

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/28/95

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

07

August 30, 1945

Mr. Irey

Mr. Coe

Subject: Your Memorandum of August 20, 1945, Concerning Termination of Censorship

I. The intercept material distributed by Censorship has been of use to this Division primarily in connection with its work with Foreign Funds Control, which is, I understand, reporting to you separately.

II. This Division has not undertaken to maintain systematic files of censorship intercepts but has, except for occasional items, systematically destroyed them. I am asking the members of the Division's staff to examine their files and to destroy whatever intercept material they have retained.

301960

8/31/45 - Or. to Mr. Irey

NTD:inc:8/30/45

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/28/75

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

C7

To: The President
From: Secretary Vinson

Enclosed for your files is the original and
a photostatic copy of the document from the
National Advisory Council concerning certain
foreign loans, which you approved the other
day.

Orig. to Kelley 8/28/45

FG:rl 9/28/45

cc filed: Coe, Ness, NAC Misc., NEI Exp.-Imp. Bank Loans, Belgium Loans
France Loans, USSR Loans, White House, C 75, C7

301961

DECLASSIFIED
Authority MM 79079
By WMA NARA Date 6/21/75

RG 56 Entry 360 P box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

MEMORANDUM FOR THE PRESIDENT

From: The National Advisory Council on International
Monetary and Financial Problems

The Council has carefully considered the policies involved in the following proposed loans which have been approved in principle by the Export-Import Bank and submitted to the Council by the Chairman of the Bank: Belgium, \$100 million; France, \$550 million; Netherlands, \$100 million; Netherlands East Indies, \$100 million; and U.S.S.R., \$1 billion.

The loans proposed for Belgium, France and the Netherlands are closely related to the wind-up of lend-lease. Pursuant to your directive of August 17, 1945, Mr. Crowley is arranging lend-lease financing for lend-lease goods in the pipelines and in inventories abroad and on the seas on V-J Day. Export-Import Bank financing is proposed for some of the lend-lease goods which were under requisition but not in procurement on V-J Day. The amounts involved are (in millions of dollars):

	<u>Pipelines in U.S. plus Inventories Outside U.S. (Lend- Lease Financing)</u>	<u>Lend-Lease Requisitions (Export-Import Bank Financing)</u>
Belgium	45	55
France	280 (est.)	550
Netherlands	82	50

Export-Import Bank funds would be made available for requisitions on 3(e) terms, viz., 30 year at 2 3/8%. This would give Belgium and the Netherlands the terms which, Mr. Crowley has informed us, were approved for France, as a result of your and Secretary Byrnes' conversations with General DeGaulle.

The Congress was informed by you and by the Budget Director that a shift from lend-lease to Export-Import

301982

DECLASSIFIED

Authority MM 795079
By WMA NARA Date 6/28/75

RG 56 Entry 360 P Box 13

General Records of the Dept. of
the Treasury

Re: Monetary and Int'l Affairs

- 2 -

financing was contemplated for a portion of the lend-lease program. Through these and later statements to Congress by Mr. Crowley, the Congress was informed of this use of Export-Import Bank funds.

The proposed loans for Belgium and the Netherlands include small amounts for urgent capital goods which were not in the lend-lease programs. This is true of the whole amount of the Netherlands-Indies loan. It should be pointed out, however, that these loans are for only a small portion of the reconstruction goods needed by these countries from the United States.

These credits will assure the maintenance, on a cash-repayment basis, of the pipelines to Western Europe for a short crucial period. The goods involved would have been transferred under lend-lease if the war had continued. Preliminary negotiations indicate that similar arrangements for the U.K., U.S.S.R. and China can be made and thereby liquidate practically all the lend-lease pipelines. Since a portion of the goods are specialized, this solution will also reduce the size of our surplus problem.

The comparatively small amount of reconstruction financing involved in certain of the above loans is for urgently needed items, is tied in with the satisfactory arrangements for settling lend-lease and is backed by good assurances of repayment. Consideration of the major reconstruction needs of these countries will, however, be postponed until the Council has obtained the over-all picture of foreign financial requirements.

The Export-Import Bank loan to the Russians has, as noted above, been approved in principle by the Bank and been considered by the Council. You will recall that the Russians were invited to enter into negotiations for the amount indicated. These negotiations should go forward and we will so inform the Bank if you approve.

FC:KTH:rl 9/21/45

Chairman of the National Advisory
Council on International Monetary
and Financial Problems

301363

DECLASSIFIED
 Authority MM 796079
 By WJH NARA Date 6/21/95

RG 56 Entry 360P Box B
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

C.7

August 20, 1945

Mr. D. W. Bell

Mr. Coo

I am attaching two copies each of two letters received from Mr. Christalov of the UK Treasury Delegation relative to the printing of All mark postage stamps and All shilling currency.

The letter relating to All mark postage stamps is intended to constitute an order by the UK Treasury for the printing of 240 million stamps by the Bureau of Engraving and Printing. I understand that the War Department has placed an order for 240 million stamps, thus making up the total contemplated order of 480 million stamps (War Department cable S 12977, July 19, 1945, two copies of which are attached).

With regard to the letter on All shilling currency, the War Department has answered this letter indicating that it will bear one-half of the cost of the British printing program of All shillings. I understand that the War Department has placed an order with the Treasury for the entire amount of All shillings to be printed in the United States.

Attachments

301964

8/27/45 - Or. to D.W.Bell

JRS:lrn, 8/20/45

DECLASSIFIED
 Authority MM 790079
 By WMA NARA Date 6/28/95

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

C.7

August 24, 1945

Secretary Vinson

Frank Coe

The attached account from this afternoon's paper gives the statements in the House of Commons on the termination of lend-lease. In addition to deploring the manner in which the step was taken and emphasizing its grave effects upon Britain, Attlee also says that he is sending Halifax, Keynes, Brand and others to the United States for conversations "to work things out in a manner which will best promote our mutual interests."

I wonder whether it would be a good idea to have the Advisory Council conduct these conversations. Of course, if they deal only with the immediate questions of the termination of lend-lease, Crowley should conduct the negotiations, but from what we have heard, they are likely to be the first round of an over-all financial settlement with Great Britain. If the Council itself does not wish to hold the conversations, it might appoint a sub-committee for the purpose.

Attachments.

8/24/45 - Or. to Secy.

301965

FC:rd 8/24/45

DECLASSIFIED
 Authority MM 795079
 By WBA NARA Date 6/28/95

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re. Monetary and Int'l Affairs

8/24-5834A

London.—Prime Minister Clement Attlee and Winston Churchill joined in condemning the U.S.' sudden termination of lend-lease, but both expressed hope that means could be found of softening the blow.

Attlee Revealed in Commons that he was asking British Ambassador Viscount Halifax, Treasury expert Lord Keynes and other British officials to return to Washington to discuss ways of "working things out in a manner which will best promote our mutual interests."

"I very much hope that the President will accept an arrangement by which shipping and food and any other supplies required by our forces overseas and by American forces overseas can continue to be furnished for a limited period under the Lend-Lease and Reciprocal Aid Agreement," Attlee said.

Attlee said the American decision to terminate lend-lease meant that Britain would have to pay for food and other non-military lend-lease supplies she had been receiving up to V-J Day at the rate of \$2,000,000,000 worth a year without charge.

8/24-5912A

Add Attlee, London

Both Churchill and Attlee urged Commons to exercise the utmost restraint in commenting on the situation lest they hamper the efforts of British negotiators.

Attlee said the impending Washington conferences on means of winding up lend-lease were instigated by the American Foreign Economic Administrator.

The Prime Minister said he believed it reasonable to regard supplies and services still required by American and British forces overseas "as belonging to a common war effort."

However, he said, there was nothing in the American notification of the termination of the agreement to indicate that the U.S. Administration "may so regard them."

A London Evening Standard dispatch said Attlee and President Truman conferred by telephone concerning the lend-lease situation.

301866

DECLASSIFIED
Authority MM 790079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

20.7

- 2 -

The dispatch said British and American purchasing experts were working on a series of "interpretations" of the President's termination order. These "interpretations" would be designed to soften the impact of the decision on the British diet and economy.

Mr. Truman was quoted as having told Attlee that British misgivings over the effect of the sudden cessation of lend-lease would not materialize.

DECLASSIFIED
 Authority MM 790079
 By WBA NARA Date 6/28/95

RG 56 Entry 360P box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

C.7

August 20, 1945

Mr. D. W. Bell

Mr. Cox

In addition to the 240 million All postage stamps which the British have requested us to print in the United States for the use of the British zone of occupation in Germany, they are now contemplating additional printings in the United Kingdom of about 200 million stamps. This printing is to take place in spite of our offer, after they had requested negatives of our plates, to print any quantities of these stamps which the British might need with reasonable promptness.

In the attached letter the British again request to be supplied with negatives of these plates. I suppose that we have no real basis for refusing the British request in view of the fact that we supplied the Russians with plates for All bank currency. If you agree, I will appreciate your arranging with Mr. Bell to have negatives made available to the British.

Attachment

301968

8/21/45 - Or. to D. W. Bell

JMG:am, 8/20/45

DECLASSIFIED
 Authority MM 796079
 By WMA NARA Date 6/21/95

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re. Monetary and Int'l Affairs

C.7

UNITED KINGDOM TREASURY DELEGATION

BOX 680
 BENJAMIN FRANKLIN STATION
 WASHINGTON, D.C.

Reference 5-1314

Telephone Executive 2020

18th August, 1945

Dear Gunter,

You will remember that on August 7th we discussed my letters to you of July 26th and 30th with particular reference to the acceptance by the War Office of your offer of negatives of A.M. Mark stamps for printing in the U.K. At your suggestion I put to London the consideration that it was preferable on grounds of uniformity that all A.M. Mark stamps should be printed in the United States.

The War Office has now replied stating that they are alive to the advantages of concentrating the entire production of such stamps in the United States but that the need for stamps was so urgent that they felt compelled to place orders in the United Kingdom for printing the following stamps:

4,800,000	3	Pfenning
8,400,000	4	"
9,900,000	5	"
93,000,000	6	"
16,200,000	8	"
72,600,000	12	"

We therefore still hope that you will feel able to provide the negatives and shall be most grateful if you can do so. If you cannot, of course, we must proceed to print from plates to be produced in the United Kingdom.

Yours sincerely,

S/
 A. Christelow.

Mr. J.W. Gunter,
 United States Treasury,
 Rm. 2222 Main Building,
 15th & Penn Ave.,
 Washington, D.C.

AGacs

301969

DECLASSIFIED
 Authority MM 795079
 By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

Meeting of National Advisory Council, August 21, 1945

The National Advisory Council on International Monetary and Financial Problems, held its first meeting today, August 21. The Council was established by the Bretton Woods legislation and consists of the Secretary of Treasury (Chairman), Secretary of State, Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Export-Import Bank.

The Council, in accordance with the wishes of the President, arranged for the preparation of a report on the current foreign financial operations of the Government, and an over-all program of contemplated operations. The Council discussed problems of the expanded Export-Import Bank and methods of coordinating its work with the proposed International Bank. The Council also considered problems connected with the establishment of the International Fund and Bank.

FC:rl 8/21/45

8/21/45 - Coe took Or. to Secy.

301970

DECLASSIFIED
Authority NA 795079
By WSP NARA Date 6/21/75

RG 56 Entry 360P Box B
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

07

August 10, 1945

Mr. George C. Haas

Frank Coe

We have received from Mr. D. W. Bell a request to prepare the following for inclusion in the regular Annual Report of the Secretary of the Treasury for 1945:

- (1) A report on the operations of the Division of Monetary Research during the fiscal year 1945, for the administrative reports section. Because of the war emergency, it is suggested that the report on operations be made as brief as possible.
- (2) An article on monetary developments during the year, for that portion of the report which appears over the Secretary's signature.

391971

8/11/45 - Or. to Mr. Haas

DECLASSIFIED
Authority MM 790079
By WMA NARA Date 6/28/95

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

C.7

August 3, 1945

Mr. D. W. Bell

Mr. Goe

Subject: Mutilated Allied Military Lira Notes.

1. It is recommended that the attached reply be sent to the Supreme Allied Commander, Allied Force Headquarters, authorizing the Bank of Italy to abandon the present practice of maintaining serial numbers of Allied Military Lira currency notes which are redeemed and subsequently destroyed by the Bank of Italy. Neither the Bank of Italy nor the Allied Financial Agency has sufficient personnel to maintain such lists, in view of the rapid growth in the number of mutilated notes.

2. The proposed reply has been discussed with Mr. Broughton, Commissioner of Public Debt, and with Mr. Slindoo, Assistant Treasurer. Both of them state that no such lists are maintained covering U.S. currency notes in the Treasury Department. The extensive labor involved would not be warranted. The original regulations transmitted to the Allied Commission by EAM Airgram 3 of February 20, 1944 (copy attached) were modeled on regulations promulgated by the Treasury Department for field agencies which were authorized to destroy mutilated U.S. currency notes in small amounts.

Attached: Proposed reply
EAT 823
EAM 494
EAM Airgram 3

391972

8/11 - Orig. to DWB

FILE COPY *WYHB*

DECLASSIFIED
Authority MM 79079
By WBA/NARA Date 6/21/75

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

C.7

Draft of Proposed Cable to Supreme Allied Commander, AEFQ, from COS.

Ref: MAT 823

Banca d'Italia is authorized to destroy mutilated and unfit Allied Military Lira notes without maintaining records of serial numbers. Provisions of paragraph 4, TAM Airgram 3, are abrogated.

301973

GEW:as 8-3-45

From Lina

fwg
OS

FILE COPY

DECLASSIFIED
 Authority MM 796079
 By W311 NARA Date 6/21/75

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

C.7

July 20, 1945

Mr. Coo (for your information)

Mr. Gasser

In connection with Mr. Bell's comment concerning the number of "coins" in on the release of 50 million French franc coins to the French authorities the following is a statement of what happened:

Vofendi's office contacted Gasser requesting him to arrange for the shipment of these coins by the War Department to North Africa. After discussing this matter with the War Department and with me, Gasser informed the French that, in view of the lack of military interest in this shipment, it was preferable for the French to make their own arrangements to ship the coins to North Africa. Since the coins were in the possession of the Mint, Gasser put the French in touch with the Mint.

The Mint informed the French that it would be necessary to obtain authority from the War Department to release the coins, since the War Department had paid for the minting of the coins in the first instance. Some months ago Treasury billed the French for these coins (at the same time that the French were billed for the supplemental franc currency). The French had made no payments on this bill. The War Department informed the French that it would issue the release when the French paid for the coins so that the War Department could be reimbursed. The French then made payment for the coins (but not for the currency) and in the attached letter the War Department authorizes the Treasury to release the coins.

After Gasser's original conversations with the French, the Mint carried the "ball" on this, keeping Gasser informed.

Attachment

301974

8/1/45 - Cr. to D.W. Bell

JWB:lm, 7/20/45

DECLASSIFIED
 Authority MM 796079
 By WJH NARA Date 6/21/75

RG 56 Entry 360 P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

Q.7

August 3, 1945

Mr. D. W. Bell

Mr. Coo

We shall shortly be closing out our gold expense account on joint gold sales with Britain in India and elsewhere.

We now have about \$10 million in a reserve for that purpose. The probability is that the total expenses still to be paid will not exceed \$1 million. There will then remain due only a small sum representing our share of losses.

We should now prepare to handle the rupees that will be returned to us by the Army. We do not know what they will probably amount to, although we hope soon to have a good working estimate. The Stabilization Fund will incur a deficit of about 10 cents on each rupee returned by the Army.

I propose, therefore, that the reserve account for expenses and losses be debited to cover the deficit on reversed rupee transactions. I propose also that the profits on further sales of rupees be added to the reserve account until they have been increased to \$15 million. If you approve we will give these instructions to Mr. O'Daniel.

301975

6/3/75 - Cr. to D.W.Bell

DECLASSIFIED
Authority MM 790079
By WJH NARA Date 6/28/95

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

C.7

July 30, 1945

Mr. Bartelt

Mr. Cox

Attention: Mrs. Hayward, Room 5101.

Reference is made to a memorandum of January 18, 1945
from Mr. Glasser of this division, concerning the resumption
of veterans remittances to Gross.

We now have no objections to effecting such payments
in Treasury checks in excess of \$500 each.

381976

8/2/45 - Or. to Bartelt

DECLASSIFIED
Authority MM 790079
By WMA NARA Date 6/28/75

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

I N D E X

<u>Date</u>		<u>Index No.</u>
8/8/45	Memo to Secy. Vinson (8/3) from Mr. White. RE: Proposed letter to Chinese Ambassador re gold for China.	1
8/8/45	Memo to Secy. Vinson from Mr. White. RE: Over-all foreign financial program. Draft letter to President; mema listing channels that U.S. extends financial aid to foreign countries and additional bargaining instrumentalities of U.S.	2
8/8/45	Memo to Secy. Vinson from Mr. White. RE: Mema prep. by Ness & Brenner on operations & func. of Eximbank.	3
8/10/45	Memo to Secy. Vinson (8/9) from Mr. White. RE: Action abroad on Bretton Woods Agreements.	4
8/2/45	Memo to Secy. Vinson from Mr. White. RE: Memo prepared in FFC on background of American Bosch and relationship to George Murnane. Memo dealing with sanctions against Wallenbergs and Enskilda Bank, principal cloaks for Germans in American Bosch.	5
8/10/45	Memo to Secy. Vinson from Mr. White. RE: Suggested draft editorial requested by Mr. Cocks from Secretary.	6
8/14/45	Memo to Secy. Vinson from Mr. White. RE: Attaches THE PATTERN OF SOVIET POWER by Edgar Snow.	7
8/20/45	Memo to Secy. Vinson from Mr. White. RE: Gen. Policy Statement of Eximbank & summary memo prep. by Ness.	8
8/20/45	Memo to Secy. Vinson from Mr. White. RE: Memo to President re GI program in France. <i>WMA CC DU</i>	9
8/21/45	Memo to Secy. Vinson from Mr. White. RE: Letters and memos re London financial discussions with British.	10
8/21/45	Memo to Secy. Vinson from Mr. White. RE: Attaches CENSUS OF FOREIGN-OWNED ASSETS IN U.S. for approval.	11
8/21/45	Memo to Secy. Vinson from Mr. White. RE: Financial Advisor for Military Government of Japan.	12
8/22/45	Memo to Secy. Vinson from Mr. White. RE: FFC licenses relating to France, for approval.	13
8/29/45	Memo to Secy. Vinson (8/22) from Mr. White. RE: Preferential exchange rate for State Department in Brazil.	14
8/28/45	Memo to Secy. Vinson from Mr. White. RE: Draft financial directive for Japan.	15
8/21/45	Mema to Secy. Vinson from Mr. White. RE: Gold captured by U.S. Army in Germany.	16
8/30/45	Memo for the President from Secy. Vinson. RE: Progress report on Treasury activities in Philippines.	17
8/30/45	Memo to Mr. Kelley from Mr. White. RE: Letter on conversion rates for Formosa and Korea, for signature.	18

301977

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/28/95

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

DECLASSIFIED
Authority MM 796079
By WJH NARA Date 6/21/75

RG 56 Entry 360P Box B
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

Assistant Secretary of the Treasury

Date August 30, 1945

To: Mr. Kelley

We have obtained the concurrence of the State Department and it is so stated in the letter. The letter is now ready for the Secretary's signature.

H.D.W.

Mr. White
Room 3134

DECLASSIFIED
Authority MM 796079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re. Monetary and Int'l Affairs

Aug. 31, 1945

My dear Mr. Secretary:

I am writing with regard to conversion rates for Formosa and Korea dealt with in your letter of August 22, 1945.

The Treasury is recommending to the Army and to the Navy that the same rate of conversion be used for Korea as for the main islands of Japan. As you know, our military forces are using in Japan a supplemental yen currency marked "F" in addition to Bank of Japan notes, while for Korea the Treasury is recommending the use of supplemental yen currency marked "A", to be used in addition to Bank of Chosen notes. This is intended as a preliminary step in the direction of establishing an independent currency system for Korea. The Treasury is now drafting concrete proposals for the establishment of a monetary system in Korea completely free of Japanese influence.

With regard to Formosa, since Formosa is to be returned to China, it is felt that our currency practices there should be similar to those used in China itself, i.e. U. S. currency should be used for pay of troops while the Chinese Government provides the necessary local currency for procurement purposes subject to periodic settlements. If it is found that it is temporarily not feasible for the Chinese Government to provide the necessary local currency, it is recommended that our military forces should use U. S. dollars for procurement purposes as a temporary expedient. In case the use of U. S. dollars for our military purposes proves not to be feasible, the U. S. occupying authorities could require the Bank of Taiwan to make available to them Bank of Taiwan notes until such time as the Chinese Government can make other arrangements. In case Bank of Taiwan notes are used the rate of conversion should be 15 Bank of Taiwan yen to 1 U. S. dollar.

It is understood, of course, that as in the case of the main islands of Japan, these rates of conversion for Korea and Formosa are for military purposes only.

The State Department concurs in these recommendations for Korea and Formosa.

301980

DECLASSIFIED
Authority MM 790079
By WMA NARA Date 6/21/95

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 2 -

The Treasury understands that it is not to consult with any foreign government regarding currency matters in Formosa and Korea. These recommendations, therefore, represent the views of the Treasury, as concurred in by the State Department, without prior consultation with any foreign government.

Very truly yours,

/s/ Fred M. Vinson
Secretary of the Treasury.

The Honorable

The Secretary of the Navy.

301981

DECLASSIFIED
 Authority MM 796079
 By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

C. 174

August 30, 1945.

MEMORANDUM FOR THE PRESIDENT

**Progress Report on Treasury Activities
 in the Philippines**

Because of your interest in the Philippines, I am submitting this report to you on Treasury activities relating to that country.

The three year occupation of the Philippine Islands by Japan created near chaos in the Philippine financial, monetary and banking systems as well as in other sectors of the economy. In addition, it created grave problems such as collaborationism and the need to guard against the revival of Japanese influence. With a view to carrying out its responsibilities in the Philippines and thus aiding in the solution of these problems, the Treasury has established an office in Manila which acts in coordination with the military authorities under General MacArthur and in close consultation with the Commonwealth Government.

Foreign Funds Control

In Manila

Under supervision from Washington the Philippine office of the Treasury is dealing with the following problems:

- (a) Restoration of normal business activities. The primary aim of our foreign funds control program in the Philippines has been to expedite the restoration of the business life of the Islands and the reopening of banking institutions. To accomplish this, our controls in the Philippines operate with a minimum of red tape and under strict instructions to license speedily all legitimate transactions within the Islands and with the United States.
- (b) Preventing the revival of Japanese influence. The Treasury has recognized the danger that as the Japanese retreated from the Philippines they would leave behind hidden centers of economic and financial influence to be the basis for post-war revival of

8/29/45 - Or. and 2 cc to Mr. White
 8/29/45 - Or. and 2 cc to Mr. Kelley for the Secretary. Undated
 8/30/45 - Dated and sent to White House from Secy's office.

3-1932

DECLASSIFIED
 Authority MM 796079
 By WJH NARA Date 6/21/75

RG 56 Entry 360P Box B
 General Records of the Dept. of
 the Treasury
 Monetary and Int'l Affairs

- 2 -

political, as well as economic and financial influence. Recognizing that this would be inimical to the security and well-being of the United States, the Treasury has established a control over Japanese and other enemy assets.

- (c) Control over collaborationists and profiteers. One of the most difficult problems in the Islands has arisen from the collaboration with the enemy of disloyal persons. This has made it necessary to establish control over the business operations of those who are believed to have been guilty of such action. We have used our authority in this field to implement the actions taken against such collaborators by General MacArthur and the Commonwealth Government and General MacArthur has voiced his approval of our activities in this field. Closely related is the case of Americans formerly in internment camps whom the Army has reason to believe may have trafficked with the Japanese, while making exorbitant profits at the expense of their fellow internees. Pending decision as to whether such persons should be subjected to penalties as collaborators, it has been considered necessary to block their assets.
- (d) Restoration of trade with newly liberated areas in the Far East. The liberation of occupied China, Burma, Indo-China and other Far Eastern countries by the defeat of Japan has made possible the restoration of trade and financial transactions between the Philippine Islands and these areas. Our office in Manila has already begun to work on this problem and will be ready to issue the necessary licenses to make possible the restoration of legitimate trade with these areas as soon as they are completely liberated.
- (e) Training Philippine personnel in freezing controls. The Treasury is undertaking to train Philippine personnel in freezing control operations so that the Philippine Government can carry on this work after independence.

In Washington

In order to help in the much desired revival of Philippine-United States trade and to further expedite the resumption of business activities within the Philippines, the Treasury in Washington is releasing assets held in the United States by Philippine residents. This is being done as rapidly as is consistent with protecting those whose property holdings were transferred under duress during the Japanese occupation. However, assets held in the United States by collaborationists remain frozen.

301333

DECLASSIFIED

Authority

MM 796079

By WMA

NARA Date 6/28/75

RG 56 Entry 360P Box 13

General Records of the Dept. of
the Treasury

Re: Monetary and Int'l Affairs

C. 74

Treasury Activities with Relation to Financial Rehabilitation.

The Treasury Department has also been actively concerned with the many serious fiscal, banking and other financial problems which have arisen as a result of the Japanese occupation. In all of these matters, of course, we have acted only on the invitation of the Commonwealth Government; examples follow.

- (a) Support of Commonwealth legislation to reduce reserve requirements. At the request of President Quirón, the Treasury supported Commonwealth legislation calling for the reduction of unnecessarily high reserve requirements for Philippine currency. If this bill receives your approval, it will make approximately \$25 million available to the Commonwealth Government for its immediate needs.
- (b) Request for tax expert. The Treasury is preparing to send a tax expert to the Philippines in response to the request of the Commonwealth authorities for the services of a tax expert to assist in the reorganization of their disrupted tax system.
- (c) Bretton Woods. The Treasury is now giving consideration to a request from the Commonwealth Government for advice on suitable Philippine legislation in connection with their adherence to the Bretton Woods Agreement.
- (d) Currency reorganization. We are advising the Commonwealth authorities with regard to the rehabilitation of the Philippine currency system which has been disorganized both as a result of the Japanese occupation and the issuance of currencies by the guerrilla forces as authorized by General MacArthur. In this connection we are considering together with the Commonwealth authorities the feasibility of an overall currency conversion plan.
- (e) Rehabilitation of banking system. We assisted in the restoration of banking facilities including the reopening of American banks in Manila. At present we are being asked for advice with regard to pending legislation on the rehabilitation of the Philippine National Bank.

Treasury Activities with Relation to U. S. Military Forces.

In addition, the Treasury has been assisting the U. S. Army and Navy with regard to their financial problems in this area. For example, we have been considering the matter of the Philippine exchange rate as it affects United States Army expenditures in the area and the welfare of American troops stationed there in light of the existing serious inflation.

DECLASSIFIED
Authority MM 79079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box B

General Records of the Dept. of
the Treasury

Re: Monetary and Int'l Affairs

DECLASSIFIED

Authority MM 795079
By WMA NARA Date 6/28/95RG 56 Entry 360 P box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

C-94

August 20, 1945

Secretary Vinson

Mr. White

Re: Gold Captured by U.S. Army in Germany

(1) During the invasion of Germany, the U.S. Armed Forces captured about \$200 million worth of gold in the Markers mine and other miscellaneous lots of gold hidden in other places in Germany. This gold is at present in the custody of the U.S. Armed Forces at Frankfurt.

(2) Investigations are under way to ascertain the origin of the gold in question as well as to ascertain the disposition by Germany of other gold looted by it during the war from occupied countries. Investigations to date indicate that certain portions of the gold, probably the larger portion of it, can be identified as to origin, but investigations are still incomplete and the full facts are not known.

(3) Various nations which lost gold to the Germans and particularly France have been quite vocal in demanding that the gold in question be distributed to them.

(4) The Treasury, while not having arrived at a definite position on the ultimate disposition of the gold, has been taking the position that nothing should be done with respect to the gold which would prejudice any one of a number of alternative ultimate solutions. Among these possible alternative solutions are the following: (a) treating the gold as war booty to the U.S. Armed Forces; (b) treating the gold as part of the pool of German external assets for reparation purposes; (c) treating the gold, to the extent it is identifiable, as restitutable property for return to former owners.

(5) Ambassador Fauley has transmitted to the President and other interested agencies, including the Treasury, a cable containing the following recommendation as to the disposition of the gold:

That if the gold or any part of it is returned to the liberated countries either on the basis of restitution of identifiable property or under a "common pot" formula, arrangements should be made that any claims of the United States against such countries whether for payment of obligations on account of the importation of food and supplies to such countries or otherwise, should constitute a lien against the gold. Fauley's point

301986

8/21/45 - Cr. to Mr. Kelley for Secy. Vinson.

DECLASSIFIED

Authority MM 795079
By WMA NARA Date 6/28/75

RG 56 Entry 360 P Box 13
General Records of the Dept. of
the Treasury
Re. Monetary and Int'l Affairs

- 2 -

really seems to be that we should not surrender this bargaining weapon when there are outstanding so many claims and potential claims against the countries claiming the gold and other issues with respect to which we desire their concurrence.

(6) State Department proposes to tell Pauley that this Government should not hold on to the gold for any purpose, bargaining or otherwise, but instead should treat the gold as constituting a pot from which payment will immediately be made on a pro rata basis to all Allied countries which had gold stolen from them by the Germans.

(7) It is our view that a determination cannot and should not be made now concerning the final disposition of this gold and that the U.S. forces should continue to maintain custody of the gold at least until the facts are fully known and until we have some more clear indication of how the countries involved intend to respond to the claims we have against them and the extent of cooperation they intend to give us in various matters, such as the question of the mobilization and disposition of all German external assets.

(8) The present status of the reply to be given to Pauley's suggestion is as follows:

(a) The State Department draft reply has been submitted to Secretary Byrnes for approval;

(b) We understand that the White House draft of the reply is also on Byrnes' desk, but we have been unable to ascertain the nature of such reply;

(c) We have given State Department representatives a copy of the attached draft reply with the distinct understanding that it has not been cleared with you. The State Department representatives indicated that they might also show our draft reply to Secretary Byrnes.

Appended is also a copy of the cable received from Pauley and the proposed draft reply of the State Department submitted to us for comment.

301987

LGA:JHF:fls
8/20/45

DECLASSIFIED
Authority MM 790079
By WPH NARA Date 6/21/95

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

6/27/45

Proposed Reply to Ambassador Pauley's Cable Concerning Disposition of German Gold.

Careful consideration has been given to your suggestion concerning the disposition of the gold captured in Germany by the U.S. Armed Forces. It is the view of this Government that final decision concerning the disposition of this gold should be postponed until the Control Council has agreed to appropriate measures for the mobilization and disposition of German-owned external assets in accordance with the decisions taken at Potsdam on this subject. In the meantime, the U.S. Armed Forces should maintain custody of the German gold.

It is our view that postponement of the ultimate decision concerning the gold and the continuance of American custody will have the advantages which your suggestion seeks to achieve without arousing the inevitable controversy with our Allies which the assertion of a lien would produce.

JFriedman:fla
6/27/45

301988

DECLASSIFIED

Authority MM 795079
By WMA NARA Date 6/21/75

RG 56 Entry 360 P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

SECRET

USPCLAD

BERLIN

PERSONAL FOR FAULEY FROM THE SECRETARY

I have consulted the President, the Secretary of the Treasury and Mr. Crowley of FEA in regard to the recommendation contained in your telegram of August 5 (from Berlin via War) that the United States retain a lien on gold looted by Germany from occupied countries in Europe until past and prospective claims of the United States against such countries are settled. I have also noted that your telegram of August 13 (No. 3891 from Moscow) renews this recommendation on looted gold and includes a recommendation for imposing similar conditions on the restitution of looted securities.

It is the view of the President, my view, and that of Judge Vinson and Mr. Crowley that this government cannot adopt your recommendations. The considerations on which this view is based are as follows:

- (a) The United States has no moral or legal basis for laying claim to or attaching this or any other gold belonging to foreign countries in settlement of past or prospective debts;
- (b) The United States is bound by its adherences, given without reservation, to the United Nations' declaration with respect to Axis acts of dispossession of January 6, 1943; the gold declaration of February 22, 1944; Bretton Woods resolution VI; and resolution six of the Conference on Problems of War and Peace held

301989

DECLASSIFIED
 Authority MR 795079
 By WMA NARA Date 6/28/75

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re. Monetary and Int'l Affairs

SECRET

- 2 -

at Mexico City. In these declarations, which were sponsored by the United States and to which the United States invited the signatures of other nations, the United States is solemnly pledged to support the restitution of looted property:

(c) An attempt by the United States to lay claim to gold belonging to countries with which it maintains friendly relations would seriously prejudice these relations. Particularly is this the case since the United States now owns the greater share of the world stock of monetary gold.

The position of the United States, which you should express in your dealings with your colleagues on the Allied Commission on Reparations, is that gold captured by US forces, as well as gold captured by other Allied forces, should in principle be restored to the countries from which it was looted without reservation, condition, or encumbrance. This Government recognizes, however, that German disposition of some looted gold, and the impossibility of identifying the origin of other gold, require for the sake of equity a modification of the simple principle of restitution of identifiable looted objects to the jurisdiction from which they were removed by Germany. The necessity for such modification and the content of paragraph 10 of the Reparations section of the Berlin Protocol have resulted in the advocacy by the United States of the policy of pooling all gold found in Germany and Austria by Allied troops (British, American, French and Soviet) into a common pot. This gold would then be divided among countries which can establish the fact of

301990

DECLASSIFIED
 Authority MM 796079
 By WMA NARA Date 6/21/95

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

SECRET

- 3 -

German looting of gold from their jurisdiction, other than USSR, in proportion to their established losses.

This Government is similarly committed to a policy of restitution of securities looted by Germany from occupied countries of Europe, without reservation, condition or encumbrance. To the extent that the jurisdiction from which some securities have been removed cannot be established, an equitable principle of distribution must be devised among the UK, USSR, US and France to achieve rough justice in dividing these securities among the countries from which they were looted.

This Government is anxious that steps should be taken at the earliest possible date to restore gold and securities, as well as other types of property, to the countries from which they were removed by Germany. I would appreciate learning from you whether you consider it likely that negotiations with your colleagues on the Allied Commission on Reparations are likely to lead to early agreement on principles and procedure. If so, you are authorized to propose to your colleagues a formulation of the gold-pot policy and of the principle of restitution of securities described above. The Department is considering certain aspects of the gold-pot policy on which agreement would have to be reached: (1) the scope of the treasure to be included in the pot, eg. whether SS accumulations of precious metals from concentration camps, monetary silver, etc. should be lumped with monetary gold; (2) the eligibility of Austria, Italy and the satellites as claimants on the gold pot, and whether their treatment should

301931

DECLASSIFIED

Authority MM 790079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

SECRET

- 4 -

be identical with that of liberated countries; (3) how looted gold which Germany illegally sold during the course of the war should be recovered and whether recoveries of such gold should be added to the pot. If you consider that the Reparations Commission can usefully attempt to deal with this problem, the Department will communicate its views on these points to you.

If, however, you do not believe that the Reparations Commission will be able to dispose of the question of restitution of gold and securities please advise us directly so that the Department can undertake to have these matters settled either in AOC, in other negotiations with the occupying powers, or by unilateral settlement for the US zone of occupation.

Sent to USPOLAD, BERLIN as _____, repeated to London for Clayton as _____, repeated to Paris as _____.

OOBEE BOOM: Please repeat to London for Clayton and to Paris.

FM:GPK:Kleiberger:ST 8/5/45 IS OPD AG WE
BCR A-D 8

Cleared with Treasury _____ Cleared with FEA _____

301392

DECLASSIFIED
 Authority MA 790079
 By WBI NARA Date 6/21/75

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

Paraphrase of Incoming Telegram

To: The Secretary of State
From: Ambassador Pauley - Moscow
Dated: August 13, 1945
Number: 2981

M. Jacques Rueff, the French representative, has not accepted the Berlin Protocol officially, and has reservations concerning French participation in Moscow conferences. He states that the French must know what they are to receive in the way of reparations before they can agree to the Potsdam decisions. I have made it clear that this matter is still one of negotiation among the British, French, American and other representatives of nations claiming a share of reparations from the three western zones of occupation, and that France like the U.K. and U.S. would enter the negotiations without previous commitments or understandings. M. Rueff is also very desirous to have definitions of restitution agreed by us. Since my view has always been that the scope of restitution should be settled in the Commission on Reparations, I have put forward a definition as a basis for negotiation. The draft introduced was that last prepared by Mr. Clayton, modified to take account of the points raised by DEPT's telegram 1770 of August 8. The representative of the USSR was unwilling to discuss the subject, and stated that while he would refer the matter to his government, in his view restitution would be better handled by discussions outside the Reparations Commission. M. Jacques Rueff dislikes the U.S. view of restitution, mainly because it fails to include securities and gold. I replied that this question could be settled later by France, the U.K. and other countries concerned,

outside

DECLASSIFIED
Authority MM 79079
By WML NARA Date 6/21/95

RG 56 Entry 360P Box 13
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

outside of Moscow, since the USSR had waived its rights to gold. It is my strong recommendation to the Secretary of State that the U. S. not restore gold and securities until final agreements have been reached regarding reparations, and until a foreign trade plan has been reached which will permit the U.S. to receive payment for imports into Germany such as are now being diverted from Army stocks for shipment to French and British mines to expedite the production of coal. I fear that unless we are careful, the U.S. will again find itself in the position it reached after the last war, when it financed reparations deliveries to other nations. Please inform me whether arrangements have been concluded for paying for the coal now exported from Germany and for the coal and food which is being delivered to Western Europe from the U.S.

DECLASSIFIED
 Authority MM 795079
 By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

SECRET

WAR DEPARTMENT CLASSIFIED MESSAGE CENTER

INCOMING CLASSIFIED MESSAGE

PRIORITY SECRET

PARAPHRASED

FROM: Commanding General, United States Forces, European Theater, Main,
 Frankfurt, Germany.

TO: War Department

No.: 05/14250

DATE: 5 August 1945

This message is for transmittal to the President, Secretaries of the State and Treasury Departments, and Mr. Crowley, Foreign Economic Administration, from Ambassador E. W. Pawley.

Today I wrote you as follows: We have, as you know, in our possession at Frankfurt, more than \$200,000,000 worth of gold captured in Germany by the United States Armed Forces. A large amount of this gold can be probably identified as having been taken from various liberated European countries. No disposition of this gold has been determined. However, the two following possibilities will soon become the subject of active discussions:

(a) To restore any identifiable gold to the specific countries from which it was taken.

(b) To view the gold (or at least the identifiable part) as a common pot, and equitably distribute it among the liberated countries which lost gold because of enemy action.

It is my understanding that it would be possible for the United States to regard this gold as war booty, from a strictly legal standpoint. I have not insisted on such treatment of the gold, but I do believe that if such gold, or any part of it, is returned to the liberated countries, either on a straight basis (restitution) or under the formula (common pot), arrangements should be so made that any claims of the United States against such countries will, in effect, become a first lien on the gold to be returned. This lien should be applicable to satisfy existing American claims and also to ensure payment of obligations that the claimant countries will incur soon for the importation of food and other necessary supplies. This would mean that, although we admit the superior right

SECRET

301995

DECLASSIFIED
 Authority MM 79079
 By WMA NARA Date 6/28/95

RG 56 Entry 360P Box 13
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

SECRET

Page 2

of the liberated countries to the gold, our continued possession thereof would be for the single purpose of satisfying our claims against those countries, and that such possession should not be relinquished until our existing and immediately prospective claims are satisfied.

End

ACTION: White House

INFORMATION: G-2 (For State Dept., Treas Dept., and FEA)

OL-11-5560 (6 Aug 45)

Note: This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C., 91 and 92, as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

SECRET

301996

DECLASSIFIED
Authority MM 790079
By WJM NARA Date 6/21/95

RG 56 Entry 360P Box 1
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

Attached:

- 3/14 - Letter to Secy. from
Miss LeHand (copy)
- 3/25 - Copy of Mr. Gass' first
draft
- 4/26 - Copy of Mr. Gass' second
and final draft
- 4/28 - Copy of Mr. Luxford's re-
write which was submitted
to Mr. White for approval
and initialed by him.

Job for Secy. 3/17/41

301997

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/21/95

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

Copy of Mr. Luxford's re-write; Original
was initialed by Mr. White and returned to
Mr. Bernstein, Legal Div.

301998

DECLASSIFIED
Authority MM 790079
By WPA NARA Date 6/28/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

C. 22

**NOTE ON FOREIGN FUNDS CONTROL FOR THE PUBLIC
PAPERS AND ADDRESSES OF FRANKLIN D. ROOSEVELT**

On April 10, 1940, immediately following the invasion of Norway and Denmark by Germany, the above Executive Order was issued. This Order, in effect, prohibited transactions in some \$207,000,000 in Norwegian and Danish credits and other assets in the United States except pursuant to license authorized by the Secretary of the Treasury. Under regulations issued by the Secretary of the Treasury pursuant to such Order, reports were required to be filed with respect to all such assets situated in the United States on April 8, 1940.

As other countries were thereafter invaded, or came under the domination of aggressors, the assets of such countries were similarly subjected to the provisions of Executive Order No. 6389 by amendment thereof. Thus, on May 10, 1940, the control was extended to about \$1,619,000,000 of Netherlands assets, \$760,000,000 of Belgian assets, and \$48,000,000 of Luxembourg assets. Subsequent extensions have subject^{ed} to control about \$1,593,000,000 of French assets, \$29,000,000 of the assets of the Baltic countries, \$53,000,000 of Rumanian assets, as well as other assets of Bulgaria, Hungary, Yugoslavia and Greece, and nationals thereof. By October 10, 1940, the control, popularly referred to as "freezing" control, had been extended to more than four billion in dollar assets.

This was not the first time in the history of the United States that our Government established special controls over foreign exchange transactions and over the administration and disposition of the property of

4/17/41

301999

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority MM 796079
By WBJ NARA Date 6/21/95

RG 56 Entry 360 P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

foreigners. During the first World War, our Government (under the Trading with the Enemy Act of October 6, 1917) both imposed exchange controls and took custody of the property of enemy aliens. Again, during the banking crisis of 1933, exchange controls were established.

During the 1930's, more or less rigorous exchange controls had been instituted by most nations, but for purposes widely divergent from those of our foreign funds control. Other nations had established exchange controls to prevent the export of capital, to conserve foreign exchange for necessary imports, or to increase their gain from international trade by exploiting the possibilities of bilateral arrangements. In general, exchange poverty and economic necessity had led to the introduction of exchange control.

The position of the United States was quite different. The United States was not "foreign exchange poor". We were not confronted with a flight of capital; on the contrary, all nations sought to place their liquid capital in the United States for refuge. We had no need to conserve foreign exchange to be in a position to pay for necessary imports; on the contrary, we had a plentiful supply of foreign currencies, and all nations were willing to accept payment in dollars. We were not intent upon using our foreign funds control, as some other countries had done, to avoid payment of freely incurred public and private debts due to foreigners. We had no intention of using our foreign funds control to force other nations into disadvantageous bilateral trade and payments arrangements; on the contrary, the Government of the United States had for years advocated and attempted to bring about a freer system of

DECLASSIFIED
Authority MM 790079
By WJH NARA Date 6/21/95

RG 56 Entry 360 P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 3 -

multilateral international economic relationships.

Freezing control provided this country with a flexible instrument to further our international economic policy. We wished to prevent aggressor nations from using billions of dollars of assets in the United States—belonging to their victims—to finance their program of world conquest and the destruction of Democracy. It would have been contrary to our national interests to allow the aggressors access to billions of dollars under our control and thereby to cancel the effectiveness of the billions we were spending in our program of aid to Democracy.

The assets of these overrun countries had been placed in this country out of confidence in our free institutions and our integrity. It would have violated that confidence for us to have permitted the true owners of such assets to be divested of their property by one means or another—including duress. Moreover, an invasion or other revolutionary change in the political and economic life of a country precipitates conflicting claims to the ownership of property. These claims, of necessity, cannot be fairly resolved at the time. Freezing control served a definite function in minimizing the liabilities and responsibilities of American banks and other business institutions against the assertion of such conflicting claims pending ultimate clarification as to the true ownership of such property. Without freezing control, the implications of affording the aggressor powers access to huge reserves of dollar balances cannot be ignored when we consider the potential use of such balances to bid against us in the purchase of defense materials and for subversive

302001

DECLASSIFIED
Authority MM 795079
By WBA NARA Date 6/28/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 4 -

activities in this country and elsewhere in the American Republics.

Upon the issuance of the first freezing order, the Secretary of the Treasury set up a Committee of responsible Treasury officials charged with the duty of formulating the rules and policies to be followed by the Treasury's Foreign Funds Control office in its administration of the control. The scope of freezing control was such as to raise many problems in which other departments and agencies of the Government had an interest. In such cases their views and suggestions were obtained by the Treasury before reaching a decision with respect to such problems. The Federal Reserve Banks, acting as fiscal agents of the United States, played an important part in the administration of this Control, both in their dealings with the public and in their recommendations to the Treasury.

The provision for specific licenses was designed to avoid individual cases of injustice which inevitably would otherwise have been a by-product of such extensive control. Where the authorities were satisfied that an applicant did not intend to use funds for purposes inconsistent with the objectives of control, special authorizations were granted.

Whenever practicable the burden of specific applications for licenses was eliminated. As the result of studies made of cases arising under the Control, a number of types of transactions relatively standardized in character were found susceptible to adequate control through the medium

302002

DECLASSIFIED
 Authority: NA 796079
 By: WPA/NARA Data Staff

RG 56 Entry 360P Box 4
 General Records of the Dept of
 the Treasury
 Re. Monetary and Int'l Affairs

of general licenses and reports. Within three weeks after the issuance of the first order in April 1940, the first general license was issued. Thereafter a great number of general licenses were issued, which permitted the effective operation of the control with a minimum burden on American business. A further important administrative measure which the Treasury took was the issuance of general authorizations to the Federal Reserve Banks, particularly to the Federal Reserve Bank of New York, to dispose of certain classes of applications without reference to the Treasury Department. This system of general licenses and general authorizations aided in making the administration of the Control flexible, efficient, and prompt without prejudicing its effectiveness. It was possible to decentralize operations and minimize the inconvenience inherent in any regulatory system, and, at the same time, to retain a unified policy. Decentralization resulted in the Federal Reserve Banks being able to act promptly upon almost 50% of the cases without referring the applications to Washington. The general licenses permitted the engaging in literally thousands of transactions per day without the necessity of filing an application of any type. Through such procedure, the volume of the applications actually reaching the Treasury was reduced to the point where the great majority could be acted upon by the Department on a 48-hour basis.

Pressing control from its inception proved to be an effective answer to the problems precipitating its institution. Its ~~great~~ flexibility permitted the Government to cope successfully with such problems with a

DECLASSIFIED
Authority MM 79079
By WMA NARA Date 6/28/95

RG 56 Entry 360 P box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs



- 6 -

minimum burden on legitimate commercial activity. The full extent of its success bears witness to the degree of cooperation and understanding manifested by the public in general and business and financial circles in particular.

DECLASSIFIED
Authority MM 796079
By WBS NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

Foreign Funds Control Is Established.
Executive Order No. 8389. April 10, 1940.

Amendment of Executive Order No. 6560, Dated January 15, 1934, Regulating Transactions in Foreign Exchange, Transfers of Credit, and the Export of Coin and Currency

By virtue of the authority vested in me by section 5 (b) of the act of October 6, 1917 (40 Stat. 411), as amended by section 2 of the act of March 9, 1933 (48 Stat. 1), and by virtue of all other authority vested in me, I, Franklin D. Roosevelt, President of the United States of America, do hereby amend Executive Order No. 6560, dated January 15, 1934, regulating transactions in foreign exchange, transfers of credit, and the export of coin and currency by adding the following sections after section 8 thereof:

"Section 9. Notwithstanding any of the provisions of sections 1 to 8, inclusive, of this order, all of the following are prohibited, except as specifically authorized in regulations or licenses issued by the Secretary of the Treasury pursuant to this order, if involving property in which Norway or Denmark or any national thereof has at any time on or since April 8, 1940, had any interest of any nature whatsoever, direct or indirect:

"A. All transfers of credit between any banking institutions within the United States; and all transfers of credit between any banking institution within the United States and any banking institution outside the United States (including any principal, agent, home office, branch, or correspondent outside of the United States, of a banking institution within the United States);

"B. All payments by any banking institution within the United States;

"C. All transactions in foreign exchange by any person within the United States;

"D. The export or withdrawal from the United States, or the earmarking of gold or silver coin or bullion or currency by any person within the United States; and

"E. Any transaction for the purpose or which has the effect of evading or avoiding the foregoing prohibitions.

"Section 10. Additional reports.

"A. Reports under oath shall be filed, on such forms, on such forms, at such time or times and from time to time, and by such persons, as provided in regulations prescribed by the Secretary of the Treasury, with respect to all property of any nature whatsoever of which Norway or Denmark or any national thereof is or was the owner, or in which Norway or Denmark or any national thereof has or had an interest of any nature whatsoever, direct or indirect, and with respect to any acquisition, transfer, disposition, or any other dealing in such property.

DECLASSIFIED

Authority NA 790079

By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 2 -

"E. The Secretary of the Treasury may require the furnishing under oath of additional and supplemental information, including the production of any books of account, contracts, letters or other papers with respect to the matters concerning which reports are required to be filed under this section.

"Section 11. Additional definitions.--In addition to the definitions contained in section 7, the following definitions are prescribed:

"A. The terms 'Norway' and 'Denmark,' respectively, mean the State and the Government of Norway and Denmark on April 8, 1940, and any political subdivisions, agencies and instrumentalities thereof, including territories, dependencies and possessions, and all persons acting or purporting to act directly or indirectly for the benefit or on behalf of the foregoing. The terms 'Norway' and 'Denmark,' respectively, shall also include any and all other governments (including political subdivisions, agencies, and instrumentalities thereof and persons acting or purporting to act directly or indirectly for the benefit or on behalf thereof) to the extent and only to the extent that such governments exercise or claim to exercise de jure or de facto sovereignty over the area which, on April 8, 1940, constituted Norway or Denmark.

"B. The term 'national' of Norway or Denmark shall include any person who has been or whom there is reasonable cause to believe has been domiciled in, or a subject, citizen or resident of Norway or Denmark at any time since April 8, 1940, but shall not include any individual domiciled and residing in the United States on April 8, 1940, and shall also include any partnership, association, or other organization, including any corporation organized under the laws of, or which on April 8, 1940, had its principal place of business in Norway or Denmark or which on or after such date has been controlled by, or a substantial part of the stock, shares, bonds, debentures, or other securities of which has been owned or controlled by, directly or indirectly, one or more persons, who have been, or whom there is reasonable cause to believe have been, domiciled in, or the subjects, citizens or residents of Norway or Denmark at any time on or since April 8, 1940, and all persons acting or purporting to act directly or indirectly for the benefit or on behalf of the foregoing.

"C. The term 'banking institution' as used in section 9 includes any person engaged primarily or incidentally in the business of banking, of granting or transferring credits, or of purchasing or selling foreign exchange or procuring purchasers and sellers thereof, as principal or agent, or any person holding credits for others as a direct or incidental part of his business, or brokers; and, each principal, agent, home office, branch or correspondent of any person so engaged shall be regarded as a separate 'banking institution'.

302007

DECLASSIFIED
Authority *MM 790079*
By *WMA* NARA Date *6/21/75*

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 3 -

"Section 12. Additional regulations.--The Regulations of November 12, 1934, are hereby modified insofar as they are inconsistent with the provisions of sections 9 to 11, inclusive, of this order, and except as so modified are hereby continued in full force and effect. The Secretary of the Treasury is authorized and empowered to prescribe from time to time regulations to carry out the purposes of sections 9 to 11, inclusive, of this order as amended, and to provide in such regulations or by rulings made pursuant thereto, the conditions under which licenses may be granted by such agencies as the Secretary of the Treasury may designate."

NOTE: This Order of April 10, 1940 was not the first time in the history of the United States that our Government established special controls over foreign exchange transactions and over the administration and disposition of the property of foreigners. During the first World War, our Government (under the Trading with the Enemy Act of October 6, 1917) both imposed exchange controls and took custody of the property of enemy aliens. Again, during the banking crisis of 1933, exchange controls were established.

During the 1930's, more or less rigorous exchange controls had been instituted by most nations, but for purposes widely divergent from those of our foreign funds control. Other nations had established exchange controls to prevent the export of capital, to conserve foreign exchange for necessary imports, or to increase their gain from international trade by exploiting the possibilities of bilateral arrangements. In general, exchange poverty and economic necessity had led to the introduction of exchange control.

The position of the United States was quite different. The United States was not "foreign exchange poor". We were not confronted with a flight of capital; on the contrary, all nations sought to place their liquid capital in the United States for refuge. We had no need to conserve foreign exchange to be in a position to pay for necessary imports; on the contrary, we had a plentiful supply of foreign currencies, and all nations were willing to accept payment in dollars. We were not intent upon using our foreign funds control, as some other countries had done, to avoid payment of freely incurred public and private debts due to foreigners. We had no intention of using our foreign funds control to force other nations into disadvantageous bilateral trade and payments arrangements; on the contrary, the Government of the United States had for years advocated and attempted to bring about a freer system of multilateral international economic relationships.

302008

DECLASSIFIED

Authority *MM 790079*
By *WMA* NARA Date *6/21/75*

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 4 -

Objectives. The foreign funds control system of the United States was established with two major objectives.

On the one hand, it was our purpose in establishing this control to provide an instrument for the more effective performance of the international obligations of the United States, insofar as we were custodians of assets belonging to foreign nationals and governments who had become victims of aggression. Over a period of many decades, but especially in these latter years when fear of war had grown acute, those countries had deposited several billion dollars of assets in the United States. It would have been a betrayal of the trust reposed in us to have allowed those assets to fall into the hands of aggressors.

On the other hand, it was our further purpose in establishing a foreign funds control system to provide ourselves with a flexible instrument of international economic policy. We wished to prevent aggressor nations from using billions of dollars of assets in the United States--belonging to their victims--to finance their program of world conquest and the destruction of Democracy. It would have been contrary to our national interests to allow the aggressors access to billions of dollars under our control and thereby to cancel the effectiveness of the billions we were spending in our program of aid to Democracy.

Scope. The original Executive Order of April 10, 1940, brought under foreign funds control some \$92 million of Danish assets and \$175 million of Norwegian assets. As other nations came under aggressor domination, foreign funds control was extended successively to them also. On May 10, 1940, about \$1,619 million of Netherlands assets, \$760 million of Belgian assets and \$48 million of Luxembourg's assets were included in the control system. Subsequent extensions have subjected to control about \$1,593 million of French assets, \$29 million of the assets belonging to the Baltic countries, \$53 million of Rumanian assets and other assets held in the names of Bulgarian, Hungarian, and Yugoslav nationals. Hence, the grand total involved was of the order of \$4½ billion.

Procedure. The basic regulations of foreign funds control subjected to Treasury license transactions involving properties in which any country named in the Order "or any national thereof" had any interest of any nature whatsoever, direct or indirect, at any time on or after the date on which such control was instituted. "Property" was defined very broadly and "national" was defined, for the purposes of the control system, to include not only the citizens of the affected countries wherever located, but also

302009

DECLASSIFIED

Authority MM 790079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 5 -

citizens of any other country who were within the boundaries of these countries on the effective date of the Order establishing control. The term "national" also included any business organization which had its principal place of business in the "frozen" country or which was controlled, directly or indirectly, by anyone who was considered a "national" as described above. However, citizens of the countries brought under foreign funds control who were resident and domiciled in the United States on the effective date of the Order were not included as "nationals" within the meaning of the Order.

Wherever practicable the burden of specific applications for licenses was eliminated. A number of types of transactions relatively standardized in character were found susceptible to adequate control through the medium of general licenses and reports. Within three weeks after the issuance of the first order in April, 1940, the first general license was issued. Thereafter a great number of general licenses were issued, which permitted the effective operation of the Control, while eliminating the burden of handling a large number of applications for licenses covering transactions of a relative routine character.

The provision for specific licenses was designed to avoid individual cases of injustice which inevitably would otherwise have been a by-product of such extensive control. Where the authorities were satisfied that an applicant did not intend to use funds for purposes inconsistent with the objectives of control, special authorizations were granted. For example, payments out of frozen accounts for goods delivered before foreign funds control was instituted were usually permitted upon application for a license therefor.

Upon the issuance of the first freezing order, the Secretary of the Treasury set up a Committee of responsible Treasury officials charged with the duty of formulating the rules and policies to be followed by the Foreign Funds Control. The scope of freezing control was such as to raise many problems in which other departments and agencies of the Government had an interest. In such cases, their views and suggestions were obtained by the Treasury before reaching a decision.

The Executive Order of April 10 provided that reports under oath had to be filed with respect to all frozen assets, as the Secretary of the Treasury should prescribe in regulations. By virtue of the Regulations issued on May 10, all property situated in this country which was subject to foreign funds control was required to be reported on a special form by any person or business holding directly or indirectly such property, where the value thereof was \$250 or more.

302010

DECLASSIFIED

Authority MM 795079
By WMA NARA Date 6/21/75

RG 56 Entry 360 P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 6 -

The Treasury authorized the Federal Reserve Banks to dispose of certain classes of applications without reference to the Treasury Department. It was thus possible to decentralize operations and minimize the inconvenience to applicants inherent in any regulatory system. Decentralization resulted in the Federal Reserve Banks being able to act promptly upon almost 50% of the cases without referring the applications to Washington. The general licenses, which have been described above, permitted the engaging in literally thousands of transactions per day without the necessity of filing an application of any type.

By these methods a complete check was obtained on all transactions subject to control. Through substantially decentralizing and generalizing the operation of the Control, the volume of applications reaching the Treasury was so reduced that it became possible to act upon them usually within 48 hours.

Accomplishments. Our foreign funds control protected individuals, firms and governments in the invaded areas from being forced to turn over their assets in the United States to the invaders. This was particularly important in view of the methods of exploitation used by the aggressor powers. In each of the invaded countries, it was the practice of the conqueror to compel the registration of all claims expressed in foreign currencies, which were then by one device or another acquired by the invading power. There is every reason to believe, therefore, that had the United States not established the system of foreign funds control, much the greater part of the billions of dollars of the assets held by the invaded nations in this country would have been transferred under duress from the former legal owners to the invaders and their agents.

Such dollar assets would then have been used for purposes in conflict with our national interests. The aggressors who had acquired these dollars could have bid against us in our own markets--in our own country. There would have been no practical limitations on the funds they would have been in a position to supply their sympathizers, their propagandists, their spies and their saboteurs. They could have engaged in preclusive buying in several foreign countries from which we had also to draw supplies. Insofar as, due to the blockade they were prevented from using dollars directly to increase their imports from this continent, they could have transferred funds to their allies and collaborators to whom the seas were still open.

Moreover, the establishment of foreign funds control greatly diminished the burden of all firms in this country who held assets for the account of nationals of the invaded areas. An invasion or

302011

DECLASSIFIED

Authority NA 790079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re. Monetary and Int'l Affairs

- 7 -

other revolutionary change in the political and economic life of a country necessarily precipitates conflicting claims to the ownership of property. These claims could not be fairly resolved during the duration of hostilities. Yet, in the absence of special legal protection, custodians of foreign assets in the United States were liable to conflicting claims to such property. Foreign funds control minimized the liabilities and responsibilities of American banks and other business institutions against the assertion of such conflicting claims, pending the ultimate clarification as to the true ownership of such property.

Finally, the indiscriminate confiscation by the invaders of capital assets in the invaded countries meant that our citizens were often threatened with complete loss of investments. Foreign funds control gave us a hold over the investments of the invaded nations in the United States and thereby served as a counter-influence to protect American interests in those countries from seizure and confiscation.

302012

DECLASSIFIED
 Authority MM 79079
 By WMA NARA Date 6/28/75

RG 56 Entry 360 P Box 4
 General Records of the Dept. of
 the Treasury
 Re. Monetary and Int'l Affairs

Notes on Foreign Funds Control for The Public Papers
and Addresses of Franklin D. Roosevelt

The foreign funds control system of the United States was conceived with a dual objective.

On the one hand, it was our purpose in establishing this control to provide an instrument for the more effective performance of the international obligations of the United States, insofar as we were custodians of assets belonging to foreign nationals and governments who had become victims of aggression. Over a period of many decades, but especially in those latter years when fear of war had grown acute, those countries had deposited several billion dollars of assets in the United States. It would have been a betrayal of the trust reposed in us to have allowed those assets to fall into the hands of aggressors. It was rather our national obligation to use our authority effectively to deprive aggressor nations of the profits of their conquests, insofar as those profits consisted of assets held within our jurisdiction. We acted in accordance with that obligation.

On the other hand, it was our further purpose in establishing a foreign funds control system to provide ourselves with a flexible instrument of international economic policy. We wished to prevent aggressor nations from using billions of dollars of assets in the United States—belonging to their victims—to finance their program of world conquest and the destruction of Democracy. It would have been

302013

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

the height of folly to allow the aggressors access to billions of dollars under our control and thereby to cancel the effectiveness of the billions we were pouring out in our program of aid to Democracy wherever she was attacked—in Britain, in Greece, and in China.

.....

In pursuance of these objectives, on April 10, 1940, immediately following the invasion of Denmark and Norway, I issued Executive Order 6389. This Order had the effect of "freezing" all funds and evidences of the ownership of property, in the United States, belonging to "nationals" of Denmark and Norway, and of prohibiting, except under license, all financial transactions with those countries. As other nations fell under aggressor domination, foreign funds control was extended successively to them also. On May 10, 1940, the Order was extended to include the Netherlands, Belgium and Luxembourg; on June 17, France; on July 15, Latvia, Estonia and Lithuania; October 10, Rumania; on March 4, 1941, Bulgaria; and on March 19, 1941, Hungary.

The grand total of assets brought under Treasury license by the Executive Order of April 10, 1940, as amended, was about \$4.4 billion. This total consisted of about \$92 million of Danish assets; \$175 million, Norwegian; \$1,619 million, Netherlands; \$760 million, Belgium; \$40 million, French; \$29 million, Baltic countries; \$53 million, Rumanian, and small amounts held in the names of Bulgarian and Hungarian nationals.

DECLASSIFIED
 Authority MM 795079
 By WJH NARA Date 6/28/75

RG 56 Entry 360P Box 4
 General Records of the Dept. of
 the Treasury
 Re. Monetary and Int'l Affairs

- 3 -

This was not the first time in the history of the United States that our Government established special controls over foreign exchange transactions and over the administration and disposition of the property of foreigners. During the first World War, our Government (under the Trading with the Enemy Act of October 6, 1917) both imposed exchange controls and took custody of the property of enemy aliens.

Again, during the banking crisis of 1923, exchange controls were established.

During the 1930's, more or less rigorous exchange controls had been instituted by most nations, but for purposes widely divergent from that of our foreign funds control. Other nations had established exchange controls to conserve foreign exchange for necessary imports, to assure that the transference of interest and dividends abroad took place only in accord with public policy, to prevent the export of capital, or to increase their gain from international trade by exploiting the possibilities of bilateral arrangements. In general, exchange poverty and economic necessity had compelled the introduction of exchange control.

The position of the United States was quite different. The United States was not "foreign exchange poor". We had no need to conserve foreign exchange to be in a position to pay for necessary imports; on the contrary, we had a plentiful supply of foreign currencies, and all nations were willing to accept payment in dollars. We were not confronted with a flight of capital; on the contrary, all nations sought

302015

DECLASSIFIED
 Authority MM 790079
 By WMA NARA Date 6/28/75

RG 56 Entry 360P Box 4
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

- 4 -

to place their liquid capital in the United States for refuge. We were not intent upon using our foreign funds control, as some other countries had done, to avoid payment of freely incurred public and private debts due to foreigners. We had no intention of using our foreign funds control to force other nations into disadvantageous bilateral trade and payments arrangements; on the contrary, the Government of the United States had for years advocated and attempted to bring about a freer system of multilateral international economic relationships.

What our foreign funds control system did do was to provide a safeguard against the misappropriation and misuse of the enormous assets belonging to nationals of the invaded countries held in our country. Individuals, firms and governments in the invaded areas were protected against being forced to turn over these assets to the invader. This was particularly important in view of the methods of exploitation used by the aggressor powers. In all of the invaded countries it was a practice of the conqueror to compel the registration of all claims expressed in foreign currencies, which were then by one device or another acquired by the invading power. There is every reason to believe, therefore, that had the United States not established the system of foreign funds control, much the greater part of the billions of dollars of the assets held by the invaded nations in this country would have been transferred under duress from the former legal owners to the invaders and their agents.

302016

DECLASSIFIED

Authority MP 790079
By WJH NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re. Monetary and Int'l Affairs

- 3 -

Such dollar assets would then have been used for purposes in conflict with our national interests. The aggressors who had acquired these dollars could have bid against us in our own markets -- in our own country. There would have been no practical limitations on the funds. They would have been in a position to supply their sympathizers, their propagandists, their spies and their saboteurs. They could have engaged in speculative buying in several foreign countries from which we had also to draw supplies. Insofar as, due to the blockade they were prevented from using dollars directly to increase their imports from this continent, they could have transferred funds to their allies and collaborators to whom the seas were still open.

Moreover, the establishment of foreign funds control greatly diminished the burden of all firms in this country who held assets for the account of nationals of the invaded areas. An invasion or other revolutionary change in the political and economic life of a country necessarily precipitates conflicting claims to the ownership of property. These claims could not be fairly resolved during the duration of hostilities. Yet, in the absence of special legal protection, custodians of foreign assets in the United States were liable to conflicting claims from foreigners who believed themselves to have rights to such property. Foreign funds control minimized the liabilities and responsibilities of American banks and other business institutions against the assertion of such conflicting claims, pending the ultimate clarification as to the true ownership of such property.

302017

DECLASSIFIED

Authority MM 790079
By WMA NARA Date 6/28/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 6 -

Finally, the indiscriminate confiscation by the invaders of capital assets in the invaded countries meant that our citizens were often threatened with complete loss of investments. Foreign funds control gave us a hold over the investments in the United States of the invaded nations and thereby served as a counter-influence to protect American interests in these countries from seizure and confiscation.

The basic regulations involved in foreign funds control were established by the Executive Order of April 10, 1940 (No. 8359). Certain transactions were proscribed if they involved properties in which the frozen country "or any national thereof" had any interest of any nature whatsoever, direct or indirect, at any time on or after the date on which freezing control was applied. "Property" was defined very broadly and "national" was defined for the purposes of the control system to include not only the citizens of the frozen countries wherever located, but also citizens of any other country who were within the boundaries of the frozen countries on the effective date of the Order establishing control. However, citizens of the countries brought under foreign funds control who were resident and domiciled in the United States on the effective date of the Order were not included as "nationals" within the meaning of the Order. The term "national" also included any business organization which had its principal place of business in the frozen country or which was controlled, directly or indirectly, by anyone who was considered a "national" as described above.

302018

DECLASSIFIED
Authority MA 790079
By WMA NARA Date 6/28/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re. Monetary and Int'l Affairs

Prohibited transactions included transfers of credit and payments to or by banking institutions; foreign exchange transactions; the export, withdrawal or earmarking of gold or silver; transactions in evidences of indebtedness or of property ownership; and transactions which had the purpose or effect of evading or avoiding the other prohibitions.

Regulations and general rulings issued by the Secretary of the Treasury, pursuant to authorizations contained in the Executive Orders, defined and extended the type of transactions prohibited. For example, General Ruling No. 1, issued on April 15, 1949, declared, that for the purposes of Foreign Funds Control, Iceland should not be considered as falling within the definition of the term "Denmark."

General licenses were issued by the Secretary of the Treasury (also in pursuance of authority granted in the Executive Orders) which had the principal function of making blanket exceptions to certain transactions prohibited by the Executive Orders, Regulations or Rulings. For example, General License No. 1, as amended, authorized payments and transfers of credits to frozen accounts in the United States from free accounts; other General Licenses authorized the debiting of frozen accounts for certain specific purposes, such as payments for banking services, or payments for living, traveling, and similar personal expenses in the United States.

DECLASSIFIED

Authority MM 790079
By WMA NARA Date 6/28/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

- 8 -

Lastly, there were the specific licenses applied for by individuals and businesses. Between April and June, 1940, over 16,000 applications for licenses to engage in transactions otherwise prohibited were acted upon by the Control authorities, and all but a small percentage were granted. With the extension of freezing control over additional countries, the number of applications for specific licenses greatly increased.

The provision for specific licenses was designed to avoid individual cases of injustice which inevitably would otherwise have been a by-product of such extensive control. Where the authorities were satisfied that an applicant did not intend to use funds for purposes inconsistent with the objectives of Control, special authorizations were granted. For example, payments out of frozen accounts for goods delivered before foreign funds control was instituted were usually permitted upon application for a license therefor.

By these means, a fairly elaborate system of controls was developed that was at once extensive enough to be effective and yet flexible enough to allow legitimate exceptions.

.....

The Foreign Funds Control office was established in the Treasury Department under the Secretary of the Treasury to administer the functions prescribed in the Executive Order of April 10, 1940, as amended.

302020

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority MM 790079
By WJH NARA Date 6/21/75

RG 56 Entry 360 P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

The Executive Order of April 10 provided that reports under oath had to be filed with respect to all frozen assets, as the Secretary of the Treasury should prescribe in regulations. By virtue of the Regulations issued on May 10, all property situated in this country which was subject to foreign funds control had to be reported on a special form by any person or business holding directly or indirectly such property, where the value thereof was \$250 or more.

The principal administrative problem connected with the regulation of foreign funds was the licensing procedure. Where a proposed transaction involved in any way, directly or indirectly, trade with any of the foreign countries designated in the freezing orders; or involved directly or indirectly either a "national" of any one of the frozen countries or any property in which a national had, on or after the effective date of the control, any interest whatsoever, a license to effect the transaction was ordinarily required. The Regulations of May 10, 1940, provided that applications for licenses were to be filed in duplicate with the Federal Reserve Bank of the district in which the applicant resided or had his principal place of business. The granting or denial of applications was determined by the Secretary of the Treasury.

The administration of control was greatly facilitated by the system of General Licensing described above. As the result of careful analysis

DECLASSIFIED
Authority MM 796079
By WBJ NARA Date 6/21/95

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Monetary and Int'l Affairs

of the tens of thousands of cases which came before the Control, a number of types of transactions, relatively standardized in character, were found to be susceptible to adequate control through the techniques of General Licenses and the comprehensive reports required thereunder. The general licenses permitted the engaging in literally thousands of transactions per day without the necessity of filing an application of any type. Further, through a system of delegation of authority to Federal Reserve Banks, applications for special licenses, when filed with such banks, were in numerous instances acted upon without previous reference to the Treasury Department proper.

By these methods a rather complete check on all transactions and an inventory of all properties subject to control were obtained. Through substantially decentralizing and generalizing the operation of the Control, several thousand transactions per day were reduced to a volume reaching the Treasury which permitted action usually within 48 hours.

.....

From the point of view of achieving the objectives which motivated the establishment of foreign funds control in the United States, it can be said unequivocally that such control was a success. To those who might be inclined to assert that freezing regulations constituted a deviation from the traditional American policy of allowing freedom of movement of person and property, it should be pointed out that the control measures were, in point of fact, designed to defend such freedom from the encroachments of despotic depredations abroad. It is true

DECLASSIFIED
 Authority NA 790079
 By WMA NARA Date 6/21/95

RG 56 Entry 360P Box 4
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

- 11 -

that the United States did not allow the aggressor powers the "freedom" to confiscate, in effect, the property in this country belonging to the nationals of invaded areas. Neither is it true that freedom was allowed the invaders to use American dollar resources for the purposes of carrying out political designs directly contrary to the national interests of this and all other democratic nations.

The institution of foreign funds control had a tremendously salutary effect on all democratic peoples by its serving notice to the world that those who manifested their trust in America's free institutions and integrity by placing their assets here were not to be disillusioned by this country's apinely permitting their conqueror to wrest from them these assets through one means or another; and, at the same time, by its serving notice on anyone in a position to control physically the owner of such assets or his family that any attempt to force such person to deliver over his assets would be futile since this country was to decide for itself the circumstances surrounding any such delivery and the extent to which the owner thereof was in a position to deal freely with such property. Perhaps from this point of view the psychological results of foreign funds control were as valuable as the material pressure which it exerted.

John Wilson

302023

6/21/95
 WMA

DECLASSIFIED
 Authority MM 790079
 By WMA NARA Date 6/28/95

RG 56 Entry 360P Box 4
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

THE WHITE HOUSE

WASHINGTON

March 16, 1941.

Dear Mr. Secretary:-

In connection with the President's
 Public Papers and Addresses we are anxious
 to have from you a memorandum on the procedure,
 history and results of the freezing of credits
 of the various nations of Europe as they be-
 came involved in the war.

With kindest regards,

Always sincerely,

(S) M. A. Le Hand
 PRIVATE SECRETARY

The Honorable
 The Secretary of the Treasury,
 Washington, D. C.

C
 O
 P
 Y

302024

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept of
the Treasury
Re: Monetary and Int'l Affairs

C. 2 2

April 10, 1941

Secretary Morgenthau

H. D. White

Subject: The Economic Situation in Belgium

The following points may be of interest to you in view of your discussion with Belgian Finance Minister Gutt:

1. The food shortage in Belgium is more acute than in any other European country, excepting Spain and Poland. The present Belgian bread ration is about 56 ounces a week, compared with 80 ounces for Germany, 71 for the Netherlands and 35 for Poland; other foods are comparably short. The basic reasons for the food shortage are: (a) the high industrialization of the country and its consequent normal dependence on imported foods, (b) the destructiveness of the German invasion, and (c) the necessity of feeding several hundred thousand German troops now stationed in Belgium.
2. The Germans are taking about one-fifth of the Belgian national income in "occupation costs" alone. The Belgian national income before the invasion was less than \$2 1/2 billion per year. The Germans are taking \$40 million a month in occupation costs. These occupation costs are five times as heavy as those the Germans exacted in their occupation of Belgium during the years 1914-18.
3. German control over Belgian industries has taken the form principally of the appointment of German commissioners to control the operations of leading Belgian firms. In most cases ownership has remained in the hands of the former Belgian proprietors. However, there have been some major "fusions" of Belgian with German firms. For instance, the great Belgian iron and steel company Ougree-Hautayo has been fused with Otto Wolff, the German steel producer; the new merged company will operate from Cologne with a branch office in Brussels. Such Belgian concerns as have the necessary raw materials are employed on German sub-contracts.

10 - Cr. to Miss Chauncey for the Secy., together with Reisenenthal's memo of 4/9 "Belgian Gold Holdings" and yellow note as attached. 302025

DECLASSIFIED
 Authority MM 790079
 By WMA NARA Date 6/21/75

RG 56 Entry 360 P Box 4
 General Records of the Dept. of
 the Treasury
 Re. Monetary and Int'l Affairs

Division of Monetary
 Research

- 2 -

4. The Germans placed all banking institutions under the general control of a Bank Supervision Office for Belgium. This office has control over the books and transactions of all Belgian banks. It also controls the new National Bank of Belgium organized under German supervision. Payments between Belgium and other countries are effected through the multilateral clearing system via Berlin. This bank is also nominally credited by the Germans with the Belgian gold which they are taking from France -- variously estimated at between \$153 million and \$260 million.

5. The economic disorganization and exhaustion of Belgium are very great -- greater than that of any other occupied country except Poland. The situation in Belgium is so desperate that perhaps 100,000 Belgian workers have found it necessary to accept German offers of jobs in Germany. Stocks of imported raw materials have been exhausted where they were not (as in the case of cotton) shipped to Germany. Even the high-grade Belgian coal mines are not working at capacity. The attempt in October of 1940 to float a 10-year 1 billion franc (\$100,000,000) 4 percent loan met with dismal failure; voluntary subscriptions by the public did not cover more than one-third of the amount of the flotation, and it was necessary to compel the banks to take up the rest. Currency in circulation must have increased greatly and prices have certainly risen very rapidly, but we have no precise figures on money in circulation and no precise price indices.

6. Belgian assets frozen in the United States have decreased about \$55 million during the past year. When the Belgian funds were frozen May 10, 1940, they had a total of assets here of \$623 million as follows:

(In millions)

Gold held on earmark	\$173
Official dollar deposits	1
Private deposits	181
Securities	178
Other assets	90

Since that date they have sold about \$7 million of the gold held on earmark, reduced their balances here by approximately \$48 million almost entirely from private deposits and there has been no substantial change in their security holdings.

00/bri
 4/10/41

302026

DECLASSIFIED

Authority MM 796079
By WPH NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

Treasury Department
Division of Monetary Research

Date.....April 10,.....1941

To: **Secretary Morgenthau**

April 9, 1941.

The appended memorandum was prepared mainly to straighten out our own records of Belgian gold holdings. Perhaps its most puzzling conclusion is this:

The \$260 million of gold which the Belgians are claiming from French earmarkings in this country is more than they are known to have transferred to the French and, added to the amounts they have in the United States and in the custody of the British, would bring their total gold holdings to about \$775 million. This is about \$25 million more than they are known to have had all together.

sources total between
of Belgian gold
West Africa, has
million to \$751
Germans into account.

orted by three different
e must be made for dis-
ances in the points of

<u>British Embassy</u> (in millions of dollars)	<u>National Bank of Belgium</u> (in millions of dollars)
168	
348	
<u>184</u>	
700	734
	<u>734</u>

MR. WHITE
Branch 2058 - 210

Belgian gold claims against France according to our information amount to roughly \$223 million at present. This would be \$37 million less than reported Belgian gold claims against France. It was reported in the New York Times article of February 6 that the exiled Belgian Government has put its gold claims against France at \$260 million. According to the New York Times story from London under a March 22, 1941, date line, the Belgian claims against France were about \$233 million. This figure would come closer to our estimates.

1/ The "gold-exchange rate" of 1 belga = \$0.1695 is used for all figures given in belgas. This exchange rate was the official conversion rate between April 1936 and December 1939. Cable transfer quotations in New York were somewhat lower (1 belga = \$0.1674) on the latest available date, May 1940. Source: Federal Reserve Bulletin, September 1940 and March 1941.

DECLASSIFIED
Authority NA 790079
By WMA NARA Date 6/21/95

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Penitentiary and Int'l Affairs

Revised version of 4/11/41

April 9, 1941.

Mr. White

Mr. Felsenthal

Subject: Belgian Gold Holdings

I.

Belgian gold holdings as reported by various sources total between \$700 million and \$751 million. An unknown portion of Belgian gold deposited with the French Government at Dakar, French West Africa, has been turned over to the Germans. The total of \$700 million to \$751 million does not take transfers from Dakar to the Germans into account.

The distribution of the gold holdings as reported by three different sources is given in the following table. Allowance must be made for discrepancies in this table because of slight differences in the points of time for which the data have been taken.

	Federal Reserve Bank	British Embassy	National Bank of Belgium
	(In millions of dollars)		
Gold held in U.S. (earmark)	167	168	
Gold held in England		349	
Gold held in Dakar		184	
Total	167	700	734
Special Fund of the Belgian Treasury	17		
Total	751		734

Belgian gold claims against France according to our information amount to roughly \$223 million at present. This would be \$37 million less than reported Belgian gold claims against France. It was reported in the New York Times article of February 6 that the exiled Belgian Government has put its gold claims against France at \$260 million. According to the New York Times story from London under a March 22, 1941, date line, the Belgian claims against France were about \$233 million. This figure would come closer to our estimates.

1/ The "gold-exchange rate" of 1 belge = \$0.1695 is used for all figures given in belgas. This exchange rate was the official conversion rate between April 1936 and December 1939. Cable transfer quotations in New York were somewhat lower (1 belge = \$0.1674) on the latest available date, May 1940. Source: Federal Reserve Bulletin, September 1940 and March 1941.

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

II.

- (b) Nov. 11, 1940. The American Consul at Antwerp
replied to a letter from the Belgian Minister of Finance
regarding the gold holdings at Antwerp.
- Summary of weekly statement of National Bank of Belgium of
June 29, 1940 (reprinted in Monatsbericht, Schweizerische
Nationalbank, No. 12, Dec. 15, 1940, p. 15). Gold, foreign
exchange and gold values for the week ended at valours-
of).
(a) Nov. 24, 1940. 1,000 million Belgian francs. Baker
reports that in addition to gold valued at \$200 million to
the Belgian Central Bank were removed from
The said statement is reprinted in the Monthly Bulletin of
Statistics of the League of Nations, Vol. XII, No. 9,
Sept. 1940, p. 136. The American Embassy at Vichy,
France, called the content of an interview with
2. Federal Reserve Bulletin, which states that the Germans
have demanded surrender of the Belgian gold
now at Antwerp since June 1940. (In millions of dollars)
(a) Dec. 1940. Baker, without embassy approval,
transmitted gold value French authorities
consent to (pertaining to the German withdrawal
gold holdings at Baker provided the transaction
3. Weekly report of the Federal Reserve Bank of New York,
Jan. 29, 1941. Baker however refused comment. The French
then agreed to deliver the Belgian gold at Baker
to the Belgian gold under German control
of Belgium.
4. Memorandum of Mr. Finsett of the British Embassy to
Mr. Cochran, Nov. 29, 1940 (U.S. Gold Values). Mr. Finsett
stated that the Belgian gold at Brussels is reported to have
amounted to about 7 million Belgian francs (about 1.4 million of dollars)
Gold in custody of Bank of Belgium (7 million). 87 948
Held in the U.S.A. 42 168
At Baker, N.Y. 1941. American Embassy at Vichy, France,
to the financial services of the French Treasury. Baker
stated that the Belgian gold formerly at Baker and now
5. Various other sources, particularly cables and consular
reports, contained the following information on Belgian
gold:
(a) Jan. 23, 1941. American Embassy at Vichy, France.
(a) Nov. 2, 1940. Financial Controller of the British
Embassy reports that the Belgian Minister of Finance
has told British officials that the
Belgian gold holdings at Baker amount to 1,000 million
Belgian francs.

302029

DECLASSIFIED
 Authority MM 795079
 By WMA NARA Date 6/21/75

RG 56 Entry 360 P Box 4
 General Records of the Dept. of
 the Treasury
 Re: Monetary and Int'l Affairs

(h) Jan. 31, 1941. American Embassy at Vichy, France, cable. A French commercial pilot stated that he had flown part of the Belgian gold to France, from Oren to Marseilles. The Germans have received 150 million French francs (approximately \$3 1/2 million).

III.

The Federal Reserve Board's figures on the Belgian gold holdings are based on the report of Governor Janssen of the National Bank of Belgium in the half-yearly balance sheet of the Bank, issued June 25, 1940, summarized in the B. I. S. Press Review of September 9, 1940. The B. I. S. review is based on a Frankfurter Zeitung article of September 6, 1940.

In the report, Governor Janssen gives the following figure:

	Million Belgian francs	Million Dollars
Belgian gold held abroad	26,350	734

If the gold held in the Special Treasury Fund of \$17 million which Governor Janssen does not mention, is added to the \$734 million, the total would be in accord with the previously given figures. Whether or not the Treasury fund can be added, cannot be determined at this time because of lack of information.

Between May 8th (the date of the prior statement of the Bank) and June 25, gold worth 1,487 million Belgian francs had been given to the Bank of France for the exchange of Belgian against French bank-notes, presumably brought in by Belgian refugees in France. B F 452 million worth of gold may return to Belgium since the Belgian bank-notes not yet handed over to the Belgian National Bank on June 25th were being used by the Bank of France for re-exchange against French bank-notes. A further item entitled "gold reserves at the Bank of France", amounting to B F 558 million still belonged to the Belgian National Bank. It was intended for the purpose of covering the exchange of Belgian against French bank-notes and any advances which the French Treasury may want to extend to the Belgian Treasury.

In summary, the Bank of France still holds B F 558 million unutilized Belgian gold. The Belgian coins and notes redemmed by the Bank of France but not yet returned to the National Bank of Belgium amount to B F 452 million. They too may at least partly be claimed by the National Bank.

By adding the Dakar holdings to these claims against the Bank of France, the total Belgian claims against France amount to \$223 million, according to our computations.

DECLASSIFIED
Authority MM 795079
By WMA NARA Date 6/21/75

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

IV.

The latest statistical reports of the Institute International du Commerce of Brussels (January 20, 1941, p. 437) brings the figures on Belgian gold up to date. The gold holdings (encaisse or) of the Banque Nationale de Belgique of January 30, 1941, were belga 4,674 million (= \$792 million). No information has been received which would explain the increment. It is suspected that the Banque Nationale has taken account of the actual devaluation of the belga since the German invasion of Belgium in terms of gold. Such a procedure would increase the belga-value of the gold-holdings. An actual addition to the gold-holdings of the Banque Nationale is very unlikely.

The following points are of interest in view of the report on the Belgian financial situation:

(1) The gold holdings in Belgium in 1941 are 4,674 million belgas, or 792 million dollars. This is a significant increase over the 1939 figure of 3,500 million belgas, or 630 million dollars. The increase is due to the fact that the Banque Nationale has taken account of the actual devaluation of the belga since the German invasion of Belgium in terms of gold. Such a procedure would increase the belga-value of the gold-holdings. An actual addition to the gold-holdings of the Banque Nationale is very unlikely.

(2) The Banque Nationale has reported that the gold holdings in Belgium in 1941 are 4,674 million belgas, or 792 million dollars. This is a significant increase over the 1939 figure of 3,500 million belgas, or 630 million dollars. The increase is due to the fact that the Banque Nationale has taken account of the actual devaluation of the belga since the German invasion of Belgium in terms of gold. Such a procedure would increase the belga-value of the gold-holdings. An actual addition to the gold-holdings of the Banque Nationale is very unlikely.

(3) The Banque Nationale has reported that the gold holdings in Belgium in 1941 are 4,674 million belgas, or 792 million dollars. This is a significant increase over the 1939 figure of 3,500 million belgas, or 630 million dollars. The increase is due to the fact that the Banque Nationale has taken account of the actual devaluation of the belga since the German invasion of Belgium in terms of gold. Such a procedure would increase the belga-value of the gold-holdings. An actual addition to the gold-holdings of the Banque Nationale is very unlikely.

WMA
4/9/41

DECLASSIFIED
Authority MM 790079
By WBM NARA Date 6/28/95

RG 56 Entry 360P Box 4
General Records of the Dept. of
the Treasury
Re: Monetary and Int'l Affairs

C. 2 2

April 4, 1941

^{W. G. L. T.}
Mr. ~~Rosen~~

Mr. Cass

Subject: **Ownership and Control of the German Gold Discount Bank.**

The following references will confirm the fact that the German Gold Discount Bank is an agency of the German Government, owned by the German Government (through the Reichsbank) and controlled completely by the German Government:

1. Hjalmer Schacht, The Stabilization of the Mark, N.Y. 1927, p. 148-150.
2. Annual Report of the Reichsbank for the Year 1924 (English translation, p. 6) also subsequent Annual Reports.
3. Federal Reserve Bulletin, September, 1939, p. 737-742.
4. Keedy's Banks 1940, p. 795.

Schacht says:

"On March 19, 1924, the Law for the creation of the Golddiskontbank was passed by the Reichstag, and on April 7, 1924 the bank was actually founded at the Reichsbank.....The management and liquidation of the bank, in the event of liquidation being required, are placed in the hands of the Reichsbank.....The Golddiskontbank began work immediately after its establishment and made credits available for German business which at one time amounted to as much as 14 million pounds.....In particular it rendered appreciable services to the export trade, and is still today a useful instrument in the hands of the Reichsbank, although with the progress of stabilization its original activities have fallen into the background.....The Golddiskontbank is today owned exclusively by the Reichsbank".

DECLASSIFIED
 Authority MM 795079
 By WMA NARA Date 6/28/75

RG 56 Entry 360 P Box 4
 General Records of the Dept. of
 the Treasury
 Re. Monetary and Int'l Affairs

- 2 -

Division of Monetary
 Research

Schacht is an unimpeachable source because he was the head of the Reichsbank at the time and the Gold Discount Bank was his idea.

The Reichsbank Annual Report for 1924 confirms the organization of the Gold Discount Bank officially, but gives a somewhat more abbreviated account than that of Schacht. Subsequent Annual Reports cover later activities of the Gold Discount Bank.

The Federal Reserve Bulletin of September, 1939 reprints the Law Concerning the German Reichsbank of June 15, 1939. This law gave the Chancellor of the Reich full and direct control over the Reichsbank and all of its subsidiaries.

"Section 1

- (1) The German Reichsbank shall be responsible directly to the Führer and Chancellor of the Reich.

Section 3

- (2) The German Reichsbank shall be directed and administered by the President of the German Reichsbank and the other members of the managing board in accordance with instructions from the Führer and Chancellor of the Reich and under his supervision".

Hoagy's Banks 1940, p. 795 says flatly, in accordance with common knowledge in banking circles, that the Gold Discount Bank is controlled by the Reichsbank. I note also that among the board of 5 directors whom they list, three are known to me as public officials, namely, Rudolf Brinkman, Emil Puhl, and Fritz Reinhardt. The other two directors may also be public officials, but their names are not known to me.

302033

RG 260
 Entry _____
 Box 713

DECLASSIFIED
 Authority NND 775057
 By SR NARA Date 8-2-99

General

Release of Restitutable Property

1 Proper- Rest. 8
 ty Br. Oct
 Control ED 47
 Br.
 FD

Attn: Mr. Reinsel

1. Reference is made to our carrier sheet dated 9 September 1947 subject as above and subsequent telephone conversation between Mr. Reinsel and Colonel Allen in which

specific cases of irregularities concerning the release of restitutable property were requested.

2. The Belgian Restitution Mission has submitted the following information concerning the dissipation of restitutable property claimed by that Mission:

a. Restitution Claim # 2388-B

Property located at Stadtwasserwerke, Straubing. At the time of identification of subject property in January 1947 there were 65 tons of zinc plates in this warehouse. Shipments of subject property in May and August 1947 amounted to a total of some 55 tons, 10 tons having been dissipated.

b. Restitution Claim No. 2387-B

Property located at Ziegelwerke, Regenstauf. In November 1946 inspection of said warehouse revealed that 12 tons of restitutable zinc were stored there. Between the time of initial inspection in November 1946 and shipment of the zinc in February 1947 some 9 tons of zinc disappeared.

c. Restitution Claim # 1770-B

Property located at AG Dynamit, Stadeln. Initial inventory of the plant in July 1946 revealed that there were approximately 100 tons of Belgian lead subject to restitution. Final shipment was effected in June 1947 of some 66 tons, some 34 tons having been dissipated between the above dates.

3. It would be appreciated if such action as you deem necessary is taken to eliminate the possible recurrence of similar irregularities.

FOR THE CHIEF, RESTITUTION BRANCH:

*23 Oct letter
 to Barovic*

Telephone 43633 K. A. de KEYSERLINGK
 Room 1044, Econ Bldg. U. S. Civilian
 Chief, Restitution Section

RG 260
Entry
Box 713

DECLASSIFIED
Authority NND 775057
By SR NARA Date 8-29-99

General

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)
Finance Division
APO 742

STB/ev

Berlin, Germany
16 October 1947

SUBJECT: Release of Property Subject to Restitution

TO : Office of Military Government for Hesse
APO 633, US Army

Attn: Land Property Control Chief

1. Reference is made to reports from Restitution Control Branch that restitutable property has been requisitioned by a U.S. military organization after being released by property custodians but without clearance with the Restitution Control Branch, APO 403, Karlsruhe; Telephone 617, Extension 125; and that considerable quantities of restitutable property have been dissipated after identification as such property and the submission of restitution claims by foreign mission personnel.

2. It is, therefore, recommended that, if a requisitioning authority seeks to requisition any property for which a restitution claim has been made or for which the custodian has been notified that such a claim will be made, the custodian shall so notify the officer or agent representing such requisitioning authority and request such officer or agent to call the Restitution Control Branch, OMOUS (Rear), APO 403, Karlsruhe, Telephone 617, Extension 125, for the proper clearance. If the requisitioning authority, notwithstanding such notification, insists upon requisitioning such property or presents a form 6 CR or other valid requisition form therefor, the custodian shall immediately notify the Restitution Control Branch of the requisitioning authority's intentions. Custodians shall permit full inspection and examination of properties and of books, records, and accounts connected therewith to restitution teams or to the members of such teams.

3. These instructions shall be immediately distributed to all German property control officials and custodians. Custodians should be reminded that they will be held accountable for unauthorized or improper release or disposition of restitutable property. Land Property Control Chiefs shall take whatever steps they deem necessary to ensure compliance. Pending the revision of Military Government Regulations Title 17, these instructions will apply notwithstanding provisions of Title 17-240 which may appear to be inconsistent with the above directions.

23 Oct copy to Mr. Badrich

Telephone: BERLIN 43987

E.N. REINSEL
Chief
Property Control Branch

302035

DECLASSIFIED

Authority 000 765072
By IE NARA Date 8/3Box 424
Entry Final
RG 260

28 January 1948

SUBJECT: Currencies.

TO : Chief, Field Reparations,
Preparatory Commission, IRO,
Frankfurt, A.P.O. 757, U. S. Army.

1. The Foreign Exchange Depository has been authorized to release to you all currencies falling within the definition of non-monetary gold as laid down in existing directives. This turnover will be accomplished in the near future.

2. You are also advised that any currencies which originated from concentration camps, but which were subsequently assimilated into the assets of the Reichsbank as part of its cash thereby losing identity as concentration camp loot, will not be delivered to PCIRO unless such lots of currencies can still be identified among present Reichsbank cash holdings.

3. The currencies of the Reichsbank which are held in the Foreign Exchange Depository disclose no evidence of having come from concentration camps and there are no separate identifiable lots indicating such source. It is not possible to constitute the non-monetary gold fund solely on a basis of Reichsbank book entries. This is especially true with respect to currencies whose past source, if from concentration camps, is only indicated from their present condition, packaging, place where uncovered and similar surrounding circumstances.

4. a. In this connection, the currencies which will be turned over to PCIRO under Paragraph 1 above, were found in boxes containing other admitted and certain loot (in form of jewelry, stones and tableware) from concentration camps, which loot (except currencies) has already been turned over to PCIRO.

b. These boxes, with others, had been shipped to the Berlin Reichsbank from concentration camps for processing. This "processing" consisted of segregating the contents of each box into (a) currencies and (b) jewelry, stones, silverware, etc., and then disposing of class (b) through the Berlin Pawnshop and by assimilating class (a) into the cash of the Reichsbank. The reichsmark proceeds of both disposal methods were credited to a German Governmental agency.

c. Before the war's end, the "unprocessed" boxes were removed from the Reichsbank to a mine cache where they were later uncovered by

File - 15CR (Columbiana)

302036

DECLASSIFIED

Authority DD FORM 765072

By JE NARA Date 8/3

Box 424
Entry Finance
RG 260

Subject: Currencies.
28 January 1948
Page No. 2

by Allied Forces and brought to the Foreign Exchange Depository. It is the contents of these boxes that form the bulk of the assets turned over to PCIRO.

d. The "processed" boxes of loot were disposed of as in 4 b and the former contents can no longer be found intact or identified.

WILLIAM G. BREY
Colonel, GSC
Chief, Foreign Exchange Depository

Frankfurt 21-191
or Red Line 61

DECLASSIFIED

Authority ND 775035By TJ NARA Date 8/4/99Entry 400P DIV
Box 1293

PC 1947

Policy with respect to claims against Insurance companies for the payment of policies issued by them, in cases where the reserves of those companies were appropriated by the Nazi regime and are therefore not available for the liquidation of their obligations, has not, as yet, been formulated by the occupying powers.

In view of this it is not possible, at ^{this} that time, to advise you regarding your rights with respect to the policy you hold.

The information you have submitted will be held in this office until this question has been determined - at which time you will be advised.

302037

DECLASSIFIED

Authority AWO 775035By TJ NARA Date 8/4/99Entry 4002 DIV
Box 1293

MUST REMAIN WITH ATTACHED PAPERS - USE ENTIRE WIDTH OF SHEET - NUMBER ITEMS CONSECUTIVELY - DRAW LINE UNDER EACH ITEM

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

APO 742

REF NO:

SUBJECT: Claims for Insurance

NO.	TO	FROM	DATE	(Has this been coordinated with all concerned?)
1	Dir. FD	PC Br.	13 May 1947	<p>1. The attached form letter has been drafted in order that insurance claims may be handled in a uniform manner prior to the establishment of a more definite policy with respect to the rights of claimants and the liability of insurance companies. Does it have your approval? If not, a somewhat different approach will be considered.</p> <p>2. It is suggested that some such wording might also be employed in advising claimants with respect to the position of banks whose customer deposits and security accounts were confiscated. In case this form is considered for such claims, clearance would be obtained from Foreign Exchange & Blocking Control Branch.</p> <p>3. Your comments will be appreciated.</p>

Attachment:
Form LetterTel. 42886
Room 412B FinanceE. J. CASSODAY
Acting Chief

302038

DECLASSIFIED	
Authority	NND 775 035
By	TJ NARA Date 8/4/99

RG	260
Entry	Prop Div
Box	1293

Form letter to be used when subject concerns Life Insurance Policy

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Finance Division
APO 749

May 1947

Mr. John Doe
00 A Street
Anywhere, New York

Dear Mr. Doe:

Reference is made to your communication dated _____
directed to the _____,
with respect to the life insurance policy (ies) with _____.

We have been advised by the Insurance Section of the Financial Institutions Branch of this Division that insurance companies were compelled in 1941 to transfer all reserves on policies, held by persecutees, to the Reich Ministry of Finance. The insurance companies involved consequently take the position that further liability with respect to such policies cannot be imposed on them.

If this position is correct, a claim against the company could not be made; however, you are advised that this Division, in collaboration with all other interested occupation authorities, is formulating a program for the processing and ultimate disposition of claims for damage or loss sustained by reason of discriminatory acts of Nazi Germany.

Wide publicity will be given to these measures and procedures as soon as they have been adopted in order that claimants may proceed, at that time, to submit their claims on the approved form and to the designated claims agency.

Sincerely yours,

E. J. CASSIDAY
Acting Chief
Property Control Branch

302039

Gen Restitution

*Col Allen
Econ Bldg*

27 October 1946

Dear General Noiret:

I am in receipt of your letter of 21 October in which you state that the public opinion of all of the countries which were subject to enemy occupation is opposed to any conception according to which Germany could keep part of what she has removed by one method or another from the territories occupied by her troops. I have received no protest against the policy of restitution being followed in the United States Zone except from the French Delegation, although I have been advised by other occupied countries that they were unwilling to permit the restitution of articles not brought into Germany by force to interfere with or to reduce the value of property made available for reparations.

I regret that I find it most difficult to understand the comments of the French Delegation as expressed in the paper enclosed with your letter.

The American Delegation has never questioned the right of looted countries to the restitution of property removed to Germany through the use of force. It has agreed to accept *par se* that all property which was in existence at the time of occupation and was subsequently removed to Germany would be classified as removed by force.

However, the Coordinating Committee, in its findings with respect to the return of property brought into Germany, did distinguish between property produced after the date of occupation and brought into Germany by force, and similar property procured by contract and brought into Germany as a result of deliveries under such contracts. Property in the latter classification was subject to restitution to the extent consistent with reparations.

It was my understanding at the time that the Coordinating Committee approved this measure, that it did not desire to give this type of property a priority over reparations.

Under the Potsdam Protocol, reparations were designed to reduce the German economy to the minimum determined to be essential for a self-sustaining standard of living not greater than the average in the rest of Europe exclusive of the United Kingdom and the Soviet Union.

302040

Box 14	Entry Prop	RG 269	725119	8-5-77	By [Signature]
DECLASSIFIED			NND 725119		

DECLASSIFIED

Authority MND 775117

RG 260

By AM NARA Date 8-5-77

Entry PROP

Box 14

-2-

In determining this standard of living, it was necessary to develop the industrial capacity to be left in Germany, and all plants and equipment above this capacity were to be made available for reparations except those items which were subject to restitution.

Obviously, if restitution of all classes of property could be made before reparations were declared available, it would be very simple to define the minimum German economy. However, since this is impracticable, it would seem to me that the term "consistent with reparations" as used by the Coordinating Committee could mean only that restitution of articles not brought into Germany by force had to be accomplished by a reduction in the reparations program and not at the expense of the minimum German economy which was reduced in the agreed level of industry plan to the lowest possible level.

If restitution of property in this class could be undertaken without destroying the effectiveness of a plant declared available for reparations, it was to be done, and if not, replacement in kind was to be undertaken if possible.

If we are agreed that there is a minimum German economy which must be preserved, we can not make restitution which would reduce this economy further unless we adjust the reparations program accordingly. If we are to determine that such restitution is consistent with the purpose of reparations, it would appear essential to determine the circumstances of removal and effect of the return on (a) the reparations program, or (b) the German minimum economy.

If restitution should reduce the German minimum economy below the agreed level, obviously a corresponding reduction would be necessary in the amount of reparations to permit the agreed minimum German economy to be established.

Of course, these determinations can not be made with mathematical exactitude. We realize our responsibility in the field of reparations which, under our understanding, does not have a lesser priority than restitution when the latter involves items which were not brought into Germany by force.

If the Coordinating Committee is prepared to decide that restitution of items in this category has a priority over reparations (and the American Delegation is not disposed to oppose such a suggestion), it would be possible to make restitution of all such items without detailed examination of conditions of removal, and to reduce the reparations program as found necessary to still provide the agreed level of industry.

302041

DECLASSIFIED	
Authority MWD 775117	RG 260
By [Signature] NARA Date 8-5-77	Entry PROP
	Box 14

It is my understanding that this was proposed in the many quadripartite discussions but that it could not be obtained because of the strong opposition of the Soviet Delegation. Perhaps the French Delegation would desire to re-open this question.

It is clear that a minimum German economy means just that, and when it has once been determined, the sum total of reparations and restitution (other than items removed by force) must permit its establishment. No one will deny that by reduction of the reparations program, more than enough completely German-owned property can be left in Germany to sustain the agreed minimum economy, regardless of the extent of restitution. The American Delegation repeats that it would not be disposed to oppose such a proposal by the French Delegation, although it doubts very much the possibility of obtaining quadripartite agreement. If the French Delegation prefers the American Delegation to raise the question in the Coordinating Committee, it will be glad to do so.

I want to make it very clear that the American Delegation does not take this position basically because of its own financial commitments, although these are large. It takes this position because it believes firmly that the agreed minimum German economy must be established promptly as essential not only to the stability of Germany, but to the revival of European economy and to peace in Europe. It is certainly opposed to any further lowering of the proposed level of industry in Germany, which, if anything, is at a dangerously low level as now agreed.

I am not quite sure as to the basis of the protest of the French Delegation. Our records to date on restitution do not indicate a substantial rejection of claims. Perhaps the basis of the remarks arise from the data required to support such claims. If this is the case, we are prepared to review the requirements to determine the possibility of their simplification.

However, unless the Coordinating Committee determines otherwise, the American Delegation must continue under its interpretation of the ruling of the Coordinating Committee. If the Coordinating Committee determines a different meaning than outlined herein for the term "consistent with reparations", and accepts the French interpretation, the American Delegation will accept the ruling in the understanding that adjustments will be made in reparations as may prove necessary to maintain the agreed minimum economy.

I do wish to make it clear that it is our purpose to support the establishment of the agreed minimum level of industry in Germany, and that any plant or equipment not required for this level is available for either reparations or restitution. Priority between reparations and the restitution of items brought into Germany by contract and not by force can not be determined by either the

DECLASSIFIED

Authority MND 775119
By AY NARA Date 8-5-97

RG 260
Entry PROP
Box 14

-4-

French or the American Delegations. If our interpretation of present priority does not agree, it would seem that the question should be resolved in the Coordinating Committee of the Allied Control Authority.

I note from your letter that you do not feel that your government is prepared to accept my interpretation. I can only suggest once again that the views of the Coordinating Committee be obtained as to the accuracy of our respective interpretations.

Sincerely yours,

*th sign & disp by LVP
28 Oct
Teamman*

LUCIUS D. CLAY
Lieutenant General, U. S. Army
Deputy Military Governor

Major General Roger Noiret
Deputy Commander in Chief
French Group Control Council
Frohnau, Berlin

302043

DECLASSIFIED

Authority MND 775119

By AM NARA Date 8-5-99

RG

260

Entry

PROP

Box

16

Termination Date

1. The French member explained that he desired to set the termination date at one year following the peace settlement for a number of reasons:

Restitution was not very far advanced due to complicated formalities that had to be observed in filing claims, necessity for prior location of items, and difficulties in searches for such items; investigation of compulsory declarations by the Germans took up much time and often uncovered further claims; furthermore, the French did not wish Germany to be in a better position with regard to restitution than were the satellite states.

The British member did not think that it had ever been expected that complete restitution would be made and he did not think that restitution should be dragged out indefinitely since he considered it undesirable to keep individual Germans in uncertainty as to what they would have to pay and restore. He thought in view of this and of the fact that restitution procedure necessitated very considerable staff that this work should be terminated in the near future.

The U. S. member pointed out that the paper did not fix a date after which restitution would no longer be made; but merely fixed a deadline for the filing of claims. The French reference to the satellite treaty was a non-sequitur since those treaties stipulated a date by which restitution deliveries would be terminated.

The setting of a reasonable date would make it possible to keep up adequate personnel for this work and would encourage claimants to prepare and submit all their claims; if a reasonable date were not set, the U. S. delegation would request its government to authorize setting of a termination date for the U. S. Zone.

The Soviet member considered the termination date proposed in the paper would be fully satisfactory but wouldn't hope to some reasonable extension of that limit.

The French member pointed out the extreme importance his government attached to this question. He proposed and the meeting agreed to defer further discussion until a future meeting.

302045
By phone / web

302045

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority MND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 16

R E S T R I C T E D

30 January 1947

CCRC/R(47)25

ALLIED CONTROL AUTHORITY

COORDINATING COMMITTEE

Termination Date for Restitution Activities
(Note by the Allied Secretariat)

1. The R. D. & R. Directorate considered the above matter at its 56th Meeting. As there was disagreement in the Directorate between the British-Soviet-United States members on the one hand, and the French member on the other hand, it was decided to submit the two conflicting opinions to the Coordinating Committee for decision.

These two opinions are set out in paragraphs 2 and 3 below.

2. Opinion of British-Soviet-United States Members

- (a) A dead line date should be fixed for the filing of claims for restitution by nations eligible for restitution.
- (b) The dead line date proposed in (a) should be 30th June 1947.
- (c) The acceptance of restitution claims submitted by eligible nations after that date will be at the discretion of individual Zone Commanders.
- (d) In the case of ex-enemy nations which may in the future become eligible for restitution, the fixing of termination dates for their claims should be dealt with as separate problems as and when they arise with due regard to the necessity for excluding any possibility of ex-enemy nations receiving more favourable terms than nations already eligible for restitution.

3. Opinion of the French Member

In accordance with the provisions foreseen in the Peace Treaties already drawn up with the satellite nations of the Axis, the French Delegation proposes that the maximum period for the filing of restitution claims be set as one year after the date of signature of the Peace Treaty with Germany.

- 1 -

R E S T R I C T E D

302046

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NWD 775119

By AM NARA Date 8-5-79

RG 260

Entry PROP.

Box 16

R E S T R I C T E D

Before the expiration of this period the claimant nations may file their restitution claims, first of all with the existing allied organisations or later with the responsible German administrative offices, whose establishment has been agreed upon by the Control Council.

4. This paper is submitted for the consideration of the Coordinating Committee at its 102nd Meeting on 5 February 1947.

R. G. RAW

J. M. LOIRET, Lieutenant Colonel

N. D. KOSTENKO, Lieutenant Colonel

R. W. VAN WAGENEN

Allied Secretariat

Gen Rest

DECLASSIFIED
Authority NND 775119
By AW NARA Date 8-5-77

RG 260
Entry PROP
Box 76

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)

COPY

STAFF CABLE CONTROL
INCOMING MESSAGE

DATED 241846Z

RECD 261054B APR 46
693/26/jb

SECRET
ROUTINE

FROM : AGWAR FROM ECHOLS
TO : OMGUS PERSONAL FOR CLAY
REF NO : W-65545

Reurads CC-2138, ourads WX-80641, WX-81019.

Internal restitution and other property matters reurad CC-2138 ourads WX-80641, WX-81019.

Difference in language between 2nd par of WX-80641 and para 48 e of JCS 1067/6 not intended to represent difference of policy with respect to description of claimants. WX-80641 broader in indemnification and covering both personal and property damage. Neither formulation is sufficiently definite for legislation. Details to be worked out under your auth.

WDPX of property disposition ED memo of 26 Mar 46 have been examined, also Legal Div study of Internal Restitution of 15 Jan 46 received by State Dept from POLAD. State Dept will make working level comment to POLAD on study.

It is felt here that both papers are sound in the main but that they raise at least three important controversial questions which I suggest should be submitted soon with your recommendations for decision of the payment of claims of persons outside Germany. No substantial progress has been made here in consideration of this question left open by WX-80641. I doubt that any other solution is possible, however, than to admit such claims on same basis as claims of persons within Germany. This matter is closely related to whole question of level of Foreign investment in Germany and is difficult chiefly for that reason. It concerns many claimants now in the United States, many of them citizens.

2. Use of German personnel to adjudicate claims. This is involved in the instructions to Leanderrat mentioned urad CC-2138. Practical reasons for this course are understood but there will be serious criticism if Germans alone pass on claims of persons despoiled by Nazis, especially persons now no longer German. This is intimately connected with marshaling of assets under War Crimes Program. Don't you believe that we should make efforts to get American personnel to develop this phase of OPR Program this is a touch subject.

3. Use of some part of looted properties for relief and/or repayment of Nazi victims. No plan has yet been formulated beyond that found in the Reparations Agreement but the State and War Dept sympathetic to the suggestion if a workable plan can be devised. This is related to the important problem of Jewish Community property, of which little mention is made in the memo or the study.

SECRET

COPY

COPY

DECLASSIFIED

Authority MND 775119

By AY NARA Date 8-5-77

RG 260

Entry PROP

Box 16

SECRET

COPY

- 2 -

In connection with compulsory declaration of external loot suggest compulsory declaration of internal loot by present or any previous possessor should be required per pressure on War and State Depts from claimants and organizations to do something about Restitution and Indemnification in Germany are increasing.

-2138 28 Mar Legal
-80641 is SCC IN-22825 16 Mar Legal
-81091 is SCC IN-23079 19 Mar Legal

CTION : LEGAL

INFORMATION: O/SS-C/S
ECON
POL AFF
FIN
IA&C
CONT OFF
AG RECORDS

AGG IN 28222 28 Apr 46 1335B B/jb Ref No: W-85545

COPY

SECRET

COPY

302049

DECLASSIFIED

Authority MND 775119
By AY NARA Date 8-5-77

RG 260
Entry PROP
Box 16

OFFICE OF MILITARY GOVERNMENT FOI, GERMANY (U.S.)

STAFF CABLE CONTROL

OUTGOING MESSAGE

SECRET

Rest

TO : AGWAR FOR WARCAD FOR ECHOLS
FROM : OMGUS SIGNED CLAY
REF NO : CC-4640 TOO: 081144B MAY 46/mh

Subject is your W-85545.

1. General. Our views on claims based upon Nazi activity are set forth in CC-3989 dated 28 Apr. With reference to your concern over the increasing pressure on War and State Departments from claimants and organizations with regard to such claims, it might be desirable if you are in agreement with the conclusions expressed below and in our CC-3989 to announce to the press that part of the program which is being adopted in the US Zone and that the other principal categories of claims must await central planning. In this way claimants will be aware of the problems involved and the obstacles which must be overcome.

2. Payment of claims of persons outside Germany. In connection with the procedure which we are now developing in the US Zone for the restitution of specific property and for interim award as recommended in the report of the Property Disposition Board, we are of the view that the remedy should be available to Germans and non-Germans alike regardless of their present residence. The initiative for bringing such claims should be on the individuals involved and not on MG, whose responsibility should be limited to assuring the creation of machinery for hearing these claims and for making periodic inspections to insure that the machinery is accomplishing the purposes for which it is established. Where an award is made we are clear that under no circumstances should it be possible for claims to be satisfied in foreign exchange assets as long as appropriations are being requested from Congress. It is estimated that the cost of essential imports and occupation costs to the US Government and to the other occupying powers will be largely in excess of foreign exchange assets available to Germany for a considerable period. It is our firm view that under Potsdam agreement these should be first charge

CC-4640

SECRET

SECRET

Copy No.

Exempt from paraphrase. Handle in compliance with AR 380-5.

302050

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority MWD 775119
By AY NARA Date 8-5-79

RG 269
Entry PROP
Box 76

CG-4640

S E C R E T

-2-

against such assets prior to the satisfaction of any damage claims by Germans or non-Germans.

3. Use of German personnel to adjudicate claims. We have given serious consideration to the machinery to be used for the adjudication of claims by Germans or non-Germans for either restitution or damages. We would not recommend the establishment of procedure to be administered by Germans unless we had confidence that they would be able to perform the job effectively. It will be necessary to check their results from time to time. Any system which we propose will of course make provision for this. The claims which will be presented will undoubtedly number in the thousands. It will be necessary that there be tribunals in all principal cities. The personnel will be need a background and understanding of German law. Our experience here has been that such US personnel is not available in sufficient numbers. We are having extreme difficulty even in locating competent lawyers with no German law experience.

4. Use of looted property for relief of Nazi victims. With respect to the use of looted property for relief and/or repayment of Nazi victims, we are of the view that much of this property which is identifiable will be recovered by the rightful owners as result of the proposed restitution procedure in the US Zone and in other Zones if the plan is agreed on Quadripartite basis. Some of it will be recovered as sanctions are imposed under the Denazification law and war crimes sentences. It is likely that the principal problem therefore will be with respect to that property which is not identifiable or which is unclaimed because of the death of the owner or for other similar reasons. We have not developed plan for the disposition of this type of property. We have refrained from reaching firm conclusions pending receipt of the views of the Laenderrat. This of course would include the Jewish community property to which you refer.

5. Internal Loot Declaration. Forms for the declaration of external loot have been distributed in US Zone. They require statement by declarer as to property

CG-4640

S E C R E T

302051

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-97

RG 260
Entry PROP
Box 16

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

STAFF CABLE CONTROL

CC-4640

OUTGOING MESSAGE

SECRET

in his possession from sources outside Germany. This is statement of fact. On the other hand your suggestion that similar declaration be secured on internal loot would require the declarer to make not only statement of fact but also conclusion as to whether his title was valid under Reich laws as of the time of acquisition. Our reaction is that the complexities incident to the use of this device on internal loot would not produce useful results. If you desire to pursue this matter further it might be helpful to reexamine the suggestion after we have had some experience under the External Loot Declarations. An alternative suggestion would be for the German Denazification Tribunals to make inquiry of those appearing before them as to all property or certain special categories of property wrongfully acquired during Nazi regime. This would have the advantage of an individual examination of the principal offenders in the US Zone and should produce more satisfactory results than form executed without benefit of cross examination.

6. We are not clear as to the program referred to in Para. No. 2 of your message where reference is made to the "Marshalling of assets under War Crimes Program". Request clarification.

W-85545 is AGC IN-26222

ORIGINATOR : LEGAL

AUTH: RB MAUTZ
Mej

INFORMATION : O/SS, ECON, POL AFF, FIN, IA&C, CONT OFF,
MANP, CIV ADMIN, AG RECORDS

CC-4640 9 May 46 1410B CB/mh

SECRET

SECRET

Copy No.

Exempt from paraphrase. Handle in compliance with AR 380-5.

302052

DECLASSIFIED

Authority MND 775119
By AY NARA Date 8-5-77

RG 260
Entry PROP
Box 16

DDK

Gen Zett

French Commander-in-Chief in Germany
French Element of the Control Council
Economics and Finance Division
Reparations & Restitution Branch

Berlin-Frohnau
10 October 1947

Ref. RR/7720-D

TO : Colonel Allen
Chief, Reparations and Restitution Branch,
American Sector

My dear John:

In answer to your letter of 6 October, 1947 and pursuant to our conversation of 9 October I felt that it would be useful to summarize and to clarify in the attached memorandum the essential points of the program for the practical and rapid handling of restitutions, of which I have spoken to you in large terms. The memorandum contains only personal suggestions pertaining to the question. These suggestions do not, in any way, represent a position taken by my Government which, at the present time, can only see to it that the quadripartite agreements made be carried out equitably and efficaciously.

Apart from the termination date for the filing of restitution claims which must be quadripartitely approved, these suggestions concern only measures which can be introduced by decision of the Control Council and subsequently would only require direct and specific negotiations between the American and French Authorities.

I duly took note of the fact that the directives you have received from the U.S. authorities do not allow you to modify the restitution measures which are now being applied in your zone. I would, however, like to point out that your comparison of the results achieved in the American and French Zones respectively calls for the following observations on my part:

392053

DECLASSIFIED

Authority NND 775119

By AY NARA Date 8-5-97

RG 260
Entry PROP
Box 16

element for the progress of restitutions is not the number of claims satisfied but the number of claims under consideration. In this respect I would like to note that the percentage of the claims under examination in the U. S. Zone is still about 50%, whereas in the French Zone it is below 30%.

b) It has not yet been possible to prepare quadripartite statistics of certain restitutions made by our zone, particularly with respect to Alsace Lorraine, before the quadripartite procedure was introduced.

c) The French authorities have not been able to adopt a more liberal application of restitution agreements than the one adopted in the neighboring zones, even though they wished to do so.

d) Systematic investigation in the plants of the French Zone have been undertaken in the course of the summer by teams of French experts with a view of finding looted machines. The results of these investigations will appear only in the statistical reports of one of the next months.

In closing I wish to express the hope that it may yet be possible for the American authorities to give up, in the near future, the excessively restrictive interpretation which in our opinion they have up to now given to the quadripartite restitution agreements. Only such a change of attitude would finally bring about, in an acceptable space of time, restitutions the results of which have up to date been out of proportion with what the spoliated nations had a right to expect.

For your personal information you will also find attached the text of a communication which I made yesterday to the Press on the subject of restitution.

Very sincerely yours,

/s/ G. GLASSER

302054

REPRODUCED BY THE NATIONAL ARCHIVES

DECLASSIFIED	
Authority	NND 775119
By	AW NARA Date 8-5-97
RG	260
Entry	PROP
Box	76

10 October 1947

Translation
DAK

Practical Program for Terminating Restitution.
(French Memorandum)

1. Systematic investigations will be organized in all plants or depots of a certain size so as to locate the looted industrial equipment still in Germany. These investigations will be made by experts of the spoliated nations under the control of the Occupying Powers. The number of experts will be sufficiently large so as to insure that these investigations will be terminated in the course of 1948.

Similar searches will be made with respect of land and water transport equipment.

2. The processing procedure of the claims will be simplified and, in particular, indications as to the circumstances of the looting will no longer be required. When necessary, it will be up to the German holder to furnish, within a time limit to be fixed, proof that removal by force did not take place.

Taking into account that these investigations have greatly augmented restitutions, the French delegation could give up its claims on property which is shown to have been acquired under normal commercial transactions.

To this end, the holder should:

- a) produce a receipt in the form currently used in commercial transactions
- b) prove that the deal would have been made at the same conditions if there had been no war.

This relinquishing of claims would even apply to cases where restitution is compatible with reparations.

3. The termination date for filing restitution claims will be the same as in the peace treaties with the ex-enemy nations, i.e. 6 months from the date on which the Control Council will pass a decision in this respect. Up to that date summary

DECLASSIFIED

Authority MND 775119
By AY NARA Date 8-5-77

RG 269
Entry PROP
Box 16

individual or collective claims will be accepted (Example: repositories). Later these summary claims should be perfected, particularly in cases in which the location of the property could be determined in the course of the examination or by any other means. Claims will be accepted after the termination date if the owner can satisfactorily prove that the claim could not have been filed within the time limit set.

4. If the retention in Germany of an identified restitutable property is considered essential by the Occupying powers, a gentlemen agreement (a friendly agreement) should be sought between the Occupying Powers and our representatives concerning replacement of the item by equipment of equivalent value furnished by the German economy.

5. The Allied Restitution services and the French Mission will give priority in their efforts to locating and restituting property of importance for the reconstruction of the French patrimony. This will lighten and shorten the first task of the Services in question.

6. If the above measures are applied completely, the period of active restitution could come to a close at the end of 1948. After that date only litigation cases or cases requiring more study will be handled by a reduced Allied personnel.

7. The above measures do not apply to certain categories of property for which special measures are necessary, viz. rolling stock and equipment, securities, art objects etc. On the other hand, these measures fall within the scope of existing quadripartite agreements and require only direct agreements between the Services of the Occupying Power and the French representatives.

302056

DECLASSIFIED

Authority MND 775119By AM NARA Date 8-5-77

RG

260

Entry

PROP

Box

16

Berlin, 8 October 1947

French Element
Control CouncilSummary of the Problems of Restitution to France

The French Reparations and Restitution services in Germany have just published a compilation of industrial equipment looted from France by the Germans during the war.

The publication of this work gives me the opportunity to rapidly consider with you to-day the problems of Restitution. The Summary shows the name, and when possible, the identification numbers, a short description, the manufacturer's mark and the name of the owner for 60 000 machine tools and various equipment. Furthermore it contains a description of the distinctive name plates showing ownership of a further 17000 machines removed by the Germans from arsenals and other establishments of the French State. For these 17 000 machines we do not have other elements of identification. These installations were militarily occupied by the Germans as soon as they came to France. They drove out all the personnel and simultaneously removed the machines, destroyed or removed all the archives.

I must emphasize that despite minute searches made in France for many months, this catalogue is certainly not complete: The upheaval of the war has prevented a considerable number of owners to assert their rights and to specify their losses. Machines which have not been entered into the catalogue may yet be found in Germany.

You will see that the essential parts of this important work which has been published in four languages has been compiled here in Berlin by (French) personnel and by German means under the supervision of a few French functionaries and experts. It was only natural that the German people should

302057

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 16

bear this first and ~~infini~~tecimal contribution towards reparation of the immense damage which it has inflicted on our country.

These damages consist to a large extent of the looting the Germans did in France. The total of these spoliations has been arrived at after Minute investigations. If we take the 1938 Reichsmark which is used for all valuations of reparations as a valuation unit, we may evaluate the total spoliations suffered by our country at 34 milliards of marks. The 80 000 machine tools removed from France manifestly constitute only a small portion of this total but they are of a particular importance for our country because they represent an essential part of its equipment and production means which are seriously ~~lacking~~ to-day in the reconstruction of its economy.

Of these 80 000 machines removed by Germany, only about 7 000 could be identified and restituted to France to date: this is, you will agree, a very meager result.

Up to now restitution applied to equipment the destination of which in Germany could be indicated by the spoliated country or to equipment which was revealed in the declarations of the Germans themselves. But it is obvious that the Germans in carrying away their loot did not indicate to their victims in a general way the destination of the stolen goods. On the other hand, the declarations which were required of them, produced very deceptive results. A certain number of holders of looted Objects ~~doutless~~ is acting in Good faith because of the many intermediary steps between the actual removal in France and the place where they were finally set up in Germany. But there is also no doubt that many of them have easily found a way to camouflage this equipment and to counceal its existence from the Allied Authorities.

What can one do to recover if not all ^{then} at least a sizeable part of the looted goods?

302058

DECLASSIFIED

Authority NWD 775119

By AY NARA Date 8-5-97

RG 260
Entry PROP
Box 16

I, for my part, think that one should, - as the police in the whole world does when a theft has been committed, - make searches in order to find the stolen object with the thieves or with the receivers of stolen goods. In order to do this a large number of inspections would be required, particularly in view of the complex and vast field of spoiliations in Germany, and these inspections should preferably be conducted by specialists. Therefore, when searching for industrial equipment, Technicians should be employed to do the job, Technicians who know this equipment and are able to identify it. Naturally, such work cannot be entrusted to Germans. No confidence can be placed in them to take away from their compatriots property which has now become precious to them and which they themselves often consider as being legitimately owned. Only Allied experts, preferably selected in the looted countries, can efficiently procede with such work.

We sincerely hope that the Summary of the looted machines will prove to be a precious tool in such searches and that these searches will now quickly reach the indisprensible extention. in fact, it is desirable - both in the interests of Germany and those of the spoliated nations among whom France unfortunately holds a place of honour - that these investigations and the restitution of machines resulting therefrom can be brought to an end as early as possible. We for our part would wish that if not the entiriety of the operations, Then at least the essential part thereof be terminated by the end of 1948.

I consider it useful to say a few words also about the spoiliations France underwent in other fields, and for which restitution also remained at an extremely low level, as the restitutions made to France according to the official quadripartite statistics (with the exception of railroad equipment and art objects) did not amount to 100 million 1938 Reichsmarks.

DECLASSIFIED

Authority NND 775119
By AY NARA Date 8-5-79

RG 260
Entry PROP
Box 16

You know that the Germans have taken away from France a large number of locomotives and railroad cars while at the time of their retreat they left a certain number which belonged to them. At the present time, there are still in Germany according to official figures, about 55 000 French cars and more than 700 locomotives, and one must know that these figures are but a small fraction of the total loss of equipment which could not be remedied to this day.

As to motor vehicles, you are not unaware of the innumerable requisitions the Germans made in the whole of Europe. For France alone the figure of these requisitions certainly reaches into several hundred thousands, but it has not been possible to identify the total of these spoliations. We will soon publish a Summary listing 60 000 vehicles of which we know the origin and the characteristics.

The Germans plundered a great deal also in the furniture field. Limiting ourselves to valuable objects, mostly works by ancient masters, be it furniture, tapisseries, paintings or sculpture, we have compiled an inventory of some 30 000 articles which will also be contained in the catalogue together with photographs of the most precious pieces.

However, as to art objects in the full sence of the word, we have had the great satisfaction to see returned to France rapidly most of the precious master-pieces which the Germans had removed from our public and private collections. The majority of these master pieces had been concentrated by the Germans in Bavaria and thanks to the initiative of the Allied Fine Arts Services and the cooperation of our experts, they could be returned to France almost throughout in good condition.

The rebuilding of our cultural domaine is a price particularly dear to the heart of the French and we know that this holds true for all civilized peoples, but one must live and the restitution of our productive means is to day more than ever

REPRODUCTION OF THIS DOCUMENT IS PROHIBITED

DECLASSIFIED	
Authority <u>NND 775119</u>	RG <u>269</u>
By <u>AY</u> NARA Date <u>8-5-99</u>	Entry <u>PROP</u>
	Box <u>16</u>

an essential necessity for our country which like other Allied victims of Nazi oppression has seen its economy and particularly its industrial equipment systematically pillaged by the Occupant.

REPRODUCED FROM THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-99

RG 260
Entry PROP
Box 16

COPI/eb

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)
Economics Division
Restitution Branch
APO 742

Berlin, Germany
6 October 1947

My dear Joe:

I have received your letter of 6 September 1947 written with respect to restitution from the U.S. Zone, your reference RR/7384/D, RR/RE S. 779. I have also received the catalogue of industrial equipment, for which I thank you.

Your letter indicates familiarity with current U.S. policies and procedures and also highlights the wide divergence of views of results obtained. Our position is that the restitution program has been successful at least to the extent of not warranting any major change in procedures followed in the U.S. Zone.

Our view is based on results obtained from a comparison of reports submitted as of 1 August 1947, from which it appears that, according to the reports, the four zones have received from all the formerly occupied Allied Nations a total of 22,547 claims for non-cultural objects of which 5,395 have been satisfied at a 1938 Reichsmark valuation of 322,784,233. Of the 22,547 claims, 35.3 per cent were received in the U.S. Zone and 9.5 per cent in the French Zone. Of the 5,395 claims satisfied up to 31 July 1947, 48.2 per cent came from the U.S. Zone and only 12.2 per cent from the French Zone. Of the value of satisfied claims, 33.8 per cent came out of the U.S. Zone, 16.5 per cent from the French Zone. As between the U.S. and French Zones of occupation, the U.S. Zone satisfied 32.6 per cent of the 7,976 claims which it received, whereas the French Zone, which only received 2,140 claims, only satisfied 30.7 per cent of this smaller number of claims.

With all good wishes, I am,

Sincerely,

/s/s John H. Allen
/t/ JOHN H. ALLEN
Colonel, GSC
Chief, Restitution Branch

M. G.C. Glasser
Chief, RBR Directorate
French Element
Allied Control Authority
Berlin-Frohnau

302062

DECLASSIFIED

Authority MWD 775119
By AM NARA Date 8-5-79

RG 260
Entry PROP
Box 16

4472

FRENCH HIGH COMMAND
IN GERMANY

French Group
Control Council

Berlin-Frohnau, 11 February 1948

Economic and Financial
Delegation

Reparations and Restitution
Division

TO: Colonel Allen,
Chief, Reparations and
Restitution Division,
US Sector.

RR/RE

8880

My dear John:

The French Bureau of Financial Investigations published in September 1946 a lengthy report on the organization and activity of the German offices responsible for requisitions or purchases of goods in France during the occupation, as well as for the transfer and disposition in Germany of all looted property.

It has appeared to me that it would be interesting to boil down into a brief summary the essential parts of this study, and I take the liberty to mail you 10 copies today.

This document will confirm the perfection of the looting machinery perfected by the Germans as well as the amplitude of the results thereby obtained for the benefit of the German economy from 1940 to 1945.

You will realize why, apart from our anxiety for the return to France of looted property, we are equally anxious to process the records of these organizations.

For this reason, I would appreciate your cooperation in distributing the attached paper, emphasizing at the same time France's interest in the tracing and handing over of all documents involving transactions conducted by these offices and companies.

Very truly yours,

(Signed) G. GLASSER

302063

DECLASSIFIED

Authority NND 775119

By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 16

4472

FRENCH HIGH COMMAND IN GERMANY

FRENCH GROUP CONTROL COUNCIL

Economic and Financial Delegation Berlin-Frohnau

Reparations and Restitution Division 5 February 1948

Office of Restitutions

BRIEF ANALYSIS OF THE PAMPHLET

LOOTING IN FRANCE

REPORT OF THE FRENCH FINANCIAL INVESTIGATIONS SERVICE

(September 1946)

This report covers the activity of German purchasing organizations in France and those having financed those purchases.

1. ORGANIZATIONS UNDER THE MINISTRY FOR ARMAMENTS

A - RUSTUNGSKONTOR - Office of Distribution of iron and non-ferrous metals, responsible for the dismantlement of copper electric cables and for the transfer of stocks to the armament plants. This office also financed shipping companies and gas plants. More particularly, it achieved the dismantlement of the Kuhlmann plants at Paimboeuf, France. The records in the US Zone are incomplete, but permitted evaluating at 2 milliard RM the stocks and reserves of the office in April 1945.

B - BETRIEBSMITTEL - Company responsible for the supply of prototype tools, industrial plants for taking over and developing ALKETT. Records dispersed and partly burnt.

39.2064

DECLASSIFIED

Authority NND 775119

By AM NARA Date 8-5-99

RG 260
Entry PROP
Box 16

4472

-2-

C - ROGES -

Import-export company, storage and transport of all types of goods, with branches in France, Belgium, Holland, Serbia, Italy. Its main activity covered the purchase of metals, chemicals, industrial diamonds, textiles, leather and skins. The firm SCHENKER was responsible for transports in France. The ROGES Company financed the German black market agencies, and lastly, it was also responsible for the recovery and redistribution of ownerless property. An approximate evaluation of its purchases in France shows a figure of 2,800 million RM.

Records dispersed. The ledger of ROGES PARIS was delivered to the Committee for confiscation of illegal profits of the Seine department. The stocks were partly looted or sold on the spot, and partly blocked by the Allies.

The following black market purchasing organizations were among those controlled by the ROGES Company:

OTTO-MUNIMIM PIMETEX PARIS - ESSEX-PARIS - SODECO PARIS - ZENTRA - KRAFT-WEST. Their purchases amounted to 1,662 million RM approximately.

302065

DECLASSIFIED

Authority NWD 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 16

-3-

4472

II. ORGANIZATIONS UNDER THE ECONOMIC MINISTRY

- A - WIFO - Company established for the recuperation of raw materials and their distribution in Germany. It owned oil storages and an important quantity of tank cars, approximately 6,000 of which were requisitioned in France. Records in the Soviet Sector of Berlin.

III. ORGANIZATIONS UNDER THE AIR MINISTRY

- A - AERO BANK - Credits to the French Aircraft Works. Part of the records transmitted to Paris.
- B - GESELLSCHAFT FÜR LUTFAHRTBEDARF - Supply of spare parts and accessories to the aviation industries and recuperation of unused material and war booty. Absorbed by DELHAG in 1943.
- C - DELHAG, later ELBAG - Company responsible for the purchase of machine tools and for their distribution, for the recuperation of war booty and for the construction of airplane hangars. These activities were taken over by ELBAG in 1943, which added thereto the supply of spare parts for aviation and the establishment of new depots in France. Amount of purchases in 1943-44: 2,399 million RM. The ledger of French suppliers was transmitted to Paris.

- IV. - REICHSSTELLEN - State offices controlling all the external trade as well as the distribution of imported products and property acquired by the ROGES or similar organizations. Incomplete data transmitted to Paris show a figure of approximately 100 milliard as representing the amount of business controlled by these offices.

302066

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority MND 775119
By AY NARA Date 8-5-97

RG 260
Entry PROP
Box 16

4472

V. DEWEISENSCHUTZKOMMANDOS

Organizations initiated by the German Customs Administration, responsible for the seizure of gold and currency as well as for the purchase of securities. Later they were granted the power to open vaults, to seal enemy or Jewish property, and to transfer to Germany blocked securities. The activity of the Berliner Handelsgesellschaft in this field through its representatives in Paris was considerable.

Incomplete data found in the British Zone was transmitted to the Office des Changes.

REF ID: A64094
REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority NND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 15

General Restitution

FOREIGN MISSIONS FOR RESTITUTIONS
RESTITUTION BRANCH - O.M.G.U.S.
KARLSRUHE
APO 403

Karlsruhe, 27 October 1948.

SUBJECT: Protest on Restitution Program.

TO : General LUCIUS D. C L A Y
Commander in Chief
of U.S. Zone, Germany.

- 1) The undersigned Chiefs of the Foreign Restitution Missions attached to Restitution Branch OMGUS Karlsruhe, present their respects to General Lucius D. Clay, Commander in Chief and take the liberty of submitting the following to his attention.

- 2) On 16 October 1947, U.S. member of CORC declared that a termination date had been set by his government, after which no new restitution-claim in Germany could be filed. The US Delegate has then brought to notice, that the 30th of April 1948 would be the date in the US Zone. He added, that the US

302068

DECLASSIFIED
Authority MND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 15

Zone commander would accept meritorious claims. These were described as "claims which could not be introduced on time because of German conspiracy."

3) Afterwards, as no other meeting of the Allied Control Council could possibly be hoped, the US Restitution Authorities considered necessary to establish a procedure with the view of bringing their mission to an end. They set up target dates by which, on the basis of their statistics, they foresaw the possibility of having fulfilled their restitution obligations toward the Allied. Wisely, no general date was set up, but separate dates, each one in function of the remaining work for each country.

4) The US Restitution Authorities reported their decisions to the various Foreign envoys in Berlin. While some countries recognized the possibility of reaching the proposed goal, some others expressed their scepticism, but also their will to cooperate to the utmost.

REPRODUCED FROM THE NATIONAL ARCHIVES
DECLASSIFIED
Authority MND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 15

On 11th August 1948 it was announced by the Chief of Restitution and Reparation Branch, that the US Military Government intended to complete with the possible exception of a small amount of meritorious claims, both, the investigation and the shipments of restitution items, by 31.XII.48.

It unfortunately seems that afterwards, in the course of the execution of the program, some misunderstanding occurred.

- 5) Every mission took it as a duty to endeavour to comply with the date proposed by the US Authorities. They however soon realized that no satisfactory solution would possibly be given to each one of their claims by the target dates. Each on turn suggested, that their dates be reconsidered.

- 6) New target-dates were determined, mostly verbally. Meanwhile, the missions began to feel, that their claims were not processed with the usual care anymore. They painfully had to realize, that the "target dates" were actually deadlines firmly decided.

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119

By AW NARA Date 8-5-77

RG 260

Entry PROP

Box 15

- 4 -

Some even were bound to notice that they were assigned deadlines closer than the earlier extended "target-dates".- Most important, they felt being subject to a kind of pressure not compatible with their status of duly accredited representatives of Sovereign Governments.

- 7) This feeling rests, not only on the repeated assertions by US Restitution Authorities that they were ordered to exert a "pressure", but chiefly on facts.

8) Meritorious claims.

The missions have been informed that meritorious claims will be received only in cases where the claimant nation can prove that the property was concealed by conspiracy on the part of the German holder.

This has resulted in very few meritorious claims having been accepted. Those accepted claims were mainly the ones based on delayed German declarations. The pretext for the rejection of meritorious claims was that the German conspiracy was not

302071

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority NND 775119

By AM NARA Date 8-5-77

RG 269

Entry PROP

Box 15

- 5 -

established. Can this argument be valid to countries whose looting was carefully organized before being occupied? The German conspiracy appears ipso-facto established when no declaration has been correctly done, despite of the law ordering such filing and imposing penalties in case of non compliance.

In order to prove conspiracy to a meritorious claim, we have to locate our properties. Existing procedure does not allow us to enter plants or make such independent investigations, which facts cut off all possibilities for establishing a case.

Policy on meritorious claims does not appear to be satisfactorily established and defined.

We mention that big German concerns and State Administrations and public utilities made no or only incomplete declarations of looted properties in their possession.

9) Investigations on claims

In order to meet target dates, claims have not been thoroughly investigated.

302072

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority MND 775119
By AM NARA Date 8-5-79

RG 260
Entry PROP
Box 15

In a visibly short time, hundreds, even thousands of claims of all nations concerned were simply dropped or turned down, on the ground of non-localisation.

Those claims were investigated in the field mostly by German investigators, sometimes by a letter to the alleged holder, or even by telephone.

In too many cases, interrogation and inspection of premises and files of alleged holder were not made.

In most cases, our claims have been dropped on the basis of an affidavit prepared and printed in advance by the local investigating office, to be simply signed by the alleged holder.

It is obvious that the German holder of looted properties, being well informed through the German investigating office, that deadline to restitution in the American Zone will be 31 December 1948, is hiding this property or denies possession of goods without risk, that his case could be reinvestigated.

DECLASSIFIED

Authority NND 775119

By AY NARA Date 8-5-99

RG 269

Entry PROP

Box 15

- 7 -

The present "speed up" program results therefore in heavy losses to claimant nations of restitutable property, which by more careful investigation could easily be located.

10) Compensation transactions

Many released properties are obviously needed by the German economy and are a main factor to export trade for Germany.

Other properties are parts of machines, and dismantling would mean useless damage to the Germans as well as to claimant nations. Backed by economic advisers in the Laender and German authorities compensations are offered to claimant nations, and urged to accept same.

Those compensations deals are particularly advantageous to the German side, but delays are necessary, because a favorable decision from the Government concerned has to reach the mission, whether or not such compensation can be accepted.

The speed-up program with early shipping dates makes compensation for all practical purposes impossible, and means losses to the German industry. Those compensations appear to be in line with German Minimum Economy policy, as directed at the time by the Military Government.

392074

REPRODUCED FROM THE NATIONAL ARCHIVES
DECLASSIFIED
Authority NND 775119
By AM NARA Date 8-5-77
RG 260
Entry PROP
Box 15

The dismantling means loss for all concerned, because it gives scrap value to valuable items.

Moreover certain claims are released on condition compensation should be made.

Also there the speeding up program on restitution means heavy losses to claimant nations.

11) Shipments

Although the foreign missions express their appreciation for the help and assistance given in an effort to accelerate shipment operation, a target date cannot be laid down to complete all shipments.

Nor can a deadline be accepted for removal of our released properties.

Many machines have to be dismantled, as said in 8), while compensation by German holder is not always immediately available.

Delays in shipments are mostly due to following facts:

- a) Last minute protest of German holder,

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 15

- 9 -

instructed to win time.

- b) Last minute proof of normal commercial transaction, which necessitates inquiries at home, with our Governments.
- c) Last minute offers of compensation supported by German authorities.
- d) Removal to other locations or allegedly pilfering of property, which necessitates a new tracing, which is of course impossible under present program.

Moreover, properties released become the property of the claimant nation and release can only be cancelled, when identification of the property is proved having been incorrectly made. Therefore all restituted properties have to be shipped by all technical possibilities without deadline.

We maintain therefore that a shipment deadline infringes upon the rights of our Governments to dispose freely of the released goods.

302076

DECLASSIFIED
Authority MND 775119
By AY NARA Date 8-5-79

RG 260
Entry PROP
Box 15

This memorandum aims at drawing your attention to:

1. technical facts, due to the actual situation created to claimant nations, who accepted the principles of the "final act" at the conference of Paris on restitution, and other nations,
2. to losses unduly incurred by the nations entitled to restitution, owing to a too rigorous implementation of dates,
3. to the dissatisfaction due to lack of pliability of the program, which affects and German economy and ourselves.

The chiefs of foreign missions for restitution accredited to the U.S. Zone therefore respectfully request that

1. Shipments of all restitutable properties without rigorous enforcement which appears to them arbitrary dates should be effected.

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED
Authority MND 775119
By AY NARA Date 8-5-77

RG 269
Entry PROP
Box 15



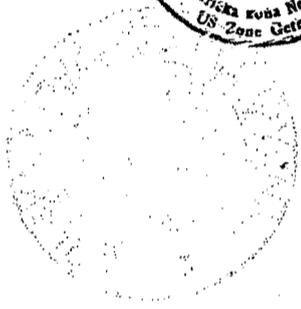
J.A. Bonnet-Maury
J.A. BONNET-MAURY
French Mission Chief



G.B. Ceccato
G.B. CECCATO
Italian Mission Chief



B. Brejc
B. BREJC
Yugoslavian Mission Chief



E. Wolf
E. WOLF
Polish Mission Chief



Albu Joan
ALBU JOAN
Roumanian Mission Chief

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 15

17 November '48

Ref. No. S-166

TO: Commander-in-Chief and
Military Governor
General Lucius DICKLEY
Berlin

Sir,

I have the honour to draw your attention to the following:

Our Restitution Mission in the U.S. Zone of Occupation in Germany had received a letter from the Deputy Chief for Industrial Restitution, dated 2 November 1948, asking our Mission to reduce its personnel by 15 November 1948, to Chief of the Mission, one secretary and one officer.

On 12 November 1948 U.S. Military Authorities asked our two officers working on restitutions to leave Bavaria by 13 November 1948.

I take the liberty to draw your attention to our Notes Ref. No. S-49 of 5 February 1948 and S-131 of October 1948, in which we have given the view of the Government of Federal People's Republic of Yugoslavia in connection with the work on restitutions in the U.S. Zone in Germany.

For reasons quoted in the above mentioned Notes, we cannot consent to the reduction of our restitution field personnel. Therefore I protest against the removal of our restitution personnel from the U.S. Zone in Germany, and I beg to request this decision be withdrawn, and the above mentioned officials held up in the Zone, so that they might carry on the activities on our restitutions.

Hoping that you will withdraw the order of your subordinate organs, I avail myself of this opportunity to extend to you the expression of my deepest esteem.



DEPUTY HEAD
YUGOSLAV MILITARY MISSION
Colonel

M. Hotić

(M. Hotić)

302079

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119
By AW NARA Date 8-5-77

RG 260
Entry PROP
Box 16

Gen. Rest

C O P Y

Irregular Activities

For a long time it has been known by various intelligence agencies in Austria and Germany that there is a very large underground smuggling ring moving properties east and west. The primary commodities thus transported are usually moving Jewish refugees from east to west and moving various moveable properties from west to east. As Vienna is more or less a hub for the east-west communication and transportation, ample evidence has been obtained of the authenticity of these reports. However, only small operations of this organization have been apprehended so far. Indications are that some people in high places in many of the existing governments in Europe and including the U.S. Element in Austria and Germany are engaged in this illegal operation.

One name which has consistently appeared in connection with these activities is Mr. Felix Hahn, Chief of Hungarian Restitution Mission to the U.S. Zone of Germany. In his travels through Austria on route to and from Germany, it is definitely established that he has (1) passed out forged ownership papers on automobiles for which to base restitution claims (2) he has "requisitioned" automobile spare parts including tires which have either been transported into Germany or back to Hungary, (3) he caused a car to be delivered to Vienna from Germany which was believed to have been brought illegally as no registration for this vehicle or no papers of ownership have ever been produced.

The U.S. Forces, Austria, have been hesitant to take direct action against Mr. Hahn because it will involve, in Hungary, the Hungarian Restitution Mission in Austria. If direct action is taken here it will be known in Hungary that the Hungarian Mission in Vienna assisted in giving us this information. The above accusations against Mr. Hahn are not alleged only by the Hungarian Mission here but have been proven as facts by our own investigators. Therefore it is felt that if any direct action is taken against Mr. Hahn it should come from the U.S. Zone of Germany rather than from the U.S. Zone of Austria.

It is alleged that Mr. Hahn is engaged in automobile smuggling, extortion, and forgery on a large scale in the U.S. Zone of Germany. Whereas this is unconfirmed information it is believed to be possible in view of what is definitely known of him in Vienna. Mr. Hahn has been especially commended by certain quarters in Hungary for

302080

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-97

RG 260
Entry PROP
Box 16

SECRET

CLEAR TEXT

10 Dec 47

FROM : CINCUS

TO : (1) Restitution Control Branch, Karlsruhe
(2) Danube Field Organization, Regensburg
(3) GIB Bavaria

Cc - 2544

1. Following message dated 4 December 1947 is basis of telecon your office this Branch 6 and 7 December and is repeated for information and investigation:

Informed that S. Hahn, Chief, Hungarian Restitution Mission, U. S. Zone Germany has been provided by Hungarian Government with 17,000,000 marks for purchase industrial equipment on black market Germany and is bringing it to Hungary under pretext it was removed by duress during war. First shipment such equipment consisting mostly of cranes loaded into barges which early this week located on Danube between Passau and Linz.

2. We are attempting to obtain further information from source and will advise accordingly. Please note cable to USAF, same subject, on which you are info.

Internal Dist:

FCL AFF
TRANSP
INTELL

Coordinated with: FCL AFF

Precedence: Priority

Originating Div: ECCE

Authenticating Sig: Col. Allen
A2009

MR. BASHBAUGH

[Handwritten signature]

SECRET

302081

DECLASSIFIED

Authority MND 775119
By AY NARA Date 8-5-79

RG 260
Entry PROP
Box 76

SECRET

1st Ind.

DANUBE FIELD ORGANIZATION, TD, WFB, OMCUS, APO 225, 30 Oct 1947

TO: Restitution Control Branch, OMCUS/ Rear
APO 403, Karlsruhe, Germany

Allegations of irregularities and smuggling activities in connection with the restitution of Hungarian Danube barges as outlined in secret communication from Lt. Col. McKee, Chief RDR Division, USFA, are so general and vague in nature as to preclude an investigation on any specific point.

It is presumed that the central personality referred to in basic report as a Mr. Felix Hahn is identical with Dr. Alexandra Hahn, Chief of Hungarian Restitution Mission, US Zone of Germany. This organization has no facilities to investigate the alleged large scale extortion, forgeries, and automobile smuggling activities of this individual, and is only competent in reviewing such of his actions as pertains to Danube river operations and restitution of Hungarian Danube craft.

The implication that Dr. Hahn received special concessions, through fraud, in the restitution of Hungarian Danube craft in the US Zone of Germany cannot be substantiated. The restitution of these craft was undertaken on State Department instructions on a unilateral decision of the US Government. The principles underlying such restitution were scrupulously adhered to, and all claims thoroughly investigated. All preliminary discussions were held with and documentary evidence was presented by representatives of the Hungarian shipping Companies involved. Dr. Hahn appeared singularly uniaformed about Danube shipping matters and his activities were confined, to the knowledge of this office, to the signing of the "Receipt and Agreement" for the craft involved. It is therefore obscure why he should have been particularly commended for his "cleverness" by certain quarters in Hungary for his part in the restitution proceedings of Hungarian craft in the US Zone of Germany.

The term "smuggling" as used in basic report can only refer to illegal contraband. Again the allegation is too loosely drawn to permit a thorough and objective investigation. All craft clearing the US Zone of Germany are quite thoroughly searched prior to obtaining border crossing clearance. In all cases the search of the craft, investigation of crew members and formal documentation is undertaken by the Inspection and Security Section, assisted by Constabulary troopers and until recently by representatives of the Civil Censorship Division. It can therefore only be presumed that the term of "smuggled equipment" is applied to such cargo or ships inventories for which proper restitution releases were issued by Restitution Control Branch OMCUS (Rear). While it is conceded that minor smuggling activities can and do occur and defy detection in international barge movements, large scale and organized movement

SECRET

302082

DECLASSIFIED

Authority MND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 16

- 2 -

SECRET

of contraband did not and cannot succeed. The possibility of collusion by US personnel in such an undertaking is rendered impossible since all local security agencies, including the US Constabulary and Counter Intelligence Corps participate in the search and clearance of restituted craft and cargo. It would be interesting to review the inventories of the five (5) bargeloads of contraband which were allegedly smuggled out of the US Zone of Germany during restitution movements of Hungarian Danube craft. In all cases it will be found that such cargo was properly released as restitutable items, and covered by Receipt and Agreement from Restitution Control Branch OMGUS (Rear).

While this organization does not wish to discredit honest and unbiased efforts to tighten security measures and the weeding out of undesirable elements, it has all too frequently been brought to face with irresponsible accusations and reports which are based primarily on hearsay, rumors or malicious gossip. In basic report it is admitted that the brunt of the charges emanate from personal and political enemies of Dr. Hahn, who have, no doubt, personal axes to grind. This organization has no desire to exonerate this individual of all or any charges since it is not prepared to conduct an investigation of such ramifications. Neither is this report concerned with the political wisdom of discrediting Dr. Hahn with his government by recommending his recall.

When however, by implication, the actions and integrity of US installations and personnel is being beset it is felt that the reporting agency should use a maximum of caution in evaluating the charges by foreign informers, and should, in any event, conduct a thorough investigation to conclusively establish a case before such charges are made a matter of record.



HAROLD T. LENTZ
Lt. Col. CE
Chief, Danube Field Orgn.

Telephone: 2070 (M11)
Regensburg

SECRET

302033

302084

Movement of Hungarian Danube Craft from and to US Zone Germany during past six Months Periods

DATE	UPSTREAM	DOWNSTREAM
27.4.1947	from Vienna: Tug "Radvany" /no cargo/	
28.4.1947		Tug "Tihany" /no cargo/ with tow: Barge "MFTR 110" /no cargo/ Barge "MFTR 449" /no cargo/ Barge "MFTR 628" /no cargo/ Barge "MFTR 696" /no cargo/ Restitution ^s movements to Hungary
5.5.1947		Tug "Radvany" /no cargo/ with tow: Tanker "HORY 3" /no cargo/ Barge "MFTR 354" /no cargo/ Motorboat "H.F.I. 1" /no cargo/ to Hungary Restitution ^s movements
17.5.1947	from Vienna: Tug "Radvany" /no cargo/	
24.5.1947		Tug "Radvany" /no cargo/ with tow: Motor-Barge "Magyar" /no cargo/ Tug "Mohacs" /no cargo/ Barge "MFTR 369" /no cargo/ Barge "MFTR 117" /ships material/ Barge "MFTR 775" /ships material/ Restitution- movements to Hungary
5.7.1947	from Hungary: Tug "Radvany" /no cargo/ with tow: Barge "M. 272" /some goods for Hung. Craft. in repair on	

RG 269
Entry PCOP
Box 76

DECLASSIFIED
Authority MWD 775117
BY [Signature] NARA Date 8-5-97

REPRODUCED AT NATIONAL ARCHIVES

DECLASSIFIED

Authority NW 775113
By LWT NARA Date 4/8/83

RG 260
Entry 270P
Box 15

MHW/mr

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Office of the Military Governor
APO 742

MHW
Office J
ED

Berlin, Germany

Dear General Holjacek:

In reply to your letter of 19 October 1948, addressed to General Clay regarding the scheduled completion of the work of restitution to Yugoslavs in the U. S. Zone of Germany we offer the following comments:

a. We expect to complete by 31 October 1948 the investigation and delivery on all non-cultural claims received from your Government. We do not anticipate any difficulties in completing the work by this date.

b. As previously informed, we will continue to accept from your Government meritorious claims for both cultural and non-cultural properties where it can be definitely proven that unusual circumstances were involved.

c. The program for restitution of securities was presented to you in our letter of 26 September 1948 which provides that all such claims are to be filed with this headquarters by not later than 31 December 1948 with restitution to be made during early part of year 1949.

d. We feel that proper attention has been given to the investigation of your claims and in those instances where the claims have been dropped that no further efforts should be made to locate the properties.

You may rest assured that we are making every reasonable effort to reconstitute the Yugoslavian properties to which claim has been made.

Sincerely,

GEORGE P. HAYD

Major General, USA
Deputy Military Governor

Lt. General V. Holjacek
Chief,
Yugoslav Military Mission
17/18 Scheuchstrasse
Berlin-Charlottenburg

302085

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 15

COPY 3

Lieutenant-General
V. BOLJEVAC

Berlin, October 18th, 1948

Ref. No. S-191

Dear Sir,

I have the honour to inform you of the following:

Your organ, Chief of the U.S. Reparation and Restitution Branch, Mr. O.R. Mc Jenkins, has, on September 8., 1948, officially declared to our representatives in Berlin the following:

1. Investigations in connection with the restitution of our Non-Cultural property in the U.S. Zone will cease on October 31., 1948.
2. The work on restitutions in the U.S. Zone will cease on December 31., 1948, after which date only special cases will be taken in consideration.

On October 11., 1948, however, the U.S. Authorities declared to our representatives in the Zone, that all the investigations and releasing of our property in the U.S. Zone must be finished by October 18., 1948 and that all our released property must be shipped to Yugoslavia till October 31., 1948.

In connection with the a/m statements of your organs, you will allow me to draw your attention to our Note of February 5., 1948, Ref. No. S-49, in which we have given the view of the Government of Federal People's Republic of Yugoslavia in connection with the setting of terms for submission of restitution claims in the U.S. Zone of Germany.

We consider the above decisions of your organs, which have set terms for work on restitutions, incorrect, and that they break the rights and the interests of Federal People's Republic of Yugoslavia.

The a/m decisions will make losses for Yugoslavia especially as there is still a great amount of looted Yugoslav property in the U.S. Zone of Germany.

2/

302086

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 15

In the U.S. Zone of Germany

I point out that there are many reasons which give right to our request the work on restitutions in the U.S. Zone should be proceeded. Among others, I may mention the following:

1. We have still a large number of Non-Cultural and a very large number of cultural claims, which have not yet been investigated.
2. It is necessary to make further investigations for some claims which have not been sufficiently investigated.
3. We have good indications to find new dates and documents, on the bases of which we shall be able to submit new claims for our looted property.
4. The U.S. Military Authorities have not given enough help to our organs in the Zone at the investigations of our looted property.
5. The Germans made it very difficult for us to work on restitutions, hiding the looted property, and, thus, unabling us to discover it. They, also, made our investigations very difficult and, if the claims were released, they hindered the delivery of the property, by protesting to the U.S. Authorities.
6. Because of the short terms set, U.S. organs have, in a hurry, rejected many of our claims, making, thus, losses to our country.
7. By order of the U.S. Military Authorities we did not get trucks for shipments of our restitution goods from April 4., 1948 till June 26., 1948.

I consider that the a/m reasons quite clearly show the necessity to proceed with the work on our restitutions in the U.S. Zone of Germany.

Finally, such a decision, which your organs have brought forth, is in contradiction with the international laws and with the pledges of the U.S. Authorities who govern the Zone until the peace treaty with Germany is signed.

For the a/m reasons the decision of your organs cannot be accepted by the Government of the Federal People's Republic of Yugoslavia and we request, the work on our restitutions should be proceeded, so that Yugoslavia should not have losses due to such an incorrect decision.

Hoping that this incorrect decision will be withdrawn, I avail myself of this opportunity to extend to you, Sir, the expression of my highest esteem.

Yours

Lieutenant-General
Sign: V. Boljevas

Stamp:
Military Mission of the
Federal People's Republic
of Yugoslavia

TO: Commander-in-Chief
and Military Governor
General LUCIUS D. CLAY
D. O. F. I. R.

302087

DECLASSIFIED

Authority NND 775119
By AY NARA Date 8-5-97RG 260
Entry PROP
Box 14

BNO/gs

Transport Group

20 November 1948

SUBJECT: Restitution of Netherlands IMT Claims.

TO : Netherlands Mission for Restitution,
Karlsruhe, APO 403, US Army.

Conference held in the office of Mr. Basil W. Gamin, in room 2031, Econ. Building, OMCUS, was attended by Col. N. Haeff, representative of the Netherlands Restitution Mission Berlin, Mr. John C. Meadows, Chief of the Rhine River Field Organization and Mr. R.T. Cantrell, Transport Group, OMA.

It was held for the purpose of reaching agreement on the outstanding Netherlands IMT restitution claims.

For the purpose of simplifying the discussion all claims were divided in the following 10 groups:

- GROUP 1 None
- GROUP 2 Claims withdrawn at the request of the Netherlands restitution authorities.
- GROUP 3 Craft not in the U.S. Zone
- GROUP 4 Craft which have been allocated to the U.S. by the Tripartite Naval Commission
- GROUP 5 Craft which have been restituted or removed to Holland
- GROUP 6a Craft under negotiation (See also group 8-a)
- GROUP 6b Craft under negotiation (See also group 8-a)
- GROUP 7 Craft under Inland Waterway control. This group includes a few craft operating under contract with EICO, (Food and Agriculture Branch)
- GROUP 8a N.V. craft with German counterclaims. Investigation not yet completed.
- GROUP 8b N.V. craft with German counterclaims. German ownership established.
- GROUP 8c Craft with German counterclaims. Netherlands claims incomplete, no evidence of Dutch ownership or registry furnished.
- GROUP 9 Craft with German counterclaims. Netherlands claims incomplete, no evidence of Dutch ownership or registry furnished.
- GROUP 10 Miscellaneous craft held up for various reasons.

COPY FOR MR. MACJUNKINS, OMCUS

3 27.6 1/2
302088

DECLASSIFIED

Authority MND 775119RG 260By AM NARA Date 8-5-79Entry PROPBox 14

Complete tabulations of these claims are attached to this letter. Copies of these tabulations were furnished to Col. Naeff, representing the Netherlands Restitution Mission in Berlin, who stated that, unfortunately, he was not in position to make the final decision regarding any of these claims, as he is obliged to take the matter up with his superiors.

Following are details of each item under discussion as it was presented to Col. Naeff.

GROUP 1 None

GROUP 2 CLAIMS WITHDRAWN AT THE REQUEST OF THE NETHERLANDS RESTITUTION AUTHORITIES.

This group consists of 8 claims and according to available information all these claims were withdrawn on the request of the Netherlands restitution authorities and Col. Naeff has promised to verify this fact as soon as possible.

GROUP 3 CRAFT NOT IN THE U.S. ZONE

This group consists of 25 claims. According to available information these vessels are either in the British, French or Russian Zones.

Col. Naeff has promised to check his own records against these claims and verify our statement.

GROUP 4 CRAFT WHICH HAVE BEEN ALLOCATED TO THE U.S. BY THE IMPERIAL NAVAL COMMISSION (TNC)

This group consists of 4 vessels.

Col. Naeff was informed that because of the fact that this office has no jurisdiction over the TNC decisions, these craft cannot be restituted and therefore the claims are being dropped.

GROUP 5 CRAFT WHICH HAVE BEEN RESTITUTED OR RETURNED TO HOLLAND.

This group consists of 15 claims. According to available records these craft are already in Holland and there are no reasons to keep these claims on the active file at this office.

Col. Naeff has promised to verify our findings and give us confirmation of this fact in the near future.

GROUP 6a CRAFT UNDER NEGOTIATION

Following corrections should be entered in the list:

DECLASSIFIED

 Authority NND 775119
 By AM NARA Date 8-5-77

 RG 260
 Entry PCOP
 Box 14

Claim No. 2543-H, items 1, 2, 5, 6 and 7 have been restituted. Item 3, barge "MARCO" and item 4, barge "MARIEM" will not be restituted unless definite proof of ownership has been furnished to this office by the Netherlands Government before 1 January 1949, at which time they will automatically be closed.

Claim No. 16425-H, name unknown. - Vessel cannot be located, claim is dropped.

Claim No. 7123-H. This claim consists of 14 items, all of them but two items were restituted or removed to Holland.

These items are: Item 1, barge "DEEHOVEN II" and item 5, barge "HELENA". They will not be restituted unless definite proof of ownership is furnished to this office before 1 January 1949.

Claim No. 18069-H This claim reads: "LIVEN BANK BAKERS". No names, sizes, numbers or any other descriptions being given. The location was stated by the Netherlands Government as being: "VARIOUS PLACES IN THE AMERICAN ZONE". This claim is being dropped due to insufficient information.

Claim No. 9744-H Craft could not be located. Claim is dropped.

Claim No. 8811-H This is a duplicate of claim No. 8615-H-2 which has already been released. No other craft of this name or type could be located. Claim is dropped.

Claim No. 3027-H This claim consists of 18 items of which 17 have already been released. Item 5, barge "DIBENC" will not be released unless definite proof of ownership is submitted to this office by the Netherlands Government before the date-line.

Claim No. 13209-H This claim has appeared by error in group 4. Since this was allocated by the TNC it is now being dropped from our files.

Claim No. 13868-H This claim consists of 2 items, both of them appearing (through error) in group 4 as being allocated by TNC and therefore the claims are dropped from the active files.

GROUP 6b CR FT UNDER NEGOTIATION

Claim No. 15022-H-1, barge "MABOU" being dropped off this claim for the reason that it is a duplicate claim and has already appeared as item 3 in the claim No. 2543-H (group 6-a) and in 1191-H.

The following 21 claims have already been restituted and Authority for Release had already reached or will reach the Netherlands Mission's office before the end of the week.

11191-H	Margaretha ex Verandering
11701-H	Groningen 6
15022-H	de Goede
15039-H	Hecht
15493-H	Hildegard
16417-H	Fina
16476-H	P.H. Witthaus I
19827-H	Lena ex Transport 67

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-99

RG 260
Entry PROP
Box 14

13957-H	Johanna Margaretha
16433-H	Eduard
16451-H	Lena
16472-H	Vandel
16457-H	Bertha II
16484-H	Paulwell
16486-H	Vrede
16496-H	A 2
11161-H	Lahn 24
13755-H	Seam 13
18066-H	Anna Rosa
18648-H	Van der Giessen
19831-H	Wega

The remaining 11 claims will be restituted and Authority for Release will reach the Netherlands Mission's office before 15 December 1948.

15040-H	H.M. 52
15041-H	Anna
15492-H	Credo
16416-H	R. 175 ex twee Gebroeder
19533-H	Majala
9435-H-8	Mervede
9435-H-10	De Snik
15357-H	Janna
16424-H	Wilhelmina
16502-H	Elizabeth ex Berti
9743-H	Friesland

GROUP 7 VESSELS WHICH CANNOT BE RESTITUTED.

Claim No. 16437-H, steam trawler "ANTARAS", is not known to the Office of Military Government in Bremen. The one, of which there is a record, was built in 1914. The one which the Netherlands Government claims is said to have been built during the second world war. The claim is dropped due to inability to identify the craft.

Claim No. 16493-H, barge "V.P. 1548" cannot be located and therefore is dropped from the files.

The following 6 claims have been allocated by the TMC and cannot be restituted since they are out of jurisdiction of this office.

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-97

RG 260
Entry PROP
Box 14

16488-H	V.F. 2017	steamtrawler
16489-H	V.F. 2013	fishing trawler
16490-H	V.F. 2014	fishing trawler
16491-H	Steinbutt	fishing trawler
16492-H	Tentoburgerwald	fishing trawler
16494-H	Skolpenbank	fishing trawler

GROUP 8a N.V. CRAFT WITH GERMAN COUNTERCLAIMS.
INVESTIGATION IS NOT YET COMPLETED.

This group consists of 26 claims of N.V. craft. N.V. craft are also known as "one man corporation" craft. (Meaning that long before the second world war many German Masters had their small craft built, financed and registered in Holland. They did it for various reasons, such as, to avoid high German taxes, to take advantage of the low interest rates offered by the Dutch banks, etc.)

No decision can be made on these craft until each claim is studied on its individual merits and the German counterclaims are thoroughly investigated.

GROUP 8b N.V. CRAFT WITH GERMAN COUNTERCLAIMS.
GERMAN OWNERSHIP ESTABLISHED.

This group covers 5 claims. German owners have furnished documentary proofs of German ownership; therefore, the property is not restitutable property.

GROUP 8c CRAFT WITH GERMAN COUNTERCLAIMS. NETHERLANDS
CLAIMS INCOMPLETE, NO EVIDENCE OF DUTCH OWNERSHIP OR
REGISTRY FURNISHED.

It is considered that none of the claims listed in group 8c and 9 should be considered for restitution, as no documentary evidence of ownership and registry has been presented by the Netherlands Authorities and will be considered as closed unless additional information constituting proof of ownership can be furnished at once.

DECLASSIFIED

Authority NWD 775113

By AM NARA Date 8-5-79

RG 260

Entry PROP

Box 14

GROUP 9 CRAFT WITH GERMAN COUNTERCLAIMS. NETHERLANDS CLAIMS INCOMPLETE, NO EVIDENCE OF DUTCH OWNERSHIP OR REGISTRY FURNISHED.

See comments under group 8c.

GROUP 10 MISCELLANEOUS CRAFT HELD UP FOR VARIOUS REASONS.

This group consists of 7 claims.

Claim No. 19533-H, "MAJALA". Vessel cannot be located, claim considered as dropped.

Claim No. 15041-H, "ANNA". This vessel was inspected and located in Bressen, Hasenbueren and no identifying marks were found. Unless additional information is furnished by the Netherlands Government, claim will be considered as dropped on the date-line.

Claim No. 15040-H, name "H.M. 52"

Claim No. 16416-H, name "R. 175"

Claim No. 15492-H, name "Credo"

The three craft mentioned above were found to be sunk, cannot be identified. Restitution of these craft denied by the U.S. Navy because of the inability to identify the craft. These claims will be dropped by this office on the date-line, unless additional information and proof of ownership is furnished to this office.

Claim No. 9495-H. This claim consists of 12 items. Items 1, 2, 3, 4, 8, 9, 11 and 12 have already been restituted. Items 5, 6 and 7 are not in the U.S. Zone. Previous correspondence indicates that the Netherlands Government has already been informed of the status of these 3 items. Item 10, covering the houseboat "De Snik" will be restituted to the Netherlands Government in the space of one week.

Claim No. 9494-H. This claim consists of 7 items. Item 1 and item 2 are not in the U.S. Zone, therefore, considered dropped. Item 3 and item 4, records indicate they have already been restituted and removed to Holland. Item 5 and item 6 were withdrawn by the Dutch according to the records in this office. Item 7 "ROGGE LXX" ex Jacoba. This claim is still pending. No decision can be made on this claim until some additional information is received from the Field Organization.

Request is made that the statements outlined in this letter be confirmed or refutation be furnished with a definite statement of fact by the competent Netherlands authorities at the earliest possible

REPRODUCED FROM THE NATIONAL ARCHIVES
DECLASSIFIED

Authority MND 775119

RG 260

By AM NARA Date 8-5-99

Entry PROP

Box 14

time. In any event, these restitution claims must be definitely disposed of by 1 January 1949.

Sincerely yours,

CC: Col. Naoff,
Neth. MIL. Miss.

B.F. DICKSON
Acting Chief,
Transport Group .

Telephone BERLIN 43352

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119
By AM WARA Date 8-5-79

RG 260
Entry PROP
Box 14

STATUS OF THE NETHERLANDS INT RESTITUTION CLAIMS

AS OF NOVEMBER, 23, 1948

GROUP 2 CLAIMS WITHDRAWN AT THE REQUEST OF THE NETHERLANDS RESTITUTION AUTHORITIES.

<u>CLAIM NO.</u>	<u>NAME</u>	<u>LOCATION</u>
10470-H	Fluvial 90	Bremen
15491-H	Mentor	Bremen
16420-H	Nelly	unknown
9434-H-5	Rogge XVII	Bremen
9434-H-6	Rogge XVIII	Bremen
16483-H	Margaretha	Rhine
18068-H	Agathos	Rhine
8654-H-4	Karl Heins	Rhine

302095

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority MWD 775119
By AM NARA Date 8-5-77

RG 260
Entry PROP
Box 14

GROUP 3 CRAFT NOT IN THE U.S. ZONE

<u>CLAIM NO.</u>	<u>NAME</u>	<u>LOCATION</u>
9073-H-1	Bremen 305	British Zone
9073-H-2	Bremen 310	British Zone
9073-H-3	Bremen 311	British Zone
9434-H-1	Edith ex Hijo	British Zone
9434-H-2	Hildegard Marianne	British Zone
9435-H-5	Rowe 21	British Zone
9435-H-6	Rowe 23	British Zone
9435-H-7	Rowe 24	British Zone
8654-H-3	Lorely	British Zone
13472-H	Hendrik Heilegau	British Zone
16428-H	Anna Katharina	French Zone
16434-H	Das Dudo	British Zone
16438-H	Fortschritt	British Zone
16442-H	Heinrich	British Zone
16481-H	Maran	French Zone
16443-H	Helga	British Zone
16445-H	De Hoop 2	British Zone
16447-H	Josephine	British Zone
16470-H	Sooneck	French Zone
16422-H	Inis	British Zone
16439-H	Georg Kaethe	French Zone

DECLASSIFIED		RG 260
Authority MND 775119		Entry PROP
By AJY NARA Date 8-5-79		Box 14

GROUP 3 CRAFT NOT IN THE U.S. ZONE

<u>CLAIM NO.</u>	<u>NAME</u>	<u>LOCATION</u>
16456-H	Marie	British Zone
16458-H	Martin Else	British Zone
16482-H	Margarethe ex Wilhelm	Russian Zone
19833-H	Luise	British Zone

REF ID: A66000

DECLASSIFIED

Authority MND 775119

By AM NARA Date 8-5-99

RG 260

Entry PROP

Box 14

GROUP 4 CRAFT HAVE BEEN ALLOCATED BY THE TRIPARTITE NAVAL COMMISSION

<u>CLAIM NO.</u>	<u>NAME</u>	<u>LOCATION</u>
13209-H	Pinguin	Bremen TNC
13868-H-1	B 33 ex Donar	Bremen TNC
13868-H-2	IM 116 Jagves	Bremen TNC
16492-H	Toutoburgerwald	Bremen TNC

302098

DECLASSIFIED

Authority MND 775119

RG 260

By AM NARA Date 8-5-99

Entry PROP

Box 14

GROUP 5 CRAFT HAVE BEEN RESTITUTED OR REMOVED TO HOLLAND

<u>CLAIM NO.</u>	<u>NAME</u>	<u>TYPE</u>
9435-H-9	Provinciale Waterstaat	Houseboat
9435-H-11	1572	Dumb Barge
9435-H-12	5780	Dumb Barge
8810-H-4	Energie	Tug
9435-H-1	Ilse ex Inge	Houseboat
9435-H-2	Achin	Tug
9435-H-4	Delfzijl	Dug
9434-H-3	Rogge XV	Klepbak
9434-H-6	Rogge XVI	Klepbak

1649-H-1 to 8

1950-H-1 to 21

3557-H-1 to 13

8615-H-1 to 2

2028-H-1

7679-H-1

DECLASSIFIED		RG	260
Authority	MND 775119	Entry	PROP
By	AM NARA	Date	8-5-99
		Box	14

GROUP 6 a) CRAFT UNDER NEGOTIATION (See also Group 5-a)

<u>CLASS NO.</u>	<u>NAME</u>
2543-H-1	Walsun 11
-2	Orange A
-3	Margot
-4	Rhein
-5	Lina Analia
-6	R.W. 6
-7	Bunio
16495-H	Name unknown
7123-H-1	Beethoven II
-2	Bertha
-3	Gott mit uns
-4	Randel VI
-5	Melene
-6	Kathe
-7	Lenchen
-8	Orange II
-9	Rigoletto
-10	Seem 6
-11	Vesuv
-12	Rijnsevaart 10
-13	Rijnsevaart 15
-14	Express
18069-H	River Tank Barges (Names unknown)

DECLASSIFIED

Authority MND 775119

By AJY NARA Date 8-5-99

RG 260

Entry PROP

Box 14

GROUP 6 a) CRAFT UNDER NEGOTIATION (See also Group 8-a)

<u>CLAIM NO.</u>	<u>NAME</u>
974-H	unknown
8811-H	Constance
3027-H-1	Overeankost
-2	Liane
-3	Ceylan
-4	Deus Adjutor
-5	Dibano
-6	Juturna
-7	Lawee
-8	Marina
-9	Natador
-10	Orange 8
-11	Reverier (ex Jodi)
-12	Glori Patri
-13	Olive Anna
-14	Lahn 17
-15	Philand
-16	Schiedan
-17	Fritz
-18	Eta

DECLASSIFIED

Authority MND 775119

By AJY NARA Date 8-5-99

RG 260
Entry Prop
Box 14GROUP 6 b) CRAFT UNDER NEGOTIATION

<u>CLAIM NO.</u>	<u>NAME</u>	<u>LOCATION</u>
14191-H	Margarethe ex Verandering	Bremerhaven
14701-H	Groningen 6	Rhine
15028-H-1	Margot	Bremerhaven
15028-H-2	de Coede	Bremerhaven
15039-H	Necht	Bremen
15040-H	H.M. 52	Bremen
15041-H	Anna	Bremen
15492-H	Crede	Bremen
15493-H	Hildegard	Bremerhaven
16416-H	R 175 ex twee Gebroeder	Bremen
16417-H	Pina	Bremen
16476-H	F.W. Witthaus I	Rhine
19533-H	Majala	Bremen
19827-H	Lena ex Transport 67	Rhine
9435-H-8	Merwede	Bremen
9435-H-10	De Snik	Bremen
13957-H	Johanna Margaretha	Main
15357-H	Janna	Bremen
16424-H	Wilhelmina	unknown
16433-H	Eduard	Main
16451-H	Lena	Rhine
16472-H	Vendel	Main
16477-H	Bertha II	Rhine

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-99

RG 260
Entry PROP
Box 14

GROUP 6 b) CRAFT UNDER NEGOTIATION

<u>CLAIM NO.</u>	<u>NAME</u>	<u>LOCATION</u>
16484-H	Paulwell	Rhine
16486-H	Vrede	Rhine
16502-H	Elisabeth ex Berti	unknown
16496-H	"A 2"	Offenbach
11161-H	Lahn 24	Rhine
13755-H	Seam 13	Mannheim
9743-H	Friesland	Bremerhaven
18066-H	Anna Rosa	Rhine
18649-H	Van der Giesen	Neckar
19831-H	Wega	Rhine

DECLASSIFIED

Authority NND 775119
By AY NARA Date 8-5-99

RG 260
Entry PROP
Box 14

GROUP 7 NOT AN INLAND WATERWAY VESSEL. AT PRESENT OPERATING UNDER CONTRACT WITH BICO, (FOOD AND AGRICULTURE BRANCH)

<u>CLAIM NO.</u>	<u>NAME</u>	<u>TYPE</u>
16487-H	Antaras	Steam trawler
16488-H	V.P. 2017	Steam trawler
16489-H	V.P. 2013	Fishing trawler
16490-H	V.P. 2014	Fishing trawler
16491-H	Steinbutt	Fishing trawler
16492-H	Tentoburgerwald	Fishing trawler
16493-H	V.P. 1548	Fishing trawler
16494-H	Skolpenbank	Fishing trawler

DECLASSIFIED	
Authority <u>NND 775119</u>	RG <u>260</u>
By <u>AY</u> NARA Date <u>8-5-99</u>	Entry <u>PROP</u>
	Box <u>14</u>

GROUP B a) N.V. CRAFT WITH GERMAN COUNTERCLAIMS. INVESTIGATION IS NOT YET COMPLETED.

<u>CLAIM NO.</u>	<u>NAME</u>
15014-H	Diamant
16421-H	Margret
16423-H	Renatus
16426-H	Anna
16427-H	Anna
16429-H	Atrous
16430-H	Bertha
16437-H	Emmarg
16441-H	Hans Wilhelm
16442-H	Maria
16449-H	Jupiter
16450-H	Kaethe
16452-H	Ludwig
16453-H	Ludwig Helmut
16454-H	Madoera
16455-H	Marianna
16460-H	Palma
16461-H	Patria
16462-H	Rheintal
16463-H	Rita
16469-H	Siegfried
16471-H	Venus
16475-H	Wilma Fregola

DECLASSIFIED	
Authority <u>MND 775119</u>	RG <u>260</u>
By <u>AY</u> NARA Date <u>8-5-99</u>	Entry <u>PROP</u>
	Box <u>14</u>

GROUP B a) N.V. CRAFT WITH GERMAN COUNTERCLAIMS. INVESTIGATION NOT YET COMPLETED.

<u>CLAIM NO.</u>	<u>NAME</u>
16479-H	Danco 95
16480-H	Danco 13
18067-H	Alma

DECLASSIFIED

Authority NND 775119

RG 260

By AM NARA Date 8-5-99

Entry PROP

Box 14

GROUP 8 b) N.V. CRAFT WITH GERMAN COUNTERCLAIMS. GERMAN OWNERSHIP ESTABLISHED.

<u>CLAIM NO.</u>	<u>NAME</u>
16425-H	Cornelis
16431-H	Emergie I ex Borleas ex Reas Afra
16467-H	Samor
16444-H	Hermann
16485-H	Sacrepuer

DECLASSIFIED	
Authority <u>MND 775119</u>	RG <u>260</u>
By <u>AM</u> NARA Date <u>8-5-79</u>	Entry <u>PROP</u>
	Box <u>14</u>

GROUP 8 e) CRAFT WITH GERMAN COUNTERCLAIMS. NETHERLANDS CLAIMS INCOMPLETE, NO EVIDENCE OF DUTCH OWNERSHIP OR REGISTRY FURNISHED.

<u>CLAIM NO.</u>	<u>NAME</u>
16457-H	Marientburg
16458-H	Ottilie
16464-H	Emergie KKK "De Ruyter"
16473-H	"Walkuere
16436-H	Elise
16435-H	Elizabeth
16432-H	Frita and Kaetchen ex Edgar Edoltrud

REPRODUCED FROM THE NATIONAL ARCHIVE
DECLASSIFIED

Authority MND 775119
By AY NARA Date 8-5-99

RG 260
Entry PROP
Box 14

GROUP 9 CRAFT WITH GERMAN COUNTERCLAIMS. NETHERLANDS CLAIMS INCOMPLETE, NO EVIDENCE OF DUTCH OWNERSHIP OR REGISTRY FURNISHED.

<u>CLAIM NO.</u>	<u>NAME</u>
16465-H	Saarfeld
19832-H	Karl Tiedtke Jox Theo
16460-H	Seestern
15049-H	Wilma
10810-H-3	Libra
10810-H-2	Redemptor
10810-H-4	Erato
16446-H (Same as claim No. 7805-H-4)	Johanna
16470-H	Kohrwieder ex Constan
16484-H	Servus ex Wilhelmine
16466-H	Saargold
8654-H-5	Anne Christina
8654-H-1	Antonius
8810-H-1	Virgo Fidelis II
8810-H-2	Kronos
8810-H-3	Virgo Fidelis I
16440-H	Gustav Adale
15042-H	Kanalvaart II
13236-H	Dora ex Prince Henry
13198-H	Friederike

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119

RG 260

Entry PROP

Box 14

By AM NARA Date 8-5-79

GROUP 9 CRAFT WITH GERMAN COUNTERCLAIMS. NETHERLANDS CLAIMS INCOMPLETE, NO EVIDENCE OF DUTCH OWNERSHIP OR REGISTRY FURNISHED.

CLAIM NO

NAME

16418-H

Hedwig

9821-H

Mastad

10018-H

Hannalore

REPRODUCED AT THE NATIONAL ARCHIVES
DECLASSIFIED

Authority NND 775119

RG 260

By AY HARA Date 8-5-99

Entry PROP

Box 14

GROUP 10 MISCELLANEOUS CRAFT NEED UP FOR VARIOUS REASONS.

<u>CLAIM NO.</u>	<u>NAME</u>
19533-H	Kajala
15041-H	Anna
15040-H	N.N. 52 (ex De Hoop)
16416-H	N. 175 (ex twee Gebroeders)
15492-H	Crede
9435-H-1	Iise (ex Inge)
-2	Achim
-3	Cornelia
-4	Delfaijl
-5	Rowe 21 (ex A.N. 17)
-6	Rowe 23 (ex A.N. 22)
-7	Rowe 24 (ex A.N. 23)
-8	Hervede
-9	Provinciale Waterstaat, Gron.
-10	De Snick
-11	"1572"
-12	"5780" (ex Dr. A. Kuyper)
9434-H-1	Edith
-2	Hildegard Marianne (ex Vasta)
-3	Rogge XV
-4	Rogge XVI
-5	Rogge XVII
-6	Rogge XVIII
-7	Rogge XX (ex Jacobs)

302111

DECLASSIFIED

Authority: AND 775119
By: AY NARA Date: 8-5-79

RG 260
Entry PROP
Box 14

Gen

COPY

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.) COPY
Office of the Deputy Military Governor
AFG 742

19 June 1946

MEMORANDUM FOR: Director, Economics Division

SUBJECT: Restitution Removals

1. The definition of property subject to restitution authorizes restitution of identifiable goods taken by force and specifically provides also that all other property removed by the enemy is eligible for restitution to the extent consistent with reparations. The basic principle underlying reparations is that property not needed for the minimum German economy will be removed as reparations.

2. Accordingly, restitution will not be made of articles removed otherwise than by force where such articles are necessary for the minimum German Economy. To the extent consistent with the latter, compensation in kind is permissible.

3. Pending amendment of part I, Title 19, MGR, you will implement the above policy in addition to present requirements as follows:

a. All claims for restitution, on which Authority for Release has not been granted when this memorandum is received, must be accompanied or amended by a statement as to whether or not force was employed in the removal of the goods covered by the claim, and no restitution will be made in the absence of such statement.

b. If the goods existed in the claimant nation at the time of occupation, it will be presumed that force was employed in their removal, and restitution will be made.

c. Should the articles claimed have been produced during the period of occupation and the statement asserts they were removed by force, evidence or official certificate of details of acquisition must be submitted tending to substantiate the claim of force before restitution will be made. The question of force is to be resolved under MGR 19-100.2 and may be resolved by the Restitution Control Branch alone or with the assistance of the Restitution Branch, Office of Military Government (U.S.) should the Restitution Control Branch desire such assistance.

d. Where force is not asserted to have been employed or the question of force has been resolved under 3c adversely to the claimant, restitution will be made unless the Economics Division and/or other interested Division(s), on request of the Restitution Branch, state that the items concerned are essential to the minimum German Economy.

4. Claims for restitution of monuments, fine arts and archives are excepted from the above requirements, in view of their minor impact on the German economy.

INFO TO: Dir., Transport Div.
Dir., Finance Div.
Dir., IA&S Div.

/s/ & /t/ **LUCIUS D. CLAY**
Lieutenant General, U.S. Army
Deputy Military Governor

COPY

302112

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority MWD 775119

RG 260

By AM NARA Date 8-5-77

Entry PROP

Box 14

Copy/mvs

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
(Rear Echelon)
Economics Division
Restitution Control Branch

AFG 757
2 July 1946

SUBJECT: Restitution Removals.

TO :

1. Pending amendment of Part 1, Title 19, MGR, this Branch has been directed by the Office of the Deputy Military Governor to implement the following:

a. "Restitution will not be made of articles removed otherwise than by force where such articles are necessary for the minimum German economy. To the extent consistent with the latter, compensation in kind is permissible."

2. Effective this date, all claims for restitution, on which Authority for Release has not been issued, must be accompanied or amended by a statement as to whether or not force was employed in the removal of the goods covered by the claim. No restitution will be made in the absence of such a statement.

a. Should the articles claimed have been produced during the period of occupation and the statement asserts that they were removed by force, evidence of official certificate of the details of acquisition must be submitted to substantiate the claim of force before restitution will be made.

b. Where force is not asserted, or the question of force has been resolved under a. above adversely to the claimant, restitution will still be made unless the Economics Division and/or other interested Division (s) state that the items are essential to the minimum German economy.

For the Chief

WILLIAM W. FURIE
Major AC
Executive

RES/mk
Tel. Frankfurt-Höchst
(14-713)

302113

DECLASSIFIED

Authority NND 775119

RG 260

By AM NARA Date 8-5-77

Entry PROP

Box 14

To Col. Allen :
for your files.

Restitution and the German Minimum Economy

1 Director, RES 17
ED Br, Sep
ED ED 46

1. The attached copy of a letter from General Noiret to General Clay, dated 13 September 1946 (Tab "B"), was furnished to this Branch by the French member of the Reparations, Deliveries and Restitution Directorate. General Noiret's letter is based on a memorandum from General Clay dated 19 June 1946 and addressed to the Director, Economics Division (Tab "C"). With General Clay's verbal consent, relevant passages from his memorandum of 19 June 1946 were communicated on 2 July 1946 to the Restitution Missions at Hoechst (Tab "D").

2. The general subject of the relationship between the program of Restitution and the German minimum economy was discussed in detail by General Clay in conversations held with members of this Branch on 12-13 June 1946. On 16 June 1946 a brief memorandum to General Clay on the question, based solely on existing official written records of quadripartite negotiation (Tab "E"), was drafted in this Branch for your signature, and was shown to you on 17 June 1946. However, as General Clay had stated in the discussions of 12-13 June 1946 that his position rested on his views as expressed, but not recorded, at various CORC meetings, the memorandum of 16 June 1946 was never put in final form for transmission to General Clay.

3. The proposed letter to General Noiret, drafted for General Clay's signature (Tab "A"), is based on General Clay's memorandum of 19 June 1946 and on the position he has stated that he has taken in the Coordinating Committee.

JOHN H. ALLEN
Colonel, GSC

5 Incls:
Tab "A": draft ltr, Chief, Restitution Branch
16 Sep 46
Tab "B": Ltr fr Gen.
Noiret, 13 Sep 46
Tab "C": Memo, 19 June 46
Tab "D": Ltr, 2 July 46
Tab "E": Draft memo, 16
June 46

Telephone 42009
Room 1034, Eson Bldg.

This sheet was

forwarded to Diaper 17 September 1946 but not read.

302114

REPRODUCTION PROHIBITED

DECLASSIFIED	RG 260
Authority NND 775119	Entry PROP
By AJ NARA Date 8-5-77	Box 14

2407

NOTE on the letter on the subject of Restitutions sent on 20 September 1946 by General CLAY.

It is correct that the French Delegation has accepted a distinction between property taken by force, for which the right to restitution is absolute, and property which was taken in any other way, in particular as a result of contract arrangements. But, it should be stressed that the conditions under which the Restitution of property of this second category is made in the U. S. Zone result in consequences deeply unjust and not in conformity with quadripartite agreements to which the U. S. delegation has given its assent.

The U. S. desire to hold down to the minimum the cost of the occupation is well understood and fully shared by France as an Occupation Power. But it should be first of all noted, that the statements made by General CLAY on this subject did not deal with the right of looted countries to restitution, but only with the possibility granted them by the third subparagraph of Article 2 of CONL/P(46)3 Revise, of obtaining a compensation for the looted property which has been allotted as Reparations. This is confirmed by the reservation at the end of CORC/P(46)110.

Besides, France, as a looted country, like all the other looted countries relying on the declaration of 5 January 1945, has always had the legitimate concern that the property taken by the Germans:

302115

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority MND 775119
By AY NARA Date 8-5-77

RG 260
Entry PROP
Box 14

2407

-2-

- should neither be allocated as reparations,
- nor be used to constitute the economic minimum left to Germany, because this would evidently be equivalent to either making the looted countries pay for reparations or putting the burden of occupation charges on the nations which were the victims of looting.

Those nations which underwent German occupation would never agree to see the damage already suffered through the invasion increase in this manner.

Public opinion in their countries would bitterly resent the immoral and unjust aspect of these solutions and there would be danger that political parties would find material for political controversy therein.

Thus the French delegation always maintained that the economic minimum to be retained in Germany, as well as the surplus to be declared available for reparations, should only be made up of German property, excluding all property taken from the economy of the invaded countries. This thesis is of such character as to calm the just apprehensions of the looted countries and should also remove the fears of the U. S. delegate on the Coordinating Committee regarding an increase in the cost of occupation, since it would be obvious on the face of things that a restitution is not of a nature to affect the economic minimum to be retained in Germany, the level of which is fixed, but to affect only the surplus available for Reparations.

302116

DECLASSIFIED	
Authority NND 775117	RG 269
By AJY NARA Date 8-5-97	Entry Prop
	Box 14

2407

It should be recalled once more that it is this concept of the problem which prevailed in the discussions of the Coordinating Committee and which was recorded by quadripartite agreements. At the time when the delegations were doing their utmost to define Restitutions, a U. S. draft contemplated that property taken by means other than force would be subject to restitution in a degree consistent with Reparations and with the economic minimum to be retained in Germany. (CONL/P(48)65, App. C, Art. 2). The French Delegation had requested the deletion of this reference to the economic minimum of Germany, which constituted a problem irrelevant to Restitutions. General CLAY gave his agreement to this deletion and the Control Council approved a text from which this formula was excluded. It contains no other restriction except "consistency with Reparations"; the meaning of this expression was defined by CORC/P(48)110 in very explicit terms which were restated in the letter of 13 September, and to the interpretation of which General CLAY also gave his agreement. The reference to the economic minimum of Germany, mentioned in General CLAY's letter on the subject of Restitutions properly so called, is difficult to understand, for it deals with the special case of compensations to be awarded for Restitutions which cannot be effected. It would consequently be important for the U. S. Delegation to agree to examine this question once more with the purpose of harmonizing its instructions with the quadripartite decisions and to calm the feelings which would be aroused in all the looted nations by the affront to their sense of justice and of international ethics.

302117

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority NND 775119
By AW NARA Date 8-5-77

RG 260
Entry PROP
Box 14

Col. Allen
COPY/gr

FRENCH COMMANDER IN CHIEF
IN GERMANY

Berlin, 14 November 1946

French Group
Control Council

137/35/11

General of the Division R. NOIRRE
Deputy to French Commander in Chief in Germany
for the French Group Control Council

TO: Major General Frank A. KEATING
Acting Deputy Military Governor
C.M.G.U.S.

Dear General KEATING:

I have the honor of acknowledging your letter of 27 October 1946. I read with interest your arguments and am thankful to you for elucidations you so kindly formulated.

I noted with satisfaction that you were willing to consider anew the papers and documents required to support claims to restitutions.

I propose that my Services get in touch with yours to examine whether it would be possible to make arrangements based on that plan. These arrangements might avoid certain difficulties of implementation.

I thank you also for your offer to have the American Delegation raise at the Coordinating Committee the question of reducing the Reparations program in order to efficiently insure all Restitutions.

However, I should not think it necessary to submit again this question to the Allied Control Authority, for, I hope indeed that, thanks to the improvements our Services can work out regarding the presentation of claims, it will be possible to iron out the difficulties not previously in implementing already existing quadripartite texts.

Sincerely yours,

/s/ R. NOIRRE

302118

DECLASSIFIED

Authority: MND 775119

RG 260

By AV NARA Date 8-5-97

Entry PROP

Box 14

2407

**FRENCH HIGH COMMAND
IN GERMANY**

**FRENCH GROUP
CONTROL COUNCIL**

Office of the General

89/30/L1

Berlin, 21 October 1946

FROM: Major General R. NOIMET

Deputy to the French Commander-
in-Chief in Germany

TO: Lieutenant General Lucius D. CLAY

Deputy Military Governor

O.M.G.U.S.

Dear General CLAY:

Your letter of 20 September, replying to my letter of 11 September on the question of restitutions, confirms what had been reported to me on the subject of the U. S. directives of 29 June concerning the carrying out of restitutions in the U. S. Zone.

You are aware of the interest in the question of restitutions on the part of the public opinion of all the countries which were subject to enemy occupation, and to what extent, relying on the declaration of 5 January 1943, this public opinion is opposed to any conception according to which Germany could keep part of what she has removed by one method or another from the territories occupied by her troops.

I was convinced that all difficulties in this respect had been solved by the definition of restitutions decreed by the Control Council on 21 January 1946, which was perfectly clarified by the interpretation approved by the Coordinating Committee. Your reservations, of which I was reminded, had been limited to the special problem of a possible compensation for goods removed on account of reparations.

302119

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED	
Authority: <u>MND 775119</u>	RG <u>260</u>
By <u>AY</u> NARA Date <u>8-5-97</u>	Entry <u>PROP</u>
	Box <u>14</u>

2407

-2-

My Government would certainly not accept that the definition of restitutions be restricted in its application by special instructions limiting its scope. It would be a great disappointment to me not to be able to convince you personally of the justice and sound basis of our position, and I take the liberty of attaching to this letter a note designed to facilitate a new consideration of this matter by your Office.

Cordially yours,

R. NOIRET

302120

DECLASSIFIED

Authority MND 775119

By AM NARA Date 8-5-77

RG 260

Entry PROP

Box 14

SKA MISJA WOJSKOWA
RADZIE KONTROLI W NIEMCZECH

Referent to
for Germany

Польская Военная Миссия при
Контрольном Совете в Германии

Mission Militaire Polonaise auprès du
Conseil de Contrôle en Allemagne

TELEFON: 32 30 66-69 / BERLIN W 15, SCHLÖTERSTRASSE 42

Nr. 792/306/48

Berlin, 1 December 1948

Dear Mr. McJunkins,

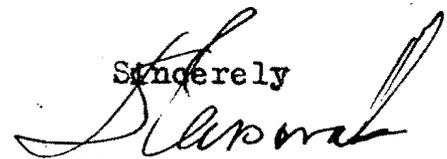
It is with great surprise that I received your letter of 30 November 1948 by which you returned Polish claims for lack of sufficient information, although you did not specify it in your letter the only information which is lacking is the serial number of the securities. However, this point has been clarified in our previous talks, in which I explained the manner in which securities had been seized by the Germans without giving receipts and the way of the German banks to place securities in a "Sammeldepot" with the effect that the owner claiming his property back received the same kind and face value of securities, but not individually the same paper, for the reason of which the serial number of the deposited papers was immaterial. I very clearly remember your statement in this connection, that we should submit claims without serial numbers, on the base of which securities will be restituted by system of elimination, especially your statement that if any other nation should claim the same securities both parties will be invited to prove their rights I recall your detailed description what you meant by system of elimination. This statement has been brought to the notice of my Government, which eventually ordered me to engage special clerks to the purpose of completing desired lists as soon as possible. By my conversation on 29 November with finance officials I did not conceive the impression that our claims be downright rejected, on the contrary I have been invited to file further claims and to have another talk in some few days. I understood that the claims will be examined to ascertain whether there are any marks (as name of the owner) on the claimed securities which could make possible to identify them. The present rejection of the first bunch of claims seems to prove that all this work accomplished as a consequence of your statement was useless. Have I to understand that you have changed your mind and that Polish claims for restitution of securities in spite of conclusive evidence that they had been taken by force from Polish owners will no be granted?

In view of the target date you have imposed, an early answer would be highly appreciated.

Mr. Orren R. McJUNKINS
Chief - Reparations and
Restitution Branch

Office of Military Government
for Germany (US)
Property Division

Sincerely


POLISH MILITARY MISSION
Financial Counsellor

302121

DECLASSIFIED

Authority MND 775119
By AV NARA Date 8-5-77

RG 260
Entry PROP
Box 14

o enc 1/9

Gen

15 November 1948

OR
ORMCJ

We have been informed of the excellent cooperation given by your
My dear General: We would like to express our appreciation for their
assistance in our efforts to speed up and complete the program.
This will acknowledge receipt of your letter of 9 November 1948
addressed to General Clay regarding the external restitution program.

We fully appreciate your views and would like to remark that in
an effort to complete this extremely difficult program, we have greatly
increased our field forces, both Americans and Germans, so that we can
complete as quickly as possible the investigation of your claims and
the processing of the properties that are to be returned to your Govern-
ment. In addition, we have placed a rather high priority on the railway
facilities necessary in connection with the shipments of the properties.

A review of our policies will reveal the following:

- a. Our policy provides that all non-cultural claims were to be submitted by 30 April 1948.
- b. All cultural claims were to be submitted by not later than 15 September 1948.
- c. We will continue to receive claims of a meritorious nature for both cultural and non-cultural properties where it can be proved that unusual circumstances are involved.
- d. The deadline date of 31 December 1948 for the submission of securities claims has been agreed with your restitution officials.
- e. The restitution of railway rolling stocks was agreed 18 March 1948 with your Government and provides for an equal exchange of such properties.

As to the joint letter which you submitted from certain Mission Chiefs, we had previously received a copy of this report and have replied to the effect that there would be no changes in our present policies and procedures for completing the restitution program.

We expect to complete deliveries to your Government this month of all properties that are now outstanding. We will of course make

COMEBACK COPY TO RHP & REST BR, PROP DIV

2/11/70

302122

DECLASSIFIED

Authority NND 775119

RG 260

Entry PROP

Box 14

By AL NARA Date 8-5-77

POLISH MILITARY MISSION TO
CONTROL COUNCIL FOR GERMANY

Berlin W 15
SchlÖtterstrasse 42

deliveries in the future of any properties that may be released as
the results of any meritorious claims that may be received from you.

We have been informed of the excellent cooperation given by your
field forces and we would like to express our appreciation for their
assistance in our efforts to speed up and complete the program at an
early date. just received the enclosed resolution of the Chiefs of
Restitution Missions accredited in the US Zone. It appears that the
opinion of experts in the field is **sincerely,** as to the fact that the
procedure adopted by the US RM&R authorities practically deprives
claimant Nations of their rights resulting from the London Declaration
of 1945.

The general attitude of my **ORREN H. McJUNKINS** principle that the
Germans may become through **Chief - Reparations and** of looted property
has been expressed in my letter **Restitution Branch** of 5th May 1948
No. 702/50/48. However, as it is justly pointed out in the enclosed
Major General J. Pravin of RM&R Missions, all of them, including my
Chief representative in the US Zone, did their best to speed up the
Polish Military Mission restitution program. The assistance given lately by
SchlÖtterstrasse 42 shipments of some restituted goods as well as a
Berlin W 15 box of answers to pending claims induced me to add as a letter
to Mr. McJunkins, thanking him for his assistance and expressing the
hope that he would not fail to grant it as long as the bulk of pending
cases will have been duly examined and shipments of goods effected.

However, upon examination of recently obtained mass answers to
restitution claims it turned out that most of them were turned down for
the reason that the object could not be localized or with request that
evidence be offered of German conspiracy in hiding looted property. The
effect of shifting the onus probandi from the looter to the claimant
Nations was immediate. It is a notorious fact that although possessors
of looted property, above all big enterprises and public bodies, mostly
did not comply with their obligation to declare looted property in their
possession, no penalties were imposed, let alone made publicly known.

German looters or possessors of looted property are aware that
their misdeed cannot be detected by representatives of Foreign Missions
who are forbidden to carry out investigations themselves. As it now
transpired that looted goods unless shipped within the next few weeks
will become the property of the looters, the latter do their best in
inventing any sort of difficulties which would slow up the restitution
within that period. Functional US Authorities seem to be most interested
in an abrupt liquidation of the restitution altogether and thus do not
mind due restitution rights to remain unsatisfied because each new case
in dispute shows more clearly that arbitrarily enforced schedule deprives
claimant Nations of most of their restitution rights.

302123

DECLASSIFIED

Authority NND 775119

By AM NARA Date 8-5-77

RG 260

Entry PROP

Box 14

Polish Military Mission
Berlin

Be

732/65/49
Wa/Wy

Berlin, 18 March 1949

Dear Mr. McJunkins,

I am referring to the Note Verbale of the Embassy of the United States in Warsaw to the Polish Ministry of Foreign Affairs of 3 February 1949.

The above Note, dealing with the matter of restitution of looted property states that: "as the Polish Government is undoubtedly aware, the American occupation authorities even after the termination of their present restitution activities will process meritorious claims for restitution. Should the Polish authorities present such meritorious claims, there is no reason to believe that they will not be given due consideration".

It is notorious that during the German occupation of Poland the Polish financial institutions and banks were deprived not only of their money, valuables and securities but even of their balance-sheets and records. An other part of the records were scattered over various places of the country or lost in the ruins of the destroyed buildings. Some of them are being found from time to time. In this way the Polish financial institutions are very slowly and with many difficulties reconstructing their balance-sheets and records. In this way too they succeeded to reconstruct a list of Polish securities enclosed herewith.

Taking into consideration the very special difficulties our financial institutions, firms and nationals have to overcome in filing their claims, we hope that the enclosed lists of Polish securities with their serial numbers as claim No. No. 33, 34, 35, 38, 39 will be considered as "meritorious claims" and given your kind attention.

Sincerely

(Dr. Z. Wasnerab)
POLISH MILITARY MISSION
FINANCIAL COUNSELOR

Mr. CERREN R. MCJUNKINS
Chief - Reparations and
Restitution Branch
Office of Military Government
for Germany (US)
Property Division

Office of Military Government
for Germany (US)
Property Division

302124

DECLASSIFIED

NY NND 775119
NARA Date 8-5-77

RG 260
Entry PROP
Box 14

105/100/100
105/100/100

BERLIN
MILITARY DIVISION

MHI/ms

10 January 1949

MAG
JES
Kline
ORMG

Dear General Prawin:

Reference is made to the enclosed Authorities for Release and Receipt and Agreement forms covering certain items located in Berlin and identified for restitution to Poland which are located in Berlin. These forms were brought to our office by Lt. Col. S. Gebert of your staff with a request that we advise when shipment could be arranged.

It is the policy of our Government to avoid discrimination and we will not retribute to one country from Berlin until it is possible to retribute to all countries. Accordingly, we regret to inform you that we will not make any restitution deliveries from Berlin until the lifting of the blockade makes it possible to deal with all countries alike.

Sincerely,

OFFER F. MCJUNKINS
Chief - Reparations and
Restitution Branch

12 Incls: a/s

Major General G. J. Prawin
Chief, Polish Military Mission
12 Schlueterstrasse
Berlin-Charlottenburg

cc: OMB Berlin Sector
Attn: Mr. Curran

Comback Copy to Prop. Div., Rep. & Rest. Br.

387.6 Pa ON

Office of Military Government
for Germany (US)
Property Division

302125

DECLASSIFIED

Authority NWD 775119

By AV NARA Date 8-5-77

RG 260
Entry PROP
Box 14

LWK/mz

LWK
LWK
for
CRMcJ
for

19 December 1948

Dear Dr. Wasserab:

This will acknowledge receipt of your letter of 1 December 1948 regarding Polish claims for restitution of securities which were looted from your country and which may be on deposit in the U. S. Zone of Germany.

In our letter of 9 August 1948 to the Chief of the Polish Military Mission, Major General Dr. J. Prawin, in which we originally invited the filing of claims for the restitution of securities, certain requirements were set forth to be furnished when claims are filed.

The information to accompany each claim was specifically stated in Annex "A" of above mentioned letter. I am enclosing a copy of Annex "A" for your information and further it must be stated that this information is necessary in order to determine the validity of each claim and also to properly identify each security claimed as being held on deposit under Military Government Law. Under these circumstances we cannot accept your statement that you were misinformed or that we have changed our minds regarding the information to accompany each claim.

We request that you expedite the filing of Polish claims for securities, as originally outlined in our letter of 9 August 1948 to the Polish Military Mission and assure you that every effort will be made to identify each claim for securities which may be held on deposit.

Sincerely,

ORREN R. MCJUNKINS
Chief - Reparations and
Restitution Branch

Wasserab
Financial Counsellor, Polish Military Mission
Klosterstrasse

15

TOTAL PAGES

PAGE NUMBERS TO BE COPIED

NAME

REPRODUCTION TAB

Government

POLISH MILITARY MISSION
Financial Counsellor

302126

Comback Copy to Prop. Div., Rep. & Rest. Br.

REPRODUCED AT THE NATIONAL ARCHIVE
DECLASSIFIED

Authority WWD 775119

RG 260

By AY NARA Date 8-5-79

Entry PROP

Box 14

Ge

POLSKA MISJA WOJSKOWA
PRZY RADZIE KONTROLI W NIEMCZECH

Polish Military Mission to
Control Council for Germany

Польская Военная Миссия при
Контрольном Совете в Германии

Mission Militaire Polonaise auprès du
Conseil de Contrôle en Allemagne

TELEFON: 323066—69 / BERLIN W 15, SCHLÜTERSTRASSE 42

Nr. dz. 792/155/49

30th, June, 1949.

The Polish Military Mission presents its compliments to the Office of Military Government for Germany and has the honour to draw its attention to the following :

The Polish Military Mission has received a communication to the effect that after June 30th, 1949, no further claims for restitution of looted noncultural property in the US Zone of Occupation would be accepted by US Zonal Authorities and that claims for cultural objects would be accepted under special and exceptional provisions only.

The Polish Authorities have always met with considerable difficulties in collecting and producing evidence necessary for the filing of restitution claims, because records on Polish looted property were kept by the German Occupation authorities in Poland and on their retreat from Poland either destroyed or removed to Germany where they became inaccessible to the Polish Authorities. Consequently, Poland has regained by means of restitution only a small proportion of property looted by the Germans from her territory, inspite of the established fact that Poland, as result of the German occupation, had suffered more losses than any other country.

In other countries, which contrary to Poland, have had governments collaborating with the German Occupants, these collaborationist Governments were able to record all datas regarding looted property, and, after the liberation, these

TO:

Office of Military Government (US)
Through Allied Liaison & Protocol Section
B e r l i n
ACA Building

TECHN. HOCHSCHULE

(-) Schochet Ludwig

302127

DECLASSIFIED

Authority VND 775119
By AW NARA Date 8-5-77

RG 260
Entry PROP
Box 14

S E C U R I - T I E S

Bank Notes of the Polish Bank and the Emitting Bank

The Government of the Polish Republic submits claims for restitution of securities (state loans, securities issued by Polish banking institutions, shares and bonds issued by Polish firms, bills of exchange belonging to Polish individuals and juridical corporations, bank notes of the Polish Bank, notes issued by the Polish Bank during the occupation, treasury-bonds of the so called Government of the General-Gouvernement, (Schatzanweisungen des Gen.Gouvernements) bank-accounts and industrial firms, - confiscated or removed by the German occupation authorities, which supposedly are located in the Treasury of the Reichsbank at Frankfurt / Main or are still administrated by the Treuhandstelle OST.

In particular:

From the very beginning of the occupation the German authorities introduced special restrictions of property rights of Polish citizens.

The daily records of orders issued by the Military Commander and by the Chiefs of Civil Administration contain many such cases (see: Deutsches Recht, Wochenangabe 1941, page 828). These restrictions were especially rigorous in the Western territory of Poland incorporated into Germany. The decree of the Military Commander as to the seizure of Polish property in the area of Pomorze (a Polish province) dated 27.9.1939 ordered that the property of the Polish State, of Polish municipalities, Polish individuals and juridical corporations might be seized and confiscated. The secret decree of the Führer dated 7.1.1939 established the Office of the Reichs-Commissary for the purpose of strengthening the German influence, with authority to seize and confiscate Polish property. More rigorous was the decree dated 17.9.1940 which ordered that the property of Polish citizens in the territory of western Poland and in Germany be put under forced management and be confiscated.

On 1.9.1939, the day of the beginning of the war, by decree of the German Government (see Deutscher Reichsanzeiger No. 260/39) issued by Göring - plenipotentiary of the German 4-years' economic plan, the Haupttreuhandstelle Ost has been established which took over the administration and expropriation of the property of the Polish State, Polish municipalities and private property on behalf of Germany. This institution had its section scattered throughout the country and gathered in a short time Polish property of enormous value: real estates and money as well.

DECLASSIFIED

Authority MWD 775119
By AM NARA Date 8-5-99

RG 260
Entry PROP
Box 14

MEMORANDUM

6 May 1949

Letter Major General L. Zorin
Soviet Military Administration in Germany

No. 1107 - 6 April 1949

	<u>Soviet No.</u>	<u>Our No.</u>
Subject: Claims	A4- 995	18715-R
	A4- 965	18701-R
	A4-1205	20038-R

Our letter of 15 February 1949 covering Claims 18715-R and 20038-R follows:

"1. Receipt of your letters of 22 and 25 December 1948 is hereby acknowledged.

2. The decisions reached on these cases are based on inspection carried out by our own U.S. personnel. As another inspection by your Mission appears not warranted under the circumstances, your requests are denied."

Our letter of 15 February 1949 on Claim 18701-R follows:

"1. Reference is made to your letter 25 December 1948.

2. We informed you on 31 July 1948 that the claim is being dropped because of minor value.

3. Your request to reopen the case must be denied at this time.

Note on Claim 18701-R.

Property claimed is a "Lorry Zis". Letter from E. O. Smith (Restitution Branch, Wuerttemberg-Baden) states "The vehicle is in very poor condition and can be considered of only scrap value. Evaluation amounts to RM 500". The property was dropped 31 July 1948.

MMTYb

302129

DECLASSIFIED

Authority NND 775119
by AY NARA Date 8-5-77

RG 269
Entry PROP
Box 14

INVESTIGATION AND REPORT ON THE STATUS OF GERMAN PROPERTY
RECOVERED BY THE UNITED STATES MILITARY GOVERNMENT FOR GERMANY

10 May 1949

No. 1655

TO : Mr. O. R. McJUNKINS
Chief, Reparations, Deliveries and Restitution Branch
US Military Government for Germany

Dear Mr. McJUNKINS,

I acknowledge receipt of your letter of 19 April 1949.
reiterated

As to our statements regarding the illegal declining of claims mentioned in the letter No. 1005 of 6 April 1949 for the Soviet property removed by the looting German firm "Zentral-handelsgesellschaft Ost", you sent us negative answers without giving any convincing reasons and proofs.

In my opinion, we are right to follow the German statements according to which the claims have been given, and to follow mainly the report of the Allied Commission composed of the representatives of US, British and French Military Governments, which investigated the activities of German ~~firms~~ looting firms.

This report of the Allied Commission rather clearly shows the looting activities of the firms belonging to the society "ROGES".

was not satisfied by

Therefore, I ~~do not consider~~ your answer concerning our Restitution claims mentioned above, and I reserve the right to reconsider this question.

Truly yours,

s.: L. ZORIN
t.: L. ZORIN

Major General
Chief, Reparations & Deliveries
Soviet Military Government
for Germany

387.6 WSSR

302130

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-99

RG 260
Entry PROP
Box 14

Restitution to Italy of Unused Italian Postage Stamps

1 PD PA 19
1 PD IEGU Jan 19

Attn: Mr. McJunkins
Restitution Branch

1. The Foreign Exchange Depository, Frankfurt/Main, holds in its custody a number of uncanceled Italian postage stamps found in an Allied Prisoner of War camp in Bavaria. A detailed description of these stamps follows:

Frankfurt/Main, holds in its custody a number of uncanceled Italian postage stamps found in an Allied Prisoner of War camp in Bavaria. A detailed description of these stamps follows:

102	unused	10	Centesimi postage stamps
14	•	15	•
102	unused	20	•
10	•	25	Centesimi postage stamps
2065	•	30	•
102 2	•	50	•
10 1	•	1.25	Lire
126 11	•	20	Centesimi overstamped "PM"
2221	•	25	•
1456	•	30	•
5 4	•	50	Centesimi overstamped "PM"
222 10	•	50	•
1-1817	•	50	air mail stamps
57	•	1	•
		1	Lire
		50	Centesimi air mail overstamped "PM"
		1	Lire

2. It is proposed that the aforementioned lot of postage stamps be restituted to Italy. If you concur in our recommendation we will instruct the Foreign Exchange Depository to coordinate the release to the representatives of the Italian Government with the Reparations and Restitution Liaison Office, Frankfurt/Main. If you do not concur in our recommendation we will instruct the Foreign Exchange Depository to coordinate the release to the representatives of the Italian Government with the Reparations and Restitution Liaison Office, Frankfurt/Main.

Mr. Fitch
Tel 43797
Rm 1052, Econ Bldg

RALPH McCABE
Acting Chief
Internal and External
Finance Group

Mr. Fitch
Tel 43797
Rm 1052, Econ Bldg

RALPH McCABE
Acting Chief
Internal and External
Finance Group

Consul General of Italy

DECLASSIFIED

Authority NND 775119
By AY NARA Date 8-5-79

RG 260
Entry PROP
Box 14

Restitution to Italy of Unused Italian Postage Stamps

1 PD PA 19
LEFG Jan
49

Attn: Mr. McCabes
Restitution Branch

1. The Foreign Exchange Depository, Frankfurt/Main, holds in its custody a number of uncanceled Italian postage stamps found in an Allied Prisoner of War camp in Bavaria. A detailed description of these stamps follows:

32	unused	10	Centesimi postage stamps	
9	"	15	"	"
14	"	20	"	"
102	"	25	"	"
10	"	30	"	"
1265	"	50	"	"
2	"	1.25	Lire	"
1	"	20	Centesimi	overstamped "PM"
41	"	25	"	"
3	"	30	"	"
2221	"	50	"	"
1456	"	50	"	air mail stamps
4	"	75	"	"
40	"	1	Lire	"
1817	"	50	Centesimi	overstamped "PM"
57	"	1	Lire	"

2. It is proposed that the aforementioned lot of postage stamps be restituted to Italy. If you concur in our recommendation we will instruct the Foreign Exchange Depository to coordinate the release to the representatives of the Italian Government with the Reparations and Restitution Liaison Office, Frankfurt/Main.

Mr. Fitch
Tel 43797
Rm 1052, Econ Bldg

Rm
RALPH McCABE
Acting Chief
Internal and External
Finance Group

Consul General of Italy

DECLASSIFIED

Authority NND 775119
By AM NARA Date 8-5-99

RG 260
Entry PROP
Box 14

Automobile of Italian Diplomatic Corps

1 US
POLAD
APO 757
Frankfurt
FD
Restitutions
Branch
OMBUS
APO 742
4
Jan
49

1. Submitted as a matter pertaining to your office.
2. Please transmit reply through this Office.

Office of the US Political Adviser

/s/ W.F. Schott
W.F. SCHOTT

Chief, Foreign Government Representation

Encl:
Communication fr
Italian Cons. Gen.
WFSchott: aj (6190)

2 Rep of US
Rest POLAD
Fr APO 757
FD Frankfurt
12
Jan
49

Attention: Mr. W. F. Schott
Chief, Foreign Government Representation

1. It is requested that the attached reply be forwarded to the Italian Consul General.

Encl - s/s
Tel: 13050 - Berlin

W.F. SCHOTT
Chief - Representation and Participation Branch

COMEBACK COPY TO PROP DIV REP & REST BRANCH

Consul General of Italy