

Silv
Sey owl

DECLASSIFIED
Authority 978025
By TJ NARA Date 9/28/99

RG 56
Entry 69A4707
File GERMANY: Gold, Currency, and Loot Recoveries - Non-RBK Caches and "Closed" Depots
Box 80

SECRET

CARTELS AND EXTERNAL ASSETS

January 1946

OFFICE OF MILITARY GOVERNMENT
FOR GERMANY (US)
DIVISION OF INVESTIGATION OF
CARTELS AND EXTERNAL ASSETS

Draft of Report Now Completed - attached are manuscripts of schedules and some additional worksheets. DUC

Subject: Report on SS loot received by the Reichsbank, Berlin.
("Melmer" Deliveries)

To: Lt. General L.D. Clay, Deputy Military Governor
Office of Military Government for Germany (US)
APO 742

SOURCES

There is serious doubt as to complete accuracy of some of the work on this report and resultant validity of figs shown. Project was abandoned in January 1946 because of enormous work involved in select and lack of sufficiently competent personnel. However the figures shown are for more complete and more accurate than any available to date. DUC

This report was prepared by ^{T/5} Karl H. Loring and is based entirely upon records of the Precious Metal Department of the Reichsbank, Berlin, now in the possession of the Division of Investigation of Cartels and External Assets. These records include: a. a listing of all items contained in the "Melmer" shipments; b. copies of the accountings of the Precious Metal Department of the Reichsbank, Berlin; c. Accounting lists of the "Städtische Pfandleihanstalt" (Municipal Pawn Shop); d. refining results and accountings of the "Deutsche Gold und Silber Scheideanstalt" (German Gold and Silver Refining Institute); e. receipts of the "Wertpapier Abteilung" (Security Department) of the Reichsbank, Berlin.

2. BACKGROUND

According to the records of the Precious Metal Department of the Reichsbank, Berlin, the first delivery was made on 26 August 1942 by Mr. (SS Obersturmführer) Melmer and a Mr. Schulze. It contained foreign notes and coins, golden and silver bars, jewelry and goldcoins. The jewelry was sent to the "Städtische Pfandleihanstalt" Dept. III, the foreign exchange to the Currency Department of the Reichsbank, and the gold

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RG

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SECRET

CARTELS AND EXTERNAL ASSETS

and silver bars to the DEGUSSA ("Deutsche Gold und Silber Scheideanstalt"). According to an oral agreement between Vicepresident PÜHL of the Reichsbank and a chief of a Berlin official bureau, all these transactions were to be handled under the code name "MELMER". All amounts gained from these transactions were transferred to the account of "Max Heiliger" for the Reichs Ministry of Finance. All transactions were to be treated as secret, so that only a minimum number of people would have knowledge of them.

3. PRICE EVALUATIONS

Foreign Exchange was evaluated according to the current market quotations. Gold coins and bars as well as silver coins were taken over by the Precious Metals Department of the Reichsbank at the usual Reichsbank terms. Silver and golden bars were sent to the DEGUSSA for refining, the silver being kept by the DEGUSSA and the fine gold being returned to the Reichsbank. Securities were turned over to the Wertpapier Abteilung (Security Department) of the Reichsbank to be cashed in. Although some securities were sold, the proceeds were not transferred to the account of "Max Heiliger" but were kept as a suspended balance at the main cashiers office (Hauptkasse) of the Reichsbank. This was done, because they consisted mostly of smaller amounts, which were to be aggregated until one large sum could be transferred. Although much effort was made to find the market values of securities on hand, the values of only a small part of the securities could be ascertained. This could be done because like securities had been sold by the Reichsbank, and the quotations used in these sales were then applied to estimate the values of a part of

307001

DECLASSIFIED
 Authority 978025
 By TJ NARA Date 9/28/99

RG 50

Entry 69A4707

File

GERMANY: Gold, Currency, and Loot
 Recoveries - Non-RBK. Caches and
 "Closed" Depots

Box 80

SECRET

CARTELS AND EXTERNAL ASSETS

the securities on hand. Jewelry was sold to the Municipal Pawnshop at international wholesale prices less 10% for commissions and costs. If the Municipal Pawnshop sold the jewelry at a higher price than was paid to the Reichsbank, the gain was to be turned over to the Reichs Ministry of Finance.

4. CONTENTS OF DELIVERIES AND VALUE ESTIMATIONS

Up to 27 January 1945 a total of 76 deliveries was made to Reichsbank, Berlin. The first 43 of these deliveries were checked in detail, and their contents sent on to the appropriate departments or institutions. Nine accounting list were prepared by the Reichs bank which contain the evaluations of the larger part of these 43 deliveries. An evaluation was not made of small items of foreign exchange, securities and pearls contained in the first 43 deliveries. The values of these items, as well as of all others contained in deliveries 44 to 76, which had not been previously evaluated, were estimated on a basis of the delivery records and similar items which had already been evaluated. The following figures and quotations were used in these estimations:

Notes- official German exchange quotation (average of 1943)

Coins- same

Goldcoins- quotation of the Reichsbank (average of 1943)

Gold- 1000 grams fine have a value of RM 2784.-

Silver-1000 grams fine have a value of RM 35.50

Pearls 1000 grams have an average value of RM 339.17 (estimated)

Jewelry- value arrived at through comparison with similar items which had been evaluated.

307002

DECEMBER 1945

SECRET

RG ~~2667~~ 131
 Entry PPC SVS. FILES
 File LOSAN SECURITIES
 Box 388

JCL

Loated Property

FEB 28 1946

JSP -C-D

9827

PLAIN

Barn

Dated February 26, 1946

Rec'd 5:47 p.m.

Secretary of State
 Washington

480, Twenty-sixth.

Reference Legation's 324, (54 to London; 32 Paris)
 February 8.

According press, Swiss Federal Council approved decree commissioning Swiss clearing office search for assets supposedly located Switzerland, which owners in war-occupied territory either lost by force occupying organization contrary international law, or relinquished under influence deception, or founded fear caused by occupying organization. Persons now or heretofore possessing, administering, controlling such assets obligated declare them to Swiss clearing office.

Forwarding text decree airgram soon available.

Repeated London 68; Paris 52.

Refer SAFENAVEN and Treasury.

HARRISON

EKH

cc: 3/1/46
 For Information - Messrs. Schmidt, Mrs. Shwarts, Gewirtz, Miss Scullen,
 de Zavallos, Mrs. Schwartz, O'Flaherty, Locker, Brenner,
 Kamarek, Mrs. Miller, Glasser, Miss Ayers, NY Fed.

et

307003

DECLASSIFIED
Authority NND 775062
By SIC NARA Date 8-25-99

RG 260
Entry ADVISOR (Germany)
File 45-100-10000
Box 95

5000

Common
855875

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

STAFF CABLE CONTROL

INCOMING MESSAGE

DATED 061203A

CONFIDENTIAL

RECD 062050A MAR46
328/06 /mjj

C O N F I D E N T I A L

R O U T I N E

FROM : USFA
TO : OMGUS FOR FINANCE
REF NO : P-4082 CITE: PAACA

Ref CC-23473.

On CFD in.

You state: "Only those securities which are conclusively judged to be the property of German nationals will be returned to Austria". Understand that this should read just Dan nationals. T-2. Two descriptive lists are being sent via air courier. One list contains the total amount of every category of securities held in Regensburg, the other gives the amount of securities held in each bag stored in Regensburg.

The Wertpapiersammelbank in Vienna (before the Anschluss called Wiener Giro and Kassen Verein which is an institution for depositing and clearing securities, the direct participants of which are only Viennese banks. The records of the Wertpapiersammelbank show only these banks as holders of securities. The customers of the various banks are the real owners of the securities. Their identity, however, can only be ascertained by scrutinizing the records of all the banks in Vienna. This can only be done here in Vienna. The physical location of securities is not relevant in this connection. A similar institution existed in Berlin under the

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091.3

SCC IN 22116

CONFIDENTIAL
C O N F I D E N T I A L

41

Copy No. 58

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307004

DECLASSIFIED	
Authority	<u>NND 775062</u>
By	<u>SIC</u> NASA Date <u>8-25-99</u>

RG	<u>260</u>
Entry	<u>ADIT/INT (Germany)</u>
File	<u>44.7 - FINANCIAL</u> <u>INSTR.</u>
Box	<u>95</u>

REF NO: P-4082

C O N F I D E N T I A L

-2-

name of a Bank Des Berliner Kassenvereines which was late absorbed by the Deutsche Reichsbank and operated as Wertpapier-sammelbank Department of the Reichsbank. Details regarding the institution of Wertpapiersammelbank can be gathered from this source.

Besides the customer does not own any security outright. He only has property according to fraction (Eigentumlich Bruchteilhn) of the securities in the pool. It is necessary to ascertain all securities of the pool before property of any owner can be ascertained.

This number and amount of securities held by Germans in Austria is exceedingly small as it was policy to concentrate all holding in Germany. We have relevant date 4 US zone and are now supervising drawing up law which will reveal data for all of Austria.

Your purpose is better served by our policy to block all securities of Germans held in Austria regardless if they were deposited with Wertpapiersammelbank or held by banks in own vaults.

Besides, securities will be shipped to Salzburg in the US zone, so that they will be in control of this hqs.

Hope you now see your way clear to released securities which are of vital importance to Austrians explained rg our P-2801.

CC-23477 - 22 Feb Fin. P-2801 is SCC In 20441, 14 Feb Fin.

ACTION : FIN

INFORMATION : O/SS
ECON
LEGAL
POL AFF
INTELL
IA&C
TRANSP
AG REC

SCC IN 22116 7 Mar 46 1010A JAK/mjj REF NO: P-4082

C O N F I D E N T I A L

307005

DECLASSIFIED

Authority AND 978025
By JW NARA Date 9-29

RG 56
Entry 69A4707
File SPECIAL INQUIRIES
Box 80

Treasury Department
Division of Monetary Res. ch

Date 1945

To: 1 ~~Mr. Knicker~~ 194 6
2 ~~Mr. Pott~~
3 ~~Mr. T. Friedman~~
4 Mr. Dickens

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MR. COE
Room 3430 - Branch 305 and 306

299

discuss the subject with Mr. Brookes on his return to Washington from the Wilmington Island conference.

I have discussed it some with Mr. O'Flaherty of F.F.C., who also received a copy of the memorandum. He indicated that as far as F.F.C. was concerned there was little or no interest in it.

In my opinion, the chief interest Treasury might have would be in making certain that the registration would be sufficiently widely known, so that no legitimate American interests would be harmed by failure to register. In that connection,

1. Sufficient publicity that will promptly reach the American holders,
2. Accuracy of the information to be submitted, particularly the accuracy of the numbers identifying the securities, and
3. Verification of the dates of acquisition and of the manner of acquisition, if acquired after invasion.

As regards

Mr. Dickens - Treas.
Spec. Inquiries.

ATE
sation

DATE: March 7, 1946

boy, New York Office

okens - Treasury ✓
O'Flaherty - Treasury
Gardner - Federal Reserve Bd.
Louchheim, Jr., SAC

1-1408

ington Island Conference, made in this country by ed with their purifica- of all Dutch securities, of the United States. nment to ferret out ation program has been siding in Holland and in . A similar registra- ent wished each holder, ntifying his securities d subsequent to the is connection appear

DECLASSIFIED

Authority ANN 978025
By JW NARA Date 9-29

RG 56
Entry 69A4707
File SPECIAL INQUIRIES
Box 80

Treasury Department
Division of Monetary Research

Date March 21, 1946

To: Mr. Coe
From: Mr. Dickens *DD*

The attached memorandum of conversation was sent to me from State Department a few days ago. It represents the report of a discussion at State Department with Mr. Broches of the Netherlands Embassy, on the question of the registration of all Dutch securities, both public and private, held by residents of the United States. This registration is similar in most respects to the registration of Belgian securities which was carried out with the assistance of the Federal Reserve Banks last fall.

The last paragraph in the memorandum states that the State Department was transmitting copies of this to the Treasury, S.E.C. and the Federal Reserve Board for their information, comments, and suggestions, and that they would be prepared to discuss the subject with Mr. Broches on his return to Washington from the Wilmington Island conference.

I have discussed it some with Mr. O'Flaherty of F.F.C., who also received a copy of the memorandum. He indicated that as far as F.F.C. was concerned there was little or no interest in it.

In my opinion, the chief interest Treasury might have would be in making certain that the registration would be sufficiently widely known, so that no legitimate American interests would be harmed by failure to register. In that connection,

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3. Verification of the dates of acquisition and of the manner of acquisition, if acquired after invasion.

As regards

*Mr. Dickens - Treas.
Spec. Inquiries.*

DATE

ration

DATE: March 7, 1946

assy, New York Office

Dickens - Treasury ✓
O'Flaherty - Treasury
Gardner - Federal Reserve Bd.
C. Leuchheim, Jr., SAC

1-1403

Wilmington Island Conference, made in this country by need with their purification of all Dutch securities, of the United States. Government to ferret out registration program has been residing in Holland and in d. A similar registra-

Government wished each holder identifying his securities red subsequent to the this connection appear

DECLASSIFIED

Authority AND 978025
 By JW NARA Date 9-29

RG 56
 Entry 69A4707
 File SPECIAL INQUIRIES
 Box 80

Treasury Department
 Division of Monetary Research

Date 194.....

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- 2 -

From:

I felt that some knowledge as to the completeness of the reporting of Belgian securities would be desirable, and Mr. O'Flaherty said that he would attempt to get some information as to the amounts registered. Such figures compared with the TFR-500 data would be some indication as to the extent to which persons holding such securities had been notified of the need for registration. If it appears that the contemplated methods of notifying holders of the securities are not adequate, they should be supplemented or other measures taken to protect American interests.

Mr. Dickens - Treas.
Spec. Inquiries

DATE

Registration

DATE: **March 7, 1946**

Massy, New York Office

Dickens - Treasury ✓
 O'Flaherty - Treasury
 Gardner - Federal Reserve Bd.
 C. Leuchheim, Jr., SAC

1-1403

Washington Island Conference, made in this country by need with their purification of all Dutch securities, of the United States. Government to ferret out registration program has been residing in Holland and in d. A similar registra-

Government wished each holder identifying his securities red subsequent to the this connection appear

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2. Accuracy of the information to be submitted, particularly the accuracy of the numbers identifying the securities, and
3. Verification of the dates of acquisition and of the manner of acquisition, if acquired after invasion.

As regards

DECLASSIFIED

Authority AND 98025
By JW NARA Date 9-29RG 56
Entry 69A4707
File SPECIAL INQUIRIES
Box 80

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: March 7, 1946

SUBJECT: Registration of Dutch Securities

PARTICIPANTS: Mr. Corliss }
Mr. Longstreet } FN
Mr. Broches - Netherlands Embassy, New York OfficeCOPIES TO: Mr. Luthringer - FN Paul Dickens - Treasury ✓
Mr. Longstreet - FN Edward O'Flaherty - Treasury
Mr. Corliss - FN Walter Gardner - Federal Reserve Bd.
John H. Morgan - NGB Walter C. Leuchheim, Jr., SMC

1-1403

Mr. Broches, while en route to the Wilmington Island Conference, called to discuss arrangements that might be made in this country by the Dutch Government to enable them to proceed with their purification program which involves the registration of all Dutch securities, both public and private, held by residents of the United States. Registration is necessary for the Dutch Government to ferret out securities looted by the enemy. The registration program has been completed for holders of Dutch securities residing in Holland and in the United Kingdom, Belgium, and Switzerland. A similar registration is now in process in Canada.

Mr. Broches said that the Dutch Government wished each holder in the United States to file a statement identifying his securities and giving the date of acquisition if acquired subsequent to the invasion of Holland. The main problems in this connection appear to be:

1. Sufficient publicity that will promptly reach the American holders,
2. Accuracy of the information to be submitted, particularly the accuracy of the numbers identifying the securities, and
3. Verification of the dates of acquisition and of the manner of acquisition, if acquired after invasion.

as regards

307009

DECLASSIFIED

 AUTHORITY AND 98025
 By JW NARA Date 9-29

 RG 56
 Entry 69A4707
 File SPECIAL INQUIRIES
 Box 80

-2-

As regards publicity, Mr. Broches said that advertising notices would be published in leading newspapers and financial periodicals in various parts of the country. He raised the question, however, of whether the services of the Federal Reserve System could also be enlisted for the purpose of mailing to Federal Reserve member banks the proper forms and a circular notice to be prepared by the Netherlands Government, on the understanding, of course, that the Netherlands Government would defray all expenses.

Mr. Broches states that it was the present intention of his government to request holders of American securities to submit, under their own signature, to offices of the Netherlands Government in this country, a standard form containing the desired information. Because of subsequent delays that might result from errors in the information submitted and from procedures involved in verifying the dates and manner of acquisition in certain cases, Mr. Broches suggested the adoption of a procedure whereby banks, stock exchange members, or other competent institutions would endorse holders' statements to the effect that documentary evidence had been shown to them, (perhaps accompanied by affidavits) and had, in their opinion, established the accuracy and truth of the holder's statement. Mr. Broches realized that a fee would be charged for such services. Mr. Corliss and Mr. Longstreet expressed the view that the size of such fees should be left to the endorsing institution and the security holder making use of the service. The holder would also be privileged, of course, to submit his statement without fee directly to an office of the Netherlands Government, but he would be informed beforehand that this procedure might ultimately involve additional delays and inquiries.

Once registration were complete, Mr. Broches indicated that a stamping of the securities (or an official attachment for the securities that would be equivalent to stamping) would later be required but he felt that it was not necessary to make arrangements for this final step at this time.

Mr. Broches stated that the procedure that was followed in Holland and in the other countries mentioned above was to invalidate securities which were not registered by a deadline date. If it could be later proved, however, that the holder had not been able to meet the deadline date for good and sufficient reasons, the Netherlands Government would give sympathetic consideration to registering and validating such securities.

Since Dutch securities are not listed on any exchanges in the United States, the SEC would probably not be concerned with this program. Mr. Corliss and Mr. Longstreet told Mr. Broches that the substance of our conversation would be transmitted to the SEC, the Treasury, and the Federal Reserve Board, for their information, comments, and suggestions, and that we would be prepared to discuss the subject with him more fully on his return to Washington from the Wilmington Island conferences.

W:V:Longstreet:lja:erm

307010

DECLASSIFIED

Authority NN D 7750 42
By JR NARA Date 8/24/97RG 260
Entry Account 616
Box 288

150ms

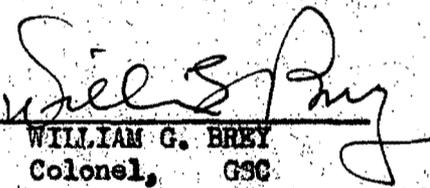
Incl No. 1

ASSETS RELEASED

1. Assets Released: Four Stadt Frankfurt/M., 6% 1926 bonds in denominations of GMK 5,000, totaling GMK 20,000, numbered 054,055,066,067.
2. Date of Release: 12 March 1946.
3. Released to: Property Control Officer, Office of Military Government in Greater Hesse.
4. For Purpose of: Release from safekeeping, to Property Control, for custody and eventual disposition.
5. Authority: Letter dated 24 January 1946 from Colonel E. J. Drinkert, Deputy Chief, Property Control Branch, Finance Division, OMGUS, requesting that bonds be released to Property Control.

C E R T I F I C A T E

The above information is correct and is based upon our personal knowledge of the transaction or records on file.


WILLIAM G. BREY

Colonel, GSC
Chief, Foreign Exchange Depository


JACK BENNETT

Director, Finance Division

9

307011

Authority **NN313194001**
By **SE** NARA Date **10-25-99**

Entry **131**
File **44-1461-579, F. 163**
Box **388**

*Silv
TRAIN*

True

Gold Train

PARAPHRASE

WAR DEPARTMENT
CLASSIFIED MESSAGE
INCOMING
(RESTRICTED UMR)

To: War Dept
From: Vienna HQ USPA

Nr: P 4839 14 Mar 1946

Ref. No. P 4839 from Com. Gen., USPA.

Regarding return of Hungarian property (see I 2205) said to be in US Zone Austria. Hungarian govt. apparent concern does not appear warranted in view of significance of such property in US Zone.

The Hungarian claims probably pertain to property throughout Austria rather than just in US Zone. All known Hungarian property in US Zone included in previous report. See cable #65 Aus Poland to Sec State (pass to War for JCS) of Jan 16 and dispatch #721 of Jan 18, 1946 to Sec State from political advisor.

Only small quantities indicated in cable 65 of stocks of essential commodities mentioned in Schoenfeld cable are in US Zone. No return of property to Hungary has been permitted until directive outlined WARK 89226 Mar 5 issued.

This directive allows restitution to Hungary in limited scope and places such restitution second to requirements of Austrian economy. This directive now guides treatment of all Hungarian property in US Zone.

No lists have been submitted by Hungarian Govt under requirements W 89226. Hungarian agents have attempted for last 6 months to obtain info and release of property without meeting requirements of directives.

Schoenfeld letter and lists of Oct 12, 1945 not known by this HQ.

Action: CAD

CM-IN-5361 (16 Mar 46)

cc: 3-22-46 M. Schwartz, Richards, Alk, R. Schwartz, Hobbard, Masterson(3), Waybur-Hilman.

DECLASSIFIED

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

RG 260
Entry RESTITUTION
Box 13

1854

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

STAFF CABLE CONTROL

OUTGOING MESSAGE

~~CONFIDENTIAL~~
CONFIDENTIAL

Post 8046
Pls

TO : AGWAR FOR-WARCAD

INFO : COMOP(US ZONE) / USFA

FROM : TO NPS COMGUS SIGNED CLAY

REF NO : CC-1515 TOO: 161305A Mar 46 /bv

FINAL ACTION

1. On 3 Feb we advised USFA by TWX-CC-22509 as follows: "pending the promulgation of a restitution policy covering Austrian owned assets held in Germany we cannot return the securities formerly owned by the Wertpapiersammelbank, Vienna, which you state are now held by the Reichsbank, Regensburg."

2. On 13 Feb USFA cabled us that: securities of former Wertpapiersammelbank, now National Bank, Vienna, were shipped to Regensburg prior liberation of Vienna; they constitute major part of all Austrian securities; accidental presence of these securities in Germany should not make a great part of Austrian national wealth subject to restitution policy; securities are needed in Austria to establish ownership rights, especially as the records showing ownership rights have also been sent to Germany; clarification of ownership rights is necessary to open Austrian stock exchange and immediate return of securities is requested to grant maximum assistance in economic reconstruction of Austria.

3. On 21 Feb we answered USFA substantially as follows: "In order to facilitate the return of securities which you state are in Regensburg and are the property of the former Wertpapiersammelbank, Vienna, complete descriptive list of the securities detailing, if possible, the names, nationality and principal place of business of the corporate or individual owners, should be forwarded to us at the earliest. Only those securities which are conclusively adjudged not to be the property of German nationals will be returned to Austria."

CC-1515

CONFIDENTIAL

CONFIDENTIAL

Copy No *21*

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307013

DECLASSIFIED

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

RG 260
Entry ~~260~~
Box 17

Notations & Messages

C O N F I D E N T I A L

CC-1515

- 2 -

4. A list of the securities was received by us on 12 Mar 46 and it reveals that none of the securities was issued by any of the occupying powers or their nationals. The majority are equities or obligations issued by companies established in Austria, Czechoslovakia and Hungary. A very minor amount are issues of general concerns or the former German government. Actual ownership of the securities can be determined only after extensive research in Austria so we are waiving our original request as noted in para 3.

5. USFA is being advised that we are prepared to release the securities in question provided they are held in safekeeping by General Clark until a directive to release them is received by him from the War Dept. It is recommended that you issue an authorization to Gen Clark to make appropriate disposition of the securities.

ORIGINATOR : Fin AUTH: S P TURNER
MAJOR
COORDINATED WITH ::: Econ
INFORMATION : O/SS
Econ
Pol Aff
AG Records

CC-1515

16 Mar 46

C O N F I

File	<i>Canals</i>
Clerical	
Restitutions	
Industry	
T & C	
Food	
Ref & Alloc	
Policy & Coord	
Report & Stat	
Secretariat	
Personnel	
Adm	
Exec	
Branch	
Act Info Init	
ECON DIV	DATE:

307014

DECLASSIFIED

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

RG 260
Entry 260
Box 13

COMPARATIONS & TESTIMONY

CONFIDENTIAL

JL

C O N F I D E N T I A L
R O U T I N E

*again
Res
JCC*

TO : CG USFA
FROM : OMGUS SIGNED CLAY
INFO : OMG US ZONE FINANCE DIV
REF NO : CC-23473 T00: 221354A Feb 46 em

1. Reference your P-2801. We anticipate the early promulgation of a restitutions policy governing the return of Austrian assets now lodged in Germany. In order to facilitate the return of securities now blocked under Military Government laws number 52 and number 53 which you state are in Regensburg and are the property of the former Wertpapiersammelbank, now National Bank of Vienna, the following data, if it is available in Austria, should be forwarded to us at the earliest possible date:

Complete descriptive list of the securities detailing, if possible, the names of the corporate or individual owners and their principal place of business and nationality respectively.

2. Only those securities which are conclusively adjudged not to be the property of German nationals will be returned to Austria. The others will be retained under the provisions of Military Government laws number 52 and 53.

3. Based on your statements, a considerable amount of work will be involved in checking out the ownership of the large volume of securities held at Regensburg. Your comments on the most convenient and rapid method to accomplish this work will be appreciated.

ORIGINATOR : FIN

AUTHORITY: SUSANNA P. TURNER
Major

CC-23473 22 Feb 46 1430A JAK/em

COPY

CONFIDENTIAL

307015

DECLASSIFIED

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

RG 260
Entry Passport
Box 13

MEMORANDUM & RESTITUTION

Enclosure A

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

STAFF CABLE CONTROL

DATED 131111 **INCOMING MESSAGE** RECD 131603A Feb 46
333/13/rf

R E S T R I C T E D
R O U T I N E

See Ref

FROM : CG USFA
TO : OMGUS
REF NO : P-2801 CITE : PAACA

Reference CC-22509.

EARLIER ACTION

1. Securities of former Wertpapier-sammelbank, now National Bank Vienna, were shipped to Regensburg prior liberation Vienna. Their presence in Germany is only accidental. They constitute major part of all Austrian securities. This Hq does not believe accidental presence of these securities in Germany should make a great part of the Austrian national wealth subject to restitution policy.

2. State Dept cable No 316 from Secretary of State to Auspolad, 29 Nov 45, establishes principles that physical location of securities is not decisive for determining reparation or restitution claims.

3. Securities are needed in Austria to establish ownership rights especially as the records showing ownership rights have also been sent to Germany. Clarification of ownership rights necessary in order to open Austrian Stock Exchange.

4. Dividends and interest coupons have been confiscated by the Occupation Forces upon their entry in Vienna. Pressing claim for return is difficult if the actual certificates representing the securities are retained in Germany.

5. Since JCS-1369/1 charges USFA to grant maximum assistance in the economic reconstruction of Austria, this Hq requests immediate return of securities.

SCC IN 20441

R E S T R I C T E D

Copy No. 2

EXHIBIT A

The Making of an Exact Copy of this Message is Forbidden

307016

SECS

DECLASSIFIED

RG 260

Authority MND 775119

Entry Prod

By [Signature] NARA Date 8-5-77

Box 236

FILE: EXTERNAL ASSETS

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

STAFF CABLE CONTROL

OUTGOING MESSAGE

CONFIDENTIAL

CONFIDENTIAL

[Handwritten signature and number 2099]

TO : ACWAR FOR WARCAD

INFO : OMG (US ZONE), USFA

FROM : OMGUS SIGNED CLAY

REF NO : CC-1515 TOO: 161305A Mar 46 /bw

1. On 3 Feb we advised USFA by TWX-CC-22509 as follows: "pending the promulgation of a restitution policy covering Austrian owned assets held in Germany we cannot return the securities formerly owned by the Wertpapiersammelbank, Vienna, which you state are now held by the Reichsbank, Regensburg."

2. On 13 Feb USFA cabled us that: securities of former Wertpapiersammelbank, now National Bank, Vienna, were shipped to Regensburg prior liberation of Vienna; they constitute major part of all Austrian securities; accidental presence of these securities in Germany should not make a great part of Austrian national wealth subject to restitution policy; securities are needed in Austria to establish ownership rights, especially as the records showing ownership rights have also been sent to Germany; clarification of ownership rights is necessary to open Austrian stock exchange and immediate return of securities is requested to grant maximum assistance in economic reconstruction of Austria.

3. On 21 Feb we answered USFA substantially as follows: "in order to facilitate the return of securities which you state are in Regensburg and are the property of the former Wertpapiererammelbank, Vienna, complete descriptive list of the securities detailing, if possible, the names, nationality and principal place of business of the corporate or individual owners, should be forwarded to us at the earliest. Only those securities which are conclusively adjudged not to be the property of German nationals will be returned to Austria."

CC-1515

CONFIDENTIAL

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307017

DECLASSIFIED

Authority MND 775119

By AY NARA Date 8-5-79

RG 260

Entry PROP

Box 6

C O N F I D E N T I A L

CC-1515

- 2 -

4. A list of the securities was received by us on 12 Mar 46 and it reveals that none of the securities was issued by any of the occupying powers or their nationals. The majority are equities or obligations issued by companies established in Austria, Czechoslovakia and Hungary. A very minor amount are issues of general concerns or the former German government. Actual ownership of the securities can be determined only after extensive research in Austria so we are waiving our original request as noted in para 3.

5. USFA is being advised that we are prepared to release the securities in question provided they are held in safekeeping by General Clark until a directive to release them is received by him from the War Dept. It is recommended that you issue an authorization to Gen Clark to make appropriate disposition of the securities.

ORIGINATOR : Fin AUTH: S P TURNER
MAJOR

COORDINATED WITH ::: Econ

INFORMATION : O/SS
Econ
Pol Aff
AG Records

CC-1515 16 Mar 46

1415A JAK/bw

C O N F I

Exec	Act Info Unit
Adm	
Personnel	
Secretariat	
Report & Dist	
Policy & Eval	
Reg & Lic	
Food & Ag	
I & C	
Industry	
Reference	
Client	
File	

307018

DECLASSIFIED	RG 260
Authority MND 775119	Entry Prop
By AM NARA Date 8-5-99	Box 6

Rest

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

STAFF CABLE CONTROL

OUTGOING MESSAGE

SECRET

SECRET

ROUTINE

TO : AGWAR FOR WARCAD

INFO : OMG (US ZONE), FINANCE, USFA

FROM : OMGUS SIGNED CLAY

REF NO : CC-2186 TCO: 281809A MAR 46 /mji

Ref your WX-81319.

1. We have advised USFA of your decision that pending policy formulation on restitution of securities between German and Austria it will be impossible to return the securities mentioned in our CC-1515 to them.

2. As a recent development the German external property commission has stated that it considers all foreign securities held in Germany as vested under control council law #5. It therefore follows, according to the provisions of this law, that restitution of vested foreign securities will require control council approval regardless of their location within Germany. The viewpoint of the GEPC regarding foreign assets held within Germany as coming under CC law #5 appears to be upheld by the British, French and Russians. The US member of the Finance Directorate has requested that the legal directorate give its decision on this matter.

3. It is our opinion that securities held in Germany which can be identified beyond doubt as the property of a United Nations government, business entity or national and which were transferred to Germany as loot, or under duress, or, under special circumstances as an alleged temporary protective measure, the owners having received no monetary or other consideration of reasonable value in relation to the

CC-2186

SECRET

Copy No. 38

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DECLASSIFIED
 Authority NND 775119
 By AM NARA Date 8-5-97
 RG 260
 Entry Prop
 Box 6

REF NO: CC-2186

S E C R E T

-2-

value of the securities, should be restored to the former owners under restitution procedures.

4. We agree with USFA that the securities of former Wertpapiersammelbank, due to their accidental presence in Germany as an alleged temporary protective measure, should not be considered as an ordinary restitution matter. We consider it proper to return the securities and do not consider that such action would necessarily establish a restitution precedent. However, pending a decision as to whether these securities come under the provisions of control council law #5, thereby necessitating control council action to effect their return, no action may be taken.

WX-81819 is SCC In 23558

ORIGINATOR : FINANCE AUTH: SUSANNA P. TURNER, Major.
 INFORMATION : O/SS
 Legal
 Pol Aff
 Econ
 AG Rec

CC-2186

29 Mar 46

0950A

S E C R E T

-2-

ECON DIV		DATE: <u>29</u>
Branch	Act Info Init	
Exec	JAK/mjj	<input checked="" type="checkbox"/>
Adm		
Personnel		
Secretariat		
Report & Stat		
Policy & Coord		
Req & Insp		
Food & Inv		
T & C		
Industry		
Restitutions		<input checked="" type="checkbox"/>
C/Clerk		
File		

DECLASSIFIED

Authority MND 775119

By AW NARA Date 8-5-99

RG 260

Entry PROP

Box 26

File: External Assets

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

STAFF CABLE CONTROL

OUTGOING MESSAGE

~~CONFIDENTIAL~~

TO : USFA
FROM : OMGUS SIGNED CLAY
REF NO : CC-2187 TOG: 281810A MAR 46/pl

Reference your P-5067. War Department has requested that no action be taken to transfer securities of the former Wertpapiersammelbank to Austria pending establishment of restitutions policy now under State Department consideration. We are, therefore, unable to carry through arrangements outlined in your cable. You will be advised when a decision has been reached.

P-5067 IS 300 IN 23560

ORIGINATOR : FINANCE AUTH: S P TURNER MAJCE

INFORMATION : O/SS, POL AFF, ECON, LEGAL, INTEL, IA&C, AG RECORDS

CC-2187 JAK/pl

~~CONFIDENTIAL~~
CONFIDENTIAL

Copy No. 24

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307021

DECLASSIFIED
Authority MND 775119
By AY NARA Date 8-5-99
RG 260
Entry Prop
Box 6

Rest

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

AG CABLE CONTROL

INCOMING MESSAGE

DATED 301615Z

RECD 302330Z MAY 46

CONFIDENTIAL

CONFIDENTIAL

ROUTINE

FROM : AGWAR SIGNED WARGAD
TO : OMGUS, TUSA
REF NO : WX-89797

Reurad P-8301.

State advises return Wertpapiersammelbank securities under urgent consideration here within framework of general policy governing restitution of securities. Tentative view in State Law Number 5 not applicable to these securities.

P-8301 is not identified in AGC

ACTION : FIN
INFORMATION : O/SS
LEGAL
ECON
POL AFF
CONT OFF

AGC IN 29143

CONFIDENTIAL

HB/end REF NO WX-89797
Copy No

Exempt from paraphrase Handle in compliance with AR 380-5

24

DECLASSIFIED

Authority NND 775119
by AW NARA Date 8-5-99

RG 260
Entry Prop
Box 6

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

AG CABLE CONTROL

INCOMING MESSAGE

Handwritten signature/initials

DATED 031605B

RECD 032251B JUNE 46
68/03 wea

CONFIDENTIAL

CONFIDENTIAL

ROUTINE

FROM : CG, USFA

TO : OMGUS

REF NO : P-9250

CITE: FAACA/F

In accord CC-6090, cured P-8301 to AGWAR for CAD for action and OMGUS for info follows:

Reference WX-81819, CC-2186, W-83042, WX-94250.
Subject: Return of securities of former Wertpapieresammelbank to USFA. These securities are urgently needed in Austria to establish and clarify ownership rights. Distribution to owners not contemplated at this time. Detailed lists of types of securities have been furnished OMGUS. As securities are only accidentally present in Germany, it is considered here that they do not come under normal restitution procedures and their release should not be considered as establishing a precedent. OMGUS agrees (para 4 CC-2186) not "ordinary restitution matter" but feels Control Council law number 5 may govern. In view of State Department position W-83042 and WX-94250. Law number 5 does not appear to be applicable to Austria. As understood here, law number 5 applies only to German assets. Wertpapieresammel Bank securities are clearly Austrian. View on entire problem, restitution of securities, will follow.

- CC-6090, 1 June, Fin.
- P-8301 is not identified in AGCC.
- WX-81819 is AGC IN 23558, 24 March, Fin.
- CC-2186, 29 March, Finance.
- W-83042 is AGC IN 24330, 3 Apr. Fin.
- WX-94250, is AGC IN 18966, 24 Jan O/SS-C/S.

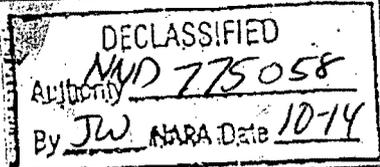
ACTION : FINANCE

INFORMATION : O/SS ECON POL AFF LEGAL

AGC IN 29387 4 June 46 0930B HB/wea REF NO P-9250
Copy No. 23

CONFIDENTIAL

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



RG 260
 Entry Finance
 File CONCORDIA & COLUMBIA SHARES
 Box 160

Copy

TRANSLATION/rs

Commandement en Chef
Français en Allemagne

No. 761 CB

Subject: Shares of the COLUMBIA and the CONCORDIA Companies.

Berlin-Frohnau, March 29, 1946

Le Chef de la Branche Controle
des Biens

to

Chief Property Control Officer,
Finance Division, Office for
Military Government for Germany
(U.S.), Berlin

I beg to inform you that before the war of 1939 the quasi-totality of the capital of the Roumanian petroleum companies COLUMBIA and CONCORDIA was in the hands of French owners. Under German compulsion the shareholders had to cede their titles to the KONTINENTALE OEL AG.

During the Russian advance the shares of the two companies were transferred to Bernburg, in the province of Anhalt, where the American Army took possession of them. Meanwhile, the president of the Civil Court de la Seine had declared the nullity of right of the deeds of transfer of the 650,000 shares of the COLUMBIA Company and of the 225,245 shares of the CONCORDIA Company by two decrees dated July 25, 1945. By two decisions dated January 29, 1946, published in the Journal Officiel de Republique Francaise, the Minister of National Economics and Finances had assigned the shares of the two companies to the State, in application of the dispositions of Article 3, of the order of June 9, 1945. Attached you will find copies of the four texts in question. May I add that in Bucarest the shares have never ceased to be inscribed in the name of their French owners. - I have been informed that the American Major Nobles, 35 Grunewaldstrasse, Berlin Steglitz, is well acquainted with the subject.

The French authorities presume that the French character of the above mentioned shares can't be contested and that the French authorities, without doubt, share this opinion.

Therefore, I would greatly appreciate it if you would inform me as soon as possible what protective action the American authorities have taken or intend to take with regard to these French properties until they can be restored to the State of France, being the legal owner. - I would greatly appreciate it if you could give me at the same time all information you have with regard to 15,000 shares of the Societe Roumano-Belge des Petroles of which the French owners were dispossessed under similar conditions.

4 Incl.

signed: M. Allain
t.M. ALLAIN

307024

DECLASSIFIED
 Authority NND 775087
 By SDM NARA Date 9/27/99

RG 260
 Entry External Assoc
 File GEPC Policy
 Box 649

SECS.

Good copy - Please return

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

STAFF CABLE CONTROL

OUTGOING MESSAGE

SECRET
 SECRET

R O U T I N E

TO : ACWAR FOR WARCAD
 INFO : OMG (US ZONE), FINANCE, USFA
 FROM : OMGUS SIGNED CLAY
 REF NO : CC-2186 TOO: 281809A MAR 46 /mjj

Ref your WX-81819.

1. We have advised USFA of your decision that pending policy formulation on restitution of securities between German and Austria it will be impossible to return the securities mentioned in our CC-1515 to them.

2. As a recent development the German external property commission has stated that it considers all foreign securities held in Germany as vested under control council law #5. It therefore follows, according to the provisions of this law, that restitution of vested foreign securities will require control council approval regardless of their location within Germany. The viewpoint of the GEPC regarding foreign assets held within Germany as coming under CC law #5 appears to be upheld by the British, French and Russians. The US member of the Finance Directorate has requested that the legal directorate give its decision on this matter.

3. It is our opinion that securities held in Germany which can be identified beyond doubt as the property of a United Nations government, business entity or national and which were transferred to Germany as loot, or under duress, or, under special circumstances as an alleged temporary protective measure, the owners having received no monetary or other consideration of reasonable value in relation to the

CC-2186

SECRET

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307025

DECLASSIFIED
Authority NND 775087
By SDM NARA Date 1/27/99

RG 260
Entry External Assoc
File CEPC Policy
Box 649

REF NO: CC-2186

S E C R E T

-2-

value of the securities, should be restored to the former owners under restitution procedures.

4. We agree with USFA that the securities of former Wertpapiersammelbank, due to their accidental presence in Germany as an alleged temporary protective measure, should not be considered as an ordinary restitution matter. We consider it proper to return the securities and do not consider that such action would necessarily establish a restitution precedent. However, pending a decision as to whether these securities come under the provisions of control council law #5, thereby necessitating control council action to effect their return, no action may be taken.

WX-81819 is SCC In 23558

ORIGINATOR : FINANCE AUTH: SUSANNA P. TURNER
Major.
INFORMATION : O/SS
Legal
Pol Aff
Econ
AG Rec

CC-2186

29 Mar 46

0950A

JAK/mjj

S E C R E T

-2-

SECS.

DECLASSIFIED
Authority AND 775043
By JA NARA Date 8/9

RG 260
Entry US Element Acc
Box 42

R E S T R I C T E D

April 1946

DLEG/SEC(46)

ALLIED CONTROL AUTHORITY

LEGAL DIRECTORATE

SUBJECT: Delivery of Foreign Securities in Germany.

TO : Finance Directorate

1. The Legal Directorate at its _____ Meeting of the _____ of April 1946 considered the memorandum of the Finance Directorate, DFIN/MEMO(46)54, regarding the question of "whether foreign securities in Germany are included in the term 'German External Assets'" and whether Control Council Law No. 5 covers these securities".

2. The Legal Directorate decided, DLEG/M(46)____, that the above question should be answered as follows:

Articles II and III of Control Council Law No. 5 vest in the German External Property Commission "All rights, titles and interests in respect of any property outside Germany which is owned or controlled by any person of German nationality", etc. Article X (b) of the Law defines "property" very broadly and specifically includes "all movable and immovable property and all rights and interests in or claims to such property", "accounts or debts" and "shares". Typical examples of "foreign securities" are stocks and bonds issued by corporations organized under the laws of countries other than Germany, and, in the absence of a more explicit request, we limit our reply to them. Written instruments representing such stocks and bonds, though physically present inside Germany, are evidences of ownership of, interests in, or claims to movable or immovable property, or shares, accounts or debts, located outside Germany, and are "rights, titles" or "interests in respect of" such property. Moreover, by Article VII- (c)

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority WWD 775043
By JA NARA Date 8/7

RG 760
Entry US Clement Acc
Box 42

R E S T R I C T E D

of Law No. 5 the Commission is given power to seize or require the production of "any books of account, records, contracts, letters, memoranda or other papers relating to any property affected by this Law".

Our conclusion is that stocks and bonds in Germany, issued by corporations organized under the laws of countries other than Germany, are included in the term "German External Assets" and are covered by Control Council Law No. 5 if they are owned or controlled by persons within the provisions of Articles II and III of the Law.

DECLASSIFIED
Authority NND 150169
By TJ NARA Date 10/16/99

RG 84
Entry 3707- Bern
File LOOTED SECURITIES
Box 8

ABC/eb
850.3

SH file
See Rhine
file - letter of
May 1, 1946
to C. A. from
S. G. G. mail.
I asked
Miss R. to
ascertain
date of
VAN GUNSTEREN
visit to
Arson.

Bern, May 1, 1946

Dear Dr. Kappeler:

I refer to your letter of April 23, 1946, in which you informed us that, to the knowledge of the Federal authorities, no Dutch national named Niejern has recently entered Switzerland.

Because "Niejern" may not have been the correct name of the person in question (we are almost certain he was Dutch), I wonder if I might ask you if you could conveniently give us the names (if there are not too many) of all persons of Dutch nationality who have entered Switzerland in the last six or seven weeks. If you could, we would be provided with something on which to begin investigation in Holland.

Sincerely yours,

Marcel E. Malige
Commercial Attaché

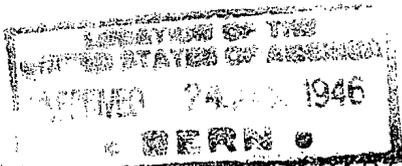
Dr. F. Kappeler,
Counselor of Legation,
Federal Political Department,
Bern.

AC
A true copy
of the signed
original: *ll*

SH-M LOOTED SECURITIES

DECLASSIFIED
 Authority NND 150168
 By TJ NARA Date 10/16/99

RG 84
 Entry 3207-BERN U.S. Leg.
 File LOOTED SECURITIES
 Box 8



DEPARTEMENT POLITIQUE FÉDÉRAL
 DIVISION DES AFFAIRES ÉTRANGÈRES

~~M. E. M.~~
~~A. P. E.~~

B.52.30.4.1.-08. (Niejern).

Berne, le 23 avril 1946.

Cher Monsieur,

J'ai l'honneur d'accuser réception de votre lettre du 11 avril 1946, par laquelle vous avez bien voulu me signaler qu'un ressortissant hollandais, dénommé Niejern, écoulait sur le marché suisse des titres de chemins de fer américains.

Je regrette de devoir vous informer qu'il n'a pas été possible d'identifier l'intéressé, aucun ressortissant hollandais de ce nom ou d'un nom analogue n'ayant récemment séjourné en Suisse à la connaissance des autorités fédérales.

Recevez, cher Monsieur, l'assurance de mes sentiments les meilleurs.

Kappeler

Monsieur Marcel E. Malige,
 Attaché commercial près la
 Légation des Etats-Unis d'Amérique,

B e r n e .

850.3/SH-M LOOTED SECURITIES

307030

DECLASSIFIED
Authority NND 150169
By TJ NARA Date 10/16/99

RG 84
Entry 3207-^{U.S. Leg.}BERN
File LOOTED SECURITIES
Box 8

MEMORANDUM FOR THE FILES

April 11, 1946

Subject: Looted Securities

Information contained in our letter of April 11, 1946 to Dr. Kappeler was obtained from a certain Karl Joss, Marktgasse 41, Bern. Joss was ~~commonly~~ VERY vague about details. The bond referred to in the letter he stated to be on the Illinois Railway (probably Illinois Central), and the price at which it was offered corresponded to Swiss francs 2.60 to the dollar.

ABC
A.C.

JOSS SAYS HE
MET NIETERN IN
AROSA A.C.

850.3/SH-N LOOTED SECURITIES

ABC/hh
850.3

DECLASSIFIED
Authority NND 750168
By TJ NARA Date 10/16/99

RG 84
Entry 3207-BERN *U.S. Leg.*
File LOOTED SECURITIES
Box 8

File Copy

This

Bern, April 11, 1946

Dear Dr. Kappeler:

We have been informed that a certain Dutch national named Niejern (first name unknown) entered Switzerland some three or four weeks ago bringing with him a one-thousand dollar American railway bond. Niejern indicated that he wished to sell this bond (at a suspiciously low price), and that he held in Holland other American securities to a total value of \$1,000,000 which he wished, if possible, to dispose of bit by bit in Switzerland.

We do not know, of course, whether these securities are looted or not, but inasmuch as they may be we should like to ask our authorities in Holland and Germany to investigate and, in transmitting a request to them for such an investigation we should like to give them as much information as possible.

We should be grateful to you, therefore, if you would give us whatever information you may have about Niejern--including if possible, his first name, place of residence, business and place of business.

Sincerely yours,

Marcel E. Malige
Commercial Attache

Dr. F. Kappeler,
Counselor of Legation,
Federal Political Department,
Bern.

ABC/hh
850.3
Copies to British and French

A true copy
of the signed
original: *hm*

850.3/SH-M
LOOTED SECURITIES

Ac

DECLASSIFIED
Authority NND 750169
By TJ NARA Date 10/16/99

RG 84
Entry 3207-^{U.S. Leg.}BERN
File Looney Securities
Box 8

Handwritten initials/signature

DÉPARTEMENT POLITIQUE FÉDÉRAL
DIVISION DES AFFAIRES ÉTRANGÈRES

r.B.52.30.4.1.- OS.
(Niejern).

LEGATION
UNITED STATES
RECEIVED
10 MAI 1946
BERN

Berne, le 9 mai 1946.

850.5/SH-M

Cher Monsieur,

J'ai l'honneur d'accuser réception de votre lettre du 1er mai 1946 relative à l'affaire d'un ressortissant hollandais dénommé

Niejern.

Je regrette de devoir vous informer qu'il ne m'est pas possible de vous fournir une liste de toutes les personnes de nationalité hollandaise qui sont entrées en Suisse ces derniers temps.

Recevez, cher Monsieur, l'assurance de mes sentiments les meilleurs.

Handwritten signature: Kappeler

Monsieur Marcel E. Malige,
Attaché commercial près la
Légation des Etats-Unis d'Amérique,

B e r n e .

LOOTED SECURITIES

DECLASSIFIED
Authority NND 150168
By TJ NARA Date 10/16/99

RG 84
Entry 3207- BERN *U.S. Leg.*
File LOOTED SECURITIES
Box 8

MEMORANDUM

21 May 1946

TO: Mr. Marcel E. Malige
FROM: Paul C. Blum (cd)

AB
RECEIVED
MAY 21 1946

I refer to your Memorandum of May 13, 1946; we have had no information on a Dutch national named NIEJERN.

*Looks like we'd
lose down
you -
AC.*

850.5/SH-M LOOTED SECURITIES

DECLASSIFIED
 Authority NND 750168
 By TJ NARA Date 10/16/99

RG 84
 Entry 3207 - U.S. Leg. - BALN
 File LOOTED SECURITIES
 Box 8

File Copy

MEMORANDUM

May 13, 1946

To: Mr. Blum
 From: Mr. Malige

Some weeks ago we were informed that a certain Dutch national named Niejern had entered Switzerland bringing with him a \$1,000 American railway bond. Niejern indicated that he wished to sell this bond (at a suspiciously low price) and that he held in Holland other American securities to a total value of \$2,000,000 which he wished, if possible, to dispose of bit by bit in Switzerland.

We have asked the Federal authorities here to investigate but they report that to their knowledge no Dutch national named Niejern has recently entered Switzerland.

We should like to know whether you have heard anything about this and, if not, whether you have any way of obtaining further information for us. Incidentally, Niejern was supposed to have been in Switzerland from about the middle of March until about the middle of April and is reported to have spent some time at the Post Hotel in Arosa.

M.E.M.

AC/hh
 850.3

A true copy
 of the signed
 original: *AC*

850.3/SH-M LOOTED SECURITIES

307035

DECLASSIFIED	RG 260
Authority <u>NND 75042</u>	Entry <u>MIL. GOVT EXEC. OFF.</u>
By <u>A</u> NARA Date <u>7-22</u>	Box <u>111</u>

FILE: RESTITUTION (POLICY)

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

AG CABLE CONTROL

DATED 062108Z

REC'D 070759B JUNE 46
07/494 enc.

INCOMING MESSAGE
CONFIDENTIAL
ROUTINE

FROM : AGWAR SIGNED WARCAD
 TO : OMGUS, USFA
 REF NO : WX-90450

Recurad Mar WX-81819 urads Mar
 CC-2186 May P-8301.

1. Tentative proposals follow re disposition foreign securities uncovered in Germany and Austria.

A. Securities or evidences thereof acquired Austrian or indirectly by residents of Germany and Austria from countries and residents of countries which were occupied or effectively controlled by Germany during period of occupation or effective German control shall be regarded prima facie as having been acquired under duress and shall in principle be subject to restitution to Govt. of countries in which they were acquired or from whose residents they were acquired unless existing holders of such securities can be but presumption that such securities are looted.

B. Securities which were removed to Germany or Austria from countries under German occupation or control without ostensible transfer of title and simply for purpose of safe keeping shall be returned to Govt. of country from which they were removed except that such securities as were previously acquired under circumstances described in 1(A) above, shall be subject to restitution principle specified in 1(A).

C. Categories of securities mentioned in 1(A) and 1(B) shall not be subject to vesting by GEPC under Control Council Law No. 5. Measures should be taken to secure quadripartite agreement that effect.

2. No objection to immediate return of Wertpapiersammel bank securities to USFA after any necessary clearance with GEPC provided that such securities are not distributed to owners and that they are included in inventory

2/4
07/50

ACC III 29635
Incl 4

CONFIDENTIAL

Copy No.

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

307036

DECLASSIFIED	RG 260
Authority <u>NND 75042</u>	Entry <u>MIL. GOVT EXEC. OFF.</u>
By <u>[Signature]</u> NARA Date <u>7-22</u>	Box <u>111</u>

FILE:
RESTITUTION
(Policy)

REF NO : WX-90450 C O N F I D E N T I A L

- 2 -

to be taken by Allied Commission, Austria in accordance with Paragraph 3 (E) below.

3. Propose fol method of working out restitution of securities mentioned in 1(A):

A. Govts of countries which were under German occupation or control should be requested by AC, Austria and Allied Control Auth, Germany, acting through diplomatic channels, to prepare and transmit a list of all securities acquired by Germans through any means irrespective of where issued. These lists should group securities by types, I.E. stocks (common and preferred, bearer and non-bearer), bonds (Govt, private, etc.), mortgages, etc., supply evidence concerning date, circumstances and terms of acquisition and give data on identifying marks such as registration numbers, etc.

B. Allied Control Auth, Germany and AC, Austria should prepare inventories, on same pattern as indicated in 3(A), of foreign securities uncovered in Germany and Austria for these inventories info obtained under US Mil Govt, Law 53 (decree no. 4 in Austria) and similar laws put into effect in other zones of Germany and in Austria could presumably be utilized, though it may be necessary to require add info from German and Austria holders of such securities in order to obtain all data necessary for inventories.

C. Allied Control Auth and AC should establish Joint Group of experts which would have functions of (1) Merging Austrian and German inventories, (2) Combining lists submitted by various countries of securities acquired by Germans, and (3) Comparing merged Austrian-German inventory with combined lists for purpose of determining to what extent securities uncovered in Germany and Austria suffice to meet authentic claims for restitution and of working out proposals for restitution. All identifiable looted securities should be returned to Govts of countries from which they were acquired or from whose residents they were acquired. Believe that practicable proposals for restitution of non-identifiable securities cannot be worked out before full knowledge of all ramifications of problem is acquired through comparison of global restitution claims with types and numbers of securities uncovered in Germany and Austria. For this type securities it may be necessary to work out some scheme for distribution among

AGE IN 29635 C O N F I D E N T I A L

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DECLASSIFIED	RG 260
Authority <u>NND 75042</u>	Entry <u>MIL GOVT EXEC OFF</u>
By <u>A</u> NARA Date <u>7-22</u>	Box <u>111</u>

FILE:
RESTITUTION
(POLICY)

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

AG CABLE CONTROL
REF NO: WX-90450 CONFIDENTIAL

INCOMING MESSAGE
CONFIDENTIAL

restitution claimants similar to scheme adopted for distribution of gold uncovered in Germany and Austria. Some method will also have to be devised for restitution of looted securities originally issued in Germany or Austria. If impracticable to extend inventories under 3(B) to German and Austria-issued securities, group of experts will have to find means of tracing in-viv transactions in such looted securities in order to obtain possession of such securities for purpose of restitution.

D. Adoption of restitution proposals of Joint Group of Experts by Allied Control Auth and AG with provision for submission of approved proposals governing restitution of non-identifiable securities to Govts of countries concerned for purpose of obtaining international agreement. Believe international agreement probably necessary if restitution proposals provide for distrib non-identifiable looted securities similar to gold proposal approved by Paris Reparation Conference

4. Your comments on above requested. If you think quadripartite agreement on this procedure possible and believe preparation of lists of claimant countries should be expedited, would you explore informally with other occupying powers whether US Govt, acting on behalf of or jointly with other occupying powers, should take steps now to invite countries to prepare such lists. For your info, Treasury has requested these countries to furnish info on looted dollar and US-issued securities in order to devise effective method of preventing realization of looted securities in US market.

WX-81819 is AGC IN 23558, 24 Mar 46, Finance.
CC-2186, 28 Mar 46, Finance.
P-8301 not identified in AGC.

ACTION : FINANCE
INFORMATION : O/SS
ECON
LEGAL
PCL AFF
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AGC IN 29635

7 June 46

1130B

JK/ehd

REF NO: WX-90450
Copy No.

CONFIDENTIAL

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

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DECLASSIFIED

Authority NND 775087By SOM NARA Date 9/27/99

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Entry

File

Box

260External AssocGERM Policy649Sec.

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

AG CABLE CONTROL

DATED 062108Z

REC'D 070759B JUNE 46

INCOMING MESSAGE

7/494 end

CONFIDENTIAL
ROUTINE

FROM : AGWAR SIGNED WARCAD

TO : OMCUS, USA

REF NO : WX-90450

Recurad Mar WX-81819, ureads Mar
CC-2186 May P-4301

1. Tentative proposals follow re disposition foreign securities uncovered in Germany and Austria.

A. Securities or evidences thereof acquired Austrian or indirectly by residents of Germany and Austria from countries and residents of countries which were occupied or effectively controlled by Germany during period of occupation or effective German control shall be regarded prima facie as having been acquired under duress and shall in principle be subject to restitution to Govt. of countries in which they were acquired or from whose residents they were acquired unless existing holders of such securities can be but presumption that such securities are looted.

B. Securities which were removed to Germany or Austria from countries under German occupation or control without estensible transfer of title and simply for purpose of safe keeping shall be returned to Govt. of country from which they were removed except that such securities as were previously acquired under circumstances described in 1(A) above, shall be subject to restitution principle specified in 1(A).

C. Categories of securities mentioned in 1(A) and 1(B) shall not be subject to vesting by GEPC under Control Council Law No. 5. Measures should be taken to secure quadripartite agreement that effect.

2. No objection to immediate return of Wertpapiersammel bank securities to USA after any necessary clearance with GEPC provided that such securities are not distributed to owners and that they are included in inventory.

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3

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DECLASSIFIED
Authority <u>MND 775087</u>
By <u>SOM</u> NARA Date <u>8/27/99</u>

RG	<u>260</u>
Entry	<u>External Assoc</u>
File	<u>GERM Policy</u>
Box	<u>649</u>

REF NO : WX-90450 C O N F I D E N T I A L

- 2 -

to be taken by Allied Commission, Austria, in accordance with Paragraph 3 (E) below.

3. Propose for method of working out restitution of securities mentioned in 7(A):

A. Govts of countries which were under German occupation or control should be requested by AC, Austria and Allied Control Auth, Germany, acting through diplomatic channels, to prepare and transmit a list of all securities acquired by Germans through any means irrespective of where issued. These lists should group securities by types, i.e. stocks (common and preferred, bearer and non-bearer), bonds (Govt, private, etc.), mortgages, etc., supply evidence concerning date, circumstances and terms of acquisition and give data on identifying marks such as registration numbers, etc.

B. Allied Control Auth, Germany and AC, Austria should prepare inventories, on same pattern as indicated in 3(A), of foreign securities uncovered in Germany and Austria for those inventories info obtained under US Mil Govt. Law 53 (decree no. 1 in Austria) and similar laws put into effect in other zones of Germany and in Austria could presumably be utilized, though it may be necessary to require add info from German and Austria holders of such securities in order to obtain all data necessary for inventories.

C. Allied Control Auth and AC should establish Joint Group of experts which would have functions of (1) Merging Austrian and German inventories, (2) Comparing lists submitted by various countries of securities acquired by Germans, and (3) Comparing merged Austrian-German inventory with combined lists for purpose of determining to what extent securities uncovered in Germany and Austria suffice to meet authentic claims for restitution and of working out proposals for restitution. All identifiable looted securities should be returned to Govts of countries from which they were acquired or from whose residents they were acquired. Believe that practicable proposals for restitution of non-identifiable securities cannot be worked out before full knowledge of all ramifications of problems acquired through comparison of global restitution claims with types and numbers of securities uncovered in Germany and Austria. For this type securities it may be necessary to work out some scheme for distribution among

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DECLASSIFIED
 Authority MND 775087
 By SOM NARA Date 8/27/90

RG 260
 Entry External Assoc
 File CEPC Policy
 Box 649

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

AG CABLE CONTROL

REF NO 50 INCOMING MESSAGE CONFIDENTIAL

CONFIDENTIAL

restitution claimants similar to scheme adopted for distribution of gold uncovered in Germany and Austria. Some method will also have to be devised for restitution of looted securities originally issued in Germany or Austria. If impracticable to extend inventories under 3(E) to German and Austria-issued securities, group of experts will have to find means of tracing indiv transactions in such looted securities in order to obtain possession of such securities for purpose of restitution.

D. Adoption of restitution proposals of Joint Group of Experts by Allied Control Auth and AG with provision for submission of approved proposals governing restitution of non-identifiable securities to Govts of countries concerned for purpose of obtaining international agreement. Believe international agreement probably necessary if restitution proposals provide for distrib non-identifiable looted securities similar to gold pot proposal approved by Paris Reparation Conference.

4. Your comments on above requested. If you think quadripartite agreement on this procedure possible and believe preparation of lists of claimant countries should be expedited, would you explore informally with other occupying powers whether US Govt, acting on behalf of or jointly with other occupying powers, should take steps now to invite countries to prepare such lists. For your info, Treasury has requested these countries to furnish info on looted dollar and US-issued securities in order to devise effective method of preventing realization of looted securities in US market.

WX-81819 is AGC IN 23558, 24 Mar 46, Finance.
 CC-2186, 28 Mar 46, Finance.
 P-8301 not identified in AGC.

ACTION : FINANCE
 INFORMATION : C/SS
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AGC IN 29635 June 46 1130B JK/end RLF NO: WX-904
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CONFIDENTIAL

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 Authority MND 775087
 By SOM NARA Date 8/27/99

RG 260
 Entry External Assoc
 File GERC Policy
 Box 649

SECS

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

AG CABLE CONTROL

DATED 121603 **INCOMING MESSAGE** JUN 46
 339/12 leh

CONFIDENTIAL
 CONFIDENTIAL

P R I O R I T Y

FROM : CG USFA
 TO : OMGUS FOR FINANCE
 REF NO : 9754 CITE: PAACA-F

Reference our WX 90450.

1. USFA agrees securities of Wert Papier Sammelbank will be held in safekeeping and not be distributed to owners at present time.
2. Request notification of earliest date when securities can be transported from Reichsbank Regensburg to Austria by USFA representative.
3. Securities to be delivered to First Lt. Oscar Fatucco AEA US Austrian Currency Section who will accept delivery of appropriate sealed bags and transport same to Salzburg, for inventory.

WX-90450 is AGC IN 29635, 7 June 46, FINANCE.

ACTION : FINANCE
 INFORMATION : O/SS
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 POL AFF
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AGC IN 30044 **CONFIDENTIAL** 13 Jun 46 0930P JDK/leh REF NO Copy No.

Exempt from paragraph 1. Handle in compliance with AR 380-5.

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307042

DECLASSIFIED
Authority <u>775058</u>
By <u>TJ</u> NARA Date <u>10/18/79</u>

RG 260
 Entry Finance
 File EXTERNAL ASSETS
 Box 130

SECS.

July 1, 1946

CONFIDENTIALMEMORANDUM

TO : Mr. Jack Bennett, Director,
 Finance Division

ATTENTION : Mr. T.H. Ball, Chief, External Assets Br.

We recently informed the Department of State of the divided opinion in the Legal Directorate in the interpretation of whether or not foreign securities in Germany were to be included in the term, "German external assets" and whether the Control Council Law No. 5 covered such securities. As you recall, the U.S., French, and British delegates were of the opinion that stocks and bonds in Germany issued by groups organized under the laws of countries other than Germany are to be included in the term "external assets" and are covered by Law No. 5 if they are owned or controlled by persons within the provisions of Articles 2 and 3 of that law. The Soviet element felt that such securities were nowhere mentioned in the law and therefore fell under the jurisdiction of the power occupying the area in which such securities may be found.

For your information, the State Department informs us that it supports the position taken by the United States, French and British delegates.

FOR THE DIRECTOR:

Loyd V. Steere
 Deputy Director

WCH:DH

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REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND775058
By JW NARA Date 9-22

RG 260
Entry Finance Division
File Gold & Silver AE-511111
Box 50

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

July 1, 1946

SECRET

MEMORANDUM

TO : Mr. Jack Bennett, Director,
Finance Division

FROM : Office of Political Affairs

We are forwarding herewith for your information the substance of a telegram sent for the attention of your office from Mr. Irwin Mason, concerning certain problems raised with the inventorying and evaluating of non-military gold.

- - - - -

I have been convinced of necessity of detailed inventory before release by survey of Frankfurt repository. The first phase of the inventory should be quick screening by experts to separate scrap from individual items of value, as I believe many items have no more than scrap metal value. Authorization to hire experts for inventorying has been obtained by OMGUS. They expect to begin in 21 days. We urgently suggest that a representative of IGCR be available at that time so that joint inventory and receipts can be made. It is suggested that release be made on progressive basis. Those items about which questions of disposition arise may be set aside for later decision.

Confidential register of 78 shipments which Frankfurt repository has received, representing seizures by U.S. troops, have been received from OMGUS. It is indicated in preliminary survey that in addition to SS loot there are other shipments. The shipments clearly represent valuables and non-monetary gold. Depending on policy decisions, a few additional shipments may be added, but at the present time it is impossible to estimate value. At my request, OMGUS is preparing brief summary of history of shipments as available. It is believed that in many instances detailed investigations will be necessary. I shall request authorization for investigations from Bennett.

DECLASSIFIED
Authority NND 775058
By JW NARA Date 9-22

RG 260
Entry Finance Division
File Gold & Silver [Hungary]
Box 50

'Because of the great variety of items contained in shipments, it is clearly necessary to define "non-monetary gold and other valuables" in terms of source, origin, and history, rather than type of the item itself. A tentative suggestion is also made that a directive might be issued which would establish a "non-monetary gold and other valuables" fund to be a recipient of residue of all assets taken by U.S. troops for which previously established policy (such as restitution) has not provided disposition.

'There are considerable numbers of silver bars, some of them possibly monetary in origin, according to register of shipments. The Department's views are requested, as to whether such bars should be included in the "non-monetary gold and other valuables" definition. It is assumed that bars of non-monetary silver, platinum and other precious metals appropriate to be included as not falling under restitution.

*Reparations
except as
determined
restitution
NY 93567*

'Shipments of loot from concentration camp victims include a considerable amount of paper currency and coins from all countries. Advice is requested as to what extent previous policy decisions exclude such monies from "non-monetary gold and other valuables" fund. Included in this category are monies from occupied and liberated areas and dollars and pound notes.

'Also included in shipments are considerable amounts of German and foreign securities (stocks and bonds). Advice as to policy on disposition of this category is similarly requested. It is suggested that such securities be liquidated in the country of the situs of the business if Department considers them appropriate for fund. It is my understanding that OMGUS is tentatively taking the position that foreign currency and securities issued with respect to foreign property fall into the external assets category.

'In the matter of art objects which are individually non-restitutable, does the Department regard them as available for restitution substitution for lost art objects as recommended by non-Unanimous Resolution I of Annex to Acte Finale of Reparations Conference at Paris, or are they to go into fund?'

FOR THE DIRECTOR:

Loyd V. Steere
Loyd V. Steere
Deputy Director

cc: Staff secty.

307045

DECLASSIFIED
 Authority NND 775087
 By SOM NARA Date 8/27/99

RG 260
 Entry External Assoc
 File CEPC Policy
 Box 649

Secs.

CEPC
Policy

[Handwritten signature]

OMGUS

AGWAR FOR WARCAD

5 July 1946

USFA

CONFIDENTIAL

REURAD WX 90450.

1. We agree in principle with paragraphs 1A and 1B, however it is felt that securities should be treated differently from other restituted property in that beneficial ownership by nationals of claiming country should be proven, accompanied by proof that there is no direct or indirect German interest. Since present definition of restitution is concerned only with the location of property at the time of the removal by the enemy, the adoption of beneficial ownership or any other different criterion as a test for the restitution of securities may require quadripartite amendment to the definition of restitution.
2. Securities can be differentiated from other types of property on the following grounds:
 - A. Except for those securities owned by nationals of the countries receiving restitution, the physical location of this type of property

ROUTINE

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Authority	<u>NND 775087</u>
By	<u>SDM</u> NARA Date <u>8/27/99</u>

RG	<u>260</u>
Entry	<u>External Assets</u>
File	<u>CEPC Policy</u>
Box	<u>649</u>

-2-

before looting has every little relation to the economy of the country or the interest of that country in the property. This type of property differs from industrial and physical property, which is in most cases important to the economy of the countries regardless of ownership.

B. Return of securities beneficially owned by Germans would complicate administration of the Swiss and other neutral agreements as well as the Paris Agreement and Law No. 5.

C. Return of securities beneficially owned by nationals of countries other than the country to which restituted, may increase difficulty of return to true owners unless nationalization laws of countries involved exclude property owned by foreigners. Beneficial owners, not nationals of countries claiming restitution should have

307047

DECLASSIFIED
 Authority NND 775087
 By SOM NARA Date 8/27/99

RG 260
 Entry External Assets
 File GEPC Policy
 Box 649

-3-

right to request direct return to their own countries.

3. Your para one C - Reference is made to Ourad CC-2186, para two. This statement arose over a misunderstanding of the wording of a paper submitted by GEPC to Finance Directorate which was in turn referred by Finance to Legal Directorate. The Legal Directorate in acting on the question submitted, took action as follows: the US, UK, and French delegates agreed that "stocks and bonds in Germany, issued by corporations organized under the laws of countries other than Germany, are included in the term German External Assets and are covered by Control Council Law No. 5 if they are owned or controlled by persons within the provisions of Articles II and III of the Law." The Soviet position was that Law No. 5 does not mention German assets in Germany itself and he therefore concludes

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Authority	<u>MND 775087</u>
By	<u>SOM NARA</u> Date <u>8/27/99</u>

RG	<u>260</u>
Entry	<u>External Assets</u>
File	<u>GEPC Policy</u>
Box	<u>649</u>

-4-

that foreign assets in Germany fall under the jurisdiction of the Allied power in whose Zone of Occupation they are located, and not under the jurisdiction of the GEPC. This action has been transmitted to the Finance Directorate but has not as yet been considered by them. Although this specific statement of GEPC jurisdiction has not been formally considered by GEPC, it is the opinion of the American member that the Commission claims no other rights with respect to such securities than that stated in the majority opinion and such a formal statement from GEPC could be easily obtained, if necessary, with a possible Soviet reservation similar to that ^{stated} above. Therefore, if the modifications of policy suggested herein were adopted, GEPC would not have title to any securities subject to restitution. If proposal is not adopted and all securities were returned to country where looted regardless of beneficial ownership by Germans, it seems more

307049

DECLASSIFIED
Authority NND 775087
By SDM NARA Date 8/27/99

RG 260
Entry External Assets
File GEPC Policy
Box 649

-5-

advisable to obtain an ACC directive to GEPC to enable it to carry out the policy than to amend the law so as to exempt German owned securities from vesting. It is further suggested that status of such securities under Law No. 5 should be maintained until country receiving restitution is exempted under Article IX of Law No. 5. This is on assumption that countries carrying out the extirpation policies of Potsdam would be exempted.

4. Para 2. Believe return as suggested should await formulation of this policy as a whole. However, in meantime, we see no objection to delivery of these securities to USFA, for examination and inventory, provided that they are held for account of OMGUS until further direction and that they will be redelivered upon demand. This should not require quadripartite clearance and would answer present needs of USFA. Please instruct us on this point.

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DECLASSIFIED
Authority NND 775087
By SOM NARA Date 8/27/99

RG 260
Entry External Assoc
File GEPC Policy
Box 649

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5. Subject to our point 1 we are in agreement with procedure outlined in your para 3. Any securities whose true owner could not be identified either as German generally or otherwise specifically could be treated in the manner suggested for non-identifiable securities.

6. It is the opinion of the American member of GEPC that the only interest of GEPC in securities which would be subject to restitution under your proposed policy would be to hold these securities beneficially owned by Germans, now vested in GEPC, for delivery pursuant to ACC directive to the proper liquidating agency under the neutral agreements or the Paris Agreement.

7. Para 4. Because of the suggestions set out above we have not contacted other quadripartite representatives here as proposed. We will do so immediately on formulation of policy by you.

307051

DECLASSIFIED

Authority NND 775059

By *82* NARA Date *6/1/99*

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

AG CABLE CONTROL

DATE 1922047

REF ID: A66208 JULY 46
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INCOMING MESSAGE

~~CONFIDENTIAL~~
ROUTINE

FROM : AGWAR FROM WDSKA
TO : OMGUS, USFA
REF NO : WX-94992

Rerad USFA July P-0630 ourads June WX-90450, June WX-92431. State June Tel 1481. Does OMGUS consider GEPC clearance necessary before retransmitting Wertpapierammel Bank securities? If GEPC clearance necessary, OMGUS please reply P-0630. If GEPC clearance necessary, OMGUS please inform USFA of probable date of return to USFA which will hold securities in accordance ourad 90450, Par 2.

As indicated ourad 92431, suggest clearance was based on previous claim to jurisdiction by GEPC. State Dept now understands from USPOLAD's tel 1481, June 11 that clearance with GEPC is unnecessary.

USFA please note that securities if returned to USFA may not be used for trade in stock market but must be held intact pending determination of ownership under proposals made in ourad 90450.

P-0630 AGC 31407, 2 July 46 info
WX-90450 AGC 29635, 7 June 46, Fin
WX-92431 AGC 30980, 26 Jun 46, Fin
1481 not identified.

ACTION : FIN
INFORMATION : C/SS
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AGC IN 32758

20 July 46 1700B

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REF: WX-94992

~~CONFIDENTIAL~~

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307052

DECLASSIFIED
Authority AND 775043
By JA NARA Date 8/1

RG 260
Entry US element Acc
Box 42

~~CONFIDENTIAL~~

CC-1031

C O N F I D E N T I A L
- 2 -

of GEPC.

5. If it were desirable to restitute securities irrespective of the German interest therein, it would seem preferable to have the Allied Control Council issue a restitution directive to that effect irrespective of Law Number 5, rather than to undertake an amendment to Law Number 5 that would exempt German-owned securities from vesting.

6. Your paragraph 2. We believe that the return of securities as suggested should await the resolution of policy questions herein raised in order that the US Quadripartite position would not be prejudiced by unilateral action. We should not want by such action to have it contended that the US supports the right of the Zone Commander to make independent disposition of foreign securities found within his Zone wholly aside from a Quadripartite policy with respect to restitution of such securities or their status as either external or internal assets, especially in view of the fact that the great volume of foreign securities in Germany are held in other than the US Sector of Berlin or the US Zone.

7. We are in general agreement with your paragraph 3 subject to our foregoing modifications.

8. We are deferring approach to other occupying powers pending receipt of your comments on our views herein expressed and pending some further clarification of the Soviet position respecting the status of securities in general.

WX-90450-1s AGC IN 29635.

ORIGINATOR : FIN AUTH: CHARLES E SANDS
INFORMATION : O/SS
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CC-1031

1 August 46 1330B WLC/leh

C O N F I D E N T I A L

OFFICE OF MILITARY GOVERNMENT LOW GERMANY (OIG)

307054

DECLASSIFIED

Agency NND 775059
By 82 NARA Date 10/1/91

RG 260
FCS records
B 396

SECURITY

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

AG CABLE CONTROL

DATED 301735Z

RECD 302359B Aug 46
1eh

INCOMING MESSAGE

CONFIDENTIAL

ROUTINE

FROM : AGWAR FROM WESCA ES
TO : GNGUS
INFO : USFET
REF NO : WX-99012

Requard June WX-90450 request your views whether in light of proposed plan for handling looted securities in Germany set forth aurosa, and particularly paragraph 3c removal Treuhand Records should be permitted re Hague Tel 627, 2 Aug., repeated USPOLAD, Berlin 45. Do not desire that working of plan envisaged toward or along similar lines be impaired.

WX-90450 is AGC IN 29635, 7 June 46, Flin 627 not identified in AGCO

ACTION : FIN SUSPENSE: 2 SEPT
INFORMATION : O/SS
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POL AFF
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AGC IN 36067 31 Aug 46 0940B JDL/1eh REF: WX-99012

CONFIDENTIAL

CONFIDENTIAL

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Exempt from paraphrase. Handle in compliance with AR 380.5

307053

DECLASSIFIED
Authority WWD 275043
By JA NARA Date 8/9

RG 260
Entry US Control RESTRICTED
Box 42

DFIN/P(46)223

120

ALLIED CONTROL AUTHORITY
DIRECTORATE OF FINANCE

DISPOSITION OF FOREIGN SECURITIES UNCOVERED IN GERMANY
(Proposal by U. S. Member)

1. Reference is made to DRDR/Memo(46)53, which was considered by the Finance Directorate at its 40th meeting on 30 August 1946 (DFIN/M(46)25, para. 384).
2. In the opinion of the Finance Directorate, a very broad definition of the term "property" such as that given in Article X(b) of Control Council Law No. 5 should be taken as a guide in determining the scope of the expression "property subject to restitution".
3. Article X(b) of Control Council Law No. 5 states that the term "property" shall include "all...property and all rights and interests in or claims to such property (including) shares."
4. In the opinion of the Finance Directorate, securities represent rights, interests, claims or shares in the above sense and should therefore be included in the concept "property subject to restitution".
5. This interpretation is in accordance with the Inter-Allied Declaration of 5 January 1943, under which the signatory governments and the French National Committee reserved "all their rights to declare invalid any transfers of, or dealings with, property, rights and interests, of any description whatsoever" situated "in the territories which have come under the occupation or control, direct or indirect" of enemy governments.
6. In the opinion of the Finance Directorate, the following principles should serve as a guide in dealing with the problem of restituting looted securities:
 - a. Securities and other evidences of ownership acquired directly or indirectly by persons resident in Germany from countries or residents of countries which were occupied or effectively controlled by Germany during the period of occupation or effective German control should be regarded prima facie as having been looted.
 - b. Securities and other evidences of ownership acquired in the manner outlined in para. 6a, above, shall in principle be subject to restitution to the Governments of countries in which they were acquired or from whose residents they were acquired. Exemptions should be authorized only in cases where existing holders of said securities can rebut, to the satisfaction of appropriate authority, the presumption that such securities or other evidences of ownership were looted.

- 1 -

RESTRICTED

307056

DECLASSIFIED

Authority AND 775043

By JA NARA Date 8/17

RG 760

Entry Us Element

Box 42

Acc
C T E D

Identifiable looted securities should be returned at the earliest practicable date to the Governments of countries from which they were acquired or from whose residents they were acquired. All non-identifiable looted securities should be held in safekeeping pending agreement by the Governments concerned as to how they shall be allocated among claimant nations whose claims have not been met by restitution of identifiable securities.

d. Securities which were removed to Germany from countries under German occupation or control without ostensible transfer of title and simply for the purpose of safekeeping should be returned to the Government of the country from which they were removed except that such securities as were previously acquired under circumstances described in para. 6a should be subject to the restitution principle specified in para. 6b.

e. The above principles should not be interpreted as applying to securities whose German ownership antedates the period of German occupation or control of the countries concerned.

- 2 -

R E S T R I C T E D

307057

Authority NN31319400
 By SR NARA Date 6-25-91

RG 131
 Entry FFC 42-60
 File Securities Looted
 Box 404

~~DATE~~ OCT. 21, 1946

ACTUAL JULY 25, 1947

GENERAL RULING NO. 5, AS AMENDED

REGULATIONS RELATING TO SECURITIES ON THE LIST OF
 SECURITIES CLAIMED TO BE LOOTED

(1) **Promulgation of list.** This Government has been furnished with descriptions of certain securities of United States issuers and securities payable in United States dollars which are claimed to have been looted during enemy occupation of certain of the United Nations. There is hereby promulgated a list of such securities to be known as the "List of Securities Claimed to be Looted". This list and any additions thereto or deletions therefrom shall be filed pursuant to the provisions of the Federal Register Act. Any security, so long as it appears on such list, shall be deemed to be property in which a national of a blocked country has had an interest on or since the effective date of the Order. The effective date of the Order with respect to the blocked country in which each listed security is claimed to have been located at the time of the alleged looting is set forth after the description of such security.

(2) **Dealings in securities on lists prohibited.** After the date hereof, except as authorized by license expressly referring to this General Ruling,

- (a) the acquisition, disposition, or transfer of, or other dealing in, or with respect to, including the payment of any dividends on, any security issued by any person subject to the jurisdiction of the United States which is on the List of Securities Claimed to be Looted, and

Authority NN313194001
By SR NARA Date 10-25-91RG 131
Entry FFC 42-60
File Securities Looting
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- (b) the acquisition, disposition, or transfer of, or other dealing in, or with respect to, any other security on the List of Securities Claimed to be Looted, by any person subject to the jurisdiction of the United States

are hereby prohibited and shall be deemed to be null and void, unless Form TFEI-4 has been previously attached to such security by or under the direction of the Treasury Department.

(3) Circumstances under which licenses will be granted and Form TFEI-4 attached. It will be the policy of the Treasury Department not to grant licenses waiving the provisions of the preceding paragraph with respect to any securities on the List of Securities Claimed to be Looted or authorizing the attachment of Form TFEI-4 to any such security unless it is established that the present holder is the owner of such security, having acquired valid title thereto as against the person claiming the security to have been looted. In general, the Treasury Department will take no action on applications for such licenses or for the attachment of TFEI-4 to any such security until

- (a) a United States court of competent jurisdiction determines the ownership of such security in a proceeding in which the person claiming the security to have been looted and the holder are parties, or

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- (b) a reasonable time has elapsed since the person claiming the security to have been looted and/or his Government have been notified by the Treasury Department of the location of, and the person holding such security, and legal proceedings have not been instituted by the claimant to obtain a determination of title to the security by a United States court of competent jurisdiction.

(4) Reports required. On or before _____, any person in the United States claiming title to, or any interest in, or having custody, control or possession of any security on the List of Securities Claimed to be Looted on the date hereof shall file a report on Form ____ with the Federal Reserve Bank of New York. Any person in the United States who after the date hereof obtains custody, control or possession of any security on the List of Securities Claimed to be Looted shall file within ten days thereafter a report on Form ____ with the Federal Reserve Bank of New York, unless Form TFE-4 has been previously attached to such security by or under the direction of the Treasury Department.

(5) Transfers by operation of law excluded. Transfers by operation of law are hereby excluded from the provisions of this General Ruling. The term "transfer by operation of law" shall be deemed only to mean any transfer of any dower, courtesy, community property, or other interest of any nature whatsoever, provided that such transfer arises solely as a consequence of the existence or change of marital status; any transfer to any person by intestate succession; any transfer to any person as administrator, executor,

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By SR NARA Date 10-25-99

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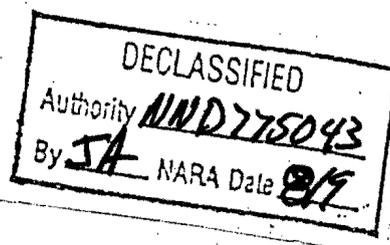
Entry FFC 42-60

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- 4 -

or other fiduciary by reason of any testamentary disposition; any transfer to any person as administrator, executor, or fiduciary by reason of judicial appointment or approval in connection with any testamentary disposition or intestate succession.



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R E S T R I C T E D30 October 1946

DFIN/MEMO(46)190
DFIN/P(46)198 Revise

ALLIED CONTROL AUTHORITYDIRECTORATE OF FINANCE

Draft Memorandum to the Coordinating Committee on Foreign Currencies
and Securities in Germany.

1. After observing the report of the German External Property Commission, GEPC/Memo(46)37, concerning foreign securities in Germany, the Coordinating Committee agreed, at the meeting of 22 August 1946 CORC/M(46)43, No. 468, to return the matter to the Finance Directorate, who, in consultation with the Legal Directorate, was to study this question further, concurrently with that of foreign currencies found in Germany.

2. Question pertaining to foreign holdings, currencies, and securities, are thus unified into a single problem, on which the Finance Directorate has received two communications from the Legal Directorate:

DLLEG/SEC(46)96 of 28 May 1946, on securities;
DLLEG/SEC(46)208 of 26 September 1946, on currencies.

In these two communications, the French, American and British members of the Legal Directorate expressed the opinion that foreign holdings should be considered German external property, subject to Law No. 5 of the Control Council; the Soviet Delegate was of an opposing opinion.

3. The opinions of the members of the Finance Directorate were split in the same manner.

A. Opinion of the French, American and British members.

Foreign Holdings in General.

4. Adopting the opinion of the French, American and British members of the Legal Directorate, they consider that foreign holdings, currencies, shares, bonds, et cetera, are included in the rights, securities and interests relating to property outside of Germany, in accordance with Articles II and III of Law No. 5, and that this property covers a wide scope, real and personal property, partner shares, credits or debits, et cetera, in accordance with Article X b) of Law No. 5.

5. In fact, foreign shares represent property shares in enterprises outside Germany; foreign bonds are the proof of credit rights on a debtor outside Germany; foreign currencies are means of payment and are legal tender only in those countries outside Germany which issues them. The value of the unit of currency solely depends upon the ability and willingness of the issuing country to redeem in goods and services. The asset, therefore, resolves into a claim against a foreign government and as thus becomes an external asset held by Germans. All these diverse holdings are papers representing rights and interests relative to property located abroad, and inasmuch as they belong to Germans, Law No. 5 put them in the custody of the German External Property Commission.

Specific Case of Foreign Securities.

6. Article IV of the Potsdam Agreement, paragraphs 8 and 9, establishing the fundamental bases for Reparations, states that if a German enterprise is located in the occupation zone of one of the contracting powers, the other powers should relinquish claim to whatever shares of this enterprise may be found in their own zone. Consequently, the shares, depending upon the fate of the enterprise in which they represent shares of ownership, and the factor

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By JA NARA Date 8/17

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which determines German assets allocated for reparations, is not the location of the titles to the property, but definitely the location of the property itself. There is nothing opposed to applying this principle to securities of foreign enterprises where they are in the possession of Germans.

7. The Legal Directorate, in answering a question put by the Reparations, Deliveries and Restitutions Directorate, and by unanimous agreement of all four members DLEG/SEC(46)215 of 30 September 1946, declared that property subject to restitution should be included in the property defined by Law No. 5, in a very large sense, and that it was impossible to exclude therefrom personal negotiable securities. Consequently, if securities, without differentiating between German and foreign securities, should be relinquished when there is a question of restitution, nothing should prevent their being handed over when it is a question of reparations for which assets abroad are allocated insofar as they are German property, and the certificates themselves are proof of this ownership.

8. It therefore results from the Potsdam Agreement and from the unanimous paper DLEG/SEC(46)213 that the foreign securities deposited in Germany are taken in charge by the German External Property Commission and that the latter will have to dispose of them in accordance with the territorial distribution regulations agreed to in the matter of reparations.

Special Case of Foreign Currency

9. Applying to foreign currency found in Germany the above principles, the French, US and British members of the Finance Directorate proposed to the Coordinating Committee to adopt the following measures:

10. The currencies in question being regarded as German External Property, it will recommend to the Coordinating Committee to approve their distribution according to the following principles:

(a) Currencies issued by United Nations which Germany invaded shall be delivered to the Government of those countries, by way of restitution.

(b) Currencies issued by Bulgaria, Finland, Hungary and Roumania shall be delivered to the USSR as external assets to which the Soviet Union is entitled by way of reparation.

(c) Currency issued by Italy shall be transferred by the occupying powers to the Italian Government without accountability.

(d) Currencies issued by the neutral countries and countries with no recognized reparation claims shall be regarded as German external assets in the countries and divided accordingly by way of reparation.

(e) Currencies issued by United Nations which have a recognized reparation claim but which were not invaded by Germany shall be regarded as German assets in those countries and delivered to them on that basis.

(f) Gold coins shall not be covered by these principles.

(g) Paragraphs (a), (c) and (e) will also refer to forged notes, drawings plates and other technical equipment utilised directly for the production of monetary tokens, for issue by Germany in the territories concerned.

(h) Items falling within the categories listed in paragraph (g), where the country concerned is one of those covered in paragraphs (b) and (d), shall be delivered to those countries.

The point of view of the Soviet Delegate

1. Foreign currency found in Germany, except currency brought into Germany under duress from occupied countries, constituted the means of payment for the German economy which have been created as the result of her foreign trade; such currency, therefore, cannot be considered as German assets abroad. The Foreign Currency in Germany belongs to the resources of the occupation zone where it has been found and thus should be at the disposal of the respective Zone Commanders. Foreign currency which can be proved to have been taken under duress from occupied

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countries is subject to restitution.

2. There are no special provisions in the decision of the Berlin Conference for the distribution of foreign securities in Germany. Taking into account that foreign securities were freely bought and sold on the German stock exchange and thus represented an independent value for their holders, the Soviet Delegate considers it necessary to postpone the decision on the principles of their distribution pending the final settlement of the United Nations' reparations claims against Germany.

3. The reference of the British, American and French Delegates to the Legal Directorate's decision is unfounded because this decision does not deal with the question of the legal nature of securities, but states only that securities which have been taken away under duress from the occupied countries, if identified, are subject to restitution, which is also the opinion of the Soviet representative in the Finance Directorate.

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R E S T R I C T E D

26 November 1946

CORC/P(46)383

ALLIED CONTROL AUTHORITY

COORDINATING COMMITTEE

Disposition of Foreign Currency and Securities found
in Germany

A. OPINION OF THE FRENCH, AMERICAN AND BRITISH MEMBERS

Foreign Holdings in General

1. Adopting the opinion of the French, American and British members of the Legal Directorate, they consider that foreign holdings, currencies, shares, bonds, et cetera, are included in the rights, securities and interests relating to property outside of Germany, in accordance with Articles II and III of Law No. 5, and that this property covers a wide scope, real and personal property, partner shares, credits or debits, et cetera, in accordance with Article X(b) of Law No. 5.

2. In fact, foreign shares represent property shares in enterprises outside Germany; foreign bonds are the proof of credit rights on a debtor outside Germany; foreign currencies are means of payment and are legal tender only in those countries outside Germany which issues them. The value of the unit of currency solely depends upon the ability and willingness of the issuing country to redeem in goods and services. The asset, therefore, resolves into a claim against a foreign government and as thus becomes an external asset held by Germans. All these diverse holdings are papers representing rights and interests relative to property located abroad, and inasmuch as they belong to Germans, Law No. 5 put them in the custody of the German External Property Commission.

Specific Case of Foreign Securities

3. Article IV of the Potsdam Agreement, paragraphs 8 and 9, establishing the fundamental bases for Reparations, states that if a German enterprise is located in the occupation zone of one of the contracting powers, the other powers should relinquish claim to whatever shares of this enterprise may be found in their own zone. Consequently, the shares, depending upon the fate of the enterprise in which they represent shares of ownership, and the factor which determines German assets allocated for reparations, is not the location of the titles to the property, but definitely the location of the property itself. There is nothing opposed to applying this principle to securities of foreign enterprises where they are in the possession of Germans.

4. The Legal Directorate, in answering a question put by the Reparations, Deliveries and Restitutions Directorate, and by unanimous agreement of all four members DLEG/SEC(46)213 of 30 September 1946, declared that property subject to restitution should be included in the property defined by Law No. 5, in a very large sense, and that it was impossible to exclude therefrom personal negotiable securities. Consequently, if securities, without differentiating between German and foreign securities, should be relinquished when there is a question of restitution, nothing should prevent their being handed over when it is a question of reparations for which assets abroad are allocated insofar as they are German property, and the certificates themselves are proof of this ownership.

5. It therefore results from the Potsdam Agreement and from the unanimous paper DLEG/SEC(46)213 that the foreign securities deposited in Germany are taken in charge by the German External Property

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Commission and that the latter will have to dispose of them in accordance with the territorial distribution regulations agreed to in the matter of reparations.

Special Case of Foreign Currency

6. Applying to foreign currency found in Germany the above principles, the French, US and British members of the Finance Directorate proposed to the Coordinating Committee to adopt the following measures:

7. The currencies in question being regarded as German External Property, it will recommend to the Coordinating Committee to approve their distribution according to the following principles:

(a) Currencies issued by United Nations which Germany invaded shall be delivered to the Government of those countries, by way of restitution.

(b) Currencies issued by Bulgaria, Finland, Hungary and Roumania shall be delivered to the USSR as external assets to which the Soviet Union is entitled by way of reparation.

(c) Currency issued by Italy shall be transferred by the occupying powers to the Italian Government without accountability.

(d) Currencies issued by the neutral countries and countries with no recognized reparation claims shall be regarded as German external assets in the countries and divided accordingly by way of reparation.

(e) Currencies issued by United Nations which have a recognized reparation claim but which were not invaded by Germany shall be regarded as German assets in those countries and delivered to them on that basis.

(f) Gold coins shall not be covered by these principles.

(g) Paragraphs (a), (c) and (e) will also refer to forged notes, drawings plates and other technical equipment utilised directly for the production of monetary tokens, for issue by Germany in the territories concerned.

(h) Items falling within the categories listed in paragraph (g), where the country concerned is one of those covered in paragraphs (b) and (d), shall be delivered to those countries.

B. THE POINT OF VIEW OF THE SOVIET DELEGATE

8. Foreign currency found in Germany, except currency brought into Germany under duress from occupied countries, constituted the means of payment for the German economy which have been created as the result of her foreign trade; such currency, therefore, cannot be considered as German assets abroad. The Foreign Currency in Germany belongs to the resources of the occupation zone where it has been found and thus should be at the disposal of the respective Zone Commanders. Foreign currency which can be proved to have been taken under duress from occupied countries is subject to restitution.

9. There are no special provisions in the decision of the Berlin Conference for the distribution of foreign securities in Germany. Taking into account that foreign securities were freely bought and sold on the German stock exchange and thus represented an independent value for their holders, the Soviet Delegate considers it necessary to postpone the decision on the principles of their distribution pending the final settlement of the United Nations' reparations claims against Germany.

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R E S T R I C T E D

10. The reference of the British, American and French Delegates to the Legal Directorate's decision is unfounded because this decision does not deal with the question of the legal nature of securities, but states only that securities which have been taken away under duress from the occupied countries, if identified, are subject to restitution, which is also the opinion of the Soviet representative in the Finance Directorate.

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C O N F I D E N T I A L 9080

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

26 Nov 1946

SUBJECT: Delivery of Foreign Securities in Germany.

TO : Deputy Military Governor

- 1. References: DFIN/Memo(46) 190
CORC/P(46)274

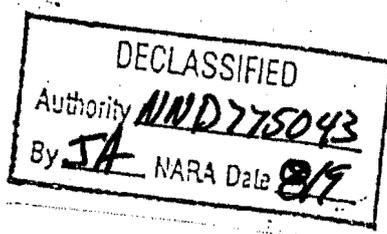
2. a. This paper, containing the majority opinion of the United States, British and French members of the Finance Directorate and the minority opinion of the Soviet member, combines two closely related problems which have been under separate discussion. The history of discussion on both the question of Foreign Currencies and that of Foreign Securities found in Germany have followed the same general pattern, with the United States, British and French assuming them to be external assets and the Soviet taking the position that their ownership reests with the Zone Commander.

b. Foreign Currency - The ownership of foreign currency has been under discussion since March, the first discussion resulting in a Tripartite report by a special committee with a Soviet reservation. After considerable discussion in the Finance Directorate the matter was referred to the Legal Directorate, in which the Soviet maintained their minority position.

c. Foreign Securities - The question of the ownership of foreign securities was discussed in the GEPC in February and an agreed report made to the Finance Directorate that foreign securities found in Germany fall under Control Council Law No. 5. The Finance Directorate considered this report and referred the question to the Legal Directorate. The resulting Legal Directorate opinion together with the Finance Directorate opinion, both containing the Soviet dissent, were referred to the GEPC. The GEPC was divided on the same basis and referred the matter to CORC.

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C O N F I D E N T I A L

The Coordinating Committee considered the question (CORC/P(46)274) and referred it to the Finance Directorate to consider in connection with the subject of foreign currency.

d. The paper now referred to the Coordinating Committee, therefore combines the two subjects on both of which the Soviet minority position stated in the paper has been maintained in the Finance Directorate, the Legal Directorate and the CEPC. Their agreement that currency or securities proved to be looted may be restituted is stated as not prejudicing the argument that currency and securities are part of the resources of each occupation zone. It is expected that this position will be maintained by the Soviet member of the Coordinating Committee.

5. a. Before the signing of the Potsdam Agreement, there were, fundamentally, two possible approaches to the problem of disposing of German assets abroad. One was to allocate foreign assets abroad on the basis of the location of the property; the other was to allocate on the basis of the location of rights, titles and interests in the property. The former approach was adopted at Potsdam, with the western powers relinquishing all claim to German property located in Finland, Bulgaria, Roumania, Hungary and eastern Austria, and the Soviet Government relinquishing claim to properties located elsewhere. It was certainly not the intention of the signers of the Potsdam Agreement to award to the Soviet Government all German-owned foreign securities found in the Soviet Zone of occupation, irrespective of the physical location of the property.

b. The authors of CC Law No. 5 doubtless had this in mind when they wrote that "All rights, titles and interests in respect of any property outside Germany" owned or controlled by persons of German nationality are vested in the CEPC.

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C O N F I D E N T I A L

c. It is the United States position that German-owned foreign securities and currencies, wherever they may be found, are "rights, titles and interests in respect of property outside Germany" and are vested in the GCFR for ultimate disposition in accordance with the Potsdam provisions.

d. A security is not property in the same sense as a factory or a corporation; though sometimes loosely referred to as property, it is, strictly speaking, a right, title or interest in property. Thus, a factory located in the Soviet zone is at the disposal of the Soviet zone commander, even though shares representing a majority ownership might have been found in one of the western zones. The Soviets would certainly not dispute this.

e. Foreign currencies found in Germany are means of payment resulting from foreign trade and are legal tender only in the respective issuing countries. They are indistinguishable from foreign credits in the form of bank accounts or accounts receivable. They represent promises of foreign countries to pay in goods or services. This is their only value. They cannot, therefore, be said to belong to the resources of the occupation zone in which they are found, as the Soviets argue. Since they represent purchasing power abroad, they are rights in respect of property abroad and under CC Law No. 5 are vested in the GCFR.

f. At the same time, the United States recognizes that claims for restitution take precedence over claims of ownership under CC Law No. 5. It is conceded, therefore, that securities and currencies issued by countries which suffered German invasion and occupation may be presumed to have been looted and should in principle be subject to restitution.

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C O N F I D E N T I A L

4. Recommendation

It is recommended that the United States member support the position previously maintained and, unless the Soviet reservation is withdrawn, refer the paper to the Control Council.

5. Concurrences

a. Legal (A.J.M. 20/11/46)

b. Landerrat - This subject is one of quadripartite policy which does not require Landerrat concurrence.

JACK BENNETT
Director
Finance Division

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The point of view of the Soviet Delegate
on the foreign securities and foreign
currency in Germany.

1. Foreign currency found in Germany, except currency brought into Germany under duress from occupied countries, constituted the means of payment for the German economy which have been created as the result of her foreign trade; such currency, therefore, cannot be considered as German assets abroad. The foreign currency in Germany belongs to the resources of the occupation zone where it has been found and thus should be at the disposal of the respective Zone Commanders. Foreign currency that can be proved to have been taken away under duress from invaded countries is subject to restitution.
2. There are no special provisions in the decision of the Berlin Conference for the distribution of foreign securities in Germany. Taking into account that foreign securities were freely bought and sold in German stock exchanges and thus had quite an independent value for their holders, the Soviet Delegate considers it necessary to postpone the decision on the principles of their distribution pending the final settlement of the United Nations' reparations claims against Germany.
3. The reference of the British, American and French Delegates to the Legal Directorate's decision is not well based because this decision does not treat the question of the legal nature of securities, but states only that securities which have been taken away under duress from the invaded countries, if identified, are subject to restitution, which is also the opinion of the Soviet representative in the Finance Directorate.

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Entry SECURITY
Box 317CONFIDENTIALCOPY NO. 5713 December 1946STATE-WAR-NAVY COORDINATING COMMITTEEDECISION ON SWNCC 204/22RESTITUTION OF SECURITIES FROM GERMANYNote by the Secretaries

By informal action on 13 December 1946, the State-War-Navy
Coordinating Committee approved SWNCC 204/22.

H. W. MOSELEY

W. A. SCHULGEN

V. L. LOWRANCE

Secretariat

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Authority NN D 7750 42
By JR NARA Date 8/24/97RG 260
Entry Personal file
Box 346 317CONFIDENTIALE N C L O S U R ERESTITUTION OF SECURITIES FROM GERMANYTHE PROBLEM

1. To establish policies for the disposition of securities found in Germany which were removed from countries occupied by Germany, or otherwise subject to German control.

FACTS BEARING ON THE PROBLEM

2. Previous directives on restitution to the Commander-in-Chief, U. S. Zone of Occupation in Germany (SWNCC 204/2, SWNCC 204/5 and 204/12) expressly excluded restitution of securities looted in German-occupied countries and found in Germany.

3. Exception of securities was not due to basic policy but rather a postponement in order better to consider the problem, which was recognized to have unusual complications.

4. Vast amounts of securities were acquired, directly or indirectly, by German persons or organizations from countries occupied by the enemy under circumstances such as to constitute looting.

5. Return of such securities to their rightful owners is complicated by the following factors, among others:

a. Some of the securities in question are bearer securities and offer no evidence as to rightful ownership.

b. Some of the securities in question are of German issue, and special procedures are required to trace their prior ownership and location.

c. Some of the securities in question were originally owned by persons who have been exterminated, and claimant countries would not necessarily have any record on which to base a claim for restitution.

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Enclosure

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d. It is deemed almost impossible administratively to differentiate between cases of looting of securities and legitimate acquisition.

6. Proposals were sent on June 5, 1946 to OMGUS (WARX 90450, Appendix "A") concerning principles on restitution of securities and procedures to be adopted. Comments by OMGUS thereon were forwarded on July 31 (CC 1031, Appendix "B"); OMGUS agreed substantially with the original proposals and offered certain amendments, which were acceptable on the whole (WARX 80462, September 16, Appendix "C"). On September 6, OMGUS advised that it was preparing to introduce original proposals as amended by WARX 80462 for consideration by quadripartite Finance Directorate.

DISCUSSION

7. Restitution of looted securities would have the effect (a) of being of economic assistance to receiving countries, and (b) of assisting in the elimination of German control over non-German economies.

8. Restitution of securities has two major aspects: (a) location, identification and return of identifiable looted securities, and (b) determination of policies and procedures for disposition of unidentifiable securities.

9. It is impossible to determine policy governing 8 (b) until further information is available concerning securities held in Germany.

CONCLUSIONS

10. It is concluded that:

a. Steps should be taken at once leading to restitution of looted securities from Germany.

b. As a preliminary, inventories of looted securities should be set up in Germany and the various governments should be asked to submit lists of securities looted from their territories.

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c. Securities which were removed from countries while under German control or occupation, no matter in what manner removed, should be considered as looted securities unless the presumption of loot can be effectively rebutted by the present holder of the securities.

d. After comparison of claims and inventories, restitution of identifiable securities shall then be undertaken.

e. Restitution of unidentifiable securities should be decided after elimination of identifiable securities from the general list of looted securities.

f. The Commanding General, U. S. Zone, Germany, should be instructed to secure, if possible, quadripartite approval of action outlined herein, and to proceed in his own zone with establishment of inventories of looted securities in accordance with present proposals pending such approval.

RECOMMENDATIONS

11. It is recommended that:

a. The attached directive, contained in Appendix "D", be approved by SWNCC.

b. After approval by SWNCC, the directive be forwarded to JCS for transmittal to the Commander in Chief, U.S. Zone of occupation in Germany

SWNCC 204/22

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Authority NN D 7750 42
By JK NARA Date 8/24/97RG 260
Entry 120000 P. 16
Box 317CONFIDENTIALAPPENDIX "A"

OMGUS Berlin Germany

USFA Vienna Austria

Number WARX 90450

5 June 1946

Reourad Mar WARX 81819 urads Mar CC 2186 May P 8301 signed
WARCAD

Tentative proposals follow re disposition foreign securities uncovered in Germany and Austria.

A. Securities or evidences thereof acquired directly or indirectly by residents of Germany and Austria from countries and residents of countries which were occupied or effectively controlled by Germany during period of occupation or effective German control shall be regarded prima facie as having been acquired under duress and shall in principle be subject to restitution to govt of countries in which they were acquired or from whose residents they were acquired unless existing holders of such securities can rebut presumption that such securities are looted.

B. Securities which were removed to Germany or Austria from countries under German occupation or control without ostensible transfer of title and simply for purpose of safekeeping shall be returned to govt of country from which they were removed except that such securities as were previously acquired under circumstances described in 1 (A) above, shall be subject to restitution principle specified in 1 (A).

C. Categories of securities mentioned in 1 (A) and 1 (B) shall not be subject to vesting by GEPC under Control Council Law no 5. Measures should be taken to secure quadripartite agreement that effect.

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Appendix "A"

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By JR NARA Date 8/24/87RG 260
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2. No objection to immediate return of Wertpapier-sammel Bank securities to USFA after any necessary clearance with GEPC provided that such securities are not distributed to owners and that they are included in inventory to be taken by Allied Commission, Austria, in accordance with para 3 (B) below.

3. Propose fol method of working out restitution of securities mentioned in 1 (A):

A. Govts of countries which were under German occupation or control should be requested by AC, Austria and Allied Control Auth, Germany, acting through diplomatic channels, to prepare and transmit a list of all securities acquired by Germans through any means irrespective of where issued. These lists should group securities by types, i.e. stocks (common and preferred, bearer and non-bearer), bonds (govt, private, etc), mortgages, etc, supply evidence concerning date, circumstances and terms of acquisition and give data on identifying marks such as registration numbers, etc.

B. Allied Control Auth, Germany and AC, Austria should prepare inventories, on same pattern as indicated in 3 (A), of foreign securities uncovered in Germany and Austria. For these inventories info obtained under US Mil Govt, Law 53 (Decree no 4 in Austria) and similar laws put into effect in other zones of Germany and in Austria could presumably be utilized, though it may be necessary to require add info fr German and Austrian holders of such securities in order to obtain all data necessary for inventories.

C. Allied Control Auth and AC should establish joint group of experts which would have functions of

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Authority NN D 7750 42
By JR NARA Date 8/24/97RG 260
Entry General File
Box 317CONFIDENTIAL

- (1) Merging Austrian and German inventories;
- (2) Combining lists submitted by various countries of securities acquired by Germans, and
- (3) Comparing merged Austrian-German inventory with combined lists for purpose of determining to what extent securities uncovered in Germany and Austria suffice to meet authentic claims for restitution and of working out proposals for restitution.

All identifiable looted securities should be returned to govts of countries from which they were acquired or from whose residents they were acquired. Believe that practicable proposals for restitution of non-identifiable securities cannot be worked out before full knowledge of all ramifications of problem is acquired through comparison of global restitution claims with types and numbers of securities uncovered in Germany and Austria. For this type securities it may be necessary to work out some scheme for distrib among restitution claimants similar to scheme adopted for distrib of gold uncovered in Germany and Austria. Some method will also have to be devised for restitution of looted securities originally issued in Germany or Austria. If impracticable to extend inventories under 3 (B) to German and Austrian-issued securities, group of experts will have to find means of tracing indiv transactions in such looted securities in order to obtain possession of such securities for purpose of restitution.

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Authority NN D 7750 42
By JK NARA Date 8/24/97RG 260
Entry Personal file
Box 346 317CONFIDENTIAL

D. Adoption of restitution proposals of joint group of experts by Allied Control Auth and AC with provision for submission of approved proposals governing restitution of non-identifiable securities to govts of countries concerned for purpose of obtaining international agreement. Believe international agreement probably necessary if restitution proposals provide for distrib non-identifiable looted securities similar to GOLD POT proposals approved by Paris Reparation Conference.

4. Your comments on above requested. If you think quadripartite agreement on this procedure possible and believe preparation of lists of claimant countries should be expedited, would you explore informally with other occupying powers whether US Govt, acting on behalf of or jointly with other occupying powers, should take steps now to invite countries to prepare such lists. For your info, Treasury has requested these countries to furnish info on looted dollar and US-issued securities in order to devise effective method of preventing realization of looted securities in US market.

End

NOTE: CC 2186 is CM IN 6307 (30 Mar 46)
P 8301 is CM IN 3701 (16 May 46)

CM-OUT-90450

(June 46)

SWNCC 204/22

- 78 -

Appendix "A"

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Authority NND 7750 42
By JR NARA Date 8/24/97RG 260
Entry Journal P. 16
Box 346 317CONFIDENTIALAPPENDIX "B"

From: ONGUS, Berlin, Germany sgd Clay

To: War Department for WARCAD

Info: CG, USFA, Vienna, Austria

Nr: CC 1031

31 July 1946

Reurad WX-90450.

1. We agree in principle with paragraphs 1A and 1B.
2. We assume your proposal does not contemplate restituting securities with German ownership antedating German occupation of invaded countries. Therefore, suggest that until such time as conflicting interests can be resolved satisfaction be given by claimant country through certification or other means that no German interest direct or indirect prior to occupation of claimant country existed in securities being claimed. As an alternative claimant country might agree to subsequent reporting and accounting for such German interest in restituted securities. This arrangement would preserve interest in GEPC in underlying German-owned property in neutral countries or countries not exempted from Law Number 5 and would allow for accounting distinction between reparations and restitution deliveries.
3. Reference your para 1C. We do not believe there would be any difficulty in having GEPC recognize principle that claims for restitution take precedence over claims of ownership under Law Number 5.
4. Reference our Radio CC-2186, the American member of GEPC does not consider that GEPC has formally taken position outlined in Para 2 of reference cable. Please disregard that paragraph. The present disagreement among the Four Powers arises over the status of securities of foreign corporations which are not subject to restitution. The US, and UK, and

SWNCC 204/22

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Appendix "B"

CONFIDENTIAL

9 307082

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Authority NND 7750 42
By JR NARA Date 8/24/99RG 260
Entry SECURITY FILE
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French views are to the effect that such securities are included in the term "German external assets", as used in Control Council Law Number 5, if they fall within the provisions of Articles II and III of the Law; or in other words, that the security itself represents only an evidence of the ownership of property located elsewhere. The Soviet view, which is in the process of reaching top quadripartite discussion, is that such securities are assets in Germany and fall under the jurisdiction of Zone Commanders of respective zones where located and are not under the jurisdiction of GEPC.

5. If it were desirable to reconstitute securities irrespective of the German interest therein, it would seem preferable to have the Allied Control Council issue a restitution directive to that effect irrespective of Law Number 5, rather than to undertake an amendment to Law Number 5 that would exempt German-owned securities from vesting.

6. Your Para 2. We believe that the return of securities as suggested should await the resolution of policy questions herein raised in order that the US quadripartite position would not be prejudiced by unilateral action. We should not want by such action to have it contended that the US supports the right of the Zone Commander to make independent disposition of foreign securities found within his Zone wholly aside from a quadripartite policy with respect to restitution of such securities or their status as either external or internal assets, especially in view of the fact that the great volume of foreign securities in German are held in other than the US sector of Berlin or the US zone.

7. We are in general agreement with your para 3 subject to our foregoing modifications.

SWNCC 204/22

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Appendix "B"

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Authority NND 775042
By JR NARA Date 8/24/97RG 260
Entry 150116.16
Box 36 317CONFIDENTIAL

8. We are deferring approach to other occupying powers pending receipt of your comments on our views herein expressed and pending some further clarification of the Soviet position respecting the status of securities in general.

End.

CM IN 232

(1 Aug 46)

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9 307084

DECLASSIFIED

Authority NN D 7750 42
By JR NARA Date 8/24/87RG 260
Entry Journal file
Box 346 317CONFIDENTIALAPPENDIX "C"

To: OMCUS Berlin Germany
 INFORMATION CG USFA Vienna Austria
 Nr: WARX 80462

From WDSOA ES. Reurads July CC 1031 Sept CC 3165, ourad June
 WX 90450.

Re your Par 2. Agree your alternative that as prerequisite to restitution of securities, claimant country agree to subsequent reporting to Iara of German interest in securities restituted and disposition thereof in accordance with such inter-custodial arrangements as may subsequently be made.

2. Re your Par 5. Agree your view that ACC issue restitution directive rather than amend Law No. 5. Such directive should expressly state that it concerns looted securities only.

3. Re your Par 6. Concur that attempt be made to secure quadripartite resolution of policy. Request however that inventory and other preparatory steps proceed to extent possible pending quadripartite decision.

4. Re your Par 4 and 8. Since securities subj to restitution are not subj of present controversy with USSR, believed further delay quadripartite consideration not necessary.

5. Request proposals be submitted soon for quadripartite decision.

6. Concur your CC 3165 just recd.

NOTE: CC 1031 is CM IN 232 (1 Aug 46)
 CC 3165 is CM IN 1057 (6 Sept 46)

GM OUT 80462 (Sept 46)

SWNGC 204/22

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Appendix "C"

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9 307085

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Authority NND 7750 42
By JR NARA Date 8/24/99RG 260
Entry Personal file
Box 3th 317CONFIDENTIALAPPENDIX "D"DIRECTIVE TO THE COMMANDER-IN-CHIEF, U.S. ZONE OF OCCUPATION,
GERMANY, ON RESTITUTION OF SECURITIES

1. This directive is issued to you as Commander-in-Chief U. S. Zone of Occupation, Germany and U. S. Member of the Allied Control Council, Germany.

Subject directive applies to restitution from Germany of securities looted from countries occupied or effectively controlled at one time by Germany. It is in confirmation of WARX No. 90450 with certain modifications.

You will seek to obtain agreement in the Control Council to principles laid down in this directive. You will proceed in your own zone, even prior to agreement, with establishment of inventories proposed in paragraph 3 b.

2. a. Securities or evidences thereof removed to Germany from other countries while such countries were occupied or effectively controlled by Germany shall be regarded prima facie as having been acquired under duress and shall in principle be subject to restitution to the governments of countries from which they were removed unless existing holders of such securities can rebut the presumption that such securities are looted.

b. As a prerequisite to restitution of looted securities to claimant countries which are members of the Inter-Allied Reparations Agency, they shall agree to subsequent reporting to IARA of any German interest which may be established in such securities, and disposition thereof in accordance with such intercustodial arrangements as may subsequently be made.

SWNCC-204/22

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Appendix "D"

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Authority NN D 7750 42
By JR NARA Date 8/24/97RG 260
Entry SECURITY FILE
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c. Securities which were removed to Germany from countries under German occupation or control without ostensible transfer of title and simply for purpose of safekeeping shall be returned to the government of the country from which they were removed, except that such securities as were previously acquired under circumstances described in 2 a above shall be subject to restitution principle specified in 2 a and b.

d. Categories of securities mentioned in 2 a and 2 c shall not be subject to vesting by GEPC under Control Council Law No. 5.

3. Procedure will be substantially as follows:

a. Allied Control Authority, Germany, acting through diplomatic channels, to request governments of countries which were under German occupation or control to prepare and transmit a list of all securities which were removed to Germany, irrespective of where issued, during the period of German occupation or control. Such lists to group securities by types, i.e. stocks (common and preferred, bearer and non-bearer), bonds (government, private), mortgages, etc. and supply evidence concerning date, circumstances and terms of acquisition and give date or identifying marks such as registration numbers, etc.

b. Allied Control Authority, Germany, to prepare inventories, on same pattern as indicated in 3 a, of foreign securities uncovered in Germany. For these inventories information obtained under U.S. Military Government Law 53 and similar laws put into effect in other zones of Germany presumably to be utilized, although it may be necessary to require additional information from German holders of such securities in order to obtain all data necessary for inventories.

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By JK NARA Date 8/24/99RG 260
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c. Allied Control Authority to establish group of experts with function of:

- (1) Merging German inventories,
- (2) Combining lists submitted by various countries of securities acquired by Germans, and
- (3) Checking merged German inventories against combined lists for purpose of establishing identifiable and non-identifiable categories of securities.

d. Restitution of identifiable securities to be undertaken as soon as possible.

e. (1) Non-identifiable securities which are within the provisions of WARX 85682, November 16, will be turned over to the Inter-Governmental Committee on Refugees. Desirability of allocating further portion of such securities in this manner will be considered. Plan for disposition of remaining non-identifiable securities, possibly along lines of Gold Pot scheme, to be worked out by group of experts.

(2) Method to be devised for restitution of looted securities originally issued in Germany. If impracticable to extend inventories under 3.b to German-issued securities, group of experts to devise means of tracing individual transactions in such looted securities in order to obtain possession thereof for purposes of restitution.

f. Restitution proposals of group of experts to be submitted to Allied Control Authority for approval with provision for submission of approved proposals governing restitution of non-identifiable securities to governments of countries concerned for purpose of obtaining international agreement. Such agreement probably necessary if restitution proposals provide for distribution of non-identifiable looted securities similar to Gold Pot plan of Paris Reparation Agreement.

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 Authority NND 7750 42
 By JR NARA Date 8/24/97

RG 160
 Entry Dec 29/46
 Box 316

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

AG CABLE CONTROL

T00 281821Z

INCOMING MESSAGE

DEC 46
570/29/ws~~CONFIDENTIAL~~

IMMEDIATE ACTION

FROM : AGWAR FROM JCS

TO : OMGUS FOR CLAY

REF NO : W-88566

Finance

The following, received from the State, War, and Navy Departments, is forwarded for your information and guidance:

"1. This directive is issued to you as Commanding General, Office of Military Government for Germany (US) and US member of the Allied Control Council, Germany.

Subject directive applies to restitution from Germany of securities looted from countries occupied or effectively controlled at one time by Germany. It is in confirmation of WX-90450 with certain modifications.

You will seek to obtain agreement in the Control Council to principles laid down in this directive. You will proceed in your zone, even prior to agreement, with establishment of inventories proposed in para 3b.

"2. a. Securities or evidences thereof removed to Germany from other countries while such countries were occupied or effectively controlled by Germany shall be regarded prima facie as having been acquired under duress and shall in principle be subject to restitution to the governments of countries from which they were removed unless existing holders of such securities can rebut the presumption that such securities are looted.

b. As a prerequisite to restitution of looted securities to claimant countries which are members of the Inter-Allied Reparations Agency (IARA), they shall agree to subsequent reporting to IARA of any German interest which may be established in such securities, and disposition thereof in accordance with such intercustodial arrangements as may subsequently be made.

c. Securities which were removed to Germany from countries under German occupation or control without ostensible transfer of title and simply for purpose of safekeeping shall be returned to the government of the country from which they were removed,

AGC IN 45289

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Authority NN D 7750 42
By JR NARA Date 8/24/97RG 260
Entry SECURITY
Box 316

REF NO: W-88566

C O N F I D E N T I A L

... that such securities as were previously acquired under circumstances described in 2a above shall be subject to restitution principle specified in 2a and b.

d. Categories of securities mentioned in 2a and 2c shall not be subject to vesting by German external property commission (GEPC) under Control Council Law Number 5.

"3. Procedure will be substantially as follows:

a. Allied Control Authority, Germany, acting through diplomatic channels, to request governments of countries which were under German occupation or control to prepare and transmit a list of all securities which were removed to Germany, irrespective of where issued, during the period of German occupation or control. Such lists to group securities by types, i. e. stocks (common and preferred, bearer and non-bearer), bonds (government, private), mortgages, etc. and supply evidence concerning date, circumstances and terms of acquisition and give date or identifying marks such as registration numbers, etc.

b. Allied Control Authority, Germany, to prepare inventories, on same pattern as indicated in 3a, of foreign securities uncovered in Germany. For these inventories information obtained under US Military Government Law 53 and similar laws put into effect in other zones of Germany presumably to be utilized, although it may be necessary to require additional information from German holders of such securities in order to obtain all data necessary for inventories.

c. Allied Control Authority to establish group of experts with function of:

(1) merging German inventories,
(2) combining lists submitted by various countries of securities acquired by Germans,
(3) checking merged German inventories against combined lists for purpose of establishing identifiable and non-identifiable categories of securities.

d. Restitution of identifiable securities to be undertaken as soon as possible.

e. (1) Non-identifiable securities which are within the provisions of WX-85682, Nov 16, will be turned over to the Inter-Governmental Committee on Refugees. Desirability of allocating further portion of such securities in this manner will be considered. Plan for disposition of remaining non-identifiable securities, possibly along lines of Cold Pot Scheme, to be worked out by group of experts.

(2) Method to be devised for restitution of looted securities originally issued in Germany. If impracticable to extend inventories under 3b to German-issued securities, group of experts to devise means of tracing individual transactions in such looted securities in order to obtain possession thereof for purposes of restitution.

AGC IN 45289

C O N F I D E N T I A L

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By JR NARA Date 8/24/99

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Entry Decimal File
Box 316

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

AG CABLE CONTROL

REF NO: W-88566

INCOMING MESSAGE

-3-

Restitution proposals of group of experts to be submitted to Allied Control Authority for approval with provision for submission of approved proposals governing restitution of non-identifiable securities to governments of countries concerned for purpose of obtaining international agreement. Such agreement probably necessary if restitution proposals provide for distribution of non-identifiable looted securities similar to Cold Pot Plan of Paris Reparation Agreement.

WX-90450 - AGC IN 29635 - 7 June 46 Fin
WX-85682 - AGC IN 41877 - 20 Dec 46 Info

ACTION : FIN
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307091

SECS

REPRODUCED AT THE NATIONAL ARCHIVES

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Authority NND775058
By JW NARA Date 9-22

RG 260
Entry Finance Division
File Gold & Silver [AES Summary]
Box 50

USPOLAD
804

Telegram from Secretary of State:

For your information here are U. S. views on 25 million dollars in non-monetary gold of Article V, Paris Agreement.

25 million dollars shall constitute first charge on any asset the Allies receive from neutrals.

Non-monetary gold refers to entire contents boxes of valuables taken from concentration camp and political and racial victims, excluding ecclesiastical articles which belong to a particular faith and are returned, and identifiable articles which it is practical to return to former owners. The term thus includes jewelry, stones, currency, securities, etc.

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 Authority NN D 7750 42
 By JR NARA Date 8/24/97

RG 260
 Entry Journal file
 Box 317

585

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

AG CABLE CONTROL

OUTGOING MESSAGE

PRIORITY
CONFIDENTIAL

TO : **WAR FOR ECON ES**
 FROM : OMGUS SIGNED CLAY
 REF NO : CC-7553 TOO: 031719Z JAN 47/why

Reourads CC-7048 November and CC-7239 December.

1. Swedish Government through US Legation, Stockholm and USPOLAD has requested our assistance in transferring to Sweden former German owned securities issued by corporations in Sweden and located in Germany. Note from Swedish Government to US Legation dated 16 November 1946 states: "It has previously been mentioned from the allied side that steps would be taken in order to facilitate the liquidation of such German holdings by transferring these securities into the hands of the Swedish authorities." Note transmits preliminary list prepared by FCCO showing shares purportedly held in each of 4 occupied zones.

2. Our CC-7239 December notified you our inability obtain quadripartite agreement regarding status such securities as external assets. Our CC-7048 November set forth Soviet position. Swedish note gives us new opportunity to raise matter quadripartitely which we are prepared to do if and when accord ratified by Swedish Parliament.

3. If unsuccessful in further quadripartite discussions should we return securities unilaterally or in conjunction with British or French? Feel that if we are to return securities it should only be done on basis of finding by joint mission in Sweden that properties involved have been properly liquidated and divested of German ownership.

ORIGINATOR : FIN AUTH: B. H. BROWN
 INFORMATION : O/SS
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CC-7553 04 Jan 47 0125 EM/why

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Authority	NND 7750 4
By	JR NARA Date 8/24/77

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Entry	Personal file
Box	316

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

AG CABLE CONTROL

OUTGOING MESSAGE

C O N F I D E N T I A L~~CONFIDENTIAL~~

TO : AGWAR FOR JCS
 INFO : USFA
 FROM : OMGUS SIGNED CLAY
 REF NO : CC-7608 TOO: 081714Z JAN 47/cb

Reurad W-88566 December, WX-90450 June, our
 CC-7492 December and CC-1031 July.

1. Plan restitution looted securities, which has not yet been introduced in detailed version, will be amended in light your W-88566 and presented for quadripartite consideration at early date. Meanwhile, would appreciate further information on following points:

a. Reference paragraph 4 your WX-90450. Has treasury received requested information on looted dollar and US issued securities? If so, request copies.

b. Reference paragraph 2A your W-88566. Request approved list countries which for purposes this directive should be considered having been occupied or effectively controlled by Germany. Feel it would be advantageous to have this list prior to introduction paper.

c. Reference paragraph 3E (1) your W-88566. Believe you will agree it would be ill-advised to make reference in quadripartite discussion this paper to IGCR and possible allocation certain securities for resettlement non-repatriable victims German action. Soviets not likely to view favorably such measures on behalf non-repatriables, many of whom they are endeavoring to return homelands Eastern Europe. Would prefer at this stage to discuss allocation non-identifiable securities only in general terms, specifying that they should be held in safekeeping pending agreement by governments concerned as to how they should be disposed of. Group of experts would of course be asked to make recommendations as to how non-identifiable looted securities might be allocated among countries whose established claims have not been fully met by restitution identifiable securities.

CC-7608

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Authority NND 7750 42
By JR NARA Date 8/24/97

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Box 316

-2-

CC-7608

C O N F I D E N T I A L

2. Request reply soonest.

W-88566 is AGC IN 45289
WX-90450 is AGC IN 29635

ORIGINATOR : FIN AUTH: B H BROWN
INFORMATION : O/SS-C/S
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CC-7608

9 Jan 47

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C O N F I D E N T I A L

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Authority NN D 7750 42
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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

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TCO: 12

INCOMING MESSAGE



REC'D 202234Z JAN 47
85/20 cb

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PRIORITY

ACTION COPY

FROM : USFA
TO : OMGUS
INFO :
REF NO : P-6598

CITE: PAACA/F

Reurad CC-7608 January 1947 and reourad P-1266 July 1946.

1. Request from OMGUS, Finance Division, copy of paper regarding restitution of securities to be introduced for quadripartite consideration as mentioned on par 1 CC-7608.

2. Request from War information collected by treasury on looted dollar and US issued securities as mentioned in par 1, A CC-7608.

3. Reference par 1, B CC-7608. Further request from War copy of approved list of countries which for the purpose of restitution should be considered having been occupied or effectively controlled by Germany. This headquarters has stated in par 4, P-1266 that Austria should be included.

4. Request USFA be kept informed on action taken quadripartitely on paper mentioned par-1 this cable. If no action taken in near future, this headquarters requests unilateral action regarding release of Wertpapier Sammel bank securities now in Regensburg.

CC-7608, 9 Jan 47, Fin
P-1266, 1s AGC IN 32856, 23 July 46, Info

ACTION : ~~FIN~~

INFORMATION : O/SS-C/S TRANSP POL AFF CONT OFF
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AGC IN 47052 21 Jan 47 NLC/cb REF NO: P-6598

ACTION COPY
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Authority NN D 7750 42
By JR NARA Date 8/24/97RG 260
Entry Normal file
Box 366 317SECS**CONFIDENTIAL****BRIEF**

20 January 1947

SUBJECT: Directive on Restitution of Securities from Germany

1. Attached is SWNCC 204/22 approved by the State-War-Navy Coordinating Committee on 13 December 1946 setting forth a Directive to OMGUS on the restitution of securities from Germany. The Directive was also transmitted to OMGUS in AGC 45289 received on 29 December 1946 (at TAB A).

2. Previous Directives on restitution expressly excluded looted securities found in Germany for a variety of reasons, and the exclusion was not due to basic policy, but for affording more time to consider the problem with its unusual complications.

3. The present Directive lays down certain principles and proposed procedures for restitution of these securities (looted from countries occupied or effectively controlled at one time by Germany) and asks that agreement be sought thereto in the Allied Control Council, and that the proposed security inventories be established in the U.S. Zone even prior to ACA agreement.

4. The inventories will list the looted securities by types, i.e., stocks (common and preferred, bearer and non-bearer), bonds (government, private), mortgages, etc., with details as to date, circumstances and terms of acquisition, registration numbers, etc.

5. Mr. Ball of Finance says that they are working on a paper embodying the Directive proposals for introduction in the Finance Directorate in the next week or so when it will be handled rather than in the RD&R Directorate.

H.S.**CONFIDENTIAL**

AC

307097

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Authority NND 7750 42
By JR NARA Date 8/24/97

RG 262
Entry Journal file
Box 316

SECS

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

AG CABLES

TOO: 12



INCOMING MESSAGE

REC'D 170821Z Feb 47
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~~CONFIDENTIAL~~

~~ACTION COPY~~

FROM : AGC AF 0103
TO : OMCUS FOR CLAY
INFO : USFA FOR CLARK
USFET FOR MCNARNEY
REF NO : WX-91856

The following, received from the Dept of State in reply to your CC-7608, is forwarded to USFA for information with ref to his P-6598:

"Reur para 1, a, Treasury has received some info looted dollar and U.S. issued securities. Lists will be air mailed to you earliest.

"Reur para 1, b, approved list of countries as fol: France, Belgium, Luxemborg, Netherlands, Denmark, Norway, Greece, Yugoslavia, Czechoslovakia, Poland, USSR. Also Austria, Italy, Hungary, Roumania, Finland, Bulgaria and Albania for periods specified in WX-99226 as amended.

"Securities looted from Baltic States of Lithuania, Latvia and Esthonia should be included also, although actual restitution from U.S. Zone will be deferred pending decision disposition of other property from those areas. Soviets may oppose entire proposal of Baltic States as listed individually in proposal.

"Suggest no specific list of approved countries be submitted ACA. U.S. proposal as to countries should preferable remain general and based on existing directives as to countries.

"Reur para 1, c, ref to Inter-Governmental Com on Refugees can be omitted until experts actually in position to consider disposition of non-identifiable securities. At the same time U.S. has interpreted Article 8, Paris Reparation Agreement to include certain non-identifiable securities and you should treat these in light of WX-35632. However, care should be taken ACA's decision securities does not jeopardize U.S. action under Paris Agreement

AGC IN 49221
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307098

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Authority NND 7750 42
By JR NARA Date 8/24/99

RG 260
Entry Journal P. 16
Box 316



J. J. Sub H

C O N F I D E N T I A L

REF NO : WX-91856

"Objections by Soviets not necessarily to be anticipated since Yugoslavia was one of five nations executing supplementary agreement June 1946 pursuant to Paris Reparations Agreement and care was taken to exclude from classes of beneficiaries political refugees who are not axis victims".

- CC 7608 - 9 JAN 47 FIN
- P-6598 - AGC IN 47052 - 20 JAN 47 FIN
- WX-99226 - AGC IN 22212 - 5 MAR 46 INFO
- WX-85682 - AGC IN 41877 - 20 NOV 46 INFO

- ACTION : FIN
- INFORMATION : O/SS C/S
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AGC IN 49221 13 FEB 47 HB/ees REF NO WX-91856

C O N F I D E N T I A L

RG 260
Entry PARADISE
Box 14

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Authority 775 057
By TS NARA Date 8/4/99

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

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INCOMING MESSAGE

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TOO 242021Z

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R.O.U.T.I.N.E.

FROM : AGWAR FROM WDSKA ES.

TO : OMGUS

INFO : USFET

REF NO : WX-92684

Reurad Dec CC-7375 and ourads Jan WX-88846, Feb WX-92163.

This cable in 3 parts. Restitution is subj.

Part I

Reourad W-88846. In recent notes to State Dept, French Emb,

here complained US unilateral action restitution ex-enemies rendering it more difficult for French to obtain from ex-enemies implementation their restitution obligations. French requested US halt restitution to ex-enemies until they honor their obligations to France in concrete form. French specifically, objected to reported impending arrival Roumanian Mission in US Zone.

In reply on 30 Jan, State pointed out limited scope US restitution to ex-enemies as compared restitution to UN. State note said US action, though unilateral, based on London declaration 43; retention restitutable property Germany render same ultimately valueless to owners. State Dept could not accept French proposal halt this restitution as sanction against ex-enemies but would support, as in past, any legitimate French and other UN claims restitution VIS-A-VIS ex-enemies.

Exact language portion referred to as fol: "The US is in complete agreement with French that neither Germany nor any of her former allies should be permitted to retain any property which was removed by the Germans from France in the course of Germany's war of aggression. In the areas under US occupation this Govt has sought loyally to fulfill its obligation to effect restitution of such looted property to France and to the other countries which were thus victimized".

Reourads W-88846 and 92163. What is present status restitution to ex-enemies in ACC? In view of above and impending arrival in Wash of Nyaradi, Hungarian undersec, fullest info needed.

Part II

State Dept recd from Emb France, 12 Feb note paraphrased as

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fol. Your comments requested as basis reply to French.

French Emb refers to its Aide-Memoire of 7 Dec on restitution of looted property and to Aide-Memoire transmitted to it 30 Jan PAG Emb already called attn of State Dept to importance satisfactory settlement restitution problem. In particular it indicated fixing time limit for filing claims and their execution would seriously harm most legitimate interests of France by practically preventing its auth from asserting its claims to certain property.

During recent discussions at RD and R Dir Berlin, French representative proposed that instead of 30 June, time limit for filing claims to extended to 1 year after signature of Peace Treaty. Such period necessary to permit formulation of claims and searches for stolen property.

At time of discussion this question in coordinating committee French representative told American colleague that attitude of Fr dictated by rigid character of American regulations concerning restitutions. In fact, because of complications of procedure established for restitutions, if date as near as 30 June adopted, Fr would not be able to assert claims to major part of stolen French property. In practice, adoption this date would result in abandonment almost all property stolen in France by Germans.

Assurance in Aide-Memoire of State Dept transmitted to Emb 30 Jan read with satisfaction by Fr Govt. American Govt stated therein that US perfectly in agreement with France that neither Germany nor its allies may keep any property whatsoever looted by Germans in France during Germany's war of aggression.

By virtue these assurances Fr representative Berlin auth to inform American colleague that date of 30 June could be retained if establishment did not result in depriving France of rights to restitution. This adherence to US proposal could be agreed on condition.

1) That filing before 30 June of gen list of property restitution of which requested by France keep claims from being barred. Not possible for Fr to formulate, according to complicated regulation established by Berlin and in short period granted, the 40,000 claims which Fr have yet to file.

2) That list mention not only property located, but also not yet located. In majority cases, Fr do not know where Germans have transferred such property and means of investigation placed at disposal of Fr in American Zone have usually proved inadequate to enable location.

3) That modifications be made in procedure now in force re proofs of coercion and to definition of property essential to assure economic level established for Germany. Measures now in force have effect, in practice, of paralyzing restitution.

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- 4) That to enable claims to be filed after time limit, appropriate measures be adopted to facilitate location of property claimed. It would be necessary in this connection.
 - a) That examination of obligatory declarations made by Germans and inventory of factories declared avail for reparations be brought to attn of Fr soon enough to enable latter to use info contained such documents in drawing up claims.
 - b) That Fr investigation missions enjoying all freedom of action necessary for search for stolen Fr property, may enter American Zone.

Fr Govt attaches very great importance to satisfactory settlement of question. It earnestly desires that procedure set forth above and which alone would enable it to accept the date limit of 30 June without suffering considerable and unjustifiable loss may receive apl of American auth. It appears to it that only such procedure may give efficacy in practice to assurances which the Dept was so good as to renew on 30 Jan. (end of paraphrase)

Aide-Memoire of 30 Jan from State Dept is Part I this cable.

Part III

Reurad. Proposals on cut-off date for filing restitution claims discussed 102 meeting coordinating committee (reported USPOLADS 317 to Sec State Feb 6). Has circular ltr referred Urad been addressed to claimant Govts? If so, please advise substance replies.

CC-7375. 16 Dec 46, Econ
 WX-88846 is AGC IN 5576, 3 Jan 47, Econ
 WX-92163 is AGC IN 49633, 17 Feb 47, Econ

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REPORT ON
GERMAN CARTELS AND COMBINES
1946

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VOLUME I

**GERMAN ECONOMIC
DECENTRALIZATION**

An analysis of the
German Cartel and Combine Problem

*Return to
Room 11*

DRAFT

Prepared by:
Decartelization Branch
Office of Military Government
for Germany (U.S.)
1 March 1947

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REPORT ON
GERMAN CARTELS AND COMBINES
1946

VOLUME I
GERMAN ECONOMIC DECENTRALIZATION
An analysis of the
German Cartel and Combine Problem

Prepared by:

Decartelization Branch
Office of Military Government
for Germany (U.S.)

1 March 1947

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FOREWORD

The Decartelization Branch of the Office of Military Government for Germany (U.S.) was organized in December 1945 for the purpose of recommending and implementing policies, procedures and laws to advance the three basic objectives of decentralizing, deconcentrating, and decartelizing the German economy.

This report is based upon information gathered during the first year's activities of the Branch. It is submitted in draft form in the hope a fairly detailed discussion of the concentration and cartelization of German industry may be productive of comments and criticisms useful in shaping the future programs of the Branch. In the light of such criticisms as are received, this draft will be revised to present a brief yet comprehensive survey of the organization and operation of Germany's major combines, trusts and cartels.

Preparation of this draft has been under the editorial supervision of Charles C. Baldwin, Chief of the International Cartels Section, assisted by Henry W. Neumann and Blanche A. Robinson. The preliminary studies and comments on particular industries and combines were contributed by members of the respective industry sections, under the supervision of Francis W. Laurent, Assistant Chief of Branch for Deconcentration. Material on the enforcement program was assembled under the supervision of Johnston Avery, Assistant Chief of Branch for Trade Practices. The various references to I. G. Farbenindustrie are based upon material collected by the Control Office for I. G. Farbenindustrie under the supervision of Richardson Cronson, Deputy Control Officer and Assistant Chief of Branch for Trade Control. The chapter on the German patent problem was prepared by Phillips Hawkins, Deputy Chief of Branch, and Otto Nerdon, Chief of the Patent Section, Control Office for I. G. Farbenindustrie. The summary of recommendations was prepared under the supervision of Creighton R. Coleman, Assistant Chief of Branch for Policy and Legislation.

Substantially every member of the staff has contributed to this report, many of them devoting their evenings and week-ends to its completion. In particular, mention should be made of the following staff members:

Irene Opson Ball, Betty Beatty, Kathryn Beatty, Helen M. Booth, Walter Brown, Charles Collison, Dorothy Cruger, Charles Dudley, Helen Downen, C. Stanley D'Agost, Murray Friedman, Harry Gersman, Fannie Goldstein, Pedro Inojosa, Otto Hurlmann, Julia K. Hyman, Irene L. Jones, G. Marie Kemet, Sumner L. Koenig, Richard Leonard, Edward M. Michland, Virginia MacLaren, Wilma Marjorie Myron, Maupin, Eric Meyer, Lillian Mizrahi, W. S. Sifford Nollan, Harriet Pope, Richard R. Ruchman, Herbert O. Rogers, Charles Rubenstein, Mercedes Schober, Olive Schwarzmann, Emily Silvas, Robert Stephenson, Major Carl B. Tolsberg, Jr., and Robert Weiss.

James S. Martin
JAMES S. MARTIN

Chief
Decartelization Branch
Office of Military Government for Germany (U.S.)
APO 742

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NOTE

For a number of years the English-speaking peoples translated the German words Kartelle and Syndikate as "combinations", "trusts", "pools" or conspiracies in restraint of trade. As used in this report, Decartelization denotes a determined and organized effort to eliminate all Kartelle from the Germany economy, defining cartel as any business arrangement designed to limit, regulate or avoid competition. The term "arrangement" is used because it is broader than "agreement". Arrangements may be in the form of contracts, gentlemen's agreements, informal understandings, memberships in trade associations, control of co-operative or jointly-owned sales agencies designed to maximize the profits of the participants. In short, any formal or informal association of independent enterprises in the same or similar branches of industry, established with a view to securing a monopoly of the market is, by definition, a cartel. For alternative definitions, see Appendix A of this volume.

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directorates and officerships from existing will aid in returning to the hands of thousands of businessmen the right to make economic decisions which are now denied to many and usurped by the few. The elimination of concerted action by purportedly independent units will thus aid in eliminating existing and preventing the formation of future cartels and excessive concentrations of German economic power.

Restoration of Stockholders' Rights and Responsibilities

Problem

As a result of laws and decrees promulgated under the Third Reich, the corporate entity was identified with its managerial boards, and stockholders were divested of all important control over corporate activities or policies. The most important and effective step in this regard was the issuance of the German Corporation Act of 1937 (Gesetz ueber Aktiengesellschaften und Kommanditgesellschaften auf Aktien § Aktiengesetz § 3). This act provided in part:

§ 125. Establishing the Annual Financial Report (Feststellung des Jahresabschlusses).

(1) Within three months following the preceding fiscal year, the board of directors shall prepare the balance sheet statement and the profit and loss account (final accounting for the year) and present the same to the supervisory committee. The articles of incorporation may provide for not more than five months within which this may be done.

(2) The supervisory committee has one month within which to examine the financial accounts presented by the board of directors.

(3) Where the supervisory committee approves the financial accounts they are regarded as established provided that neither the board of directors nor the supervisory committee submit the accounts to the general meetings.

Recommendation

In line with the other recommendations contained in this report, it is felt that the German Corporation Law must be amended to provide: (a) that the final accounting of the board of directors for each fiscal year must be submitted to, and must be approved at the general meeting of the stockholders; (b) that each stockholder must have free access to the books and ledgers of the corporation; (c) that each stockholder must be given the right to prosecute an action in the courts, on behalf of the corporation, and against the directors, officers, managers or other agents, whenever managerial action is being taken to the prejudice of the corporation, through either misfeasance, malfeasance, or non-feasance. This right of action should include the right to bring action to compel the declaration

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and distribution of dividends where examination of the corporate books indicates that such action is proper.

Discussion

The German Corporation Act of 1937 effectively introduced the concept of the Buehler Principle into the structure of domestic German corporations. The act redefined the relationship of stockholders to the corporation, taking away from them all right or power to control the corporate activities, at the same time strengthening the position of the board of directors against what the Academy of German Law characterized "the mass of irresponsible shareholders who largely lack the necessary insight into the position of business". This concentration of power in the board of directors, who were both de facto and de jure independent of the stockholders, when coupled with the maze of interlocking directorates which permeated the German industrial system, facilitated the formation of monopolistic combines, and the authoritarian regimentation of German industry.

By restoring ultimate control of the corporation to the individual stockholders, and by giving to them the remedy of the "stockholders' representative action" German industry would be made more responsive to democratic forms of control since all managerial acts would be subject to review and recall both at stockholders' meetings, and in the courts.

Registration of Security Issues

Problem

Intelligent regulation of a securities market requires knowledge on the part of the government of certain basic facts. In regard to the plan of issuing the stock and basic data regarding the capital structure of the corporation. The establishment of a peaceful German economy requires the development of a sound investment and security market. Knowledge of certain basic facts in regard to all stock issues and basic data regarding the capital structure of corporations is vitally necessary to the intelligent purchase of stock by persons outside of the corporation. Requiring the filing of the basic and essential facts regarding a corporation and its contemplated stock issues in preventing fraudulent issue from being successful and also aids in building public confidence in stock transactions and in stock exchanges and in the making small savings available for investment along democratic lines. The purchase and sale of corporate stock is essential to enable small investors to own a part of the productive facilities of their economy. It also is a device whereby the ownership and responsibility of managing large amounts of capital can be divided among a large group of people, thus aiding in placing the right to make economic decisions into the hands of many rather than a few persons. The stock device, of course, can be used for concentrating the control of a large amount of economic power in the hands of a few people. However, the placing on public record the entire control and factual situation of a corporation, as well as a statement of its actual functions and value, will aid in preventing fraudulent practices of many kinds. Such steps will also be of aid in the formation of and the continu-

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ing of an economic democracy where an open and free market for goods, services, securities, etc. is opened upon to absorb the shocks of technological obsolescence, changes in supply and demand, adjustments due to change in investment policies, etc.

Recommendation

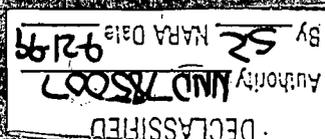
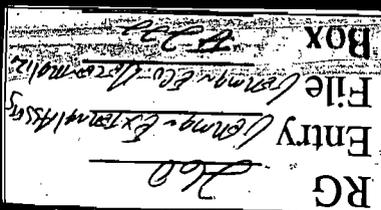
That existing German corporation and commercial and stock exchange legislation be amended to provide for a fuller disclosure of facts relevant to all types of security issues and that such information be made more easily accessible to the public at large (and possibly that this information be recorded at a central German office, particularly in regard to concerns exceeding a certain size).

Discussion

To effect the above recommendation, a registration of securities should include a number of basic requirements: (some of these are already required under German law).

1. A detailed balance sheet with a profit and loss statement for the latest fiscal year and each of the two previous years plus a schedule of underlying facts.
2. A statement of the capital stock and funded indebtedness before and after issue of the new securities, terms of such securities, etc.
3. It should include a statement of purposes for which the resultant money will be used and in case there are several purposes, the amounts devoted and an explanation as to each.
4. A schedule should be given, setting forth the salaries, bonuses and other remunerations of officers and directors receiving more than RM 25,000 per year.
5. A complete account of the expenses involved in the floating of the issue should be stated.
6. If any stock is to be transferred at less than market price, or if any person is to receive a special deal in advance of public issue, such information should be carefully stated and explained.
7. Copies of all documents such as articles of incorporation, major agreements including underwriting agreements, contracts for special bonuses, etc. should be fully set out.

Other requirements also of considerable importance in the guaranteeing of a stable and honest security market might include compelling corporation officials to file each month all holdings of stock in their own corporation over 10 per cent of the total amount of such stock issued, or if such holding was among the 10 or 12 largest stockholdings of the company. The registration might also require turning over all profits made from the sale of any corporate stock held by any official in



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his own corporation, if such stock was held less than six months.

The solicitation of proxies should be in accordance with special rules and stock traders and stock brokers should not be allowed to solicit proxies of or vote stock held on account. The law should include both civil and criminal penalties and probably should also contain certain exceptions as to the registration of local or foreign government bonds or securities of an enterprise which is otherwise sufficiently controlled by a government so that registration would be deemed to be unnecessary. Securities maturing in less than 9 months or some such period of time, non-profit and charitable institutions below some figure such as RM 100,000, could also be exempted.

The problem of standardized evaluation procedures becomes of great importance where an attempt is made to expose by registration the real worth of a corporation. Because of the extensive war damage suffered in Germany, companies which are reorganized and which offer new issues of stock might well be required to use a standard formula based on present replacement value. Continued amortization of war losses would be checked thereby. To assist Military Government in its surveillance of the German economy, it would also be of value to insist that the registration statement be filed in English and make the English filing the official statement. Accounting methods now used should be screened to determine whether they should be modified and further standardized. Such a standardized system would facilitate both German and Military Government supervision.

The above suggested requirements need not be particularly complex and one initiated would require a company to organize its accounting practice so that all of the pertinent data would be available automatically at any stated period of time. No great burden would thus be placed on a concern.

Bearer Securities

Problem

Germany prior to the war followed the practice of using bearer shares to an unprecedented degree. Such shares are not registered in the name of any person or persons and can be freely passed from holder to holder. Each holder is prima facie the owner of the security and therefore has full right of voting the stock during the time of holding such securities. Bearer shares represent in Germany a second medium of exchange - in effect a substitute money. They have been used and are being used as a device for concealing the actual ownership of economic enterprises because only at occasional stockholders meetings does it become necessary to reveal any evidence of the ownership of the enterprise. Such revelation is rarely accurate or conclusive.

Investigation to uncover evidence of concentrations of control is hampered because of the lack of ownership records. Records of dividend payments, which might ordinarily serve as evidence of beneficial ownership, are obscured by the fact that dividends are paid into a common pool at a bank without break-

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down. Because bearer shares so often find their way into a central depository, the Big Six banks of Germany, non-owners and merely holders of bearer shares have been enabled to exercise voting control over an overwhelming portion of the major economic enterprises in Germany.

Recommendation

It is recommended that the issue and use of bearer shares be prohibited and that all certificates of ownership of German economic enterprises be converted into registered securities showing both the legal and beneficial ownership.

Discussion

Carrying out the above recommendation will (1) tend to place upon the actual owners of economic enterprises the responsibility for the control of such enterprises, (2) reveal to German and Military Governments the ownership patterns of the various units of the German economy so that intelligent and enlightened regulation can take place, and (3) aid in decreasing the concentration of economic power in Germany. Individual stock owners will be enabled to determine with whom they are associated in ownership of economic enterprises; will be placed in their formation of minority stockholder groups if that is their desire; and will in the long run be required to exercise more responsibility in the management of the enterprise which they own than has been the case heretofore.

Proxy Voting

Problem

The apathy of small stockholders towards the voting of stock has been very pronounced in Germany and probably is impossible of complete solution. The powers of the Vorstand and the Aufsichtsrat have been expanded by law vis-a-vis the stockholder. Another cause for such stockholder apathy is a feeling that there is no use voting when the majority stock interest is so easily controlled by a certain few stockholders and the management of the enterprise. This apathy is also caused in some degree because the small stockholder finds it difficult to form minority groups for the reason that proxies have already been given out by other stockholders for long periods of time.

It has been estimated that as high as 70 per cent of the shares of the major industrial and commercial enterprises in Germany have been deposited with banks in Berlin. The right to vote the shares so deposited usually also has been relinquished by the owners of such shares to such banks who have centralized their security deposits. This practice of depositing shares in banks has concentrated into the hands of a few related banks an enormous amount of control over the entire German economy.

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Recommendation

That proxy grants by owners of securities be limited to a relatively short period of time, possibly not longer than a single meeting or a group of closely related meetings, that the power of banks to vote stocks or shares be eliminated, and that it be required that proxy forms be submitted to all stockholders. Stock traders and brokers should not be allowed to solicit proxies of or vote stock held on account.

Discussion

So that stockholders will be more completely informed as to the purposes to which their proxies will be put, it is recommended, also, that the proxy form contain a statement of the questions to be voted. The management should, therefore, be charged with the preparation and circulation of a complete agenda.

The above recommendation does not solve the problem of self-perpetuating management, nor is it intended to do so. It is directed, however, at making it necessary for stockholders to grant their proxy powers more often and thus compel them at least to reconsider the matter at certain frequent intervals. It would also prevent proxies from being given for a long period of time, which tends to preclude the giver from being able to change the grant of his proxy power at will. This recommendation will thus aid in increasing the flexibility of, and make it easier for a shareholder to exercise the authority which is his by virtue of ownership of securities. It will also aid in making management more responsive to shareholders and thus aid in the elimination and prevention of the maintenance of excessive concentrations of economic power.

Cooperatives

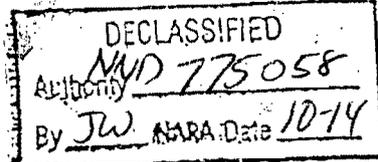
Problem

The cooperative movement developed in Germany at a very early period. Many of the basic principles used in the formation of cooperatives in the rest of the world were also adopted at an early date by the German cooperative movement. During the period of time that the Nazis were in power, however, the German cooperative law was altered to a major extent. In fact, many of the basic principles were substantially modified, some of them beyond recognition. The cooperative method of organization, properly limited, can be used as a democratic instrument for obtaining ends not easily obtained by the use of the corporation, partnership or other organizational device. Cooperative principles can, of course, be abused and cooperatives can be organized ostensibly as cooperatives but actually as means to conceal control practices. If basic principles are adhered to, however, the cooperative method offers an efficient and justifiable means for a limited form of joint action.

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Vereinigung der Verfolgten des Nationalsozialismus e. V.

München, Goethestraße 64/I

Bezirksstelle Deggendorf

Deggendorf 3.12.47

To:

Property Control

Deggendorf.

It has been announced recently by newspaper that Property Control will deliver up those gold and jewels which are derived from concentration camps to IRO and will be distributed later among displaced persons.

We take the liberty of expressing our opinion as follows:
 The ownerless goods from concentration camps can only be given to former internees of these camps. 65,000 displaced persons (together 200,000 displaced persons in Bavaria of which the IRO had taken care) are Jewish and 135,000 of different nationality. Among these are many DPs which are no persons prosecuted for political or racial reasons but had come as free workers to Germany even had been busy as guards in concentration camps. These persons who supported nationalsozialismus shall now get the recompense for this support with the valuables of our brothers and sisters who died in the camps.

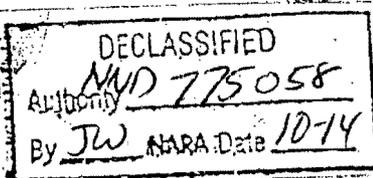
As representatives of the German former internees it is our duty to propose to you that these ownerless goods will be placed at the disposal of the "Vereinigung der Verfolgten des Naziregimes" (Persons prosecuted for political or racial reasons) by means of the competent authorities. This will authorize us to give the goods to the internees as they have been in the camps regardless of their nationality. If this is not possible the percentage of the different nations should be fixed by the competent authorities and after this percentage the distribution may be carried through.

We want say that the German internees had suffered in the same way as persons of any other nationality and that an exclusion of the German persons prosecuted for political or racial reasons would mean a new depreciation and nobody can expect them to bear it.

For the Bezirksleitung of the VVN Deggendorf:

Plöber

307117



RG	260
Entry	FINANCE
File	CLAIMS - TURN OVER TO IRO
Box	160

Berlin, Germany
9 January 1948

Vereinigung der Verfolgten des Nationalsozialismus e.V.
Bezirksstelle: Deggendorf (Bavaria)

Gentlemen:

Reference is made to your communication, dated 3 December 1947, addressed to the Office of Military Government for Bavaria, which has been referred to this Division for reply. Your letter dealt with the turn over to IRO of certain property looted by the Nazis from concentration camp victims.

It is apparent from your letter that you do not fully understand the purpose of the turn over to IRO. The items in question which were wholly unidentifiable as to individual ownership were turned over to IRO to be used for the rehabilitation and resettlement, not of displaced persons in general, but of the political, racial and religious victims of the Nazis. Persons eligible for benefits include German persecutees as well as others.

It is suggested that you make application to your local IRO representative for further information concerning the use to which these funds are put.

Very truly yours,

THEODORE H. BALL
Director

307118

DECLASSIFIED
Authority <u>MND 775058</u>
By <u>JW</u> NARA Date <u>10-14</u>

RG 260
 Entry FINANCE
 File Claims - TO IRO
 Box 160

non - moved gold

COPY

VVN

Association of Persons Persecuted under the
 Nazi Regime, Inc.
 District Office Donauwoerth

Donauwoerth
 445 1/6 Foergstrasse
 20 October 1947

Property Control
 Mr. Lennon
Munich

Gold and jewelry accumulated in concentration camps, according to press reports, will be placed at the disposal of the IRO for distribution to (DP's).

Victims of the Nazi Regime as are combined into the VVN of the Donauwoerth District request the Property Control to convey their attitude towards the planned action to OMGUS, Berlin.

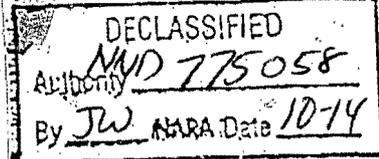
The former KZ (concentration camp) prisoners of German nationality have in no way benefitted after liberation of relief to the extent they had expected as compared with persecuted individuals of other nationality. While individuals of other nationality were relatively well off during the last 2½ years, having been fed and cared by the UNRRA, German KZ people had no other alternative than work. Relief extended by various organizations as were eventually established was negligible. In the long run, equal treatment should be extended to all. The VVN District Office Donauwoerth feels obliged and justified to suggest in the name of the KZ prisoners registered with their organization that such gold and silver should not be given exclusively to DP's of Lettish, Lithuanian, Polish, Ukrainian, and other extraction. It should be taken into consideration that a great number of the present DP's were voluntary workers in Germany in many cases functioning as supervisors of German workers' units.

German individuals persecuted for political or racial reasons have suffered just as much as other nationals. German KZ prisoners who already during the war have been disappointed by promises broadcast by the victorious Democracies will now entirely lose confidence if exempt from the planned action.

We therefore request in the name of persons persecuted on political and racial grounds to reconsider the planned action.

Respectfully,
 /s/ Siegl, Secretary

307119



RG	<u>260</u>
Entry	<u>FINANCE</u>
File	<u>Claims - Turnover TO IRO</u>
Box	<u>160</u>

C O P Y

VVN

VEREINIGUNG DER VERFOLGTEN DES NAZIREGIMES
Bezirksstelle Weiden Opf.

Weiden, den 20.10. 1947

TO: Military Government
Property Control
Weiden /Opf.

Through reports by the press we have got to know that "Property Control" places gold and jewels from the stock of concentration camps, which are unclaimed property, at the disposal of IRO for the purpose of their being distributed among D.P.s.

We beg permission to make known the point of view of the politically, religiously, and racially persecuted in the area of northern Oberpfalz.

We politically, religiously, and racially persecuted hold that unclaimed property from concentrations camps may be benefited only by concentration camp internees. As far as we know IRO alone cares for about 200 000 D.P.s in camps, of whom 65 % are Jews and 1 000 135 000 of various nationalities. Among them there are a great many so-called CP.s of Latvian, Lithuanian, Polish, Ukrainian, and other descent who were by no means politically persecuted but came to Germany as voluntary workers, some of them even being guards in concentration camps, who are now to get their reward for having supported the fascist regime from the gold and valuables to which the blood of our brethren and sisters clings.

We beg to request that this attitude of ours be submitted to OMGUS in Berlin.

The VVN (Union of the Persecuted by the Nazi Regime), Weiden Branch, feels, on behalf of the politically, religiously, and racially persecuted in Bavaria, in duty bound and entitled to make the proposal that the unclaimed gold, silver, jewelry, and valuables of the union of the politically, religiously, and racially persecuted be apportioned to the appropriate public agencies of those nationals who had been in the various camps, that is to say the internees who were at the Dachau camp are to be ascertained by their nationality; this applies also to the other camps. Then the valuables derived from the respective camps are to be distributed accordingly. German politically, religiously, and racially persecuted persons suffered in the same way as those of foreign nations, and the exclusion of German persecuted persons would be another discrimination which in our opinion should by no means fall to the lot of these victims of fascism.

signature illegible

tpd: 1. Chairman of the Union of the Persecuted of the Nazi-Regime Weiden/Opf. Branch.

SEAL

Encl #1 - 2

307120

DECLASSIFIED
Authority NN D 7750 42
By JR NARA Date 8/24/97

RG 260
Entry REGINAL F. 16
Box 316

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

AG CABLES



OUTGOING MESSAGE

REC'D 1216197 MAR/cw

CONFIDENTIAL

R O U T I N E

TO : AGWAR FOR JCS
INFO : USFA
FROM : OMGUS
REF NO : CC-8354

Reurad W-88566 the following paper has been introduced for quadripartite discussion:

It is recommended that the following principles be adopted:

"A. Securities be removed to Germany from the territories of the other countries while such other countries were occupied or effectively controlled by Germany, shall be presumed to have been acquired and removed by force or duress (looted securities), and shall be subject to restitution as hereinafter provided unless this presumption is rebutted and it is established that such securities were neither acquired nor removed by force or duress."

"B. Such looted securities shall be restituted at the earliest practicable date to the government of the country from whose territory they were removed if such a country can be identified. Where such identification is not possible, the securities shall be held in safekeeping pending future agreement as to their disposition."

"C. As a prerequisite to restitution of looted securities to claimant countries which are members of IARA, the governments of such countries shall agree to report to IARA any German interest which may be established in such securities and to dispose thereof in accordance with such inter-custodial arrangements as may subsequently be made by IARA."

"D. The above principles shall not apply to securities whose German ownership is known to ante-date the period of German occupation or effective control of the countries concerned."

"2. With respect to the procedure of restituting looted securities, the following is recommended:

6023

w/s

CC-8354

CONFIDENTIAL

Copy No. 44

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

DECLASSIFIED

Authority NN D 7750 42
By JR NARA Date 8/24/97RG 260
Entry Normal file
Box 316**C O N F I D E N T I A L**

REF NO : CC-8354

"A. Governments of countries which were under German occupation or effective control shall be requested to prepare and transmit to the Control Council lists of all securities, irrespective of where issued, which in the estimation of these governments are subject to the provisions of Paragraph 1A above. These lists shall group securities according to types, i.e., stocks, bonds, mortgages, etc., and shall contain information concerning the date, circumstances and terms of acquisition as well as data on identifying marks such as registration numbers, etc. Claimant countries shall be asked to certify that to the best of their knowledge no German interest, direct, or indirect, existed in the securities being claimed prior to the period of German occupation or control of claimant country.

"B. Simultaneously, each Zone commander shall be asked to submit to the Control Council an inventory, on the same pattern as indicated in Paragraph 2A above, of foreign securities uncovered in his zone of occupation. For this purpose, use shall be made of information submitted by residents of Germany of forms of declaration required by MG law in the respective zones of occupation, as well as any other available pertinent information. Zone commanders shall be asked to inaugurate such investigations as may be necessary to make available for purposes of this inventory full information concerning foreign securities located in Germany.

"C. Under the authority of Control Council, a quadripartite group of experts shall be established and vested with the following responsibilities:

"(1) Merging the inventories of the 4 Zones of occupation;

"(2) Combining the lists submitted by various countries of securities acquired by Germans;

"(3) Comparing the merged inventories with the combined lists for the purpose of determining the extent to which identifiable looted securities uncovered in Germany suffice to meet established claims for restitution;

"(4) Making recommendations as to the disposition of the non-identifiable looted securities, including the allocation of such securities to the government concerned to meet listed claims not satisfied by other looted securities returned from Germany and Austria;

CC-8354

C O N F I D E N T I A L

307122

DECLASSIFIED
Authority NN D 7750 42
By JR NARA Date 8/24/97

RG 260
Entry Normal file
Box 316

OFFICE OF MIL. AR. GOVERNMENT FOR GERMANY (U.S.)

AG CABLES



OUTGOING MESSAGE

~~CONFIDENTIAL~~
CONFIDENTIAL

REF NO : CC-8354

"(5) Making recommendations as to how the principles and procedures enunciated in this paper can be made effective with respect to securities originally issued in Germany and falling within the provisions of Paragraph 1A and 1D above.

"3. Securities as used herein shall include all financial instruments or other written evidence of indebtedness, or of interests or participations in enterprises or investments, including but not limited to certificates of stock, notes, bonds, and debentures."

W-88566 is AGC IN 45289

ORIGINATOR : FIN AUTH : B. H. BROWN
INFORMATION : O/SS-C/S
IA & C
TRANS
ECON
LEGAL
POL AFF
CONT OFF

w/5

CC-8354

13 MAR 47

~~CONFIDENTIAL~~
CONFIDENTIAL

Copy No.

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

307123

RG 260
Entry Parham
Box 14

DECLASSIFIED
Authority NAD 775 057
By TJ NARA Date 8/4/89

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P
Y

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

INCOMING MESSAGE

PRIORITY

CONFIDENTIAL

TOO: 032305Z

RECD 040610Z APR 47/
665/04/ws

FROM : AGWAR FROM WDSKA ES

TO : OMGUS

INFO : USMA MOSCOW FOR CLAY

REF NO : WX-95481

Reurads Feb CC-8061, Mar CC-8344, Dec CC-7375.

Part 1. Proof of removal by force in Restitution Claim.

UN.

Your pos this matter not understood. CONL/P (46) 3 Rev in effect provided for restitution to UN all property, regardless of use of force in removal. DRDR/P (46) 14 Rev states absence of force can prevent restitution only of items "indispensable for the operation of bole fetory (?) allocated on account of reparations." Quadripartite procedure for restitution CORC/P (46) 43 provides, para 4, that zone commanders will search and investigate to locate property specifically claimed for restitution or which from German data or other sources might become subject of claim, take property into custody, and preserve same. Since ACA agreements stipulate only exception to restitution of UN property originally removed without force to be event it if indispensable to reparation factory, it does not seem reasonable introduce unilaterally further condition that property not be required German economy. Broad condition this type seriously cuts into restitution and places this govt in an imposing pos vis-a-vis claimant UN. While your desire minimize occupation burden on US usefully understood, this govt regards ACA restitution agreements as explicit, equitable and binding in implementation of this govts commitment made in inter-Allied declaration of ECC Jan 1943. This govt cannot defend use of restitutable property for support German economy.

Part 2. Cut-off dates for restitution.

This govt still regards early cut-off date for submission restitution claims as unwarranting light of continued high volume restitution claims submitted. It is also believed claimant nations should be consulted by ACC this matter as suggested WX-87391 and as agreed by you urad Dec in reply to question raised Feb WX-92684 whether circular letter from ACA to claimant govts has been sent and nature of replies is again urgently requested.

AGC IN 54213

CONFIDENTIAL

307124

RG 260
Entry ADM/STW
Box 14

DECLASSIFIED
Authority NND 775 057
By TS NARA Date 8/4/99

CONFIDENTIAL

Re notes from FW referred to Feb WX-92684. State Dept believes it impossible make entirely negative in accordance urad Mar. You are herefore urgently requested consider points set forth herein and advise soonest.

- CC-8061- 16 Feb 47 Econ
- CC-8344- 12 Mar 47 DMG
- CC-7375- 16 Dec 47 Econ
- WX-87391 is AGC IN 43763, 11 Dec 47 Econ
- WX-92684 is AGC In 50237, 25 Feb 47 Econ

ACTION : ECON

INFORMATION : C/S
 LEGAL
 FIN
 CONT OFF
 POL AFF

AGC IN 54213 4 Apr 47 WLC/ws REF NO: WX-95481

CONFIDENTIAL

CONFIDENTIAL

307125

RG 260
 Entry PRIORITY
 Box 14

DECLASSIFIED
 Authority NND 775057
 By TJ NARA Date 8/4/99

R. [unclear]

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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
 AG CABLES
INCOMING MESSAGE

P R I O R I T Y

SECRET

TOO 142200Z

RECD 151112Z Apr 47
 136/15

FROM : HEIDELBERG FROM CINCEUR SIGNED CLAY
 TO : AGWAR PERSONAL FOR NOCE
 INFO : OMGUS
 REF NO : 14-1

Reurad WX-95481.

I am at loss as to why our position is difficult to understand as it has been consistent since our arrival here. CONL/P (46) 3 did not provide for restitution to United Nations of all property regardless of use of force in removal. We are in a better position here on the ground to interpret Allied Control Authority decisions in the light of our participation in the meetings which led to whole decisions. We have reported repeatedly that under the definition of the term "restitution" agreed at ACA, it is limited in the first instance to identifiable goods which existed at time of occupation and have been taken by force. Also falling under restitution are identifiable goods produced during occupation and taken by force. In making this definition, the ACA then agreed that all other property removed by the enemy is eligible for restitution to the extent consistent with reparations.

It is clear that this definition contemplated a distinction between items clearly removed by force and others produced under contract during the period of occupation. During the discussions of reparations and restitution, I pointed out repeatedly that we could not grant reparations to a level which would provide only a minimum economy, and then on top of the reparations program make restitution to unknown extent. This led to the adoption of the phrase "consistent with reparations". It has always been my position under this phrase that we would examine all claims for restitution and that we would return all items whether or not removed by force provided it did not reduce the German economy below the planned level, the latter not being consistent with reparations. I still take the position that if we are to make restitution along the lines in your cable we must modify the reparations program. If, as is being discussed at Moscow, we do revise the level of industry, then of course consideration can be given to restitution regardless of how the item in question reached Germany.

I expect to continue to require proof as to date of removal. With respect to the establishment of a terminated date, I again urge that we not be stopped from our efforts to this end. It is very difficult for me

AGC IN 55042

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307126-107

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RG 260
Entry XXXXXXXX
Box 14

DECLASSIFIED
Authority NND 775 057
By TJ NARA Date 8/4/99

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(S) UNCLASSIFIED FROM TOP SECRET BY [unclear] ON [unclear]

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to understand our policy in matters of this sort. We have stated repeatedly that we want to have Germany a democratic nation. Nevertheless we proceed unilaterally with irritating measures which we continue indefinitely. If we are to win and hold Germany for western civilization, we must bring such measures to an end sometime. The American Zone has been safely held by democratic parties up to date. All of my recent intelligence reports point to a rapid penetration of Communism. If Communism does win western Germany, it is obvious our policies in Germany have failed and those of us responsible for the govt of Germany will be completely condemned. In spite of this, we do not get the support in small matters which are all important. I refer to the recent law on internal restitution which, while sound in principle, is unilateral in application. Our measures in restitution are at least as vigorous as those of our colleagues and I am not willing to give the French and others a hunt and seizure right which is what the French want. I am sure the results would be disastrous. I doubt if any United Nation can give specific examples of legitimate claims which have been proved. However, our procedure does serve as a desirable brake on unlimited and unproven claims. I am not exaggerating the penetration and growth of Communism in western Germany. It can win western Germany if we continue to play our cards the way we are.

WX-95481 is AGC IN 54213 - 3 April - ECON
ACTION: ECON
INFORMATION: c/s
LEGAL
FIN
CONTROL OFF
POL AFF

AGC IN 55042 15 April 47 B/ees REF NO: 14-1

SECRET

5011

FEDERAL RESERVE BANK
OF NEW YORK ✓

FISCAL AGENT OF THE UNITED STATES

MEMORANDUM

104132 X

FILED AUTHORITY
NO: MAIL & FILES
ANS.
NO ANN. ...
INITIALS
DATE

To: Ray Jones
Foreign Funds Control
Treasury Department
Washington, D. C.

April 21, 1947

From: John Wyatt
Foreign Funds Control Dept.
New York, New York

We attach a letter dated April 14, 1947, addressed to this office from Gustav Spier reporting the loss of securities during the occupation of the Netherlands.

Copy of our acknowledgement is also attached.

RG
1/31
Entry FCC vs. F.I.B.S.
File Schwanberg Securities - I
Box 7105

821703

REPRODUCED AT THE NATIONAL ARCHIVES

April 21, 1947

Dr. jur Gustav Spier
Frederiksberg Alle 56
Copenhagen V

Dear Sir:

Receipt is acknowledged of your letter
of April 14, 1947, in which you report the purported loss
of the securities described.

Your letter has been forwarded to the Treasury
Department for its attention.

Very truly yours,

per pro


Foreign Funds
Control Department

JW:ib

RG
1/31
Entry PFC Svcs. Files
File *Scanned Securities*
Box *705*

621703

REPRODUCED AT THE NATIONAL ARCHIVES

Dr. jur. Gustav Spier
Frederiksberg Allé 56
Copenhagen V

April 14th 1947.

Federal Reserve Bank of New York,
Foreign Funds Control,
Liberty Street, New York.

Attention Mr. Gilleaudeau.

Dear Sirs,

Referring to a conference between Mr. Gilleaudeau and Mr. Hochfeld I hereby beg to announce my claim for

- 20 shares Illinois Central Nr. 9634-10309
- 30 shares Comm. Wilson Nr. 5228-23384/5
- \$ 2000 4% Southern Railway Nr. 53214-57819
- \$ 7000 6% International Mercantile Marina 2736-2752-5273-5453-
17089-10456/2/500-6819-6820 (6220 ?)

I, a Jew, stateless, formerly barrister at law and notary public at Frankfurt/Main domiciled since 1937 in Denmark. On May 1940 I was the Owner of the above shares and bonds, which have been in the deposit of the bankfirm Jaques Krijn & Zoon, Amsterdam. During the German occupation this firm has been liquidated by the Nazis and my shares and bonds have disappeared probably stolen by the Nazi-liquidator.

Would you be so kind to trace these above shares and bonds and inform the American companies in question that I am the only owner of these shares and bonds.

Yours truly

Gustav Spier

RECEIVED
APR 15 1947

RG
Entry Fee Sum. Files
File Summary Securities - I
Box 7105

307130

REPRODUCED AT THE NATIONAL ARCHIVES

DRAFT May 22, 1947

*Check with new
Re-write
see letter
re 5-7-819-
5/24/47*

Dear Dr. Spier:

Reference is made to your letter of April 14, 1947, forwarded to this Office by the Federal Reserve Bank of New York in which you report the loss of the following securities

- 20 shares Illinois Central Nr. 9634-10309
- 30 shares Comm. Wilson Nr. 5228-23384/5
- \$ 2000 4% Southern Railway Nr. 53214-57819
- \$ 7000 6% International Mercantile Marine 2736-2752-5273-5453-
17089-10456/2/500-6819-6820 (6220 ?)

With one exception, Southern Railway 4% No. 57819, the bonds were previously included in a list of securities reported lost or stolen during the war, submitted to this Office by the Dutch Government. Although the shares were not included in the list submitted by the Dutch Government, we are adding them to the list at your request, and proper notification will be sent to the American Companies concerned.

Bond No. 57819 referred to above, did not appear on the list, However, due to the similarity to No. 57619 which does appear, it is possible you may wish to verify the figure with the Dutch Government. Another discrepancy you may desire to check at the same time concerns

the two \$500 International Mercantile Marine bonds. *They were reported to us as \$1,000 bonds.*

It will be appreciated if you will inform this Office if you are successful in clarifying the above.

Box
File
Entry
RG
131
FPC Sub. Files
Special Securities - I
105

307131

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED

Authority NND 775059
By 87 NARA Date 6/1/99

RB 260
FED records
B 396

Tomms

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

AG CABLES

INCOMING MESSAGE



TOO 240100L

RECD 240105Z Apr 47
687/24/ed

U N C L A S S I F I E D

R O U T I N E

FROM : AGWAR FROM JCS
TO : OMGUS FOR CTB
INFO : EUCOM
REF NO : WCL-40815

Dillon Read and Co, New York, agent for several outstanding German bond issues totaling millions including American dollar debentures of Berlin City Electric Co desires chairman Board of Directors Clarence Douglas Dillon visit Berlin 1 week June 15 determine status and assets of Berlin City Electric Co. American company states further that there are German dollar issues under which they act as fiscal agent or paying agent.

Views requested.

ACTION : CTB
INFORMATION : AG TR BR
ECON
FIN
ECON AD EUCOM

AGC IN: 56028 24 Apr 47 EE/ed REF NO: WCL-40815

U N C L A S S I F I E D

DECLASSIFIED
 Authority NWD 775062
 By TJ NARA Date 8/2/99

RG 260
 Entry Intelligence
 File 44-70-14573
 Box 60

*How about cases where
 people could not carry
 out provisions*

h

44.7

R E S T R I C T E D

28 April 1947

DFIN/BC/R(47)5

13 MAY 1947

ALLIED CONTROL AUTHORITY

FINANCE DIRECTORATE

BANKING COMMITTEE

(Paper Submitted by the French Member)

Subject: COMPULSORY DEPOSIT AND REGISTRATION OF NEGOTIABLE
 SECURITIES IN GERMANY

Article 1: The physical retention in Germany by natural or juristic persons other than those specifically designated for this purpose, of any shares, bonus shares, founders' shares, scrip, bonds, debentures, mortgage bonds, government stock, treasury bonds and in general any negotiable securities representing a claim on or a holding in Governments, Corporations or Companies, is prohibited.

Article 2: All holders and bearers of securities in Germany must deposit these securities with agencies designated or created for this purpose by the Commanders-in-Chief of the Zones and in Berlin by the Allied Kommandatura within three months from the date of promulgation of this law.

Article 3: Notwithstanding the provisions of the foregoing Article, the foreign securities which have already been deposited on the order of the Military Government will remain deposited with those Agencies previously designated by the Military Governments.

Article 4: The Agencies designated by the Zone Commanders and in Berlin by the Allied Kommandatura will issue a receipt for the securities which are deposited with them, and in the event that these Agencies hold securities deposited with them prior to the publication of this law, the old receipts issued by them will be exchanged for new receipts.

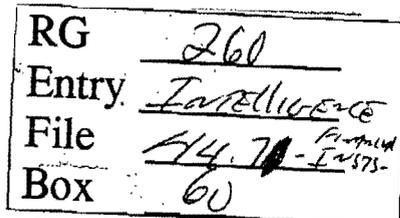
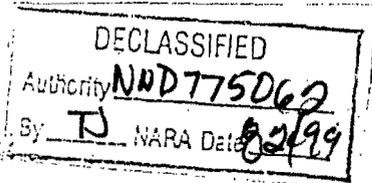
Article 5: When the holders of the securities already deposited with these Agencies or of securities deposited in compliance with this law are able to furnish satisfactory evidence that these securities have been their property since 1 September 1939, the receipt issued to them will indicate the fact clearly.

Article 6: The receipt must bear the exact name and address of the owner of the securities and the registers of the Deposit Agency must bear the same name and address.

- 1 -

R E S T R I C T E D

307133

R E S T R I C T E DDFIN/BC/P(47)5

Article 7: When the holders or owners of these securities are unable to prove that they were in their possession before 1 September 1939, the Deposit Agency will inscribe this fact in red ink on the receipt.

Article 8: The sale and purchase of negotiable securities may only be effected through the intermediary of Stock Exchanges or agencies other than the banks specially authorized for this purpose and the delivery of receipts for deposit will take the place of the delivery of the actual securities. The acquirer will be responsible for presenting or having presented the receipt to the deposit agency in order that the latter amend the receipt to indicate the new owner and his full address and enter this transfer in its books. The natural or juristic person inscribed in the registers of the Deposit Agency shall automatically be considered the owner of these securities.

Article 9: The receipts corresponding to securities belonging to their holders from a date prior to 1 June 1939 shall be freely negotiable.

Article 10: Those securities acquired by their present owners subsequent to 1 September 1939 will only be negotiable where the owner has given proof that these securities have been properly acquired, that is to say, that they have been acquired through official German Stock Exchanges or by inheritances or gift properly registered. The holder must produce in support of his declaration all official documents such as wills, deeds of gift, transfer notes, etc....

Article 11: When a Deposit Agency has been able to satisfy itself that the securities acquired after 1 September 1939 have not been acquired from a foreign nation or national, nor from a person who was a victim of Nazi persecution the fact will be noted on the receipt which will from that moment be freely negotiable on the same basis as the receipts from securities held prior to 1 September 1939.

Article 12: The other securities will remain blocked until further orders, except under special dispensation by the Allied Control Authorities.

Article 13: The Allied Control Authority may prohibit the transfer of certain categories of securities at any time.

Article 14: All securities existing in Germany which have not been deposited within three months from the date of promulgation of the present law shall be considered invalid.

Article 15: Any person violating the provisions of this Law shall be liable to a penalty not exceeding 100,000 Marks or to imprisonment not exceeding 5 years, or both.

- 2 -

R E S T R I C T E D

307134

DECLASSIFIED	
Authority	NWD 775062
By	TJ NARA Date 8/2/99

RG	260
Entry	Intelligence
File	44-70-1-1575- ^{Foreign}
Box	60

R E S T R I C T E DDFIN/BC/P(47)5

Article 16: The securities of German corporations or companies located outside Germany's frontiers may only be validated if their entry into Germany is duly witnessed by customs offices and they are deposited within one month with one of the agencies provided in Article 2 above.

Article 17: When the owners of securities are unable to present the actual securities they must make a declaration to the accredited Deposit Agency nearest to their domicile, giving all information on the subject of these securities.

If, after investigation, their claim is considered substantiated, the issuing corporation shall be required to issue a duplicate of these securities and to deposit them with the Deposit Agency which will thereupon issue a receipt to the owner in the prescribed form.

Article 18: This Law will be effective as from

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AMENDMENT TO GENERAL RULING NO. 5

DRAFT #1 4/30/47

General Ruling No. 5 is hereby amended to read as follows:

REGULATIONS RELATING TO IMPORTATION OF SECURITIES

(1) Prohibition with Respect to Importation of Scheduled Securities.

Except as authorized herein, or as authorized by a license or other authorization of the Secretary of the Treasury, the following are prohibited:

- (i) the sending, mailing, importing, or otherwise bringing into the United States from any foreign country of any scheduled securities; or
 - (ii) the receiving or holding in the United States of any scheduled securities sent, mailed, imported, or otherwise brought into the United States from any foreign country by any person receiving such securities directly from such foreign country; or
 - (iii) the receiving or holding in the United States of any scheduled securities by any person having actual knowledge that such securities are scheduled securities, provided that no person shall be deemed to have actual knowledge that any securities are scheduled securities solely by reason of the fact that he has possession of a list of such securities or by reason of any obligation to consult such list when receiving securities from a foreign country.
- (2) Duty of Persons Importing or Receiving Securities.
- (a) Scheduled securities imported or otherwise brought from a foreign country to the United States by any person entering

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the United States shall be forwarded by such person within five (5) days after his arrival in the United States to the Federal Reserve Bank of New York together with a statement in triplicate setting forth the following:

- (i) His name and address;
 - (ii) A complete description of the securities;
 - (iii) The name and address of the person from whom he received the securities and the date of receipt; and
 - (iv) The circumstances under which the securities were received, including the name and address of each person believed to claim any interest in the securities.
- (b) Scheduled securities mailed or otherwise sent from a foreign country to any person in the United States shall be forwarded by such person within five (5) days after receipt thereof to the Federal Reserve Bank of New York together with the above-specified statement in triplicate.
- (c) Scheduled securities delivered to any other person in the United States, who, at the time he receives such securities has actual knowledge that they are scheduled securities, or who subsequently acquires such knowledge while the securities are still in his possession, shall be forwarded by such person, within five (5) days after he acquires such

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securities or knowledge, as the case may be, to the Federal Reserve Bank of New York together with the above-specified statement in triplicate, provided, however, that any person who would otherwise be required by the provisions of this sub-paragraph to forward securities to the Federal Reserve Bank of New York solely by reason of the fact that he obtained actual knowledge that such securities are scheduled securities subsequent to his receipt of the securities may return the securities to the person from whom he received them if the latter is in the United States. In such case, the person initiating such return shall file a report with the Federal Reserve Bank of New York giving the name and address of the person originally delivering such securities to him, and shall advise the person to whom he returns such securities that they are scheduled securities which should be deposited with the Federal Reserve Bank of New York pursuant to this ruling unless they are returned with a similar notice to a person in the United States from whom they were received. The last person in the United States to whom such securities are returned shall forward them to the Federal Reserve Bank of New York together with the statement in triplicate hereinabove provided. In case securities are returned under the rules of a securities

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exchange, an association of securities dealers, or a similar organization, the last person to whom such securities are returned under such procedure, although he may not be the last person to whom such securities are returned hereunder, shall file with the Federal Reserve Bank of New York the above-specified statement in triplicate with respect to his original receipt of the securities in question together with the date on which he returned such securities to the person from whom he received them.

Securities forwarded to the Federal Reserve Bank of New York or returned to the person from whom received, in compliance with this paragraph, shall not be deemed to have been received or held in violation of this general ruling by the person forwarding or returning such securities. Such securities nevertheless shall be subject to all other provisions hereof.

(3) Duty of Persons to Whom Securities Tendered.

Any person to whom scheduled securities are offered or tendered for the purpose of effecting any transaction with respect thereto who refuses to receive or accept delivery thereof having actual knowledge that they are scheduled securities shall file with the Federal Reserve Bank of New York a statement in triplicate setting forth:

- (i) His name and address;
- (ii) A complete description of the securities;

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- (iii) The name and address of the person who offered or tendered such securities and the date thereof; and
- (iv) The circumstances under which the securities were offered or tendered, including the name and address of each person believed to claim any interest in the securities.

(4) Duty of Federal Reserve Bank of New York.

Except as otherwise instructed by the Treasury Department, the Federal Reserve Bank of New York shall hold securities which are delivered pursuant to this general ruling until the Treasury Department is satisfied as to their status under the Order. Applications for release of securities so held may be filed with the Federal Reserve Bank of New York.

The Federal Reserve Bank of New York shall act only as fiscal agent of the United States hereunder, and shall receive and hold securities delivered to it pursuant to this general ruling as such fiscal agent, subject to the further order of the Secretary of the Treasury.

(5) Definition. As used herein, the term "scheduled securities" shall include all securities appearing on the list appended hereto entitled "Scheduled Securities" and evidences thereof, including coupons appertaining thereto.

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Box 404**AD HOC BLOCKING INSTRUCTIONS TO UNITED STATES ISSUERS****DRAFT #1 — May 1, 1947**

It appears that your company is the issuer of certain securities on the attached list entitled "Scheduled Securities", which has been issued as a part of General Ruling No. 5. There being reasonable cause to believe that blocked countries designated in Executive Order No. 8389, as amended, or nationals thereof, have an interest in such scheduled securities, you are hereby advised that you are prohibited under the Order from making any payment with respect to, or transfer on your books of any interest in, any such securities of which you are the issuer without either (1) a Treasury Department license which, by its terms, specifically authorizes such transaction notwithstanding the instructions contained in this letter, or (2) a certification under General License No. 95. The instructions herein contained are also applicable to your transfer agents, paying agents, registrars, and indenture trustees, if any, and you are requested to advise them of these instructions.

Notwithstanding the foregoing, you may make payments of dividends and interest on any such security which is in registered form to, or upon the order of, the person in whose name the security is registered, provided that, if the security is registered in the name of a national of a blocked country (including countries licensed under General License No. 94), such payment may only be made pursuant to Treasury license.

The prohibitions contained in the first paragraph hereof shall not apply to detached coupons presented for payment which appertain to

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scheduled securities, unless payment thereof is refused by you. However, if payment of any such coupon is made by you, you should, within a reasonable time after such payment, tender the coupon to the presenter against repayment if he is in the United States. You are not required to take any proceedings to obtain repayment of any such coupon if repayment is refused.

When payment of any such coupon is refused by you, it should be deposited by you with the Federal Reserve Bank of New York under the provisions of General Ruling No. 5, unless it is returned to the person presenting it, provided he is in the United States, with a notice substantially in the following form attached to such coupon:

"The attached coupon appertains to a security on the list of scheduled securities issued as a part of General Ruling No. 5 of the Treasury Department, and unconditional payment thereof and of the security to which it appertains is prohibited without a Treasury Department license which, by its terms, specifically authorizes such transactions notwithstanding instructions which we have received from the Treasury Department with regard thereto, or without a certification under General License No. 95.

"The Treasury Department has directed us to advise you that you are required to deposit this coupon and the security to which it appertains, if in your possession or control, with the Federal Reserve Bank of New York in accordance with the provisions of General Ruling No. 5, unless, under the provisions

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thereof, such securities are returned to the person in the United States from whom you received them with this notice attached to the coupon and a similar notice attached to the security to which it appertains if the latter is also returned.*

If the security to which the coupon appertains is in registered form, the following paragraph should be added to the notice:

"No interest in the security to which this coupon appertains may be transferred on our books without a Treasury license or certification as hereinabove provided."

When repayment is requested of the presenter of any such coupon paid by you, the above notice, with the following paragraph added, should be attached to the coupon:

"In view of the fact that the attached coupon was collected without the requisite Treasury license or certification, it is hereby tendered for repayment of the amount paid thereon."

You should promptly give written notice to the Federal Reserve Bank of New York of the presentation of each coupon appertaining to a scheduled security with the name and address of the person presenting the same and the disposition thereof made by you in accordance with the foregoing.

When any scheduled security is presented to you for payment or transfer, it should be deposited by you with the Federal Reserve Bank of New York under the provisions of General Ruling

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No. 5, unless it is returned to the person presenting it, provided he is in the United States, with a notice substantially in the following form attached to such security:

"The attached security appears on the list of scheduled securities issued as part of General Ruling No. 5 of the Treasury Department. Payment thereof is prohibited without a Treasury Department license which, by its terms, specifically authorizes such transaction notwithstanding instructions which we have received from the Treasury Department with regard thereto, or without a certification under General License No. 95.

"The Treasury Department has directed us to advise you that you are required to deposit this security with the Federal Reserve Bank of New York in accordance with the provisions of General Ruling No. 5, unless, under the provisions thereof, it is returned to the person in the United States from whom you received it with this notice attached thereto."

If the security is in registered form, the following paragraph should be added to the notice:

"The interest in the attached security may be transferred on our books without a Treasury license or certification as hereinabove provided."

If you do not deposit with the Federal Reserve Bank of New York a scheduled security presented to you for payment or transfer, you should promptly give written notice to the Federal Reserve Bank of New York

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of the presentation of such scheduled security, together with the name and address of the person presenting the same.

Your attention is also directed to the provisions of General Baling No. 5, which require you to deposit with the Federal Reserve Bank of New York any scheduled security mailed or otherwise sent to you from a foreign country, whether or not it is presented to you for payment or transfer.

Neither the provisions of General Baling No. 5 with respect to scheduled securities nor any other restrictions imposed by the freezing regulations on the payment or transfer of scheduled securities shall be deemed to charge any person with any notice other than the obligation to comply with such regulations.