However, the bill requires that the Attorney General, or the Vested Property Commission, which may in some cases succeed to the responsibility of the Attorney General, accord full effect to any such attachment in returning the property or interest. In such proceedings, before a writ of attachment, the bill permits the recorded owner to file a bond in an amount to be set by the court in order to permit return to be made to the owner. If a creditor has an action against the property or its owner in the United States courts on appeal from a decision of the Custodian, no notice of intention to return is to be published until that matter has been judicially determined.

Subsection (g) of the new section 40, contains three definitions, (1) describes the Russian Zone of Occupation of Germany, (2) defines the use of the term "other Communist-dominated countries" used in subsection (a) of section 40, and (3) particularizes on the term "convicted of war crimes" which was referred to earlier in this analysis.

The new section 41 of the Trading With the Enemy Act would create a Commission to be known as the Vested Property Commission. This Commission is to be composed of three persons appointed by the President, by and with the advice and consent of the Senate, each of whom is to receive an annual salary at the rate of \$14,000. The Commission is authorized to employ such personnel as may be necessary to carry out its functions under this act, but in no event is such staff to exceed 50 persons. The bill confers authority to promulgate rules and regulations to carry out the purposes and functions of the bill on the Commission.

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The decisions of the Commission concerning returns as a matter of grace under this bill are to be final, and the authority of the Commission, as well as the term of office of its members, expires 3 years from the date on which the majority of its members appointed first take office. In the event return is completed under this act a time earlier than 3 years from the assumption of duties by the members of the Commission, the President is authorized to fix an earlier termination date.

Section 42 provides that persons desiring return of property under this act must file a claim with the Attorney General within 1 year from the date of enactment of the bill in the form and manner prescribed by him, except that claimants who have already filed a claim for return of their property shall be deemed to have complied with such requirement without additional filing.

The Attorney General is authorized under section 43 to make an initial determination with respect to the eligibility of each claimant for returns under section 40 of this act. However, the Attorney General cannot return such property until 60 days have elapsed after publication in the Federal Register, as provided by section 40 (f) of this bill. In cases where conflicting title claims have been filed, such claims are to be referred to the Vested Property Commission for inspection and disposition. Where no conflicting title claims have been filed prior to December 31, 1953, and the owner has filed a claim before April 30, 1949, the Attorney General is directed to order the return of such vested property upon application, subject to deletion for taxes, conservatory expenses, and expenses of administration of the property during custodianship. The provision of this section relating to conflicting title claims is intended to distinguish such claims from debt claims filed under section 34 of the Trading With the Enemy Act, which constitute claims of creditors against the property rather than claims of title. It is important to note that the provisions of this bill do not repeal section 34 of the Trading With the Enemy Act. Thus, property retained under the provisions of the bill remains subject to such claims. Insofar as property to be returned is concerned, persons who have a claim against the property for the payment of debts may proceed to assert their interest by the filing of writs of attachment after notice of intention to return as discussed earlier in this analysis. However, in no case, except as provided in section 40 (f), shall a pending claim under section 34 delay return of the property pending adjudication thereof. This section is designed particularly to rid the Government of the United States of an administrative burden, which estimates have indicated cannot be completed in less than 50 or more years under existing law and procedure.

The subcommittee which investigated the administration of the Trading With the Enemy Act noted in its report that the title claims filed with the Office of Alien Property were not being disposed of as rapidly as desired. In order to forestall such development after adoption of this legislation, provisions have been inserted in section 44 of the bill providing that claimants aggrieved by a decision of the Attorney General, or by failure of the Attorney General to render a decision with respect to their claim within 1 year may appeal to the Vested Property Commission under procedures to be prescribed by that body. Thus, if return is not made within 1 year from the date of filing the claim, or 1 year from the date of enactment of this act, depending upon the time and circumstances under which the claim is

filed, or if the Attorney General fails to certify a claim to the Commission in which a conflicting title claim has been asserted, the claimant may invoke an administrative appeal. However, in an effort to establish some degree of finality with respect to consideration of these claims, it is also provided in section 44 that decisions by the Attorney General with respect to claims are to be final if not appealed within 60 days after notification to claimants by registered mail. Section 44 also preserves the right of any person otherwise eligible to continue to pursue the remedies afforded him by sections 9 (a) and 32 of the Trading With the Enemy Act. These sections provide an avenue of recovery by persons who may be classed as nonenemies in fact.

Section 45 of the bill authorizes the Commission to make a study of the problems which might arise as a result of the adoption of this legislation as they relate to executive agreements entered into with other nations. The Commission is to report to the Congress by January 1, 1955, outlining such problems in detail for the purpose of enabling Congress to enact legislation to fairly and properly deal with such other nations in light of the expressed policy of the United States of nonconfiscation.

The Commission is limited under section 46 to the expenditure of \$350,000 per annum in the conduct of its business. It is charged with the obligation of determining the amount which has been and will be expended in the administration of vested assets. No return is to be made under this act unless the claimant agrees to the retention of an amount equal to the pro rata share which his property bears to the total expenses as ascertained by the Commission. In order to provide funds sufficient to meet such reimbursement, the Attorney General is authorized to liquidate returnable assets to the extent necessary to provide funds for such retention except that the owner of the property is to be given an opportunity to pay the necessary amount in lieu of such liquidation of the property. No retention for expense is to be made from patents, applications, copyrights, or trade-marks, other than from the proceeds collected from such items.

Under the provisions of section 47, the Commission is obligated to determine by estimate, within 30 days after its members assume office, the sum of money which will be necessary in order to carry out the purposes of this act. The bill then authorizes an appropriation, for credit to the Attorney General, of the sum the Commission reports a necessary to satisfy awards under section 40 where the property has been sold and the proceeds disposed of under the provisions of section 39 of the Trading With the Enemy Act. Section 47 also requires that all funds remaining after the administration, liquidation, disposition, pursuant to the act, be paid into the Treasury of the United States.

Following section 47 (c) there appears, at the request of the Department of Justice, an express repealer of section 39 of the Trading With the Enemy Act. Section 39 was the legislative enactment encompassing the confiscatory policy which had been set in motion by individuals in the Treasury Department. Actions of these persons are traced in detail in the final report of the Subcommittee To Conduct an Examination and Review of the Trading With the Enemy Act. The amendment is not to be construed as an expression of intention to repeal the War Claims Act of 1948.

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Section 2 (b) gives to the Attorney General the express right to continue the recovery of expenses incurred in the management of vested property for conservation, preservation, and maintenance of such property as previously set forth in section 32 (g) and in addition adds the assurance that such expenses will be recovered from all property returned under section 40.

CONCLUSION

The long review by this committee of the administration of the Trading With the Enemy Act, combined with significant shifts in world conditions, have convinced the members of the Judiciary Committee that a reorientation of this Nation's attitude toward alien assets within this country is required. The present confiscatory approach is undermining the economic dogma advocated by this Nation since its inception. It has plagued our own citizenry with investments abroad and has occasioned ill feeling among those nations whose active assistance we now seek in repelling totalitarian aggression.

The committee believes it regrettable that this un-American policy of confiscation has been so firmly engrained as to require substantial appropriations and material revision in our international agreements in order to extricate our Nation from that policy. Nevertheless, such steps must be taken in order to accomplish worthwhile results and prevent further impairment of our economic and diplomatic position. Although these complications have been urged as deterrents to the reappraisal inherent in S. 3423, they are not significant enough to assume the status of insuperable obstacles to adoption of the bill.

Enactment of this bill is essential to our own interests, certainly, but it constitutes an effective demonstration of the magnanimity of the American people. S. 3423 has the support of the Committee on the Judiciary; it deserves the support of the Congress. The committee, therefore, recommends that this legislation, as amended, be favorably considered.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows: (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman).

That the Trading With the Enemy Act of 1917, as amended, be further amended by adding the following sections:

"Sec. 40. (a) Any property or interest vested (or payment made to the United States in lieu of vesting) pursuant to the provisions of this Act after December 7, 1941 (or the liquidated proceeds thereof), together with any dividends, distributions, or other increment paid or allowed thereon subsequent to such vesting, reduced by any payments against the property under section 34 of the Act and any compensation received by the owner with respect to such property from the government of any nation pursuant to, or as a result of, any treaty or other international agreement between the United States and such nation, shall as a matter of grace, be returned in its state as of the date of enactment of this section (i. e., in kind or as liquidated proceeds), to the natural person, firm, trust, association, or corporation who or which was the owner thereof at the time of such vesting, or to the legal representative or successor, as the case may be, of such owner, if the owner be dead or if its existence shall have been in any wise terminated. In determining the 'owner', the record holding or title ownership as the case may be, of such property at the time of vesting shall be conclusive and delivery, transfer, conveyance, or payment to such owner, or to the legal representative or suc-

cessor thereof, shall operate to discharge the United States from plural liability in respect of the return provided for hereunder: Provided, however, That, except for the Government of Italy, no return involving property other than consular or diplomatic property (or proceeds resulting from the sale thereof) shall be made pursuant to this section to the government of any nation with which the United States has been at war since December 7, 1941, or at any time thereafter or to subdivisions or successors of any such government: Provided further, That no such return shall be made pursuant to this section: (1) to natural persons who on January 1, 1954, or any time thereafter prior to such return have lived, or corporations, companies or associations having their sole or primary seat, in the Russian zone of occupation of Germany, German territory under provisional Polish or Soviet Administration, or in Albania, Bulgaria, Communist China, Czechoslovakia, Hungary, Poland, Rumania, or the Soviet Union, or other Communist-dominated countries, or (2) to any natural person convicted of war crimes, as hereinafter defined, (3) to the owner of such property at the time of vesting, or to the legal representative or successor, as the case may be, of such owner, until the Attorney General, or the officer or agency authorized to make such return, has received a certificate from the Department of State that it has obtained satisfactory assurances that such property will not, upon the return thereof, be seized or treated, directly or indirectly, as enemy property by any foreign government having jurisdiction over such property or the owner thereof; or (4) if such property was located in the Philippine Islands at the time of vesting and such property, or the proceeds thereof, is subject to transfer to the Republic of the Philippines under the Philippine Property Act of 1946, as amended: Provided further, That if, after any such property was so vested the claim of an owner with respect to such property was assigned or released to or compromised with the United States or the Alien Property Custodian, his successor or successors, no such property or the liquidated proceeds thereof shall be returned pursuant to this section unless such owner shall tender to the United States, without interest, the amount received upon such assignment, compromise, or release: Provided further, That the President may, within sixty days from the date of enactment hereof, find that it is in the national interest to require any owner or owners to dispose of their right, title, and interest in said property to citizens of the United States within twelve months from the date of the return thereof to such owner or owners; in which event, the vested property shall be forthwith returned to the owner or owners thereof encumbered with the aforesaid condition, and the United States District Court for the District of Columbia, upon application of the Attorney General shall enter a judgment or decree of divestiture to such effect, and said court, recognizing the person to whom the property is returned as the owner thereof, shall order said person, if shares of stock representing the voting control of a corporation be the returned property, to nominate three voting trustees of United States citizenship, subject to the approval of such trustees by said court, which voting trustees shall elect a board of directors entirely of United States citizenship, so that there will be secured and safeguarded, until divestiture is complete, the operational, manufacturing, trading, research, and other secrets of such returned property, or of the business or other activity represented thereby or connected therewith, against disclosure to or use by foreign interests; and such judgment or decree shall also provide that if the owner or owners do not so divest themselves within said twelve months' period, the Attorney General may thereafter sell forthwith such property at public auction and remit the proceeds to the owner or owners: Provided further, That if the Attorney General finds that (1) any vested property or interest consists of shares of stock of a corporation organized under the laws of any State, Territory, or possession of the United States or the District of Columbia, (2) at least one-third of the total outstanding shares of common stock of such corporation is registered in the names of citizens of the United States, and (3) return of the vested shares of stock of such corporation to the owner or owners would materially prejudice the interests of such citizen stockholders, he may require, as a condition precedent to return pursuant to this Act, that such vested stock be sold at public sale to citizens of the United States submitting the highest bid, after public advertisement of the time and place of sale, and in such event such corporation shall be entitled to receive from such proceeds of sale reimbursement for any payments made or payable to any government because of an alleged enemy interest in such vested stock, and the balance of the proceeds of such sale, except as otherwise provided in this Act, shall be remitted to the owner or owners: And provided further, That such return shall be subject to a determination that the Attorney General has no actual or potential liability under the Renegotiation Act or the Act of October 31, 1942 (56 Stat. 1013; 35 U. S. C. A. secs. 89-96), in respect of the property or interest or proceeds to be returned and that the claimant and his predecessor in interest, if any, have no actual or potential liability of any kind under the Renegotiation Act or said Act of October 31, 1942; or in the alternative that the claimant has provided security or undertakings adequate to assure satisfaction of all such liabilities or that property or interest or proceeds to be retained by the Attorney General are adequate

therefor: Provided further, That in cases where the seized properties consist solely of shares of stock in a corporation whose properties are located in the United States, and a valid option exists in favor of resident stockholders giving rise to the right to purchase the seized stock in the event the owner desires to sell such stock, the return of such stock shall be deemed and treated in law and equity as a prospective sale at the value thereof to be determined by the Attorney General, thereby entitling such option holders to exercise their rights in accordance with the terms, provisions, and conditions of such option.

"(b) Notwithstanding the limitation prescribed in the Renegotiation Act upon the time within which petitions may be filed in the Tax Court of the United States, any person to whom any property or interest or proceeds are returned hereunder shall, for a period of ninety days (not counting Sunday or a legal holiday in the District of Columbia as the last day) following return, have the right to file such a petition for a redemption in respect of any final order of the War Contracts Price Adjustment Board determining excessive profits, made against the Alien Property Custodian, his successor or successors, or of any determination, not embodied in an agreement, of excessive profits, so made by or on behalf of a Secretary.

"(c) Any person to whom any invention, whether patented or unpatented, or any right or interest therein is returned hereunder shall be bound by any notice or order issued or agreement made pursuant to the Act of October 31, 1942 (56 Stat. 1013), in respect of such invention or right or interest, and such person to whom a licensor's interest is returned shall have all rights assertable by a licensor pursuant to section 2 of the said Act. Return of any invention pursuant to this section shall be subject to existing licenses issued by the Alien Property Custodian, his successor or successors and shall not include any rights of the Alien Property Custodian, his successor or successors, to revoke such licenses.

"(d) Except as otherwise provided herein, and except to the extent that the President or such officer or agency as he may designate may otherwise determine, any person to whom return is made hereunder shall have all rights, privileges, and obligations in respect to the property or interest returned or the proceeds of which are returned which would have existed if the property or interest had not vested in the Alien Property Custodian, his successor or successors, but no cause of action shall accrue to such person in respect of any deduction or retention of any part of the property or interest or proceeds by the Alien Property Custodian, his successor or successors, for the purpose of paying taxes, costs, or expenses in connection with such property or interest or proceeds: Provided, That no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, his successor or successors, of the returned property, interest, or proceeds. Any notice to the Alien Property Custodian, his successor or successors, in respect of any property or interest or proceeds shall constitute notice to the person to whom such property or interest or proceeds is returned and such person shall succeed to all burdens and obligations in respect of such property or interest or proceeds which accrued during the time of retention by the Alien Property Custodian, his successor or successors, but the period during which the property or interest or proceeds returned were vested in the Alien Property Custodian, his successor or successors, shall not be included for the purpose of determining the application of any statute of limitations to the assertion of any rights by such person in respect of such property or interest or proceeds.

(e) No return hereunder shall bar the prosecution of any suit at law or in equity against a person to whom return has been made, to establish any right, title, or interest, which may exist or which may have existed at the time of vesting, in or to the property or interest returned. With respect to any such suit, the period during which the property or interest or proceeds returned were vested in the Alien Property Custodian, his successor or successors, shall not be included for the purpose of determining the application of any statute of limitations.

"(f) At least sixty days before making any return to any person other than a resident of the United States or a corporation organized under the laws of the United States, or any State, Territory, or possession thereof, or the District of Columbia, the Attorney General or the Commission, as the case may be, shall publish in the Federal Register a notice of intention to make such return, specifying therein the person to whom return is to be made and the place where the property or interest or proceeds to be returned are located: Provided, That if a determination by the Alien Property Custodian, his successor or successors, is under review in a court of the United States, under the provisions of section 34 with respect to such property, publication of such notice of intention to return shall not be made until entry of final judgment by the

court or courts of such review. At the same time a similar notice shall be given by registered mail to any person who has theretofore filed with the Alien Property Custodian, his successor or successors, any claim to such property or any claim against the person to whom it is proposed to return such property. Publication of a notice of intention to return shall confer no right of action upon any person to compel the return of any such property or interest or proceeds, and such notice of intention to return may be revoked by appropriate notice in the Federal Register. After publication of such notice of intention and prior to revocation thereof, the property or interest or proceeds specified shall be subject to attachment at the suit of any citizen or resident of the United States or any corporation organized under the laws of the United States, or any State, Territory, or possession thereof, or the District of Columbia, in the same manner as property of the person to whom return is to be made: Provided, That notice of any writ of attachment which may issue prior to return shall be served upon the Attorney General. Any such attachment proceeding shall be subject to the provisions of law relating to limitation of actions applicable to actions at law in the jurisdiction in which such proceeding is brought, but the period during which the property or interest or proceeds were vested in the Alien Property Custodian, his successor or successors, shall not be included for the purpose of determining the period of limitation. No officer of any court shall take actual possession, without the consent of the Attorney General, of any property or interest or proceeds so attached, and publication of a notice of revocation of intention to return shall invalidate any attachment with respect to the specified property or interest or proceeds, but if there is no such revocation, the Attorney General or the Commission, as the case may be, shall accord full effect to any such attachment in returning any such property or interest or proceeds: Provided, however, That upon notice of such attachment proceedings to the Attorney General, return may be made to the 'owners' under section 40 hereof if bond is posted by the owner in an amount set by the court in which such attachment proceedings shall have been filed.

"(g) As used in this section—

"(1) 'The Russian Zone Occupation of Germany' shall be deemed to be composed of that part of Germany that is presently called the Soviet Zone of Occupation, and the Russian Sector of Berlin;

"(2) 'Other Communist-dominated countries' means any country or part thereof, except Austria, that was actively governed by Communist civilians or occupied by Communist forces either on January 1, 1954, or at any time thereafter prior to the return of the property, if such country or part thereof is still so governed or occupied at the time of the return of such property; and

"(3) 'Convicted of war crimes' means the entry of judgment against any person who has been convicted personally and by name by a court of competent jurisdiction (as defined by the Vested Property Commission) of murder, ill treatment, or deportation for slave labor, of prisoners of war, political opponents, hostages, or civilian population in occupied territories, or of murder or ill treatment of military or naval persons, or of plunder or wanton destruction without justified military necessity.

"SEC. 41. (a) There is hereby established a Commission to be known as the Vested Property Commission (hereinafter referred to as the Commission), to be composed of three persons to be appointed by the President, by and with the advice and consent of the Senate, each member of the Commission to receive a salary at the rate of \$14,000 per annum. One such member shall be designated by the President as Chairman.

"(b) The Commission may employ such personnel, clerical and technical, as may be necessary to carry out its functions, but in no event shall the number so employed exceed fifty persons; and shall make and promulgate such rules and regulations as may be necessary to carry out its purposes and functions.

"(c) All decisions of the Commission concerning returns as a matter of grace shall be final.

"(d) The authority of the Commission and the term of office of its members shall terminate at the expiration of three years from the date on which the majority of its members first appointed take office, but the President may, by Executive order, fix an earlier termination date.

"SEC. 42. Persons desiring to claim return pursuant to section 40 shall file notice of claim with the Attorney General within one year from the enactment of this section in such form and manner as may be determined by regulations published by the Attorney General: Provided, however, That if prior to the enactment of this section a claimant has filed with the Attorney General a claim for the return of property no additional claim need be filed.

"SEC. 43. The Attorney General shall determine the eligibility of each claimant under section 40 of this Act, and he shall make returns of property at a time not sooner than 60 days subsequent to the publication of notice in the Federal Register as required by section 40 (f) of this Act: Provided, That where conflicting title claims

have been filed, such claims shall be forthwith referred to the Commission for decision and disposition: Provided further, That, subject to the provisions of section 40 (f) of this Act, the Attorney General shall order the return of vested property, subject to the provisions of section 46 (c) of this Act, in every case where an owner, legal representative, or successor has filed a claim by April 30, 1949, and no conflicting title claim has been filed prior to December 31, 1953, in respect of the same property. (A claim filed prior to said date by a foreign government, claiming in a custodial and nonownership capacity, shall not be considered hereunder as a conflicting title claim.)

"Sec. 44. Claimants aggrieved by a decision of the Attorney General, or by failure of the Attorney General to render a decision, upon notice of claim filed in pursuance of section 42, for more than one year subsequent to the date of filing, or within one year from the enactment hereof if the claim was filed prior thereto, or by failure of the Attorney General to refer to the Commission conflicting title claims or to order forthwith returns as provided in section 43, may appeal to the Commission under procedures to be prescribed by the Commission. Decisions of the Attorney General, not appealed within sixty days after notification to the claimant by registered mail, shall be final, but nothing herein provided shall affect the right of a claimant, otherwise eligible, to file or continue to pursue his remedies under section 9 (a) or section 32 of the Trading With the Enemy Act, as amended.

"Sec. 45. Notwithstanding the provisions of the Act of September 28, 1950 (ch. 1094, 64 Stat. 1079), and of any other provision of law the Commission is authorized, directed and empowered to make a study of the problems arising between this country and other nations with respect to intercustodial conflicts, and to report to the Congress by January 1, 1955, the details of such conflicts and of any funds and other property which have been received by the United States from other nations pursuant to the provisions of the Paris Reparations Agreement and any other international agreements, to the end that the Congress may enact legislation which will fairly and properly deal with other nations as the result of the adoption of a policy by the United States to return property pursuant to section 40 hereof which has been vested since December 7, 1941, under the provisions of the Trading With the Enemy Act, as amended.

"Sec. 46. (a) In the conduct of its business, the Commission is authorized to expend from vested assets on hand in the Office of Alien Property an amount not to exceed \$350,000 per annum during the life of the Commission.

"(b) The Commission shall determine, by estimate, the sum which has been and will be expended in the administration of vested assets from December 7, 1941, to the termination of the activities of the Office of Alien Property as envisioned by the provisions of section 40 of this Act, including the expense of the Commission and the expense of the Alien Property Custodian, his successor or successors, for the administration of vested assets which has not been charged directly against the assets themselves.

"(c) The Attorney General shall then retain from all property returned in accordance with the provisions of section 40 an amount which the Commission shall fix as the pro rata share of the expenses determined in accordance with (b) above, such share being the ratio that the value of the property so returned bears to the value of all vested property: Provided, however, That no return shall be made pursuant to section 40 unless the owner thereof files with the Attorney General a written consent to such retention.

"(d) Upon receipt of the written consent of retention referred to in (c) above, the Attorney General is authorized to liquidate returnable assets to the extent necessary to provide funds for the authorized retention where cash is not available for that purpose from the property to be returned: Provided, however, That each owner shall be given an opportunity to pay the necessary amount in lieu of liquidation of specific property.

"(e) No retention shall be made from patents, patent applications, copyrights and trade-marks other than from the proceeds collected therefrom.

"Sec. 47. (a) The Commission shall determine by estimate within thirty days after a majority of its members shall have been appointed and qualified, the sum which will be necessary to carry out the purposes of return as set forth in section 40 hereof, and shall report the same to the Congress.

"(b) There are hereby authorized to be appropriated such sums, for the credit of the Attorney General, as the Commission may under (a) above report, to satisfy awards made under section 40 of this Act to the extent that the proceeds of liquidated vested property are not available for return.

"(c) All funds remaining after administration, liquidation, and disposition pursuant to the foregoing sections shall be paid into the Treasury of the United States."

SECTION 32 AND SECTION 39 OF THE TRADING WITH THE ENEMY ACT OF OCTOBER 6, 1917 (40 STAT. 411, AS AMENDED)

(g) Without limitation by or upon any other existing provision of law with respect to the payment of expenses by the Alien Property Custodian, the Custodian may retain or recover from any property or interest or proceeds returned pursuant to this section, [or] section 9 (a), or Section 40 of this Act an amount not exceeding that expended or incurred by him for the conservation, preservation, or maintenance of such property or interest or proceeds, or other property or interest or proceeds returned to the same person.

[SEC. 39. No property or interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act or of the Philippine Property Act of 1946.]



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TERMINAL REPORT

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OFFICE OF ALIEN PROPERTY CUSTODIAN

October 1946

Washington, D. C.

106992

Letter of Transmittal

Washington, D. C.
October 14, 1946

President Harry S. Truman,
The White House,
Washington, D. C.

My dear Mr. President:

I have the honor of transmitting to you the Terminal Report of the Office of Alien Property Custodian. The Report is designed to furnish you and the Attorney General with an account of the problems and current status of work of the Office at the time of the transfer of its functions to the Department of Justice.

Respectfully,

James E. Markham
Alien Property Custodian

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I

DEVELOPMENT OF THE OFFICE'S PROGRAMS

The Office of Alien Property Custodian controls property with a total asset valuation of nearly \$500,000,000, in which the Custodian's net equity amounts to approximately \$300,000,000. In addition the Office holds 46,000 patents and inventions, at least half a million copyrights, and many other valuable interests which cannot be appraised in dollars. Most of this property was vested during the period of hostilities for use in the war effort. Other properties have been seized since the termination of hostilities as part of the agency's program to eliminate all interests of hostile German and Japanese nationals in property in the United States.

Original Functions

The Office of Alien Property Custodian was established on March 11, 1942, ^{1/} principally to vest in the Government title to productive enemy assets in the United States and to put them to the fullest possible use in the nation's war effort.

During the succeeding year there were vested the enemy interests in 300 business enterprises and the interests of enemy and enemy-occupied nationals in 42,000 patents and inventions. In the years immediately following, extensive investigations resulted in the vesting of an additional 120 enterprises and 4,000 patents and inventions.

Approximately a quarter of the vested enterprises were continued as going concerns. Under the control of the Office they were encouraged to make the maximum contribution to war production. During the period of hostilities they earned 31 Army-Navy "E" awards and produced \$600,000,000 of war goods, consisting primarily of chemicals, dyestuffs, airplane parts, plastics, photographic equipment and materials, and scientific instruments of many varieties.

Other enterprises were placed in liquidation. In general this action was taken because they were unprofitable or dependent

^{1/} By Executive Order No. 9095. This Order was amended on July 6, 1942, by Executive Order No. 9193, which defined the Custodian's jurisdiction in greater detail. Executive Order No. 9142, of April 12, 1942, transferred to the Office from the Department of Justice the remaining functions of the World War I Alien Property Custodianship.

upon enemy business affiliations. Machinery, materials, and other tangible assets of these companies, together with similar property vested directly, were sold to the armed forces and war producers.

The technology embodied in the vested patents, constituting probably the largest patent pool in the world, was made available for use in the interest of the war effort and the national economy through a system of nonexclusive royalty-free licensing, wherever legally possible. Copyrights to valuable enemy scientific periodicals and books were vested and the materials republished for use by American chemists, physicists, and technicians.

The Office also performed certain other functions arising from the existence of war. Among these was the representation in court and administrative actions and proceedings of persons residing behind enemy lines. ^{2/}

Changes in Objectives

By the middle of 1943 the Office had practically completed the vestings of greatest war urgency, although much administrative work remained. It reduced its staff by a third, thus releasing manpower for other essential war activities. Meanwhile plans were developed for work which could be largely deferred until the end of hostilities. Policies and procedures for the sale of business enterprises and other properties and for the settlement of certain classes of claims against the Custodian were developed and set in operation.

Continuing discussions were held with the Department of State and the Treasury Department to meet the changing needs of enemy property control and to develop a comprehensive plan for the treatment of enemy assets in the United States. The surrender of Italy and her acceptance as a co-belligerent resulted in a suspension of Italian vestings in December 1943. The liberation of Europe in the following year likewise halted the vesting program with respect to nationals of enemy-occupied countries, which had been confined almost entirely to patents and copyrights.

In the spring of 1945, the Secretary of State, the Secretary of the Treasury, and the Alien Property Custodian agreed that all property in the United States of hostile German and Japanese nationals should be vested in the Alien Property Custodian and that neither the property nor its proceeds should be returned to the former owners. Accordingly, they recommended to the President that the Custodian be authorized to vest German and Japanese

^{2/} This function was specifically delegated to the Office by Executive Order No. 9193.

bank accounts, credits, securities, and other properties not seized under the original vesting program. This recommendation was approved, and the expansion of the vesting program was authorized by Executive Order No. 9567 on June 8, 1945.

Developments after Termination of Hostilities

After the issuance of Executive Order No. 9567, the Office had authority to vest additional property valued at \$185,000,000 to \$224,000,000, compared with \$209,000,000 seized before June 30, 1945. To secure information on unvested properties, the Office planned and set in operation a comprehensive reporting program under which all persons in the United States were required to report to the Custodian all German and Japanese properties in their control or possession. Investigations were begun to uncover property not reported to the Office. A staff of investigators has been sent to Germany during the past year to gather evidence on concealed German ownership of properties in the United States. The liberation of the Philippines permitted the opening of a branch office in Manila in September 1945.

The increased rate of vesting resulting from the new program may be judged by comparing the total of \$32,000,000 vested during the nine months ending October 1, 1946, with the total of \$7,800,000 for the same period in the preceding year.

The program of liquidating and selling vested property was pressed to the limit permitted by existing law and sound business judgment. The increased rate of liquidations and sales may be judged from the growth in total cash held by the Office from \$51,000,000 on June 30, 1945, to \$102,000,000 on October 1, 1946.

Legislation permitting the return of property vested from nonenemies and the payment of American creditors of the former owners of vested property was enacted during the last session of Congress. ^{3/} With this legislation the Office was able to plan on a broad scale what will probably be one of the final major steps in the administration of vested property.

^{3/} Public Law 322, approved March 8, 1946; and Public Law 671, approved August 8, 1946. Authority under Public Law 322 was conferred on the Alien Property Custodian by Executive Order No. 9725 of May 16, 1946; no delegation was required under Public Law 671.

II

CURRENT WORK AND PROBLEMS

The current work of the Office of Alien Property Custodian and the important problems that must be faced may be most conveniently discussed according to the three principal phases of the Office's treatment of property: (1) vesting and investigation; (2) administration, liquidation, and sales; (3) disposition of vested property or proceeds.

Vesting and InvestigationsVesting Policy

The primary objective of the present vesting policy of the Office of Alien Property Custodian, as developed after consultation with the Department of State, is to vest all property in the United States of persons who may be termed, for lack of a more precise expression, hostile German and Japanese nationals. The policy in all its details embraces many particular determinations on the treatment of different classes of persons.

In general all property of German and Japanese citizens residing in Germany and Japan is vested unless available evidence indicates they were victims of persecution by their governments. The property of corporations and other organizations owned by German and Japanese citizens resident abroad is also vested. On the other hand, property of German and Japanese citizens residing in nonenemy countries and of nonenemy citizens residing in enemy countries is not vested except under special circumstances.

Policy with respect to certain categories of German and Japanese nationals is not yet fully formulated. In particular, no definitive solution has been reached on the treatment of property in the United States belonging (a) to corporations in friendly countries wholly or partially owned by Germans and Japanese or (b) to corporations in Germany and Japan wholly or partially owned by Americans and nonenemy foreign nationals. The problem involves the method of treating not only enemy equities but also the interests of nonenemy nationals associated in business with Germans and Japanese. Moreover, other allied governments face similar situations, and in some cases the interests of the United States and its nationals are involved. It is expected that decisions on appropriate action in these cases will be made by international agreement. A meeting, presently scheduled for November 1, 1946, will be held by the Inter-Allied Reparations Agency in Brussels to work out such an agreement. This Office has been invited by the Department of

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State to send representatives to the meeting. Preparations for the meeting, including the development of proposed solutions to be offered by the United States, are among the pressing current problems of the Office. 4/

Final decisions on the vesting of German and Japanese diplomatic and consular property are also pending. While the Office has authority to vest all other property of the German and Japanese governments, control over property used for diplomatic and consular purposes rests with the Department of State. 5/ In certain cases it is expected that the Department will re-lease such properties for vesting. The State Department also controls property left here by German and Japanese diplomatic and consular officials, and negotiations which may lead to the vesting of these properties are also in progress.

Executive Order No. 9567 expanded the vesting program only with respect to property of nationals of Germany and Japan. Pursuant to Executive Order No. 9193, however, the Office may still vest certain nonliquid assets of nationals of other enemy countries. At the request of the Department of State the authority to vest Italian property is exercised only in unusual cases and the authority to vest property of nationals of Hungary, Roumania, and Bulgaria is exercised only with respect to property acquired in the United States by such nationals prior to December 7, 1945.

Present Status of the Vesting Program

As of October 1, 1946, the Custodian has vested property with an estimated value of \$247,000,000. This property, through income and appreciation since vesting, has increased to an estimated present value of over \$290,000,000. There remains to be vested an estimated \$140,000,000 to \$180,000,000 worth of property.

Among important properties to be vested are interests in estates and trusts (\$31,000,000), property in the Philippines (\$40,000,000), securities (\$23,000,000) and bank accounts, notes, claims and credits (\$40,000,000). In addition, approximately 60 business enterprises are now under investigation. Many of these companies are involved in inter-custodial conflicts; others are suspected of being held for enemies by nonenemy cloaks. It is not possible to predict whether inter-custodial arrangements will

4/ Other inter-custodial problems, which are of lesser importance and on which a considerable measure of agreement has already been indicated, will also be discussed at the Brussels meeting.

5/ Pursuant to Executive Order No. 9760 of July 23, 1946.

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provide for vesting the first group or whether investigations will successfully establish enemy ownership in the second.

About 20,000 reports on unvested enemy property have been received by the Office under the new reporting program conducted last spring. Another 1,400 reports filed under an older but continuing reporting program on property under judicial supervision remain to be processed. Perhaps a total of as many as 5,000 additional reports of both classes will be received before the vesting program is completed because of past failures to report and acquisition of new properties by enemies through inheritance. Although the Office is now rapidly processing reports, most of this work lies ahead.

Investigation

Pre-vesting investigations to uncover cloaked ownership of business enterprises require in each case painstaking analysis of a series of transactions believed to have been designed to conceal enemy interests. Intensive searches must be made for evidence on the terms and intent of such transactions. These investigations are undertaken not only in the United States but also in Germany. Similarly difficult are investigations of other cloaked assets and of property, not deliberately concealed, which persons have failed to report to the Office. Comprehensive examinations of records of the Treasury Department and of reports of external assets filed by German citizens will have to be made. Investigations may also be necessary where reports fail to disclose adequate information, particularly with respect to life insurance policies when proof of continued life or death of persons in enemy countries is of crucial importance. A program for the opening of safe-deposit boxes leased by or on behalf of German and Japanese nationals must also be inaugurated.

Investigations after vesting are needed to assemble evidence to defend the Custodian in title and debt claims and suits, to insure elimination of all enemy interests prior to the sale of business enterprises, and for other reasons. Investigations on the past affiliations of bidders for vested property are also required.

Administration, Liquidation, and Sales

Business Enterprises

The Office of Alien Property Custodian has vested the enemy interests in 414 business enterprises in the states and territories of the United States. Of these, 30 have been sold, 3 returned to their former owners, and 46 completely liquidated. Of the remaining 335 enterprises, 84 are continuing as going concerns and 251 are in liquidation.

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GOING CONCERNS.--By and large it is the objective of the Office to sell companies continued as going concerns. There are, however, exceptions to this policy. For example, 15 companies formerly controlled by Italians, Austrians, and certain other foreign nationals are withheld from sale at the request of the Department of State. Twelve patent holding companies continue to operate but, in line with the policy of not selling patents, should ultimately be liquidated. Another dozen companies also involve special problems which may make liquidation preferable to sale.

Of the approximately 50 going concerns which are to be sold, a half-dozen in Hawaii are scheduled for sale this fall. Other sales will be possible only after certain technical difficulties are overcome.

The most important reason why the sale of business enterprises has been practically halted is that over half of the companies slated for sale are subject to suits under Section 9(a) of the Trading with the Enemy Act, brought or threatened by American citizens, or nonenemy foreign nationals claiming ownership of the vested interests. Present law prevents sales of properties subject to such suits. The Custodian has desired modification of this prohibition where the suits are brought by foreign nationals for two reasons: (1) to expedite the sale of vested property and thus avoid delays of many years in disposing of major properties such as occurred after World War I, and (2) because it is considered that evidence of enemy control strong enough to lead the Office to vest interests in enterprises, particularly those of strategic importance, justifies the United States in preventing their return to foreign ownership, regardless of the outcome of the suits. At the last session of Congress, legislation was proposed by the Office, in conjunction with the Departments of State, Justice, and the Treasury, to remove this statutory prohibition with respect to suits brought by foreign nationals. It was further proposed that foreign claimants be allowed to sue for just compensation. This modification of the law was not enacted, but it is to be hoped that the next Congress will address itself to the problem. Meanwhile, in certain cases, the Office is negotiating with plaintiffs who may be willing to enter into stipulations which will permit sales and restrict the suits to cash proceeds or whatever compensation is provided by future legislation.

Immediate offerings of other companies slated for sale cannot be made because current investigations may result in the vesting of additional enemy interests or because of unresolved legal, patent, and business problems.

ENTERPRISES IN LIQUIDATION.--The remaining work required on companies in liquidation consists largely of collection of difficult accounts, settlement of outstanding litigation, disposition of foreign assets, completion of payment of liabilities, and distribution of liquidating payments to the Custodian and other owners. The problem of foreign assets is by far the most complicated; many of these assets have been seized or frozen by other governments. Agreement on principles for the treatment of foreign assets may be reached at the Brussels meeting on inter-custodial problems scheduled for November 1. Practically all of the liquidating companies are wholly staffed by employees of the Office; the major exceptions are a group of 21 banks and insurance companies being liquidated under the general supervision of the Office by state superintendents of banking and insurance.

Patents, Copyrights and Trade-marks

PATENTS.--Enemy patents in which the Office has interests may be divided roughly into three groups: (1) patents directly held by the Office which were not licensed prior to the war to Americans or nonenemy foreign nationals, (2) patents directly held by the Office which were so licensed, and (3) patents held by enterprises in which enemy interests were vested in the Custodian.

Patents in the first group (except a few in which American or nonenemy foreign nationals have claimed interests) are licensed by the Office to all American applicants on a nonexclusive royalty-free basis. A patent accord drafted in London in July 1946 by twelve allied nations would also permit royalty-free licensing of German patents to nationals of other parties to the accord. Reciprocal benefits would accrue to American nationals. This accord will become operative upon signature by seven governments; several countries, including the United States, are now signatories.

The Office has recognized licenses and other rights which Americans and other nonenemies acquired under enemy patents through lawful contracts entered into prior to the war. Many patent contracts, however, are believed to contain provisions illegal under the antitrust laws. Particular consideration is being given to means of abrogating such contracts by legal action or voluntary negotiation. It is hoped that in this way not merely the present users of patents will be freed of unlawful or undesirable restrictions but also that the patents can be made available to the whole economy by general licensing.

The President has approved a recommendation of the Executive Committee on Economic Foreign Policy to make as freely available to American industry as circumstances permit the patents of

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enterprises in which interests have been vested. This recommendation calls for the opening up for royalty-free licensing of all patents held by companies in which the Custodian holds all of the outstanding stock. Where minority stockholders are involved it proposes that, where possible, the minority interests be purchased to permit royalty-free licensing. If this is not possible, the Government's interest should be utilized to cause the company to adopt a policy of nonexclusive unrestricted licensing at reasonable royalty terms. The Office has started to carry out this policy to the extent that existing law permits; additional legislation may have to be sought to effectuate the program.

On the theory that the Government should not sell monopoly privileges, no vested patents have been sold. A draft of legislation to provide for the ultimate disposition of enemy patents directly owned by the Office, through dedication to the public and other means, has been submitted to the Department of Justice.

COPYRIGHTS.--The Office has granted licenses, usually on reasonable royalty terms, for the use of vested enemy copyrights. Special provisions have been made, including partial freedom from royalty, to encourage prompt reproduction of war-useful enemy technical and scientific publications. Copyrights were formerly vested only if they were in demand or royalties were payable but, through a recent vesting order, German copyright interests in the majority of books published abroad during the war years were vested to prevent restrictions upon American access to technical and scientific information of German origin, such as those which arose following World War I. The ultimate disposition of copyrights is a major problem, intensified by the long life of copyright protection.

TRADE-MARKS.--The policy of the Office regarding trade-marks has been to vest and sell to the user those marks legitimately used on products which have been produced in the United States for many years so that the trade-mark has become associated in the public mind with the American producer. With regard to other marks the Office has generally performed only a policing role, stepping in where protection of the public from deception or some other desirable end demanded action. Discussions on trade-mark policy have recently been held with the Department of State, which is interested in the international aspects of trade-mark policy and in the particular problems connected with German exports. Further conferences on these subjects are expected in the near future.

Other Property in the United States

Other property held by the Office consists to a small extent of salable properties, such as securities (other than those

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representing substantial percentage interests in business enterprises), real estate, and tangible personal property. Principally, however, it involves nonsalable items such as interests in estates and trusts, insurance policies, bank accounts, and notes, claims, and credits. The expanded vesting program of the Office will result in substantial additional seizures of property in both salable and nonsalable categories, raising the totals for administration to about \$33,000,000 and \$110,000,000, respectively.

Most securities can be readily sold on established exchanges or over-the-counter markets. Other securities, not subject to regular trading, pose special problems. Where holdings in a single issue are large, a short-form prospectus may be employed in the sale.

The sale of real and tangible personal property will require an increasing amount of selling effort. Many unsold properties were once advertised for sale but all bids received for them were inadequate.

The Office has little control over the rate at which interests in estates and trusts are liquidated. It must generally wait for executors and trustees to effect distributions, which may consist of cash or of other property. The thousands of life, remainder, and contingent interests in trusts held by the Office involve long waiting periods before liquidation is possible. Mergers of life and remainder interests, either by existing or new techniques, may merit consideration in several important cases as a means of accelerating liquidations.

The collection of notes, claims, and credits, most of which originated before the war, involves difficulties. A considerable number of items are now in litigation. The more important claims involve 29 enemy ships sabotaged by their crews in the spring of 1941 and later requisitioned by the Maritime Commission. Libels for forfeiture, filed by the United States, have been stayed pendente bello. The Office, having vested the enemy claims in the ships, is seeking compensation for their value.

Unique problems are also presented by life insurance policies. While a few policies have been vested, no comprehensive program has as yet been developed.

Philippine Property

Including an estimated \$40,000,000 of property not yet vested, there will be the task of administering about \$50,000,000 of Japanese property in the Philippines, consisting primarily of business enterprises and real property.

Pursuant to Public Law 485 of July 3, 1946, the Office has continued its activities in the Philippines, which were commenced a year ago. Public Law 485 contemplates that ultimately the vested property or proceeds will be turned over to the Philippine Republic. The destruction of property and the interruption of business operations resulting from Japanese occupation have made administration of property in the Philippines difficult and complex. Among the administrative tasks is the rehabilitation of business enterprises, now lying dormant without records or managements and with buildings and equipment wholly or partially destroyed.

Ultimate Disposition of Property and Proceeds

The ultimate disposition of vested property involves first the settlement of claims asserted (a) by American citizens and friendly foreign nationals claiming title to vested assets and (b) by American citizens and residents asserting debt claims against the former owners of the property. The disposal of property remaining after settlement of these claims, and of related suits, has not yet been determined by Congress.

Title Claims

A recent amendment to the Trading with the Enemy Act, Public Law 322, approved March 8, 1946, permits returns of vested property by administrative action to friendly foreign nationals as well as to American nationals, provided they meet certain qualifications. ^{6/} The Custodian was designated by Executive Order No. 9725 of May 16, 1946, as the officer to administer the powers and authority under this amendment. This authority, in accordance with the President's letter to the Custodian of the same date, is to be exercised, with respect to determinations of the national interest, in consultation with other specified agencies. Prior to this clarification of the Custodian's authority, about 1,000 title claims had accumulated. It is expected that some 4,000 additional title claims will be filed by residents of foreign countries. According to present procedures these claims are determined under administrative proceedings within the Office by the Vested Property Claims Committee.

With respect to claims, the time since May 16 has of necessity been devoted primarily to the formulation of basic procedures under Public Law 322, including methods of consultation with and certification by friendly foreign governments with respect to the citizenship and hostility or nonhostility of foreign national claimants.

^{6/} The categories of eligible persons were somewhat broadened by Public Law 671 of August 8, 1946.

Debt Claims

The Custodian is authorized by another recent amendment to the Trading with the Enemy Act, Public Law 671, approved August 8, 1946, to allow valid debt claims filed by resident creditors against the former owners of vested property. To date some 4,500 debt claims have been filed, most of which were received prior to passage of legislation authorizing the Office to consider them. Additional claims are expected as a result both of the enactment of Public Law 671 and of the seizure of additional property by the Office. The processing of these claims, for which procedures are now being developed, is among the major tasks ahead.

Suits under the Trading with the Enemy Act

In addition to filing claims, several title claimants have brought suits for a return of property in the District Courts of the United States under Section 9(a) of the Trading with the Enemy Act. Several of these suits involve some of the most valuable properties held by the Office. As title claims are processed administratively, it may be expected that denials will give rise to new suits. An important issue, as yet not finally resolved by the courts, is whether a foreign national may obtain relief in a Section 9(a) suit. As previously mentioned, the Office has supported legislation to modify Section 9(a) with respect to suits brought by foreign nationals.

Under Section 34 of the Trading with the Enemy Act, as amended by Public Law 671, a debt claimant, dissatisfied with the Custodian's determination of his claim, is afforded a right to review in the District Court of the United States for the District of Columbia. It is impossible to predict the amount of litigation that will result from this provision.

Ultimate Disposition of Property Not Returnable

After all title and debt claims and suits against the Office allowable under present law are settled, and after all direct and administrative expenses have been paid, there should remain in the hands of the Government a considerable proportion, probably by far the greater share, of vested property. Even before such settlements are made it may be discerned that numerous assets are entirely free of any claims or suits.

The disposition of remaining property is naturally a matter for Congress to determine. It is to be expected, however, that the executive branch of the Government will continue to study the problem and will make specific proposals to Congress.

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The Office of Alien Property Custodian has considered it premature to advance comprehensive proposals before the terms of peace are known and other related problems resolved. The Office has, however, taken the position that hostile German and Japanese nationals should not receive a return of their property nor be compensated for it by the United States. Regarding property of nationals of Italy, Hungary, Roumania, and Bulgaria, the Office has considered that the question of return should be determined by the terms and spirit of the peace treaties with those nations. With these views the Department of State and the Department of the Treasury are in accord.

The Office has recently opposed a bill introduced in Congress which provided that all vested property be sold, that the proceeds be used to pay war damage claims of American nationals arising from losses or injuries sustained through acts of enemy countries, and that the enemy governments compensate their nationals for the seized property. ^{7/} The bill was opposed by the Office on several grounds: (1) that it was contrary to the national interest to sell vested patents and certain other property, (2) that creditors of the particular enemy nationals whose property has been vested should have priority over general war damage claimants, and (3) that vested property would be sufficient to cover only a small proportion of war damage claims.

The Office stated, however, that it was not opposed to arrangements which would require Germany and Japan to compensate their nationals for property vested by the United States. With respect to Italy and the satellite countries it was pointed out that an incongruous situation would result from the fact that only a portion of the property of their nationals has been vested.

Various other proposals for the ultimate disposition of vested property have been advanced by different parties from time to time.

^{7/} S. 1322, 79th Congress, 1st Session. Hearings were held before the Committee on the Judiciary on April 17, 1946.

PART TWO

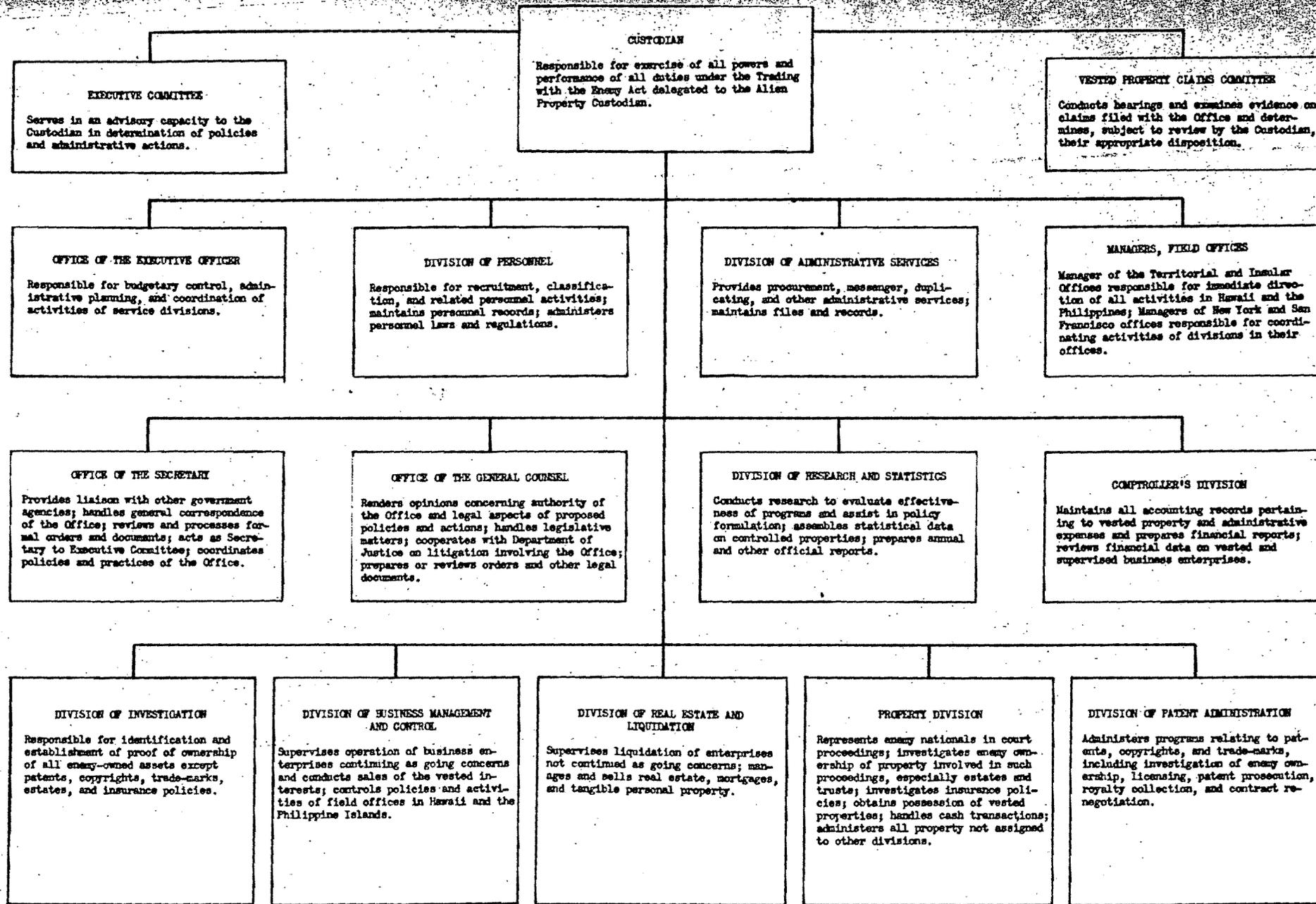
REPORTS OF THE DIVISIONS

The following chapters describe the nature of the work of the various divisions of the Office of Alien Property Custodian and the problems with which they are at present concerned.

The chapters are based on reports submitted by the chiefs of the divisions and are arranged as nearly as possible according to the flow of work within the Office.

An organization chart of the Office of Alien Property Custodian as of September 30, 1946, is shown on the following page.

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III

DIVISION OF INVESTIGATION

The primary function of the Division of Investigation is to locate and establish proof of ownership of most types of enemy property in the United States. 1/ It recommends action to be taken by the Office with respect to such property and prepares the applicable vesting orders. In addition, the Division conducts post-vesting investigations in connection with title and debt claims filed with the Office, litigation against the Custodian, and the sale or liquidation of vested property.

The Division of Investigation maintains offices in Washington, New York, and San Francisco. In addition, the Division is responsible for the operations of the Custodian's Berlin Office. This Office is engaged in conducting investigations in Germany to find evidence of German ownership or control of properties in the United States which have not been vested and in conducting similar investigations on vested properties which are not in litigation but on which further evidence is needed. 2/ Investigators in the Manila and Honolulu offices are assigned to these offices; however, the Division of Investigation reviews their reports and, where appropriate, recommends vesting action.

Investigations of Unvested PropertyScope of Investigations

The value of unvested German and Japanese property of those types assigned to the Division for investigation and now known to be definitely vestible is estimated at about \$64,000,000 for the United States and \$40,000,000 for the Philippine Islands. Further investigations may establish the vestibility of \$40,000,000 worth of additional property consisting of stock and other interests in business enterprises. Most enterprises still under investigation involve problems of suspected concealment of enemy

1/ The only types of property on which domestic investigations are not handled by the Division of Investigation are patents, copyrights, and trade-marks, investigated by the Division of Patent Administration; and estates, trusts, miscellaneous property under judicial supervision, and life insurance policies, handled by the Property Division.

2/ The Department of Justice has maintained a separate mission in Germany to conduct investigations with respect to vested property which is actually in litigation.

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ownership. In other instances, where the enemy interest is held through firms located in nonenemy countries, determination on vesting action may depend on the resolution of inter-custodial conflicts.

The scope of investigations will be still further augmented if decisions are made to vest property of additional classes of nationals. It is not unlikely that a program will be instituted to vest property belonging to Germans and Japanese residing in allied and neutral countries who have supported the enemy cause. Political considerations may also dictate the vesting of all property in the United States of nationals of Italy, Hungary, Roumania, and Bulgaria, and persons last known to be resident in such areas as the Sudetenland and Danzig.

Necessity of Early Completion of Vesting Program

During the past year the Division's staff has been substantially increased in order to investigate the large number of properties not yet vested. The vesting program is being pressed in order to hasten completion of the work of the agency as a whole. Prompt action is also considered desirable to bring the vesting program as nearly to completion as possible before private trade with Germany and Japan is restored and before the blocking program of the Treasury Department's Foreign Funds Control is terminated. Furthermore, there is the possibility that the vesting power may cease on the conclusion of peace treaties with Germany and Japan.

Business Enterprises

Business enterprises are the most complicated type of property on which to investigate enemy ownership or control. The cases still awaiting completion generally involve a search for evidence that the nominal or alleged owner is acting for ("cloaking" for) an enemy. In each case a painstaking analysis is required of a series of transactions, the intent of which is believed to have been to conceal enemy ownership or control. Such investigations require a thorough examination of the files and records of the domestic enterprise for documentary evidence, the interrogation of its officers and other informed persons, and the writing of a full investigation report. If substantial proof of enemy or nonenemy ownership has not been found in the United States, similar investigation must be made at the offices of the suspected owner in Germany or in the European country in which the suspected cloak is resident. 3/

3/ Foreign investigations are described in a subsequent section of this chapter.

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There remain on the Division's docket approximately 60 cases of business enterprises in the United States in which there is evidence to justify strong suspicion of substantial stock ownership or control by enemies. Forty of these cases have been investigated within the United States without finding conclusive proof of enemy ownership and are now assigned to the Berlin Office for further investigation.

Personal Property

The program for locating and vesting enemy interests in personal property, including bank deposits, securities, notes, claims, credits, and safe deposit boxes, is based largely upon the processing of reports which the public is required to file on Form APC-56 pursuant to the Custodian's General Order No. 34. Under this Order, any person in the United States who has custody, control, or possession of any property in which a national of Germany or Japan had an interest on or subsequent to December 31, 1945, is required to file a report. Processing of these reports involves comparison with other files of this agency and of Foreign Funds Control of the Treasury Department, inquiries by mail to the reporter or other informed persons, and, less frequently, field investigations. Where the APC-56 report is found essentially complete and accurate, a vesting order is prepared and the vesting is effected by simplified procedure. Where a substantial investigation has been necessary to establish ownership, for example in cloaking cases, a separate report is prepared for presentation to the Executive Committee.

As of October 1, 1946, approximately 12,000 reports have been filed on Form APC-56, Series A, C, D, E, and F, which cover the types of personal property named above. Approximately 1,700 of these reports have been processed and vesting orders prepared, and 4,100 have been set aside, temporarily at least, as covering property not vestible under the Office's present policies. Thus there remain to be investigated 6,200 cases arising from reports which have already been filed; in addition it is expected that another 2,500 or more cases will be docketed by June 30, 1947, either through the voluntary filing of APC-56 reports or as a result of the Division's program (described below) for unearthing property not reported.

Real Property

While the Custodian has had authority since the establishment of the Office to vest real property, including mortgages and oil and mineral rights, it was decided in 1943, as a means of conserving manpower, to confine such vestings to properties needed in the war effort or properties of relatively

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high value. Largely as a result of this decision, there remain for investigation 350 real property cases with an approximate average value of \$4,000. Investigations of real property are time consuming, involving title searches, complex questions of local law, and property appraisals, as well as the determination of ownership. Investigations of property outside of the New York and Washington areas involve principally correspondence with local governmental authorities and with private persons such as agents and attorneys. Title examinations and property inspections are made by the Retail Credit Company at a contracted fee.

Undisclosed Property

In addition to investigating and vesting personal property and real estate covered by reports filed voluntarily on APC-56 forms, the Division has inaugurated a "mopping-up" program for uncovering German and Japanese assets which have not been reported to the Office because the persons who should have reported were either ignorant of the reporting requirements, unaware of enemy interests in the property, or desirous of concealing the facts.

As a first step in this program, the Division is checking all important sources of information in the United States. These include: (1) 1,300 of the investigation reports prepared by the Division before the agency had authority to vest bank accounts and securities, (2) 16,000 TFR-300 reports on German and Japanese property submitted to the Treasury Department in a census of foreign property in 1941, (3) 10,000 MGAX-1 reports filed by residents of Germany with the Military Governments there on external assets in the United States, and a similar number filed in Japan, (4) lists of 15,000 repatriates and deportees and related property lists, (5) censorship intercepts obtained from the Military Government in Germany at the rate of 50 per week, and (6) letters from the public and newspaper items.

Secondly, properties in the United States held in the names of individuals, banks, and companies resident in Holland, Switzerland, Sweden, and other countries frequently used by the Germans for cloaking operations are being investigated to ascertain whether any interests in them are beneficially owned by enemies. This work involves initially examination of Safehaven reports, wartime intelligence, and other information in the files of the Treasury, War and State Departments. The names of foreign individuals and enterprises which, from the material examined, appear to have been acting for or controlled by Germans are recorded on a Suspect List. A check is then made to determine whether persons or firms on the Suspect List were reported in the 1941 Treasury census of foreign property as owners of assets in the United States. Complete investigations will then be made to determine whether there are enemy interests in such assets.

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Liquidation Section

Functions and Organization

The major function of the Liquidation Section is to carry out the liquidation and final dissolution of vested business enterprises which, for economic or other reasons, are not maintained as going concerns. In addition it is charged with the administration and sale of tangible personal property. The Liquidation Section has its main office in New York and a subsidiary office in San Francisco. New York is the legal office of most vested domestic corporations in liquidation; the legal offices of a sizable number are on the West Coast.

Classes of Property Handled by the Section

The vested property presently referred to the Section falls into three main classes:

1. Vested stock interests in domestic corporations, ranging up to 100% of the outstanding stock.
2. Unincorporated enterprises such as proprietorships, partnerships, and domestic branches of enemy corporations.
3. Tangible personal property in the United States formerly owned by individual enemy nationals, including personal property in estates and trusts vested by the Custodian and assigned to the Section for liquidation.

The Section is also responsible for the servicing and supervising of certain property not vested, but subject to control under supervisory orders issued by the Custodian.

Liquidation Procedure

The following steps occur in the process of liquidating unincorporated enterprises and tangible personal property: the Section takes possession or control of the property; secures an inventory or appraisal for use in preparing necessary records on the case; searches out and lists all debts against the property as well as miscellaneous assets; prepares the property for sale and effects the sale; collects and converts into cash all receivables, claims, and other assets; turns over the proceeds received in the liquidation to the Property Division; and prepares a closing report.

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In liquidating corporate vestings, the Section must follow a more complex procedure: it arranges for the cancellation of the stock certificates representing the vested shares and for the issuance of new certificates in the Custodian's name; secures the re-staffing of the corporate management with personnel of the Section; reviews the corporate structure, making any alterations required to facilitate the conduct of both the corporate business and the liquidation process; inventories and appraises the corporate assets; determines the fiscal and tax status of the corporation; liquidates the physical property through the usual trade channels, through public offerings, or through negotiated offers, whichever method is determined to be to the best interest of the Custodian and likely to yield maximum proceeds; collects and reduces to cash all receivables, claims, and other assets; validates claims against the corporation, and effects settlement thereof; dissolves the corporation, obtaining an appropriate dissolution order of the Custodian; distributes the proceeds of liquidation according to applicable State and Federal laws; and prepares a closing report.

Status of Liquidations

From the time of its establishment to September 1, 1946, the Liquidation Section was assigned a total of 561 cases, of which 526 pertained to vesting orders and 35 to supervisory orders. Of this total, 288 vesting order cases and 22 supervisory order cases had been closed by September 1, 1946, leaving 251 cases still open. These 251 current cases are distributed below according to the nature of the property involved:

Corporations, including supplemental stock vestings	109
Unincorporated business enterprises ...	46
Tangible personal property derived from estates and trusts	8
Other tangible personal property	75
Supervisory order cases	13
Total	251

CORPORATE DISSOLUTIONS.--The 109 corporate cases remaining for disposition on September 1, 1946, are being worked on to effect liquidation and dissolution at the earliest practicable dates. State dissolution statutes do not provide means for the expeditious closing of corporate cases. In order to accelerate the final distribution of assets to the Custodian without personal liability to corporate officers and directors, particularly in the case of 100% stock vestings, the Custodian has issued "dissolution orders" containing directives addressed to the corporate officers and directors. These directives specify the course to be followed

in winding up the corporate affairs and making final distribution of assets. Dissolution orders have been issued in 36 cases up to September 1, 1946.

SALES PROGRAM.--The sales program of the Liquidation Section with respect to tangible property has been substantially concluded. The principal tangible properties now remaining to be sold can be classified in the following two groups:

1. Miscellaneous lots of jewelry, paintings, and household and personal effects contained in 17 estate and trust vestings, having an aggregate value of approximately \$35,000.
2. Various lots of steel material and equipment, including a large billet mill, all heretofore placed on public sale, but with inadequate offers received.

Because of the differing types and locations of the personal property involved, three public offerings may be required to effect their sale.

It is expected that additional property will be referred to the Liquidation Section as a result of new vestings under the APC-56 reporting program and the distribution of tangible properties from estates and trusts in which interests have been vested.

OTHER CURRENT PROBLEMS.--The Liquidation Section is now initiating a program of reviewing unliquidated foreign assets and unsatisfied foreign obligations of the remaining incorporated and unincorporated enterprises. Personnel of the Section are also called upon to prepare memoranda for the Vested Property Claims Committee and the Office of the General Counsel concerning claims asserted against vested enterprises. Finally, as cases are closed the liquidators must determine what records and documents should be retained; this activity will involve considerable work as liquidation in the larger and more involved cases such as Mitsubishi Shoji Kaisha, Ltd., Mitsui & Company, Ltd., Hamburg American Line-North German Lloyd, and Italian Line, is concluded.

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VIII

PROPERTY DIVISION

The Property Division represents enemy nationals in court proceedings involving their property or interests, particularly in estates and trusts, recommends vesting of such interests, and administers them. In addition, the Property Division reduces to possession and administers, after vesting, all property not assigned to other divisions (largely bank accounts, notes, claims and credits, and securities). Cash transactions of the agency are handled by the Division.

Representation Functions

The Property Division is charged with the responsibility of representing in court persons residing in enemy countries whose property or interests are involved in estates, trusts, partition suits, attachments before judgments, and other similar proceedings. ^{1/} Such legal representation requires attendance in court; preparation of pleadings, briefs, and legal memoranda; conferences with attorneys; and examination of court records. At this time the Division is handling about 2,200 such cases; of this number, 800 involve Italian and Austrian nationals. New cases continue to arise at a rate of about 90 a month, owing largely to the decease of American residents with heirs in enemy countries.

During the period of hostilities representation was also undertaken on behalf of persons in enemy-occupied territories, but since liberation the Office has withdrawn from all except a few cases.

These representational functions are performed within the Division by an Estates and Trusts Section, which has offices in Washington, New York, Chicago, and San Francisco.

VestingProperty Involved in Court Proceedings

VESTING OF ENEMY INTERESTS.--In addition to representing enemy nationals, the Estates and Trusts Section also effects the vesting of the enemy property or interests involved in court

^{1/} This function was delegated to the Alien Property Custodian by Section 5 of Executive Order No. 9193.

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proceedings. At present vestings are largely limited to property of nationals of Germany and Japan. In addition, property or interests acquired prior to December 7, 1945, by persons in Roumania, Bulgaria, or Hungary are vestible; the vesting of property acquired by such persons subsequent to December 7, 1945, has been discontinued upon request of the State Department. Also at State Department request property of Italian nationals, regardless of date of acquisition, is no longer vested.

A backlog of 1,410 cases now exists in which orders must be issued vesting the interests of enemy nationals. As long as the Custodian's power to vest the property or interests of enemy nationals continues, additional vestible cases will be received. It is estimated that during the present fiscal year approximately 1,000 new cases will arise.

Subsequent to the issuance of vesting orders it has been necessary to refer many of the cases to the Department of Justice to enforce compliance. These cases present involved legal questions which require consultation with the Department of Justice concerning methods of procedure to be followed and the position to be taken by the Government in each case. The Division also assists in preparing all petitions, briefs, and other documents in these cases for submission to the courts. There are presently pending in the Department of Justice 650 cases referred to it to enforce compliance, in all of which the attention of the Division is required from time to time.

VESTING OF COSTS AND EXPENSES.--As a result of the Division's representation on behalf of persons in enemy-occupied territories, a total of approximately 3,000 cases accumulated in which the issuance of vesting orders was required to cover costs and expenses incurred in discharging such representational duties. At this time there are about 400 enemy-occupied cases on hand in which cost-and-expense vesting orders may have to be prepared.

The issuance of cost-and-expense vesting orders, of course, is not necessary in enemy cases where the entire enemy interests are vested. There are approximately 800 cases, however, in which the Division has represented the interests of Italians and Austrians. Costs and expenses will have to be specifically vested in these cases if it is definitely determined as a matter of national policy not to vest property in this country belonging to nationals of Italy and Austria.

Estates and Trusts Not under Judicial Supervision

The Estates and Trusts Section has also been assigned the task of vesting German and Japanese interests in inter-vivos

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trusts and testamentary trusts not judicially supervised. Pending at this time are 784 Form APC-56, Series G, reports covering such interests.

In many cases it may be necessary to petition the courts for construction of the trust instruments. Since accountings have been suspended during the war, it will be necessary to obtain accountings for this period and to analyze them carefully before vesting orders can be prepared. At present a study is being made to determine more fully the problems involved.

Life Insurance Policies

The Division is responsible for vesting and administering life insurance policies. It has received to date 3,168 Form APC-56, Series H, reports, each of which relates to a single insurance policy or similar contract in which German or Japanese nationals are either insured or designated as beneficiaries. It is expected that considerable investigation in Germany and Japan will be necessary to obtain evidence on the continued existence or death of the insured or beneficiary under the policies. This evidence is required prior to the issuance of vesting orders in order to determine whether the principal of the policy or the cash surrender value should be vested. Pursuant to instructions of the Custodian, a survey is being conducted outside the Property Division to ascertain the problems presented before the institution of an insurance program by the Division.

Reduction to Possession and Administration of Property

The more important types of property administered by the Property Division are interests in estates and trusts, claims, bank accounts, securities, and jewelry and other valuables. ^{2/} In addition, the Property Division performs certain recording and administrative work pertaining to all properties assigned to other divisions.

These functions of the Division are performed largely by the Depositary Section in Washington. Certain functions--principally the reducing of bank accounts to possession, and collection of cash from properties administered by other divisions in New York--are performed by the Custody and Clearance Section, located in New York.

^{2/} Actual sale of securities is made by the Division of Business Management and Control, and of jewelry and other valuables, by the Division of Real Estate and Liquidation.

General Description of Functions

The Property Division serves all vesting orders covering property assigned to it for administration and takes any further steps necessary to secure turnover of the property to the Office. When turnover has been secured, the property is audited.

The Property Division prepares credit advices on all property vested by the Custodian. These advices are sent to the Comptroller's Division for entering the vested properties on the books of the Office. All securities and similar properties vested by the Office are processed for registration in the name of the Custodian and are then placed in the Federal Reserve Bank or temporarily held in safekeeping by the Division. Receipts of cash income and principal from all vested properties are collected by the Division. Advices on such receipts are sent to the Comptroller to be recorded.

Property under Judicial Supervision

The number of pending cases as of September 1, 1946, involving enemy interests in estates, trusts, and all other property under judicial supervision, in which vesting orders must be served, and the number of new cases of this type expected to arise in the fiscal years 1946-47 and 1947-48, together with estimated value, are indicated below:

	<u>Number</u>	<u>Estimated Value</u>
Vesting orders on hand		
to be processed	70)	
Backlog in process of) \$ 7,000,000	
being vested	1,410)	
Estimated new cases,		
fiscal year 1946-47 ...	1,000)	
Estimated new cases,) 8,000,000	
fiscal year 1947-48 ...	750)	
Total	3,230	\$15,000,000

In addition there remained for final audit and closing 1,884 estate cases in which interests had already been vested. Also subject to administration and control were 840 continuing trusts involving life interests, remainder interests, and contingent remainder interests.

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No Hoarding
Wash. Post
Enemy Loot
Must Be Feb. 12, 1947
Surrendered

By the Associated Press
Artistic and historical loot brought home by members of the American armed forces is to be rounded up for return, and the Government threatens prosecution for refusal to give up any such objects worth \$5000 or more.

The plan was disclosed yesterday in a memorandum drawn up by the State Department and circulated in the War and Navy Departments.

The preamble of the memorandum refers to cultural objects "imported into this country by members of the armed forces."

Circular to Be Sent
To carry out the program, the memorandum provides that the State Department send to all museums, libraries, art galleries, antique dealers, and book sellers a circular asking them to be alert for looted art and to notify the department immediately of any information they have. Such letters already have gone out.

The circular also provides that:
1. The State Department will write all known holders of such objects who have been unwilling to give them up, formally requesting surrender of the material.

2. In the case of objects valued at \$5000 or more, the Justice Department will be asked to bring suit under the National Stolen Property Act if the request for surrender is not complied with.

May Affect Silver Trove
Baltimore, Feb. 11 (AP)—The Government's policy statement on art brought home by soldiers may speed up a decision on disposition of 44 teakwood boxes full of silver service for 500 people held in Baltimore by the 175th Regiment, the old "Dandy Fifth" of the Twenty-ninth Division.

Col. William Purnell, wartime commander of the unit, notified the War Department of the silver's whereabouts and expressed the hope it would be regarded as legitimate spoils of war and permitted to remain in Maryland. A department spokesman yesterday said it still was studying the case.

Colonel Purnell said the silver bears the crest of the former German royal family and it has been estimated as worth as much as \$800,000. He said the 175th was asked by a German division to take the silver before the Russians arrived. It was declared to immigration authorities upon the regiment's return to the United States.

THE EVENING STAR, Washington, D. C.
WEDNESDAY, FEBRUARY 12, 1947.

War Department Plans To Warn Art Dealers On Looted Objects

The War Department is considering notifying the Nation's art dealers and auctioneers to be on the lookout for looted objects of art from occupied areas.

A Department spokesman disclosed this today in confirming reports that War, State and Navy Departments are working on a policy statement calling for voluntary return of valuables brought home by servicemen.

The statement is expected to declare that introduction of looted objects of art into this country is "contrary to the general policy of the United States" and to threaten those possessing valuables worth more than \$5,000 with prosecution.

Recovered property would be turned over eventually to embassies or legations involved or returned to military authorities of occupied areas.

The contemplated statement is believed to be an outgrowth of recent Nation-wide attention given the looting of the Hesse family jewels. Col. Jack W. Durant is being tried by court martial here on charges of stealing the jewels from Germany.

The Justice Department announced Monday it had seized three paintings, including a \$140,000 self-portrait by Rembrandt, at Dayton, Ohio.

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NEW YORK HERALD TRIBUNE, WEDNESDAY, FEBRUARY 12, 1947

U. S. to Round Up and Return Art Treasures G. I.s Took Home

By The Associated Press

WASHINGTON, Feb. 11.—Artistic and historical loot brought home by members of the American armed forces is to be rounded up for return, and the government threatens prosecution for refusal to give up any such objects worth \$5,000 or more.

The plan was disclosed today in a memorandum drawn up by the State Department and circulated in the War and Navy Departments. It declares:

"The introduction of looted objects of art into this country is contrary to the general policy of the United States and to the commitments of the United States

MORE smoking...

under the Hague Convention of 1907, and in case of objects of a value of \$5,000 or more is a contravention of Federal law. It is incumbent on this government, therefore, to exert every reasonable effort to right such wrongs as may be brought to light."

The preamble of the memorandum refers to cultural objects "imported into this country by members of the armed forces."

To carry out the program the memorandum provides that the State Department send to all museums, libraries, art galleries, antique dealers and book sellers a circular asking them to be alert for looted art and to notify the de-

U.S. Round Up

(Continued from page one)

partment immediately of any information they have. Such letters have already gone out.

The circular also provides that:

1. The State Department will write to "all known holders of such objects who have been unwilling to give them up," formally requesting surrender of the material.

2. In the case of objects valued at \$5,000 or more the Justice Department will be asked to bring suit under the national stolen property act if the request for surrender is not complied with.

Looted art taken from Germany, Austria, Japan or Korea is to be turned over to the War Department for transport to military government authorities in the country of origin. If it is impossible to deliver the material to the country immediately the National Gallery of Art will be asked to assume temporary custody.

When objects owned by countries with diplomatic representation in the United States are surrendered the material will be turned over to the proper embassy or legation.

The instructions developed out of a recommendation made last year by the American Commission for the Protection and Salvage of Artistic and Historic Monuments in war areas. The recommendation

was sent to General John H. Hilldring, Assistant Secretary of State for Occupied Areas.

The government recently acted in two spectacular cases of foreign valuables. Colonel Jack Durant is being tried in Washington on charges of stealing \$1,500,000 worth of Hessian crown jewels. The Justice Department announced yesterday seizure of three paintings, including a \$140,000 Rembrandt self-portrait, at Dayton, Ohio. (These, however, were reportedly smuggled in some years ago, not by service men, and were later bought by the Dayton holder.)

The new policy statement may speed up a decision on disposition on forty-four teakwood boxes full of silver service for 500 people held in Baltimore by the 175th Regiment, the old "Dandy Fifth" of the 29th Division.

Colonel William Purnell, wartime commander of the unit, notified the War Department of the silver's whereabouts and expressed the hope it would be regarded as legitimate spoils of war and permitted to remain in Maryland. A department spokesman yesterday said it was still studying the case.

Colonel Purnell said the silver bears the crest of the former German royal family and it has been estimated to be worth as much as \$800,000. He said the 175th was asked by a German division to take the silver before the Russians arrived. It was declared to Immigration authorities upon the regiment's return to the United States.

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N.Y. Herald Tribune
Feb. 13, 1947

U.S. Now Holds 17 Cases of Art G.I.s Brought In

Coins, Manuscripts, Gems of 'Secondary Value'; No Big Finds Foreseen

Seventeen cases of objets d'art brought home from Europe or Japan by members of the armed forces have been "detained" by the government, it was learned yesterday, for return to rightful owners abroad.

The objects, all of secondary artistic or historical importance, include paintings, jewelry, old coins and illuminated manuscripts. They have been impounded by the Bureau of Customs or, in many cases, surrendered voluntarily by service men to museums or to the National Gallery of Art in Washington.

A State Department plan to round up additional loot wrongfully held in this country was announced Tuesday, but responsible sources agreed yesterday that this was more a gesture of hope than a program destined to turn up articles of great value.

'Twas Hitler's, but—

Among paintings, for example, the principal works not yet accounted for are a few of those confiscated during the war by Adolf Hitler and held for his collection when last heard of, in a repository in Munich. None is of real worth; Hitler's taste in art was atrocious.

According to the State Department's Office of International Information and Cultural Affairs, one of the more important objects known to be in this country and not yet recovered is a fourteenth-century manuscript copy of Petrarch's "De Africa," pride of the Trieste Library before the war. Walter Rechsteiner, twenty-six, of 728 Twenty-fourth Street, Union City, N. J., bought it from a civilian in Italy for \$75 and two cartons of cigarettes; he is holding it in his possession while determination of its ownership is completed.

A more complicated case also being adjudicated is that of the \$800,000 silver service for 500 persons held in Baltimore by the 175th Regiment, which received it as a gift from a German division. The Germans wanted to keep it out of the hands of the Russians, according to Colonel William Jurnell, wartime commander of the regiment.

"Mostly Small Stuff Left"

The State Department program will enlist the aid of museums, art galleries, libraries, antique dealers and book sellers, asking them to notify the Department when looted objects come to their attention. The Department will proceed to recover them, if necessary, taking action under the national stolen property act when the article is valued at more than \$5,000.

Francis Henry Taylor, director of the Metropolitan Museum of Art, said yesterday that former service men bring in articles from time to time to ascertain their worth. Nothing "of particular value" has come to his attention, he said, although in most cases the men have voluntarily reported to Customs. Mr. Taylor, who was a member of the American Commission for the Protection and Salvage of Artistic and Historic Monuments in war areas, offered it as his candid opinion that remaining unreported loot is "mostly small stuff."

U.S. Program for Return of Historic Objects to Countries of Origin, 1944-1954

by *Ardelia R. Hall*

The Department of State last month returned through the embassies at Washington important historic and artistic objects lost and displaced from their respective countries during World War II. The receiving governments, in turn, will arrange for the restoration of the items to the former owners. The objects have been recovered in the United States under the Government's postwar program for the restitution of cultural property. The most valuable of these objects entered the United States through trade channels.

All the objects returned at this time formerly belonged to state or municipal collections in Europe. They included Dutch archives of the Netherlands East Indies dating from 1767 to 1939; German archives of the 15th and 17th centuries, mainly from the town of Grebenstein in Hesse; English documents on parchment of the 17th century from London and Laxfield; a collection of 250 ancient seals, gems, and other objects from the Staatliche Münzsammlung (State Coin Collection) at Munich; 50 gold medals and coins from the historic collection of the Staatliche Kunstsammlung (State Art Collection) in the Schlossmuseum at Weimar; a banner from Aachen; a painting by the Dutch artist, Brekelenkam, from the Düsseldorf Kunstsammlung; a rare Würzburg missal of 1495 from the Mainfränkisches Museum at Würzburg; and, most important of all, a 10th-century codex or bound manuscript containing one surviving page of the Hildebrandslied from the Landesbibliothek (State Library) at Kassel and a 14th-century codex of "De Africa" by Petrarch, from the Biblioteca Civica of Trieste.

The Hildebrandslied (Song of Hildebrand) was an heroic poem in High German, written

about the year 800 A. D. The two surviving pages owned by the Kassel Library are among the most valuable manuscripts of world literature. The text was copied on parchment by the monks of Fulda. For over a thousand years these two parchment pages have survived. They were bound with a 10th-century manuscript on religious subjects, "Liber Sapientiae," where they were apparently reused as the end-pages of the later manuscript. The ancient poetry, written on the first page (*recto*) and the last page, or page 76 (*verso*), of the codex, is not only the oldest example of German poetry but also the oldest example of writing in the German language.

Unfortunately the bound manuscript which has now been found contains only the second page of the Hildebrandslied. The first page (see cut) had been removed from the manuscript and is missing. All efforts to trace the missing page have thus far been unsuccessful. It is, however, known that the first page was missing as early as November 1945, when the bound manuscript came into the possession of a New York dealer. Its removal from the codex is probably the greatest single loss to literature resulting from World War II.

Manuscript Collection at Kassel

The library at Kassel lost all its books and printed materials in a bombing raid in September 1941. The manuscript collection was believed to have been saved. However, at the end of the war, two of the manuscripts—the Hildebrandslied Codex and the Willehalm Codex (see cut)—the two chief possessions of the library, were found to have been taken from the war repository. They had

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been packed together in a small box and stored for safety in a bunker at Bad Wildungen in August 1943. The bunker was reported to have been carefully guarded until the last months of the war, when the custodians were displaced. The American Monuments, Fine Arts, and Archives officers were not immediately informed, when Allied troops entered the town, of the repository and its importance. In June 1945 the State Conservator of Greater Hesse reported to the American Military Government that the bunker had been entered and the two famous manuscripts were missing. At the time it could not be ascertained whether the box with the manuscripts had been removed by German civilians, displaced persons, or American troops.

The loss of these irreplaceable manuscripts became the subject of an extensive search in Germany. Dr. Theodore A. Heinrich, the American director of the Wiesbaden Central Collecting Point, made every effort to trace them. Now that the Hildebrandslied has been found in the United States, the United States Government will try to determine whether the missing page of the Hildebrandslied and the 14th-century Willehalm Manuscript were also brought to the United States. A description of the missing manuscripts is being publicized so that American institutions may be alerted to the loss. Should they be found in American possession, they may be turned over to the nearest public library with the request that arrangements be made for their safe transfer to the Department of State at Washington.

Descriptions of these two treasures of the Kassel Library have been published many times. The Hildebrandslied is to be found described in many books¹ and most encyclopedias, and the Willehalm manuscript is published in a large folio volume.²

The Song of Hildebrand

The missing page of the Hildebrandslied consists of 24 lines of the poem, written in Irish minuscule on parchment, 28.5 by 21 centimeters or 11 inches by 8 1/4 inches in size. There are three small holes in the right-hand margin and a large hole at the end of the last line.

The Song of Hildebrand recounts the story of Hildebrand and his son, who after many years of

separation meet and, without knowing each other, engage in combat. The poem breaks off with no indication of the outcome of the battle. There is an early Norse saga which refers to the Hildebrandslied and says that the son was killed, but in the later sagas the son is defeated and forced to recognize his father.

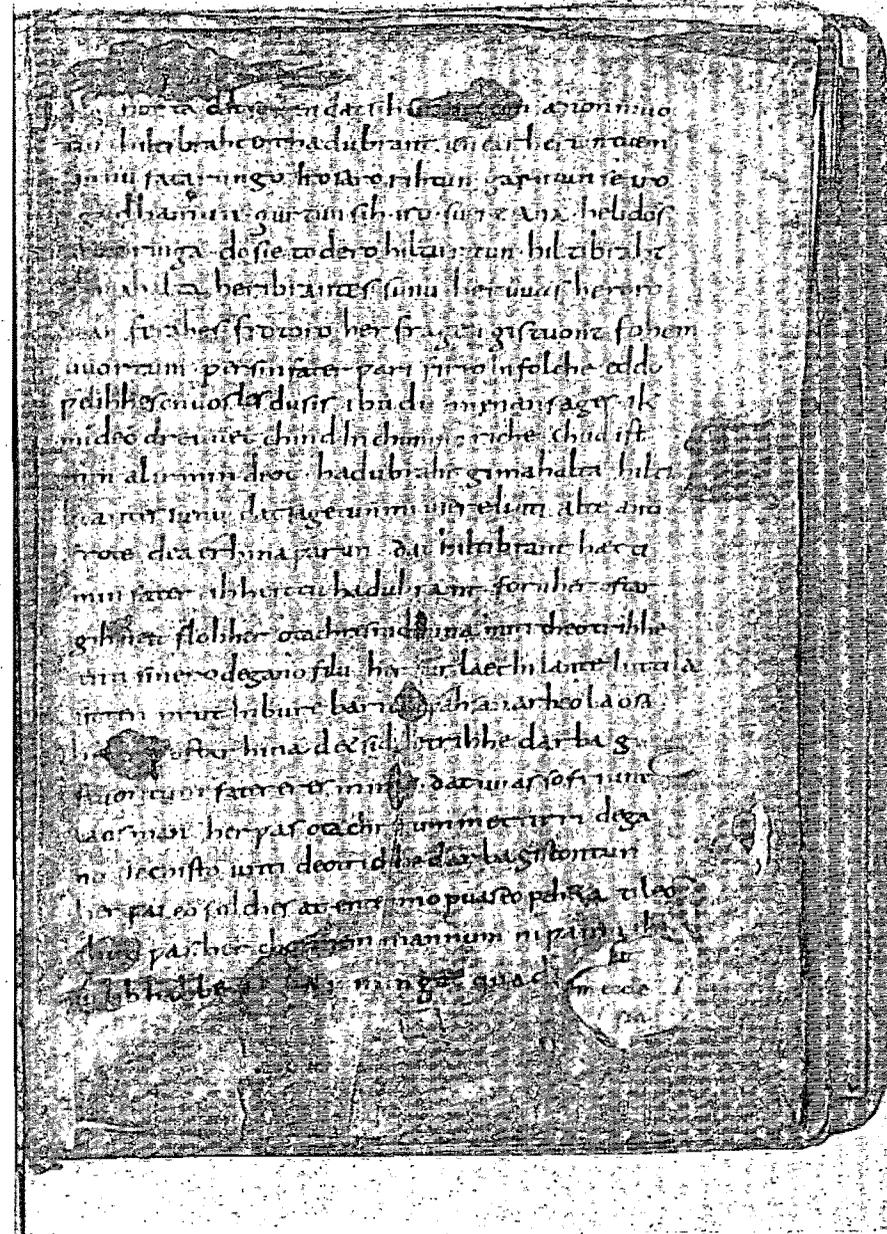
The two pages of the Hildebrandslied are the only surviving remnant of the many sagas and ballads of that early period. They were first kept in the cloister at Fulda and were presented to the Kassel Library early in the 19th century by Jacob and Wilhelm Grimm, who first recognized the manuscript as a unique example of German poetry. The Grimms were distinguished scholars of Kassel. Their research in poetry and popular tales became the foundation of the science of folklore, and their works have been read throughout the world. In 1814 Jacob Grimm was sent to Paris to obtain the restitution of the valuable collections of books that Napoleon had carried off from Kassel.

The Willehalm Manuscript

The lost Willehalm Codex of Wolfram von Eschenbach is a bound manuscript of the 14th century, containing 296 folios and 62 miniatures. Thirty-three of the miniatures are completed, and the rest are partly finished. The manuscript is 41.5 by 29 centimeters or 16 1/4 inches by 11 3/8 inches in size. The script is a fine, precise, pointed Gothic minuscule of a severe style.

The poem by Wolfram von Eschenbach in the missing Willehalm Codex relates the heroic deeds of the Christian knight, Willehalm. In one of the miniatures illustrating Willehalm's adventures, the hero is kneeling before Charlemagne, and in another he is seated before Tybalt, Arabele, and the three queens.

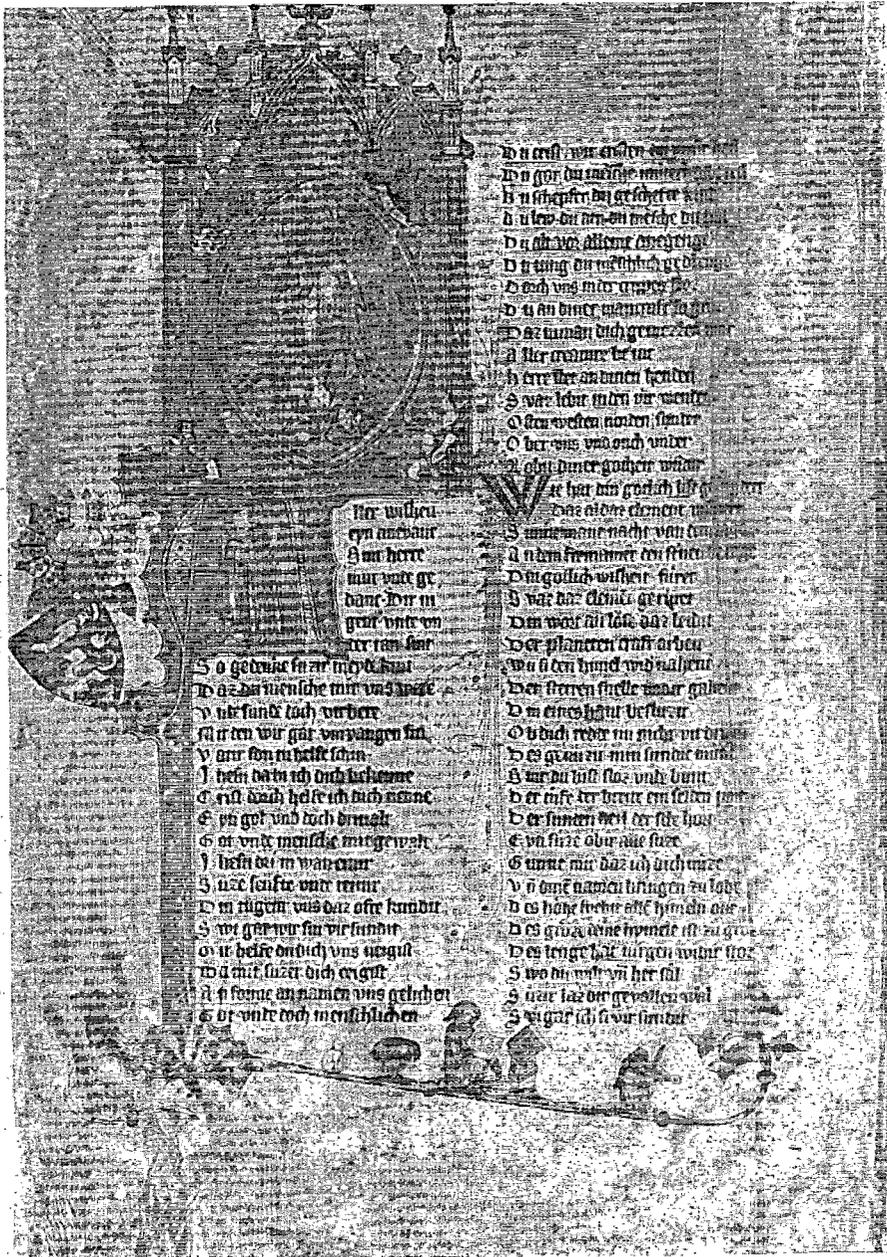
The illumination of the manuscript shows strong English influence and belongs to the Cologne school. The ornamental initial on the first page was executed with skill and versatility. Framed in a triple Gothic arch, Christ in Glory is bestowing His blessing; the Evangelists' symbols are at the corners. Below, the donor of the book, the Landgrave of Hesse, kneels in prayer; beside him is his coat of arms with the lion of Hesse. This is the oldest known colored representation of the arms, other than the 13th-century Landgrave



The missing page of the Hildebrandslied, written about 800 A. D. Another page of the manuscript has been returned to the Landesbibliothek at Kassel, Germany.

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First page of the missing Willehelm manuscript, dating from the 14th century. The manuscript contains 395 folios, many of them richly illuminated.

escutcheons preserved in the Marburg Church of St. Elizabeth.

On the vine framing the page a monk is reading at a lectern, and there are charming, droll figures of rabbits and monkeys. The manuscript is dated by a Latin entry on folio 395 verso: "In the year of our Lord one thousand three hundred and thirty-four, the illustrious Prince Henry, Landgrave and Lord of the Land of Hesse, had this written in honor of St. William Marchionis at his court; never to be transferred but to remain forever in the possession of his heirs."

The 14th-century manuscript of "De Africa," a Latin poem by Petrarch, was fully identified by the library of the city of Trieste and also was marked with the stamps of the famous Petrarch collection owned by the library. The manuscript was sent on September 20, 1954, to the United States Political Adviser to the Commander British-United States Zone, Free Territory of Trieste, to be restored to the municipal library on behalf of the United States Government.

Traditional Principles Upheld

The recovery of these manuscripts and of other rare books and objects of art dispersed during or following World War II has been a part of United States Government policy. The protection of cultural property and respect for its ownership are based upon the traditional principles upheld by the United States Government. These principles were incorporated in the General Orders No. 100 promulgated by President Lincoln and in all editions of the Rules of Land Warfare of the Department of the Army.

President Eisenhower, when he was Supreme Commander, Allied Powers Europe, during World War II, issued orders unrivaled in their firm expression of a determination to preserve the historic and cultural heritage of Europe. In a directive of May 26, 1944, General Eisenhower stated:

Shortly we will be fighting our way across the continent of Europe in battles designed to preserve our civilization. Inevitably, in the path of our advance will be found historical monuments and cultural centers which symbolize to the world all that we are fighting to preserve.

It is the responsibility of every commander to protect and respect these symbols whenever possible.

A subsequent directive of November 9, 1944, announced the policy of cultural restitution:

October 4, 1954

It is the policy of the Supreme Commander to take measures to facilitate the eventual restitution of works of art and objects of scientific or historical importance which may have been looted from United Nations governments or nationals.

It is also the policy of the Supreme Commander to avoid, as far as military necessity will permit, damage to all structures, objects or documents of cultural, artistic, archaeological, or historical value; and to assist wherever practicable in securing them from deterioration upon the process of war.

You will ensure that the prevention of looting, wanton damage and sacrilege of buildings by troops is the responsibility of all commanders and you will ensure that the seriousness of offenses of this kind is explained to all Allied personnel.

After the extent of the Nazi confiscations had become known, the Allied Powers issued a solemn warning in the London Declaration of January 5, 1943, that they intended "to do their utmost to defeat the methods of dispossession practiced by the governments with which they are at war against the countries and peoples who have been so wantonly assaulted and despoiled." The Allied Powers reserved all rights to declare invalid such transfers of property. It was specifically stated that works of art were included. Concerted efforts to rectify the injustices were sought at international conferences and through inter-Allied agreements.

The Allied war agencies concerned with the protection of the international cultural heritage had long but informative names. In the United States the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas was established on August 20, 1943, under Supreme Court Justice Owen J. Roberts and David E. Finley, Director of the National Gallery of Art. The British Committee on the Preservation and Restitution of Works of Art, Archives and other Material in Enemy Hands was set up by Prime Minister Churchill on May 9, 1944.

Objects Appearing in U.S.

The problem of looted and displaced works of art appearing in the United States was first brought to the attention of the American Commission in September 1944 on behalf of Cardinal Spellman, who was one of the members of the American Commission.

Following World War II, the State-War-Navy

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Coordinating Committee approved a government policy,⁶ which states:

The introduction of looted objects of art into this country is contrary to the general policy of the United States and to the commitments of the United States under the Hague Convention of 1907 and in the case of objects of a value of \$5,000 or more is a contravention of Federal law. It is incumbent on this Government, therefore, to exert every reasonable effort to right such wrongs as may be brought to light.

The effective protection of works of art begun under General Eisenhower's directives, carried out by the Allied armies and military governments, and completed by the Allied High Commissioners in Austria and Germany prevented the dispersal of hundreds of thousands of objects and greatly minimized the problem of recovery. The number of dispersed objects of cultural importance which have been found in the United States is relatively small compared with the millions of objects of art, books, and archives from over 2,000 repositories which were taken into the custody of the U.S. Military Government in the American Zone of Germany alone.¹⁰

A review of the works of art and other objects of cultural value which have been recovered in the United States in the 10-year period since the program was initiated in September 1944 shows that between 1944 and 1954 a total of 66 cases involving 1,586 objects have been brought to the attention of the Department of State. Of this total, 40 cases have been concluded and 1,194 objects recovered and transferred through diplomatic channels to the rightful owners.¹¹ In the 11 cases completed in September, 360 objects were transferred to the embassies in Washington. There are 15 cases currently under investigation involving 32 objects and 2 collections. When these are completed, all missing objects which are known to have appeared in the United States and have come to the attention of the Government will have been recovered.

The success of the recovery program is due to the generous response of American educational and cultural institutions and to the unflinching support of the Government agencies in Washington. The Bureau of Customs of the Treasury Department has been most efficient in handling cases involving violations of United States customs laws. Shirley Stephens, the head of enforcement in the Bureau of Customs, has been directly responsible for the continued effectiveness of the program. Mr. Stephens was consulted by the American Com-

mission in 1944, when the matter was first under consideration, and he has taken a direct part in every case that has been under investigation by the Bureau of Customs since that date.

The advice and assistance of officers of the Department of Justice, including Julian D. Simpson, Harold P. Shapiro, and John Murphy, have been invaluable to the solution of the most difficult cases.

Special acknowledgment should also be made to Mr. Finley, Director of the National Gallery, for his contribution to the work of the American Commission and for his cooperation with the Department of State in taking temporary custody of the objects when they are received in Washington.

The following American institutions are among the many that have also given invaluable assistance and expert advice about the objects: the Smithsonian Institution, the Library of Congress, the Freer Gallery of Art, the National Gallery of Art, the Los Angeles County Museum, the University of Florida, the Art Institute of Chicago, the John Herron Art Institute of Indianapolis, the Museum of Fine Arts of Boston, the Fogg Museum of Art and the Busch-Reisinger Museum of Harvard University, the Detroit Institute of Arts, the Palace of the Legion of Honor Museum of San Francisco, the Duluth (Minnesota) Public Library, the Columbus (Ohio) Public Library, the Princeton University Library, the New York Public Library, the Frick Art Reference Library, the Morgan Library, the Cornell University Library, the Syracuse University Library, the Numismatic Society of New York, the Institute of Fine Arts of New York University, the Frick Collection, the New York Historical Society, the University of Pennsylvania Library, the Philadelphia Museum of Art, the Rhode Island School of Design, the Museum of Williams College, the Museum of Houston (Texas), and Lawrence College.

Response to Recovery Program

Directors of these institutions have made the following comments upon the Government program:

This museum has been instrumental in uncovering several items belonging to European museums during the past 3 years. We are most anxious to cooperate with the return of these objects, as part of the reciprocal activities of the major museums.

I am glad to see from your letter and the statements attached to it (on return of looted objects) that the attitude of the Government is exactly as we felt it would be.

I very much hope that you will be able to receive the objects and return them to the institutions from which they were mistakenly taken. In conclusion, let me applaud the effort which you are making to right this kind of wrong.

I am delighted that machinery has been set up whereby this kind of property can be restored to its rightful owners. Such conduct makes me proud to be an American citizen.

The membership of the College Art Association of America empowered its executive committee to express approval of the Government's efforts in behalf of the restitution to rightful owners of works of art, which was described as "a cultural enterprise without historical precedent."

When the objects have been transferred to the recipient governments, the return has brought many expressions of gratitude. The French Government, on the recovery of a painting looted in Paris from a famous Jewish collection in 1941, expressed its appreciation to the Department of State and also sent a letter of thanks to the museum which had assisted in the return.

The director of the Berlin Hauptarchiv, when he heard that a rare manuscript had been recovered, wrote, "Seldom has a letter caused so much joy as yours of the 24th of June concerning the return of the Testament of Frederick the Great. For your very good news we beg to express our sincerest thanks." On the occasion of the formal opening of the Johannes Gutenberg Celebration at Mainz, Germany, on June 24, 1950, the Mayor of Mainz spoke of the appreciation of his city for the efforts of the United States Government in returning the 500-year-old Mainz Psalter to Germany and in consenting to the exhibition of the famous and precious book in Mainz for the duration of the commemoration. An official of the German Foreign Office at a ceremony marking the return of several works of art said, "It is with the greatest satisfaction and sincere gratitude that I accept on behalf of the Federal Government these treasures which are returned to us as former German properties. They will be given to their legitimate owners or their successors as soon as possible. We all have had the very satisfactory experience during and after the war that there are men of good will in every

country on earth, who—unaffected by the passions of the moment—strive toward the realization of higher ideals and toward justice."

Italian Government officials have expressed their gratitude for the assistance of the United States authorities in the recovery of works of art. In the case of the restitution to the Biblioteca Civica of Trieste of the 14th century Petrarch manuscript, the Italian Ambassador expressed "his warmest gratitude and deep appreciation of the assistance offered by the American authorities in the recovery of the masterpiece."

A Polish representative, on receiving two paintings belonging to the State Collection at Warsaw, wrote, "May I express to you my sincerest thanks for your kind cooperation and help in the recovery of the paintings by Cornelis van Poelenburgh and Quiryn Gerrits van Brekelenkam."

Most of the historic and artistic objects which have been recovered in the United States were lost from state museums, libraries, or archives or from churches. All of the relatively few works of art of private ownership which have appeared were confiscated by the Nazis from Jewish collectors, who were the chief victims of Nazi plundering in Western Europe.

By the restoration of these looted objects to their former Jewish owners, a grievous wrong has been righted. And by returning the dispersed objects which had passed from public collections in Europe to private hands in the United States, the U.S. Government has performed a great public service. It is a service not only to the nations which have regained precious symbols of their cultural heritage but also to all lovers of art and literature, who will find these valuable objects once more available to the public.

Footnotes

1. Gullelms Grimm, *De Hildebrando* (Göttingue, 1830); Wilhelm Hopf, *Die Landesbibliothek Kassel, 1580-1930* (Marburg, 1930), pp. 31, 32; *Das Hildebrandstedt* (Kassel, 1937) etc.
2. Robert Freyham, *Die Illustrationen zum Casseler Wilhelm Codex*; Wilhelm Hopf, *loc. cit.*, pp. 99-102.
3. *Report of the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas, 1946* (Washington, 1946), p. 102.
4. *The Museum News*, Jan. 1, 1945.
5. *BULLETIN* of Jan. 9, 1943, p. 21; *United States Economic Policy Toward Germany*, Department of State publication 2630, p. 52.
6. *United Nations Monetary and Financial Conference*, Department of State publication 2157; *Inter-American*

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Authority: AD 990096
BY: TJ NARA Date: 7/6/99
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Entry Box

Conference on Problems of War and Peace, Department of State publication 2497.

7. BULLETIN of Aug. 27, 1951, Appendix 1, p. 340.

8. Report of the American Commission . . . p. 23.

9. BULLETIN of Feb. 23, 1947, p. 358.

10. Articles published in the *Information Bulletin* of the Office of U.S. High Commissioner for Germany dealing with the restitution of art in the U.S. Zone of Germany include:

"Recovery and Protection of Art Treasures," Aug. 4, 1935;

"Back from the Salt Mines," Nov. 3, 1945;

"Operation 'Lost and Found,'" July 1, 1946;

"Restitution Program Reviewed," Oct. 28, 1946;

"Restitution," March 3, 1947;

"Silver Train to Hungary," May 26, 1947;

"Germany Makes Restitution," June 1950.

11. Articles dealing with the recovery of war-dispersed art in the United States include:

"Rare Mainz Psalter of 1457, Looted, Returned to U.S. Zone in Germany," BULLETIN of Mar. 27, 1950, p. 487;

"Mainz Psalter Returned," *Information Bulletin*, June 1950.

"Mainz Exhibiting Treasured Psalter," BULLETIN of Aug. 28, 1950, p. 349.

"Recovery of Lost European Treasures," Department of State Record, May-June 1951, p. 39.

"The Recovery of Cultural Objects Dispersed During World War II," BULLETIN of Aug. 27, 1951, p. 337.

"Cultural Articles Returned," *Information Bulletin*, July 1952.

"Royal Treasures Returned to Ryukyu Islands," BULLETIN of June 8, 1953, p. 819.

• Miss Hall, author of the above article, is Arts and Monuments Adviser, Department of State.

Administration of Agricultural Trade Development and Assistance Act of 1954

White House Office press release dated September 9

WHITE HOUSE ANNOUNCEMENT

The President on September 9 issued an Executive order providing for the administration of the Agricultural Trade Development and Assistance Act of 1954.

Under that act agricultural surplus commodities, aggregating \$700 million in value, may be sold abroad for local currencies over a period of 3 years, and such commodities, up to \$300 million in value, may be given to friendly peoples in the event of national disaster or famine.

The Executive order assigns to the Secretary of Agriculture primary responsibility for sales under the act, including the development of overseas markets for agricultural commodities, and assigns primary responsibility for the grants for famine relief to the Director of the Foreign Operations Administration.

A number of other Federal agencies will participate in the administration of these activities. In order that their activities may be properly coordinated, the President has established an in-

teragency advisory committee which will be headed by a representative of the White House Office.

The Executive order provides that the local currency proceeds of overseas sales of agricultural commodities under the act shall be held in the custody of the Treasury Department and shall be released by the Director of the Bureau of the Budget for use in connection with the purposes authorized by the act. Those purposes are: (1) the development of new markets for United States agricultural commodities; (2) the acquisition of strategic and critical materials; (3) the procurement of military equipment, materials, and facilities; (4) the purchase of goods or services for other friendly countries; (5) the promotion of balanced economic development and trade among nations; (6) the payment of U.S. obligations abroad; (7) the promotion of multilateral trade and economic development; and (8) international educational exchange activities.

The Agricultural Trade Development and Assistance Act of 1954 provides a supplementary means of dealing with existing stocks of agricultural products with primary emphasis upon the

Department of State Bulletin

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By	71 NARA Date	7/6/99
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TREASURY DEPARTMENT

UNITED STATES CUSTOMS SERVICE

New York, N. Y.

July 1, 1947

The Collector of Customs,

New York 4, N. Y.

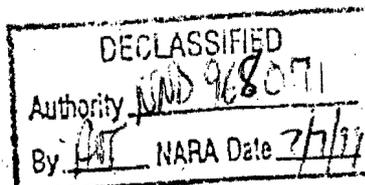
Attention: Mr. F. B. Laughlin,
Assistant Collector

Dear Sir:

There is inclosed customs Form No. 5955, Report of Seizure, No. 29483, relative to the seizure of a fourteenth century manuscript titled "AFRICA", by Francis Petrarch, from WALTER RECHSTEINER, 728 24th Street, Union City, New Jersey. The manuscript was delivered to this office by Mr. Rechsteiner and his attorney, Nathan J. Littauer, 400 38th Street, Union City, New Jersey, on June 25, 1947, where it was examined and appraised at a domestic value of \$5,000.00 by Customs Examiner H. Rubenson, corded and sealed by this office, and remanded to the custody of Mr. Rechsteiner pending the Bureau's decision on Rechsteiner's petition seeking the manuscript's return.

Action for the recovery of the manuscript was initiated by this office on December 30, 1946, and subsequently by the Bureau of Customs, upon the basis of newspaper articles appearing in issues of the NEW YORK TIMES and the NEW YORK JOURNAL-AMERICAN for December 22, 1946. Both articles, as well as later newspaper items transmitted with Bureau letters of January 3 and 16, 1947, describe this fourteenth century manuscript copy of a Petrarchian poem entitled "AFRICA" as being marked as the property of the Trieste Library, and go on to state that the manuscript was brought to the United States by Walter Rechsteiner, who served in Italy with the 887th Airborne Engineers, and acquired the manuscript in Naples in March 1945 (?) from a peddler for two cartons of cigarettes and the equivalent of \$60.00 in American money. The NEW YORK TIMES for December 24, 1946, published an Associated Press wire photo of Rechsteiner holding the manuscript.

On June 7, 1947, Customs Agent P. J. Calvin interviewed Walter Rechsteiner at 724 24th Street, Union City, New Jersey, and was referred to attorney Nathan J. Littauer, who advised Customs Agent Calvin that



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his client had not violated any laws in bringing a manuscript he had legally acquired and had properly declared for customs under the provisions of Public Law No. 633, and in accordance with instructions of his superior officers, therefore, he could not advise his client to surrender the document to customs officers. In addition, Attorney Littauer said that his client had been approached by representatives of the Italian Government, who sought the return of the manuscript, and he felt that he could best protect his client's interests by retaining custody of the manuscript until a decision as to its rightful ownership was rendered in court.

On March 17, 1947, the following letter was sent to Attorney Littauer:

"In conformity with your telephone request of March 13, 1947, wherein you asked that this office outline for you as counsel for Walter Rechsteiner the reasons for effecting recovery from your client of the Petrarchian manuscript 'De Africa', the following is recited:

"When Pfc Walter Rechsteiner, 32921366, 887th Airborne Engineering Aviation Company, arrived in Boston, Mass., on the U.S.A.T. JAMES PARKER, on April 1, 1945, there were then in effect certain regulations under sections 3(a) and 5(b) of the Trading with the Enemy Act, as amended (T.D. 51072), relative to the release of art objects (including manuscripts of the kind under consideration) from customs custody, which had been imported after March 12, 1938. The regulations provide that 'No art object hereafter imported from any foreign country, except one which constitutes part of the United Kingdom, the British Dominions or British Colonies***shall be released from customs custody --- unless such release has been licensed or otherwise authorized by the Secretary of the Treasury.'

"Inquiry at the office of the collector of customs at Boston, Mass., shows that Mr. Rechsteiner had not complied with the provisions embodied in the above-mentioned regulation.

"The importation by your client was also contrary to military orders then in effect in the European Theater, enjoining military personnel from dealing, possessing and/or importing any art objects of the character concerned.

"The manuscript now in the possession of Mr. Rechsteiner was obtained contrary to military orders then in effect, and appears to have been imported in violation of the provisions of T.D. 51072 and of section 1593 (b), title 19, U.S.C., since no record exists in the office of the collector of customs at Boston showing that Mr. Rechsteiner declared the manuscript in his possession at the time of his arrival, when declaration and entry for the manuscript should have been made."

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By WT NARA Date 7/7/77

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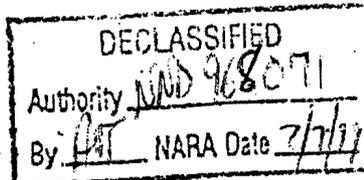
On May 15, 1947, the Bureau of Customs requested advice as to the status of the investigation, and a report, dated May 22, 1947, reciting the facts developed by the investigation was transmitted to the Bureau. In our report, the Bureau was advised as follows:

"Upon receipt of Bureau letter of May 15, 1947, the writer, accompanied by Customs Agent Galvin, discussed the matter with attorneys in the solicitor's office, particularly as to whether the forfeiture of the manuscript pursuant to section 593(b) would be sustained in court. It was recited that the actual whereabouts of the manuscript was not known at this time, and that in an informal discussion with Assistant U.S. District Attorney C. A. Stanziiale, Newark, N.J., on December 21, 1947, customs agents were told that a search warrant could not be issued unless the actual whereabouts of the manuscript was known.

"After a review of the case, the solicitor's office was of the opinion that inasmuch as records obtained from the collector of customs at Boston indicated that the manuscript which Rechsteiner had brought back with him on the U.S.A.T. JAMES PARKER on April 1, 1946 had been released by customs without a license being issued thereon, T.D. 51072 was not applicable, and it was suggested that the matter be referred by the Bureau to the office of the Foreign Funds Control for advice as to what action customs could take to effect recovery of the manuscript, in view of the revocation of T.D. 51072 on June 13, 1946."

In reply thereto, the Bureau, by letter dated June 6, 1947, reported that "On the basis of information submitted the Bureau is of the opinion that the manuscript in question has illegally entered the United States, that it is subject to seizure and forfeiture under section 593(b) of the Tariff Act of 1930. Action looking to the seizure of this item under the provisions of the law mentioned should therefore be taken by your office. In the event a seizure is made, please submit a report of the circumstances to the Bureau, inasmuch as the Department of State is interested in the matter."

After receipt of the Bureau's letter, the facts and circumstances of the case were discussed with Assistant United States Attorney Martin J. Moroney, of the United States District Court, Newark, New Jersey, on June 19, 1947, by Customs Agent P. J. Galvin and the writer. That official advised that sufficient grounds did not exist to warrant criminal prosecution of Rechsteiner under section 593(b) of the Tariff Act of 1930, and that, in his opinion, it was highly improbable that the Government could successfully sustain the forfeiture of the manuscript imported if it were to rely on the same evidence. However, Mr. Moroney recommended that the Bureau of Customs try to handle the matter administratively.



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When Mr. E. J. Shamhart was in New York on June 11, 1947, this matter was thoroughly discussed with him. It was his suggestion that the case be discussed with the United States Attorney's office at Newark, New Jersey, and that any action recommended by that office be followed. Accordingly, constructive seizure of the manuscript has been made.

Mr. Littauer and Mr. Rechtsteiner have been advised of the provisions of section 618 of the Tariff Act of 1930, and Mr. Littauer has informed the writer that a petition will be filed in the near future.

Very truly yours,

Customs Agent.

APPROVED:

Supervising Customs Agent.

Inclosure:
c/P 5955 w/appr.

In trip.

2 cc Bureau w/cov. ltr.

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By: PT NARA Date 2/7/97

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HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
USACA SECTION

Reparations, Deliveries and Restitution Division
Reparations and Restitution Branch
APO 777, U. S. Army

Vienna
6 Jan 1949

Dear Miss Hall,

I had lunch Monday with Ted Heinrich in Wiesbaden and poured out some of my troubles to him. He is a lamb - so kind and sympathetic - and suggested that I write you.

My job as Fine Arts Officer for USFA has been both back-breaking and heart-breaking because in spite of the high-principled directives from Washington they have been met with no sincere response here. It hurts me exceedingly to say this. There is probably no single employee in this headquarters who has fought so consistently as I to protect USFA and the US from adverse criticism.

As you probably know OMGUS (Office of MG for Germany) has a well equipped Fine Arts Staff. I regret to say that USFA has not had such foresight, though I think it could be easily proved that more loot was found in the US Zone of Austria than in Germany. The main excuse for the Central Collecting Point in Munich was to handle the loot from the salt mines in Austria, which are technically under the jurisdiction of this headquarters - and which incidentally (though it is not really part of my story now) constitutes quite a controversy between OMGUS and USFA and will surely have to be settled eventually in Washington. The differences of opinion on this are mainly caused by the fact that we here have taken directives from Washington literally (I am of course only concerned with fine arts), which specified that fine arts removed from Austria after the Anschluss would be returned. In Germany the Chief of Fine Arts (at that time Col. Allen) re-wrote Washington directives, according to his interpretation, and therefore issued his own directives, which had all sorts of qualifications as far as Austria was concerned. Therefore the Fine Arts Officers in Munich are not much concerned with the Moscow Declaration, which declared Austria to be the first victim of Nazi aggression, etc. They argue that Austria was an ex-enemy nation and should not get back fine arts that were purchased for the Hitler or Goering Collections, etc., etc., but as I said before this is not now part of my story. If you should be interested in more of this I will be glad to elaborate except that it may be too late now for me to do anything about it - and I can assure you there is no one else in this headquarters who knows anything about it - or is even very much interested.

The position of Fine Arts Officers in USFA was eliminated in July 1946 and from then until October 1947 the negligence of this explosive situation was hardly short of being criminal. (These are strong words, I know, but hear me out). There was no control then on what American officers sent home and there is very little now. I did what I could from my office position in Vienna to control the situation (though of course I could do nothing on what was sent to the States). Finally in October 1947 the job was recreated and I was officially appointed fine arts officer. The same man sits in control now in Salzburg who has been there since 1946 - he was Chief of Property Control & Restitution - now, besides keeping

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By NARA Date 6-15
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As such control of this office he is also Deputy Chief of Military Govt. /In his first capacity he is custodian of my art depot in Salzburg - which he has used as a requisition dump for officers homes and clubs. He is of course a great favorite with the Generals, being among other things a good poker player. Efforts on my part to protect the art depot in Salzburg from these inroads have been without avail - I have not been able to get a letter out of this Division. (This man's name is Vernon Kennedy - he was formerly in Labor circles in California and then with UNRRA).

After the excesses between July 46 and Oct 47 I tried my best to tidy up files and straighten out hopelessly fouled-up cases. The Austrian Govt (which had no reason to believe in the sincerity of a restitution program by USFA (having already suffered at the hands of US personnel) greeted me with thinly veiled hostility. I worked diligently and earnestly to overcome this feeling and finally succeeded in convincing them that I was as anxious to protect Austria's cultural heritage as that of any other nation. From that time on they gave me unqualified support. If only I had had one-half the support from this headquarters! I know that ordinarily Colonels and Generals only know what is reported up to them and any little officer along the way can block information from getting to them. However, USFA must bear the ultimate responsibility, although the direct responsibility for this fiasco must rest on the first responsible officer, and unfortunately he is my first chief - the chief of this Branch. I am sure he is a brave, capable combat officer but surely a worse choice could never have been made for a chief of a Restitutions Branch. He is a WP graduate but culture and diplomacy are only things he has read about (he is much the same kind type man as McJunkins in Germany, who has not only every nation in Europe gunning for him but has not the support of a single man working for me -- I would give McJunkins the edge on polish but neither man seems to be acquainted with "diplomacy").

Before you decide that I'm just a frustrated woman (and I frankly admit that I am) let me say there is French looted fine arts in the General's villa in Salzburg; Dutch fine arts in the General's villa in Linz, a French looted painting in the Officers Club in Salzburg -- all definitely identified and included on claims but I have not been allowed to reveal that I have found them; A Lt. Col. returned to the States recently from Salzburg taking with him 26 oriental Hungarian rugs - McKee (my chief) refused to let me write the Provost Marshall of his Army Post to investigate. I was only allowed to write the officer a nice letter of inquiry. The Salzburg Gold Coin Collection was looted while in the possession of the Military Detachment of Hallein, Austria; several truckloads of fine arts were brought to Vienna by General Clark (for his quarters here) from Castle Klessheim in Salzburg; seven paintings were stolen from Lauffen Mine, including a Rubens and a van Dyke, while under protection of US personnel; seven valuable engravings four of them by Durer, were stolen from Alt-Ansee saltmine while under protection of US personnel. Most of these have had no investigation -- but all is carefully documented by the Austrian Govt.

The Austrian Govt has been trying to get permission for a year and a half to send an expert with me through high-ranking officers villas and clubs to see what fine arts are being used there, as most of these places were taken over intact from the Germans. I have stressed time and again that it would not be necessary to remove anything but museum items found. Permission has never been given. I have never been able to get such a request out of this division. The lack of support, sympathy and interest on the part of my Branch Chief and the Division Chief (who have assured the big boys above that they will see that they

By _____
NARA Date 6-11
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You may find interesting the attached copy of a letter to General Keyes from Minister Krauland (Ministry for Property Control and Economic Planning). I have never met Minister Krauland but of course know all the men immediately under him, also all the Austrian Fine Arts people in the Bundesdenkmalamt. I had lunch today with Dr. Demis, President of the Bundesdenkmalamt. He had secured a copy of this letter for me because he thought it was so nice. I was of course very grateful and touched. This letter was of course never shown me by this Hq. Dr. Demis said he was notified this morning by an official in the Ministry that USFA's answer to Krauland's letter was negative "because of economic reasons". This is disgraceful - the letter was of course answered by McKee.

Also, for sometime PIO (Public Information Office) which handles state-side publicity for USFA, has been working on a story of me in my job. 10 days ago they turned it in to my Division for clearance (I gave them the facts and they are of course absolutely correct). I came in yesterday from Paris via Wiesbaden and Munich (where I had lunch with Steve Munsing) and was informed by PIO that the story had not been released by my Division. They apparently don't dare let me get state-side publicity (it is scheduled for a Woman's Magazine - which is anxious for the story) and wide publicity in Europe via Stars & Stripes because the Generals here and some other of the big brass might decide they had something unusual in me and want to keep me for publicity's sake if nothing else. So poor USFA is losing good publicity which it was so anxious for when this story was ordered about three months ago. I had to get out of a sick bed and go to the Zone to pose for pictures in the saltmines, castles, etc. But since this was started a Lt. Col. has learned he will be definitely returned to the states in June and I must be quietly gotten out of the way before then --- so USFA doesn't get good publicity it needs and wants and the Austrian Govt is disillusioned and suspicious of USFA's sincerity on the question of Fine Arts.

I am forced to admit that I can't help but admire McKee's determination and fighting capabilities because he must have been hard pressed to sell the answer to Minister Krauland to the Chief of Staff -- and now he is managing to either hold up or definitely suppress the feature story (from the woman's angle) of fine arts which USFA was so eager for. It is unfortunate his abilities are not directed on a higher plane.

Probably if I were not so tired and discouraged I would never have written the above letter. You understand of course that if the Army were to see this letter they would burn me at the stake. I am not even asking you to try to do anything about the above because you can't. It is truly hopeless -- and God knows I would not want Washington embarrassed by the exposure of any of the above. Sometimes I think we are ~~so~~ morally decadent ~~and~~. The above sorry story is given you in the hopes that you may be able to get out some restitution directive on fine arts "with some teeth in it" so this awful mess can be cleaned up.

Yes, Miss Hall, I am a frustrated woman.

Eve Tucker

EVE TUCKER
Fine Arts Officer

Authority MND 968071
EX NARA Date 6-18
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107036

F 010.1

Press Release - Austrian Restitution Act

1 Chief, Chief, 14 Oct.
 Legal RD&R 1946
 Div. Div.

1. In reply to your telephone request for concurrence to the following proposed press release, it can be stated that the Legal Division has no objections to the substance as quoted.

"The policy with respect to handling of aryanized property is to have military authorities relinquish their jurisdiction over this property. It is anticipated that as soon as the organization required by the Austrian Restitution Act and additional legislation now pending has been set up, the U. S. Government will turn over to the Austrian Government the task of handling the property involved and the claims related thereto. Pending completion of this organization by the Austrian Government, the property control branch, RD&R Division, USACA, has been accepting claims to property and has been appointing administrators to manage and in the great majority of cases, administrators appointed have been appointed as of 1st September 1946. Approximately 1200 claims had been filed with the property control branch, most of them from Austrians who had migrated to the U. S. and relating to property in the U. S. zone. In this connection it should be pointed out that the claims received by USFA are limited to those arising through the channels of the Allied Nations and do not, of course, cover property alleged to be owned by Austrian Jews still residing in Austria. Such claims are of course handled directly between the claimant and the Austrian Government".

2. For your information.

LEGAL DIV.	
DATE	14 Oct. 1946
TIME	1:00 P.M. 565
OUT	V IN

EMF/PDS/dt
 Telephone: VIENNA A 20506

EDGAR M. FOLTIN
 Chief, Legal Div.

107037

RECEIPT FOR EXCEPTIONAL RETURN OF CULTURAL OBJECTS

The following items are being returned to Austria as they constitute
a cultural heritage. Authority (Title 18 - 101)

Run.No.	Run.No. of 3rd except. returned shipm.	Mun. Arr. No.	Author	Subject	Presumed owner	History
1.	23.	4249/Ischl	86 Austria about 1400	Statue of St. Wolfgang and church	Austria, Ischl	Sold by Mr. Etter to Mus. Linz for RM 12.000
2.	24.	13310/Aussee	8130/6 R. Alt	Monastery of Monreale	Austria, Albertina, Vienna	Sold by Mr. Grimschitz, the director of the "Neue Galerie" (Museum in Vienna) to Bormann for RM 1.500.--
3.	25.	13310/ "	8130/7 Rudolf Alt	Venice, Canale Grande	" "	" " for RM 2.500.--
4.	26.	13310/ "	8130/8 Rudolf Alt	Castle Gandolfo near Rome	" "	" " for RM 2.000.--
5.	27.	13310/ "	8130/10 Rudolf Alt	Castle Hochosterwitz near Launsdorf	" "	" " for RM 1.500.--
6.	28.	13310/ "	8130/11 Rudolf Alt	Trient: Fountain on market place	" "	" " " "
7.	29.	13310/ "	8130/12 Rudolf Alt	Palermo street with Porta Nuova	" "	" " RM 1.500.--
8.	30.	13310/ "	8130/13 Rudolf Alt	Venice, court of the palace of duce	" "	" " for RM 3.000.--
9.	31.	13310/ "	8130/14 Rudolf Alt	Vienna, view of the Belvedere	" "	" " for RM 2.000.--

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By JW NARA Date 9/2

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Run.No.	Run.No. of 3rd except, returned shipment	Mun. Arr.	Author	Subject	Presumed owner	History
10.	32.	13310/Aussee	8130/15 Rudolf Alt	Court of monastery in Trient	Austria, Albertina, Vienna	Sold by Mr. Grimschitz, the director of the "Neue Galerie" (Museum in Vienna) to Bormann for RM 2.500
11.	33.	26309/Höglwörth	1699/2 Rudolf Alt	Rome: View from Monte Pincio	" "	" "
12.	34.	26309/ "	1699/4 Rudolf Alt	Brook near Gastein	" "	" " for 1.500
13.	35.	26309/ "	1699/5 Rudolf Alt	City hall, Luzern	" "	" " for 1.500.--
14.	36.	26309/ "	1699/15 Rudolf Alt	Street in Sterzing	" "	" " for 1.000.--

Nothing follows

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 File Box 289

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 Authority NND 725057
 By JW NARA Date 9/2

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The receiving Government undertakes to restore any object which has been delivered to it by mistake:

Stefan P. Munsing
(witness)

STEFAN P. MUNSING
Chief, Monuments, Fine
Arts and Archives Section
Director, Central Collecting Point
Munich

(Capacity of signor)

Place: Munich, Germany

Karl Wilczek
(signature)

DR. KARL WILCZEK
Representative for the
Austrian Government

(Capacity of signor)

Date: 19 May 1949

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By JW NARA Date 9-2

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VAC

HEADQUARTERS, VIAC
U.S. SECTION
PALACE OF JUSTICE BUILDING
I VIENNA

12 November 1946

SUBJECT: Policy U.S. Element.

TO: All Sub-sections. Property Control.

The following extract from the instruction given by Col. Cox, at USACA Staff Conference, 7 November 1946, will serve to expand and clarify the policy of U.S. element pertaining to quadripartite matters, particularly with reference USFA letter, subject, "Functions of U.S. element, VIAC, 29 October 1946".

" I would like to talk a little about Quadripartite work. There have been too many papers introduced by our people, either in the directorates or in the committees, which, in the first place, are not important or proper subjects and, in the second place, are not too well composed. These papers are often worked up without the men who compose them being too familiar with policy of this Headquarters. When such a paper reaches the Executive Committee, I try to kill it up there and dispose of it in some way. Once in a while, one gets through to the Allied Council. There have been a number of them which have been embarrassing to your member of the Executive Committee or the Allied Council because he has to reverse the stand which someone has taken in a Directorate or Committee. For that reason, it is directed that, from now on, every paper proposed by anyone in our Element to be introduced initially at any echelon shall be prepared in substance and submitted to either General Tate or myself for approval, at least in principle, before it is introduced.

As an example, the paper on DP's which came up at the last meeting of the Executive Committee contained a statement in it that the Social Administration Directorate had been consulted and that they had informed the Economic Directorate that the Austrian Compulsory Labor Laws were applicable to DP's. In our Zone, we consider that they are to be unilateral action, but no Austrian law is applicable unless there is a unanimous agreement by the Allied Council. Therefore, that statement was erroneous. This brings me to the next point. We deal with many little things in these papers. Some of them are very important, others are not worth the time put into preparing the paper. The greatest obstacle to our mission in Austria right now, lies in the conflict between the use of Article 2-d and Article 5 of the New Control Agreement. You will remember that in Article 2-d, it is stated that the Austrian Government may take action in regard to any of

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the matters specified in Article 5, only after receiving prior written consent from the Allied Commission. Article 5 states that the Allied Council may act directly in connection with all matters in regard to those specified in Article 5. Article 2-d states that, in the absence of action by the Allied Council, the several High Commissioners may act independently in their respective Zones in regard to matters specified in Article 5. You will recall that on many occasions, the Soviet Element has maintained that it is a matter for discussion only between themselves and the Austrian Government. When they adopt those tactics, they are claiming the protection under Article 2-d. This all leads up to this thought, that insofar as we are concerned, we should strive to develop papers to reach the agenda on our own initiative. Let us base those subjects on measures designed to work out these things under Article 5 of the New Control Agreement. That is exactly why I took the Soviet proposal on Naval Demilitarization and worked out a solution there which would indicate our desire to get started. The only factor omitted was the quadripartite visits to the respective Zones. We left the decision for visits open by including a Soviet resolution stating that such visits might be made by decision of the Allied Council, but meanwhile, we can go ahead up to that point.

With reference to all of the matters contained in Article 5, let us try to break down this procedure which the Soviets are using of hiding under the skirts of Article 2-d. The heart of the whole of the conflict now with the Soviet Element in working out our mission here lies right there. In working up these papers and in all your considerations, in your committees and directorates, keep in mind the following documents and if you haven't done so lately, I suggest that you review them in the immediate future. First, the Statement of U.S. policy which was introduced into the Allied Council back in April or May, and which gives a very clear and precise definition of what we consider our mission here in Austria. Second, the New Control Agreement for Austria, which embodies in its text many of the principles expressed in the statement of U.S. policy previously referred to. Thirdly, the recent State Department announcement concerning U.S. policy in Austria and the fact that we do not consider it an ex-enemy nation but rather a liberated nation. Fourth, the recent resolution adopted in the Austrian Parliament within the past two weeks consisting of eleven points. I mention the last because, to a substantial degree, it is practically a statement of U.S. policy in Austria. The principles and ideas expressed in those four documents should pretty well guide our deliberations and our recommendations in the various committee and directorate meeting. The keynote of all the latter part of my conversation in this. Let us take the initiative in the constructive side of working out our mission in rehabilitating Austria and helping Austria to be really free and independent, and just on paper, but in fact. Let us not get bogged down in little things so that we see only the tree instead of the forest, and if, from time to time, and individual in the outfit here may be over-ruled, I think that most of the time you can take that as implying that perhaps he has not yet gotten into the big picture or that perhaps he does not see the big picture. "

FOR THE ASSISTANT CHIEF OF STAFF, G-5:

Horwood R. Hughes
 HORWOOD R. HUGHES
 Major F.A.

107042

RG	2260 / USACA	DECLASSIFIED
Entry	119 Property Control Branch	Authority VND 785004
File	General Correspondence Files	By AT NARA Date 11-18-99
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HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
Reparations, Deliveries & Restitutions Division
APO 777 US Army

21 June 1949

TO : Chief, RD&R Division

SUBJECT: Final Status Report - Monuments, Fine Arts & Archives

1. Reference is made to the Final Status Report - Monuments Fine Arts & Archives as prepared by Miss Tucker on 26 Feb 1949, copy of which is attached.
2. Effort has been made to liquidate as much of the pending business of Monuments, Fine Arts & Archives as was possible in the time existent.
3. Attached hereto is a report containing pending action on Monuments, Fine Arts & Archives affairs.
4. References to Miss Tucker's report are by page and paragraph numbers as listed in her report.
5. Those items in Miss Tucker's report not discussed in this report have either been disposed of or dropped. Records concerning the disposal of any of these items is available in the R&R Branch.

I. PRESENT ART DEPOTS, CONTENTS, AND COMMENTS (pg. 1)

a) Art Depot in Residenz Palais, Salzburg

This depot has been almost completely cleared. Those items remaining are numbered according to the numbers shown in Miss Tucker's report.

Comments

- | | |
|---|---|
| (5) 1 Tapestry "Eagle with Prey" size 2.24 x 2.82 m (pg. 2) | French representative has stated that he does not believe this tapestry is French. Indications are that this tapestry is definitely prewar Austrian. When final clearance has been obtained from the French, recommend that this be transferred to the Austrian Government and listed as a restitution. |
| (6) Allegorical Tapestry with two Human Figures and three Cherubs, size 3.41 x 3.85 m (pg. 2) | Not actually in the Art Depot but is under custodianship of the Salzburg Landesregierung. The French were sent a photo on 11 Feb 1949 and requested to check it in France. Current indications are that this is not French but will remain as unknown property. If so, recommend it be transferred to the custody of the Austrian Government as unknown property in the usual manner. |

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Comments

- (14) About 300 books of the Sven Hedin Library which were removed from Schloss Mittersill (pg. 3)
- Inventory has been sent to the Historical Section of OMGUS for check, as Washington is interested in publications during the Nazi regime of these East-Asia scientists. If no word has been received by 1 July 1949, recommend a tracer letter be sent to OMGUS. If the results are negative, recommend it be transferred to the custody of the Austrian Government as property of questionable origin.

b) Property Control Warehouse, Camp Truscott, Salzburg (pg. 3)

Notice has been received that the 13 photograph albums remaining in the von Ribbentrop collection are being forwarded to Washington for disposition. These should be turned over to ODI on receipt for forwarding to the Library of Congress as in the case of the previous 69 albums which were also forwarded in a like manner.

- (3) The valuable painting "White Horse" by Albert Cuyp has been referred by AG letter to the CG, ZCA for investigation. Word has been received that a Board of Officers has been appointed to investigate this case. A copy of the final recommendations and action by this Board should be attached both to Miss Tucker's original request for CID investigation and to the file concerning the von Ribbentrop collection.

Because the remainder of the von Ribbentrop property is considered as private property, recommend that R&R Branch drop all interest in this property, except for a clearance on the above-mentioned painting "White Horse". Austrian and German laws have been passed which would allow the proper disposition of this property, and since this property is already under the jurisdiction of the PC Branch, the R&R Branch should take no further interest.

c) Art Depot, Landhaus, Linz (pg. 3)

- (1) 29 large size paintings were found in the streets of the village St. Agatha, Land Upper Austria, near the end of the war. Whereas letters have already been forwarded to ZCA to release these paintings to the Austrian Government as unknown property, certain of these paintings have been claimed by the Dutch. Therefore, the transfer of the entire group of paintings has been held up pending investigation of the Dutch claim.
- (2) Same as (1) above.
- (4) 1 rug, Persian, 5 x 3.20 m is still in use in Mr. Shaw's office in Linz, and is properly accounted for.

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II. FORMER ART DEPOTS, CONTENTS AND COMMENTS (pg. 5)

- a) The Hans Makart canvas roll "Venice greeting Catherine Cornaro", size 1050 x 400 cm (Alt-Aussee #2075) owned by the National Gallery of Berlin and located in the Springerwerke cave of the mine. This painting is subject to restitution to Germany. However, it is so large that it can not be moved through the door of the saltmine. Both the Austrian Government and OMGUS are aware of this fact. Recommend that nothing be done about this painting at present since it is in a perfect state of preservation in its present location and the German authorities do not seem to be particularly anxious to have it returned to Berlin at this time.
- b) Schloss Fischhorn by Zell-am-See

The last painting retained under U.S. control entitled "Lady with Neck Frill" was released to Miss Gildemeister on 9 Feb 1949. Miss Gildemeister stated that she is going to sue the U.S. Government for damages which she alleges occurred while the painting was under U.S. control. I have investigated this matter and determined that certain scratches did exist on the painting when it was released to Miss Gildemeister. However, there is no record existing as to whether or not these damages occurred before, during, or after the painting was under U.S. control. It has been ascertained that the PC&R Section, ZCA, took special precaution to protect this particular painting from damage because of the persistent nagging and antagonistic attitude displayed by Miss Gildemeister throughout all discussions concerning this painting. I do not believe that in a U.S. Claims Court Miss Gildemeister could present sufficient evidence to constitute a valid claim against the U.S. Government. This subject may result in nasty letters from the Gildemeisters and possibly through the U.S. Legation at some future time.

III. SPECIAL PROBLEMS, WITH RECOMMENDATIONS (pg. 6)

- e) Valuable Austrian Paintings Stolen

It is questionable whether the inventory of paintings missing from the various saltmines as listed by Miss Tucker were actually stolen, but it is evident that they are not presently in their reported locations. There is little effort that can be made under the present organization of the P&R Branch to locate these paintings. The only logical course is to maintain the inventory of the missing paintings so that if they should be located at a future date, their ultimate destination will be known.

- f) Austrian Tapestry in New York

This problem does not belong to the P&R Branch. It is an affair between the Austrian Government and U.S. Customs Officials.

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g) Austrian Painting under Military Custodianship

This problem belongs to the Austrian Government and the F&R Branch should not be involved.

1) Custody Retained on Property released to the Jurisdiction of the Austrian Government

- (1) The 8 paintings listed in this paragraph should be returned to the custody of the U.S. Government. One of these paintings entitled "Mountain Ridge on the Radstaetter Tauern", #450, is missing and no trace can be found. This painting was in the office of Maj. Gen. H.G. Collins and is reported to have disappeared some time between the departure of Gen. Collins and the arrival of Maj. Gen. Kendall. This property under the jurisdiction of the Austrian Government results in Gen. Kendall being responsible to the Austrian Government for property which he has never had. Since all of these 8 paintings are being used in U.S. Offices, recommend that the receipt to the Austrian Government for these 8 paintings be withdrawn and that they be retained under U.S. custody.

IV. FINE ARTS REMOVED FROM AUSTRIAN REPOSITORIES TO THE CCP, MUNICH

Agreement was reached in Feb 1949 between OMGUS and USFA for the handling of this problem in Munich. The property was segregated into the following 5 categories and this segregation was questioned on 1 June 1949:

Category I

Prewar German fine arts To be retained in Munich

Category II

Prewar Austrian fine arts To be returned to Austria

Category III

Fine arts believed to be of Allied origin - Documentation of which is not complete To be retained in Munich

Category IV

Paintings by Austrian artists, origin unknown, with no export stamp and/or bearing export stamp of Nazi office during Anschluss To be returned to Austria

Category V

Property of unknown origin (odds and ends) To be returned to Austria

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According to CCP Munich, only 220 items out of approximately 5000 items in question were subject to be returned to Austria and were so returned in early June 1949. According to Mr. Munsing of the Munich Art Collecting Point, all items of this collection were identified by means of the microfilm of the transactions which were obtained from the Russians in Dresden. Mr. Munsing further stated that the greater part of this collection turned out to be German and was therefore retained in Germany. The Austrians will protest this very vigorously. USFA is not in a position to take any definite stand on the Austrian protest without saying that the CCP Authorities were either prejudiced or dishonest. If the Austrian Government protests to Washington on the subject, and Washington requests recommendations, recommend that a neutral board, consisting of officers and/or civilians, be appointed to re-examine the documentations of these 5000 items to determine whether or not proper disposition has been made. This is a lengthy and tedious process but will result in an equitable settlement in case the protest and dispute on these items continues.

V. PENDING RESTITUTION CLAIMS (pg. 14)

US Claims #38 - Investigation pending

Austrian Claims #39 - No change in status

Belgian Claims #5 - No change in status
#43 - Investigation pending

Czech Claims #101 - No change in status
#462 - Investigation pending

Dutch Claims #70 - No change in status
#109 - No change in status
#135 - Investigation pending

French Claims #626 - Investigation pending

German Claims #36 - The antique furniture, paintings and objects of art are presently being used in Villa Warsburg and the adjoining Villa occupied by the General's private guards in Salzburg. Four items of this group were returned to Germany in May 1949. No further effort should be made to return this property to Germany at the present time.
#34 - Investigation pending
#16 - Investigation pending
#48 - No change in status

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Soviet Claims #17 - No change in status

Yugoslav Claims #65-1 - Reinstated

VI. CLAIMS SUBSEQUENT TO 16 FEB 1949 AND ACTION TAKEN

Since 16 Feb 1949 certain new art claims have been received and old claims have been reopened. Of this group of claims, only those which are still pending are listed below:

Dutch Claims #144 - Investigation pending

#145 - " "

French Claims #677 - " "

#678 - " "

Polish Claims #256 - " "

Total pending art claims - 20

E. S. McKEE
Lt. Col. Inf.
Head, P&R Branch

Incl.:
Final Status Report, dtd 16 Feb 49

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Reparations, Deliveries and Restitution Division
Reparations and Restitution Branch
APO 777, U. S. Army

16 February 1949

SUBJECT: Final Status Report - Monuments, Fine Arts & Archives.

TO : Director, USACA Section,
Headquarters, United States Forces in Austria.

THROUGH: Chief, Reparations, Deliveries & Restitution Division

1. In the time that was available to me I have done everything possible to wind-up and close-out the restitution of fine arts in the US Zone of Austria. Some additional matters could be closed out if time permitted, and if release could be obtained on certain fine arts being used by US Forces.

2. It is a matter of regret to me that USACA did not attach enough importance to my handling of this delicate and explosive work, about which only I am familiar, to allow me to bring it to a successful conclusion. It is of no comfort to me that it was the actual T/O position of Fine Arts Officer that was eliminated as of 1 Feb 49, because this reveals USACA's approach to this problem as all the more deplorable. As of Jan 1949 OMGUS had 239 fine arts people on its payroll.

3. I would like to pay tribute to the unqualified support I have had at all times in my work from both the Bundesdenkmalamt and the Bundesministerium für Vermögenssicherung und Wirtschaftsplanung. I strongly recommend that future handling of fine arts in the US Zone be coordinated closely with these two offices, otherwise you will discover that a nation is extremely jealous of its cultural heritage and these offices will work against you instead of with you.

4. Matters which are still pending have been covered as explicitly as possible in this Final Status Report, not so much for my protection but in order that the work may be carried on to completion by a person unfamiliar with it.

Evelyn Tucker

EVELYN TUCKER
MFA&A Officer
RD&R Division
USACA Section, USFA

Distribution:

Original - Director, USACA
1 copy - Chief, RD&R Division
1 copy - Zone Command Austria
1 copy - MFA Files (R&R Branch)
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I N D E X

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I. PRESENT ART DEPOTS, CONTENTS, AND COMMENTS

a) Art Depot in Residenz Palais, Salzburg

This depot was inspected by me on 2 Feb 49 at which time it was found to be in order, except that 19 paintings were out on a loan basis to US personnel (this list is in the Depot file):

Comments

- (1) 58 paintings of unknown origin (Inventory in File)

These paintings were removed originally from Schloss Fischhorn, and have been cleared by the Poles, French and Dutch. A few paintings appear to be Hungarian, otherwise they are believed to be entirely German and Austrian. The list is presently being checked by the Bundesdenkmalamt and has also been forwarded to the CCP, Munich, for check.

- (2) The following 7 miniatures:
 - French end of 17th Century "Portrait of a Cardinal"

These small paintings were confiscated by the Austrian Police from an Austrian named Georg Schmidt, who alleged he bought them from a Mrs. Mueller who had in turn gotten them from a soldier. They were turned over to the Bundesdenkmalamt, but later released to me by Dr. Demus for check. All efforts to identify them have to-date been futile and it is recommended that they be returned to the Bundesdenkmalamt.
 - French end of 17th Century "Portrait of a lady"
 - Dutch (?) possible restored "Portrait of a Young Man with Frill"
 - French beginning of 19th Century "Lady with black lace-veil"
 - French (?) 17th Century "Portrait of a bearded Man wearing a lace-collar"
 - Dutch 17th Century-Peter Neev "Liberation of St. Peter"
 - Successor of Browsers-17th Century "Head of a Man with slightly opened mouth and fur cap"

- (3) 28 paintings belonging to the Haus der Kunst, Munich. (Inventory in File)

These paintings are available for release when arrangements have been completed in Munich for the transport of German Cultural Property.

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(4) The following six paintings were removed from Alt-Aussee Saltmine in July 1948:

- a) "The Condemned" - Dutch Master, 16th Century
- b) "Gentlemen with Wig and Blue Coat" - Unknown Dutch Master
- c) "Allegoric Scene"- by Droochsloot
- d) "Boy with Lobsters" - by Guiseppe Recco
- e) "Cave with White Horse feeding and View of a Landscape" - by Dirk Stoop
- f) "Mountain Landscape with Milking Scene in Fore-ground" - (marked J-1155) by Dutch Artist (probably Berchem)

The PC&R Section, ZCA, has been directed to release to the Austrian Government paintings "a", "b", "c" and "d". (Reasons for this release are in the file). Painting "e" is covered by Dutch Claim/109, for which we are awaiting proof of ownership. No information is available on painting "f".

(5) 1 Tapestry "Eagle with Prey" size 2.24 x 2.82 m

This was brought into the depot along with property picked up under French Claim #23, but did not check with the description of the tapestry claimed by the French, neither have I been able to identify it from the voluminous publication of the removals from France during the war. However, photograph has been furnished the French RD&R Div. for check in France.

(6) Allegorical Tapestry with two Human Figures and three Cherube, size 3.41 x 3.85 m

Not actually in the Art Depot but is under custodianship of the Salzburg Landesregierung in the Residenz Palais. Mr. Welz "thinks" Greiser acquired it in France for Castle Klessheim. The French were sent photo on 11 Feb 49 and requested to check it in France.

(7) The following 6 paintings:
 "Young Ox in Stall"- by P.O. van Oos
 "River Landscape" by Karl Girade
 "The Drinker"-by Wilhelm v. Mieris
 "Horses in the Stall" - by W. Verschnur
 "Cows in the Water" -by L.deHaas
 "Pike Fishing" -by S.A. Krausz

These paintings were stored in the Kurhaus Wunsche, Hofgastein, in 1944 by a German art dealer named Lohmann from Wuppertal-Elberfeld, Germany, and removed to the Art Depot in Salzburg by me in May 1948. They have been checked thoroughly by the Dutch but to-date all investigations are negative. It is recommended that they be returned to Germany in the transport of German Cultural Property.

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Comments

- (8) 1 Marble Sculpture:
"Leda and the Swan" together
with large marble shell-
shapel base
This is French property
(see French claim #349)
and is being held under
control pending investigation
of other items covered by the
same claim.
- (9) 1 Gothic wooden Sculpture
This was ordered to be released
to the Austrian Government on 14 Jan 49
as being property of alleged Hungarian
origin.
- (10) 1 Japanese Game Table
Removed from Alt-Aussee Saltmine
and to-date unidentified.
It is recommended that this be
released to the Austrian Government.
- (11) The following 3 paintings
were found in the Property
Control Warehouse:
a) "Female Nude" - by Fried Pal Austrian Government on 5 Jan 49;
(probably Hungarian) unable to identify "b" to-date; "c"
b) "Two Clergymen", all on wood/is covered by Dutch Claim #101, on which
Artist unknown we are awaiting proof of ownership.
c) "Diana and Nymphs Bathing"-
by Cornelius PORLENBURGH
- (12) Painting "Landscape" -
by Daubigny
Covered by German Claim #38 and
available for release when arrangements
have been completed in Munich for the
transport of German Cultural Property.
- (13) 2 Woodcuts by a German artist
which were erroneously included
in an Austrian transport from
Mmich
These Woodcuts are available for
release when arrangements have been
completed in Munich for the transport
of German Cultural Property.
- (14) About 300 books of the Sven
Hedin Library which were remo-
ved from Schloss Mittersill
Inventory has been sent to the
Historical Section of OMBUS for check,
as Washington is interested in publicat-
ions during the Nazi regime of these
East-Asia scientists.
- (15) 3 Picture Frames
Found in PC Warehouse, Salzburg
- (16) 1 large sized Persian Rug
(badly worn)
This was removed from Schloss
Mittersill. It is not castle property
and is of no interest to any of the
Art Missions. Recommend that it be
released to the US Quartermaster.

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107053

Comments

(17) The following property was removed from Schloss Mittersill by Lt. Col. Smith for use in his Salzburg apartment:

- 1 Rug (brown)
- 2 Bear Rugs
- 1 Runner
- 1 Scatter Rug (Oriental design)
- 2 small Bathroom Rugs

This property should never have been put into the Art Depot. It was borrowed by Smith from Schloss Mittersill and is castle property, therefore it should have been returned to Mittersill. Recommend this be released at once to the representative of Schloss Mittersill, as the Austrians are trying to rehabilitate this castle.

b) Property Control Warehouse, Camp Truscott, Salzburg

- (1) The 10 cases of theater literature stored here, which were removed from Alt-Aussee Saltmine, on investigation were determined to be almost entirely Austrian, therefore PC&R Section, ZCA, was instructed on 7 Feb 49 to release them to the Austrian Government.
- (2) The ^{14 COW} 13 photograph albums which were removed from the von Ribbentrop property in Sept 1948 by Mr. V.R. Kennedy (and are still in his custody) should be sent to Washington as directed by this office in Nov 48.
- (3) The following valuable painting was found to be missing from the Ribbentrop property during my inspection on 3 Feb 49 (neither is it included in the inventory of this property prepared by PC&R Section, ZCA, in Nov 1948):

"White Horse" - by Albert CUYP, 1605
Size about 8" x 8", oil on wood
Number stamped on rear "A 3704"

*See Reply
4/1/49
to file
5/2/49
Art depot
RKH*

I requested CID investigation on 7 Feb 49 covering the theft of this painting - which is estimated to be worth about \$ 10,000.- (because of its age and scarcity of paintings by this artist).

c) Art Depot, Landhaus, Linz (now located in the vaultroom)

- (1) 29 large size paintings (inventory in file) which were found in the streets of the village St. Agatha, Land Upper Austria, by peasants after the bombing of an SS transport. Paintings were stored in the village inn, later in Schloss Ennsegg and eventually brought to Linz. These paintings were intended for the Linzer Kunstmuseum but it is believed they are mostly of Austrian provenance.
- (2) 3 additional paintings belonging to the above group are stored in the Landesmuseum, Linz, because they were too large in get into the vaultroom.

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- (3) Of the 4 paintings and 2 rugs which were originally removed from a Hungarian barge on the Danube at Asbach, (which I located through checking records of the village secretary of Asbach back through (1945) investigation revealed the 4 paintings were still in the vaultroom:

House on the border of a forest - by Paul Laszlo
115 x 90 cm

Landscape in the mountains - by Katona Nandor
60 x 50 cm

Landscape, Hungarian Lowland with Farm - by Bihari
Sandor
120 x 80 cm

Flock of Sheep with Shepherd in background a well-
by J. Grunwalt, 75 x 65 cm

Investigation revealed following disposition of the two rugs:

1 Rug, Persian, Reddish, 6 x 3 1/2 m -
is in use in Mr. Mackenzie's office in Linz

1 Rug, Persian, Reddish, 3 x 2 1/2 m -
received for by Lt. Col. McKee on 2 June 48

- (4) Of the three rugs (plus one White Bear Rug which is a ruin) which were with the block of 27 paintings I restituted to the Hungarians on 15 Apr 48, investigation revealed the following disposition:

1 Rug, Persian, 5 x 3.20 m -
is in use in Mr. Shaw's office in Linz

1 Rug, 1.25 x 2.50 m

1 Rug, 1.50 x 3.55 m

received for by Mr. Loeffler on 22 Apr 47

1 White Bear Rug (ruin)
located in vaultroom

The four paintings and six rugs referred to in items 3 and 4 above were recommended by me to be released to the Austrian Government (as alleged Hungarian property) in accordance with General Keyes letter to Chancellor Figl of 13 Apr 48 and Lt. Col. McKee's order of Nov 48 (see my letter to the Bundesministerium fuer Vermoegenssicherung und Wirtschaftsplanung dated 7 Feb 49).

a) Schloss Efferding near Linz

This depot has been cleared of all non-Austrian property, the only possible exception being the antique armor, owned by Landesmuseum Linz. Inasmuch as not all of the antique armor collection from Castle Konopiste (Czech Claim No. 362) has been recovered we wrote the Bundesdenkmalamt on 26 Jan 49 and requested that they check with Museum Officials in Linz to ascertain if the Landesmuseum received any allocations of antique armor from the Nazis during the war. If they advise it did not (except possibly from some Austrian private collections, such as Rothschild, etc) then what remains in this depot must be

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considered as purely an internal Austrian matter and of no interest to this Headquarters.

- e) For Depots containing German Cultural Property in the US Zone of Austria - See Inclosure //1.

II. FORMER ART DEPOTS, CONTENTS AND COMMENTS

a) Alt-Aussee Saltmine

This former Nazi Art Depot was completely cleared of all non-Austrian art as of 28 May 48, and complete jurisdiction and control of this mine, and its contents, released to the Austrian Government as per our letter of 14 June 1948, with the exception of a few items enumerated in this letter which were actually brought out of the mine on 14 July 1948.

The one exception to all of the above is the huge Hans Makert canvas roll "Venice greeting Catherine Cornare", size 1050 x 400 cm (Alt-Aussee No.2075) owned by the National Gallery of Berlin and located in the Springerwerke cave of the mine. The entrance doors were repaired after the bomb damage by the Nazis and they are now too small to allow removal of the huge painting.

b) Schloss Fischhorn bei Zell-am-See

This former Polish Art Depot has been completely cleared and the last painting which we had under control in Salzburg (Lady with Neck Frill - dated 1637, artist unknown), claimed by Mr.Gildemeister, owner of the Schloss, was directed to be released to Mr.Gildemeister 9 Feb 49.

The following modern furniture, which was brought to the Schloss by the SS was left there for us in dependents' billets (it will eventually be disposed of by the US Quartermaster, as it is of no interest to any Art Mission):

- 27 modern chairs, all upholstered in green
- 7 modern chairs, plain wooden backs, seats upholstered in green
- 1 bench, upholstered in green
- 16 straightback chairs, without arms, seats upholstered in white leather
- 5 easy chairs with arms, seats and backs upholstered in white satin cloth
- 2 rugs - modern and uninteresting
- 1 Oriental rug, about 8 x 4 - badly worn
- 1 Oriental rug, about 5 x 5 - believe modern copy.

c) Schloss Mittersill near Zell-am-See

Jurisdiction and control of Schloss Mittersill, including the modern SS furniture which was brought in during the war and the remainder of the Tibetan Collection of the former Sven Hedin Institute, was released to the Austrian Government on 9 Nov 1948.

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All furniture and furnishings from this castle presently being used by US personnel should be returned as soon as possible as this is a protected Austrian monument and the Austrians are trying to rehabilitate it.

d) The following former Nazi Depots were cleared long ago and now contain (if anything) purely Austrian property:

- (1) Stift Kremsmuenster -Austrian Depot (some odds and ends of Rothschild property)
- (2) Schloss Lichtenberg, near Saalfelden -Austrian Depot (contains Museum Collections of the City of Salzburg)
- (3) Schloss Ennsegg, Enns -Austrian Depot (Lanckoronski Bondy, etc)
- (4) Schloss Ebensweir -Austrian Depot (Clam Gallas Collection, etc)
- (5) Monastery of Spittal /Phyrn -which allegedly contained Hungarian Library Books and Archives; was never handled by MFA
- (6) Schloss Prielau near Zell-am-See -cleared because Prof.Thorak was ordered by the Austrian courts to return this property to the former Jewish owners. French claim to the 15th Century Fireplace built in the castle was relinquished and the Austrian Government notified on 17 Jan 1949- A French claim is still pending against some of Prof.Thorak's antique furniture, which is now in another location -- see French Claim #349
- (7) Lauffen Saltmine -cleared
- (8) Hallein Saltmine -cleared
- (9) Heimathaus, Bad Ischl -cleared
- (10) Schloss Kogl, St.Georgen Land Upper Austria -cleared
- (11) Villa Welz, Gmunden -cleared
- (12) Schloss Mondsee -cleared
- (13) Schloss Sieghartsstein -cleared
- (14) Schloss Leopoldskron -cleared
- (15) Spittalskirch, Bad-Aussee -cleared

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III. SPECIAL PROBLEMS, WITH RECOMMENDATIONS

a) Stift St. Florian near Enns

The huge quantity of antique furniture, paintings and objects of art (probably about 20 freight carloads) which were brought into Stift St. Florian during the war by the Rundfunk Broadcasting Company was released under trusteeship to the Austrian Government in 1946 by Property Control as a German business enterprise, though Rundfunk has no assets whatsoever except this apparent loot. This property was allocated to Rundfunk by the Nazis for the refurbishing of Stift St. Florian, which was to be the central Nazi broadcasting station.

A large scale restitution of French looted fine arts from the above (covering tapestries, oriental rugs, paintings, and furniture) was returned to France in 1946.

A smaller restitution of valuable antique furniture, paintings and objects of art, from the above, was identified as coming from the Lanz Collection, Amsterdam, and was released to the Dutch in 1948.

About 5 truckloads of the best items of the above property were removed from St. Florian in 1945 -46 by Military Government Land Upper Austria for use in American billets, which have never been checked to ascertain if French, Dutch or other looted property is included.

The property which presently remains in Stift St. Florian - about 10 freight carloads - has been checked thoroughly by numerous art experts and missions, but no one appears to be interested in it.

This property consists of large paintings, large furniture and objects of art, and huge baroque mirrors. It is believed that it came mostly from castles in Austria and Germany.

Mr. ^Wunsing, Director of the Central Collecting Point in Munich will come to Austria soon to inspect this property, but it is doubtful if there will be much interest on his part.

RECOMMENDATION

There is no more logic in holding Rundfunk Broadcasting Company under trusteeship to the Austrian Government (to which it is a white elephant because its only asset is "art loot" and the Austrian Government must pay the administrator it is forced to maintain out of its own pocket) than there would have been in turning the Linzer Kunstmuseum over to the Austrians as a German enterprise - and it was the greatest enterprise

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of all - with 400 tons of art loot in Alt-Aussee saltmine alone.

This is a German business enterprise only because it was so declared by this division. It was the Nazi broadcasting headquarters and its business was Nazi broadcasting - its only asset art loot.

If there is no interest in returning certain items to Germany which may be determined to come from looted German collections, recommend that the Austrian trusteeship be annulled and the property released to the Austrian Government for use in the Austrian economy. (Mr. Mapes in Property Control has advised me this can be done).

b) Schloss Klessheim, Salzburg

This castle formerly belonged to the Habsburg Family but was little more than a ruin at the beginning of the Nazi regime. It was completely renovated, furnished and decorated by the Nazis into a luxurious Schloss for visiting celebrities, mostly with French loot. However, most of the furniture and furnishings presently in the castle are copies of antiques which were made especially for Klessheim. There are some paintings, tapestries and some original French antique furniture remaining in the castle but all efforts at identification to-date by the French or other Missions have been futile. The possibility must not be overlooked of much of this property coming originally from such places in Salzburg as the Residenz Palais, former official residence of the Prince Archbishop. All paintings, tapestries and French antique furniture remaining in Schloss Klessheim have been checked by this Headquarters, MFA&A Section, OMCUS, and the Bundesdenkmalamt against claims with negative results. Schloss Klessheim was released from Property Control Salzburg, Spring 1948, without prejudice to future restitution claim.

The Cavalierhaus Officers' Club (on Klessheim Estate) was erected by the Nazis as a guest house and was completely furnished and decorated with apparent loot. It has been used from the beginning of the occupation as an Officers Club. No Art Restitution Missions have ever been allowed entrance in this Club. I was allowed entry only after securing permission from the Chief of Staff in Salzburg. I made notes on the paintings and tapestries, and later secured photographs, though no identifications have been made to-date, with the exception of the following painting:

"Diana and Astaron" by I.A.VALLIN
oil on canvas, 60 x 82 cm

which is covered by French Claim No.674.

In the beginning of the occupation several truckloads of antique furniture, paintings and objects of art, were brought to Vienna to furnish the General's Villa. No investigation has ever been made of this property to ascertain if it contained fine arts covered by restitution claims.

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RECOMMENDATIONS

- (1) Recommend an investigation be made of the property removed to Vienna by General Clark's aids to determine if it includes any Museum items or loot from Allied Nations.
- (2) Recommend that the painting in the Cavalierhaus Officers' Club (French Claim #674) be released to the French immediately.

c) High Ranking Officers' Villas, Resorts and Clubs

No investigations have never been made in any of these places to ascertain if they contain fine arts covered by restitution claims, though I have been informed that Villa Trainblick, together with many other items of possible museum value, has a Millet painting, and that the General's Villa in Linz contains a Van Dyck.

The inaccessibility of these places to the Fine Arts Officer has been all the more reprehensible because many of these places were taken over intact from the Nazis who had used them for similar purposes. Therefore, I have been in the untenable position of being required to locate and identify looted fine arts in the US Zone of Austria but forbidden to check the one best source.

The following French fine arts are located in Villa Warsburg, Salzburg:

17th Century Tapestry size 320 x 240 cm Welz Inv.No.E-49	-French Claim # 233
--	------------------------

Four Louis XV Chairs red beige upholstery Welz Inv.No.E-100 to 103	-French Claim #52
--	----------------------

The following property which is included in Dutch Claim #70, and was officially restituted to the Dutch Government on 23 Jan 1947 (Dutch Receipt N-33), was removed from the depot in St. Florian for use in one of the following three villas: Hatschek Villa (Officers' Club), Fehrer Villa (General's Villa) or Rommel Villa (Executive Officers' Villa):

- 1 Rococo Consols Table
- 1 Chinese Rug (design is same on both sides)
- 1 Italian Rococo Mirror

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I was permitted to check a few rooms at the Officers' Club, and I was told the Real Estate Section had checked Hommel Villa -- both were negative. Inasmuch as I could not tell the Dutch that the above three items were probably in the General's Villa in Linz, we wrote the Dutch Mission on 23 Nov 1948 that this property had lost its identity and we were unable to locate it. The file was thereupon closed (but this has not yet been accepted by the Dutch).

RECOMMENDATIONS

- (1) Recommend that the Fine Arts in Villa Warsburg (French Claims Nos. 52 & 233) be restituted to the French immediately.
- (2) Recommend that the Fehrer Villa in Linz be checked to ascertain if the three Dutch items (Dutch Claim #70) referred to above are located there.
- (3) Recommend that all high-ranking officers' villas, resorts and clubs be checked by a representative of this office (accompanied by an Austrian Art Expert) in an effort to locate looted property covered by restitution claims, also Museum items of either Austrian or German provenance, and all such property found to be removed at once.

d) Salzburg Gold Coin Collection

This coin collection, which was in one large chest, was stored during the war in the Hallein Saltmine by the Salzburg Museum for air-raid protection. At the beginning of the occupation it was removed by the US Military Detachment at Hallein (Commanding Officer Capt. Howard Mackenzie). About 2500 of the coins were looted by the personnel of this Detachment and all investigations to-date have been negative. I have not had the heart to write the Austrian Government that this valuable gold coin collection has been irretrievably looted by the very people who were charged with its safe custody. (This file is at present in the safe of this Branch, as the last report which came from 1st Army Headquarters, in New York, was marked confidential).

RECOMMENDATION

Notify the Bundesdenkmalamt of the above.

e) Valuable Austrian Paintings stolen

The following Austrian paintings and engravings disappeared while under US control in 1945 and every effort should be continued to locate them, as they are of great artistic value:

From Lauffen Mine - owner Kunsthistorische Museum

Landscape - by Berchem (Inv #623)
Faith - by Heemskerk (Inv #1953)

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Hope - by Haemskerck (Inv #1946)
 Female Portrait - by Rubens (inv #711)
 Portrait of a Gentleman - by van Dyck (Inv #694)
 Sketch for a Ceiling - Venetian School (Inv #6398)
 Christ - by Antonello da Messina
 (photographs of above in file)

From St. Agatha Depot of the Kunsthistorische Museum

Small Flower painting - by Jan Breugel (Inv #548)
 (photograph in file)

From Alt-Aussee Saltmine - owner Alfons Rothschild

Duerer Engraving "Knight, Death and Devil"
 VIII KG 175 AR 879

Duerer Engraving "Madonna with Grasshopper"
 XI KG 382 AR 40

Duerer Engraving "Adam and Eve"
 XI KG 375 AR 41

Duerer Engraving "Hubertus"
 XIV KG 552 AR 745

Rowlandson Pen Drawing "The Man sick with Palsy"
 II KG 261 AR 761

Rowlandson Pen Drawing "Unexpected Visit"
 II KG 371 AR 765

f) Austrian Tapestry in New York

Every assistance should be given the Austrian Government in securing the release from Customs in New York of the following tapestry owned by the Kunsthistorische Museum, which was looted from an Art Depot in Zellsee, Bavaria (Austrian Claim #110):

Serie CV 2 Landscape with figures

No.5 Landscape with river and trees;
 in the foreground girl and youth.
 Flower border, 387 by 246 cm.

The above tapestry was located and identified in New York when it was offered to an Art Dealer on Madison Avenue, but was later confiscated by the New York Police upon request of Mr. Leonard, Director of the Art Collecting Center in Munich (together with four other tapestries stolen from the same depot belonging to the Bavarian National Museum). Since Spring 1948 it has been held by Customs Officials in New York. Dr. Demus, President of the Bundesdenkmalamt, is now in Washington and said he would take this matter up with the Austrian Embassy in an effort to secure their release for return to Europe.

g) Austrian Painting under Military Custodianship

The following painting which is under Military

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Custodianship of Leo Bittner, Mondsee, Schwarzindien 75, has been determined to have come from Sepp Neugschwandtner of Oberlainsitz 35, near St. Martin, Land Upper Austria (Russian Zone):

"Descent from the Cross" oil on canvas, 2.40 x 1.54 m, allegedly by Guilio ROMANO (Raffael is believed to have painted the figure of Christ)

Investigation revealed that Neugschwandtner was sentenced on 9 March 1948 as an illegal Nazi to one year in prison (2nd grade) and to confiscation of property. Neugschwandtner was therefore attempting to illegally dispose of property which had been confiscated by the Austrian Government. This matter was referred to the Bundesdenkmalamt on 3 Nov 1948, as a matter within the jurisdiction of the Austrian Government, with request that they notify this office when Military Custodianship should be terminated.

h) Hungarian Oriental Rugs

Investigation is incomplete on the case of Lt. Col. R.C. Raleigh, Fort McClellan, Alabama, who signed for 26 Hungarian Oriental rugs which he failed to turn in before he was returned to the States (see Hungarian Claim #234)

i) Custody retained on Property released to the Jurisdiction of the Austrian Government

(1) The following paintings from the so-called Welz Collection, which were released to the Salzburg Landesregierung on 19 Dec 47, are still being used by USFA in the following specified locations:

<u>Painting</u>	<u>Location</u>
"Harvest in Maxglan" by Anton Doll Landesgalerie #449	Villa Warsberg
"Mountain Ridge on the Radstaetter Tauern" by Anton Schiffer Landesgalerie #450	Hq ZCA
"St. Peter's Cemetery in Winter" by Heinrich Burckel Landesgalerie #478	Hq ZCA

<u>Painting</u>	<u>Location</u>
"Romantic Landscape" - German about 1820 Landesgalerie #480	Hq ZCA
"View of Salzburg" - by Mandl Franz Zaver Landesgalerie #523	Hq ZCA
"Dancing Peasants" - by Heilwander Josef Landesgalerie #568	Hq ZCA

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Painting

Location

"Laufen near Ischl" -
by Anton Schiffer
Landesgalerie #581

Villa Warsberg

"Landscape of Salzburg seen
in the direction Gaisberg
and Nockstein" 1 1797
by Dies Albrecht Christoph
Landesgalerie #590

Hq ZCA

(2) The following paintings of alleged Hungarian origin, which were released to the Bundesministerium fuer Vermoegenssicherung und Wirtschaftsplanung on 5 Jan 49 are still being used by USFA in the following specified locations:

Painting

Location

"Rivulet flowing between
House in Landscape"
Artist unknown,
water-color, 26 x 35 cm
Hung. Inv #210

Hq ZCA, Mr.V.R.
Kennedy's office

"Sunset with Peasant-house
at a Lake" - by Komaromi
Kacz oil-canvas,
31 x 42 cm, broad
golden frame, Hung. Inv #347

Mr. James Lenger's
apartment

"Peasant Woman - by R.Zuber
oil/wood, 29 x 23 cm
Hung. Inv #690

Camp.Truscott

"White Angora Cat" -by Heyer A.
oil/canvas, 50 x 40 cm
Hung. Inv #756

Col.Haines,
Camp Truscott

"Forest Landscape in Winter
with Woman collecting Wood"-
by Ezenthaly Ferencz
oil/canvas, 47 x 56 cm
Hung. Inv.#777

Hq ZCA, Mr.V.R.
Kennedy's office

"Picture of an Old Castle" -
Artist unknown
oil/canvas, 58x40 cm
Hung. Inv.#966

Hq ZCA, Mr.V.R.
Kennedy's office

"Head of a Man" -
artist unknown
oil/cartoon, 34 x 24 cm
Hung. Inv.#1065

Mr. James Langer's
apartment

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<u>Painting</u>	<u>Location</u>
"Old Peasants with Pitcher" - by Csillag colored etching, 31 x 23 cm Hung. Inv #1085	Camp Truscott
"Winterlandscape with big Trees" by Olgyos colored etching, 35 x 26 cm Hung. Inv #1090	Camp Truscott
"Brook in Winterlandscape" - by Santhal oil/cartoon, 31 x 23 cm Hung. Inv #448	Mr. J.A. Garrison's offices RD&R Div, Vienna
"Holy Virgin with sleeping little Jesus and young Saint" Artist unknown oil/copper, 16,5 x 21,5 Hung. Inv #624	RD&R Div, Vienna Mr. J.A. Garrison's offices
"Portrait of a Lady" - Artist unknown on porcelaine plate, dim. 16 cm, Hung. Inv #739	RD&R Div, Vienna Mr. J.A. Garrison's offices
"Society with Horses and Tent" - (Campling Scene) Dutch School, 18th Century, oil/wood, 58 x 35 cm	Mr. J.A. Garrison's offices RD&R Div, Vienna
"Two Peasant Women and Peasant at the Field" - Artist unknown oil/wood, 34 x 24 cm Hung. Inv #742	Mr. J.A. Garrison's offices RD&R Div, Vienna

IV. FINE ARTS REMOVED FROM THE AUSTRIAN REPOSITORIES
TO THE CENTRAL COLLECTING POINT IN MUNICH

Agreement has already been reached between OMGUS and USFA for the handling of this problem in Munich. Inasmuch as the restitution of identifiable fine arts in the Collecting Point (which were removed from Austria) is nearing completion, segregations are now being made of this property into the following five categories:

Category I

Pre-war German fine arts. To be retained in Munich

Category II

Pre-war Austrian fine arts. To be returned to Austria

Category III

Fine Arts believed to be of Allied Origin - documentation of which is not complete. To be retained in Munich.

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Category IV

Paintings by Austrian artists,
origin unknown, with no export
stamp and/or bearing export
stamp of Nazi office during
Anschluss.

To be returned to Austria

Category V

Property of unknown origin
(odds and ends)

To be returned to Austria

Preliminary segregation has already been made into the above five categories. These lists have been checked thoroughly by me and coordinated with the Bundesdenkmalamt. Letters have been written to the CCP in Munich which recommended many transfers to other categories. In Munich they are also reading the microfilm of the Nazi correspondence covering the acquisition of many of the paintings. When this is completed the final segregation into the five categories will be supervised by Dr. Edgar Breitenbach, Chief Art Investigator of the CCP. These final five categories then should be checked carefully with the Bundesdenkmalamt (telephone Miss Schmidt or Ministerialrat Koucic - R-22515) so that the Austrians may be assured that none of their fine arts, which they know are in the CCP, are being restrained in Munich.

V. PENDING RESTITUTION CLAIMS

US Claims

- 3-Investigation pending
- 6-Investigation at Gurlitt Art Galery was negative, however, some of the Morgenstern paintings have been identified at the CCP, Munich, and will be included in Category "I" (pre-war German Fine Arts) in the division of the Property presently being made in Germany.
- 7-Investigation pending
- 10-Investigation pending
- 12-Investigation pending
- 13-Investigation pending
- 16-Investigation pending
- 17-Investigation pending
- 23-One painting has been identified in the CCP, Munich, and photograph has been furnished them covering another painting - Investigation pending

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US Claims (continued)

- 27 - It is believed that some of the Berolzheimer paintings have been identified in the CCP, and a number of the valuable drawings are in possession of the Graphische Sammlung Albertina in Vienna (1st Bezirk) - Investigation pending.
- 37 - One painting has been recovered and restituted through the Austrian Government, two Rudolf ALT water-colors were recovered from the Alt-Aussee Saltmine and released to the Austrians - Investigation is pending on three other paintings.
- 38 - Investigation pending.
- 40 - Investigation pending.

Total - 13

Austrian Claims

- 34 - Sculpture believed buried under rubble of bombed Staatsgalerie, Munich --excavation work not completed
- 37 - Investigation pending.
- 39 - Claim for Prince Schwarzenberg Administration, Vienna - see comments under Czech Claim #101
- 46 - Czeck in Munich to see if these coins have been returned or if it ties in with the numismatic work which Prof. Holzmaier, Austrian Coin Expert, was working on in Jan 1949.
- 47 - Painting "Bathing Woman" by Waldmueller will be returned to Austria in the next shipment.
- 82 - Painting "Watermill in Spring" by SCHINDLER will be returned in the transport of Austrian Art from CCP.
- 83 - Investigation pending.
- 95 - Gothic Stone Status of St. Wolfgang will be returned from Munich in Austrian transport.
- 109 - Investigation pending.
- 111 - Investigation pending.
- 115 - Investigation pending.
- 119 - Investigation pending but is negative to-date.
- 120 - Investigation pending.
- 122 - Investigation report has been received but not yet studied.

Total - 14

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Belgian Claims

- 5 - File is misplaced, should be located and checked.
- 43 - Investigation pending.
- 62 - Investigation pending.

Total - 3

Czech Claims

- 63 - Investigation pending.
- 101 - This claim covers furniture and furnishing removed from four Prince Schwarzenberg Castles in Czechoslovakia. The property which has been located under this claim and taken under control is presently being used in the Hatschek (Guglhof) Villa in Linz, which is the Officers' Club. Inasmuch as Prince Schwarzenberg is now a refugee from Czechoslovakia and all of his property there has been confiscated, it is recommended that this property be released eventually to the Prince Schwarzenberg Administration in Vienna (where the Head Office has always been located) and that the Czech claim for the return of this property, which could not be considered to be art treasures essentials to the cultural heritage of Czechoslovakia be rejected (see special folder for "Prince Schwarzenberg Administration".)
- 388 -File is missing, should be located and checked.
- 391 -Investigation pending.
- 392 -Investigation pending.
- 444 -There is an old note in our files that tapestries were recovered and sent to Munich. This is presently being checked.
- 460 -New claim just received, not yet processed.
- 462 -New claim just received, not yet processed.

Total - 8

Dutch Claims

- 70 -Has been dropped from active claim list but the file is really still open and requires more investigation (see comment "c" under Special Problems). This was discussed today with Mr. de Boer and he pointed out that no mention had ever been made of one large rug in their claim. Inasmuch, as, to the best of my knowledge, restitution was made to the Dutch of property which was definitely identified by Mr. Wijsenbeck, Dutch Art Expert, it is possible they were unable to find the large rug which is claimed. However, this can be checked

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checked very easily with Mr. Janeczka, administrator of the Rundfunk Broadcasting Company in St. Florian.

- 84 - awaiting reply from CCP, Munich
(see also Dutch Claim #91)
- 90 - Dorotheum records reveal van GOYEN painting was purchased by Robert Harner of Vienna, which he denies - should be checked further (see new claim #138)
- 91 - Investigation has been negative, but claim is such that we advised the Dutch on 8 Feb 49 we should hold in abeyance for six weeks before dropping from our records. Discussed this with Mr. de Boer of the Dutch Mission and he stated they were writing us a letter requesting us not to close this file without first clearing the matter with them, as the paintings claimed by them are of such value that they want to check the matter thoroughly in Holland and it may require as much as three months. Under the circumstances recommend that this case not be closed prior to checking with the Dutch Mission.
- 95- This claim was dropped from our active claim list in Jan 1949, however, after discussion with Mr. de Boer I promised to reinstate it in view of their letter, dated 12 Jan 49, which was delivered to me on 15 Feb. The Dutch pointed out that they have furnished us positive proof (which is in the file) that Dr. Saffert did have this property in his possession and requested that the matter be more thoroughly investigated. (New Claim #143).
- 101- (See new claim #139) one painting "Diana and Nymphs Bathing" by Cornelius POELENBURGH is in the Art Depot Salzburg, and on which we are awaiting proof from the Dutch (all other items covered by this claim have either been restituted to the Dutch or released to the Austrians). Mr. de Boer advised me they definitely have a record in Holland of a painting "Diana and Nymphs Bathing" by POELENBURGH which was looted but they are having difficulty getting the details on this particular case. He pointed out that so many records were lost due to fire and bomb damage. No one else is claiming this painting and it is unknown to both Mr. Frederick Welz and Dr. Funke of the Landesmuseum in Salzburg (it was found in property belonging to Welz and the Landesmuseum), therefore recommend this painting be released to the Dutch if other identification is impossible.

RG	260
Entry	USACA - Her
File	Records
Box	158

DECLASSIFIED
Authority NND 785010
By SR NARA Date 9-1-99

107069

Dutch Claims (continued)

- 109 - Most of the items covered by this claim were forwarded to the CCP, Munich, on 26 Sep 1947. The Dutch have dropped their claim to one pen-drawing by van BLAERENBERGHE which belongs to the Rothschild Collection - pending is one painting "Horse at Watering Place" by Dirk STOOP which is in Art Depot in Salzburg on which we are awaiting proof of ownership from the Dutch.
- 135 - Investigation pending.
- 137 - Report of Mr. Rust of Survey Team, dated 19 Nov 1948, is unsatisfactory as the painting is supposed to be in the possession of the Gallery which is located in the 9th Bezirk. Mr. Rust merely reports that the owner of the Gallery lives in the French Zone and investigation is impossible. Further investigation should be made.
- 142 - Painting "Roses" by HUGLI, acquired in Holland is in the Blum Collection (German) in Bad Gastein. PC&R Section has been requested to bring to Salzburg for release to the Dutch. (The declaration from Germany covering the acquisition of this painting in Holland specified "Landscape" by Hugli which was in the Blum Collection in Bad-Gastein -- our inventory of the Blum Collection in Bad Gastein specifies a painting "Roses" by Hugli. This discrepancy is believed to be merely in the nomenclature.

Total - 10

French Claims

- 52 - (See new claim #401) claim covers 4 Louis XV Chairs which are located in Villa Warsburg (Villa of the Commanding General in Salzburg), they should be released and restitution made to the French.
- 232 - Investigation in Vienna is pending
- 233 - (New Claim #400) claim covers a 17th Century Tapestry which is located in Villa Warsburg (Villa of the Commanding General in Salzburg), it should be released and restitution made to the French.
- 235 - Awaiting report from the CCP, Munich
- 349 - The French have dropped their claim to the 15th Century Fireplace installed in Schloss Prielau by Prof. Thorak; the Marble Sculpture "Leda and the Swan" is in the Art Depot in Salzburg; report of investigation has just been received on the other items. It must be studied and decision made on restitutability of other items.

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DECLASSIFIED
Authority <u>NND 785010</u>
By <u>SR</u> NARA Date <u>9-1-99</u>

107070

French Claims (continued)

- 373 - Report has just been received from the Director of Intelligence. It should be studied and decision made on restitutability of property claimed.
- 625 - This claim covers 50 paintings packed in 8 crates allegedly located in the Saltmine of Bad-Aussee. This saltmine is located half way between Bad-Aussee and Alt-Aussee and is commonly known as the "Alt-Aussee Saltmine". The French claim alleges these 50 paintings were looted from Mr. Fouldsptinger during the German occupation of France. This is contrary to what I was told by Major Bonzom who told me he was sending me a claim for 50 paintings located in the saltmine which were owned by a Frenchman who was a former Austrian. He said he had already checked with the Bundesdenkmalamt and the property was definitely in the saltmine. I said it was quite probably true but since it was the property of a former Austrian it was an internal Austrian matter and Mr. Fouldsptinger would have to apply to the Austrian Government for restitution (I have checked the Alt-Aussee Inventory and have found no property recorded under this name. It must be borne in mind that Alt-Aussee has been cleared of all identifiable non-Austrian art and this is at present a strictly Austrian Depot and no attempt should be made by any US personnel to enter this depot unless they are accompanied by either Ministry or Bundesdenkmalamt representatives.) No action whatsoever has been taken on this claim as it has just been received.
- 626 - A painting "Diana" by DIAZ was offered for sale by Frederick Welz of Salzburg to the Oesterreichische Galerie. The Galerie knowing that Mr. Welz had been in difficulties because of his acquisitions in France during the war and knowing Diaz was a French master, turned a photograph of this painting over to the Bundesdenkmalamt with the request that it be cleared with me prior to their purchase. A check of the French publications of looted art revealed a painting "Femme a demi nue, merchant" by DIAZ (#3410 - no dimensions) to be missing. Inasmuch as "Diane" was a half naked woman walking or marching, I sent the photograph to the French for investigation. The Curator of the Louvre Museum, Paris replied it was not identical with the particular painting, but it was possible it was another looted painting and he would advise later. On the basis of this, the French submitted a claim

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By <u>SR</u> NARA Date <u>9-1-99</u>

107071

French Claims (continued)

and requested that it be taken under control. I have discussed this matter personally with Frederick Welz who stated it is not possible this painting came from France as proof can easily be produced it comes from an old Austrian Collection. I said if that was the case, the French could not possibly prove that it was looted in France. The painting has not been taken under formal control but can be produced by Mr. Welz. It should be borne in mind that the photograph of the painting in Austria was given to the French by this office so if the French produce no proof other than to return this photograph with a request for restitution, under the circumstances it cannot be considered sufficient.

672 - Claim has just been received and has not been processed.

673 - - ditto -

674 - Covers painting "Diana & Astaron by VALLIN which is located in Cavalierhaus Officers' Club, Salzburg. Should be released and restituted to France.

Total - 11

German Claims

16 - Investigation pending.

17 - Available for release.

20 - - ditto -

28 - - ditto -

30 - A total of 28 paintings are in the Art Depot, Salzburg, and are available for release.

35 - The 8 large Wall Panels are stored in Stift St. Florian but their release must be cleared through the Ministry.

36 - The antique furniture, paintings and objects of art are presently being used in Villa Warsburg and the adjoining Villa occupied by the General's private guards in Salzburg. They are not available for release at this time.

37 - The Cembalo (Neupert) is in Stift St. Florian and release must be obtained through the Ministry.

38 - The DAUBIGNY Landscape is in the Art Depot in Salzburg and is available for release.

RG 260
Entry USACA - Gen
File Records
Box 158

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Authority NND 785010
By SR NARA Date 9-1-99 107072

German Claims (continued)

- 39 - The Allegoric Painting of the School of TIEPOLO is in an Austrian Depot and must be handled personally with the Bundesdenkmalamt to see if release can be obtained.
- 42 - Available for release; it should be noted however that this German property includes a Dutch painting "Roses" by C.HUGLI which is subject to restitution to Holland.
- 44 - Available for release.
- 45 - ~~-ditto-~~
- 46 - ~~-ditto-~~

Total - 14

Norwegian Claims

- 5 - Investigation pending

Total - 1

Polish Claims

- 119 - This covers German Military Archives on the 1939 German campaign in Poland which were delivered unauthorizedly by an American civilian named F.M.Teller to the Polish Legation in 1946. We advised the Polish Legation on 8 March 1948 these archives did not represent a proper restitution claim, that they had been released to it in error and requested their return to this Headquarters. Archival Officials in Poland are very upset at our request for the return of these archives and the matter was referred to D/Intelligence on 14 Feb 49 for reconsideration. (File is in Safe of R&R Br).
- 177 - The main part of this file is missing, however, before it was misplaced the paintings claimed by the Fine Arts Gallery of Warsaw were thoroughly checked by me with negative results. The claim is still pending.
- 178 - To-date all investigations for the paintings claimed by the National Museum of Warsaw have been negative; file is still pending.
- 206 - Awaiting report from Linz.
- 230 - This long list of tapestries and oriental rugs looted from the Royal Castle in Warsaw, the Cracow Cathedral and the University of Cracow has been checked against all records in this office and in Munich with negative results. Inasmuch as the records in Poland indicated these items were allocated to Vienna,

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By <u>SR</u> NARA Date <u>9-1-99</u>

107073

the Bundesdenkmalamt has been requested to make a check at the Kunsthistorische Museum, which long prior to the war had probably the best collection in the world of tapestries and might therefore have been recipient of especially good tapestries which were allocated to various Museums under the Naziregime.

235- This claim covers Polish archives which were allegedly transferred "partly to Germany partly to Austria" with no other information being given. This claim has just been received and has not been processed. The only possible place to check is with the Oesterreichische Staatsarchiv, Stiftgasse 2. This people have always cooperated 100% with me and I believe an inquiry there as to whether they have any archives from Poland will be answered truthfully without any hesitation. If they state they have never received any Polish archives the Poles should be so advised and the claim closed.

255- This claim, which has just been received, covers "Works of Art" which the Poles advise "will be indicated later". No action has been taken to-date.

Total - 7

Russian Claims

17 - This claim covers church property and roubles. No church property has yet been located but 46.770 roubles were located at the Sparkasse, Bad Aussee, and are under control. Case is pending.

Total - 1

Yugoslav Claims

65 - Awaiting report from Salzburg.

171 - (New claim #336) Claim originally was for Yugoslav Military Archives. Investigation revealed they were German military archives on Yugoslavia so claim was disallowed. Yugoslavs then stated included were some cultural books. Investigation revealed this was correct. These are ready for restitution except that OPOT Div. wanted to remove the German military archives first. Our office file is with Lt. Col. Buchanan, of CPOT Division, who borrowed it.

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Entry	<u>USACA - Gen</u>
File	<u>Records</u>
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Authority <u>NND 785010</u>
By <u>SR</u> NARA Date <u>9-1-99</u>
107074

DECLASSIFIED
Authority 100D750/40
By EPD/NARA Date 8/4/99

RG 226
Entry 30
Box 1

March 1, 1945

MRS. DESI HALBAN-GOUDSTIKKER
1230 PARK AVENUE
NEW YORK 28, N. Y.

Dear Mr. Scammell -
This is just a line
to thank you &
your office for
all the kindness
& trouble you take.
With my best regards
Very sincerely,
Desi Halban-Goudstikker

Mr. J. A. Gilmore

26 April 1945

C. H. Sawyer

Processing of the Goudstikker catalog.

1. I had a talk in New York with Mr. Sammy Rosenberg of the firm of Rosenberg and Stiebel, Art Dealers, 32 E. 57th St., regarding the Goudstikker Collection and catalog. Mr. Rosenberg made an appraisal of the objects in this catalog at the request of Mr. Scammel of FEA, and is familiar with its contents. He believes that with the photographic and documentary material available in the Frick Art Reference Library, Metropolitan Museum, etc., it would be possible to obtain additional information and identification of many of these objects.

2. The processing of this information would appear to us to be a matter of primary concern for the Roberts Commission. It is the first authentic list of its kind that we have had available. As the pertinent information is most readily available in New York, would you discuss with Rensselaer the possibility of having it processed there.

107078

RG 59
Entry Lot 620-4
Box 24

DECLASSIFIED
Authority: <u>NND 962071</u>
By: <u>JA</u> NARA Date <u>2-16</u>
REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED

 Authority 775 057
 EST/MKS 1-20-99

 RG 260
 Entry DMGUS
 Box 267

Attachment 63

A list of the pictures given by GOERING to WIEDL in exchange for the Vermeer, Christ and the woman taken in Adultery, and the pictures from the REMERS Collection listed below. The list has been up from memory by HOFER who has attempted to indicate the provenance in every case. When pictures acquired by GOERING in the original GOUDSTIKKER deal are mentioned, the catalogue number has been taken from the original GOUDSTIKKER catalogue. See Reference A.

- | | |
|---------------------------------------|---|
| 1. Roger van der Weijden | Madonna with Child |
| 2. Hans Memling | Small Madonna with Child |
| 3. Hans Memling | Altarpiece, Maria from an Annunciation |
| 4. Hans Memling | Altarpiece, Angel from an Annunciation |
| 5. Master Wilhelm of Cologne | Christ, the savior with the Madonna and Child |
| 6. Quentin Massys | Madonna and Child |
| 7. Master of the Baroncelli Portraits | Annunciation |

 No. 1 - 54 from GOUDSTIKKER Catalogue, May 1940

- | | | | |
|-----|------|---|---|
| 1. | 1513 | Pieter Aerts, Kitchen scene (Kitchen in the open air?) | |
| 2. | 3190 | Pieter Aerts, Mother and Child | |
| 3. | 1449 | Baerstraeten, Winter scenery | |
| 4. | 2539 | Barth. Bruyn, the Elder, Small portrait of a man with book | |
| 5. | 752 | A. von Beyeren, Sea piece | |
| 6. | 1006 | Bloomart, Landscape | |
| 7. | 2659 | Adam von Breen, Sea piece | |
| 8. | 1717 | Jan de Cock, Temptation of St. Anthony | |
| 9. | 3067 | Jan de Cock, Biblical Subjects | } Pendants |
| 10. | 3068 | Jan de Cock, Biblical Subjects | |
| 11. | 378 | Pieter Cedde, Interior | |
| 12. | 664 | Coffermans, Resurrection | |
| 13. | 2341 | Griffier, Small landscape | } Pendants |
| 14. | 2342 | Griffier, Small landscape | |
| A | 15. | Hamilton, Bird (not in the Goudst. inventory) property, Picture with white falcon, GOETING) | Pre-war Kunsthist
Mus. Vienna |
| | 16. | 1214 Henri met de Bles, The calling of Peter | |
| | 17. | 646 Pieter Lastman, Urias letter | |
| | | 1199 | |
| | 18. | 902 Jan Looten, Landscape | |
| | 19. | 927 Luttichuys, Portrait of J.H. Lestevenen | |
| | 20. | 723 Mancadam, landscape with mountain goats | |
| | 21. | 1714 Mancadam, Landscape with two figures | |
| | 22. | 2082 Maneadam, Landscape with man on a rock | |
| | 23. | 1932 Claes Molanar, Winter scene | |
| | 24. | 2015 P. Molijs, Landscape with shepherds | |
| | 25. | 1430 Joos de Menper, Mountain scenery | |
| | 26. | 2012 A. van der Neer, Moonlight landscape | |
| | 27. | 1031 A. van der Neer, Moonlight landscape | |
| | 28. | 1082 W. van Nieland, Italian landscape | |
| | 29. | 2592 *an Olis, Two lovers | |
| | 30. | 100 Anth, Palamedes, Interior | |
| | 31. | 362 Anth. Palamedes, Guard house | |
| | 32. | 2442 Bonaventura Paeters, Marine | |
| | 33. | 2475 Jan Provost, Burial of Christ | |
| | 34. | 2593 Van Boerstraten, Small still life | |
| | 35. | 2020 Jac. van Ruysdael, Wood landscape with lake | |
| | 36. | 1464 Sal. van Ruysdael, The Valkhof | |
| | 37. | 1790 Schaeuffelein, Portrait of a man | |
| | 38. | 2778 Hans Schwab von Wertingen, Portrait of a man | |
| | 39. | 2485 Daniel Seghers, Flower piece | |
| | 40. | 717 G. Terbergh, Small portrait of a woman | |

ATTACHMENT 63

DECLASSIFIED
Activity 775 057
MKS EXTRA 7-10-99

RG 260
Entry dmsus
Box 262

borgh, Small portrait of a man
retto, Adoration of the shepherds
van Uden, Wood landscape

- 43. 347
- 44. (CB) 603 van der Venne, Grisaille (Princely reception?)
- 45. 1227 Daniel Vosmaer, View of Delft
- 46. 981 School of Roelof de Vries, Wood landscape
- 47. 2915 Emanuel de Witte, Large church interior (Cuyp?)
- 48. 234 Jan Wynants, Green landscape
- 49. 8.61 Jan van Goyen, River scenery with tempest
- 50. 479 Dirck Hals, Merry company
- 51. 1363 Th. de Keyser, Small portrait of a man) Pendants
- 52. 1364 Th. de Keyser, Small portrait of a woman)
- 53. 1518 Jan Weenix, Hunting still life
- 54. 1699 Emanuel de Witte, Italian landscape with figures
- 55. Adrian Backer, Portrait of an old man) GOUDSTIKKER
- 56. Adrian Becker, Portrait of an old woman) Fl. 2,600
- 57. Jan Scorel, Apostle Paulus, half-length *was in Berlin in 1936/7, not Jewish owned*
- 58. Sal. van Ruysdael, Landscape with figures, oval) GOUDSTIKKER *from Belgium*
- 59. Sal. van Ruysdael, Landscape with figures, oval) Pendants *Andriess*
- 60. van Oos, Still life with fruits) Einsatzstab Rosenberg
- F 61. van Oos, Still life with fruits) Pendants
- 62. Sntveert, Portrait of a lady, half-length (GOERING pre-war)
- 63. Hochhauser (?), Portrait of a lady in fancy dress (GOER. pre-war)
- 64. Abr. Storck, Marine, signed and dated Delauncy, Amsterdam?
- 65. Abr. Storck, Marine, (Belaunce, Amsterdam?)
- 66. Abr. Storck, Marine, (Delauncy, Amsterdam?)
- 67. Jan Versprengk, Portrait of a fat man with broad-trimmed hat (HOGENDIJK)
- 68. Master H.V. (?) Small bright river picture (deBOER or DELAUNOY?)
- 69. Master D.V. (?) Narrow long river picture with Fishermen (deBOER?)
- 70. Claes Molenaer, Landscape with figures (de Boer?)
- 71. P. Molyneux, Sand hill scenery with figures, (deBOER? Or GOUDSTIKKER?)
- 72. Frans Snyders, Still life with fruits (on wood, signed length-wise Snyders)
- H? 73. Seb. Vranx, Wood landscape with horsemen (GOUDSTIKKER?)
- Bel. F 74. Govaerts, Wood landscape with figures (EINS.-STAB or DR. LOHSE?)
- 75. Bergheyde, Seated young woman, lace making(?); on the back wall bretzels, PEACH, Amsterdam
- 76. School of Pieter Brueghel the younger, In the finance office
- 77. Maerten van Cleve, St. Hieronimus (EINS.-STAB or Dr. LOHSE?) *vermeulen*
- 78. Pieter Aertsen the younger, Christ before Pilatus (KATZ?)
- 79. Alsloot, Lange winter landscape (GOERING pre-war property)
- 80. Bemmel, Large winter landscape (GOERING pre-war property)
- H M 81. Pieter Aertsen the younger, Christ with Mary and Martha (?) (Dr. MUEHLMANN) *vermeulen, der Haag, Muehlen, geschäfts No 722*
- For H 82. Brekelenkam, Festival (GOUDSTIKKER or EINSATZSTAB ROSENBERG?)
- 83. Bonaventura Peeters, Sea piece (GOUDSTIKKER?)
- H? 84. School of Jan Gossaert, Madonna with Child (GOUDSTIKKER?)
- M 85. Verbruggen, Flower piece (MUEHLMANN?) *not in Muehlen, Geschäfts*
- 86. Ambrosius Brueghel, Flower piece (GOUDSTIKKER?) *and*
- F 87. School of Jos von Cleve, Holy Family in landscape (STORA, Paris)
- H? 88. Jan Miense and Claes Molenaer, Large market scene (GOUDSTIKKER?)
- 89. Claes Molenaer, Fair scene (GOERING, pre-war property)
- 90. School of the Lake of Constanc about 1480, Nativity (GOERING pre-war property, BOEHLER?)
- 91. Southern german Master, about 1480, Temptation of St. Anthony (GOERING pre-war property)
- H? 92. School of Filippino Lippi, Madonna with Child, (GOUDSTIKKER?)
- 93. Van Hilligen(?), Cavalry combat (GOERING pre-war property)
- F 94. Staalbemt, Small landscape (EINS.-STAB or LOHSE?)
- F 95. School of Jan Brueghel, Small landscape, round (EINS.-STAB or
- F 96. School of Jan Brueghel, Small landscape, round (LOHSE)
- H? 97. Mainardi, Madonna with Child (GOUDSTIKKER?)
- M? 98. Flemish Master about 1530 (School of Mart. Schaffner?)
Ascension of Christ (Dr. MUEHLMANN?) *vermeulen, Geschäfts, over No 620
Routen, Paris*

ATTACHMENT 63

107080

DECLASSIFIED
Authority SPUD 750/40
By EAJ NARA Date 8/4/99

RG 226
Entry 30
Box 1

1/3/S

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation LOOTED ART
(FOLDER REAR OF BOX)
Date JAN. 25, 1943
From SCANNELL
To VAIL

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

Security-Classified Information

Otherwise Restricted Information

STATE/SOURCE
Authority CIA/OSS

8/5/75
Date

WITHDRAWAL NOTICE

DECLASSIFIED	
Authority	NWD 750/40
By	EAJ/NARA Date 8/4/99

RG	226
Entry	30
Box	1

March 19, 1948

Mr. E. A. Bosak
Office of Postal Censorship
252 Seventh Avenue
New York City

Dear Mr. Bosak:

In accordance with your recent request that we give you a story on the Goudstikker collection, we are attaching hereto a set of photostats which are self-explanatory and which start with a copy of the will of Jacques Goudstikker and end with a statement of Mrs. Goudstikker's assets in London.

If it would be possible for one of your Dutch experts to provide us with English translations of Exhibits A, A-1, A-2, F, F-1, G, G-1, I-1, J and K, it would be tremendously appreciated. We list the Exhibits below:

- A, A-1, A-2 Last will of Jacques Goudstikker signed before the Notary, A. Van den Bergh, January 23, 1937, and codicil January 27, 1939 (Dutch)
- B Cable from Van den Bergh to Mrs. Goudstikker, July 16, 1940, stating business was sold, to which Mrs. Goudstikker replied: "Your cable business sold unclear please wire full details".
- C Cable from Van den Bergh to Mrs. Goudstikker, July 24, 1940
- D Cable from Van den Bergh to Mrs. Goudstikker, July 27, 1940
- E Cable from Van den Bergh to Mrs. Goudstikker, Aug. 3, 1940
- F, F-1 Letter from Van den Bergh to Mrs. Goudstikker, July 26, 1940, giving details of sale (Dutch).
- G, G-1 Letter from Van den Bergh to Mrs. Goudstikker, October 10, 1940, giving more details of transaction (Dutch)
- H Statement from Van den Bergh listing shares of stock purchased for Mrs. Goudstikker out of proceeds of sale of Goudstikker estate to Miedl

107083

DECLASSIFIED	
Authority	NWD 750/40
By	EAT/NAFA Date 8/4/99

RG	226
Entry	30
Box	1

- 2 -

- I, I-1 Letter from S. Kromarsky to Mrs. Goudstikker dated May 26, 1941 and clipping from Dutch newspaper dated March 25, 1941, giving details of sale of Goudstikker properties.
- J Letter enclosing statement of Goudstikker account from G. E. Massee (Notary who replaced Van den Bergh) to Mrs. Goudstikker, dated September 10, 1941 (Dutch)
- J-1 Statement for year January 1 - December 31, 1940
- J-2, J-3 Statement of balance, December 31, 1940
- J-4 Balance as of August 31, 1941
- K Letter enclosing October 31 balance sheet from G. E. Massee to Mrs. Goudstikker, dated November 10, 1941 (Dutch)
- K-1 Balance sheet of October 31, 1941
- L Statement of Bankers Trust Company, London, February 26, 1945 showing securities held for Mrs. Goudstikker including 550 shares of Kunsthandel J. Goudstikker N. V.

Appreciating your cooperation in this matter, I am,

Very sincerely yours,

R. H. Scammell
Intelligence Officer

Attachment:
Set of photostats

107084

DECLASSIFIED
Authority NND 750140
By CD/JR NAFA Date 8/4/99

RG 226
Entry 30
Box 1

FOREIGN ECONOMIC ADMINISTRATION
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
61 Broadway, New York 6, N. Y.

C. T. Reyner

Mar. 19, 1945

R. H. Seannell

Documents Obtained From Mrs. Halban Goudstikker

When I was in Washington last, I had a talk with Samuel Klaus regarding the Goudstikker collection and he asked me to try to obtain from Mrs. Goudstikker photostats of documents which would show her rights in the estate and, if possible, the disposition of the property after its forced sale to the Nazis.

Attached hereto you will find a set of photostats covering the above which are marked in the form of exhibits:

- A, A-1, A-2 Last will of Jacques Goudstikker signed before the Notary, A. Van den Bergh, January 23, 1937 and codicil January 27, 1939 (Dutch)
- B Cable from Van den Bergh to Mrs. Goudstikker, July 16, 1940, stating business was sold, to which Mrs. Goudstikker replied: "Your cable business sold unclear please wire full details".
- C Cable from Van den Bergh to Mrs. Goudstikker, July 24, 1940
- D Cable from Van den Bergh to Mrs. Goudstikker, July 27, 1940
- E Cable from Van den Bergh to Mrs. Goudstikker, August 3, 1940
- F, F-1 Letter from Van den Bergh to Mrs. Goudstikker, July 26, 1940, giving details of sale (Dutch)
- G, G-1 Letter from Van den Bergh to Mrs. Goudstikker, October 10, 1940, giving more details of transaction (Dutch)
- H Statement from Van den Bergh listing shares of stock purchased for Mrs. Goudstikker out of proceeds of sale of Goudstikker estate to Miedl
- I, I-1 Letter from S. Kramarsky to Mrs. Goudstikker dated May 28, 1941 and clipping from Dutch newspaper dated March 25, 1941, giving details of sale of Goudstikker properties.

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

NND 750140

By CD/JR NARS, Date JUN 29 1976

DECLASSIFIED	
Authority	NND 750/40
By	EAJ/NARA Date 8/4/99

RG	226
Entry	30
Box	1

- 2 -

- J Letter enclosing statement of Goudstikker account from C. E. Massee (Notary who replaced Van den Bergh) to Mrs. Goudstikker, dated September 10, 1941 (Dutch)
- J-1 Statement for year January 1 - December 31, 1940
- J-2, J-3 Statement of balance, December 31, 1940
- J-4 Balance as of August 31, 1941
- K Letter enclosing October 31 balance sheet from C. E. Massee to Mrs. Goudstikker, dated November 10, 1941 (Dutch)
- K-1 Balance sheet of October 31, 1941
- L Statement of Bankers Trust Company, London, February 25, 1945 showing securities held for Mrs. Goudstikker including 550 shares of Kunsthandel J. Goudstikker N. V.

We believe the above is more or less self-explanatory, but it should be noted that the Notary, A. Van den Bergh, who was originally looking out for the interests of Mrs. Goudstikker, was replaced by the Nazis with another Notary by the name of C. E. Massee. Outside of the one cable listed under Exhibit B above, Mrs. Goudstikker states that she did not reply to any of the other messages and that there was no one in Amsterdam authorized to dispose of the property.

She further states that she never received any money from the proceeds of the sale, nor did she receive any additional statements of the account after Pearl Harbor. The statements are chiefly shown in guilders (or florins).

Mrs. Goudstikker tells me that with the exception of a few shares which may have been given by her husband to his mother, the 550 shares of J. Goudstikker N. V. held in her name in the Bankers Trust Company, London (Exhibit L) represent all the outstanding shares of J. Goudstikker N. V. the corporation created to take over all of Goudstikker's assets. As previously stated, one man was given power of attorney for this corporation but he died on the day of the invasion shortly before Mr. Goudstikker himself was killed in an accident escaping from Holland.

Would you be good enough to get this material to Mr. Klaus as soon as possible. We might add that we will endeavor to get the material in Dutch translated here, but we cannot guarantee how well or how quickly this can be accomplished.

107086

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By EAJ NARA Date 8/4/99

RG 226
Entry 30
Box 1

19 March 1945

RUSH!

RUSH!

RUSH!

6 34

22 Sheets to be photostated

One (1) negative and two (2) positives of each

One (1) additional positive of H, J, J-1, J-2, J-3, J-4, K and K-1

(Note that both sides of some sheets are to be photostated).

THIS IS A RUSH JOB - MUST HAVE IT BY 9:30 a.m. TOMORROW, MARCH 20, 1945

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FOREIGN ECONOMIC ADMINISTRATION

WASHINGTON 25, D. C.

In Reply Refer To:
BA-1600-CTR**SECRET**

MEMORANDUM

April 27, 1945

To: R. H. Scannell

From: Charles T. Reyner

Subject: Goudstikker Art Collection

We are sending you herewith five documents, which represent State Department dispatches concerning the Goudstikker Art Collection, and concerning a German named Miedl (or Miedel). We are also sending a copy of a cable from Madrid.

This material, as I understood from our conversation Saturday, is to be loaned to Mr. Rénsselar W. Lee, of the Roberts Commission, who will compare the material we are sending with the material furnished you by Mrs. Goudstikker, in an attempt to determine what portion of the art covered by the dispatches actually belongs in the Goudstikker Collection.

We further understood that we will receive a copy of any report or findings Mr. Lee makes.

Enclosures:

DSS #6520.24 (S)
 6520.57 (S)
 6520.114 (S)
 6562.7 (S)
 145808 (S)
 Cable #675 from Madrid

SECRET

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FOREIGN ECONOMIC ADMINISTRATION
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AGUIRRE

~~SECRET~~

April 12, 1944

~~SECRET~~ (registered mail)

To: Frederic R. Dolbeare
From: P.W. Loomis

Enclosed herewith please find an item of secret information obtained in the course of our interview of the Ecuadorian repatriate, Ernest Aguirre.

Enc.

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
NND 760175
By CD/JR NARS, Date AUG 9 1976

DECLASSIFIED
Authority NND 750140
By ENT NARA Date 8/4/99

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↓
~~R.H.S.~~
↓
R.H.S.

FOREIGN ECONOMIC ADMINISTRATION

WASHINGTON 25, D. C.

MEMORANDUM

November 20, 1944

SECRET

To: R. H. Scannell
From: Charles T. Reyner *CTR*
Subject: Looted Art

I am attaching for your information a copy of an investigative report on Nicholas A. Karger prepared by the Bureau of Customs.

I have only one copy of this and since it is too long and unimportant to justify retyping I should like to have it returned soon so that I can pass it on to the Blockade Division.

Attachment

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Loomis

SECRET

MEMORANDUM

February 6, 1945

To: R. H. Scannell

From: Charles T. Reyner

Subject: Looted Art

Thank you for returning our memorandum of November 20 and the Bureau of Custom's report on the above subject.

Blockade Division today gave us four specific problems on which they would like to have help. As you may know, we got out of the looted art business last November, but in this case they request pure Procurement assistance in the project.

The following are the four questions on which they have asked assistance:

1. Alois Miedel, a German national and personal representative of Hermann Goering, is said to have brought successfully into Spain some 200 valuable paintings looted in Holland, and presumably part of the Goudstikker collection in Amsterdam. He wanted to hold an exhibit of these paintings in Spain, and it is said that he had a catalogue of these paintings.

State, Treasury, and FEA have cabled Madrid for a copy of the catalogue. In the meantime, is there one circulating in this country among art dealers or museum directors?

2. In an article entitled "German Loot," by Georges Wildenstein, appears the following statement: "Examples of the successful transfer of looted works of art from Germany to neutral countries are innumerable...Others may be part of the private property of an important neutral industrialist in Latin America; it was recently disclosed that he lent his name to cover properties which were transferred to him by High Nazi officials." (The Washington Post, November 20, 1944)

We should like to know the identity of this neutral industrialist, and as complete a dossier on his activities as possible if he was not already known to us for his financial transactions.

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R. H. Scannell - 2.

3. Has the Buenos Aires representative of Mr. Georges Wildenstein furnished him with any information concerning looted works of art that is not in the possession of FEA?
4. We have received a number of intercepts covering correspondence between Kurt Stavenhagen, San Bernardino 18, Mexico, D.F., and others. In letters exchanged with Richard Zinser, 7022 Manse Street, Forest Hills, L.I., New York, reference is made to a picture by Pisanello (1395-1455), "The Pink Lady," or "The Flower Girl," which is presumably Pisanello's "Une princesse d'Este," part of the Louvre collection, and valued at \$250,000.

Can it be ascertained whether the original is still at the Louvre, or was it sent to this country on loan or for safe-keeping? Could the original possibly be in the hands of such comparatively small dealers as Zinser and Stavenhagen?

CTReyner:mw
2-6-45

cc: Rudlin
Loomis

SECRET

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INFORMATION FROM ERNEST AGUIRRE

April 7, 1944

During an interview at the New York office of the Foreign Economic Administration Mr. Ernest Aguirre, a native of Ecuador who has lived in France for forty years, stated that an aunt now living in Paris had been active in helping young Frenchmen escape from Paris to prevent their being sent to Germany for forced labor by the Gestapo.

She is Mme. Renyse (Parisot) 23 Rue de Constantinople near the Gare St. Lazare. If there should be occasion for someone to call upon her in connection with the above before the occupation of France by the Allies, this person could introduce himself by stating that he understands she had been helpful in passing Jean Barbier to the Maquis to avoid his being sent to Germany for forced labor.

(Two copies only of the above have been made, one on file at the New York office, FEA, and the other sent to OSS.

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February 26, 1945

TO: C. T. Reyner

FROM: R. H. Scannell

SUBJECT: Looted Art -- Goudstikker Collection

In connection with the above collection we have received two items from Professor R. W. Lee of the Research Staff of the Roberts Committee here. One of these items is from a book which has apparently just arrived in this country, a copy being in the Public Library in New York and another in the Library of Congress, #30112B. This book is "Looted Treasure", Germany's Raid on Art, published in London 1944 by George Mihan.

The two items above referred to are as follows:

GOUDSTIKKER COLLECTION

Goudstikker Collection was originally housed in one of Holland's historic castles--Kasteel Nijenrode, between Amsterdam and Utrecht--contained some 1,300 paintings, many of them works of old Dutch masters... Immediately after the invasion there appeared in The Hague a firm called Treuhand A.G., especially created for the occasion. Treuhand A.G. intended to take over the businesses and possessions of Dutchmen who had been lucky enough to escape... But when Treuhand A.G. set out to take over the Goudstikker collection there appeared another freshly created German firm the "Shantung Handelsgesellschaft", represented by a hitherto obscure German, called Alois Miedl, who had already 'bought' the collection and paid for it with so-called "Kassenscheine"....

But at the very height of the battle between the two sharks, there sounded the peace-loving voice from Berchtesgaden. Hitler, who, as all the world knows, has the delicate soul of an artist, intervened and settled the duel by ordering the collection to be sent to Germany. There the fantastic booty was divided, Hitler having a first picking of approximately 250 paintings.

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In his choice, Hitler was guided by a certain Herr Hoffman, professor/photography... What was finally left of the collection, after the best pictures had been divided among the Nazi bosses, was stored away in a Berlin warehouse where these remnants have been photographed.

It must, for obvious reasons, remain a secret till after the war how it has been possible, first, to take these photographs; secondly, to smuggle them out of Germany; and, finally, to bring them to England.

(G. Mihan "Looted Treasure", pp. 18, 19)

GOUDSTIKKER COLLECTION AMSTERDAM

One of the most remarkable cases of German looting concerns a famous art collection which before the invasion belonged to the internationally known art-dealer Goudstikker. During the five days of war in May, 1940, Goudstikker escaped from Amsterdam and got aboard a ship bound for England. Towards the end of the voyage, however, he fell into one of the holds and died. The Germans immediately installed a so-called "representative" in the Goudstikker business, a man belonging to the Nazi-instituted "Treuhand A.G." (Trust Company) of The Hague, which had no other purpose than to place within the Nazi grasp all possessions left behind by escaped persons.

Before this official could get on the job, however, representatives of some of the big Nazi leaders had already put their own machinery into action. In the Goudstikker case an old school friend of Goering by the name of Aloys Miedl took over the entire collection and announced publicly that he was going to carry on the business.

(Netherlands News 1942, v. 5, No.2)

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MEMORANDUM

February 12, 1945

TO: C. T. Reyner
FROM: R. H. Scannell
SUBJECT: Looted Art

In answer to your memorandum of February 6 we can partially answer the four questions asked therein.

1. In partial answer to Question 1 please find attached a report in triplicate of an interview with Mr. Goudstikker's widow.
2. As reported to you already by telephone, Mr. Georges Wildenstein referred to the article in the Washington Post of November 20, 1944 in order to refresh his memory and then stated that he had discussed nothing except what was already published in newspaper and magazine articles. While he mentioned the name of Fritz Mandl as a possible importer of looted art to Argentina, he claimed to have no facts to actually substantiate this.
3. Mr. Wildenstein stated that his agent in Buenos Aires had not provided him with any concrete information concerning looted works of art in Argentina.
4. As reported to you by telephone already by Mr. Burlingame, we were able to reach Mr. Charles Sterling (a Frenchman), the Assistant Curator of the Louvre who was charged with removing and storing the more valuable paintings to keep them from war damage. Mr. Sterling is temporarily associated with the Metropolitan Museum of Art here and stated that since the liberation of France he had had a series of letters from M. Rene Huyghe, Chief Curator of Paintings at the Louvre, who had written that all paintings had been restored to the Louvre and that none were missing. Mr. Sterling

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 By CD/JP NARS Date AUG 9 1976

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-2-

added that the disappearance of a painting such as the Pisanello referred to would be immediately known through the world, but that it was quite possible many good copies of this painting were in existence, some of which might not be known to all the dealers. We might add that our information concerning Richard Zinser is to the effect that he deals chiefly in prints and inferior copies of old masters and tha it would be quite incredible for an original old master to come into his possession.

Attachments: 3

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Form 3806 (Rev. Jan. 21, 1935) (POSTMARK OF)

Receipt for Registered Article No. 444572

Registered at the Post Office indicated in the Postmark

Fee paid 2 cents Class postage 2

Declared value 2.00 Surcharge paid \$ 0.00

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee: _____

in person _____ or order Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery.

POSTMASTER, per _____

The sender should write the name of the addressee on back hereof as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

Registry Fees and Indemnity.—Domestic registry fees range from 15 cents for indemnity not exceeding \$5 up to \$1 for indemnity not exceeding \$1,000. The fee on domestic registered matter without intrinsic value and for which indemnity is not paid is 15 cents. Consult postmaster as to the specific domestic registry fees and surcharges and as to the registry fees chargeable on registered parcel-post packages for foreign countries. Fees on domestic registered C. O. D. mail range from 25 cents to \$1.20. Indemnity claims must be filed within one year (C. O. D. six months) from date of mailing.

U. S. GOVERNMENT PRINTING OFFICE 16-20305



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 Authority *NRD 750140*
 By *CAF* NARA Date *8/4/99*

RG 226
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(SAFE) *Art*
File with
Gouldstikker Cover

Goering's Private Art Collection, Put at \$200,000,000, Is on Show

By RICHARD J. H. JOHNSTON
 By Wireless to The New York Times

BERCHTESGADEN, Germany, May 20.—An art exhibition put on today in a requisitioned hotel on the outskirts of this town by the United States 101st Airborne Division proved that Hermann Goering is either one of the wealthiest men in the world or one of the most discriminating thieves in history.

Inside the hotel—placarded as "Goering's Art Collection, through the courtesy of the 101st Airborne Division"—were on view masterpieces worth \$200,000,000 at conservative estimates.

At least in name this fabulous collection was Goering's. Walther Andreas Hofer, former German art dealer who was Goering's curator, conducted GI's and correspondents

through the exhibition. He asserted that Goering paid for every piece before putting it in his Karenhall palace near Berlin whence the works were brought to Berchtesgaden.

Parts of the collection were found a few days ago by troops of the 101st hidden in a bricked-up air raid shelter under a mountain and other parts in Goering's train on a siding near here.

In regard to Hofer's statement there are here a number of pieces from the Rothschild collection, which was rifled in France by Task Force Rosenberg [The Nazi looters directed by Alfred Rosenberg].

In one room that contained among other things two Rembrandts—one of them a hitherto unknown "Portrait of an Old Man," bought in Marseille in 1941 by Hofer for Goering for 250,000 marks, so Hofer said—there was at least \$20,000,000 worth of portraits.

Another Rembrandt on rough canvas indicated the master's eagerness to get the work finished before his death. Much color, stippled on with palette knife and brush handle, characterizes the work.

In the same room is the Memlingen Madonna, valued at more than \$240,000, and three Cranachs, including one depicting the head and shoulders of a child. This artist was one of Goering's favorites. The child in the portrait resembled closely his daughter Edda, a portrait of whom by an Hungarian artist stood near by.

There were eight Vandykes from the famous Gouldstikker collection of Amsterdam.

In a corner stood a little 18 by 12 inch Holbein entitled "Geronimo Diedati." It was the portrait of a swarthy, scowling man, heavily mustached. A label on the back indicated it was exhibited in 1878 by the Royal Academy at London and was at that time owned by I. H. Anderson of 23 Upper Grosvenor Street, London, West. A telltale "R" on the frame indicated it more recently was in one of the Rothschild collections.

This Goering collection, like many others found among the fabulous Nazi loot, has not yet been completely catalogued. Thus far there have been identified ten Van Dykes, nine Rembrandts, fifteen Bouchers and twenty works by Hubert Robert. There are also Watteaus, Fragonards and Goyas.

This was a private collection for Goering, quite apart from the accumulations of art works that were to be put in German museums under his name.

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" F "

FILE

Mrs. D. Goudstikker-von Halban,
c/o Miss Selma Borger,
37 East 64th Street
New York.

July 26, 1940

My dear Mrs. Goudstikker,

As I do not know if my previous letters reached you, I do not want to begin this letter without expressing my deep regret at the death of Jacques, who was such a good friend to me and my family, and whose tragic death we deplore greatly. We share your sorrow and troubles in full measure. Fortunately you have your son to live for, and we hope he will be a great help to you later on. Mr. and Mrs. E. Spier also express their heartfelt sympathy and join us in our wishes for your future happiness.

Now about business:

The circumstances, which can be discussed fully only at a later date, made it urgently necessary to sell the business, in order to avoid great unpleasantness. Messrs. Jan Dik and A. A. ten Broek found a prospective buyer, a German who lives in Amsterdam, who was willing to take over the business including the real property, for 2,550,000. guilders, free of incumbrances. The assessed value was much less, so that the accountant who was consulted, L. Polak, brother-in-law of the late Dr. Alex Sternheim, a very capable expert, also thought it necessary to advise the sale especially in view of the urgent circumstances. Later, this sale was changed to the extent that almost all paintings and art objects were sold to a person in high authority in Germany, for 2,000,000. guilders, while the other prospective purchaser, Mr. A. Miedl in Amsterdam, bought the rest, thus also the real property, for the remaining 550,000. guilders. Naturally, the costs of transfer in addition to the business liabilities and the rather high dividend and bonus taxes had to be deducted from both sales' prices. A few things still have to be accounted for. The fact that the sale was made to the above-mentioned person in authority gave the important advantage that we got on good terms with said authority, which greatly simplified the completion of the business, which otherwise might have caused difficulties. I can give you further details about this only at a later date.

As you and Jacques had not left written powers-of-attorney, (the one to Alex Sternheim had naturally expired), steps had to be taken and an administrator had to be appointed for both of you. After receiving refusal of a lawyer consulted for that purpose, Mr. Jan Dik was appointed administrator. According to Mr. Dik's statement, he is the man to whom Jacques, upon leaving, verbally charged and entrusted him with his interests, and he is now actively engaged with your interests. Mr. Ten Broek has been appointed as co-director

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"F-1 " cont.

of the company: J. Goudstikker N. V., Art Dealers pending Jacques official death certificate. In the meantime, proceedings have to be started for the liquidation of the N. V., after which the money can be distributed speedily to the share holders, and so to you also.

For the handling of the inheritance and the payment of the monies, etc., a power-of-attorney, signed by you and legalized by the Dutch Consulate in New York, is urgently needed. As long as that is not in my possession, Mr. Dik alone can act for you. I enclose herewith such a power-of-attorney for signature. You will decide for yourself who shall be your representative. If you have no other wishes, Notary Spier and I, if need be, are willing to act as your representative, (but only in case you would so desire, as we do not want to force ourselves upon you). In that case, please insert in the power-of-attorney, as your representatives: 'Notary Arnold van den Bergh and Eduard Spier in Amsterdam, acting together or separately.' If you wish to insert two or three other representatives, then will you always add the words: 'Acting together or separately.'

For the time being it will not be possible to invest the money in the United States, but presumably it will be possible later. As soon as a possibility presents itself, I hope to get the cooperation of the authorities.

With kind greetings and our best wishes,

Very truly yours,

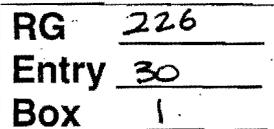
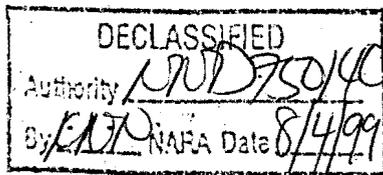
A. v. d. Bergh

Will you please insert the exact first name, birth place, and date of birth of your son, as well as the exact date of the death of your husband. May I receive an official death certificate of your husband as soon as possible.

A. v. d. B.

1 enclosure.

107101



1529

" G "

Arn. v.d. Bergh & E. Spier
Notaries
Amsterdam

Amsterdam, October 10, 1940.
Westeinde 24.

Z/SM

Mrs. D.L.A.E. Goudstikker-Halban,
c/o Miss Clara Borger,
37 East 64th Street
New York.

My dear Mrs. Goudstikker,

I received your letter of September 22 with photostat of the death certificate of your husband enclosed therein. So far, this is the only news which I have received from you excepting a few cables.

I shall now inform you in some greater detail than in my letter of July 26, about the progress of affairs after your departure.

First, Mr. H. Boekel, partner of the late Dr. Alex Sternheim, was asked to act as administrator for you and your husband, but he preferred not being considered in this capacity and so after consultation with your mother-in-law, the appointment of Mr. Jan Dik Sr. as administrator was requested and granted. A special reason for appointing Mr. Dik as administrator, was the fact that according to his statement your husband, upon leaving the Netherlands had entrusted him with the care of his interests. At the time of his appointment, we presumed that your husband was still alive, and it was hard to foresee that the task of administrator would become such an extensive task. We had thought that he would have to take care of the furniture and other personal properties only. Alas, things turned out differently, and I have given Mr. Dik my support as far as I could.

In the meantime, the administration of J. Goudstikker N.V. Art dealer, had to be taken care of, and Mr. A. A. ten Broek was appointed director of that company.

I want to go back a moment to the sale of the business of the company, which occurred thereafter. Toward the end of June or the beginning of July, because of very special circumstances it became absolutely necessary to act. As I already cabled you, the business of the company, including the real property, was bought by Mr. A. Miedl, who in turn brought this business into a newly formed company, "Art dealers, formerly J. Goudstikker N. V.", which continues the business. The stock of the 'J. Goudstikker N.V., Art dealers', was sold to a connection of Mr. Miedl.

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" G & G-1 "

It became a problem what we should do with the money received from the sale. I cabled you about this repeatedly and after consultation with Mr. E. Lemberger, I advised that you buy various American share certificates, and I personally also advised that you invest a part of the money in real property. In the meantime, your cable to Messrs. E. Lemberger and F. W. Koenigs arrived. These gentlemen then consulted with me and they cabled you:

"After consultation we three together propose invest all sums exceeding one million of which half will be deposited Amsterdam Bank, half Twentsche Bank in American certificates and Dutch shares stop certificate of Death very urgent cable"

But no reply came to this cable. As it was impossible to leave this money entirely uninvested, we three invested same in various funds, as carefully as possible. A statement of these investments is enclosed herewith, showing a value of about 400,000. guilders, -- and the value of about 120,000. guilders invested in real property. The rest of the money remained in the banks: 500,000. guilders, -- the Amsterdamsche Bank, and 500,000. guilders in the Twentsche Bank, both in the name of J. Goudstikker N. V., Art dealers' in liquidation.

It is probably known to you that your husband always marked a number of paintings "B. I. (Buiten Inventaris)", 'not listed on the inventory', with the intention that these would form the capital from which the pensions for the personnel of 'J. Goudstikker N.V., Art dealer', should be paid. It was now necessary to put this in the correct form, legally and for this reason the Pension Fund for the personnel of the 'J. Goudstikker N.V., Art dealer', was created, having a capital of 120,000. guilders. Besides this, debts were paid amounting to approximately 451,000. guilders.

I call your attention to the fact that the monies from the proceeds of the sale, now invested in the banks, in funds and in real property are actually the property of the shareholders, and upon liquidation, therefore, a small part must be paid to your mother-in-law as shareholder, while also a part must be reserved for taxes. In the meantime it was decided to liquidate the company, and Mr. A. A. ten Broek and I have been appointed to settle the account.

You have asked me to send you your husband's will. I am enclosing herewith a copy of the business content of same.

I realize how difficult it is for you to decide whom you want to appoint as your empowered representative here in the Netherlands. On the other hand, I would like very much, to receive a power-of-attorney from you. In the power-of-attorney you can appoint whomsoever you wish as your representative. As it is possible that the power-of-attorney to be sent by you will not reach me, to make sure, I am enclosing another power-of-attorney and request you, even though you have already sent a power-of-attorney, to fill in this one and to sign it in the same way, and send it, if possible, in a different manner than you sent the previous one.

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Authority ND 750/40
By EPD NARA Date 8/4/99

RG 226
Entry 30
Box 1

" G-1, cont. "

With kindest greetings and best wishes,

Very truly yours,

A. v.d. BERGH

I am sending a copy of this letter by surface mail, today.

3 enclosures.

DECLASSIFIED	
Authority	NWD 750/40
By	FAJ/NAFA Date 8/4/99

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107105

" A "

Copy of the business content of the last will and testament of Mr. Jacques Goudstikker, dated January 23, 1937, before notary Arnold van den Bergh in Amsterdam.

The testator has declared:-----

First: I revoke all former wills made by me.-----

Second: I bequeath free of rights and costs:-----

1. To Mrs. G. M. J. Schrinkin-Verstappen, residing in Zandvoort, an annual income of five thousand guilders, to be paid to her until she remarries, or in the event that she does not remarry, for life. With respect to that income I stipulate:-----

a. That it shall commence on the day of my death and shall be paid in quarterly installments, with the understanding that the last installment shall also be paid in full even in the event that the beneficiary of the income dies during a quarterly period, or if any even occurs through which the income would be terminated.-----

b. That as these payments shall be made for the purpose of support, insofar as is legally permitted, they shall not be subject to seizure.-----

2. To Dr. Alexander Sternheim, accountant, residing in Amsterdam, a painting having a sale value of approximately ten thousand guilders, said painting to be chosen by him and at his discretion, from my estate or from the stock of the company: 'J. Goudstikker N.V., Art Dealers in Amsterdam', with the understanding that in the latter event said painting shall be bought from said company with money from my estate in order to provide for delivery to the legatee.-----

Third: I appoint as my sole heir, my mother Emilie Eugenie Sellisberger, widow of Mr. Eduard Jacques Goudstikker, subject to the obligations relating to the legacies made by me, with the stipulation that she shall make such arrangements with the living, or by will, subject to the rights of said company: 'J. Goudstikker N.V., Art Dealers in Amsterdam', by which the premises at Heerengracht 458 in Amsterdam, Castle Nyenrode in Breukelen-Nyenrode, and the House 'Oostermeer' in Nieuwer-Amstel, of which said company is the present owner, shall be kept for the benefit of the community and shall include the art treasures contained therein, and also such other art treasures belonging to me and/or the said company, and these art treasures shall remain on exhibition there as far as this is feasible.-----

(cont.)

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" A-1 thru A-2"

Page Two

"The arrangements shall be made by my mother in consultation with the executor of this will whereby my wishes must be considered, including my views on political and religious matters, which are known to my mother and which I have also made known to the executor of this will.-----

Fourth: I appoint Dr. Alexander Sternheim in Amsterdam executor of my last will and testament, with the right to take possession of my entire estate during the time required by law, and I charge him to deal with the personnel who shall have been in my service longer than ten years, according to my wishes, as expressed to him, verbally.-----

Fifth: In case my mother dies before me or at the same time as I, or after me, but before she has made the aforementioned dispositions, she shall be considered as never having been my heir, and I appoint as my sole heir a Foundation to be established in Amsterdam under the name of 'Goudstikker Fund', which I hereby create to that end, and whose sole purpose shall be the execution of my will insofar as it concerns the preservation of the aforementioned premises and art treasures for the benefit of the community. The executor of my will shall determine the necessary regulations of that foundation and shall appoint the first board of managers.-----

Sixth: I wish to declare that this will is meant as a temporary will, made in view of a contemplated trip abroad and that it is my intention to replace it at a later date by one with more comprehensive regulations."-----

Copy of the will of Mr. Jacques Goudstikker, dated January 27, 1939, before Notary Arnold van den Bergh, in Amsterdam.

"The testator has declared-----
 I maintain the legacies, made by me in my will of January the twenty-third, Nineteen Hundred and Thirty-Seven, before Notary Arnold van den Bergh in Amsterdam, as also the executor's appointment made therein with respect to the stipulations made in that will under item 'Fourth'.-----
 Besides, I revoke all other wills made by me before today, unless I die without leaving a widow or one or more descendants, in which case my will of January the twenty-third, Nineteen Hundred and thirty-seven, shall again be fully reinstated."---

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"I-1"

ART DEALERS FORMERLY J. GOUDSTIKKER

Amsterdam, March 25. -- A supplement of the Netherlands official newspaper of March 24, No. 48, contains the statutes of the N.V. Art Dealers, formerly J. Goudstikker N.V., in Amsterdam. The principle founders are Mr. Alois Miedl, merchant in Amsterdam, and the N.V. Buitenlandsche Bankvereniging, director Mr. H.F.W. Meyer.

The capital of the company is one million guilders. At the time of inception, 600 shares of 1000 guilders were placed and paid for in full, at par value. Mr. Miedl took 570,000 guilders capital stock and the Buitenlandsche Bankvereniging took 22,000 guilders. Capital brought in by Mr. Miedl consists of cash from the business of the "Art Dealers, J. Goudstikker", with the right to the name "Goudstikker", the inventory, the card index file, the library as well as the real properties which were bought by him in addition to paintings and art objects, altogether amounting to a total value of 570,000 guilders. The real property consists, among other things, of the house of the "Art Dealers Goudstikker" located on the Heerengracht in Amsterdam, and the Castle Nijenrode in Breukelen, with keeper's lodge, outbuildings, stables, woods and other appurtenances.

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" J "

Via Clipper

Mr. C. E. Masee,
Substitute in Abeyance of the Office of
Notaries A. v.d. Bergh and E. Spier.

Amsterdam-C., September 10, 1941
Westeinde 24

Mrs. D.L.E.A. Goudstikker-von Halban Kurz

R D I - Box 80 b

Gilliam Lane

Riverside (Conn.) U.S.A.

My dear Mrs. Goudstikker,

I received your letter of July 19 and am informing you that the sending of your furniture has been delayed further and perhaps it may prove impossible to proceed to the shipment of same.

In reply to your question for information concerning bank accounts and such, I can inform you that your account at the Amsterdamsche Bank N.V., Heerengracht 595 here, on September 3 showed a balance of 57.659.26. guilders and your account at Piersons Co. on that day was 199.76. guilders. The credit balance of an account, which at present is still carried in the name of Messrs. Arnold van den Bergh and Jan Diks but which presumably can be placed shortly in the name of the heirs J. Goudstikker at the Incasso Bank N.V. branch Stadhouderskade here, was, on September 3, 3508.57. guilders.

Finally, I enclose herewith balances of the J. Goudstikker N.V., Art Dealers, in liquidation as of December 31 and August 31, as also a profit and loss account of J. Goudstikker N.V., Art Dealers, in liquidation, for the fiscal year 1940.

I hope that you will receive all this in good order, and I should like to hear this from you.

enclosures.

Very truly yours,
C.E. Masee

107108

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Authority ND 750/40
By EAJ NARA Date 8/4/99

RG 226
Entry 30
Box 1

" K "

Mr. C. E. Masee,
Substitute in Abeyance of the Office of
Notaries A. v.d. Bergh and E. Spier.

Amsterdam-C, ~~September~~ November 10, 1941
Westeinde 24

Mrs. D.L.E.A. Goudstikker-von Halban Kurz
RD I - Box 806, Gilliam Lane,
Riverside (Conn.), U.S.A.

My dear Mrs. Goudstikker,

I hope that you have received my letter of September 10 with
balances of the J. Goudstikker N.V., Art Dealers, in liquidation per
December 31 and August 31 enclosed therein, in good order, and I
am sending you herewith the balance of that company as of October 31, 1941.

Concerning your bank accounts I can inform you that the balances
today are:

At the Amsterdamsche Bank N.V., Heerengracht 595 here:..... 57659.26 guilders
At Pierson & Co., here 199.76 "
At the Incasso-Bank N.V., branch Stadhouderskade here,
account in name of you and your son, E. J. Goudstikker. . . 855.68 "

It is now probable that within three months it will be possible to
proceed to the first liquidation payment in the company; the amount
however, cannot be determined as yet. This is tied up with rather com-
plicated tax problems, which, through petition, became interdependent and
concerning which it is known that the Collector of Revenue has advised
favorably. As soon as the decision has been made about this, they can
proceed to the establishment of the first liquidation payment.

I hope that you will receive this letter with enclosure, in good order
and I would appreciate ^{it} if you would acknowledge the safe receipt of same.

Very truly yours,
C. E. Masee.

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By	NAFA Date 8/4/99

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February 24, 1945

✓
Mrs. Daisy Halban
1230 Park Avenue
New York City

Dear Mrs. Halban:

In accordance with our telephone conversation yesterday morning we have returned your loose-leaf notebook containing a list of the paintings in your late husband's collection (the Goudstikker Collection) to Mr. Rosenberg at 32 East 57 Street.

May we again thank you for making this catalogue available to us and for putting us in touch with Mr. Rosenberg who is going to go through the list and make notations as to the relative importance of the works of art listed.

Very sincerely yours,

R. H. Scannell
Intelligence Officer

107110

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By	EAJ/NAFA Date 8/4/99

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Entry	30
Box	1

February 22, 1945

Professor R. W. Lee
Frick Art Reference Library
10 East 71 Street
New York, N. Y.

Dear Dr. Lee:

We now have two photostatic copies of a catalog of paintings in the Goudstikker Collection numbering some 1300. As promised to you recently we will send you one of our two copies but before we do this we expect to have a check made of the list by one familiar with the collection who, we hope, will be able to tell us which paintings are no longer in existence, which ones are in this country and which ones are of inconsequential value. As soon as this check is made we will forward the photostatic catalog to you for your use.

You will remember that when we last talked over the telephone you told me that you had one or two interesting items with reference to this particular collection and we will greatly appreciate having transcripts of these items.

Very sincerely yours,

R. H. Scannell
Intelligence Officer

107111

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By EAJ NAFA Date 8/4/99

RG 226
Entry 30
Box 1

February 16, 1945

Mrs. D. Halban
1230 Park Avenue
New York City

Dear Mrs. Halban:

As per our conversation this morning please be kind enough to give to the bearer of this note the loose-leaf book containing the list of paintings. We will return this to you within the next few days.

Thanking you for your cooperation, I am,

Very sincerely yours,

R. H. Scannell
Intelligence Officer

107112

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By EPD NARA Date 8/4/99

RG 226
Entry 30
Box 1

*Research Dept. re:
"American Commission for the protection and salvage of Artistic and
Historic monuments in War Areas."*

COMMITTEE OF THE AMERICAN COUNCIL OF LEARNED SOCIETIES
ON PROTECTION OF CULTURAL TREASURES IN WAR AREAS

THE METROPOLITAN MUSEUM OF ART

NEW YORK, N. Y.

February 21, 1945

4

Mr. R. H. Scannell
Foreign Economic Administration
61 Broadway
New York City

Dear Mr. Scannell:

I am sending herewith the information concerning the Goudstikker Collection which we have in our files. It was very good of you indeed to call me in regard to the Collection and we should be greatly interested in having the list of which you spoke.

Very sincerely yours,

Rensselaer W. Lee
Executive Secretary

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Box	1

COMMITTEE OF THE AMERICAN COUNCIL OF LEARNED SOCIETIES
ON PROTECTION OF CULTURAL TREASURES IN WAR AREAS

THE METROPOLITAN MUSEUM OF ART
NEW YORK, N. Y.

February 23, 1945

Mr. R. H. Scannell
Foreign Economic Administration
61 Broadway
New York 6, N. Y.

Dear Mr. Scannell:

I am very glad to learn from your letter of February 22 received this morning that you are going to send us one of your photostatic copies of a catalogue of paintings in the Goudstikker Collection. This list will surely be very useful to us and a most valuable addition to our files.

A day or so ago I sent you the information about the Goudstikker Collection which we have here in our files. I hope that by now you have received it.

Very sincerely yours,

Rensselaer W. Lee
Rensselaer W. Lee
Executive Secretary

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RG	226
Entry	30
Box	1

February 12, 1945

Mrs. Daisy Halban
1230 Park Avenue
New York, N. Y.

Dear Mrs. Halban:

In confirmation of our conversation last Saturday we are interested in tracing certain assets stolen by the Nazis in various countries recently under occupation by them. It is to be hoped that information gathered by this Agency may be of some assistance in eventual restitution of these assets.

It is for the above reason that we would like to procure a list of the more valuable paintings in your late husband's collection and it is my understanding that for this purpose you will make such a list available to us on loan for a day or two. As I told you, we are cooperating with other agencies and committees interested in the same problem.

It will be helpful if you can go through your loose-leaf notebook listing and delete those paintings which you know to be at Smith College, to have been lost at sea or destroyed or to be of inconsequential value -- and let us have the balance of the listing at your very earliest convenience. It will be appreciated if you will call me here at Whitehall 3-4848 when you are ready and I will then send a messenger to your apartment for the list at a time convenient to you.

May I caution you on keeping the matters we discussed as confidential as possible.

Very sincerely yours,

R. H. Scannell
Intelligence Officer

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
NND 750140
By CD/JR NARS, Date JUN 29 1976

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