

*Summary -
German Assets in US
Dirksen File*

EDWARD GOTTLIEB & ASSOCIATES LTD.
2 WEST 45TH STREET
NEW YORK 19, N. Y.
MURRAY HILL 7-3050

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Am Jwsh Cmtee
(GEN-10)
Box 295
File 5

JUL 20 1954

July 19, 1954

Dr. John Slawson
American Jewish Committee
386 Fourth Avenue
New York, New York

Dear Dr. Slawson:

At the suggestion of members of the Jewish press who attended a press conference Thursday, July 15th, we are sending you the enclosed material for your information.

Sincerely yours,



J. Seegar Heavilin
Executive Vice President

JSH:PB
Enc.

345038

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FOR RELEASE

Schering CORPORATION



Bloomfield and Union, New Jersey

DEFEAT OF SENATE BILL
FOR "BONUS TO GERMANS"
ASKED BY SCHERING HEAD

New York, July 15 -- Protesting a "\$500,000,000 windfall payment from United States Treasury funds to be made principally to German industrialists who supported Hitler," Francis C. Brown, president of Schering Corporation, today told a press conference that legislation to return former German and Japanese companies to private owners abroad is wholly contrary to the American concept of fair play and violates present international agreements.

Stating that he opposes Senate Bill S-3423, introduced by Sen. Everett M. Dirksen of Illinois and companion House Bills HR-9076 introduced by Katharine St. George of New York and HR-9475 by Carl T. Curtis of Nebraska, Mr. Brown said that they would, in their present form, "ironically compensate the former German owners of companies seized by the U.S. after Pearl Harbor not only for their losses, but would actually reward them for the Nazi war."

Schering Corporation, pharmaceutical manufacturers of Bloomfield, New Jersey, is a former German company. Valued by the Germans at \$1,300,000 late in 1941, it grew under wartime American management to a property that
(more)

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was sold in 1952 by the Attorney General's office for approximately \$30,000,000. The Dirksen bill would pay this sum to Schering A.G. of Berlin in lieu of returning Schering Corporation, which can not be returned since it now belongs to more than 15,000 American private stockholders.

Under the proposed legislation, a total of \$500,000,000 would be transferred to Germans, representing properties still in custody of the Alien Property Office and proceeds from companies sold at auction to American investors. Mr. Brown pointed out that the War Claims Act of 1948 already provides for the disposition of these properties, since they have been earmarked for compensation of American citizens who have war damage claims -- including mistreated prisoners of war.

"If political exigencies require a new and different disposition of these properties, and Congress is determined to spend new American monies," said Mr. Brown, "let the Congress authorize the President to turn \$500,000,000 over to scientific organizations to study cancer and the other killer diseases. This could be a memorial to American sons who gave their lives in two world wars brought on by the Germans."

In a letter to the Schering stockholders today, Brown said:

"After World War II, Germany solemnly agreed under the Bonn Convention that she herself would compensate Schering A.G. and the other German owners for the properties seized by the United States, and relinquished all claims to such properties. Now German interests are renegeing on these agreements, and are seeking to place upon the backs of American taxpayers a burden which should be borne by the Germans."

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SCHERING CORPORATION

YIVO 347.17
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(GEN-10)
Box 295
File 5

ENDOCRINE AND PHARMACEUTICAL PREPARATIONS

2 BROAD STREET · BLOOMFIELD · NEW JERSEY

July 14, 1954

Dear Shareowner:

It is my responsibility as the president of your company to alert you to bills now before Congress. These bills concern you personally as a shareholder in Schering Corporation.

Senate Bill S-3423, introduced by Senator Everett M. Dirksen of Illinois, and House Bills HR-9076, introduced by Representative Katharine St. George of New York, and HR-9475, introduced by Representative Carl T. Curtis of Nebraska, direct that German property in the United States, seized by the government when the Nazis declared war on us in 1941, be returned to its former private German owners. Where such properties have since been sold to American investors, the proceeds will be paid out of U. S. Treasury funds to the former German owners.

Your company is such a former German property, and the proceeds from its sale would be returned to the Germans. In 1942 your company was the American branch of Schering A. G. of Berlin. It was seized as enemy property. At that time it was valued by the Germans themselves as being worth approximately \$1,300,000. In ten years Schering of Bloomfield became, under U. S. government custody and its present management, a new and important pharmaceutical firm through American research, American product development, and American sales enterprise. In 1952 Schering was sold to investors for \$30,800,000, and stock ownership passed to you and some 15,000 other American citizens.

This purchase price (22 times the 1942 worth of the German-managed company) went into a special fund to be used to satisfy claims awarded to Americans who suffered war damages under the Germans and Japanese. If the German properties are given back to Germany, these Americans must look, for payment of their claims, to the United States Treasury. This means more and more taxes. It would seem more appropriate that enemy properties, rather than American taxpayers, should pay for wartime mistreatment of our citizens.

The bills would hand over \$500,000,000 to various German companies and individuals who had property in the United States when Hitler plunged us into World War II. With this windfall of working capital from American pockets, the Germans could further undersell American firms in the global markets, as they did with cheap labor in the pre-war cartels. I cannot accept the fact that America should now pay bonuses to such German industrialists as supported Hitler and the Nazi criminal war against us.

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These bills can very well jeopardize the future growth of Schering Corporation in two ways. First, certain patents which the government took from your company may be returned to the Germans. Second, out of the \$500,000,000 involved, almost \$30,000,000 would be a gift to Schering A. G. of Berlin, with which it could tremendously expand its competition against our company.

I should remind you that all of us, Schering investors particularly, were reassured because of the War Claims Act of 1948 that our company would be competing in world markets against a German company stripped of its pre-war assets in the United States. That law, which is still in effect, specifically provides that "no property ... of Germany ... or any national ... of such country ... shall be returned to former owners thereof ... and the United States shall not pay compensation for any such property ...". If this position is to be reversed by the new bills, a material change - almost amounting to fraud - will have been indirectly perpetrated upon our stockholders.

After World War II, Germany solemnly agreed under the Bonn Convention that she herself would compensate Schering A. G. and the other German owners for the properties seized by the United States, and relinquished all claims to such properties. Now German interests are reneging on these agreements, and are seeking to place upon the backs of American taxpayers a burden which should be borne by the Germans.

I vigorously oppose these bills. I went to Washington and testified before the Senate Judiciary Sub-Committee in protest against the injustice and inequity of the legislation. I enclose some excerpts from my testimony.

I believe you should voice your own protest, both as a taxpayer and as a shareholder in this company. I recommend that you send a telegram or a letter to your Senator and Representative immediately, protesting the return of former German property and urging them to oppose such legislation. Unless something is done quickly, the pending bills may become law by July 31st, as Congress rushes toward adjournment.

Sincerely yours,



Francis C. Brown
President

Enclosure

P. S. If you will drop me a note as to what action you take against these bills, it will help us to follow through on our opposition.

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8 February 1954

Mr. Edwin Lukas
American Jewish Committee
#386 Fourth Avenue
New York, N. Y.

RE: Chavez Resolution

Dear Ed:

I have your letter of February 4 re the above.

1) It is not necessary to send me reminders from time to time. I am keeping abreast of the situation.

2) The whole subject of possible amendments to the Trading with the Enemy Act is very much up in the air at the present time. The Dirksen subcommittee has come up with a report in the last week. I am requesting extra copies of that report, which I shall shortly send to you.

Briefly, the Dirksen subcommittee feels that it would be desirable to return German property in the United States. The provision of the law which states that such property shall not be returned is apparently felt to be an invention of Harry Dexter White, although I believe objective proof exists that it was really the idea of two Congressmen - Gearhardt (R.-California) and Beckworth (D-Texas). There is a minority report. There is also strong State Department opposition though the German desk in State would like to endorse the return idea. In addition, there is the problem which arises out of the fact that a good many German properties in the United States have already been liquidated and the proceeds paid into the War Claims Fund. Thus, any meaningful return program would have to provide for appropriations - which I somehow do not think the Congress is likely to enact in this year - what with elections, budget limitations, etcetera.

I had a long talk with the German people in State on this and other matters. At that time, I gave them the background and also pointed out, what no other person seems to have noted, that it obviously would be extremely difficult, from the foreign relations side at least, to return German but not Japanese property. There is no basis for such a distinction, whether on the merits, or in international law. This statement of the obvious apparently came as a surprize to the German Bureau people in State; and I would suspect, since their Japanese side must oppose a German but not Japanese return, and since no Congressional

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Mr. Edwin J. Lukas

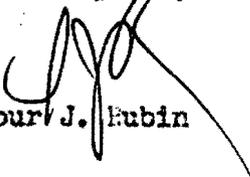
Page Number Two

move whatsoever has been made on the Japanese side, that this point might prevent State endorsement of the Dirksen proposals.

The next Congressional step is consideration in the full Committee - if Langer calls the matter up. Then there would have to be a report to the Senate, provision of time for Senate debate, etcetera.

I think that, after looking at the Dirksen report, we might talk about alerting Hennings or other members of the Judiciary Committee, so that we safeguard both our movie and our heirless property interests. On heirless property, although keeping it separate is now hard, I still think that our chief hope of passage this time around will be to keep it separate from the other Trading with the Enemy Act problems. After you see the report, maybe we can get together and talk about strategy in this rather complicated field.

Best regards,


Seymour J. Rubin

CC: Mr. N. Goodrich
Dr. Eugene Hevesi

SJR/rs

345044

YIVO 347.17
Am Jwsh Cmtee
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Box 295
File 5

November 19, 1953.

Dear Mr. Blaustein:

In his letter addressed to you on November 3 (a copy of which is attached) Mr. David Fisher of Chicago suggested that you appear before a Congressional Committee to testify in favor of the Chavez Bill, purporting to turn over German alien property in this country to the German Federal Republic.

Considering the controversial implications of this Bill, in your absence I wrote to Sy Rubin on November 13 (copy of this is also attached) indicating the questionable nature of the suggested testimony.

Enclosed herewith you will please find a copy of Sy's answer of November 17, containing the results of his inquiry into the background of the suggestion and indicating that Mr. Fisher's letter does not require an answer on your part any more.

Very sincerely yours,

Eugene Hevesi

Mr. Jacob Blaustein
American Building
Baltimore, Md.

EH:mh
3 encl.

CC: Dr. Slawson

345045

November 17, 1953

Dr. Eugene Hevesi
The American Jewish Committee
386 Fourth Avenue
New York 16, N. Y.

Re: Trading with the Enemy Act

Dear Eugene:

I have your letter of November 13, enclosing a copy of the letter sent by David Fisher of Chicago to Mr. Blaustein.

As I told you over the phone, Dave Fisher—and Judge Harry Fisher—are old friends of my family and myself. I therefore called Dave Fisher on the phone yesterday to find out what the situation was. He indicated that neither he nor his father had any direct interest in the Chavez Bill, and that he had written the letter as an accommodation to another person, also a friend of ours, who in turn had got into the act through his former law firm, which apparently represents some German claimants.

I explained to Dave that Jewish-Germans were already taken care of under Sec. 32 of the Trading with the Enemy Act, so that there was little Jewish interest other than in seeing that Nazi propaganda films did not get into the wrong hands, and in the heirless property situation. I nevertheless said I'd be glad to talk to Roger White, the Chicago attorney who apparently is handling this matter. White is apparently in Washington now, and Fisher said he'd arrange to have him call me. Until now, however, he has not done so—perhaps because the Dirksen hearings took the twist of seeking whether Harry Dexter White had influenced the present Section 35 of the Act. (That Section provides that German and Japanese property shall not be returned.)

Since we do not have any direct interest in the Chavez Bill, other than as above stated, I continue to feel, as agreed with you, that we should wait to see what is the best way of presenting the limited views which are of interest to us. I think we have no reason to be unfriendly to return of their property to non-Nazi Germans, particularly in view of the heirless property settlement negotiated at The Hague last year, but that, as an organization, we can have no legitimate reason to take any initiative on this matter.

Best regards,

Seymour J. Rubin

345046

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November 13, 1953.

Dear Sy:

Mr. David Fisher's letter of November 3 to Mr. Blaustein, copy of which is attached, reached me only today. As I told your charming secretary over the telephone, Mr. Blaustein is on his way to Texas where he is likely to be tied down all next week, and cannot be available for the hearing.

The questions are, first, whether we should testify at all, particularly if it must be "favorable" testimony; second, whether, if so, you are prepared to appear for Mr. Blaustein; and third, what answer should be given to Mr. Fisher in either case, negative or positive.

Offhand, I do not think it would be "politique" for us either to support or to oppose the Chavez bill. The only views which may require expression on our part are that the property of Nazi victims cannot and must not be donated back to Germany; that we oppose the return of Nazi films and literature to Germany and that reserving provisions must be made for the financing of the heirless bill supported by the Administration and introduced under bi-partisan sponsorship.

Tomorrow, Saturday morning, I will call you from my home to get your judgment about the matter. There is still time to answer Fisher on Monday, November 16, if necessary, by telegram.

Cordially,

Eugene Hevesi

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

EH:mh
Encl.

P.S. I did not mention this thing to Kagan, because he is likely to insist that we go and testify, plugging solely for the heirless bill.

345047

LAW OFFICES
DAVID FISHER
33 NORTH LA SALLE STREET
CHICAGO 2
FRANKLIN 2-1234

YIVO 347.17
Am Jwsh Cmtee
(GEN-10)
Box 295
File 5

November
Third
1953

*Sequel to 11/6/53
Sterling 3-5905*

Mr. Jacob Blaustein
President
American Jewish Committee
386 Fourth Avenue
New York, New York

Dear Mr. Blaustein:

I should like first to introduce myself by telling you that I am Judge Harry M. Fisher's son of Chicago, Illinois.

I have been assigned the following mission and I would appreciate very much if you could help me. A Congressional Committee has been appointed to examine into the possibilities of some legislation for the return of alien property held in this country to the West Germans. I presume that some of it must be owned by Jewish people. I have been asked to suggest a few names of prominent Jews who would be willing to testify favorably on this proposed legislation. The committee hearings start on November 17th in Washington, D. C.

If you would be available for such an assignment would you please let me know just as soon as possible. If you yourself are not available I would like you to suggest some names of people that might be considered.

Very truly yours,



David Fisher

DF/dwg.

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THE

AMERICAN JEWISH COMMITTEE

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MAY 14 1951

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ZACHARIAH SHUSTER, *European Director*

May 11, 1951

MEMORANDUM

TO: Dr. John Slawson

FROM: Paris Office

Enclosed is a report on the Restitution Conference sponsored by the JDC and Jewish Agency which was held in Paris at the beginning of this week.

The major emphasis was laid on the necessity of achieving speedy results with regard to maintaining the present restitution laws after the occupation statut of Germany is changed and on the need of creating a supervisory mechanism to effectuate restitution when the German Government will be almost full master in its own house. No definite agreement was reached, however, as to the best method of achieving these objectives.

All participants in this conference agreed as to the necessity of developing a vigorous public relations campaign, primarily in the United States, with regard to restitution and completing the program as soon as possible.

The Paris Office intends to undertake some work in this direction, both through the general U.S. press and Jewish press sources.

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THE AMERICAN JEWISH COMMITTEE
Paris Office: 30, Rue La Boetie
Paris 8, France

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M E M O R A N D U M

May 11, 1951

TO: Foreign Affairs Department

FROM: Paris Office

Enclosed is a report of the major deliberations at the Restitution Conference which was held in Paris at the beginning of this week.

The participants at this conference stressed the necessity of taking vigorous action with a view to assuring international control over restitution in the new status for Germany which is now being prepared. It was also felt that a public relations campaign ought to be promoted for the purpose of calling the attention of governments and of public opinion to the importance of safeguarding restitution and indemnification measures in Germany and Austria.

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RESTITUTION CONFERENCE OF JEWISH ORGANIZATIONS

HELD IN PARIS MAY 8TH - 9TH, 1951.

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Attch. 5/11/51

The Joint Distribution Committee and the Jewish Agency for Palestine sponsored a conference of Jewish organizations dealing with restitution, indemnification, and associated problems in Paris on May 8th - 9th. The American Jewish Committee was represented by Messrs. Zachariah Shuster and Abe Karlikow. Other organizations represented were: the Jewish Agency, the American Joint Distribution Committee, the World Jewish Congress, the Jewish Restitution Successor Organization and the following British organizations: United Restitution Office, Jewish Trust Corporation, Restitution Committee. The French organizations represented were: Conseil Representatif Des Juifs de France and the Alliance Israelite Universelle. Chairman of the Conference was Sir Henry d'Avigdor Goldsmid of the Jewish Trust Corporation in Great Britain.

The essential topics discussed by the Conference were:

Restitution; payment of indemnification claims; transfer of restituted assets from Germany to other countries; action against the proposed "equalization of burdens" law in Germany; institution of a claim against Germany by the Jewish organizations asking payment for the special taxes levied against the Jews in Germany before the war; restitution in the French Zone of Germany; and the situation with regard to restitution in Austria.

The announced purpose of the conference was to achieve an understanding and coordination between Jewish organizations in the United States, Great Britain and France on what common action should be undertaken in the next few crucial months. The conference was not a policy-making body; it was not authorized to make any decisions, and, indeed, did not even attempt to formulate any specific recommendations. The conference primarily served the purpose for exchanging views and information among the various organizations concerned.

1. RESTITUTION

It was agreed that the main objectives in this field were:

- A. To maintain the present restitution laws, the Court of Restitution Appeals and the JRSO and other successor organizations after Germany becomes a sovereign state.
- B. To formulate proposals with regard to a supervisory mechanism to see that the restitution program is carried out. Among the possible control mechanisms discussed were:
 - a. Conference of Ambassadors - not favored because of the tendency of such bodies to grow increasingly weaker and to fade out.
 - b. Separate allied supervisory mechanism for restitution only - opposed as being unrealistic, on grounds that the question may not be considered important enough to the allies for them to treat it separately.
 - c. Control by International Body like the Hague Court - objected to on grounds that it is more important to have every-day administrative control over the Germans on restitution, than the possibility of appealing to some international

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It was agreed, finally, that it would be really impossible for Jewish organizations to propose any control mechanism until the general allied plans for future supervision over Germany were known. It was felt that it would be unwise to present a specific statement of the Jewish position on controls, therefore, at the present time; but that the technical experts of the various organizations should continue their efforts to draw up a control proposal as a "life-belt" to have available in case they should be asked their opinion by the allied governments. At the same time, it was felt, renewed approaches should be made to the Inter-governmental Study Group meeting in London to draft the new German status, to find out what it was planning on restitution and controls and these approaches should be made by the technical experts to the ISG technicians.

2. PAYMENT OF INDEMNIFICATION CLAIMS

Discussion here centered around the following points:

- A. Where indemnification legislation already exists, as in the laender of the American Zone, Jewish organizations should press for prompt payment of these claims. It was felt that the Auerbach affair was being used as an excuse to sabotage indemnification in Bavaria, and perhaps in all Southern Germany; and that vigorous action should be taken to make clear the Jewish position that indemnification payments must be continued regardless of any developments in the Auerbach case.
- B. The renewed attempt should be made to get priorities for Jewish persecutees in the payment of indemnification.
- C. Where legislation does not exist -- e.g. the British Zone -- it should be asked for. There was discussion as to whether one should press for -
 - a. A general, harmonizing Federal law to cover all Germany including the British Zone, on the basis that the Federal government could find indemnification funds more easily.
 - b. A British Zone law only, on the basis there was no real hope for the passage of a Federal law.

A double action was envisaged by the conference. There should be pressure for a uniform Federal law; but the Jewish organizations in Britain should ask for legislation in their zone in the meantime, agreeing that this should be harmonized with Federal legislation if and when it was passed.

3. TRANSFER OF RESTITUTED ASSETS FROM GERMANY TO OTHER LANDS -- Jewish organizations all agreed this was an essential part of restitution; and that this position must be taken publicly. It was announced that negotiations were under way to have 50 million marks transferred, and that prospects for transfer of at least part of that sum were favorable. There was a technical discussion on mark conversion rates and purchasing power; there have recently been unfavorable court decisions on mark conversion in the British Zone; the value of the blocked mark is going down, but even so, it seems, the purchasing value of blocked marks that could be transferred into pounds, for example, would still be fairly good.

4. "EQUALIZATION OF BURDENS" LAW BEING PROPOSED IN GERMANY -- In effect, ^{File 5} this law would call for a capital levy of 2% per year on undamaged properties and assets in Germany, to be collected for 25 years consecutively, and to be used to aid expellees from lands formerly controlled by Germany (e.g. Sudeten Germans) and persons who suffered war damages. While Germans can deduct war damages they claim from tax payments, persecutees can not deduct.

It was felt that every effort should be made to get Jewish persecutees and organizations exempt from the payment of this tax, if passed. U.S. High Commissioner McCloy is expected to take action exempting the JRSO from this equalization burden; the British Trust Corporation can probably be exempted on the grounds that it is a charitable institution, but it does not want to receive such a status. However, something can probably be arranged.

The main problem is to get exemption for Jewish persecutees. U.N. nationals and companies owned by them are to be exempt for 6 years from payment of the tax. The feeling of the conference was that Jews should not have to pay any tax whatsoever and that this goal should be worked for; but that probably it would not be possible to get better than equal treatment with U.N. nationals, if that much.

Since part of the tax collected is to be used for indemnification purposes it was argued that:

- a. Jews should not pay the tax but that, in consequence,
- b. neither should they accept indemnification coming from this tax.

All were in favor of "a"; but the consensus of opinion was against "b".

It was pointed out by the JRSO that the question has a direct and strong bearing on property settlements, since the question "Who will pay the tax?" is always an obstacle in negotiations, and almost invariably means that Jews get a lower price.

5. CLAIM AGAINST GERMANY IN PAYMENT OF SPECIAL TAXES LEVIED AGAINST JEWS IN 1930s. This was a proposal of the Jewish Agency representatives who pointed out that it was known that through special taxes and legislation (e.g. the von Rath tax) the Germans had taken, according to German records, 3 billion marks from the Jews in the late 1930's. The Agency felt that Jewish organizations should claim this money from Germany; and that such a claim would not at all conflict with the Israel reparations claim on Germany. There was some argument as to whether this should be considered a pre-war German debt (for which the Bonn government, as legal successor, would be responsible,) or a claim for damages. The chairman finally suggested that the Agency must come forward with a much more concrete proposal concerning the claiming of these "nameless" assets before it could be considered.

6. THE SITUATION IN AUSTRIA.

- A. There was a resume of the present unfavorable restitution situation in Austria, where the government has not been willing to set up a heirless successor organization, and Jewish organizations have had to spend their time fighting attacks on existing restitution laws. It was suggested that the British organizations take steps with their government on this question which would parallel previous American approaches to Austria through the State Department: e.g., getting a letter from the Foreign Office to Austria declaring that the British government was in favor of the settlement of the heirless property question along the lines suggested by the Jewish organizations.

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- B. Pension claims by Jews who formerly lived in Austria which are not now being paid -- The British groups reported that their government and the Austrians seemed to be amenable to drawing up an exchange treaty whereby Austrian pensionnaires in Britain and British pensionnaires in Austria would receive payment from the respective governments. It was suggested that a similar exchange treaty be sought between Austria and the U.S., if indeed the matter was not already covered by existing legislation.
- C. Indemnification claims against Austria -- This is complicated by the fact, it was agreed, that Austria is not considered an enemy state, but a liberated state. The government, therefore, does not feel it has to pay any claims, but that these should be made against the German government. The question of Austrian claims against Germany is being discussed at present; and it was felt that some method must be worked out to assure that the claims of Jews should be honored.

7. THE FRENCH ZONE RESTITUTION SUCCESSOR ORGANIZATION -- Mr. Eugene Weill of the Alliance Israelite Universelle reported that the French government has finally agreed to the establishment of such an organization and that the law setting it up should be promulgated within a fortnight. The Jewish organizations met the request of the French that the majority vote on the Board of Directors of this organization should be lodged in French groups; they had refused to meet the French request that assistance priorities be given by the successor organization to Jews in France and the French Zone. The French government did not insist on the latter point, Mr. Weill declared, because it felt that in view of the present "blocked" state of restituted funds in Germany the money could probably be used only in the French Zone and in France. It was agreed that the British and French representatives would sit down to work out the technical arrangements between the new French group and the British Trust Corporation, since officially the French group is a division of the British successor organization.

METHODS OF FUTURE WORK: Publicity; A Direct Jewish Approach to Germany.

There was fairly universal agreement by Jewish organizations at the conference as to the general aims they all wanted to see achieved. The disagreements centered around methods and tactics. For example, everyone agreed that there should be controls on restitution after Germany becomes a sovereign state; but no clear preference emerged as to the form of control that was wanted. This was left to the technical experts, who, at the present time, still appear to disagree among themselves, according to the documents circulated at the conference. Similarly the French groups, for example, were against any participation by Jews whatsoever in the indemnification benefits that might accrue out of the equalization-of-burdens law because they felt that such a stand would benefit the entire Jewish position against this law, even though the general opinion was opposed to this view.

On one tactic, however, there was fairly general agreement. It was felt that there should be more publicity on restitution, indemnification and related topics. It was pointed out that there had been an "under-the-wraps" policy of action on many of these matters in the past; but that the time had come to get as much public support now as possible -- and not only in non-Jewish groups, but among Jews as well.

All groups were in agreement at the conference that there should be publicity on:

- a. The need for payment by the Germans of indemnification claims. Emphasis was put on the statement of a strong Jewish request for renewal of payments in Bavaria, regardless of Auerbach's fate.
- b. The need for the possibility of the transfer of assets out of Germany.
- c. The need to exert pressure on Austria on the heirless assets question.

There was disagreement as to whether the time was ripe for publicity action on the equalization-of-burdens law at the present time; and on the general Jewish position on restitution.

The conference also discussed the possibility of a basic change of Jewish policy as regards restitution and related problems by a direct approach to the German government and political leaders. There was some sentiment that the time had come to seriously prepare the groundwork for such a direct approach; but in the opinion of most of the organizations such an approach was either not desirable or was inopportune as yet.

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Reich Assets
YIVO 347.17
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FEB 6 1950

February 2, 1950

Mr. Eli Rock
Joint Distribution Committee, Inc.
270 Madison Avenue
New York, New York

Dear Eli:

I have your letters of January 4 and 25 with respect to JRSO claims for Reich assets.

As you may know, I was out of town from January 4 until just the other day. It was my recollection that I had previously written to you on this matter but a search of my files discloses that I do not have a record of a previous reply. At any rate, I feel that there is very little or no chance of the JRSO pressing any claim for Reich assets here in the United States. The amount of American claims so vastly outdistances the assets which might be available for payment of such claims that the possibility of their being turned over to the JRSO is to my mind entirely out of the question.

Particularly with respect to Reich assets is this so in view of the outstanding and still undischarged obligations of the Reich on not only war claims, but also such prewar claims as the Dawes and Young Plan bonds, the Standstill Agreements, etc. So far as the possibility of attachment is concerned, all the Reich assets in the United States have been vested by the Office of Alien Property and therefore could no longer be attached.

I enclose two extra copies of this letter for your possible use.

Sincerely yours,

Seymour J. Rubin

cc: Dr. Hevesi

345056

YIVO 347.17
Am Jwsh Cmtee
(GEN-10)
Box 295
File 5

December 1, 1949

Dr. Eugene Hevesi
The American Jewish Committee
386 Fourth Avenue
New York, New York

Dear Eugene:

I have your letter of November 28, 1949 enclosing a copy of Ben Ferencz' letter of November 18, 1949. The latter letter deals with the question of "whether the Reich assets in the United States taken under control by the Alien Property Custodian could not somehow be attached for the benefit of the JRSO."

I have not discussed this matter with persons in the Office of Alien Property for the reason that I am sure there is no real possibility of achieving any such result. All German assets in the United States are to be liquidated and the proceeds, net of creditors' claims and costs of conservation, are to be paid into a fund to be established in the Treasury Department. The War Claims Commission which has recently been set up is to make recommendations to the Congress as to disposition of this fund. Until the War Claims Commission files its report, thus, no action with respect to making available German State assets in the United States can or would be taken by the Office of Alien Property. Moreover, American claims, including claims of American nationals against the German Government, are so substantial in amount and so greatly in excess of any possibly available funds of the Reich Government here in the United States that it is almost beyond the bounds of possibility that such funds would be made available for the benefit of the JRSO.

I anticipate that the work of the War Claims Commission which has been slow in getting started will be further delayed by reason of the fact that Commissioner David Lewis was one of the persons killed Monday in the crash of the American Airlines plane in Dallas.

I enclose two extra copies of this letter for Eli Rock and Ben Ferencz.

Sincerely yours,

Seymour J. Rubin

cc: Mr. Isenbergh

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POST LANDIS (115)
GER ASSETS 115

LAW OFFICES
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1832 JEFFERSON PLACE, N. W.
WASHINGTON 6, D. C.
STERLING 3-5905

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

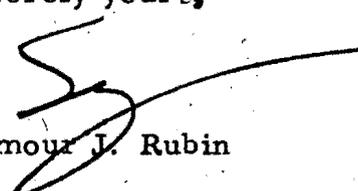
November 3, 1955

Dr. Eugene Hevesi
The American Jewish Committee
386 Fourth Avenue
New York 16, New York

Dear Eugene:

I enclose herewith a copy of the decision in re
Dorendorf by the Office of Alien Property. I think you
may be interested in the principle established in this case.
I gather that this case makes new law for the Department of
Justice.

Sincerely yours,


Seymour J. Rubin

CC: Mr. Kagan (with enclosure)

34805B

YVIQ-347,17
AJC (GEN-10)
Box 295
File 6
Attch. 11/3/55

UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE
OFFICE OF ALIEN PROPERTY
WASHINGTON, D. C.

In the Matter of:

ELLEN ABEL-MUSGRAVE KRAUSE DORENDORF

Title Claim No. 39465
Docket No. 54 T 75

Decision on Petition for Review

This matter comes before me on petition by the Chief of the Claims Section for review of the decision of Harry LeRoy Jones, Chief Hearing Examiner, allowing the claim of Ellen Abel-Musgrave Krause Dorendorf. Pursuant to section 32 of the Trading with the Enemy Act, as amended (U.S.C. 50 App. 1-40), claimant seeks the return of property valued by her at approximately \$30,000 which was vested in the Attorney General by virtue of Vesting Orders No. 1281, 1282, and 13520. Counsel for Gerda Schultze-Hencke, a title claimant before this Office, has filed a brief amicus curiae.

The undisputed facts follow:

Ellen Dorendorf, the claimant, was born in England in 1908 and at the age of four moved to Germany where she has resided ever since. The claimant's maternal grandmother and paternal grandfather were Jews. Her other grandparents were not Jewish. Neither claimant nor her parents ever adhered to the Jewish faith. In October 1931 she married Renatus Krause, a German citizen, thus acquiring German citizenship. Mr. Krause was an early member of the Nazi Party and knew about claimant's Jewish background prior to the marriage. Three children were born of this marriage.

In 1935, after Hitler had become Chancellor of Germany, there were issued the so-called Nuremberg laws, a series of discriminatory laws, decrees and regulations for the purpose of removing all "non-Aryans" from the professional, economic and cultural life of Germany. Under these laws, which continued in effect after December 7, 1941, a "non-Aryan" was defined as a person "who was descended from non-Aryans, especially Jewish parents and grandparents." As a person with two Jewish grandparents, claimant was a "person of mixed race of the first degree" within the meaning of the Nuremberg laws. These laws discriminated against and purported to deprive such a person of the full rights of German citizenship. For example, prior

345059

to marrying a German, such a person was required to request specific permission from the state and party. Action on such permission depended upon how long the part-Jewish family was domiciled in Germany, whether its members had served in the German armed forces and whether the members of the family had actively supported the German folk community. Concealment of Jewish ancestry by means of forgery or falsified documents was an offense which subjected the perpetrators and those who aided or abetted them to grave punishment.

At the time the claimant contracted her marriage to Renatus Krause in 1931 there was no legal requirement that she disclose her Jewish ancestry. In 1935, however, Mr. Krause being a government employee, procured a certificate from an appropriate official of the German government that there were no objections with regard to his own and his wife's Aryan descent, based upon "documents at hand."

Prior to her marriage to Mr. Krause, the claimant had been a physical education instructor. She discontinued this work upon her marriage. She states that in 1934 she received an invitation to join an association of physical education instructors. The invitation was accompanied by a questionnaire involving the usual questions on ancestry. Being afraid to answer these questions truthfully, she did not reply to the invitation and, not being a member of the association, was thereafter ineligible for work in this field.

With the advent of Nazism, the claimant's father became apprehensive for the safety of his family. Accordingly, in 1933, he persuaded his son, the claimant's brother, to go to the United States as a student and to stay here thereafter as a quota immigrant. The father followed in 1934. Although he was anxious to see the claimant leave Germany, she did not do so.

In June 1941, Mr. Krause was killed while in the service of the German army. As his widow, claimant received a government pension after his death until her marriage in 1942 to Herbert Dorendorf, a German citizen. Upon termination of the pension she was awarded a lump sum payment of RM 4,000. Mr. Dorendorf knew of the claimant's Jewish ancestry but nevertheless he and the claimant represented to the appropriate government officials that they were not aware of any facts which would bring either of them under the disabilities of the Nuremberg laws.

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Claimant's occupation during the war was that of a housewife. There is no evidence of any political activities on her part. Mr. Dorendorf was active in the anti-Nazi resistance movement at considerable personal risk to himself and his family. At no time, however, after December 7, 1941, was claimant detained, arrested, imprisoned, or charged with any offense under German law, nor was she subjected to any police action under color of law. During the war, the claimant occupied a rented house in Berlin with her family and employed domestic help in the house. Her children attended the same schools as "Aryan" children and her husband had an automobile. Her oldest son was enrolled in the Hitler Youth although, with the encouragement of his parents, he avoided attendance.

Section 32 (a)(2)(D) does not permit the return of vested property to an individual who was a citizen or subject of Germany after December 7, 1941, and present in a territory of that nation between that date and March 8, 1946, unless the individual, as a consequence of any law, decree or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation.

The Chief Hearing Examiner concluded that the Nuremberg laws substantially deprived Jews and persons of part Jewish ancestry of their civil rights to such an extent that they did not enjoy full rights of citizenship. Accordingly, the Chief Hearing Examiner ruled the claimant eligible for return of her vested property under Section 32 (a)(2)(D) of the Act.

Section 32 (a)(2)(D) affords relief to the victims of enemy persecution, but to qualify, a claimant must show the deprivation of his rights to have been substantial, distinguishing him and his group from others. In the Matter of Sztankay, Title Claim No. 4240, Docket No. 552, decision of the Director dated February 26, 1954. The legislative history of section 32 indicates, in my opinion, the intent to require such substantial deprivation as a condition of eligibility.

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The test [of (D)] is the substantial reduction of civil rights. Among these, as is recognized in subdivision (C), is the right not to be deprived of life or substantially deprived of liberty directly or through the substantial deprivation of property. (Senate Report 1839, adopting language in letter from John Ward Cutler, Associate General Counsel, Office of Alien Property)

Membership in a persecuted group has been ruled insufficient to qualify one not knowing of his membership for a return of vested property under section 32 (a)(2)(D). In the Matter of Raphael Walter, Title Claim No. 42404, Docket No. 53 T 130, decision of the Hearing Examiner dated September 23, 1953, affirmed by the Director January 12, 1954. However, conscious membership in such group does, in my opinion, result in substantial deprivation. An individual in the position of the claimant had to, and did, take steps to protect himself and his family which other Germans did not have to take. He obviously had to make false statements and commit other deceptive acts to conceal his non-Aryan background with the resulting constant fear of discovery and punishment, both for membership in the persecuted group and for concealment of that fact. This mental distress cannot be considered insubstantial. Indeed, with many individuals, such distress is more difficult to endure than imprisonment or physical punishment. I am constrained to conclude that persons concealing their non-Aryan origins could not have enjoyed the full rights of citizenship commonly enjoyed by other Germans who were not subject to the Nuremberg laws and who could conduct their lives without resort to deception of, and concealment from, the authorities.

Accordingly, this claimant is eligible for the return of her vested property as a German who, on and after December 7, 1941, did not enjoy full rights of citizenship by reason of German laws discriminating against a racial, religious or political group of which she was a knowing member. Nothing in the record indicates that return to claimant would be contrary to the national interest under section 32 (a)(5).

It is unnecessary to decide whether claimant is also eligible for a return under subdivision (C) of section 32(a)(2). That subdivision applies only to persons who, between December 7, 1941, and March 8, 1946, were not subjects or citizens of enemy nations specified in subdivision (D). The legislative hearings and reports preceding passage of Public Law 322, 79th

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Congress (60 Stat. 50), which added section 32 to the Act make it clear that two separate categories of individual claimants were contemplated in the enactment of the two subdivisions: enemy nationals and non-enemy nationals. Returns were intended for the latter under subdivision (C), provided they were not voluntarily resident in enemy countries. Under subdivision (D), returns were intended for enemy nationals if they had not been present in enemy or enemy-occupied territory between December 7, 1941, and March 8, 1946. The persecutee provisos added to these subdivisions by Public Law 671, 79th Congress (60 Stat. 930), on August 2, 1946, did not change their mutually exclusive applicability.

The petition for review is denied.

/s/ Dallas S. Townsend
Dallas S. Townsend
Assistant Attorney General
Director, Office of Alien Property

October 13, 1955.

345063

CONGRESSIONAL RECORD - SENATE
August 1, 1955.

STATEMENT BY SENATOR LEHMAN

I have followed the history of this Foreign Claims legislation, H. R. 6382, with some concern. I have many constituents in my State who suffered both war and post-war losses, the former because of the confiscations and persecutions of the Nazi regimes and the latter from the nationalizations and expropriations of Communist governments. Many of these Bulgarian, Rumanian, and Hungarian citizens who are now American citizens looked to this legislation for some relief from their heavy losses at the hands of Nazi and Communist governments.

For this reason I have interested myself in this legislation and have taken occasion to communicate my concern for the welfare of our refugee citizens affected by this act to the distinguished chairman of the Foreign Relations Committee, the Senator from Georgia (Mr. George)

It has been my position that this kind of legislation should deal equitably with all our citizens, both native born and naturalized. Due to the shortage of the funds available under this act for the satisfaction of claims far in excess of such funds it has not been possible here to include citizens who sustained losses prior to their becoming American citizens. I recognize that shortage of funds made necessary a curtailment on eligible claimants. It is my hope that further legislation will give relief to these refugee-citizens for their war and postwar losses.

I am also concerned that the bill as reported from the conference does not contain the provisions of the Senate bill preventing tax windfalls to large corporations. The Senate Committee report stated that the provision would avoid having certain larger claimants dilute the existing funds with claims which in effect would allow a second recovery for losses already recovered in the form of income tax reductions. I ask that section 10 of the report be printed at this part of my remarks in the record.

It is my understanding that without this provision some claimants might actually make a net profit on their losses by first

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making a tax saving and then obtaining an award based on the same claim. Furthermore, I am informed that these claimants will not have to pay taxes on their awards at the high wartime rate at which they wrote off their losses in their income-tax returns but may elect to pay the lower tax rate in effect at the time they receive their awards. Finally, I am informed that these large claimants will be getting double benefits while those without large wartime incomes against which to write off their losses will get only one benefit, and that one much diminished by these large claimants.

I am , for these reasons, not entirely happy about this bill, but I will vote for the conference version in the hope that some reform may be achieved in the next session.

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May 3, 1955

Mr. Geoffrey Lewis
Deputy Director
Office of German Affairs
Department of State
Washington, D. C.

Dear Geoff:

You will recall our discussion of some two days ago with respect to the German archives now held in the United States.

On behalf of the American Jewish Committee, which has been requested by a number of individuals to look into this matter, I would be glad to have a statement of the Department's policy in this regard. It is my understanding that the Department holds under its supervision the archives of the German Foreign Office, that it is United States policy that these will not be returned until all important documents have been photostated or micro-filmed, that access to these documents after their return will be a condition of return, and that they will not be returned until appropriate historical research has been done on them. It is also my understanding that some of the documents, mainly relating to trade matters, have already been returned to the German authorities.

I understand further that certain documents, primarily those of the Wehrmacht, are under the control of the military authorities of the United States. If it is possible I would also appreciate a statement of policy with respect to those documents.

I might add that I have been following the situation of the documents held at the headquarters of the International Tracing Service at Arolsen and that it is my understanding that agreement has almost been reached that these will be maintained under the supervision of an intergovernmental committee on which the occupying powers, various of the Allies and the Government of Israel will be represented, and that a director of the International Tracing Service will be appointed from the staff of the International Committee of the Red Cross.

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Mr. Geoffrey Lewis

May 3, 1955

In view of the fact that I am leaving shortly for Europe, I would appreciate your answering this letter directly to Dr. Simon Segal, American Jewish Committee, 386 Fourth Avenue, New York 16, N. Y., with a carbon copy if possible to my office.

With best regards, I am

Sincerely,

Seymour J. Rubin

345067

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, Inc.

Suite 800 (GEN -10)
Box 295

File 6

270 Madison Ave., New York 16, N. Y.

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LExington 2-5200

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Council for the Protection of the Rights
and Interests of Jews From Germany
Delegacion de Asociaciones Israelitas
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Executive Council of Australian Jewry
Jewish Agency for Palestine
Jewish Labor Committee
South African Jewish Board of
Deputies
Synagogue Council of America
World Jewish Congress
Zentralrat der Juden in Deutschland

7 March 1955

To: -
Dr. Eugene Hevesi
Dr. Nehemiah Robinson

P E R S O N A L

I am sure that you have read with as much concern as I did the report in today's Times concerning the possible turnover of captured German archives to the German Government. This is a matter which is of immediate concern in connection with research and documentation on Nazi anti-Jewish acts and in particular, to the Yad Vashem. I do not believe it would be appropriate for the Conference to officially make representations on this subject but I thought the Committee and the Congress may consider it.

I am sending copies of this note to Dr. Goldmann and Yad Vashem representatives of this country, for their consideration.

29
Saul Kagan

cc: Dr. Goldmann
Mr. Harman
Mr. Uveeler
Mr. Ferencz
Mr. Jacobson

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SEYMOUR J. RUBIN
ABBA P. SCHWARTZ

WASHINGTON 6, D. C.

STERLING 3-5905

February 23, 1955

Dr. Eugene Hevesi
The American Jewish Committee
386 Fourth Avenue
New York 16, New York

Re: German Indemnification

Dear Eugene:

I saw Geoffrey Lewis in the Department of State on February 21, and discussed with him the possibility of the Department taking up with Dr. Herman Abs, who, as you know, is now here in the United States negotiating on the question of return of German assets, the problem of speeding up the indemnification program. I had already mentioned this to Lewis in asking him for the appointment when I telephoned him last week.

Lewis said that an opportunity had come up in the last day or so -- I think over the weekend -- in the course of a general conversation between Mr. Walworth Barbour, who is heading the American delegation, and Dr. Abs. Despite the general inclination of the United States to confine the present discussions strictly to the matter which is at their heart, Barbour had raised the question of the indemnification program and its speed with Abs. He had indicated the deep interest of the United States Government in pushing the indemnification program and in seeing to it that this program was carried out equitably and as speedily as possible. Apparently, Abs indicated that indemnification was a settled policy of the West German Government, and that he was sure that everything would be done to speed up and extend the program. Although there was no definite tie-in to the question of return of German assets in the United States -- a subject on which I believe the Germans are probably going to be substantially disappointed, although they probably will get back somewhere in the neighborhood of 60 or 70 million dollars worth of property -- the effect of this matter among practically no others being raised in the course of these discussions was apparently not lost on Dr. Abs.

Lewis

345069

Lewis expressed his gratification also at the fact that this matter had been raised with Abs at just about the time that the Goldmann-Adenauer correspondence had taken place. He commented particularly, after looking at the copy of Adenauer's letter to Goldmann which I handed to him, on the point that the German Government had been receiving a number of reports from its own people here in the United States indicating discontent with the slowness of the indemnification program. Lewis implied that the State Department had been needling the Germans here on this point for some time.

Sincerely yours,



Seymour J. Rubin

CC: Mr. Kagan
Dr. Robinson

345070

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LAW OFFICES
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SEYMOUR J. RUBIN
ABBA P. SCHWARTZ

WASHINGTON 6, D. C.

STERLING 3-5905

February 15, 1955

64

Dr. Eugene Hevesi
The American Jewish Committee
386 Fourth Avenue
New York 16, New York

FEB 15 1955

Dear Eugene:

I am sorry that I stayed with Dessie Kushell so long on the morning of February 15 that I left myself no time to come down to see you and Simon. I did have a plane reservation and, more important than that, I had a couple of meetings in Washington that same afternoon.

On arriving here, I find your letter of February 14, with respect to the negotiations that Dr. Abs is conducting with the Department of State. I have already been in touch with the State Department on these matters, and have been trying to follow them from a not-too-close distance. I have as yet heard nothing about progress in connection with these discussions, but I shall try to get some further information on them within the very near future.

I am not sure how much can actually be tied to these negotiations. As they are planned by the Department of State, they are scheduled to be fairly cut and dried affairs. The program is for the Department of State to suggest the return of up to ten thousand dollars per person to individual Germans whose assets have been vested here in the United States. On the other side, the Department will propose that the Germans allocate one hundred million dollars of the one billion which they owe to the United States as a result of the negotiations at the London Debt Conference -- where approximately three billion dollars worth of relief and rehabilitation costs in post-war Germany were scaled down to one billion -- and that this amount of one hundred million be allocated to American claimants having claims for damage to their property in Germany during the course of the war. These funds would be administered by the Foreign Claims Settlement Commission.

In view

345071

In view of the fact that the State Department proposals, at any rate, have been so definitely decided upon in advance of the actual negotiations with Dr. Abs, and in view of the further fact that the Department is rather anxious to get Dr. Abs out of Washington as quickly as possible -- perhaps in the fear that he will steal the State Department building if they do not do so -- it seems rather unlikely that very much can be tied in to these negotiations. I had, by the way, a suggestion from Dr. Grossman of the Jewish Agency for Palestine the other day that we should try to tie in a proposal whereby any money which was received by Germany would be used, first, for indemnification payments, perhaps to those persons who were so unfortunate as to have been residents of the Eastern Zone of Germany. I pointed out that this particular proposal did not seem to be particularly relevant to the negotiations and to the possible outcome, especially if the outcome is to allow the return of ten thousand dollars to each individual owner who comes in, files a claim, establishes his ownership, etc., etc., and in view of the fact that no such returns would be made, of course, to any individuals having assets in the United States who were themselves residents of the Eastern part of Germany. I suspect, therefore, that we would have difficulty in trying to get a commitment on the indemnification program out of Dr. Abs as part of the over-all arrangements to be arrived at during the course of the present discussions.

However, I will keep an eye and an ear adjusted to these negotiations, and will try to report, and also to suggest anything which seems to me likely to be attainable and to be in line with our objectives.

Best wishes.

Sincerely yours,


Seymour J. Rubin

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WASHINGTON 6, D. C.

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

November 17, 1953

Dr. Eugene Hevesi
The American Jewish Committee
386 Fourth Avenue
New York 16, N. Y.

Re: Trading with the Enemy Act

Dear Eugene:

I have your letter of November 13, enclosing a copy of the letter sent by David Fisher of Chicago to Mr. Blaustein.

As I told you over the phone, Dave Fisher--and Judge Harry Fisher--are old friends of my family and myself. I therefore called Dave Fisher on the phone yesterday to find out what the situation was. He indicated that neither he nor his father had any direct interest in the Chavez Bill, and that he had written the letter as an accommodation to another person, also a friend of ours, who in turn had got into the act through his former law firm, which apparently represents some German claimants.

I explained to Dave that Jewish-Germans were already taken care of under Sec. 32 of the Trading with the Enemy Act, so that there was little Jewish interest other than in seeing that Nazi propoganda films did not get into the wrong hands, and in the heirless property situation. I nevertheless said I'd be glad to talk to Roger White, the Chicago attorney who apparently is handling this matter. White is apparently in Washington now, and Fisher said he'd arrange to have him call me. Until now, however, he has not done so--perhaps because the Dirksen hearings took the twist of seeking whether Harry Dexter White had influenced the present Section 35 of the Act. (That Section provides that German and Japanese property shall not be returned.)

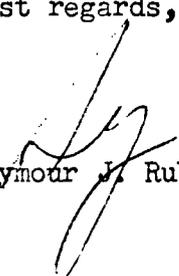
Since we do not have any direct interest in the Chavez Bill, other than as above stated, I continue to feel, as agreed with you, that we should wait to see what is the best way of presenting the limited views which are of interest to us. I think we have no reason to be unfriendly to return of their property to non-Nazi Germans, particularly in view of the heirless property settlement negotiated at

345073

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the Hague last year, but that, as an organization, we can have no legitimate reason to take any initiative on this matter.

Best regards,


Seymour J. Rubin

I enclose two extra copies of this letter, to facilitate your sending a report to Jacob Blaustein. Also I should repeat that Dave Fisher does not now expect any further response to his letter to Mr. Blaustein.

345074

German Assets in the U.S.

St. Rubin Wash. Office

YIVO 347117
Am. Jwsh Cmtee

12/8/60

MEMORANDUM: Satellite Assets in the United States

(GEN-10)
Box 295 File 6

1. The Office of Alien Property is now proceeding with a vigorous program for the vesting of all German assets located in the United States which have not as yet been certified as being free of enemy taint. It is understood that this program is almost one-half completed at the present time and that it is proceeding rapidly.
2. This program is not directed against satellite assets. Assets of Roumanian, Hungarian or Bulgarian private persons identified as such are at present not being vested by the Office of Alien Property. This is largely because the Office of Alien Property and the State Department have not as yet been able to make up their minds on what program they desire to follow with respect to the assets in the United States of private nationals of the satellite countries.
3. It follows that the assets in the United States of persecutees who are nationals of the satellite countries are also not being vested when known to be such. The Office of Alien Property is following a general rule, even with respect to German assets, of not vesting the assets of persecutees. Thus, a persecutee who was a national of, we will say, Hungary would have his assets in the United States not vested both because he was a national of a satellite country and not of Germany, and because he was a persecutee.
4. In some cases, however, it may be impossible to tell that a particular assets in the United States belongs to a national of a satellite country or to a persecutee. This situation arises typically in the case in which a Swiss bank has a general account on deposit in New York. So long as the Swiss bank refuses to disclose the identify of its clients whose funds go into the general account, the Office of Alien Property will operate under the presumption that in the absence of certification such property is German property. Thus, if a Swiss bank had an account in New York which stood merely in its name and if the Swiss bank refused to indicate to the Office of Alien Property that a portion of the account equitably belonged to a Roumanian or Hungarian persecutee, that sum might be vested on the ground that it was presumed to be German. In some cases in the past, according to the Office of Alien Property, the Swiss banks have in fact come forward to say that a portion of the sums in question do in fact belong to nationals of satellite countries and they have thereupon been exempted from vesting.
5. It is hard to say just what the situation will be if a general program of vesting of private assets in the United States of nationals of the satellite countries is determined upon. Under these circumstances, the Office of Alien Property would have to work out very carefully the details of its program. If its present disposition continues, it would attempt to separate the assets of persecutees from other assets and not to vest persecutee assets. On the other hand, in the operation of such a program it would have to be careful to couch its orders in such a way as not to give information either with respect to the assets being vested or not being vested to the governments of the satellite countries.

Finally, any program of vesting of satellite private assets in the United States would presumably be accompanied at some future time by a general unblocking of those assets not actually vested. If this happened, it might well be that persecutee assets would not be vested by the Office of Alien Property; but, upon their being released, a flow of correspondence between the banks and the owners in the satellite countries would begin with obvious dangers to those owners. All of these points will have to be worked out at such time as disposition of satellite assets is determined upon.

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COPY

YIVO RG 347.17
AM. JEW. CM. (GEN-70)
Box 295, FILE 6

DEPARTMENT OF STATE
Washington

December 5, 1955

Dear Mr. Rubin:

Your letter of November 18, 1955, regarding the Berlin Document Center, has been referred to me by John Holt.

It is correct, as indicated in your letter, that the Berlin Document Center contains primarily records of the Nazi party and affiliated organizations. There is, however, no present intention of turning this material over to the Government of the Federal Republic of Germany. You may be sure that if it should be decided eventually that these records should be turned back to the Germans, photocopies would be made by the United States authorities of all records groups considered of value for official reference or research.

For information with respect to such microfilming as may already have been done of these records while they were in Army custody, I suggest that you might write to Major General John A. Klein, The Adjutant General, Washington 25, D. C.

Sincerely yours,

/s/ G. Bernard Noble
G. Bernard Noble
Chief, Historical Division

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

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(GEN-10)
Box 295
File 6

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

October 5, 1955

OCT 8 1955

E. N.

MEMORANDUM

To: JRSO Executive Committee
From: Saul Kagan
RE: JRSO Claims under Public Law 626

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

Saul Kagan

345077

(attached to 10/5/55)

Report to Executive Committee of Jewish Restitution Successor Organization

Re: Heirless Assets in the United States

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Seymour J. Rubin

September 1955

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YIVO 347.17
Am Jwsh Cte
(GEN-10)
Box 295
File 6

September 15, 1955

SEP 20 1955

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

Dear Mr. Wood:

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

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

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

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

2. So

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

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

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

propose

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propose, which would include as eligible claimants persons who were citizens of the United States as of the effective date of the proposed legislation and who were persecutees, would be adopted.

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

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

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

Sincerely yours,

Seymour J. Rubin

Enclosure

CC: Mr. Smithy
CC: Dr. Hevesi
Mr. Kagan

345087

Proposed Amendments to S. 2227

attached to 9/15/55

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

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

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

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

"Section 201. As used in this Title, the term or terms ---...

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

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

"(d) A natural person (or his legal representative, whether or not appointed by a court in the United States, or his successor in

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

Memorandum with Respect to Proposed Amendments

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

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

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

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

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

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

Similarly, these "enemies of our enemies", who are now nationals of the United States, ought to be given the right to file claims against the special fund being set up under Title II of S. 2227. The proposed legislation is in fact ambiguous on whether such persons are or are not eligible under its terms. This ambiguity ought to be resolved in favor of such eligibility. Section 203, for example, speaks of compensation for "special measures directed against property during the war because of the enemy or alleged enemy character of the owner". The property of persecutees -- political, racial or religious -- was no less subjected to special measures as "enemy property" than the property of American, British or French nationals. Equity would seem to require that such persons, who are now citizens of the United States, be allowed to place their claims for war damage and special measures against the special fund being created.

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

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

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

September 13, 1955

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

Dear Saul:

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

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

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

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

OAP is prepared to give us access to the docket maintained by Mrs. America's office as far as it relates to JRSO claims. This means, in effect, that we are authorized to compile the information required under items 1-5 of the enclosed schedule from a docket which is maintained

exclusively

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exclusively for JRSO claims and which contains a cross-reference to a general docket, in case an adverse claim has been filed. We are not authorized to examine the general docket for any indication as to the identity of the adverse claimant or the validity of adverse claims.

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

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

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

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

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

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

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

In terms of workload, the clerical work of extracting information from the docket is sizeable. In addition, we must keep pressure on OAP

to

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to furnish us with information which will enable us to arrive at a percentage figure of Jewish-owned property claimed by JRSO. Some clerical work will no doubt develop for us also from this operation. We must keep up with amendments of our claims on the basis of OAP acknowledgments. The typing, mailing and filing of amendments and the numbering of our claims, in accordance with OAP acknowledgments, will keep one person fully occupied. Mrs. Bell has taken over this work and is performing it without requiring constant supervision. Accordingly, her salary will, as discussed with you, be increased from \$60.00 to \$65.00 per week, effective as of the 19th September 1955. An additional clerk-typist (\$50.00-\$55.00 weekly) will be required for some of our clerical work in OAP, to relieve me sufficiently to attend to overall supervision, including follow-up on the work to be performed by OAP and the Washington office.

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

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

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

Cordially,

Werner Loewenthal

Enclosure

345095

July 15, 1955

Mr. Harry Leroy Jones
Chief Hearing Examiner
Office of Alien Property
Department of Justice
Washington 25, D. C.

In the Matters of Werner von Clemm, et al
Docket No. 183

Dear Mr. Jones:

Under date of July 7, 1955, a motion for leave to intervene was filed in the above-entitled matter, together with a memorandum in support thereof.

Since the filing of the motion for leave to intervene, counsel for the Jewish Restitution Successor Organization, which had filed a series of claims involving the above-entitled matters, have had discussions with the Chief of the Claims Section of the Office of Alien Property and Counsel for the Claims Section in these matters. These discussions have indicated that certain of the claims of the JRSO can be withdrawn and that a claim limited to the properties described in vesting order no. 4755 and supplemental vesting order no. 4755, as amended, could properly be substituted. Counsel for the JRSO are in the process of preparing the necessary documents to effect this withdrawal and substitution of an amended claim. It is anticipated that, on the basis of the amended claim, motion will be made for leave to intervene.

It would be appreciated if this letter can be made a portion of the record in the above-entitled matters and if such action as might be contemplated with respect to the motion for leave to intervene filed on July 7, 1955, can be withheld, pending the steps above described.

A copy of this letter has been sent to the Chief of the Claims Section, for the attention of Mr. Bernard Friedman, Counsel to the Claims Section in these matters.

Sincerely yours,

Seymour J. Rubin

345096

YIVO 347.17
AJC/ (GEN-10)
Box 295
File 6

July 14, 1955

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

JUL 18 1955

Dear Saul:

I enclose herewith a copy of a letter today sent to the Chief Hearing Examiner of the Office of Alien Property.

Yesterday, I had a lengthy discussion with Creighton, Schor and Friedman of the Claims Section. This discussion followed a previous lengthy telephone conversation with Friedman, who had suggested that we had no proper status because we could not describe persons to whom we claimed to be successors. In the course of my yesterday's conference, I pointed out that whether or not we could name the persons from whom the diamonds in question were supposed to be looted, we thought that if it were established during the course of the proceedings that these diamonds were in fact looted from Jewish owners, we ought have a claim. Mr. Creighton pointed out that most of our claims involved not the diamonds, but shares of stock, etc., which could under no circumstances be considered as having been looted, and that our claims were obviously defective in that we purported to be successors to living persons, including the alleged cloak, Mr. von Clemm.

I agreed that I would withdraw these obviously defective claims and would file a more detailed claim limited to the diamonds themselves. The diamonds are involved only in one vesting order, no. 4755. It was agreed that on this basis the Claims Section would not object to our having intervenor status in the proceedings. Moreover, I believe that on this basis the Claims Section will be on our side in case of a motion to dismiss our claim which may be made by the various private parties who are involved in this litigation.

I will

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I will prepare a special claim and a new motion for leave to intervene, and memorandum in support thereof, within the next couple of days.

During the course of our conversation, Mr. Friedman indicated that the value of the diamonds might be somewhere in the neighborhood of \$200,000.

Best regards.

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevesi
Mr. Loewenthal

345098

YIVO 347.17
Am Jwsh Cmtee
(GEN-10)
Box 295
File 6

June 29, 1955

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

Re: Public Law 626

Dear Colonel Townsend:

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

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

The method by which claims have until now been filed, and continue to be filed, by the JRSO involves the examination of lists of names in an attempt to search out those names which may give a lead to vested heirless properties or interests. In one category of cases, however, this technique, inexact and cumbersome at best, is entirely useless. Those cases arise where a foreign bank maintains an omnibus account, either a securities or a deposit account, with an American banking institution. In those cases, it is quite possible that among the individual items which make up the omnibus account, and which have not been

certified

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certified and therefore released pursuant to the certification and release agreements with the various interested governments, there are substantial amounts of heirless property. Many Jewish persecutees, it is known, deposited funds with Swiss or Dutch banking institutions, which in turn redeposited these funds or purchased securities with them, maintaining the funds or the securities purchased therewith in an omnibus account in an American bank. These amounts and these securities within the omnibus accounts could, of course, not be certified, the owners having been put to death in most cases together with their heirs and other persons privy to the above-mentioned transactions. In the very nature of the case, since the individuals would have been trying to hide assets from the Nazi authorities, records would be scarce. These records, even in the case where they existed, in most instances would have been lost through the vicissitudes of persecution and of war.

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

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

Sincerely yours,

Seymour J. Rubin

CC: Mr. Kagan
Dr. Hevesi
Mr. Loewenthal

345100

DEPARTMENT OF STATE
WASHINGTON



May 24 1955

Dear Doctor Segal:

I am writing you at the suggestion of Mr. Seymour J. Rubin, with whom I had a conversation about the return of various German archives held by the United States. Mr. Rubin was interested in three general categories of documents, and I should like to make the following points concerning them.

First are the archives of the German Foreign Office. These are held in England under joint American-British custody and are being examined and edited for publication by a group of American, British, and French scholars. Several volumes of papers selected from these records have already been published, and more are to come. All the important documents have been microfilmed. There are no present arrangements for returning the records to Germany and no intention to return them in any way which would interfere with the requirements of the historical project. When the archives are eventually returned, it is intended to retain a right of access to them for editorial purposes connected with their publication. Many of the consular documents, relating largely to trade matters, have already been returned.

Mr. Rubin mentioned the records of the Wehrmacht, which are held in the custody of the American military authorities. No decision will be made to return these documents without full regard for United States interests in security, research, and other fields.

Mr. Rubin was also interested in the records held at the headquarters of the International Tracing Service at Arolsen in Germany. With the entry into force of the recent agreements ending the occupation, the Federal Republic of Germany has acquired a status of sovereignty, and arrangements are being made to continue the operations of the International Tracing Service without returning the concentration

camp

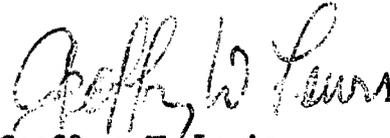
Dr. Simon Segal,
American Jewish Committee,
386 Fourth Avenue,
New York 16, New York.

345101

- 2 -

camp records to German control. These arrangements call for the establishment of an International Commission on which will be represented the three former occupying Powers, the Federal Republic of Germany, the Benelux countries, and Italy and the Government of Israel. This Commission will insure the preservation of the records, the continuing service in answer to inquiries, and will issue directives in agreement with the International Committee of the Red Cross, which will have direct administration of the ITS and will appoint its Director and certain of his subordinates. The costs of the operation will be borne by the Federal Republic of Germany.

Sincerely yours,



Geoffrey W. Lewis
Deputy Director
Office of German Affairs
Bureau of European Affairs

345102

21 April 1955.

7080

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

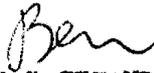
Dear Sy:

I have just come to a memorandum from Saul Kagan which he sent out on 1 April enclosing the draft of your letter to Mr. Barbour, suggesting an amendment to the forthcoming bill returning vested assets to the Germans. If your letter has already been despatched then my suggestions are, of course, superfluous. The reason for the delay simply is that, while you were ruining your digestion devouring matzos I was down on the Cote d'Azur basking in the sunshine and gazing at the Bikinis. I am sure that as an astute gentleman and scholar you will recognize that my pursuit is much more fruitful than yours, and that the reasons more than justifies the delay.

The thought occurred to me that it might be useful if you could add to your letter to Mr. Barbour the fact that the JRSO has had long experience in Germany in dealing with this type of problem. We have operated in Germany under the very close supervision and control of the Department of State, and when confronted with this type of question it has been apparent to all of us that the most feasible approach was by way of a bulk settlement. We have made such bulk settlements with the various governments here, and in all such approaches we have received sympathetic support from the Department. This may serve somewhat to give Mr. Barbour some of the courage he will need in order to react favorably to your letter.

With best regards,

Cordially yours,


BENJAMIN B. FERENCZ

cc: Mr. Kagan
Mr. Boukstein
Mr. Leavitt
Dr. Robinson
Mr. Hevesi

BEF.11

345103

YIVO 347.17
AJC (GEN-10)
Box 295
File 6
No date
nar 4/21/50

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

Dear Mr. Barbour:

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

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

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

I have mentioned the monumental nature of the administrative burden which this task throws upon the JRSO. I should say, also that

the

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

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

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

Sincerely yours,

Seymour J. Rubin

April 1, 1955

Mrs. Toni Neiger
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, New York

Dear Toni:

I have your letter of March 30, inquiring about those accounts which are marked "Paid," "Returned," etc.

1. I talked with Mr. Creighton on the matter, who is no better informed than you or I. He suggested what you might do is fill out claim forms for some of these accounts, but separate them and then bring them down to Washington for discussion sometime in the future. Obviously, it would not be necessary to file claims in those cases in which the notation is "Paid," "Returned," or "Open."

2. Mr. Creighton also felt that Saul ought sign the application forms personally. His point was that the JRSO was really not filing very much of a claim as it was under the present agreed draft, since all of its statements are upon information and belief, and not much of that. I suggested, however, that the alternative of having another person authorized to sign as well as Saul might be adopted. Creighton indicated that he thought that the JRSO ought send a letter to the OAP stating who the persons were who would be authorized to sign for the JRSO.

I would suggest that you arrange with Maurice Boukstein to have yourself or one of the other people in the office designated as Assistant Secretary of the JRSO, and then have a letter sent to the OAP under the signature of Monroe Goldwater, stating that claims under Public Law 626 may be signed either by Mr. Kagan as Secretary, or the other person as Assistant Secretary.

Sincerely yours,

Seymour J. Rubin

CC: Mr. Boukstein
Dr. Hevesi

345106

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 Madison Avenue

New York 16, New York

MEMORANDUM

1 April 1955

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

From: Saul Kagan

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

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

cc: BEF
JJJ

Dictated but not read

345107

C
O
P
Y

YIVO 347.17
AJC (GEN-10)
Box 295
File 6
Attch to 4/1/5

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

345108

Dear Mr. Barbour:

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

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

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

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

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

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

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

Sincerely yours,

Seymour J. Rubin

March 10, 1955

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

Re: Public Law 626

Dear Saul:

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

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

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

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

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

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

proposal

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MAR 14 1955

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

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

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

proposal

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

Best regards.

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevesi
Mr. Ferencz
Mr. Jacobson

345112

Legal

YIVO 347.17
Am Jwsh Cmtee
(GEN-10)
Box 295
File 6

March 9, 1955

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

Dear Saul:

I had a session this morning with Henry Hilken and Philip Blacklow of the Office of Alien Property and Ely Maurer of the State Department, on the question of heirless assets. Our discussion started with the possible existence of heirless assets in connection with the bill introduced yesterday by Senator George, which would make the assets in the United States of the satellite governments or of their nationals, except the directly held assets of individuals, available for claims of American nationals arising out of nationalization or war damage.

You will note the phrase "except . . . individuals" in the above sentence. This means that the OAP is not prepared to vest individually held Rumanian, Bulgarian, etc. assets in the United States. Of the assets of individuals and corporate entities in these countries which have already been vested, there was originally about \$5 million at the time of vesting, of which about \$2 million has now been released to claimants who have escaped from behind the iron curtain. Assuming that a substantial part of this is represented by corporate holdings and that the bulk of the individual holdings is not heirless, one comes to the conclusion that there is very little heirless property involved in that property owned by persons in the satellites which has already been vested. Moreover, this property, having already been vested, is already subject to P. L. 626. As for the remainder, since the OAP will not vest individually held accounts, there is no feasible way at present of asserting a claim to the possible amount of heirless property involved.

The discussion led, however, to a slightly more interesting problem. As you doubtless read in the newspapers, the State Department has told the Germans that it proposes to return all property in the

United

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-2-

United States of individual Germans up to the amount of \$10,000, which it estimates will mean return of 90 percent of the individually held accounts in the United States. I suggested that after this program is completed, or after the claims are in, what is left unclaimed will almost necessarily be heirless property. At the present time, if there is property which has been vested and no claim for return has been filed, the reason for the lack of claim may be either: (a) that the owner is a German who has no valid basis for return, or (b) that the property is heirless. After the program recently announced goes into effect, unclaimed property will almost necessarily fall into category (b) -- except, of course, for such property as is owned by people in the Eastern Zone of Germany, who would not be eligible claimants for return, or to the extent that people forget about their property, or heirs do not know about it, etc.

I discussed our difficulties with the OAP in connection with P. L. 626, and suggested that if we continue to encounter difficulty, what we might do is save a lot of time, money and trouble by indulging the assumption that a fixed percentage of this remaining unclaimed property -- say 90 percent -- was in fact heirless. This would seem a not unreasonable assumption after the East German properties had been excluded. If we indulged this assumption, it would make it easy to have a bulk settlement and to avoid the laborious process of tracking down individual assets, etc. etc.

The general attitude toward this suggestion was one of interest and sympathy. It was pointed out, however, that the program of return suggested by the State Department to the Germans will need legislation and that that legislation will not come into effect, at the earliest, before this summer, after which there will be a period of at least a year for the filing of claims. We might, therefore, find an heirless property settlement postponed for a considerable period of time. I acknowledged that this was so, and said we would for the moment proceed with our present plans with Creighton and company, but that this alternative certainly ought be kept in mind and that it might in fact be raised and discussed in the course of such hearings as take place on the Department's present return proposals.

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevesi

345114

IN REPLY, PLEASE REFER
TO FILE NUMBER

THC:IEB:djw

01-172

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

YIVO 347.17
AJC (GEN-10)
Box 295
File 6

MAR 1955

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

Attention: Mr. Seymour J. Rubin

Gentlemen:

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

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

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

Very truly yours,



Paul V. Myron
Deputy Director
Office of Alien Property

345115

YIVO
Am Jwsh Cmtee
(GEN-10)
Box 295
File 6

February 21, 1955

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

Re: JRSO: Implementation of
Public Law 626

Dear Saul:

I had a meeting with Creighton and company today.

1. Quite obviously, Creighton has not done any further work within the Office of Alien Property on investigating the files or working over our lists. He indicated a desire to clear out of the way the question of the short form of notice of claim, and then to take the other matters up later. He promised that he would discuss with Mr. Townsend at the first opportunity the possibility of working out a procedure within the Office for going over the files and giving us the information necessary for the making of proofs, etc.

2. We had a brief discussion of the status of corporate entities under Public Law 626. Creighton indicated that corporations are not considered to be eligible under Section 32 (a) (2) (C) or (D) and that, therefore, since we were limited to persons eligible thereunder we would not be able to present claims on behalf of corporate enterprises. I am inclined to agree with Creighton on his interpretation of Public Law 626, although I reserved my position on this. I would myself have thought that Section 32 (a) (2) (C) and (D) would make it possible for wholly owned corporations to be eligible claimants -- or, that is, for persons holding the stock in such corporations to be eligible claimants -- but apparently this is not the interpretation which has been placed on the Trading with the Enemy Act by the Office of Alien Property.

3. I also discussed the possibility of working out an eventual compromise or bulk settlement. Creighton and his colleagues seemed to be quite skeptical whether this was possible under present legislation,

arguing
345116

arguing that they had to make the appropriate notations on individual accounts and that there were no general funds out of which they could make such a payment. Their point here would be less good were it not for the Dirksen bill and similar legislation which may very well eliminate the general surplus in the hands of the Office of Alien Property. Again, I reserved our position and indicated that the problem might be taken up again somewhat later.

4. With respect to the form of a notice of claim, we agreed that it would include the following basic items:

(a) The name of the claimant -- that is, the JRSO as successor organization.

(b) The name of the person whose property has been vested and the number and, if possible, date of the vesting order which was involved.

(c) An allegation, based on information and belief, that the vestee was a person eligible under Section 32 (a) (2) (C) or (D) -- that is, was a persecuted person -- and that, again on information and belief, the individual concerned is dead and heirless.

(d) A general provision entitled "Remarks". Under this portion of the notice of claim, we would include whatever information in addition to the above we may happen to have in a specific case, either with respect to the nature of the interest which has been vested or further information about the persecutee, his place of birth, death, condition of heirlessness, etc. The second half of the above is self-explanatory. As to information about the nature of the interest which has been vested, Creighton indicated that it would save some time for the Office of Alien Property if information were available on this, since each of the vesting orders may cover a number of properties.

(e) The notice of claim would be signed, presumably by you as secretary of the JRSO. It would, of course, be dated. It need not be sworn to.

5. I am attaching hereto a draft of a self-explanatory letter to Creighton, together with a draft notice of claim.

I will

345117

I will discuss the matter with Creighton again in the next couple of days. We talked about the problem of going through their files, without any conclusion more definite than the conclusions previously arrived at. Creighton seemed a little more amenable to putting someone to work full time on the files, and raised the clearance problem. I made quite clear that the legislation prohibits us charging any administrative expenses against these recoveries and that we would wish these expenses to be kept quite low. I made the same point in connection with the suggestion that a bulk settlement might be desirable all the way around.

Sincerely yours,

Seymour J. Rubin

Enclosure

CC: Mr. Goldwater
Dr. Hevesi

345118

July 27, 1954.

Dear Boris:

I can well understand your being perplexed by the action advocated by the Schering Corporation, just as many people are perplexed by the Dirksen Bill itself. Offhand, I would say that while I can understand that opponents of this measure, particularly some who are directly affected by it, may go out of their way to try to enlist Jewish support for their own views, on the Jewish side there may be some emotional motive but hardly any tangible, concrete interest served in joining such opposition at this stage.

Besides, the general feeling in Washington is that the Dirksen Bill has little if any chance of being adopted by the 83rd Congress. On July 1, Mr. Dulles gave, at a hearing, his very cautious, restrained and qualified "no objection from a foreign policy viewpoint" to the Bill, but was rather outspoken in pointing out the difficulties involved in the matter from other policy points of view, including those of the already expended war claims payments, the interests of American claimants of war damage compensation from Germany and the general fiscal point of view - approximately the same arguments as used in the Schering letter.

Confidentially, I wish to tell you personally about our own experience with this issue. As you probably know, the good old Hairless Property Bill is still pending. Recently, in a rather difficult legislative situation, we succeeded in securing also Senator Dirksen's support for the ageless measure and in obtaining its by now third passage by the Senate. Soon thereafter, the Senator's staff invited us to testify on the Dirksen Bill itself, probably in the hope that we would feel obligated to show a friendly attitude to a measure sponsored by him. We, of course, politely declined, confining our written answer to the statement that, if enacted, the Dirksen measure ought to make sure that hairless assets of victims of Nazi persecution, as well as Nazi films, books, and other propoganda material will not be returned to Germany. By emphasizing that these demands constituted our sole interest in this legislation, we made it clear that we do not wish to take a position on the merits of the bill. Since then, we have not heard from the Senator, who seems to have understood our position.

345119

Mr. Boris M. Joffe -2-

YIVO 347.17
AJC (Gen-10)
Box 295
File 6

The rationale of this mentality of ours must be clear to you. As you know, we have been rather conspicuously out in front with our advocacy of the Luxembourg Settlement with Western Germany. We realize, on the other hand, that the fulfillment of the significant promises of this agreement will growingly depend on autonomous German goodwill. For this reason, we wished to avoid creating the impression in Germany that the Dirksen Bill, which is receiving tremendous publicity there, was frustrated by "Jewish influence" in the U.S., an interpretation which, if propagandistically exploited may gravely hurt the benefits deriving to Israel from the Luxembourg Agreement. Since, in addition, the Treasury Department is reported to be in sharp opposition to the Dirksen Bill, we felt that there was no urgent need for any Jewish manifestation against the latter.

Hoping that the above information will serve your purpose, I am returning attached the Schering papers.

With warm regards,

Sincerely yours,

Eugene Hovesi

Mr. B. M. Joffe, Executive Director
Jewish Community Council of Detroit
803 Washington Blvd. Bldg.
Detroit 26, Michigan

EH:nh
Encl.

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Red 4100 (11)
GER ASSETS & US

YIVO RG 347.17
Am Jwsh Cte
(Gen-10)
Box 295
File 6

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WASHINGTON 6, D. C.
STERLING 3-5905

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

June 9, 1953

11 1953

Mr. Simon Segal
The American Jewish Committee
386 Fourth Avenue
New York 16, N. Y.

Dear Simon:

You will recall that some years ago I was instrumental in obtaining a determination from the Department of State and from the Office of Alien Property that German Nazi decrees were, as a matter of policy, not recognized by the Government of the United States, and were considered to have no effect or validity over property in the United States. This issue arose at that time, in connection with litigation in New York involving the Arnold Bernstein Lines. While we were not interested in the litigation, we were interested in the principle and I was successful in obtaining a clear declaration of policy.

The issue has recently come up again in a slightly different form. The Office of Alien Property has inquired of the Department of State what should be done in cases in which a creditor asserts a claim against German assets in the United States, but in which, under German Nazi laws, the debtor was discharged of any obligation. Characteristically, a typical case is that of a German Jew who had assets in one of the German banks; those assets were transferred to the German Reichsbank, under a decree providing that in making such transfer, the bank holding the assets was relieved of any liability toward the depositor. The former German Jew is now in the United States and attempts to recover the amount of his deposit against the assets in the United States of the German bank in which he had his deposit. The Alien Property Custodian points out that certain restitution decisions have held, in Germany, that the bank does not have any liability in these cases, because it did not benefit from the transaction. The Alien Property Custodian has therefore inquired of the State Department what United States policy should be in these cases.

I am glad to be able to inform you, though I believe for the present on a confidential basis, that the legal adviser of the State Department has

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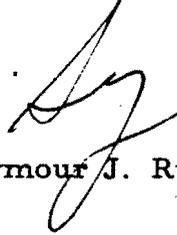
Mr. Simon Segal

June 9, 1953

addressed a communication to the Office of Alien Property stating clearly that the United States should in no case recognize any of the German Nazi decrees. Under these circumstances, the former owner will be in a position to recover the amount of his former deposit.

I believe that this is highly important not only for the persons concerned but also as a matter of principle.

Sincerely,



Seymour J. Rubin

cc: Mr. B. Ferenz

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STERLING 3-5905

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

EUROPEAN OFFICE
SAUL G. MARIAS
6 BAHNHOFSTRASSE
ZURICH 1, SWITZERLAND

June 24, 1959

Tr 9-4500

Dr. Eugene Hevesi
American Jewish Committee
386 Fourth Avenue
New York 16, New York

Dear Eugene:

I refer to the coordinated statements made by the AJCommittee and the AJCongress re the eligibility provisions of S. 672. Phil Baum is handling this for the Congress.

Hearings will be held beginning June 29 before the Subcommittee on Commerce and Finance of the House Committee on Interstate and Foreign Commerce, on H. R. 2485, introduced by Mr. Harris, which is the Administration bill on war claims. These hearings will continue for several days, and probably beyond next week. I will be out of town during the week of June 29.

I would suggest, therefore, that you get together with Phil Baum to send in a statement like the ones which we sent in on the Senate side. I note that the Congress has had the 1957 statement mimeographed, so copies of that should be available; and it can be covered either by a joint AJCommittee-AJCongress letter, or by two substantially identical letters, again endorsing the principle.

For your information, there has been much recent testimony in favor of certain "new citizens". This comes primarily on behalf of those who served in Allied armed services, and are now American citizens. The argumentation is directed to the fact that these persons fought on our side, etc. But if the principle of "international law" is breached, it may be possible to get our broader definition considered.

The provision which we should endorse is that of Sec. 201(c) of H. R. 2005, introduced January 9, 1959, by Representative Younger. It includes all persons who at the date of enactment are either citizens or owe permanent allegiance to the United States.

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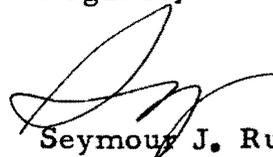
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Page - 2 - Dr. Eugene Hevesi

June 24, 1959

If you like, your letter might also say that if the hearings are continued, the Committee (or both organizations) would like me (or someone else) to appear in person at a later date, should the hearings be continued.

Regards,



Seymour J. Rubin

SJR:jf

cc: Mr. Philip Baum
Mr. Saul Kagan

345124

Excerpt of Testimony Submitted to the Trading with the Enemy
Subcommittee on April 4, 1957.

* * *

As indicated above, S. 600 makes United States citizenship as of the date of loss a prerequisite to recovery. It is the view of the three organizations that the provision on citizenship as a factor of eligibility contained in S. 1302, which would extend the benefits of the law to persons who are citizens at the date of the enactment of the bill, is, in every respect, a more just rule.

The requirement that a person must be a citizen of the date of loss is generally considered a sine quo non in the case of the claim of an individual against a foreign government. i.e. in the case of international claims. Because an individual cannot prosecute a claim against a foreign government, he must turn to a state to espouse his claim. By the application of a legal fiction, the injury to a person is deemed to be an injury to the state of which he is a citizen and his state prosecutes the claim on his behalf. As a result of this legal fiction the rule is international claims has grown up that a state will not espouse a claim unless the person asserting it was a citizen of that state at the time of the loss - otherwise the theory that the state had been injured when the person sustained the loss would have no validity.

This rule has no application in the war damages claims - essentially domestic claims - compensable under S. 600. The claims are not claims against a foreign government. In fact, they are against no government. They are claims which the United States, in the exercise of its sovereign powers, decides to honor. In

these circumstances, the Congress, in fixing eligibility, is not fettered by the rule that it must restrict recovery to persons who were citizens of the United States at the time of loss. Honoring claims which the Congress, in its sole discretion, chooses to honor, and appropriating taxpayers' money to pay the claims, it can permit itself to be as just as it wants to be.

That is precisely what Great Britain did in the disposition of monies which it received from Czechoslovakia in settlement of British nationalization claims.

On September 28, 1949, Great Britain entered into an agreement with Czechoslovakia pursuant to which Czechoslovakia paid Great Britain 8 million pounds sterling "in final settlement.... of claims with respect to British property, rights, and interests affected by various Czechoslovak measures of nationalization..." Article 1 of the agreement defined "British property" as property owned by British nationals on the date of the agreement and "at the date of the relevant Czechoslovak measures" (in other words, at the date of loss.) Despite this clear-cut provision in the agreement, the foreign compensation bill of 1950, enacted by the British Parliament and the order in council promulgated pursuant to that bill provided that persons who were British citizens either on the date of the official decree of confiscation, the date of the physical dispossession, or on the date of the agreement, were eligible to participate in the fund. Referring to the disparity between the provisions in the foreign compensation bill of 1950 and the agreement with Czechoslovakia, the Secretary of State for Foreign Affairs reported to Parliament as follows: "These provisions follow in general those of the agreements (the plural was

used because the reference is to an agreement with Yugoslavia as well), but it is not practicable to follow the agreements entirely because they were drafted for the purpose of making settlements with foreign governments and not for the purpose of application as municipal legislation." In other words, in settling the nationalization claims with Czechoslovakia, Great Britain could assert the claims only of its citizens at the time of loss, but in distributing the bulk amount under its domestic law, it felt free to distribute the money as it chose, and, finding it equitable to do so made the fund available to persons who were citizens at the time of agreement - a much later date than the date of the loss.

American precedent for the provision on citizenship in S.1302 is found in the legislative history of the International Claim Settlement Act of 1949, the act which implemented the agreement with Yugoslavia under which the United States received \$17 million in settlement of nationalization claims of United States citizens arising out of nationalization of their property in Yugoslavia. The act as passed by the Senate provided that persons who were citizens of the United States at the time of the enactment of the law should be eligible to participate in the Yugoslav fund. It was only in conference that the Senate yielded to the House version which limited recovery to persons who were citizens at the time of taking. This example is cited only to show (1) that there are no legal obstacles against the broadening of the rule of eligibility to include persons who were citizens at the time of the enactment of the law, and (2) that even where a fund was received from a foreign power there was the disposition to admit the participation of persons who were citizens at the time of the enactment of the law. A fortiori where the funds

are supplied by the American taxpayer the reasons for extending eligibility to persons who are citizens on the date of the enactment of the law are even more compelling.

Since there are no legal obstacles to the rule of eligibility proposed by S.1302, considerations of justice demand that persons who were citizens of the United States at the date of the enactment of the law should be eligible to compensation for the war losses they sustained. By adopting this recommendation the Congress would be honoring the claims of persons who had contributed to the war effort, whose sons had served in the Armed forces of the United States, who, as taxpayers, had contributed to the fund which is used as the source for the payment of the claims, and who, by virtue of having relinquished their former citizenship, have no government other than the United States to turn to for compensation.

It is important to bear in mind that some of the persons whom S.600 would exclude are persons to whom the United States offered a haven when they were fleeing from persecution by Nazi Germany and her Allies. The moral claim of persons in this category was recognized by the Allied Powers, including the United States, when they insisted that persons who were treated as enemy nationals by the enemy (victims of persecution) should be assimilated to that of United Nations nationals and as such, entitled to recover for the war losses they sustained in the countries where persecution was practiced. Thus, the United States helped in exacting provisions from Hungary, Rumania and Italy that such persons who sustained war losses in these countries be given the same rights that American citizens enjoy under the treaties. It would be strange if the United States were not as solicitous of the rights of these people

in laws which it enacts as it was in the post-war treaties which it negotiated. Moreover, both S.600 and S.1302 contemplate the return of enemy assets sequestered pursuant to the Trading with the Enemy Act. Unless the rule of eligibility contained in S.1302 prevails, the consequence of it would be that persons who were avowed enemies of the United States would have restored to them their property rights, while persons who suffered from the ravages of a war which was preceded by an assault against them, and of which they were the principal victims, would be given no relief for their war damages.

Finally, it should be pointed out that under both S.600 and S.1302, legal entities may recover war damage compensation if 50% of the stock of the legal entity is owned by persons who, as natural persons, could qualify as claimants. It is, thus, possible that 50% of stockholders who at no time were residents of the United States may indirectly recover for the war losses sustained by the corporations in which they hold stock, while persons who have integrated into American life, who contributed to the American war effort and who, as taxpayers, provided part of the funds which will be used to pay the war damage claims, will be denied any measure of recovery. It is not conceivable that the Congress would dignify this bit of irony by incorporating it into law.

AMERICAN JEWISH CONGRESS



STEPHEN WISE CONGRESS HOUSE · 15 EAST 84TH STREET · NEW YORK 28, N. Y. · TRAFALGAR 9-4500

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WILL MASLOW, Counsel
MAURICE L. PERLZWEIG, Consultant
NEHEMIAH ROBINSON, Consultant

June 22, 1959

Dr. Eugene Hevesi
American Jewish Committee
386 Fourth Avenue
New York, N. Y.

Dear Dr. Hevesi:

As I promised, I am enclosing a copy of our submission and release on war claims legislation. You will note that our statement generally follows the earlier document, with some slight changes in wording.

I don't know whether our release was picked up since I was out of town for the past few days, but before I left I received several inquiries from the general press. I should be grateful if you would let me have a copy of your statement as finally submitted.

Cordially,

Phil Baum

Enc.

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June 17, 1959

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EMANUEL RACKMAN
THELMA RICHMAN
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BERNARD D. WEINRYB

Honorable Olin D. Johnston, Chairman
Trading with the Enemy Subcommittee
Senate Committee on the Judiciary
Senate Office Building
Washington, D.C.

Dear Senator Johnston:

The American Jewish Congress has received notice of the hearings to commence on June 18, 1959 which will consider inter alia the question of claims of American nationals for war damages. Among the several bills scheduled for hearing there exist substantial differences with respect to the question of eligibility of American claimants, a matter of deep concern to our organization and to others. We understand that a letter similar to ours is being submitted by the American Jewish Committee.

It is our view that the funds to be used for the compensation of American claimants derive, directly or indirectly, from the American treasury. These funds are contributed by all American citizens, certainly by all those who have resided in the United States for a substantial period and have thereby been subjected to American taxation. To do equity, therefore, we believe that the benefits of the claims remedy ought to be extended to all persons who are American citizens as of the date of enactment of any claims legislation.

WILL MASLOW, Counsel
MAURICE L. PERLZWEIG, Consultant
NEHEMIAH ROBINSON, Consultant

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345131

Honorable Olin D. Johnston

2.

June 17, 1959

By adopting this rule of eligibility, the Congress would be honoring the claims of persons who had contributed to the war effort, whose sons had served in the Armed Forces of the United States, and who by virtue of having relinquished their former citizenship, have no government other than the United States to turn to for compensation. Exclusion of this group would constitute grave discrimination against Americans who suffered from the ravages of a war of which they were the principal victims.

S.744 embodies this criterion of eligibility. We therefore endorse that feature of S.744 as introduced by Senator Young, and we urge the incorporation of the eligibility provisions of that proposal into any legislation which may be recommended by your Subcommittee.

On April 4, 1957, before this same Subcommittee, then dealing with S.600 and S. 1302 introduced in the 85th Congress, the American Jewish Congress joined with others in a statement of views on those bills. That statement dealt in some detail specifically with this question of claims eligibility. For the convenience of the Subcommittee, we are appending the pertinent parts of that statement, and making it a part of this letter.

We request that this letter, together with the excerpt from the joint statement of 1957 appended hereto, be accepted as the statement of the American Jewish Congress and made a part of the June 18 record.

Sincerely yours,



Ira Guilden
Chairman

Encl.

345132

COPY

THE AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE NEW YORK 16, N. Y.

REC'D + INDEXED (10)
GER A YIVO 347.17
Am Jwsh Cmtee
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February 4, 1958

Seymour J. Rubin, Esq.
Landis, Cohen, Rubin & Schwartz
1832 Jefferson Place, N.W.
Washington 6, D. C.

Dear Sy:

Thanks for your letter of January 29 and the enclosed article, both of which gave me some much needed illumination on the matter of the proposed return of German and Japanese vested assets.

I am in thorough accord with Phil and yourself that this legislation is basically wrong and should not be enacted. However, under the circumstances I am inclined, regretfully, to agree that the AJC should not change the position it has previously taken.

With thanks again and warm regards,

Sincerely,

/s/ IRVING M. ENGEL

Irving M. Engel

345133

January 29, 1958

Irving M. Engel, Esquire
Engel, Judge, Miller and Sterling
52, Vanderbilt Avenue
New York 17, New York

Dear Irving:

I have your letter of the 27th.

Since approximately 1944, I have been "one of the leading advocates" of the policy of non-return of German and Japanese vested assets. I have written some articles for law reviews on this subject, and I enclose a copy of my article on "inviolability" of enemy private property, published in Law and Contemporary Problems in the winter-spring 1945 issue. I testified before the House Foreign Affairs Committee some years ago in opposition to a bill which would have authorized the Secretary of State to return such property; and I agree entirely with points (1) and (2) made by Phil Perlman. I recall having met Phil at lunch some years ago and having discussed this matter with him.

So far as point (3) is concerned -- that is, the position of the Jewish organizations -- the matter was raised with me by Eugene Hevesi some years ago, with whom it had been raised by lawyers in Chicago. It turned out that I knew a good many of the people in Chicago who had raised this question, and found that they had no direct interest, but that a law firm in Chicago which represented certain claimants had taken the matter up with them. At that time, so far as I can recall, the matter was discussed and it was agreed that the AJC would pretty much stay out of it. On the one hand, a position in opposition to return would, it was thought, prejudice the work of the Conference on Jewish Material Claims Against Germany; and, on the other hand, a position in favor of return did not seem to be justified and would, in any case, undoubtedly arouse the active dissent of a substantial portion of the Jewish community of the United States. Officially, therefore, on behalf of the AJC, I have participated only in a statement submitted about a year ago on behalf of the AJC, the American

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Jewish Congress, and the B'nai B'rith, which pointed out that were there to be any return, the category of those barred as war criminals should be considerably broadened.

My personal views remain in opposition to return, and I have from time to time furnished memoranda detailing my reasons for this position to the Washington Post and Times-Herald, Senator Javits and others. Nevertheless, I believe that the AJC should take the position which it has taken over the course of the years in relation to this issue.

Sincerely yours,

Seymour J. Rubin

Enclosure

CC: Dr. Segal
Mr. Goodrich

345135

OPY

THE AMERICAN JEWISH COMMITTEE
386 FOURTH AVENUE NEW YORK 16, N. Y.

GER YIVO 347.17
G Am Jwsh Cmtee
Box 295 File 7

January 27, 1958

JAN 27 1958

Mr. Seymour Rubin
Landis, Cohen, Rubin & Schwartz
1832 Jefferson Place N.W.
Washington 6, D. C.

Dear Sy:

I have copy of your letter to Simon Segal dated January 22 with reference to the bill for return of German assets.

I was in error in saying that it was Nate Goodrich who raised this question with me; I should have said Phil Perlman (the fact that the statement was made to me at the cocktail party given by Stanley Woodward at which both Phil and Nate were present may account for, although it does not justify, the error).

Phil made the following points:

1. In the peace treaty, America gave up its claim to reparations in exchange for the express agreement of the German government to take care of the claims of its nationals because of funds seized in this country. The German nationals, therefore, should address their claims to their own government and not to the United States.
2. There would be no chance for passage of the bill if it were not for the highly paid counsel to whom you refer as well as highly paid public relations people such as Julius Klein of Chicago.
3. He felt that Jewish organizations should be interested because of the fact that much of the money, if paid by the United States, will undoubtedly go to former Nazis.

I am not sufficiently familiar with the background to have a firm opinion of my own. I pass on Phil's arguments for what they may be worth.

345136

Mr. Seymour Rubin

- 2 -

January 27, 1958

Copies of this letter are being sent to Simon Segal and Nate Goodrich with appropriate apologies to the latter.

Sincerely,

/s/ IRVING M. ENGEL
Irving M. Engel

COPY

345137

(Sept. 1955)

Report to Executive Committee of Jewish Restitution Successor OrganizationRe: Heirless Assets in the United States 915

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

Although this report is intended to point out the nature and extent of present problems, it is necessary to give some general background. For convenience, this report is therefore divided into three readily identifiable periods -- the period prior to enactment of the law, the period from enactment until the expiration of the filing deadline under the law, and the from-here-on-in period.

I.

In 1948, when the writer of this report became foreign affairs counsel to the American Jewish Committee, work on an heirless property bill in the United States had already begun. The AJC had retained the services of the eminent former judge and ex-Secretary of War, Robert Patterson, to work on and for the bill. A bill had been introduced, in both the House and the Senate, with eminent and bipartisan support -- Senators Taft and McGrath, and Congressmen Crosser and Wolverton, the ranking majority and minority members of the House Interstate and Foreign Commerce Committee. In the 83rd Congress, when the bill was finally enacted, it again had strong bipartisan support.

Before its final passage in the 83rd Congress, the bill had twice been passed by the Senate, but, despite one favorable report from the House Interstate and Foreign Commerce Committee, never by the House. There were a number of House objections to the bill, despite the numerous arguments, based both on precedent and justice, which were advanced by its supporters. Basically, these objections stemmed from the theory that the bill took money from the Treasury for a particular class -- and religious group -- of persons. The testimony in favor of the bill of such persons as General Lucius Clay, who pointed out the precedent set by Military Government Law 59 in Germany, and the fundamental point that only one group had

been so persecuted as to give rise to heirless property, greatly diminished the force and effect of this argument. It was, however, potent enough to delay passage for a long period of time, and it had the side effect of a series of relatively minor amendments to the bill -- amendments which, however, emphasize the need for expeditious and economical implementation. Delay in enactment, as will be pointed out later, is highly relevant to present problems.

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

II.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III.

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

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

With respect to the first problem, that is cleaning up the claims, a considerable amount of work obviously has to be done and, in fact, is currently being done. Because of the method by which the claims were filed, the JRSO has on file a great many of what are obviously worthless claims which merely clutter up the records. The reason for this is inherent in the method which the JRSO was compelled to adopt in filing the claims and the materials made available to it for that purpose. As has been pointed out, for example, the list of names furnished by the OAP, which was the fundamental working document for the JRSO, contained names of custodians of property and of persons having some relation to that property, even though they might not be the beneficial owners of that property. Thus, if property were held by one Israel Cohen, for the benefit of Joseph McCarthy, it is almost certain that a claim has been filed by the JRSO as successor to Israel Cohen, even though no property right of Cohen has in fact been vested. Such a claim should obviously be withdrawn.

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

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

Secondly, the JRSO is faced with the alternatives of processing the individual claims or of attempting to obtain a bulk settlement. It needs little demonstration to show that processing of even 2,000 or 3,000 claims would be an interminable and most difficult job. Addresses would have to be obtained out of the records of the OAP, which in many cases does not have such addresses. Work would have to be done in Germany to try to establish the persecutee status of the person involved. Evidence would have to be presented to the OAP, and in many cases a hearing would have to be held. All of this would be done at a time when it is quite likely that the OAP will

be burdened by a large number of claims for return filed by non-persecutee German nationals, if the Administration proposal for returns of up to \$10,000 is adopted.

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

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

- (a) The clearly untenable claims of the JRSC will be withdrawn.
- (b) A list will be compiled of all remaining claims of the JRSC.
- (c) A supplementary list will be prepared of JRSC claims in cases in which there is an adverse title claim.
- (d) The OAP will furnish figures as to the total amounts involved in categories (b) and (c) above.

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

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

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

Assuming that the principle of a bulk settlement will be accepted and that it can be enacted at the next session of the Congress, in one form or another, the main question will be that of the amount of such a settlement. It is too early to tell what amount will be involved. Since Public Law 626 contains a ceiling of \$3 million, the writer has suggested a floor of \$2 million. There is little doubt that the OAP will oppose such a floor as being clearly in excess of the amounts which could conceivably be regarded as subject to Public Law 626. It is more than likely that a bulk settlement amendment would have the approval of the Administration only if it had no floor whatsoever; and, in point of fact, the floor can be justified primarily on the ground of symmetry rather than of logic -- that is, that there is a \$3 million figure already in the legislation.

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

Seymour J. Rubin

September 1955

345145

WORLD JEWISH CONGRESS

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

YIVO 347.17
Am Jwsh Cmtee
(GEN-10)
Box 295
File 9

September 19, 1955

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

Dear Saul,

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

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

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

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

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

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

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

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

Best regards,

Nehemiah Robinson

NR:ls

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

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

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

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

"Section 201. As used in this Title, the term or terms - - . . .

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

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

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

MEMORANDUM WITH RESPECT TO PROPOSED AMENDMENTS

YIVO 347.17
AJC (GEN-10)
Box 295
File 9
(attch.9/19/55)

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

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

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

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

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

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

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

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

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

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

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

September 15, 1955

YIVO 347.17
Am Jwsh Cmtee
(GEN-10)
Box 295
File 9

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

Dear Mr. Wood:

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

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

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

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

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

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

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

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

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

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

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

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

Sincerely yours,

Seymour J. Rubin

Enclosure

345153

Log 1

MEMORANDUM

October 3, 1956

OCT 4 1956

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

FROM: Mr. Rubin

SUBJECT: Letter to Mr. Myron re JRSO Claims

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

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

Seymour J. Rubin

Enclosure

345154

COPY

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Am Jwsh Cmtee
(GEN-10)
Box 295
File 11

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

Mr. Leavitt
Mr. Goldwater
Dr. Slawson
Dr. Segal
Mr. Boukstein
Dr. Robinson
Mr. Hyman

October 5, 1956

OCT 19 1956
E.H.

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

Attention: Seymour J. Rubin

Gentlemen:

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

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

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

Very truly yours,

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

345155

October 2, 1956

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

Dear Mr. Myron:

I refer to my letter of September 26, 1956. After discussion with your office, it is my suggestion that the following letter be taken as the JRSO proposals, in substitution for those contained in my letter of September 26.

I refer to our conversation of August 20, 1956, during which we discussed possible withdrawal of certain claims filed with the Office of Alien Property by the Jewish Restitution Successor Organization. In this connection, I refer to the memorandum dated March 6, 1956, addressed by Mr. Scher to you, on the subject of JRSO claims, a copy of which was kindly furnished to the JRSO.

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

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

claimant

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

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

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

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

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

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

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

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

Substantial

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

For the Jewish Restitution Successor Organisation

I am

Sincerely yours,

Seymour J. Rubin

August 21, 1956

Mr. Saul Kagan
Jewish Restitution Successor Organization
3 East 54th Street
New York 22, New York

AUG 22 1956

Dear Saul:

I had sessions with the Office of Alien Property yesterday with respect to the following:

1. von Clemm. I talked for a considerable period of time with Mr. Bernard Friedman. The upshot of this was that I indicated our willingness to put in a brief outlining our legal position as soon as possible. I discussed the difficulties of a full factual presentation with Friedman, who agreed that the 6,000 pages of the record made that very difficult. He indicated that there would be a "sympathetic" attitude in the OAP, but that the legal theory behind our claim was one that he was not sure fitted into the framework of our statute. I indicated that I thought that we could handle this problem without too much difficulty. He then went into a discussion of the factual background, particularly with respect to the origin of the diamonds in Germany or in Belgium. He seemed to feel that there was substantial, if not conclusive, proof that the diamonds had come from a looting transaction in Germany. He mentioned the shipper's invoices in this connection, and said the chief doubts with respect to them arose from the fact that in other von Clemm transactions, not involving these diamonds, it had seemed to be proved that there were fabricated invoices.

Friedman also said that the diamonds, if Belgian, had apparently originated with one Landner. Landner has apparently never shown up in these proceedings. It seemed to be suggested that perhaps Landner might be the original owner, that title might not have been transferred from him, and that perhaps he -- Landner -- might be an heirless persecutee. I think, however, that this theory is undoubtedly incorrect.

In any case, what I shall try to do when I can get to it is to prepare a brief on the relation of our claim to the statute -- that is, the Trading With

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the Enemy Act. In Friedman's mind, apparently the fact that we do not have a specific persecutee to whom we claim as successor is a principal difficulty. I think there will be other difficulties interposed by others within the Office.

2. I subsequently had a long talk with Myron and Schor about the JRSO claims in general. They started out with a demand that we withdraw all of those in which there was any conflicting claim. A whole host of arguments, most of them not very good, were thrown at me, including the words "good faith". I took perhaps a stronger attitude than I might otherwise as a result, and pointed out that the whole discussion was nonsensical and that there was no reason why the administrative wheels of the OAP were being held up in any degree whatsoever by our maintenance of conflicting claims. In these cases, by definition the OAP could not dispose of a case without disposing of the claim with which ours was in conflict. At the time of such disposition, they could deal also with our claim.

The upshot of this was that I told them that I would write them a letter, unless otherwise directed, which would agree to the automatic dismissal of JRSO claims in situations in which individual claims were disposed of in any way eliminating the possibility of a valid JRSO claim. We have previously agreed to automatic withdrawal or dismissal of JRSO claims where the claim of an individual is allowed. What we would now do would be to agree to automatic dismissal in those cases in which the claim of an individual is disallowed, but on grounds which make it apparent that the JRSO does not have a valid claim. For example, if the claim of an individual is disallowed because he is an ordinary German national who owned the property prior to vesting, obviously we would not have a legitimate claim, and dismissal could be automatic in such situations. There is no risk to the JRSO in such an agreement. I trust that I can write such a letter and dispose of this issue. I will send you a draft in a day or so.

The above category would, of course, include both the 2,800 or so claims in which the OAP found there were ownership claims conflicting with ours, and the additional claims within the categories set up by the OAP for analysis of our remaining 4,000-odd claims which involve conflicting ownership claims.

Myron also stated the desire of the OAP to have us withdraw those categories of their analysis in which their examination of the records indicates either that there are living claimants or heirs or that the person to whom we claim as successor is clearly ineligible. I said I would take this matter up and would recommend our approval, subject perhaps to the caveat described in the first paragraph above.

I expect

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Box 295
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-3-

I expect that I will be discussing these matters with you within the next few days.

Best regards.

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevesi
Dr. Robinson

Enclosure:

Copy of letter from Mr. Myron

345161

COPY

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Box 295
File 11

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

August 15, 1956

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

AGK 27 1956

Dear Mr. Rubin:

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

I would appreciate your comments, if any.

With kind regards, I am

Sincerely yours,

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

AGK:em
Encl.

345162

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Box 295
File 11

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

August 10, 1956

Dear Congressman Klein:

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

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

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

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

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FOR LFG
& 3 min Story

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

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

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

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

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

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

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

Sincerely yours,

Paul V. Myron
Deputy Director
Office of Alien Property

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(GEN-10)
Box 295
File 11

July 12, 1956

Mr. Saul Kagan
Jewish Restitution Successor Organization
3 East 54th Street
New York 22, New York

Dear Saul:

I spent an hour today with Congressman Klein, mostly talking about heirless assets and German assets -- the latter at his instance, the former at mine. I also talked to Kurt Borchardt.

I think there is no prospect of passage of any of the bills. Klein has apparently been toying with the idea of reporting out his bill on heirless assets, even though he knows of OAF opposition, without hearings. Borchardt thinks that would be a great mistake, would do us no good, and would diminish chances of ultimate success. He also indicates that OAF will probably be opposed even to the Dirksen bill, apparently on the ground that the bill is merely an effort to negotiate a settlement in the amount of some \$800,000.

I suggested to Klein that he send the letter a copy of which is enclosed. I believe that he will do so.

Best regards,

Seymour J. Rubin

CC: Dr. Robinson
Dr. Hevesi
Mr. Hyman

345166

Draft

YIVO 347.17
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(GEN-10)
Box 295
File 11

(no date)
(near July 11 1956)

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

Dear Colonel Townsend:

I write in connection with the problem of heirless property vested by the Office of Alien Property.

On March 15 of this year, Congressman Wolverton and I introduced identical bills which proposed a method of expediting the claims filed with the Office of Alien Property by the successor organization designated by the President in accordance with Section 32 (h) of the Trading With the Enemy Act -- the Jewish Restitution Successor Organization. The bills introduced by Mr. Wolverton and myself proposed that the amount to be paid in settlement of the JRSO claims be not less than \$2 million nor more than \$3 million.

It is my understanding that investigation subsequent to March 15 has indicated that the amount of heirless property actually involved is substantially smaller than the amounts mentioned in these bills. Testimony on this point has been adduced before a subcommittee of the Senate Judiciary Committee, and on June 13 of this year Senator Dirksen (with, I understand, the support of other Senators) introduced S. 4046, a bill which provides a procedure for the settlement of the JRSO claims.

My

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My attention has now been drawn to a statement in the British Parliament, made on June 26 of this year. It was there stated that:

"The Government has decided that it is right to make some provision to help in cases of real suffering caused by this persecution. It is proposed, therefore, to allocate future accruals up to a total of £250,000 to an appropriate charity for the purpose of relieving suffering occasioned as a result of racial, religious or political persecution by the Nazis in Germany and those countries in which the German Nazi influence predominated . . . An Order in Council is necessary to give effect to these proposals and will be made in due course."

These developments, the prospect of early adjournment of the Congress, and the pressing need of those victims of Nazi persecution who are the intended beneficiaries of Public Law 626, 83rd Congress, prompt me to ask the following questions:

1. Would it not be possible for the Office of Alien Property to take administrative action to carry out the intent of the Congress as expressed in Public Law 626, that some substantial payment be made for the benefit of needy victims of Nazi persecution now resident in the United States, whether by prompt and generous settlement on an over-all basis of the claims of the JRSO, or, in those cases in which claims have been filed and no adverse information has been adduced, by findings that the JRSO is entitled to return of the property claimed?

2. Would

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2. Would the Administration not be prepared to propose legislation which would cut through the endless red tape of claims and hearings in situations in which, by definition, evidence and proofs are almost impossible to come by, and adopt a solution similar to that which is being put into effect by the British Government? It is my understanding that the amount of German assets in Britain is much smaller than that in the United States, and, of course, British losses of various sorts were substantially higher, certainly in proportion to the German property involved, than would be the case in the United States. Would it not, therefore, be the part of wisdom, justice and administrative convenience, in the spirit of Public Law 626, for the Administration to propose allocation out of residual vested enemy assets of a sum in the approximate amount of \$750,000 to the designated successor organization? This amount would be roughly equivalent to the amount allocated by the British Government.

I should appreciate your prompt consideration of these suggestions.

Sincerely yours,

Arthur G. Klein

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March 12, 1956

MAR 12 1956

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

Dear Saul:

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

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

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevesi
Dr. Robinson
Mr. Hyman

Enclosure

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COPY

YIVO 347.17
Am Jwsh Cmtee
(GEN-10)
Box 295
File 11
(also in WJC-C294)

Paul V. Myron, Deputy Director
Office of Alien Property

Arthur R. Schor
Chief, Claims Section

March 6, 1956

JRSO Claims

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

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

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

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

345171

MEMORANDUM

(March 1956)

TO: Mr. Nathaniel Goldstein

FROM: Seymour J. Rubin

SUBJECT: Proposed Bulk Settlement Legislation

As you know, Representatives Klein and Wolverton have introduced a bill in the House of Representatives which would authorize and direct a bulk settlement of JRSO claims in an amount not more than \$3 million and not less than \$2 million. Similar bills were under consideration on the Senate side. However, in the Senate, Senator Dirksen some time ago requested an analysis by the Office of Alien Property of the JRSO claims as a preliminary to introduction of the proposed bulk settlement legislation. The Senator felt that this would provide a better basis for getting legislation than if the bill were to be introduced and then were to be opposed by the Administration.

You will recall that the claims of the JRSO were originally filed on the basis of examination of the records of the vestings by the Office of Alien Property. From these records, there were extracted lists of names which sounded Jewish. The Office of Alien Property then checked these names to indicate those against which claims have been filed, and the JRSO filed claims with respect to those not so checked. This was obviously a gross method of locating heirless assets, but it was the best available to the JRSO. Upon computation, it was found that the amounts of property so claimed were upwards of \$10 million. This was the material available at the time when discussions were held with persons on the Hill about bulk settlement legislation.

The analysis prepared by the Office of Alien Property has resulted in drastic reduction of these claims. The Office of Alien Property has found, for example, that in a good many cases there are existing title claims by living claimants in situations in which the JRSO also has a claim; and this is despite the fact that the Office of Alien Property previously had checked the JRSO work specifically to eliminate JRSO claims in situations of this type. In any case, it now appears that there are some 355 claims, totaling some \$850,000, which the Office of Alien Property would not argue are not valid JRSO claims.

In addition, the JRSO may have some legitimate claims in those cases in which accounts are involved as to which there are debt claims, if those debt claims do not exhaust the amounts in those accounts. The

amount
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amount which may be added to the JRSC claims by reason of this situation is very uncertain.

Under these circumstances, I think it highly desirable, if not essential, that in effect we try to work out a bulk settlement in advance of Congressional hearings on the proposed bulk settlement legislation.

It is quite probable that the Office of Alien Property will say, as it has intimated already, that individual investigations can be carried out in 355 or even 400 cases. However, these are precisely the cases in which there is least information; and even with this number the work of investigation would be very great. A bulk settlement would seem still to be in order.

If a bulk settlement is to be worked out, it can be worked out as well on the basis of the information now available to the Office of Alien Property as on the information which is likely to be available at a later date. In other words, the accounts as to which there is at present little information, and which may be valid JRSC claims, involve names and addresses going back to 1937 and 1938, and investigation is likely to reveal very little more than is already known.

Under these circumstances, I think an argument could be made that the Office of Alien Property has already investigated sufficiently to be able to justify turning over these 355 accounts to the JRSC. In this connection, it should be remembered that if claimants in fact do turn up they will have an opportunity, provided they are eligible to receive returns, to come to the JRSC and obtain from it return of their property for a period of two years after receipt by the JRSC of such property. This would seem to afford substantial protection to the claimant who may be alive or to his heirs.

In my mind, a major reason which can be urged upon the Office of Alien Property for working out a provisional bulk settlement of this sort is that if it is worked out it can in effect be approved by the Congress in connection with Congressional consideration of the bulk settlement legislation. In other words, when the Wolverton-Klein bill or similar legislation comes before the appropriate Committee, the Office of Alien Property can appear, can outline the steps which have been taken on the basis of which the provisional agreement with the JRSC has been worked out, and can state to the Congress exactly what it proposes to do by way of a bulk settlement agreement if the legislation authorizing such an agreement is enacted. If the legislation then passes, on the basis of such a Congressional history, it will be clear that the Congress has approved the method and the amount of the bulk settlement, even though technically the legislation would not go into these details. This will afford a protection to the Office of Alien Property

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beyond anything that it could obtain if it were to work out a bulk settlement in whatever amount on the basis of previously enacted legislation authorizing a bulk settlement.

In the interest of expedition, of saving of tremendous administrative coats, both on the side of the Government and on the side of the JRSO, and in the interest of obtaining the maximum amount of Congressional approval, I suggest that the Office of Alien Property be urged to work out such a bulk settlement, to be entered into when and if legislative authority is granted, in advance of legislative consideration of the proposed bills.

In discussions with the Office of Alien Property, it might be suggested that this whole problem could be wrapped up at one time. On its side, the JRSO would withdraw all of those claims to which the Office of Alien Property has objection, including such difficult claims as those involving omnibus accounts, etc., and would agree to accept a settlement based on the amounts (minus conservatory expenses) in the 355 accounts which the Office of Alien Property feels may be legitimate JRSO claims. On its side, the Office of Alien Property would agree, subject to any later received information indicating that any of the 355 accounts are not claimable by the JRSO, to transfer the amounts in those accounts to the JRSO (minus conservatory expenses), subject to the present statutory safeguards. Both the JRSO and the Office of Alien Property would agree to support legislation authorizing the making of such a bulk settlement. Under this procedure, it would appear to me that the best results for both sides would be obtained.

March 28, 1956

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STATEMENT OF DR. HERMAN A. GRAY

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Nov. 1955
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My name is Herman A. Gray. I am appearing today on behalf of the American Jewish Committee, in my capacity as a member of the Executive Board and of the Foreign Affairs Committee of the American Jewish Committee.

I believe that the nature and objects of the American Jewish Committee are too well known to require any extensive statement here. It is sufficient to point out that the American Jewish Committee was founded some forty-eight years ago, with the object of preventing the infraction of the civil and religious rights of Jews in any part of the world. It has from the date of its founding endeavored, in accordance with the statement in its charter, "to alleviate the consequence of persecution". It has been ever mindful of both the duties and the privileges of American citizens, and it has cooperated with the United States Government in many ways which have jointly advanced the purposes of the Government of the United States and of the Committee.

The matter to which I wish to address myself today arises specifically in connection with certain of the provisions of Title II of S. 2227, the so-called Administration bill, which is one of the bills before this Subcommittee. Although I shall propose an amendment directed to the provision of S.2227, the substance of my amendment would apply as well to any legislation which may be enacted by the Congress of the United States which would deal with the claims of American nationals

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arising out of or in relation to the war. In essence, what I wish to propose on behalf of the American Jewish Committee is that persons who have recently acquired American citizenship, and who were persecuted during or before the period of the war, should be treated on a basis of equality with other American citizens, in so far as claims comprehended by the legislation in question may be concerned.

The proposal which I urge upon the Subcommittee is incorporated in the following language:

Amend Title II, Section 201, of S. 2227, as follows:

"Section 201. As used in this Title, the term or terms --...
(c) the term 'national of the United States' includes (1) persons who are citizens of the United States, [and] (2) persons, citizens of the United States as of the effective date of this Act, who, if they were nationals of an enemy country, would be qualified for return under the provisions of Section 32. (a) of this Act, and (3) persons who, though not citizens of the United States, owe permanent allegiance to the United States. It does not include aliens."

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The purpose of this proposed amendment is, I think, plain. It would make eligible to file claims under the legislation in question persons who have been regarded and treated as enemy by Germany or Japan during the war and who are citizens of the United States at the effective date of the legislation.

By way of introduction, I might say that the American Jewish Committee would be happy to see a simpler amendment introduced, which would merely make the condition of eligibility be that the claimant is a citizen at the effective date of the Act. We see, in fact, no substantial reason for discriminating against persons who have acquired their citizenship recently, when the question at issue is claims which arose out of persecution and out of wartime acts of our enemies. Nor do we know of any principles of international law which would prevent the United States, in enacting American legislation, from compensating all persons equally who are eligible claimants as of the effective date of the relevant legislation, without regard to the time when they acquired their American citizenship.

We recognize, however, that such an amendment would broaden the category of eligibility very substantially and that the funds which the United States proposes to appropriate for such claims -- the amount under S. 2227 is \$100 million -- might well be inadequate, were the category so greatly enlarged. In proposing the amendment which I have described above, we have been mindful of this possibility and have attempted to draft language which is based upon principles already embodied in legislation enacted by

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the Congress and approved by the President of the United States. That legislation has established that persons who were treated as enemy by the enemies of the United States are to be accorded substantially the same rights as citizens of the United States. That principle is embodied in such legislative enactments as the Trading With the Enemy Act, which in 1946 was amended to provide for return of property to persons who, while technically enemy nationals, were in fact treated as enemies by Germany and Japan and by their satellites, and in various international acts and agreements, among them the treaties of peace with Italy, Bulgaria, Hungary and Rumania, all of which were ratified by the Senate of the United States.

Prior to 1946, the Trading With the Enemy Act did not provide for return of property other than to nationals of the United States, or to other non-enemy nationals. The Congress decided, however, in amending the Trade With the Enemy Act in that year, that persecutees -- persons who were persecuted and deprived of their rights for political, racial or religious reasons -- were to be entitled to return of properties vested by the Alien Property Custodian. That program has been in effect since 1946 and it has enabled many people, among them a large number of present citizens of the United States, to obtain return of their properties from the Alien Property Custodian.

Similarly, when the treaties with the Axis satellites were negotiated, the United States insisted on the insertion of clauses which would guarantee
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that persecutees had the same rights as United Nations nationals -- that is, nationals of any one of the United Nations. This was made particularly applicable to all claims with respect to damage to property. Thus, Article 78 of the Treaty of Peace with Italy, which is substantially identical with similar provisions in the other satellite treaties, provides for restoration of legal rights and interests in Italy of the United Nations and their nationals, for the nullification of measures of seizure and sequestration, for invalidation of transfers resulting from force or duress, and for the restoration to good order of the property returned. Paragraph 4 (a) of Article 78 states that where property cannot be returned or "where, as a result of the war, a United Nations national has suffered a loss by reason of damage to property in Italy, he shall receive from the Italian Government compensation in lira to the extent of two thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered". Paragraph 9 of Article 78 provides that "the term 'United Nations nationals'...includes all individuals, corporations or associations which, under the laws in force in Italy during the war, have been treated as enemy". A similar provision is also contained in Article 25 of the State Treaty with Austria. It will be noted that this provision is contained, therefore, in a treaty with a liberated country, as well as in the treaties with the former enemy countries.

Thus the United States has given direct rights with respect to property claims arising out of the war under the treaties of peace with Italy and the Balkan satellites to persons who were not United States nationals as of the time of the injury suffered by them or their property. This principle is clearly applicable to the claims which are here under discussion, particularly

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since it is suggested that eligibility be conditioned upon the possession of American citizenship as of the effective date of the legislation. A persecutee who was "treated as enemy" by our enemies during the war is regarded under the treaties which we have so far negotiated as a "United Nations national". If he is also an American national as of the present time -- or as of the effective date of the proposed legislation -- he should be given similar equality of treatment with other American nationals. There is no reason why the United States should have, as it did, guaranteed his treatment as a United Nations national under the treaties, only to withdraw such favorable treatment from him when the issue is remedial legislation in the United States.

There are in fact reasons why such persons should be allowed to file claims under the proposed legislation in addition to those which motivated a decision in favor of their eligibility under the treaties. In one way or another the funds which will be made available for the claims which are contemplated in Title II of S. 2227 (or under similar legislation) are funds which come directly or indirectly from the Treasury of the United States. S. 2227, for example, provides that \$100 million will be paid into the German Claims Fund out of any payments received by the United States, through the Export-Import Bank or otherwise, from the Federal Republic of Germany under Article 1 of the agreement between the United States and the Federal Republic of Germany regarding the settlement of the claim of the United States for post-war assistance to Germany. (This is the London agreement dated February 27, 1953.) Regardless of the earmarking of funds in this manner,

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it is clear that what is being done is to take funds which would otherwise go into the Treasury of the United States and to make them available for the special German Claims Fund. This means, in effect, that the present taxpayers of the United States are bearing the cost of this claims program. One hundred million dollars, which would otherwise be available generally for governmental purposes, upon Congressional authorization will become available for the claims described in the legislation. Clearly, the burden is being met by present taxpayers in the United States. Among those taxpayers, of course, are the persons who would, if the amendment which the American Jewish Committee recommends were adopted, become eligible claimants.

In this regard, the proposal made here is somewhat different from the similar proposal which has been made by the Washington Counsel of the American Jewish Committee, Mr. Rubin, in connection with the recently passed legislation regarding claims against the Balkan satellites. In those cases, the funds of the Balkan governments and of certain of their nationals were, pursuant to the treaties, utilized for American claims. In this case, what is being done is to take amounts which are due to the Treasury of the United States, and therefore are in equity owned equally by all citizens of the United States, and to use those funds for the claims described in the proposed legislation.

Under these circumstances, it is not merely those reasons which motivated the inclusion of Article 78 in the Treaty of Peace with Italy and similar

similar provisions in the other treaties, and not merely those reasons which motivated the Congress to amend the Trading With the Enemy Act to provide for return of vested properties to persecutees, which argue for the proposed amendment. In addition, it is the principle that when the United States takes funds out of the general Treasury of the United States for certain groups of claimants, it shall not discriminate between those claimants on the ground of whether they have recently or remotely become American citizens. In all equity and good conscience, persons who would be United Nations nationals under the treaties, and who are now American citizens and taxpayers, are entitled to equality of treatment.

Finally, I should point out that there is no rule or principle of international law which in any way conflicts with the amendment which I propose. We are here discussing American legislation, disposing of American funds on behalf of American claimants. We -- that is, the Congress and the President, acting in accordance with our Constitution -- can deal with this matter in perfect freedom, subject always to those principles of equity as among citizens of the United States which that Constitution requires.

I therefore respectfully urge upon this Subcommittee that it favorably consider the language which I have proposed. I have, of course, no vested interest in that particular language, and another formula which would equally incorporate the principles of which I have spoken would be equally acceptable to the American Jewish Committee. It might be, for
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example, that language which referred to refugees within the meaning of the Geneva Convention on Refugees, and who are now American citizens, would prove acceptable to the Subcommittee.

The language which I have proposed has been drafted so as to conform as closely as may be to present legislation now in effect in the United States which incorporates tests which have been administered easily over the course of the years. Other language might well be devised which would be equally appropriate or superior. The basic point, however, is that those persons who were persecuted, who are regarded as United Nations nationals under the terms of the treaties to which we are already party, and who are now American citizens, should not be discriminated against in the allocation of funds which come out of the Treasury of the United States and in which, in all equity, they are entitled equally to participate.

Before I close, I should like to draw the Committee's attention to one other problem, which is of general interest to all American claimants. Under Section 203 (a) of S. 2227, compensation is limited to claims which arose out of property damage or loss in Albania, Austria, Czechoslovakia, Germany, Greece, Poland or Yugoslavia. It is my understanding that the reason why losses in these countries are to be compensated is that these countries have no statutory provisions for compensation in respect of war damage or no agreements with the United States giving equality of treatment under local war damage compensation legislation to American nationals. Representations have been made to the American Jewish Committee that in point of fact the situation is no different in a number of other European countries which are, however, excluded under the terms of the bill as drafted. In a great many of these countries, there is in fact no compensation available for war damage to the property of American nationals — and when I use the

term "American nationals" I, of course, refer hopefully to the definition which I have previously suggested. In many cases, countries not listed in Section 203 (a) provide no effective compensation for war damage, so that the equality of treatment of American nationals is an equality in the sharing of nothing at all. In other cases, the compensation provided is so inadequate as to be minuscule. In those cases, it would be our suggestion that it would be desirable to provide for compensation to American nationals with, however, adjustment for any compensation which may be received or due under awards made under foreign war damage claims legislation. The administrative feasibility of this kind of provision is indicated by the fact that it commonly occurs in other types of claims legislation.

The American Jewish Committee wishes to endorse a separate amendment to S. 2227 which would provide for a bulk settlement of the claims of restitution successor organizations for heirless property, of persons deprived of their life or liberty on racial, religious or political grounds.

I hope that these suggestions will meet with the Committee's and the Congress's approval, and I thank the Committee for its attention.

November 29, 1955

Statement before the Subcommittee on the Trading With the Enemy Act of the Senate Committee on the Judiciary
no date
(assume Nov.1955)

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

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

During the Nazi regime in Europe, some 6 million Jews perished. Their property, as well as the property of those who managed to survive the Nazi holocaust, had been confiscated in one form or another by the Nazi authorities. One of the first acts of the Allied forces in Europe was to rescind

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the old Nazi laws and to put into effect restitution procedures which would restore their properties to those persons who survived or to their legitimate heirs. Military Government Law 59 in the American zone of Germany was an early example of the implementation of this policy. It served as the model for other similar laws in the other Western zones of Germany. Moreover, its principles have been continued, and to a certain extent expanded, in connection with the Contractual Agreement which forms the basic constitutional document for the Bonn Government.

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

The organization which was designated by General Clay under Military Government Law 59 to collect the Jewish heirless properties was a New York charitable membership corporation known as the Jewish

Restitution Successor Organization. This organization was founded by a cooperating group of well-established and responsible Jewish organizations in the United States. It had as its objective the filing and the processing of claims for Jewish heirless property. It was accredited to the American occupation forces, was recognized as performing a task which was basic to the Allied occupation of Germany, and cooperated closely -- as it still does today -- with the American authorities in Germany.

It was logical, therefore, that the Congress of the United States should take cognizance of the similar, though much smaller, problem of heirless property here in the United States. Immediately after the war, the Congress had unanimously passed legislation amending the Trading With the Enemy Act and providing that political, racial or religious persecutees could obtain return of their property which had been vested here in the United States by the Alien Property Custodian, even though they were technically "enemy". (In most cases, of course, these persons were in fact stateless.) An individual who was fortunate enough to survive the Nazi regime, and who had been persecuted, could therefore apply to the Alien Property Custodian for return of his property and get that property back. But a substantial number of persons who would have been eligible claimants, and who had property in the United States, had perished, together with their entire families, in Nazi Germany or in the Balkan satellites. It seemed logical, therefore, that the action which had been taken by the United States -- and by the other Allied authorities -- in Germany in regard to

heirless property should serve as the model for action with respect to heirless property here in the United States. Legislation incorporating this proposal was put forward in several successive Congresses, always on a bipartisan basis, and with the support of such distinguished Senators as Senators Taft, McGrath and O'Connor. In the 83rd Congress, a bill to this effect was sponsored by Senators Hennings, Dirksen and Langer, and that bill became Public Law 626, to which I have previously referred.

Public Law 626 established the principle that heirless property found in the United States should be used, under strict standards laid down in the legislation, for relief and rehabilitation of the surviving category of persecutees. I need not go into the details of that legislation; but it is indicative that the legislation provides that no portion of the funds to be made available to a successor organization under Public Law 626 is to be used for administrative or legal expenses. Reports are to be made to the Congress and every safeguard is present to ensure that the totality of the funds will be used within the United States for the relief of deserving, needy persons.

The legislation required the designation of a successor organization which would be charged with the quasi-public duty of carrying out its provisions. In January of 1955, President Eisenhower issued an Executive Order designating the Jewish Restitution Successor Organization as the successor organization under Public Law 626. Since that time, the Jewish Restitution Successor Organization has been engaged in the monumental task of attempting to ascertain

the nature and extent of the heirless property in the United States, to file claims within the time limit provided in the law -- which by the time of issuance of the Executive Order had been narrowed to six months -- and to devising a method in cooperation with the Office of Alien Property of the Department of Justice for the expeditious and speedy processing of these claims.

I do not wish to take more of the time of this Subcommittee than is necessary in detailed explanation of the procedures which have so far been devised, but I think some brief outline of them is necessary to an understanding of the present problem. The Jewish Restitution Successor Organization was faced with the fact that no one -- no private individual and no Government office -- had any lists, records, or organized sources of information available which would indicate which were the properties or interests which, under the law, the Jewish Restitution Successor Organization was entitled and in duty bound to claim. Procedures therefore had to be devised. On request, the Office of Alien Property provided a list to the Jewish Restitution Successor Organization. This list contained the names found in all of the vesting orders issued -- some 16,000 of them -- by the Office of Alien Property during the years of its existence since World War II. Experts then carefully examined these lists and, from their knowledge of European communities and nomenclature, and in some cases from direct knowledge, put together another list containing those names which were distinctively Jewish. This, it will be recognized, was not an exact procedure. But this acknowledgedly rough material was then subjected to a series of refining processes. First,